

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al,

CHAPTER 11

*Debtors*

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OBJECTION TO CURE AMOUNT OF CONTRACT  
PROPOSED TO BE ASSUMED AND ASSIGNED

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NOW INTO COURT, through undersigned counsel, comes Karl Storz Capital. (“*Karl Storz*”) who objects to the proposed cure amount of a certain lease agreement by and between Karl Storz as lessor and Progressive Acute Care Oakdale, L.L.C. (“*PAC Oakdale*”) as lessee. In support thereof, Karl Storz respectfully represents as follows:

1.

Karl Storz and PAC Oakdale entered into a lease agreement whereby PAC Oakdale leased certain endoscopy and other related equipment as more fully described therein (the “*Lease Agreement*”). A copy of the Lease Agreement is attached hereto as Exhibit “A.”

2.

PAC Oakdale has not made all payments due under the Lease Agreement. As of the date of filing of this Objection and through the proposed assumption date, PAC Oakdale owes the sum of \$41,636.51 as shown on the account ledger attached as Exhibit “B.”<sup>1</sup> Exhibit “B” hereto shows the basis for the amount claimed as due and owing.

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<sup>1</sup> This figure includes billed invoices for the September, 2016 period which are due and owing. Excluding the September, 2016 period, the amount outstanding is \$35,125.50.

3.

Exhibit "A" to the Notice of (I) Bidding Procedures; (II) Auction; (III) Sale and Assignment Hearing and (IV) Related Relief and Dates which was attached as Exhibit 2 to this Court's Order entered July 29, 2016 [P-226], designates the proposed cure for assumption and assignment as \$14,827.17.

3.

Karl Storz hereby objects to the proposed cure amount as designated by the Debtor on the basis that such proposed cure amount does not accurately reflect all amounts owed under the lease proposed to be assumed and assigned. Karl Storz further requests that such cure amount be required to be paid in full at the time of assumption and assignment.

**WHEREFORE**, Karl Storz prays that this Court fix the cure amount for any assumption and assignment of the Lease Agreement attached hereto as Exhibit "A" at the sum of \$41,636.51, that such amount must be paid in full at the time of assumption and assignment, and for any such other relief deemed just.

Respectfully Submitted,

**STEWART ROBBINS & BROWN, LLC**

By: /s/ Brandon A. Brown  
Brandon A. Brown (La. # 25592)  
620 Florida Street, Suite 100  
Baton Rouge, LA 70801  
Telephone: 225-231-9998  
Fax: 225-709-9467  
E-mail: [bbrown@stewartrobbins.com](mailto:bbrown@stewartrobbins.com)

*Counsel to Karl Storz Capital*

100-1007778

# MASTER LEASE SCHEDULE

## \$1 Purchase Option

The Master Lease Schedule No. 001 ("Lease") is by and between KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation ("Lessor") and PROGRESSIVE ACUTE CARE OAKDALE, L.L.C. ("Lessee") and incorporates the terms and conditions of that certain Master Lease Agreement dated as of JUNE 17, 2015 between Lessor and Lessee ("Master Lease"). Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the following described items of Equipment for the Lease Term and on terms and conditions set forth herein. The Lease shall become effective as against Lessor upon Lessor's execution hereof.

1. EQUIPMENT: Refer to Schedule A

Equipment Location <u>130 N. HOSPITAL DRIVE</u>	City <u>OAKDALE</u>	State <u>LA</u>	Zip <u>71463</u>	Phone <u>(318) 215-3223</u>
Billing Address <u>P.O. BOX 629</u>	City <u>OAKDALE</u>	State <u>LA</u>	Zip <u>71463</u>	Phone <u>(318) 215-3223</u>

2. LEASE TERM:

The Lease shall commence on the day that Lessee executes a Delivery and Acceptance Certificate with respect to the Equipment ("Commencement Date"). The Base Lease Term of the Lease shall be for the term indicated below and shall commence on either the first or the fifteenth day of the month following the Commencement Date, according to Lessor's standard procedures ("Base Term Commencement Date").

(a) Base Lease Term: 60 months.

3. LEASE PAYMENTS:

(a) Base Term Rent consists of:

Number of Payments	Amount	Taxes	Total
<u>60</u>	<u>\$6,511.01</u>	<u>Included</u>	<u>\$6,511.01</u>
Frequency of Base Term Rent: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other _____			

The first installment of Base Term Rent shall be due and payable on the earlier of (i) the date specified in Company's invoice therefore, or (ii) Base Term Commencement Date.

(b) The \_\_\_\_\_ ( ) year Interest Rate Swap (the "Index Rate") had a yield of \_\_\_\_\_ % as published in the Wall Street Journal ("WSJ") on \_\_\_\_\_. Lessor may adjust the Base Term Rent upward in the amount of \$ \_\_\_\_\_ per one (1) basis point of increase in the Index Rate as published in the WSJ on the Commencement Date (or, if such day is not business day in which the Index Rate is published, then the next business day in which it is published shall be used), at which point the Base Term Rent shall become fixed for the term of the Lease. If the WSJ is unavailable or does not contain the specific Index Rate for the specific day, another reputable source will be used such as Bloomberg, Reuters, etc.

4. SPECIAL PAYMENTS:

The following Special Payment(s) shall be due and payable on the date Lessee executes this Lease.

Security Deposit	(PLUS)	Advance Payment	(PLUS)	Other	(EQUALS)	Total
	+		+		=	
	+		+		=	
	+		+		=	

5. STIPULATED LOSS VALUES: (None)

6. STANDARDS FOR USE AND MAINTENANCE: (see Master Lease)

7. STANDARDS FOR RETURN CONDITION: (see Master Lease)

8. LEASE END OPTION:

Provided no Event of Default shall have occurred and remain uncured, Lessee may upon the expiration of the Lease Term exercise any one of the following options with respect to not less than all items of Equipment leased hereunder, (i) return the Equipment to Lessor, (ii) extend the Lease term at the then fair rental value ("Fair Rental Value") for an extension term the length of which shall be determined by agreement between Lessee and Lessor or (iii) purchase the Equipment for a cash price equal to \$1.00 ("Cash Price"). If Lessee elects to purchase the Equipment and upon receipt by Lessor of the Cash Price and all other sums due hereunder, Lessor shall convey title to the Equipment to Lessee free of liens and encumbrances created by Lessor on an As-Is, Where-Is basis and without warranty.

9. ADDITIONAL PROVISIONS:

The Master Lease is amended to include the following: "If Lessee is required to report the components of its payments to Lessor hereunder to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others, Lessor will upon Lessee's written request, provide Lessee with a detailed outline of the components of its payment(s) which may include, equipment, software, service and other related components. This provision shall survive the expiration of this Lease."

10. MODIFICATIONS AND WAIVERS, EXECUTION IN COUNTERPARTS:

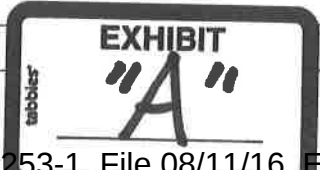
To the extent any of the terms and conditions set forth in this Lease conflict with or are inconsistent with the Master Lease, this Lease shall govern and control. No amendment, modification or waiver of this Lease will be effective unless evidenced by a written document signed by both parties. This Lease may be executed in counterparts, all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Master Lease Schedule to be executed and delivered by their duly authorized representatives as of the dates set forth below.

Lessee: PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.  
 Signature: Calvin Green Date: 7/28/15  
 Print Name: CALVIN GREEN  
 Title: CEO

Lessor: KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation  
 Signature: Hollie Ngo-Huynh Date: 11/25/15  
 Print Name: Hollie Ngo-Huynh  
 Title: Contract Specialist

FOR OFFICE USE ONLY	Lessee Number	Customer No.
	Commencement Date	Base Term Commencement Date



**ADDENDUM No. 1  
TO MASTER LEASE SCHEDULE No. 1**

The terms and conditions of this Addendum No. 1 ("Addendum") are hereby incorporated into the Master Lease Schedule No. 1 ("Schedule"), issued pursuant to the Master Lease Agreement ("Master Agreement") dated June 17, 2015, by and between KARL STORZ CAPITAL, a Program of Medical Technology Finance ("Lessor") and Progressive Acute Care Oakdale, L.L.C. ("Lessee"). Unless otherwise defined herein, capitalized terms shall have the definitions set forth in the Schedule or Master Agreement, as applicable.

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree to make the following changes to the Schedule:

1. Section 9. Add the following after the last sentence in the Section: "Lessee shall not be required to obtain, maintain or keep comprehensive public liability insurance on the Equipment listed in Schedule A."
2. It is expressly agreed by the parties that this Addendum is supplemental to the Schedule, which is by reference made a part hereof, and all the terms and conditions and provisions thereof, unless specifically modified herein, are to apply to this Addendum and are made a part of this Addendum as though they were expressly rewritten.
3. To the extent that this Addendum amends and modifies the Master Agreement, such amendments and modifications apply only to the Schedule but not to any other Master Lease Schedules issued pursuant to the Master Agreement.
4. In the event of any conflict, inconsistency or incongruity between the provisions of this Addendum and any of the provisions of the Schedule, the provisions of this Addendum shall in all respects govern and control.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on the dates set forth below.

Dated: 7/28/15

Progressive Acute Care Oakdale, L.L.C.

By: Calvin Green  
Print name: Calvin Green  
Title: CEO

Dated: 11/25/15

KARL STORZ CAPITAL, a Program of  
Medical Technology Finance Corporation

By: Hollie Ngo-Huynh  
Print name: Hollie Ngo-Huynh  
Title: Contract Specialist

# SCHEDULE A

SCHEDULE FORMING PART OF LEASE BETWEEN LESSOR, KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation

AND PROGRESSIVE ACUTE CARE OAKDALE, L.L.C., LESSEE,

DATE: 06/17/15 LEASE NUMBER: 100-10077778 (Master Lease Schedule 001)

**DESCRIPTION OF EQUIPMENT:**

Refer to KARL STORZ Quotation No. 40608362  
 Refer to MEDIVATORS Quote Number 00018364  
 Refer to STERIS Quote No. SDONAHUE804748  
 \*you will be billed for shipping and handling on your first Invoice\*

THIS SCHEDULE SHALL HERE AFTER FORM PART OF THE AFOREMENTIONED LEASE.

YOU AGREE THAT A FACSIMILE COPY OF THIS DOCUMENT WITH FACSIMILE SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

LESSEE SIGNATURE	Signature X <u>Calvin Green</u> Date <u>7/28/15</u> <small>(LEASE MUST BE SIGNED BY AUTHORIZED CORPORATE OFFICER, PARTNER OR PROPRIETOR)</small>
	Print Name <u>CALVIN GREEN</u> Title <u>CEO</u>
	Legal Name of Corporation or Partnership <u>PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.</u>
ACCEPTED BY LESSOR	Signature X <u>Hollie Ngo-Huynh</u> Date <u>11/25/15</u>
	Print Name <u>Hollie Ngo-Huynh</u> <u>Contract Specialist</u>
	Legal Name of Corporation or Partnership <u>KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation</u>

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KARL STORZ Endoscopy-America, Inc.  
2151 E. Grand Avenue  
El Segundo CA 90245

Phone: 800-421-0837 Ext: 7577  
Fax: 800-321-1304

# Quotation

**Quotation No.  
40608362**

**Ship To 306585**  
Oakdale Community Hospital  
Attn: Operating Room 701 Gyn  
130 Hospital Dr  
Oakdale LA 71463-3035

**Sold To 106307**  
Oakdale Community Hospital  
Attn: Accounts Payable Dept.  
P.O. Box 629  
Oakdale LA 71463

**Attention**  
SUZETTE FATULA

**Information**  
Quote Expires on 12/31/2015  
Document Date 12/09/2014  
Sales Rep Name Patrick L Booker  
Sales Rep Ext 6393  
Sales Rep Email Patrick.Booker@karlstorz.com  
Sales Rep Cell 318-347-8809  
Contract Name Healthtrust 2714/2835/6297  
Contract Validity 03/01/2014 to 02/28/2017  
Price Book Year 2013  
Payment Terms Full Pymt due prior to shpmnt

**Details for Quotation # 40608362** Page 1 of 9

Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
1	<p>1 FULL IMAGE ONE HD VIDEO SYSTEM WITH DELUXE CART AND SECONDARY MONITOR STAND FULL HD ENDOSCOPY CART-#7 FLEXIBLE SCOPES CCU WITH ENDOSCOPE COMPATIBILITY</p> <p>22201011U1 IMAGE 1 HIGH DEFINITION CCU W/DVI OUTPUT, NTSC * Manufacturer's Warranty - 2 years</p> <p><b>HD CAMERA HEADS</b></p>	1 EA	28,497.00	12,795.48	706.58	12,088.90	12,088.90
2	<p>TH100 IMAGE 1 SPIES H3-Z HIGH DEF CAMERA HEAD, FOR H3-LINK MODULE * Manufacturer's Warranty - 2 years</p>	2 EA	28,889.00	13,000.05	1,432.61	12,283.75	24,567.50
3	<p>495NE LIGHT CABLE, 4.8MM X 300CM (9.8') * Manufacturer's Warranty - 1 year</p>	3 EA	803.00	562.10	92.92	531.13	1,593.39
4	<p><b>IMAGE CAPTURE DEVICE</b></p> <p>20205501-140 AIDA HD CONNECT, WITH SMARTSCREEN WITH DVD * Manufacturer's Warranty - 1 year</p>	1 EA	35,686.00	16,058.70	884.83	15,173.87	15,173.87
5	<p><b>LIGHT SOURCE</b></p> <p>201331-20UO-1 SCB 300W XENON LIGHT SOURCE KIT WITH TURRET ADAPTOR F/OLYMPUS,WOLF,DYONICS The kit part number is composed of the following products:</p>	1 EA	13,821.00	6,383.95	351.76	6,032.19	6,032.19



**Quotation No. 40608362**

Details for Quotation # 40608362							Page 2 of 9
Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
6	201331-20-1 SCB 300W XENON LIGHT SOURCE * Manufacturer's Warranty - 1 year  487UO TURRET ADAPTOR F/STORZ LIGHT SOURCE TO STORZ/OLYMPUS/STRYKER/WOLF LIGHT CABLES * Manufacturer's Warranty - 1 year  <b>20132601-1</b> XENON 100 LIGHT SOURCE WITH INSUFFLATION PUMP,WATER BOTTLE F/FLEX VIDEOENDOSCOPES * Manufacturer's Warranty - 1 year  <b>INSUFFLATORS AND ACCESSORIES</b>	1 EA	22,736.00	10,231.20	563.74	9,667.46	9,667.46
7	<b>26432020-1</b> SCB 30L THERMOFLATOR UNIT * Manufacturer's Warranty - 1 year	1 EA	16,991.00	7,645.95	421.29	7,224.66	7,224.66
8	<b>20432030</b> THERMOFLATOR OPTITHERM HEATING ELEMENT * Manufacturer's Warranty - 1 year	1 EA	3,825.00	1,750.01	96.43	1,653.58	1,653.58
9	<b>20400034</b> METAL ADAPTOR TO ATTACH GENERIC TUBING TO ENDOFLATOR / THERMOFLATOR * Manufacturer's Warranty - 1 year	1 EA	187.00	135.11	7.44	127.67	127.67
10	<b>26020H-2P</b> DUAL YOKE CO2 HOSE ASSEMBLY TO CONNECT 2 CO2 E-CYLINDER TANKS TO 1 INSUFFLATOR * Manufacturer's Warranty - 1 year  <b>HD MONITORS AND SCREEN PROTECTORS</b>	1 EA	995.00	592.03	32.62	559.41	559.41
11	<b>9826NB-US</b> 26" LED MONITOR, 1920X1080 RESOLUTION, 16:9 ASPECT RATIO * Manufacturer's Warranty - 2 years	2 EA	11,559.00	4,421.32	487.23	4,177.71	8,355.42
12	<b>9826NB-US-SP</b> 26" SCREEN PROTECTOR FOR 9826NB-US * Manufacturer's Warranty - 1 year  <b>LASER PRINTER-SONY</b>	2 EA	354.00	210.63	23.21	199.03	398.06
13	<b>P-WU1271</b> SONY UPDR80MD MEDICAL GRADE PRINTER PROMOTION The kit part number is composed of the following products: <b>WU1271</b> SONY UPDR80MD MEDICAL GRADE PRINTER FOR USE W/DIGITAL USB CONNECTION DEVICES * Manufacturer's Warranty - 1 year  <b>DELUXE OR CART</b>	1 EA	4,152.00	1,500.00	82.65	1,417.35	1,417.35



