

500 L Street, Suite 500
Anchorage, Alaska 99501
Telephone: (907) 677-3600
Facsimile: (907) 677-3605
www.alaskalaw.pro

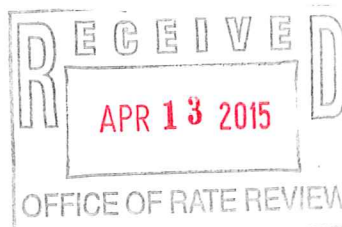
SEDOR WENDLANDT EVANS FILIPPI

Attorneys at Law

Allen F. Clendaniel
William J. Evans
William D. Falsey
Lea E. Filippi
Carolyn Y. Heyman-Layne
John M. Sedor
John C. Wendlandt

April 13, 2015

Alexandria Hicks
Certificate of Need Coordinator
Department of Health and Social Services
Health Planning and Systems Development Unit
PO Box 110601
Juneau, AK 99811-0601



Dear Ms. Hicks,

I am pleased to represent Arctic Surgery Center, LLC in the request for a determination of our project's exemption from a Certificate of Need (CON). It is our understanding that if expenditure costs do not exceed \$1,500,000, a CON is not required per AS 18.07.031. Pursuant to 7 AAC 07.031, we are requesting a determination of whether a CON is required for the proposed facility. As you will see from the information provided herein, the project proposed by Arctic Surgery Center is well under the CON cost threshold, and it is our belief that a CON will not be required.

7 AAC 07.031(b)(1) – Description of Proposed Activity

As part of this project, the landlord will be remodeling approximately 3,200 square feet within a multi-tenant building located at 1335 Gambell Street, Anchorage, Alaska. This healthcare facility will have one Class C operating room and such ancillary spaces and services as are required to meet the State of Alaska licensure requirements for an ambulatory surgery center.

The project will commence upon receipt of a determination decision from your agency, which we would expect will be received on or about May 4, 2015. After remodeling construction is completed, we will request a licensure survey by the state. It is also our intention to apply for certification of Arctic Surgery Center by the American Association for Accreditation of Ambulatory Surgery Facilities.

7 AAC 07.031(b)(2) – Estimate of Total Cost

The estimated project costs include the following costs required to be included under 7 AAC 07.010:

Net Present Value of Lease with Leasehold Improvements ¹	\$470,400.00
ASC Consultant & Valuation Consultant	\$5,000.00
ASC Architects	\$85,000.00
Equipment Purchases	<u>\$282,392.22</u>
Total	<u>\$842,792.22</u>

¹ Using traditional methods to value and depreciate the building, using the Estimated Useful Lives of Depreciable Hospital Assets, Revised 2008 Edition, the value of the building for purposes of the Certificate of Need (CON) statute is zero. However, it is our understanding that the Department no longer permits a zero value for property that has anticipated future use. We have, therefore, provided a valuation based on the proposed lease, including leasehold improvements.

Detailed, certified estimates of the above project costs are described in attached exhibits. Based on these project costs, Arctic Surgery Center is well under the \$1,500,000 threshold requiring a CON. We will continue to track costs throughout the life of the project and will contact the CON office again if the costs near or exceed \$1,500,000.

7 AAC 07.031(b)(3) – Estimated Starting and Completion Date

Construction on tenant improvements is estimated to begin at the end of June 2015. Occupancy by Arctic Surgery Center is anticipated January 2016.

If you have any questions or need any additional information to make your determination, please call me at your earliest convenience. Additionally, if there is any reason why your response may be delayed beyond May 4, 2015, please let me know so I can inform those involved with the financing and construction of this project. I appreciate your time and consideration of this request.

Sincerely,



Carolyn Y. Heyman-Layne
Sedor Wendlandt Evans & Filippi, LLC
500 L Street, Suite 500
Anchorage, AK 99501
Telephone: (907) 677-3600
Facsimile: (907) 677-3605
Email: heyman-layne@alaskalaw.pro

Exhibits:

- A—Schematic Drawing of Proposed ASC
- B—Net Present Value of ASC Lease with Leasehold Improvements
- C—Comparable Leases in the area
- D—Certified Valuation Analyst
- E—Statement on ASC Design
- F—Architect Certified Estimate of Construction Costs
- G—ASC Consultant Quote for Services
- H—Equipment Quote from McKesson Medical Supplies
- I—Quote for C-Arm
- J—Instrument Quote from McKesson Medical Supplies
- K—Surgical Microscope Quote
- L—Laser Quote
- M—Storz Video Endoscopy System Quote
- N—Stryker Drill Quote