**Quotation No. 40608362**

**Details for Quotation # 40608362**

Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
14	<b>9606A</b> VIDEO CART W/ARTICULATING ARM FULL DOOR, 3 SHELVES, 3.5" DRAWER <i>Cart ships separately via ground with estimated lead time of 2-3 days. Please contact sales representative for estimated shipping fee.</i> * Manufacturer's Warranty - 1 year  <b>SECONDARY MONITOR STAND W/CABLE</b>	1 EA	8,424.00	3,601.26	198.43	3,402.83	3,402.83
15	<b>9402</b> VARIABLE HEIGHT SECONDARY MONITOR STAND FOR 15",19",23",24",26" MONITORS <i>Cart ships separately via ground with estimated lead time of 2-3 days. Please contact sales representative for estimated shipping fee.</i> * Manufacturer's Warranty - 1 year	1 EA	3,337.00	1,276.40	70.33	1,206.07	1,206.07
16	<b>9503</b> SCALE OR VIDEO SCALING SYSTEM * Manufacturer's Warranty - 1 year	1 EA	4,903.00	1,875.40	103.33	1,772.07	1,772.07
17	<b>TC005</b> 3G SDI PREMIUM CABLE, 33 FT * Manufacturer's Warranty - 1 year	1 EA	286.00	200.20	11.03	189.17	189.17
18	<b>547DA</b> 10' (3M) COPPER DVI-D CABLE * Manufacturer's Warranty - 1 year  <b>LAPAROSCOPES</b>	2 EA	102.00	60.69	6.69	57.35	114.70
19	<b>R26003AA</b> HOPKINS II 0° TELESCOPE, 10MM X 31CM <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> * Manufacturer's Warranty - 3 years	3 EA	3,453.00	1,995.00	329.77	1,885.08	5,655.24
20	<b>R26003BA</b> HOPKINS II 30° TELESCOPE, 10MM X 31CM AUTOCLAVABLE <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> * Manufacturer's Warranty - 3 years	2 EA	3,453.00	1,995.00	219.85	1,885.08	3,770.16
21	<b>R26046AA</b> HOPKINS II 0° TELESCOPE, 5MM X 29CM AUTOCLAVABLE <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> * Manufacturer's Warranty - 3 years	2 EA	3,193.00	1,995.00	219.85	1,885.08	3,770.16
22	<b>R26046BA</b>	2 EA	3,193.00	1,995.00	219.85	1,885.08	3,770.16





KARL STORZ Endoscopy-America, Inc.  
2151 E. Grand Avenue  
El Segundo CA 90245

Phone: 800-421-0837 Ext: 7577  
Fax: 800-321-1304



## Quotation No. 40608362

### Details for Quotation # 40608362

Page 4 of 9

Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
23	<p>HOPKINS II 30° TELESCOPE, 5MM X 29CM AUTOCLAVABLE <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> * Manufacturer's Warranty - 3 years</p> <p><b>R26003FA</b></p> <p>HOPKINS II 45° TELESCOPE, 10MM X 31CM AUTOCLAVABLE <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> * Manufacturer's Warranty - 3 years</p> <p style="text-align: center;"><b>ENDOSCOPY CART PEDI GI SCOPE</b></p>	1 EA	3,453.00	1,995.00	109.92	1,885.08	1,885.08
24	<p><b>P-13820NKS</b></p> <p>COMP TRADE PROMO VIDEO GASTROSCOPE NTSC SILVERSCOPE, 5.9MMX110CM,WKNG CHNL 2MM <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> The kit part number is composed of the following products: 13820NKS VIDEO GASTROSCOPE SLIM SILVERSCOPE NTSC, 5.9MMX1100MM, WORKING CHANNEL 2MM * Manufacturer's Warranty - 1 year</p> <p style="text-align: center;"><b>ADULT GI SCOPES</b></p>	1 EA	45,843.00	27,460.80	1,513.09	25,947.71	25,947.71
25	<p><b>P-13821NKS</b></p> <p>COMP TRADE PROMO VIDEO GASTROSCOPE NTSC SILVERSCOPE, 9.3MMX110CM,WKNG CHNL 2.8MM <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> The kit part number is composed of the following products: 13821NKS VIDEO GASTROSCOPE SILVERSCOPE NTSC, 9.3MMX1100MM,WORKING CHANNEL 2.8MM * Manufacturer's Warranty - 1 year</p> <p style="text-align: center;"><b>COLONOSCOPES</b></p>	2 EA	42,083.00	25,338.00	2,792.25	23,941.88	47,883.76
26	<p><b>P-13925NKS</b></p> <p>COMP TRADE PROMO VIDEO COLONOSCOPE NTSC SILVERSCOPE,12.9MMX160CM,WKNG CHNL 3.8MM <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> The kit part number is composed of the following products: 13925NKS VIDEO COLONOSCOPE SILVERSCOPE NTSC,12.9MMX1600MM,WORKING CHANNEL 3.8MM * Manufacturer's Warranty - 1 year</p>	2 EA	42,432.00	25,622.00	2,823.54	24,210.23	48,420.46
27	<p><b>P-R11900BN-CORE</b></p> <p>VIDEO BRONCH TRD PROMO,5.9MMX60CM,DOV:0°</p>	1 EA	11,023.00	10,664.00	587.59	10,076.41	10,076.41



**Quotation No. 40608362**

Details for Quotation # 40608362				Page 5 of 9			
Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
	CHNL:2.3MM, DEFL:180°U/100°D,NTSC,F/CORE <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> The kit part number is composed of the following products: R11900BN VIDEO BRONCHOSCOPE, 5.9MM X 60CM, DOV:0° AOV:120°, CHNL:2.3MM, DEFL:180°U/100°D * Manufacturer's Warranty - 1 year 13242LX LEAKAGE TESTER WITH BULB AND MANOMETER FOR GI VIDEOENDOSCOPES * Manufacturer's Warranty - 1 year 13991SS CLEANING ADAPTER FOR FLEXIBLE VIDEOENDOSCOPE WORKING CHANNEL * Manufacturer's Warranty - 1 year 13991DA WORKING CHANNEL SEALING CAP FOR VIDEOENDOSCOPES, 10/PKG, REUSABLE * Manufacturer's Warranty - 1 year						
28	22200077 IMAGE1 MID-RES/HIGH-RES ADAPTOR WITH GREEN TIP, FOR CCD CHIP VIDEOSCOPIES,36" * Manufacturer's Warranty - 1 year	1 EA	2,442.00	1,709.40	94.19	1,615.21	1,615.21
29	487KVE ADAPTOR FOR KARL STORZ LIGHT SOURCES FOR USE WITH KARL STORZ VIDEO ENDOSCOPE * Manufacturer's Warranty - 1 year	2 EA	820.00	574.00	63.25	542.38	1,084.76
	<b>CYSTOSCOPE KIT</b>						
30	P-R11272CU1-09 PROMO FLEX CYSTOSCOPE, CHNL:7FR,15FR X 37CM, US DEFLECTION:140°D/210°U <i>Pricing is based on return of competitive product within 7 days of shipment of new product</i> The kit part number is composed of the following products: R11272CU1 FLEXIBLE CYSTOSCOPE, CHNL:7FR, 15FRX37CM US DEFLECTION:140°D/210°U * Manufacturer's Warranty - 1 year 495NA LIGHT CABLE, 3.5MM X 230CM (7.6') * Manufacturer's Warranty - 1 year 13242XL-K TESTER, LEAKAGE.F/FLEX.FIBER * Manufacturer's Warranty - 1 year 11275CL2/10 CLEANING BRUSH,TAPERED,Ø:3-5MM, F/FLEX SCOPES W/WKG CHNL Ø:1.8-2.8MM, 10/PK,116C * Manufacturer's Warranty - 90 days	1 EA	6,833.00	4,695.00	258.69	4,436.31	4,436.31



**Quotation No. 40608362**

Details for Quotation # 40608362							Page 6 of 9
Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
31	<p><b>ENDO-GI CART-26" LED MONITOR SET-UP</b> <b>CONTAINS MONITOR</b></p> <p><b>P-GI-VIDEO-26-ICM</b> GI VIDEO PROMO KIT W/26" WIDEVIEW SCREEN ICM CCU, LIGHT SOURCE, CART, AND ADAPTER The kit part number is composed of the following products: 9826NB-US 26" LED MONITOR, 1920X1080 RESOLUTION, 16:9 ASPECT RATIO * Manufacturer's Warranty - 2 years</p> <p>22200077 IMAGE1 MID-RES/HIGH-RES ADAPTOR WITH GREEN TIP, FOR CCD CHIP VIDEOSCOPIES,36" * Manufacturer's Warranty - 1 year</p> <p>20132601-1 XENON 100 LIGHT SOURCE WITH INSUFFLATION PUMP, WATER BOTTLE F/FLEX VIDEOENDOSCOPES * Manufacturer's Warranty - 1 year</p> <p>22201011U110 IMAGE 1 HD CCU W/ DVI OUTPUT AND IMAGE CAPTURE MODULE, NTSC * Manufacturer's Warranty - 2 years</p> <p>9805T-20 OFFICE CART, T-POST, KEYBOARD TRAY, IV POLE 1 SHELF, 5" DRAWER AND TRANSFORMER * Manufacturer's Warranty - 1 year</p> <p><b>PRINTER FOR ENDO-GI CART</b></p>	1 EA	84,833.00	22,869.00	1,260.08	21,608.92	21,608.92
32	<p><b>P-WU1271</b> SONY UPDR80MD MEDICAL GRADE PRINTER PROMOTION The kit part number is composed of the following products: WU1271 SONY UPDR80MD MEDICAL GRADE PRINTER FOR USE W/DIGITAL USB CONNECTION DEVICES * Manufacturer's Warranty - 1 year</p>	1 EA	4,152.00	1,500.00	82.65	1,417.35	1,417.35
33	<p><b>9402</b> VARIABLE HEIGHT SECONDARY MONITOR STAND FOR 15", 19", 23", 24", 26" MONITORS <i>Cart ships separately via ground with estimated lead time of 2-3 days. Please contact sales representative for estimated shipping fee.</i> * Manufacturer's Warranty - 1 year</p>	1 EA	3,337.00	1,276.40	70.33	1,206.07	1,206.07
34	<p><b>9426L-SP2</b> 26" SCREEN PROTECTOR FOR 9426L, 9426LD, 9426LF, 9426LS * Manufacturer's Warranty - 1 year</p>	1 EA	354.00	210.63	11.61	199.02	199.02
35	<p><b>9503</b> SCALE OR VIDEO SCALING SYSTEM</p>	1 EA	4,903.00	1,875.40	103.33	1,772.07	1,772.07



**Quotation No. 40608362**

Details for Quotation # 40608362							Page 7 of 9
Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
36	* Manufacturer's Warranty - 1 year TC005 3G SDI PREMIUM CABLE, 33 FT * Manufacturer's Warranty - 1 year	1 EA	286.00	200.20	11.03	189.17	189.17
37	20205501-140 AIDA HD CONNECT, WITH SMARTSCREEN WITH DVD * Manufacturer's Warranty - 1 year	1 EA	35,686.00	16,058.70	884.83	15,173.87	15,173.87
38	26432020-1 SCB 30L THERMOFLATOR UNIT * Manufacturer's Warranty - 1 year	1 EA	16,991.00	7,645.95	421.29	7,224.66	7,224.66
39	487KVE ADAPTOR FOR KARL STORZ LIGHT SOURCES FOR USE WITH KARL STORZ VIDEO ENDOSCOPE * Manufacturer's Warranty - 1 year	1 EA	820.00	574.00	31.63	542.37	542.37
40	201331-20UO-1 SCB 300W XENON LIGHT SOURCE KIT WITH TURRET ADAPTOR F/OLYMPUS,WOLF,DYONICS The kit part number is composed of the following products: 201331-20-1 SCB 300W XENON LIGHT SOURCE * Manufacturer's Warranty - 1 year 487UO TURRET ADAPTOR F/STORZ LIGHT SOURCE TO STORZ/OLYMPUS/STRYKER/WOLF LIGHT CABLES * Manufacturer's Warranty - 1 year	1 EA	13,821.00	6,383.95	351.76	6,032.19	6,032.19
41	20400034 METAL ADAPTOR TO ATTACH GENERIC TUBING TO ENDOFLATOR / THERMOFLATOR * Manufacturer's Warranty - 1 year	1 EA	187.00	135.11	7.44	127.67	127.67
42	39301CS STERRAD COMPATIBLE STERILIZATION TRAY FOR TWO TELESCOPES TO 10MM X 33CM * Manufacturer's Warranty - 1 year	10 EA	464.00	324.80	178.96	306.90	3,069.00
						List Price	668,368.00
						Sell Price	- 337,726.09
						Sell Price	330,641.91
						One-time	- 18,219.90
						Quote	312,422.08
<p><i>This is not a customary discount; there are special circumstances which justify the volume or special discount herein.</i></p>							



KARL STORZ Endoscopy-America, Inc.  
 2151 E. Grand Avenue  
 El Segundo CA 90245

Phone: 800-421-0837 Ext: 7577  
 Fax: 800-321-1304



## Quotation No. 40608362

Details for Quotation # 40608362							Page 8 of 9
Line	Material / Description	Qty	List Price	Customer Selling Price	Additional One-time Discount	Final Unit Price	Extended Price
	<p><i>I accept the terms and conditions of this quotation.</i></p> <p>Signed _____</p> <p>Name: _____</p> <p>Title: _____</p> <p>Phone: _____</p> <p>Date: _____</p> <p><b>Sales Tax:</b> Sales tax will be added to the invoice total unless we have an exemption certificate on file for the "Ship-to" entity.</p> <p><b>Freight:</b> The freight charge will be calculated during the shipment process and will be included on the invoice.</p>						



**KARL STORZ Endoscopy-America, Inc.**  
 2151 E. Grand Avenue  
 El Segundo CA 90245

**Phone: 800-421-0837 Ext: 7577**  
**Fax: 800-321-1304**

## Quotation No. 40608362

**QUOTE TOTAL: \$312,422.08**  
 (Excludes applicable freight/tax)

**FINANCING OPTIONS:**

Page 9 of 9

*KARL STORZ CAPITAL ("KSC")*, the captive finance arm of KSEA specializes in providing our customers with the basic and customized financial solutions necessary to meet their fiscal and technological requirements.