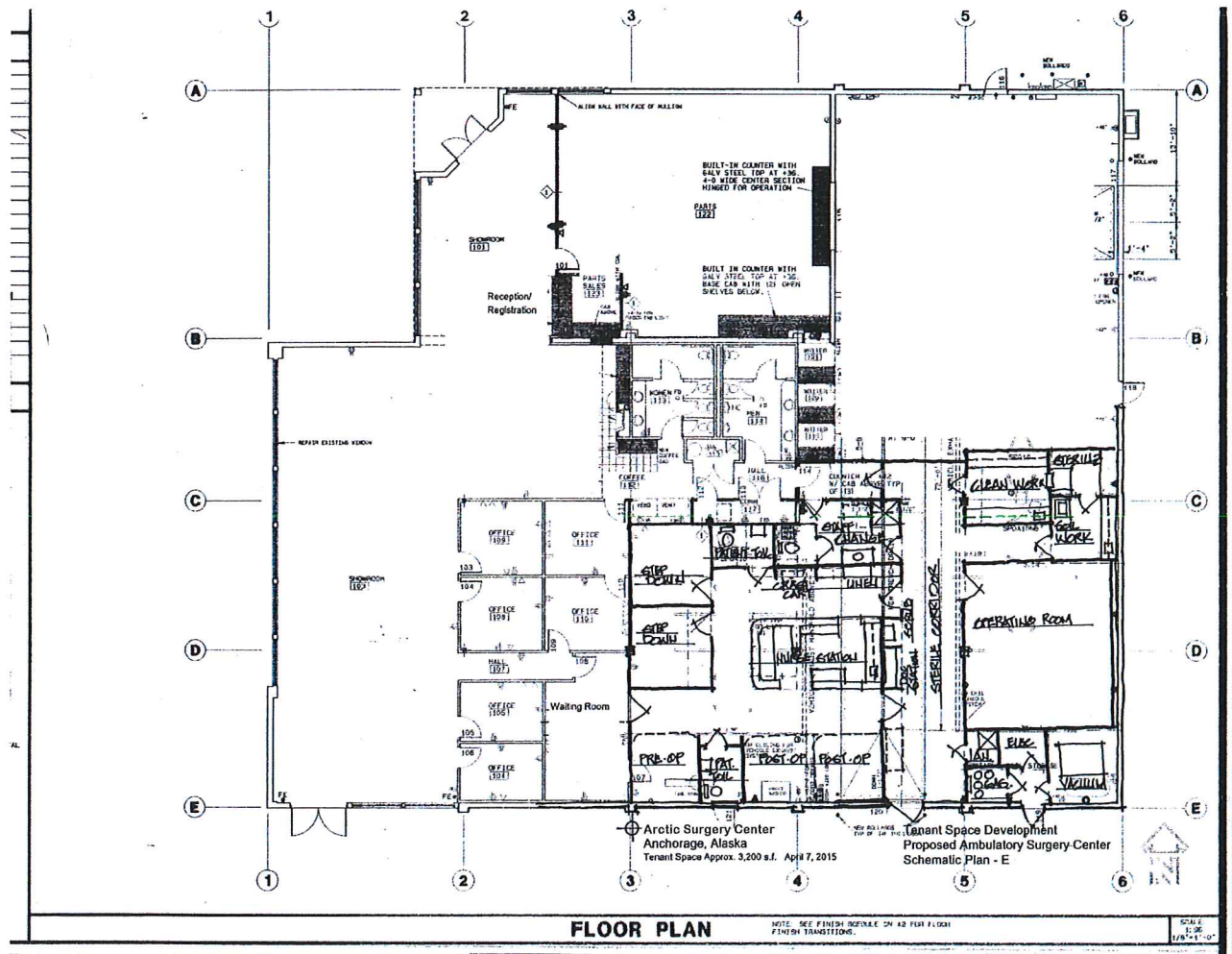
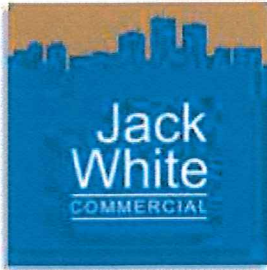


Exhibit A - Schematic



"Since 1953"

Commercial Sales
Commercial Leasing
Property Management

3801 Centerpoint Dr.
Suite 101
Anchorage, AK, 99503-3994

Marc Dunne, CCIM
Associate Broker
Cell (907) 229-5525
Direct (907) 273-7310
Fax (907) 762-1838

mwdunne@alaska.net
www.jackwhite.com

April 3, 2015

Chris McMenemy
Arctic Surgery Center
1335 Gambell Street
Anchorage, AK 99501

Dear Chris,

I have been asked to assist in assessing the costs associated with a proposed ambulatory surgery center at 1335 Gambell Street, in Anchorage. A large portion of the costs associated with this project are related to the value of the space to be used for the surgery center and the costs to upgrade the space to meet ambulatory surgery center requirements (that portion of the space is currently warehouse/garage space).

It is contemplated that the building will be purchased by Gambell Holdings, LLC and leased to Arctic Surgery Center, LLC. The building was originally built 49 years ago, in 1966. It is made of concrete block, with steel columns and a wood roof. Using traditional methods to value and depreciate the building, using the *Estimated Useful Lives of Depreciable Hospital Assets, Revised 2008 Edition*, the value of the building for purposes of the Certificate of Need (CON) statute is zero. However, it is our understanding that the CON office does not accept a zero value for leased property. Therefore, some depreciable cost must be associated with the ASC portion of the building (approximately 3,200 of the available 11,838 square feet of building space).