Our field based KSC Finance Managers are ready to meet with you to develop a plan specific to your needs to help you service your patients while meeting the economic challenges of today and tomorrow.

For additional information on how we can best help you acquire your KSEA equipment, please ask your KSEA Sales Executive or contact us directly at 800-421-0837 ext. 8258.

**KARL STORZ CAPITAL**  
**...PROVIDING SOLUTIONS, CREATING RELATIONSHIPS**



Quote Number 00018364  
 Revision 1  
 Created Date 6/1/2015  
 Expiration Date 7/1/2015  
 GPO Affiliation HealthTrust (Procedural)  
 Quote Stage FINAL

Account Information

Bill To 130 Hospital Drive  
 Oakdale, LA 71463  
 Contact Name LaDonna Hudson  
 Phone 318-215-3173  
 Ship To Name OAKDALE COMMUNITY HOSPITAL  
 Medivators Trade-In 0  
 Ship To OAKDALE HOSPITAL 130 HOSPITAL DRIVE  
 Competitor Trade-In 0  
 OAKDALE, LA 71463  
 Trade-In Pickup & 0  
 Dispose

Sales Consultant

Prepared By Cherie Rickard  
 E-mail crickard@medivators.com  
 Fax 2256733930

Warranty Summary

MEDIVATORS Inc. warrants that the products we manufacture conform to MEDIVATORS written specifications and will be free from defects in material and workmanship under normal use and service for the period outlined in the MEDIVATORS Limited Warranty. This warranty does not apply to claims that arise from accident, neglect, misuse, or mishandling. See Limited Warranty for further details.

Quote Detail Information

Pricing on this quote is for this purchase only. \*A separate Service Agreement purchase order is necessary for all contracts.

Quotation Details

Product Code	Product	Sales Price	Quantity	Total Price	Line Item Description
EGA-500	ENDO STRATUS Irrigation Pump (1 ea)	USD 1,500.00	2.00	USD 3,000.00	quote for 2 pumps

Totals

\*Totals do not include applicable state and local taxes or freight charges. If a freight estimate is provided, please be advised that it is subject and likely to change. Medivators is not responsible for state and local taxes or freight charges

Subtotal USD 3,000.00  
 Total Price USD 3,000.00  
 Grand Total USD 3,000.00

Special Notes (If Applicable)

Customer Acknowledgement

Customer Signature Calvin Brown  
 Date 7/28/15

STERIS®



STERIS Corporation  
5960 Heisley Road  
Mentor, OH 44060-1834 • USA  
440-354-2600  
GLN: 0724995000004

## QUOTATION

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OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319  
130 HOSPITAL DR  
OAKDALE, LA 71463, US

STERIS Quote No: SDONAHUE804748  
Revision No: 3  
Date: 02-Jun-2015  
Submitted By:  
Shawn Donahue, Account Manager

ATTN: Gary Soileau, OR Manager (Phone: 318-215-3264)

STERIS is pleased to make the following proposal for your consideration:

---

**NOTICE:** Sale of any Products or Services covered by this quotation is conditioned upon Buyer's assent to the terms contained herein (including the Terms and Conditions of Sale and /or the Installation Terms and Conditions included on the last page(s) of this quotation). Any additional or different terms proposed by Buyer are hereby objected to and will not be binding upon STERIS unless specifically assented to in writing by STERIS' authorized representative in Mentor, Ohio.

Page 1 of 13



OAKDALE COMMUNITY HOSPITAL  
 Acct:38170 GLN: 1100004869319

STERIS Quote No: SDONAHUE804748  
 Date: 02-Jun-2015  
 Revision No: 3

Item	Equipment #	Description	Quantity	Extended Discount Price
1.0000	QKC1761E GTIN: 00724995001636	SYSTEM 1E Quick Connect for Karl Storz GI SILVER SCOPE® Series Video Endoscopes	2	1,740.00
2.0000	QKC1763E GTIN: 00724995001674	SYSTEM 1E Quick Connect for Karl Storz GI Silver Scope® Video Endoscopes w/Jet.	2	1,820.00
3.0000	QKC1734E GTIN: 00724995091521	SYSTEM 1E Quick Connect for Karl Storz Video Bronchoscopes and PDD Cystoscopes <ul style="list-style-type: none"> <li>• System 1E Accessories</li> <li>• Quick Connects</li> <li>• Contract: GR HEALTHTRUST HPG-1428 STERILIZERS-SYSTEM 1E TIER 2 (BASE)</li> </ul>	2	243.60
4.0000	SHIPPING & HANDLING	CHARGES STERIS's designated carriers are extensively trained to best handle our complex equipment needs and ensure safe and timely delivery of all products. Our carrier representatives work to ensure accurate deliveries specific to your timeline as well as problem resolution should there be any delays, damages or redelivery required.	1	12.41
Currency: USD		Quote Total Excluding Taxes		3,816.01

OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319

STERIS Quote No: SDONAHUE804748  
Date: 02-Jun-2015  
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NOTE: ALL TAXES ARE EXCLUDED UNLESS OTHERWISE STATED. IF EXEMPT, PROOF OF TAX EXEMPTION MUST ACCOMPANY ALL PURCHASE ORDERS.

NOTE: Under present circumstances, this quotation may be considered firm for thirty (30) days from this date. Acceptance later is subject to confirmation. Our quotation is extended on the basis of shipment being made within twelve (12) months after receipt of purchase order or contract. For extended shipments, add ½% per month for any subsequent period beyond (12) months.

Term of Payment: Net 30 Days

Terms of Shipping: PPD/ADD

FOB: Origin

OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319

STERIS Quote No: SDONAHUE004748  
Date: 02-Jun-2015  
Revision No: 3

**DELIVERY INSTRUCTIONS**

Please complete and/or review for accuracy

Customer Purchase Order: \_\_\_\_\_

STERIS Sales Order Number: \_\_\_\_\_

Dock Days \_\_\_\_\_

Dock Hours \_\_\_\_\_

Receiving Contact for Required Precall \_\_\_\_\_

Receiving Contact Phone \_\_\_\_\_

Receiving Contact Email \_\_\_\_\_

Precall Required 

Yes	No
-----	----

Provide precall instructions (e.g. 24/48 hours prior to delivery) \_\_\_\_\_

Dock with Leveler 

Yes	No
-----	----

Standard Size Dock (48-52" High) 

Yes	No
-----	----

Accommodate 75ft x 13.5ft H Tractor Trailer (Trailer plus sleeper unit) 

Yes	No
-----	----

Appointment Required 

Yes	No
-----	----

Who will unload the cargo:

Carrier\*, Customer or Other \_\_\_\_\_

Liftgate Required\* 

Yes	No
-----	----

Inside Delivery to Department or Floor\* 

Yes	No
-----	----

Provide final delivery location (e.g. Room 204, Floor 4) \_\_\_\_\_

Who will perform the inside delivery:

Carrier\*, Customer or Other \_\_\_\_\_

\* = Additional Charges Apply

OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319

STERIS Quote No: SDONAHUE804748  
Date: 02-Jun-2015  
Revision No: 3

By:  
Shawn Donahue  
Account Manager

Accepted For:  
OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319

STERIS Corporation  
5960 Heisley Road  
Mentor, OH 44060  
Tel: 440-354-2600  
Fax: 440-639-4450

Signature: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Purchase Order: \_\_\_\_\_  
Want Date: \_\_\_\_\_  
Ship To Address: \_\_\_\_\_  
\_\_\_\_\_  
Bill To Address: \_\_\_\_\_  
\_\_\_\_\_

View order history and place orders for accessories, consumables and parts online. Visit us at <https://store.steris.com>

STERIS CORPORATION TERMS AND CONDITIONS OF SALE

NOTICE TO CUSTOMER: STERIS Corporation ("Seller") hereby certifies that the goods reflected in Seller's quotation were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the U.S. Department of Labor issued under Section 14 thereof.

I. Offer and Acceptance

- A. Customer agrees that Seller's quotation constitutes an offer for the sale (the "Offer") of products (the "Products") or services (the "Services"). Unless otherwise specified in the Offer, or some other document signed by Seller, the terms and conditions of sale set forth in this document ("Seller's Terms") apply in all Products and Services sold or provided by Seller.
- B. Customer acknowledges that any purchase order or other form of acceptance issued by Customer shall result in a contract for the purchase of the Products or Services at the price quoted in the Offer. Customer shall be deemed to have accepted any of Seller's Terms to which Customer has not specifically objected. Customer's issuance of a purchase order which purports to reject some or all of Seller's Terms by virtue of standard form language shall not be sufficient objection. Customer shall be required to set forth each objection to Seller's Terms in a separate writing signed and dated by Customer and delivered to Seller prior to or contemporaneous with Customer's purchase order or other form of acceptance. Seller's failure to object to provisions in any purchase order, or other communication from Customer (including, without limitation, penalty clauses of any kind), shall not be a waiver of Seller's Terms, nor an acceptance by Seller of any such provisions. Any terms in Customer's purchase order or any other document of acceptance which are different from or additional to Seller's Terms are hereby rejected unless specifically accepted by Seller in a separate document signed by both Customer and Seller, regardless of whether such other terms would materially alter the terms hereof. No course of dealing, custom or usage, which is contrary to Seller's Terms shall apply.
- C. Seller reserves the right to correct any typographical or clerical errors in prices, specifications, quotations, or acknowledgments.

II. Products or Services Subject to Sale

The Products (including equipment, supplies, and parts) or Services subject to this sale shall be limited to those described in the Offer. Unless explicitly included in the Offer, this quotation does not include, and Customer assumes responsibility for (A) all utility hook-ups, building code approvals, and other regulatory requirements, as applicable, and (B) removal from site of carrier, set-up, installation, and start-up. If the Customer is a government entity, Customer acknowledges that the Products are commercial items and that except as required by law, government accounting and procurement principles do not apply.

III. Financial Condition

At Seller's request, Customer will furnish sufficient information to enable Seller to assess Customer's creditworthiness, including preparation of Seller's credit application. Seller may, in its discretion, require letters of credit, full or partial payment in advance, or other forms of security.

IV. Prices, Shipment, and Delivery

- A. Prices are based on U.S. dollars and are F.O.B. point of shipment. Prices do not include freight or delivery charges or taxes (sales, excise, use, ad valorem, etc.) or any export or import duties. Those charges may be prepaid by Seller and Customer agrees to pay any such charges that are added to Customer's invoice.
- B. Seller shall select the method and carrier for delivery of all Products. Title and risk of loss or damage to the Products shall pass from Seller to Customer upon delivery to a carrier at point of shipment.
- C. Any shipment, delivery, or performance date stated in the Offer or other contract document is approximate only and does not constitute any guarantee of shipment, delivery, or performance on any particular date.
- D. Time shall not be of the essence of this agreement.

V. Payments, Title and Security Interest

- A. All payments shall be made in United States currency. All payments shall be without deductions for back-charges, other accounts between Seller and Customer, and the like, which shall be settled independently of the payment of the invoice. Payment shall not prejudice claims on account of omissions or shortages in shipment, but no such claim will be allowed unless made within 96 hours after receipt of the applicable shipment by Customer.
- B. Payment shall be due within 30 days from the date of Seller's invoice.
- C. Should Customer delay payment beyond the date it is due, interest may be charged on the unpaid balance at the rate of one and one-half percent (1-1/2%) per month or the maximum rate permitted by law, whichever is less.
- D. Notwithstanding that title and risk of loss pass to Customer upon shipment, Customer hereby grants a security interest in all Products to secure Customer's payment in full. Customer authorizes Seller at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction financing statements and amendments naming the Customer as debtor and describing the Products as collateral and to give any notices necessary to perfect such security interest or establish the priority thereof.

VI. Delays and Changes

- A. Seller shall not be liable for loss, damages, or non-performance resulting from delays in receipt of final specifications or instructions from Customer, changes in specifications, force majeure, including but not limited to strikes, labor disturbances, material shortages, non-manufacturing conditions, delays or failures of carriers or communication, epidemics, fire, flood, storms, accident, riot, acts of terrorism, war and invasion, governmental requisition or priorities, acts of God, or other causes beyond Seller's reasonable control.
- B. In such event, the delivery date shall be extended for a period equal to the time lost by reason thereof, or Seller at its option may cancel the delivery and refund any amounts paid by Customer, as Customer's sole and exclusive remedy. Seller shall undertake to notify the Customer promptly of any significant delay and will specify the revised delivery date as soon as practical. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES ARISING OUT OF A DELAY IN, CANCELLATION OF, OR FAILURE TO DELIVER OR MANUFACTURE.
- C. If shipment is delayed or extended by Customer, Customer shall arrange for and notify Seller of the place or places to which Seller shall ship the Products covered by the order for warehousing or storage at Customer's expense and all risk of loss or damage to the Products or Services shall be borne by Customer. If Customer is unwilling or unable to promptly arrange for warehousing or storage facility, Seller may do so at Customer's expense. Customer hereby agrees to pay any and all storage charges so incurred as reflected on Seller's invoice.
- D. In addition to the rights and obligations set forth in VI.C., changes to orders in excess of \$15,000 may also be subject to a change order fee. Seller may charge a change order fee of one percent (1%) or \$2,500, whichever is less, where Customer requests a change to the Product's configuration, order quantity, or delivery date and the change is requested within 30 days of the original delivery date. All change orders must be accepted and approved by Seller. Change orders shall be processed upon submission of a revised purchase order. Change orders may result in delays in shipping and/or installation.

VII. Cancellation

Cancellation or suspension of the order by Customer after acceptance by Seller may be made only on terms which will compensate Seller for loss due to the cancellation or suspension. Prior to shipment, Customer may cancel by giving written notice of

cancellation in Seller. Customer may cancel after shipment only if Products are re-storable and Customer pays restocking, shipping and handling charges as reasonably determined by Seller.

#### VIII. Warranty and Disclaimers

A. Seller warrants capital equipment to be free from defects in material and workmanship under normal use and operation for a period of one year after date of shipment to Customer. Seller's sole warranty with respect to all other Products is that such products comply with Seller's specifications for a period of 90 days from the date of shipment, unless the Product is subject to an expiration date, in which case the expiration date shall apply. Seller's warranties do not apply to damage resulting from unauthorized installation, accident, casualty, alteration, misuse, or failure to follow Seller's written instructions. No other express warranty is made with respect to the Products. If any model or sample was shown to Customer, such model or sample was used merely to illustrate the general type and quality of the Products and not to represent that the Products would necessarily conform to the model or sample in all respects. **ENTIRE WARRANTY: SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND SELLER EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. SELLER SHALL HAVE NO OTHER LIABILITY, DIRECT OR INDIRECT, OF ANY KIND, INCLUDING LIABILITY FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.**

B. Customer agrees that its sole and exclusive remedy for breach of the foregoing warranties shall be the repair or replacement and reinstallation of defective parts (with the exception of items normally considered to be expendable such as filters, fuses, gaskets, lamps, printer paper, printer ribbons, ink, lubricants, charts, etc.), or, at the Seller's option, to refund the purchase price; provided (1) the Product has not been altered or modified by other than Seller, (2) it has been properly stored, installed, maintained and operated within the limits specified by Seller, and (3) Customer promptly sends to Seller notice of defect and satisfactory proof thereof, including allowing Seller the opportunity to inspect the Products, and in the event of repair or replacement, returns the Product to Seller, freight prepaid. Defective parts replaced by Seller shall become the property of the Seller. Repaired or replacement parts will be shipped to the Customer FOB point of shipment. Product that is returned to Seller but that is found by Seller to conform to Seller's warranties shall be returned to Customer at Customer's expense and otherwise subject to the provisions of section IV above.

C. If the Product sold is not manufactured by Seller, Seller will extend to the Customer the same warranty protection Seller received from the original manufacturer.

D. Seller is not responsible for any warranty work, repairs, replacements, or other work, or charges relating thereto, that have not been authorized by Seller in writing.

E. Where applicable and purchased separately, Seller agrees to delay the start date of the warranty for up to 12 months from the date of shipment, provided Seller confirms by inspection that as of the deferred start date, the Products meet Seller's original factory specifications and do not materially differ from their factory-shipped condition.

#### IX. Patents, Trademarks, Copyrights and Software

A. Seller warrants that Products it manufactures pursuant to its design shall be delivered free of any rightful claim for infringement of any United States patent, trademark or copyright.

B. If Seller is notified promptly in writing of any claim of infringement, Seller will defend or may settle at its expense any such claim; provided, however, that Customer must cooperate with Seller in the defense of any claim. Seller shall, at its expense and option, either procure for the Customer the right to continue using any infringing Products, or replace or modify them so they become non-infringing, or remove the Products and refund the purchase price (less reasonable depreciation for any period of use). The foregoing states the entire liability of Seller for any patent, trademark, copyright, or other intellectual property infringement by Products or any part thereof.

C. The preceding representations shall not apply to any Product or part specified by Customer or manufactured to Customer's design, or to the use of any Product furnished hereunder in conjunction with any other item in a combination not furnished by Seller as a part of this transaction. As to any such item, part, or use in such combination, Seller shall have no liability whatsoever for patent, trademark, or copyright infringement and Customer will indemnify Seller and hold Seller harmless against any claims, liability, damages or expenses, including reasonable attorney fees, as a result of infringement claims arising therefrom.

#### X. Limitation of Actions

A. Any action for a breach of contract arising out of Seller's acceptance of Customer's order or arising out of Customer's acceptance of Product supplied must be commenced within one year after the cause of action has accrued.

**B. SELLER SHALL NOT BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES FOR LOSS OF USE ARISING DIRECTLY OR INDIRECTLY FROM ANY BREACH OF CONTRACT, MATERIAL OR OTHERWISE, OR FROM ANY TORTIOUS ACTS OR OMISSIONS OF ITS EMPLOYEES OR AGENTS, AND IN NO EVENT SHALL THE LIABILITY OF SELLER EXCEED THE PRICE OF THE DEFECTIVE PRODUCT OR OF THE PRODUCT SUBJECT TO LATE DELIVERY.** If Seller, without separate compensation hereunder, furnishes the Customer with advice or other assistance concerning any Product supplied hereunder or any system or equipment in which any such Product may be installed which is not required hereunder, the furnishing of such advice or assistance will not subject Seller to any liability, whether in contract, tort (including negligence and strict liability) or otherwise.

C. The rights and obligations of the Customer and Seller, and the construction and effect of any contract formed between them shall be governed by the laws of the State of Ohio.

D. If the Customer fails to fulfill the terms of payment of any invoice or if the financial or business condition or responsibility of the Customer shall become impaired or unsatisfactory to the Seller, Seller may, without

liability to Customer or prejudice to any other legal or equitable remedy, suspend performance until past due payments are made and satisfactory assurance of payment is received.

E. Any credit extended by Seller to Customer is conditional upon Seller's continued satisfaction with Customer's creditworthiness and shall not establish any right to credit with Seller. Seller reserves the right to suspend credit and demand cash in advance or on delivery for all or any part of the price or to alter payment terms based on its assessment of Customer's creditworthiness at any time, and failure of Customer to satisfy any such altered credit or payment terms shall constitute grounds for insecurity on the part of Seller.

#### XI. Operating Directions

A. Customer shall comply with and require its agents and employees to comply with all directions, safety notices, warnings, and other instructions furnished by Seller, and shall use and require its agents and employees to use reasonable care in the use of the Products.

**B. SELLER SHALL HAVE NO OBLIGATION OR LIABILITY FOR ANY FAILURE OF CUSTOMER, CUSTOMER'S EMPLOYEES OR AGENTS, OR ANY THIRD PARTY TO OBSERVE THE PROVISIONS OF THIS SECTION, OR FOR ANY INJURY OR DAMAGE CAUSED, IN WHOLE OR IN PART, BY CUSTOMER'S FAILURE TO COMPLY WITH APPLICABLE FEDERAL, STATE, OR LOCAL SAFETY REQUIREMENTS AND CUSTOMER SHALL INDEMNIFY AND HOLD SELLER HARMLESS FOR ANY CLAIMS, LIABILITIES OR LOSSES ARISING OUT OF OR IN CONNECTION WITH ANY SUCH INJURY OR DAMAGE OR CLAIM THEREOF.**

#### XII. Additional Terms for Surgical Solutions Custom Orders

Custom orders for integrated operating rooms, lights and booms, and other customized equipment for surgical and critical care shall be subject to Seller's standard Terms and Conditions of Sale and Installation, as well as the following additional terms and conditions:

A. Payment. A non-refundable deposit of thirty percent (30%) of the total purchase price of any order that includes custom equipment must be paid to Seller within 10 days of the date that Seller receives Customer's purchase order. Payment for the remainder of the purchase price must be made within 30 days of Seller's invoice date.

B. Cancellation. If a Customer chooses to cancel a purchase order for a custom order, the Customer's deposit will be forfeited.

C. Facility Preparation. A \$2,500 change order fee shall also apply if Seller's installation team arrives at a Customer facility for a scheduled installation but is unable to complete the installation because of the Customer's failure to prepare the site according to previously agreed upon specifications.

D. Return of Goods. Customer shall not be entitled to any refund or credit for custom-made parts, used parts, or parts that are missing labels or packaging. Goods may not be returned without prior approval from Seller. Customer is responsible for all freight

OAKDALE COMMUNITY HOSPITAL  
Acct:38170 GLN: 1100004869319

STERIS Quote No: SDONAHUE804748  
Date: 02-Jun-2015  
Revision No: 3

costs associated with the return of goods after shipment and may be required to pay a restocking fee.

XIII. Miscellaneous

- A. No right accruing to the Customer by virtue of the manufacturer/purchaser relationship between Seller and the Customer nor any duty of Seller resulting from that relationship shall be assignable without Seller's prior written consent.
- B. Invalidity of any provision of Seller's Terms shall not affect the validity of any other provision hereof and any invalid provision shall be, to the extent possible, modified to accomplish the same objectives in a valid way without affecting the surviving provisions.
- C. No failure by Seller to exercise any right accruing to it by virtue of the manufacturer/purchaser relationship or under any contract of sales entered into with the Customer shall operate as a waiver thereof or preclude the exercise of the same or any other right or privilege by Seller.
- D. Any notice required or contemplated hereunder shall be in writing and shall be delivered personally or sent by telex or by prepaid registered mail.
- E. There are no other Terms and Conditions applicable to the purchase and sales of Seller's Products other than those contained in the Offer (including any specifications or other documents which Seller incorporated by reference in the Offer or invoice). No modification, amendment, waiver or other change of any provision of Seller's Terms shall be binding on Seller without Seller's written consent.
- F. The rights and obligations of the Customer and Seller, and the construction and effect of any contract formed between them shall be governed by the laws of the State of Ohio.
- F. No indication on a payment remittance or otherwise that a payment of less than the full amount of any one or more invoices or other obligations will constitute payment in full thereof shall be effective, and no accord and satisfaction, credit or compromise will be effective, unless Seller expressly agrees to the same in writing.

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INSTALLATION TERMS AND CONDITIONS (where installation is purchased from Seller)

**I. General Definitions & Scope of Responsibilities**

1. The Seller's Terms attached hereto are hereby incorporated by reference herein.
2. Seller will not be responsible for service other than Seller or Seller contracted sources, unless authorized in writing by Seller.
3. All work will be performed during normal working hours: 8:00 AM to 8:00 PM, Monday thru Friday. Holidays and other hours will require additional charges.
4. Non-union labor will be used.
5. Seller will be responsible for cleanup of all packing materials, crates, crating and/or other debris of transporting/setting up the equipment, but containers/dumpsters must be provided by/at the owner's facility within proximity of work area.
6. Parts and labor required to repair damage caused by accident, abuse, natural disaster, fire or theft, misuse by operating equipment for functions/processes not originally designed or recommended, or alteration/modification of the equipment or accessories after final assembly and test by Seller shall be provided by Customer and are not covered by Seller.
7. Unless specifically included in the contract scope, STERIS will not be responsible for infection control measures.
8. Seller will connect to Customer-supplied utilities within 2 feet of the final point of connection. Utilities shall not be separated from point of equipment connection by physical barriers such as walls, ceilings, or other impediment.

**II. Customer Responsibilities-SITE PREPARATION**

1. Infection control barriers as determined necessary by facility infection control risk assessment to be designed, installed, and monitored by the Customer.
2. Remove all asbestos and/or other hazardous materials from equipment building and surrounding area, and safely dispose of same in accordance with local/state/federal codes, prior to Installation and/or Equipment Removal.
3. Obtain or incur expenses for obtaining any/all permits, approvals, licenses, certification, fees and source testing, local or otherwise, which may be required for installation or operation of the equipment being installed.
4. Prepare site to enable equipment installation according to Seller equipment drawings/technical documentation to include walls, floors, drains, ceilings, building utility connections, including steam drip-legs and pressure regulators, and any/all required structural modification to the building including superstructure above finished ceiling and/or wall backing and floor reinforcement.
5. Provide slab, wall, flooring, anchor location and/or under-structure suitable to accept seismic tie-down devices as specified in Seller equipment



drawings/technical documentation. If through-bolting or x-ray is required due to structural limitations, customer shall provide.

6. Install any/all building exhaust vents beyond manufacturer's vent termination point, as designated in Seller equipment drawings/technical documentation, and ensure total HVAC system is adequate to handle load(s) expected with new equipment.
7. Assure that all door openings, hallways and areas en route from receiving area to installation site are clear and will accept equipment without dismantling equipment or removing/modifying any door frames, ceilings, cabinets or other facility structures. Provide floor protection.
8. Provide all utilities (steam, water, compressed air, condensate return, waste-drain, electric, exhaust, telecommunications, data) according to local/state/federal codes and Seller equipment drawings/technical documentation.
9. Furnish and install all electrical disconnects and final termination to Seller's equipment as specified in Seller equipment drawings and in accordance with local/state/federal codes.
10. Furnish and install shutoff valves below ceiling within easy reach and within sight for emergency or service shutdowns as specified in Seller equipment drawings and in accordance with local/state/federal codes.
11. Provide adequate lighting in equipment service areas.
12. Provide an adequate service area around equipment as specified in Seller equipment drawings and in accordance with local/state/federal codes.

### III. Customer Responsibilities-RECEIVING

1. Provide for a loading dock with capacity for non-power tailgate delivery.
2. If vertical transport is required due to limited access to higher or lower floors via stairways, elevator limitations, etc., customer will be responsible for any/all additional charges.
3. Receive and inspect new equipment for shipping damage and store in weather-protected, secure area inside building designated for final inspection, or arrange for transportation and off-site storage, scheduling re-delivery in time for final inspection.
4. Seller will require two (2) weeks notice prior to beginning actual installation work, with clear access to final equipment location(s).
5. If removed equipment is to become Seller's property, it will be held on-site at designated location for pickup by Seller-contracted transport within a reasonable time.

### IV. Customer Responsibilities-UTILITIES

#### A. STEAM:

1. Pressure – dynamic pressure must meet specifications on Seller equipment drawings/technical documentation; must provide steam pressure regulators and

shut-off valves where/when specified.

2. Quality – provide steam traps, insulation and pipe routing necessary to supply 97% vapor-quality steam.

**B. AIR:**

1. Pressure – dynamic pressure must meet specifications on Seller equipment drawings/technical documentation; air regulators must be provided where specified.
2. Quality – provide filters/dryers necessary to supply air quality as specified on Seller equipment drawings/technical documentation.

**C. WATER:**

1. Pressure – dynamic pressure must meet specification on Seller equipment drawings/technical documentation; water pressure regulators must be provided where specified.
2. Flow Rates – piping must be properly sized to prevent water hammer; provide correctly sized pipes and water hammer arresters in order to support water flow rates and pressures as specified on Seller equipment drawings/technical documentation, and according to local/state/federal codes for back flow prevention.
3. Quality – water provided may be treated as necessary, but must meet quality specifications on Seller equipment drawings/technical documentation.

**D. EXHAUST:**

1. Provide air exhaust flow (SCFM) as specified on Seller equipment drawings/technical documentation

**E. WASTE:**

1. Provide adequate drain(s), sized to handle water/steam flow rates as specified on Seller equipment drawings/technical documentation, and traps, as required by local/state/federal codes.

**F. ELECTRIC:**

1. Provide electrical supply as specified on Seller equipment drawings/technical documentation, with locking disconnect switches, as required by local/state/federal codes.

**G. ATMOSPHERIC VENT:**

1. Provide atmospheric vent piping for pressure relief valves where required by local/state/federal codes. Provide a drip pan elbow at connection point.

**H. TELECOMMUNICATIONS:**

1. Work with STERIS Technical Support prior to dispatching a service technician
2. Allow STERIS to monitor all connected equipment from its ProConnect Response Center
3. Computer Requirements
  1. Desktop, server or virtual computer that meets the following minimum hardware/software requirements to run the ProConnect Remote Monitoring software, service agent and support software.
  2. Windows 7 or Windows Server 2008 with latest service packs The UAC notifications must be disabled
  3. 2.5 GHz Multi-core Processor
  4. 4 GB ram
  5. 10 GB Free Hard Drive Space
  6. Local admin account for STERIS assigned
  7. Connected on facility network
  8. Continuous access to Internet through ports 443
4. Network Requirements at equipment
  1. An active TCP/IP 10/100 BaseT Ethernet network drop with a RJ45 jack within 10' of each unit
  2. Static or DHCP Reserved IP address is required for each unit
  3. Ethernet patch cables to connect each unit to provided RJ45 jack
  4. If physical access to the computer running the ProConnect software is not practical, some method of remote access such as Remote Desktop should be enabled.
5. Some equipment requires 120 VAC power for an external router.

V. Environmental and Safety Issues

1. HAZARD COMMUNICATION – Customer agrees to provide Seller with information as to all hazards or hazardous materials which Seller's personnel may encounter when performing services for Customer and to familiarize Seller, its employees and contractors with Customer's Hazard Communication Program. If Customer's facility has an asbestos maintenance plan, the applicability of the plan to Seller's services must be specifically pointed out to

Seller, and a copy of the plan must be provided to Seller prior to Seller's commencement of work. Customer shall ensure the safety of the work area and of Seller's employees and agrees to defend, indemnify and hold Seller, its employees and contractors, and their insurers (the 'Indemnified Parties') harmless from any and all claims, demands, losses, liabilities, fines, penalties (including but not limited to OSHA penalties), costs (including but not limited to attorney's fees) or other liability suffered or incurred by the Indemnified Parties as a result of Customer's failure to do so.

2. UNEXPECTED OR HAZARDOUS CONDITIONS – If unforeseen conditions are discovered (such as the discovery of hazardous substances or conditions) which may increase the time or expense of performance, Seller shall be entitled to additional compensation for the effects of such unexpected conditions. If Seller and Customer cannot agree on such additional compensation, Seller may stop work without liability and Customer shall pay Seller for any services already performed, at Seller's hourly rates. If Seller encounters materials which it believes may be hazardous, Seller may suspend its services until adequate testing and analysis have been conducted to confirm whether such materials are hazardous or not. In no event shall Seller or its contractors be responsible for the removal, abatement or disposal of any hazardous materials (including but not limited to asbestos, asbestos containing materials, hazardous waste, or infectious waste).

<b>LESSEE</b>	Full Legal Name <b>PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.</b>	Phone Number <b>(318) 215-3223</b>
	Carrying on Business as (If Any)	Fax Number
	Billing Address <b>P.O. BOX 629</b>	City <b>OAKDALE</b>
		Zip <b>71463</b>
		Send Invoice to Attention of:

**TERMS AND CONDITIONS**

This MASTER LEASE AGREEMENT ("Agreement") is dated as of JUNE 17, 2015, and is by and between KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation, with offices located at 1111 Old Eagle School Road, Wayne, Pennsylvania, 19087-1453, its successors and assigns ("Lessor") and the above referenced lessee ("Lessee"). The parties hereto for good and valuable consideration and intending to be legally bound hereby agree as follows:

1. **LEASE OF SYSTEM:** This Agreement establishes the general terms and conditions under which Lessor may, from time to time, lease Systems (as hereinafter defined) to Lessee. The terms hereof shall be deemed to form a part of each Master Lease Schedule ("Lease") executed by the parties which references this Agreement. "Software," "Equipment" and "Maintenance" shall mean all items of software, equipment and maintenance set out in any Lease and shall be collectively referred to as a "System." Lessee hereby requests Lessor to purchase the System from the supplier(s) thereof (hereinafter called "Vendor and/or Manufacturer", as applicable) and to lease the System to Lessee on the terms and conditions contained herein. Each Lease shall constitute a separate lease agreement incorporating all the terms hereof. In the event of a conflict between the provisions of any Lease and the provisions hereof, the provisions of the Lease shall prevail.

The amount of the Lease Payments on each Lease ("Lease Payments") are based upon the estimated total cost of the System on the applicable Schedule. The Lease Payments shall be adjusted proportionately upward or downward if the actual total cost of the System on the applicable Lease exceeds or is less than the estimate and Lessee authorizes Lessor to adjust the Lease Payments by up to fifteen percent (15%) in that event.

2. **TERM AND RENT:** This Agreement shall become effective upon acceptance and execution by Lessor at its corporate offices, as specified above, and shall remain effective at least until the expiration of the term of the last Lease hereunder. Each Lease shall become effective upon acceptance and execution by Lessor and shall be for the term provided therein. The term of each Lease shall commence on the Commencement Date, as defined in the Lease with a Base Term Commencement Date as set forth therein and shall thereafter continue until all obligations of the Lessee under the Lease shall have been fully performed ("Lease Term"). Base Term Rent shall be due and payable as set forth in the Lease. All payments made by or on behalf of Lessee hereunder shall be non-refundable. LESSEE'S OBLIGATION TO PAY SUCH LEASE PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL AND IS NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE OR COUNTER-CLAIM FOR ANY REASON WHATSOEVER. All payments hereunder shall be made to Lessor at its address specified above (or such other place as Lessor, in writing, directs) without notice or demand therefor. If the term of a Lease is extended, "Lease Term" shall be deemed to refer to all extensions thereof. All provisions of this Agreement shall apply during any extended term except as may be otherwise specifically provided in this Agreement, in a Lease, or in any subsequent written agreement of the parties. If Lessee is required to report the components of its payments to Lessor hereunder to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others, Lessor will upon Lessee's written request, provide Lessee with a detailed outline of the components of its payment(s) which may include equipment, software and other related components.

3. **DELIVERY AND ACCEPTANCE:** Delivery and installation arrangements and costs, unless included in the cost of the System to Lessor and upon which the Lease Payments were computed, are the sole responsibility of Lessee. Lessee agrees to accept the System when delivered, installed and operating to Manufacturer's specifications and to execute the Delivery and Acceptance Certificate supplied by Lessor as evidence thereof. Lessee agrees to hold Lessor harmless from specific performance of this Agreement and from damages, if for any reason, the Vendor fails to deliver, or delays in delivery of, the System so ordered or if the System is unsatisfactory for any reason whatsoever. Lessee agrees that any delay in delivery of the System shall not affect the validity of this Agreement, any Lease or the obligation to make Lease Payments thereunder. Lessee's execution of the Delivery and Acceptance Certificate shall conclusively establish that the System covered thereby is acceptable to Lessee for all purposes of the Lease related thereto.

The Lessee agrees to provide a suitable installation environment for the System as specified in the applicable Manufacturer's manual, if any, and except as otherwise specified by Manufacturer, to furnish all labor required for unpacking and placing each item of System in the desired location. Without limiting the generality of the foregoing, the foundation or floor on which the System is to be installed, shall be in accordance with the builder's specifications, and the power for the System shall be in accordance with the builder's specifications and the local electrical code.

If Lessee has entered into any purchase, licensing or maintenance agreements with the Vendor and/or the Manufacturer ("Acquisition Agreement") covering the System or any portion thereof, Lessee transfers and assigns to Lessor all of Lessee's rights, but none of its obligations (except for Lessee's obligation to pay for the System upon Lessor's acceptance of the Lease) in and to the Acquisition Agreement, including without limitation the right to take title to the System.

If Lessee cancels or terminates a Lease prior to delivery of the System or if Lessee fails or refuses to sign the Delivery and Acceptance Certificate within a reasonable time, not to exceed five (5) business days, after the System has been delivered, installed and is operating to Manufacturer's specifications, Lessor shall have the option of treating the Lease as cancelled by Lessee and Lessee shall automatically assume all of Lessor's rights and obligations as purchaser of the System, whether under an Acquisition Agreement or otherwise.

IT IS HEREBY AGREED THAT LESSOR IS NOT RESPONSIBLE FOR THE PERFORMANCE, MAINTENANCE OR SERVICING OF THE SYSTEM AND LEASES SAME "AS-IS."

4. **SELECTION OF SYSTEM AND DISCLAIMER OF WARRANTY:** Lessee has selected both the System and the Vendor and/or Manufacturer from whom Lessor covenants to purchase the System at Lessee's request. LESSEE ACKNOWLEDGES THAT LESSOR HAS NO EXPERTISE OR SPECIAL FAMILIARITY ABOUT OR WITH RESPECT TO THE SYSTEM. LESSEE AGREES THAT THE SYSTEM LEASED HEREUNDER IS LEASED "AS-IS" AND IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE AND THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR LESSEE'S PURPOSES, AND THAT LESSOR HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF SAID SYSTEM FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT THERETO, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. LESSOR FURTHER DISCLAIMS ANY LIABILITY FOR LOSS, DAMAGE OR INJURY TO LESSEE OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE SYSTEM WHETHER ARISING FROM THE APPLICATION OF THE LAWS OF STRICT LIABILITY OR OTHERWISE. If the System is not properly installed, does not operate as represented or warranted by the Vendor and/or Manufacturer, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the Vendor and/or Manufacturer and shall, nevertheless, pay Lessor all Lease Payments under the Lease and shall not set up against Lessee's obligations any such claims as a defense, counterclaim, set-off or otherwise. So long as Lessee is not in breach or default of this Agreement or any Lease hereunder, Lessor hereby assigns to Lessee, solely for the purpose of making and prosecuting any such claim, any rights which Lessor may have against the Vendor and/or Manufacturer for breach of warranty or other representation respecting any item of the System. All proceeds of any warranty recovery by Lessee from the Vendor and/or Manufacturer of any item of the System shall first be used to repair or replace the affected item.

LESSEE ACKNOWLEDGES THAT NEITHER THE VENDOR NOR ANY SALESPERSON, EMPLOYEE, REPRESENTATIVE OR AGENT OF THE VENDOR AND/OR MANUFACTURER IS AN AGENT OR REPRESENTATIVE OF LESSOR, AND THAT NONE OF THE ABOVE IS AUTHORIZED TO WAIVE OR ALTER ANY TERM, PROVISION OR CONDITION OF THIS AGREEMENT OR ANY LEASE HEREUNDER, OR MAKE ANY REPRESENTA-

TION OR WARRANTY WITH RESPECT TO THIS AGREEMENT, ANY LEASE HEREUNDER OR THE SYSTEM LEASED HEREUNDER. Lessee further acknowledges and agrees that Lessee, in executing this Agreement and each Lease hereunder, has relied solely upon the terms, provisions and conditions contained herein and there-in, and any other statements, warranties, or representations, if any, by the Vendor and/or Manufacturer, or any salesperson, employee, representative or agent of the Vendor and/or Manufacturer, have not been relied upon, and shall not in any way affect Lessee's obligation to make the Lease Payments and otherwise perform as set forth in this Agreement and each Lease.

REGARDLESS OF CAUSE, LESSEE WILL NOT ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR FOR LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, NOR SHALL LESSOR BE RESPONSIBLE FOR ANY DAMAGES OR COSTS WHICH MAY BE ASSESSED AGAINST LESSEE IN ANY ACTION FOR INFRINGEMENT OF ANY UNITED STATES PATENTS OR COPYRIGHT. LESSOR MAKES NO WARRANTY AS TO THE TREATMENT OF THIS AGREEMENT OR ANY LEASE HEREUNDER FOR TAX OR ACCOUNTING PURPOSES.

NOTWITHSTANDING ANY PROVISION CONTAINED HEREIN TO THE CONTRARY, LESSEE DOES NOT WAIVE ANY RIGHTS OR REMEDIES IT MAY HAVE AGAINST THE VENDOR AND/OR MANUFACTURER OF THE SYSTEM.

5. **TITLE, PERSONAL PROPERTY AND LOCATION:** Except for Leases with a \$1.00 purchase option or Leases where the Lessee is required to purchase the Equipment at the end of the Lease Term ("Put Option"), the Equipment is, and shall at all times be and remain the sole and exclusive property of Lessor, and Lessee, notwithstanding any trade-in or down payment made by Lessee or on its behalf with respect to the Equipment, shall have no right, title or interest therein or thereto, except as to the use thereof subject to the terms and conditions of this Agreement and the related Lease hereunder. To the extent that the license for the Software ("License") allows title to Software to pass to Lessee, such title shall vest and remain in Lessor. To the extent such vesting requires a specific written conveyance, Lessee hereby conveys to Lessor any title it has or may hereafter acquire in the Software and relinquishes any subsequent claim of title in the Software, including any rights to purchase the Software and to retain rights to use the same beyond the Lease Term. If any provision of this paragraph requires for its effectiveness Licensor's prior written consent because the License limits transfers, encumbrance or assignment of the Software, then Lessee shall assist Lessor, if so requested, in obtaining such consent.

Lessee will not directly or indirectly create, incur, assume or suffer to exist any lien on or with respect to the System or Lessor's title thereto, except such liens as may arise through the independent acts or omissions of the Lessor. Lessee, at its own expense, will promptly pay, satisfy or otherwise take such actions as may be necessary to keep the System free and clear of any and all such liens. The System is, and at all times shall remain, personal property notwithstanding that the System or any item thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon real property or to any improvement thereof or attached in any manner to what is permanent. If requested by Lessor prior to or at any time during the Lease Term, Lessee will obtain and deliver to Lessor waivers of interest or liens in recordable form, satisfactory to Lessor, from all persons claiming any interest in the real property on which an item of the System is installed or located.

The System shall be kept at the address designated in each Lease and shall not be removed therefrom without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Lessor may require plates or markings to be affixed to or placed on the Equipment indicating the Lessor's ownership of the Equipment.

6. **USE AND MAINTENANCE:** Lessee shall use the System solely in the conduct of its business and in a careful and proper manner consistent with the requirements of all applicable insurance policies; shall only permit qualified personnel to operate the System and shall not discontinue the use of the System during the Lease Term. Lessee will not modify the System in any way without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment to or in any other item of equipment or software in such a manner that the Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment or software.

At its own expense, Lessee will cause the System to be kept, used and maintained as recommended by the Manufacturer and Manufacturer's maintenance manuals and plans by competent and duly qualified personnel only approved by the Manufacturer, in accordance with applicable governmental regulations. If any, and for business purposes only and in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use alone excepted, and will provide all maintenance and service and make all repairs or replacements reasonably necessary for such purpose. Lessee shall record in a log book all maintenance and repair performed on the System and deliver the same to Lessor from time to time as requested by Lessor and upon termination of the Lease.

If any parts or accessories forming part of the System become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, shall within a reasonable time cause such parts or accessories to be replaced by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a utility at least equal to the parts or accessories replaced. All equipment, software accessories, upgrades, parts and replacements for or which are added to or become attached to the System, which are essential to the operation of the System or which cannot be detached from the System without materially interfering with the operation of the System or adversely affecting the value and utility which the System would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in the System and subject to the terms of this Agreement and the related Lease as if originally leased hereunder. Lessee shall not make any material alterations to the System without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

Upon reasonable advance notice, Lessor shall have the right to inspect the System, log book and all other maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

In the event the Lease Payments include the cost of maintenance and/or service being provided by Vendor and/or Manufacturer, Lessee acknowledges that Lessor is not responsible for providing any required maintenance and/or service for the System. Lessee shall make all claims for service and/or maintenance solely to the Vendor and/or Manufacturer and Lessee's obligation to make all required Lease Payments shall remain unconditional.

7. **ASSIGNMENT:** LESSEE MAY NOT ASSIGN THIS AGREEMENT, ANY LEASE OR THE RIGHTS HEREUNDER, NOR SHALL THE LESSEE SUBLEASE OR LEASE THE SYSTEM OR SUBMIT IT TO BE USED BY ANYONE OTHER THAN LESSEE'S EMPLOYEES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD. Lessor may at any time assign all or part of its interest in this Agreement or any Lease and in each item of the System and monies to become due to Lessor hereunder; and Lessor may grant security interests in the System, subject to the Lessee's rights therein. In such events, all the provisions of this Agreement or any Lease hereunder for the benefit of Lessor shall inure to the benefit of and be exercised by or on behalf of such assignee, but the assignee shall not be liable for or be required to perform any of Lessor's obligations to Lessee. The Lessor may direct that all Lease Payments due and to become due under this Agreement or any Lease hereunder and assigned by Lessor shall be paid directly to assignee, upon notice of such assignment to Lessee. The right of the assignee to the payment of the assigned Lease Payments, the performance of all of Lessee's obligations and to exercise any other of Lessor's

rights hereunder shall not be subject to any defense, counterclaim or set-off which the Lessee may have or assert against the Lessor, and the Lessee hereby agrees that it will not assert any such defenses, set-offs, counterclaims and claims against the assignee. No such assignment by Lessor shall relieve Lessor of its obligations or limit or otherwise affect Lessee's rights and/or obligations hereunder.

**B. RETURN OF SYSTEM, STORAGE:** The Lessee shall, at its sole expense, surrender each item of the System then subject to any lease hereunder at the expiration or earlier termination of the Lease Term by delivering the item to the Lessor at a location accessible by common carrier and designated by the Lessor within the Continental United States or, if specified by the Lessor, into the custody of a carrier designated by the Lessor. In the case of Software, Lessee shall destroy all intangible items constituting such Software and shall deliver to Lessor all tangible items constituting such Software. At Lessor's request, Lessee shall also certify in a form acceptable to Lessor that: (i) Lessee has complied with the above Software return provisions; (ii) Lessee will not use the Software after the expiration or earlier termination of the Lease Term; and (iii) Lessee shall permit Lessor and/or the Vendor of the Software to inspect Lessee's locations to verify compliance with the terms hereof.

If the item of the System is delivered into the custody of a carrier, the Lessee shall arrange for the shipping of the item and its insurance in transit in accordance with the Lessor's instructions and at the Lessee's sole expense. The Lessee, at its sole expense, shall completely sever and disconnect the System from the Lessee's property, all without liability of the Lessor to the Lessee, or to any person claiming through or under the Lessee, for damage or loss caused by such severance and disconnection. The Lessee, at its sole expense, shall pack or crata the System or its component parts carefully and in accordance with any recommendations of the Manufacturer with respect to similar new software or equipment before surrendering the System to the Lessor. The Lessee shall deliver to the Lessor the plans, specifications, operation manuals and other warranties and documents furnished by the Manufacturer or Vendor of the System and such other documents in the Lessee's possession relating to the maintenance and methods of operation of such System.

When an item of Software or Equipment is surrendered to the Lessor it shall be in the condition and repair required to be maintained under this Agreement. It will also be free of all evidence of advertising or insignia placed on it by the Lessee and meet all legal and regulatory conditions necessary for the Lessor to sell or lease it to a third party and be free of all liens. If Lessor reasonably determines that an item of Software or Equipment, once it is returned, is not in the condition required hereby, Lessor may cause the repair, service, upgrade, modification or overhaul of the item of Software or Equipment to achieve such condition and upon demand, Lessee shall promptly reimburse Lessor for all amounts reasonably expended in connection with the foregoing.

Should Lessee not return the System at the end of the Lease Term, Lessee shall continue to make Lease Payments to Lessor in the sum equal to the last Lease Payment and at the same intervals as set out in the Lease as a month-to-month lease term (or other term as designated by Lessor) until returned by Lessee or until returned upon demand therefor by Lessor. The acceptance of said Lease Payments by Lessor shall not waive Lessor's right to have the System promptly returned to Lessor pursuant to the provisions hereof, nor shall the acceptance of said Lease Payments be deemed to be an extension of the Lease Term.

Upon written request of the Lessor, the Lessee shall provide free storage for any item of System for a period not to exceed 60 days after expiration of its Lease Term before returning it to the Lessor. The Lessee shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Lessor shall reimburse the Lessee on demand for the incremental premium cost of providing such insurance.

**9. LOSS OR DAMAGE:** Lessee hereby assumes and shall bear the entire risk of loss (including theft, requisition of use, seizure or inoperability) or destruction of or damage to the System from any and every cause whatsoever, whether or not insured, until the System is returned to Lessor. No such loss or damage shall relieve Lessee from any obligation under this Agreement or any Lease hereunder, which shall continue in full force and effect. In the event of damage to or loss or destruction of the System (or any item thereof), Lessee shall promptly notify Lessor in writing of such fact and shall, at the option of Lessor: (a) place the same in good repair, condition and working order; (b) replace the Software and/or Equipment with like Software and/or Equipment in good repair, condition and working order, acceptable to Lessor and transfer clear title to or a right to use, as appropriate, such Software and/or replacement Equipment to Lessor, whereupon such Software and/or Equipment shall be subject to the Lease and be deemed the System for purposes hereof; or (c) on the due date for the next Lease Payment or upon the expiration of the Lease, whichever first occurs, pay to Lessor: (i) the Stipulated Loss Value therefor as may be specified in the Lease plus all Lease Payments then due, or if the Lease does not provide for Stipulated Loss Values; (ii) the present value of the total of all unpaid Lease Payments for the entire Lease Term plus the estimated fair market value of the System at the end of the originally scheduled Lease Term or the agreed upon purchase option price, if any, all of which shall be discounted to the date of payment by Lessee at the lesser of (i) a per annum interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury Department) that would have a repayment term equal to the remaining Lease term, all as reasonably determined by Lessor; or (ii) 3% per annum ("Present Value Rate"), whereupon the Lease shall terminate with respect thereto. All proceeds of insurance received by Lessor as a result of such loss or damage shall, where applicable, be applied toward the replacement or repair of the System or the payment of the obligations of Lessee hereunder.

**10. INSURANCE:** Prior to the Lease Commencement Date, Lessee shall obtain, maintain and keep the System insured against all risks of loss or damage from every cause whatsoever including, without limitation, loss by fire, theft, "mysterious disappearance", collision, earthquake, flood and such other risks of loss as are customarily insured against on the type of System leased hereunder by businesses of the type in which Lessee is engaged, in an amount not less than the replacement cost or Stipulated Loss Value of the System, whichever is greater, without deductible and without co-insurance. Lessee shall maintain such insurance coverage for the entire Lease Term. Lessee shall also obtain and maintain for the entire Lease Term, comprehensive public liability insurance covering liability for bodily injury, including death, and property damage resulting from the purchase, ownership, leasing, maintenance, use, operation or return of the System with a combined single limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence. If Lessee is a doctor, hospital or other health care provider, Lessee shall furnish Lessor with evidence of sufficient professional liability insurance. All said insurance shall be in a form and an amount and with companies reasonably satisfactory to Lessor. Lessor, its successors or assigns, shall be the sole named loss payee with respect to insurance for damage to or loss of the System and shall be named as an additional insured on the public liability insurance. Lessee shall pay all premiums for such insurance and shall deliver to Lessor the original policy or policies of insurance, certificates of insurance, or other evidence satisfactory to Lessor evidencing the insurance required thereby, along with proof, satisfactory to Lessor, of the payment of the premiums for such insurance policies. All insurance shall provide for at least sixty (60) days advance written notice to Lessor before any cancellation, expiration or material modification thereof and also provide that no act or default of any person other than Lessor, its agents or those claiming under Lessor, will affect Lessor's right to recover under such policy or policies in case of loss. Lessee hereby irrevocably appoints Lessee as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy. Unless Lessee is in default, Lessee may with the prior written approval of Lessor, settle and adjust all such claims. Lessee agrees if Lessee shall fail to procure, maintain, and pay for such insurance, Lessor shall have the right, but not the obligation, to obtain such insurance on behalf of and at the expense of Lessee. In the event Lessor does obtain such insurance, Lessee agrees that Lessor has the right but not the obligation to obtain such insurance, and add an insurance fee to the amount due from Lessee on which Lessor makes a profit.

**11. WAIVER AND INDEMNITY:** Lessee assumes and agrees to indemnify, defend and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal, consulting and expert expenses (other than such as may directly and proximately result from the gross negligence or willful misconduct of Lessor, its agents or employees), arising on account of the ordering (whether by Acquisition Agreement or otherwise), acquisition, delivery, installation or rejection of the System, the possession, maintenance, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, any claim in tort for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the System, and by whomsoever used or operated, during the Lease Term with respect to that item of the System, the loss, damage, destruction, environmental impact, removal, return, surrender, sale or other disposition of the System, or any item thereof. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against. Lessee shall be entitled to control the defense thereof, so long as Lessee is not in Default hereunder; provided, however, that Lessor shall have the right to approve defense counsel selected by Lessee. The obligations contained in this paragraph continue beyond the termination of the Lease.

**12. TAX TREATMENT AND INDEMNIFICATION:** Unless otherwise provided for in a specific Lease, (a) it is acknowledged and agreed by the parties that they are entering into this Agreement and each Lease on the following income tax assumptions: (i) that Lessor and the consolidated group of which Lessor is a member (all references to Lessor in this Section include such consolidated group) will be treated for all federal income tax purposes (and to the extent allowable, for state and local tax purposes) as the owner of all Equipment leased pursuant to this Agreement and each Lease; (ii) that, for federal and state income tax purposes, each Lease will be treated as a "true lease" of the Equipment; (iii) that Lessor will be entitled to take (x) accelerated depreciation deductions under applicable state law ("Depreciation Deductions"), and (y) accelerated cost recovery deductions ("Recovery Deductions") under Section 167(a) and Section 168 (b)(1) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"); and (iv) that Lessor will have the maximum federal and state income tax rate applicable to corporations in effect as of the date of Lessor's Lease execution ("Determination Date") during each applicable Lease term (which maximum federal and state income tax rate shall remain constant during such term).

(b) The Lessee acknowledges and agrees that each Lease has been executed by Lessor based upon the following representations and warranties of Lessee: (i) at the time the Lessee accepts each item of Equipment under each Lease, each such item of Equipment shall have been placed in service within the meaning of Code Section 167 and Code Section 168, but not prior thereto, and the "original use" (as the term is used under the Code) of such item shall commence with Lessor; (ii) Lessor shall be entitled to (x) the maximum available Depreciation Deductions applicable to corporations (determined as of the Determination Date) based on the cost of each item of Equipment as specified in the applicable Lease ("Cost"), and (y) Recovery Deductions; (iii) for purposes of determining the amount of the Recovery Deductions, Lessor's basis for the Equipment will at least equal Lessor's Equipment Cost; (iv) no item of Equipment is limited use property within the meaning of Rev. Proc. 76-30; (v) for federal income tax purposes, all amounts included in the gross income of Lessor with respect to each item of Equipment will be treated as derived from or allocable to sources within the United States; and (vi) all Equipment information furnished by Lessee in writing to Lessor or Lessor's agents was accurate at the time given.

(c) If by reason of (i) the breach or inaccuracy in law or in fact of any of the representations or warranties set forth in Subsection (b) of this Section, or (2) the Lessee, an Affiliate (defined below), assignee or sublessee of Lessee or any user or person or entity in possession of any Equipment (x) committing any act, or (y) failing or omitting to take any action required under this Agreement, or any Lease or otherwise, Lessor will (i) lose the right to claim, will not have the right to claim or shall not claim as the result of its good faith determination that such claim is not properly allowable, or shall suffer a disallowance or deferral of, or shall be required to recapture all or any portion of the Recovery Deductions, and/or Depreciation Deductions as to any item of the Equipment, or (ii) suffer a decrease in Lessor's net return over the then remaining portion of the Lease Term (any such occurrence referred to hereinafter as "Loss"), then at Lessor's option either (x) the rent will, on and after the next succeeding date for the payment thereof upon notice to Lessee by Lessor that a Loss has occurred, and describing the amount as to which Lessor intends to claim indemnification and the reason for such adjustment in reasonable detail, be increased by such amount, which will cause Lessor's net return over the then remaining portion of the Lease Term (taking into account the tax effect from deferred utilization of tax basis resulting from changes in the method of calculating Recovery Deductions and Depreciation Deductions) to equal the net return that would have been available if such loss had not occurred, or (y) in lieu of a rent increase, Lessee shall pay to Lessor on such next succeeding date for the payment of rent such sum as will cause Lessor's net return over the term of the Lease in respect of the Equipment to equal to the net return that would have been available if such Loss had not occurred (all such net return computations to be as determined by Lessor). If such Loss occurs after the expiration or termination of a Lease, Lessor will notify Lessee of such Loss and Lessee will, within sixty (60) days after such notice, pay to Lessor such sum as required by the preceding clause (y). Lessee will forthwith pay on demand to Lessor an amount on an after-tax basis which will be equal to the amount of any interest and/or penalties which may be assessed by the United States or any state against Lessor as a result of the Loss.

(d) Lessee agrees that neither it nor any person controlled by it, in control of it, or under common control with it, directly or indirectly (an "Affiliate"), will at any time file any Federal, state or local income tax return in the United States that is inconsistent with the assumptions set forth in Subsection (a) of this Section or with the representations and warranties set forth in Subsection (b) of this Section or file any other document in a manner that causes a Loss. Lessee and each Affiliate will file such returns, execute such documents and take such actions as may be reasonable and necessary to facilitate accomplishment of the intent hereof. Lessee will maintain sufficient records to enable the Lessor to determine and verify its federal and state income tax liability with respect to the transactions contemplated by each Lease and to determine and verify its potential tax liability with respect to each other taxing jurisdiction. In addition, within 30 days after notice Lessee shall provide such information as Lessor may reasonably request to enable Lessor to fulfill its tax return filing obligation, to respond to requests for information, to verify information in connection with any income tax audit and to participate effectively in any tax contest.

(e) For purposes of this Section, a Loss will occur upon the earliest of (1) the happening of any event which may cause such Loss, (2) the payment by Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of Lessor to reflect such Loss. Lessor will be responsible for, and will not be entitled to a payment under this Section on account of any Loss due solely to one or more of the following events: (i) the failure of Lessor to have sufficient taxable income to benefit from the Recovery Deductions and/or Depreciation Deductions; (ii) any disposition of the Equipment by Lessor prior to an Event of Default which has occurred and is continuing under the Lease; or (iii) the failure of Lessor to timely or properly claim the Recovery Deductions and/or Depreciation Deductions on its tax returns, unless Lessor shall have previously determined, based upon a written opinion of tax counsel to Lessor, that substantial authority does not exist in favor of making such claim or such failure is due to Lessee not timely providing Lessor with information required by Subsection (d).

(f) The indemnities and assumptions of liability provided herein and all Lessor's rights and privileges herein will inure to the benefit of Lessor's successors and assigns and will continue in full force and effect notwithstanding the expiration or termination of the Lease.

**13. EVENTS OF DEFAULT:** The term "Event of Default" shall mean any one or more of the following:

(a) Lessee shall fail to make any Lease Payment, or any other payment, as it becomes due and such failure is not cured within 10 days; or

(b) Lessee shall fail to perform or observe any of the covenants set forth in Paragraph 10; or

(c) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder or in any Lease and such failure is not cured within 30 days after the date of notice thereof by Lessor to Lessee; or

(d) Lessee shall enter into any transaction of merger or consolidation in which it is not the surviving entity or sell, transfer or otherwise dispose of all or substantially all of its assets ("Assets") unless the surviving entity or the entity acquiring such Assets assumes all the duties and obligations of Lessee hereunder and which merger, consolidation, sale or transfer must be approved in writing by Lessor; or

(e) (i) Lessee or any guarantor of Lessee's obligations hereunder ("Guarantor") shall commence any action: (A) for relief under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors; or (B) seeking appointment of a receiver, custodian or other similar official for it or for its Assets or making a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Lessee any action: (A) of a nature referred to in clause (i) which results in the entry of an order for relief or any such other relief and remains undissatisfied or undischarged for a period of 30 days; or (B) seeking attachment, execution or similar process against its assets which results in the entry of an order for any such relief which shall not be vacated or discharged within 30 days from the entry thereof; or (iii) Lessee shall generally not, or be unable to, pay its debts as they come due; or

(f) Lessee or any Guarantor shall die or (if an entity) liquidate or dissolve itself or be liquidated or terminated; or

(g) Any representation or warranty made by Lessee herein or otherwise furnished Lessor in connection with this Agreement or any Lease hereunder shall prove at any time to have been untrue or misleading in any material respect; or

(h) Lessee or any Guarantor defaults on any indebtedness for borrowed money, lease, or installment sale obligation, in each case when any applicable grace period for such obligation has expired and the lender, lessor or creditor has commenced to exercise any remedy, but only if the indebtedness or other obligation is in an amount equal to or in excess of \$50,000; or

(i) Lessor shall reasonably deem itself insecure as a result of a material adverse change in Lessee's financial condition or operations; or

(j) Lessee shall default in its obligations under a License.

Lessee Initials *CPA*



**14. REMEDIES:** Upon the occurrence of any Event of Default, Lessor may declare this Agreement or any Lease hereunder to be in default and exercise any one or more of the following remedies:

(a) Declare the entire unpaid balance of Lease Payments for the unexpired term of the Lease hereunder immediately due and payable and similarly accelerate the balances due under any other Leases between Lessor and Lessee without notice or demand; (b) Sue for and recover all Lease Payments and other monies due and to become due under the Lease hereunder, plus the estimated fair market value of the System at the end of the originally scheduled Lease Term or any agreed upon Purchase Option, all of which shall be discounted to the date of default at the Present Value Rate (defined in Section 9 hereof), but only to the extent permitted by law; (c) Charge Lessee interest on all monies due to Lessor at the rate of eighteen percent (18%) per annum from the date of default until paid but in no event more than the maximum rate permitted by law; (d) Charge Lessee a returned-check or non-sufficient funds charge ("NSF Charge") to reimburse Lessor for the time and expense incurred with respect to each check that is returned for any reason including non-sufficient or uncollected funds, such NSF Charge is stipulated and liquidated at \$25.00; (e) Require Lessee to assemble all Equipment and Software at Lessee's expense, at a place reasonably designated by Lessor; (f) Remove any physical obstructions for removal of the Equipment from the place where the Equipment is located and take possession of any or all items of System, without demand or notice, wherever same may be located, disconnecting and separating all such items of the System from any other property, with or without any court order or pre-taking hearing or other process of law, it being understood that facility of repossession in the event of default is a basis for the financial accommodation reflected by this Agreement or any Lease hereunder. Lessee hereby waives any and all damages occasioned by such re-taking except such damages as may be caused by Lessor's gross negligence or willful misconduct. Lessor may, at its option, use, ship, store or repair any or all items of the System so removed and shall sell, lease or otherwise dispose of any such System at a private or public sale. Lessor may expose the System and resell or lease the System at Lessee's premises during reasonable business hours without being required to remove the System. In the event Lessor disposes of the System, Lessor shall give Lessee credit for any sums received by Lessor from the sale or lease of the System after deduction of the expenses of sale or lease. The credit for any sums to be received by Lessor from such lease during the remaining portion of the Lease Term shall be discounted to the commencement date of such lease at an annual rate equal to the implicit rate of interest of such lease. Lessee shall also be liable for and shall pay to Lessor: (i) all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies, including all expenses of repossessing, storing, shipping, repairing and selling the System; and (ii) Lessor's reasonable attorney's fees. Lessor and Lessee acknowledge the difficulty in establishing a value for the unexpired Lease Term and owing to such difficulty agree that the provisions of this paragraph represent an agreed measure of damages and are not to be deemed a forfeiture or penalty.

In the case of Software, it is acknowledged and agreed that the unauthorized use, disclosure or transfer of the Software could cause Lessor incalculable and irreparable harm. Therefore, if Lessee is found to be using (in whatever manner) any portion of the Software after the applicable Lease Term or after an Event of Default and Lessor's written demand for Lessee to return the Software or if the licensor of the Software terminates a license or Lessee's right to use the Software thereafter, then liquidated damages shall immediately be payable to Lessor in an amount equal to two (2) times the license fees paid or payable with respect to the Software being used.

Whenever any payment is not made by Lessee when due hereunder, Lessee agrees to pay to Lessor, within one month, a late charge of five percent (5%) for each delayed payment, with a minimum charge of \$10.00, but only to the extent permitted by law. Such amount shall be payable in addition to all amounts payable by Lessee as a result of the exercise of any of the remedies herein provided.

All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement or any Lease hereunder. A waiver of default shall not be a waiver of any other or subsequent default. Lessor's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

**15. LAWS, REGULATIONS AND TAXES:** Lessee shall comply with all laws, regulations and orders relating or pertaining to the System, this Agreement or any Lease hereunder and Lessee shall be responsible for, as and when due, and shall indemnify and hold Lessor harmless from and against all present and future taxes and other governmental charges, or any increases therein (including, without limitation, sales, use, leasing and stamp taxes and license and registration fees) and amounts in lieu of such taxes and charges and any penalties or interest on any of the foregoing, imposed, levied upon, in connection with, or as a result of the purchase, ownership, delivery, leasing, possession or use of the System, or based upon or measured by the Lease Payments or receipt with respect to this Agreement or any Lease hereunder. Lessee shall not, however, be obligated to pay any taxes on or measured by Lessor's net income. Lessee authorizes Lessor to add to the amount of each Lease Payment any sales, use or leasing tax that may be imposed on or measured by such Lease Payment. Lessee shall pay Lessor on demand, as additional rent, the amount of the personal property tax required to be paid by Lessor as owner of the System, plus a fee for Lessor collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities and interest thereon at the highest legal rate allowed, from the date due until fully paid. In the event Lessee does not pay all sums specified above, Lessor has the right, but not the obligation, to pay the same. If Lessor shall so pay any of the aforementioned, then the Lessee shall remit such amount with the next Lease Payment plus a fee for Lessor collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities.

The obligations contained in this Section continue beyond the termination of the Lease if the obligations occurred during the Lease Term.

**16. UCC FILINGS AND FINANCIAL STATEMENTS:** Lessee authorizes Lessor to file a financing statement with respect to the System signed only by the Lessor where permitted by the Uniform Commercial Code or other applicable law. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to execute such financing statement on Lessee's behalf and to do all acts or things which Lessor may deem necessary to protect Lessor's title and interest hereunder. Lessor and Lessee further agree that a carbon, photographic or other reproduction of this Agreement or any Lease hereunder may be filed as a financing statement and shall be sufficient as a financing statement under the Uniform Commercial Code or other applicable law. It is the intent of the parties that this is a true lease, and the filing of a financing statement under the Uniform Commercial Code or other applicable law shall not be construed as evidence that any security interest was intended to be created, but only to give public notice of Lessor's ownership of the System. For any Lease where Lessee has a \$1,000 purchase option or a Put Option or if this Agreement or any Lease hereunder is otherwise deemed at any time to be one intended as security, then Lessee grants Lessor a security interest in the System and the proceeds from the sale, lease or other disposition of all such System. Lessee agrees to pay Lessor a fee to reimburse Lessor's expenses for the preparation and filing of all such financing statements, Lessor's other documentation costs and all ongoing administration costs during the term of each Lease.

Lessee agrees to submit financial statements or tax returns if its financial statements are unaudited within 90 days from the end of its fiscal year and Lessee warrants to Lessor that all financial statements furnished and to be furnished have been and will be prepared in accordance with generally accepted accounting principles, are an accurate reflection of Lessee's financial condition and that there has been no material adverse change in the financial condition of Lessee or any guarantor of Lessee's obligations since the dates of preparation and submission of the financial statements submitted to Lessor. Lessee agrees to deliver to Lessor at any time or times hereafter such information or documents, including, without limitation, certified resolutions, financial statements and legal opinions, as Lessor may request.

**17. SECURITY DEPOSIT:** Lessor shall retain any security deposit set forth on each Lease as security for the performance by Lessee of its obligations hereunder. Any security deposit so taken shall be non-interest bearing. Lessor may, but shall not be obligated to, apply any security deposit to cure any Event of Default hereunder, in which event Lessee shall promptly restore any amount so applied. If Lessee is not in default in any of Lessee's obligations hereunder, any security deposit will be returned to Lessee at the termination of the Lease related thereto. Lessee hereby grants to Lessor a security interest in the cash comprising the security deposit from time to time together with the proceeds thereof to secure the prompt performance as and when due of all obligations of Lessee hereunder.

**18. WARRANTY OF BUSINESS PURPOSE:** Lessee hereby warrants and represents that the System will be used for business purposes, and not for personal, family or household purposes. Lessee acknowledges that Lessor has relied upon this representation in entering into this Agreement and each Lease hereunder.

**19. LESSEE REPRESENTATIONS AND WARRANTIES:** Lessee hereby represents, warrants and covenants to Lessor the following with respect to each Lease as of the date Lessee executes the Delivery and Acceptance Receipt related thereto: (a) Lessee is organized and validly existing under the laws of the

state of its organization, with adequate power and capacity to enter into the Lease, all documents related to the purchase of the System and any other documents required to be delivered in connection with the Lease or the System (hereinafter "Documents") and is duly qualified to do business wherever necessary to carry on its present business, including all states where the System is to be located; (b) the Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws; (c) no approval, consent or withholding of objections is required from any federal, state or local governmental authority or instrumentality with respect to the entry into or performance by Lessee of the Documents, except such as have already been obtained; (d) the entry into and performance by Lessee of its obligations under the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessee; or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any item of the System pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than the Lease or any purchase money security interest retained by any supplier) to which Lessee is a party; (e) there are no suits or proceedings pending or threatened in court or before any regulatory commission, board or other administrative governmental agency against or affecting Lessee, which will have a material adverse effect on the ability of Lessee to fulfill its obligations under the Lease; (f) the balance sheet and statement of income of Lessee, or of any consolidated group of which Lessee is a member, heretofore delivered to Lessor have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of Lessee or the consolidated group of companies of which Lessee is a member on and as of the date thereof and the results of its or their operations for the period or periods covered thereby. Since the date of such balance sheet and statement of income there has been no material adverse change in the financial or operating condition of Lessee or of its consolidated group.

**20. MISCELLANEOUS:** All obligations of the Lessee, if more than one, shall be joint and several. All paragraph headings are inserted for reference purposes only and shall not affect the interpretation or meaning of this Agreement or any Lease hereunder. Lessee agrees to execute or obtain and deliver to Lessor at Lessor's request such additional documents as Lessor may reasonably deem necessary to protect Lessor's interest in the System, this Agreement and any Lease.

**21. NOTICE:** Written notices to be given hereunder shall be deemed to have been given when delivered personally or deposited in the United States mails, postage prepaid, addressed to such party at its address set forth above or at such other address as such party may have subsequently provided in writing.

**22. SUPPLIER'S CONTRACT:** Lessor and Lessee agree that each Lease is a Finance Lease as that term is defined in Article 2A of the Uniform Commercial Code. Lessee acknowledges that Lessor has apprised Lessee of the identity of the System supplier. Lessor hereby notifies Lessee that Lessee may have rights pursuant to the contract with the supplier and the Lessee may contact the supplier for a description of any rights or warranties that Lessee may have under this contract.

**23. LESSEE'S WAIVERS:** Lessee hereby waives any and all rights and remedies granted Lessee by Sections 608 through 522 of Article 2A of the Uniform Commercial Code (including, by way of example only and not as a limitation, the right to repudiate any Lease and reject the System; the right to cancel any Lease; the right to revoke acceptance of the System; the right to grant a security interest in the System in Lessee's possession and control for any reason; the right to recover damages thereunder for any breach of warranty or for any other reason deduct all or any part of the claimed damages resulting from Lessor's default, if any, under any Lease; the right to accept partial delivery of the System; the right to "cover" by making any purchase or leases of or contract to purchase or lease System in substitution for those due from Lessor; the right to recover any general, special, incidental or consequential damages, for any reason whatsoever; and the right to specific performance, replevin, detinue, sequestration, claim and delivery and the like for the System. The waivers contained herein shall not constitute a waiver by Lessee of any of its rights or remedies against the Vendor and/or Manufacturer of the System.

**24. CHOICE OF LAW:** This Agreement and each Lease hereunder shall be binding and effective when accepted by Lessor at its corporate office in Wayne, Pennsylvania, shall be deemed to have been made in Wayne, Pennsylvania and, except for local filing requirements and laws relating to conflict of laws, shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. Lessee hereby consents and agrees that non-exclusive jurisdiction, personal or otherwise, over Lessee and over the System shall be with the courts of the Commonwealth of Pennsylvania or the Federal District Court for the Eastern District of Pennsylvania, solely at Lessor's option, with respect to any provision of this Agreement or any Lease hereunder. Lessee agrees that service of process in any action or proceeding may be duly effected upon Lessee by mailing such process via certified mail, return receipt requested. LESSEE ALSO AGREES TO WAIVE ITS RIGHT TO A TRIAL BY JURY.

**25. ENTIRE AGREEMENT, NON-WAIVER AND SEVERABILITY:** This Agreement and each Lease hereunder contain the entire agreement and understanding between Lessee and Lessor relating to the subject matter of each Lease. No agreements or understandings shall be binding on the parties hereto unless set forth in writing and signed by the parties. Time is of the essence in this Agreement and each Lease hereunder. No waiver by Lessor of any breach or default shall constitute a waiver of any additional or subsequent breach or default by Lessor nor shall it be a waiver of any of Lessor's rights. Any provision of this Agreement or any Lease hereunder which for any reason may be held unenforceable in any one jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement or any Lease hereunder, and any such unenforceability in any one jurisdiction shall not render such provision unenforceable in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the date first above written.

LESSEE SIGNATURE	You agree to all of the Terms and Conditions contained in this Agreement, and in any attachments to same (all of which are included by reference) and become a part of this Agreement. You acknowledge to have read and agreed to all the Terms and Conditions and understand that the Leases are non-cancelable for the full term shown therein. This Agreement shall not be binding upon Lessor or become effective unless and until Lessor executes the Agreement. The Equipment subject to this Agreement and the Leases is not for home or personal use.	
	Signature	<i>Calvin Green</i> 7/28/15
	Print Name	CALVIN GREEN
	Title	CEO
	Legal Name of Corporation or Partnership	PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.
LESSOR	Signature	<i>Hongme Ngo-Huynh</i> 7/25/15
	Print Name	Contract Specialist
	Title	
	For	KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation
	Vendor ID Number	

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# DELIVERY AND ACCEPTANCE

APPLICATION NUMBER 100-10077778

LESSEE	Full Legal Name <u>PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.</u> DBA Name (If Any) _____
	Billing Address <u>P.O. BOX 629</u> Phone Number <u>(318) 215-3223</u>
	City <u>OAKDALE</u> County _____ State <u>LA</u> Zip Code <u>71463</u>

EQUIPMENT INFORMATION	Equipment Location (if not same as above) <u>130 N. HOSPITAL DRIVE</u>																		
	City <u>OAKDALE</u> County _____ State <u>LA</u> Zip Code <u>71463</u>																		
	<table border="1"> <thead> <tr> <th>Quantity</th> <th>Model Number</th> <th>Description (Attach Schedule If Necessary)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Refer to KARL STORZ Quotation No. 40608362, MEDIVATORS Quote Number 00018364, and</td> </tr> <tr> <td></td> <td></td> <td>STERIS Quote No. SDONAHUE804748</td> </tr> <tr> <td></td> <td></td> <td>*you will be billed for shipping and handling on your first invoice*</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Quantity	Model Number	Description (Attach Schedule If Necessary)			Refer to KARL STORZ Quotation No. 40608362, MEDIVATORS Quote Number 00018364, and			STERIS Quote No. SDONAHUE804748			*you will be billed for shipping and handling on your first invoice*						
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		STERIS Quote No. SDONAHUE804748																	
		*you will be billed for shipping and handling on your first invoice*																	

On behalf of Lessee, I hereby certify that all of the equipment and software (if applicable) (such Equipment and Software being referred to collectively as the "Equipment") referred to in Master Lease Schedule No. 001 ("Lease") issued pursuant to that certain Master Lease Agreement, dated as of 06/17/15 has been delivered to and been received by Lessee, that all installation or other work necessary prior to the use thereof has been examined by the Lessee and is in good operating order and condition and is in all respects satisfactory to Lessee, and that the Equipment is accepted by the Lessee for all purposes under the Lease. Lessee represents and warrants that the Billing Address and the Equipment Location set forth above are correct.

ACCORDINGLY, I AUTHORIZE LESSOR TO PURCHASE THE EQUIPMENT.

DO NOT SIGN THIS DELIVERY AND ACCEPTANCE CERTIFICATE UNTIL YOU HAVE RECEIVED THE EQUIPMENT.

LESSEE SIGNATURE	Signature <input checked="" type="checkbox"/> <u>Calvin Green</u> Date <u>7/21/15</u> <small>(LEASE MUST BE SIGNED BY AUTHORIZED CORPORATE OFFICER, PARTNER OR PROPRIETOR)</small>
	Print Name <u>CALVIN GREEN</u> Title <u>CEO</u>
	Legal Name of Corporation <u>PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.</u>

OFFICE USE ONLY	Name of Authorized person verifying Delivery and Acceptance of Equipment _____
	Signature of Employee who made Telephone Verification X _____ Date of Telephone Verification _____

THE ABOVE SIGNATORY AFFIRMS THAT HE/SHE IS A DULY AUTHORIZED CORPORATE OFFICER OR OFFICIAL, PARTNER OR PROPRIETOR OF THE ABOVE NAMED LESSEE.

08HC00C215



**LIMITED LIABILITY COMPANY AUTHORIZATION --  
CONSENT OF MEMBERS**

The undersigned certify that each of the undersigned are members of Progressive Acute Care, LLC a Limited Liability Company ("Company"); that the following is a true authorization for each Authorized Signatory noted below in accordance with the provisions of the Operating Agreement of Company and that said authorization has not been amended or revoked, and is in full force and effect;

That individuals noted below (the "Authorized Signatory"), are each authorized and empowered (individually or jointly) in the name and on behalf of the Company to borrow from KARL STORZ CAPITAL (hereinafter referred to as "KSC"), from time to time, such sum or sums of money as in the judgment of such Authorized Signatory the Company may require, and to execute and deliver to KSC on behalf of the Company, such promissory notes, installment notes, security agreements, leases or conditional sales agreements or other agreements between the Company and KSC, and any and all guarantees issued in connection therewith, and any additional security with respect thereto (all of the foregoing are the "Lease Documents").

That the following is a true and correct specimen signature of each Authorized Signatory authorized to execute the Lease Documents on behalf of the Company:


Name	Title	Signature
<u>Billy Tingle</u>	<u>CIO</u>	x <u></u>

KSC may rely on this authorization until written notice of any modification, rescission or revocations of same, in whole or in part, has been delivered to KSC, but no such modification, rescission or revocation shall, in any event, be effective with respect to any documents executed or actions taken in reliance upon the foregoing authority prior to the delivery to KSC of such written notice of modification, rescission or revocation.

The authority given to each Authorized Signatory shall be deemed retroactive and any and all acts authorized hereunder or otherwise and performed prior to the date of this Consent of Members are hereby ratified and approved.

In witness hereof, we have set our hands this 30th day of <sup>July</sup>~~AUGUST~~, 2015

**Board of Managers,**

By:   
 Print Name: DANIEL RISSING  
 Title: CEO

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

# CROSS CORPORATE GUARANTY

<b>LESSEE</b>	Full Legal Name <b>PROGRESSIVE ACUTE CARE OAKDALE, L.L.C.</b> DBA Name (If Any) _____
	Billing Address <b>P.O. BOX 629</b> Phone Number <b>3182153223</b>
	City <b>OAKDALE</b> County _____ State <b>LA</b> Zip Code <b>71463</b>

Lessor: **KARL STORZ CAPITAL, a Program of Medical Technology Finance Corporation**

<b>EQUIPMENT INFORMATION</b>	Equipment Location (if not same as above) <b>130 N. HOSPITAL DRIVE</b> City <b>OAKDALE</b> County _____ State <b>LA</b> Zip <b>71463</b>
	Quantity _____ Model Number _____ Description (Attach Schedule II Necessary) _____
	Refer to KARL STORZ Quotation No. 40608362, MEDIVATORS Quote Number 00018364, and
	STERIS Quote No. SDONAHUE804748
*you will be billed for shipping and handling on your first invoice*	

<b>PAYMENT INFORMATION</b>	Number of Lease Payments	Lease Payment	(PLUS)	Sales Tax	(EQUALS)	Total Lease Payment
		60	6511.01	+	Included	=
			+		=	
			+		=	
Term of Lease <b>60</b> Lessee Tax No. _____ Lease Number <b>100-10077778</b>						
Payment Frequency: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Other _____						

For and in consideration of Lessor entering into the above referenced Lease, with Lessee, at the request of the undersigned Guarantor, and in reliance on this Guaranty, Guarantor, as a direct and primary obligation, absolutely and unconditionally guarantees to Lessor and any assignee of Lessor (either of whom are hereinafter called "Holder"), the prompt payment of all rent ("Lease Payments") to be paid and, any other sums which become due and owing under the Lease or any amendment to the Lease, including any adjustments made in the Lease Payments pursuant to the terms and conditions of the Lease or as agreed upon by Holder and Lessee, irrespective of any invalidity or unenforceability thereof or the security therefor.

In the event of any default by Lessee in the payment of any amounts due, at any time, or from time to time, under the Lease, Guarantor promises to pay and perform Lessee's obligations thereunder, upon demand, without requiring any proceedings to be taken against Lessee and without the necessity of enforcing any alternative remedies available under the Lease. Guarantor also agrees to pay on demand all expenses, collection charges, court costs and reasonable attorney's fees incurred by Holder in endeavoring to enforce Lessee's obligations under the Lease and/or the obligations of Guarantor hereunder.

Notice of acceptance of the Guaranty by Lessor, notice of non-performance or breach of the Lease by Lessee, and all other notices to which Guarantor might otherwise be entitled are hereby waived. The liability of Guarantor hereunder shall not be modified in any manner whatsoever by any extensions that may be granted to Lessee by any court in any proceedings under the Bankruptcy Code, or any amendment thereof, and Guarantor expressly waives the benefit of any such extension. Guarantor agrees that the Holder, without the consent of and without giving notice to Guarantor, may compound, compromise, adjust, release or discharge any claims against Lessee arising under the Lease or grant any indulgences or extension whatsoever to Lessee, without affecting Guarantor's obligations hereunder.

Guarantor's obligation hereunder shall be unconditional and unqualified, and shall continue until all of the obligations of Lessee under the Lease are fully paid, performed and terminated. The failure of the Holder to exercise any right hereunder shall not operate as a waiver of said rights, but all of Holder's right, and remedies shall be cumulative and not alternative.

Guarantor hereby irrevocably waives any and all rights to enforce any of the Holder's rights or remedies or to participate in any security now or hereafter held, and any and all such other rights of subrogation, reimbursement, contribution or indemnification against Lessee, or any other person having any manner of liability for Lessee's obligations to Holder, whether or not arising hereunder, by agreement, at law or in equity.

If at any time payment or performance of the obligations (as defined in the Lease), or a part thereof, is rescinded or reduced in an amount or must otherwise be restored or returned by the Holder in connection with any bankruptcy, reorganization, insolvency or similar proceedings involving Lessee, Guarantor or any other person responsible for providing security for the obligations, or for any other reason whatsoever, this Guaranty shall in such event continue to be effective or be reinstated as the case may be as though such payment or performance had not been made.

This Guaranty shall be binding upon the successors and assigns of Guarantor.

This Guaranty shall be governed in all respects by the laws of the Commonwealth of Pennsylvania and shall be deemed to have even made in the Commonwealth of Pennsylvania. Guarantor waives trial by jury in any litigation regarding this Guaranty. Guarantor hereby consents to personal jurisdiction of the courts of the Commonwealth of Pennsylvania and/or the Federal District Court for the Eastern District of Pennsylvania.

GUARANTOR AGREES THAT A FACSIMILE COPY OF THIS DOCUMENT WITH FACSIMILE SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

WITNESS Celina Green  
 ATTEST Theresa Clark

(CORPORATE SEAL)

<b>GUARANTOR SIGNATURE</b>	Signature X <u>Billy Tingle</u>
	Print Name <b>BILLY TINGLE</b>
	Title <b>CIO</b> Date <u>7/29/15</u>
	Address <u>PO Box 629 Oakdale, LA 71463</u>
	Phone <u>318 613 4420</u>
	Legal Name of Corporation or Partnership <b>PROGRESSIVE ACUTE CARE, LLC</b>

07HCDC0160

# BILLING INSTRUCTIONS

In order that we may serve you better, please complete the following and return along with your enclosed documents.

### Billing Address

Please include the person's name who should receive the invoice, mail stop, P.O. Box #, and complete zip code.

Oakdale Community Hospital  
Attn: Accounts Payable  
P.O. Box 629  
Oakdale, La 71463

### Purchase Order No.

Your accounts payable group may need us to reference a Purchase Order number to process Invoices.

### A/P Contact Name

Cherie Lovejoy  
For billing inquiries, it may be necessary for us to know who will be processing invoices.

### A/P Phone #

318-215-3176

### Is your company tax exempt?

Yes  No

If yes, please attach a copy of the tax exemption certificate.

### Electronic Invoicing

Would you like to have your invoices emailed to you? It can reduce delivery time by an average of 5 days. If you wish to elect this option, please provide up to three address(es) below:

Cherie.lovejoy@progressiveacute.com  
Suzette.Fatula@progressiveacute.com

Please note that you will not receive a paper invoice through the US mail once you are set up on email electronic invoicing which may take one billing cycle.

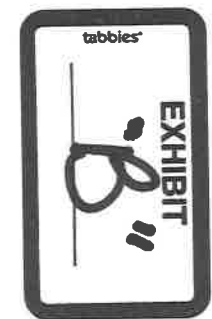
10HCDOC258

Contract Number	Transaction Type	Invoice Number	Invoice Line Name	Due Date	Original Amount	Tax Amount	Transaction Amount	Amount Received	Amount Remaining
100-10077778	RENT	48185183	PAYMENT	1-Jan-16	61.19	0	61.19	61.19	0
100-10077778	RENT	48185183	PAYMENT	1-Jan-16	6,371.99	0	6,371.99	6,371.99	0
100-10077778	RENT	48185183	PAYMENT	1-Jan-16	77.83	0	77.83	77.83	0
100-10077778	LATE FEE	48553215	LATE FEE	1-Feb-16	351.3	35.13	386.43	386.43	0
100-10077778	RENT	48553215	PAYMENT	1-Feb-16	61.19	0	61.19	61.19	0
100-10077778	RENT	48553215	PAYMENT	1-Feb-16	77.83	0	77.83	77.83	0
100-10077778	RENT	48553215	PAYMENT	1-Feb-16	6,371.99	0	6,371.99	6,371.99	0
100-10077778	RENT	48973296	PAYMENT	1-Mar-16	61.19	0	61.19		61.19
100-10077778	RENT	48973296	PAYMENT	1-Mar-16	77.83	0	77.83		77.83
100-10077778	RENT	48973296	PAYMENT	1-Mar-16	6,371.99	0	6,371.99		6,371.99
100-10077778	LATE FEE	49349947	LATE FEE	1-Apr-16	325.56	32.56	358.12	325.56	32.56
100-10077778	RENT	49349947	PAYMENT	1-Apr-16	61.19	0	61.19	61.19	0
100-10077778	RENT	49349947	PAYMENT	1-Apr-16	77.83	0	77.83	77.83	0
100-10077778	RENT	49349947	PAYMENT	1-Apr-16	6,371.99	0	6,371.99	6,371.99	0
100-10077778	LATE FEE	49671468	LATE FEE	1-May-16	325.56	35.81	361.37		361.37
100-10077778	LATE FEE	49671468	LATE FEE	1-May-16	325.56	35.81	361.37		361.37
100-10077778	RENT	49671468	PAYMENT	1-May-16	61.19	0	61.19		61.19
100-10077778	RENT	49671468	PAYMENT	1-May-16	77.83	0	77.83		77.83
100-10077778	RENT	49671468	PAYMENT	1-May-16	6,371.99	0	6,371.99		6,371.99
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	3.27	0.36	3.63		3.63
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	2.57	0.28	2.85		2.85
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	27.04	2.97	30.01		30.01
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	16.24	1.79	18.03		18.03
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	334.53	36.8	371.33		371.33
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	267.63	29.44	297.07		297.07
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	4.09	0.46	4.55		4.55
100-10077778	FINANCE CHARGE	50081294	FINANCE C	1-Jun-16	3.22	0.35	3.57		3.57
100-10077778	LATE FEE	50081294	LATE FEE	1-Jun-16	325.56	35.81	361.37		361.37
100-10077778	RENT	50081294	PAYMENT	1-Jun-16	77.83	0	77.83		77.83
100-10077778	RENT	50081294	PAYMENT	1-Jun-16	61.19	0	61.19		61.19
100-10077778	RENT	50081294	PAYMENT	1-Jun-16	6,371.99	0	6,371.99		6,371.99
100-10077778	LATE FEE	50412993	LATE FEE	1-Jul-16	325.56	35.81	361.37		361.37
100-10077778	RENT	50412993	PAYMENT	1-Jul-16	6,371.99	0	6,371.99		6,371.99
100-10077778	RENT	50412993	PAYMENT	1-Jul-16	77.83	0	77.83		77.83
100-10077778	RENT	50412993	PAYMENT	1-Jul-16	61.19	0	61.19		61.19
100-10077778	LATE FEE	50800461	LATE FEE	1-Aug-16	325.56	35.81	361.37		361.37
100-10077778	RENT	50800461	PAYMENT	1-Aug-16	6,371.99	0	6,371.99		6,371.99
100-10077778	RENT	50800461	PAYMENT	1-Aug-16	77.83	0	77.83		77.83
100-10077778	RENT	50800461	PAYMENT	1-Aug-16	61.19	0	61.19		61.19
100-10077778	RENT	51112951	PAYMENT	1-Sep-16	6,371.99	0	6,371.99		6,371.99
100-10077778	RENT	51112951	PAYMENT	1-Sep-16	77.83	0	77.83		77.83
100-10077778	RENT	51112951	PAYMENT	1-Sep-16	61.19	0	61.19		61.19

35125.5

Karl Storz Capital Total

41636.51



UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION

IN RE:

CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al,

CHAPTER 11

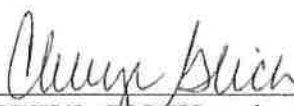
*Debtors*

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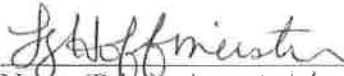
VERIFICATION

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BEFORE ME, the undersigned notary public, did personally come and appear, **CHERYL GLICK**, who after being sworn did depose and state that she is the authorized representative of Karl Storz Capital (“*Karl Storz*”), and further that she has familiarity with the lease agreement by and between Karl Storz and Progressive Acute Care Oakdale, L.L.C. (“*PAC Oakdale*”), and further that she is familiar with the account and payment history under such lease. Further Cheryl Glick did state that she has reviewed the Objection to Cure Amount of Contract Proposed to be Assumed and Assigned, and the attachments thereto, and that the information contained within the Objection and attachments thereto is true and correct to the best of her knowledge.

  
\_\_\_\_\_  
**CHERYL GLICK**, authorized representative  
Karl Storz Capital

Sworn to and subscribed  
Before me this 11<sup>th</sup> day of  
August, 2016

  
\_\_\_\_\_  
Name (Print): LISA HOFFMEISTER  
Notary Public  
My Commission Expires: July 14, 2020