This opinion provides a value of the land and building based on the proposed five-year lease of the ASC portion of 1335 Gambell Street.

Cost Including Leasehold Improvements for Full Five Year Lease Term

Because the useful life of the building is zero and yet a value of zero for 7 AAC 07.010(a)(8)(A) will not be accepted, another alternative is to do a valuation based on the value of the lease pursuant to 7 AAC 01.010(a)(7). This uses the value of the square footage of the space if it were leased, using the average current market rate for similar space leased in the proposed service area or comparable space in a comparable service area. Because we have the actual lease rate available, we can use that, so long as it is within current market rates. Arctic Surgery Center, LLC will be entering into a five-year lease at \$2.45 per square foot, per month. This lease rate reflects owner costs for the property, including leasehold improvements, mortgaged over 25 years and multiplied by an annual lease rate of return of 7%. This is a commercially reasonable lease rate for newly refurbished medical use property

Exhibit B - NPV of Lease w/ Leasehold Improvements

in an economically depressed area. Over the five-year term of the lease, at 3,200 square feet, this is equal to \$470,400.00.

Comparable Lease Rates

A partial list of currently available medical office properties is included with this opinion. The only previous offer for the property was for warehouse and retail use at \$0.80 per square foot. The increased lease rate for the ASC reflects the additional leasehold improvements. Frequently, leasehold improvements are spread out over time by the landlord and included in the total cost of the lease, as was done in this lease.

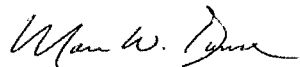
The location of this property is at the corner of Gambell Street and 13th Avenue – this is an economically depressed area that is not directly adjacent to other medical facilities. It is my opinion that the lease rate of \$2.45 for the property at 1335 Gambell Street is comparable to equivalent space in the Anchorage area.

The annual lease payment will be \$94,080 for a total value of \$470,400.

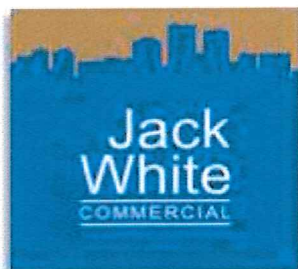
If there are any questions please do not hesitate to contact me at 907-273-7310.

Sincerely,

Jack White Commercial

A handwritten signature in black ink, appearing to read "Marc W. Dunne". The signature is fluid and cursive, with a large initial "M" and a stylized "D".

Marc Dunne, CCIM
Associate Broker



"Since 1953"

Commercial Sales
Commercial Leasing
Property Management

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Anchorage, AK, 99503-3994

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Cell (907) 229-5525
Direct (907) 273-7310
Fax (907) 762-1838

mwdunne@alaska.net
www.jackwhite.com

April 3rd, 2015

To Whom It May Concern:

Re: Medical Office Lease Comparables

The below table is comprised of closed lease comparables in the Anchorage area going back to July 2012.

Address	Type	Date	SF	Price/Rate
2401 East 42nd, Suite 103	Lease	July 2012	1,768	\$2.18 per SF, FS
4001 Lake Otis, Suite 100	Lease	February 2013	3,744	\$1.70 per SF, NNN
4050 Lake Otis, Suite 104	Lease	January 2013	697	\$3.10 per SF, FS
2110 E Northern Lights	Lease	July 2013	6,000	\$2.00 per SF, MN
3500 LaTouche, Suite 301	Lease	December 2013	1,822	\$2.50 per SF, MN
4050 Lake Otis	Lease	April 2014	1,055	\$2.20 per SF, FS
4050 Lake Otis, Suite 207	Lease	December 2014	711	\$2.25 per SF, FS
4050 Lake Otis, Suite 210	Lease	November 2014	555	\$2.20 per SF, FS
4050 Lake Otis, Suite 103	Lease	October 2014	356	\$2.20 per SF, FS
4050 Lake Otis, Suite 107	Lease	October 2014	1,190	\$2.20 per SF, FS
1840 S Bragaw, Suite 1	Lease	August 2013	8,691	\$1.33 per SF, MN
3401 E 42nd, Suite 200	Lease	August 2014	1,578	\$1.40 per SF, FS
3401 E 42nd, Suite 100	Lease	September 2013	3,135	\$1.70 per SF, MN

Sincerely,

Jack White Commercial

Marc W. Dunne, CCIM
Associate Broker

Exhibit C- Comparable leases in the Area



WINER+BEVILACQUA, INC.

CERTIFIED PUBLIC ACCOUNTANTS / CONSULTANTS

nothing less

RONALD R. WINER, CPA

FRANK P. BEVILACQUA, CPA-MBA

MICHAEL F. HOFF, CPA

April 9, 2015

Chris McMenemy
Arctic Surgery Center
1335 Gambell Street
Anchorage, AK 99501

Re: 1335 Gambell Street Anchorage

Dear Chris,

I have been asked to assist in assessing the value of a lease of space at 1335 Gambell Street, Anchorage, which would house an ambulatory surgery center. It is my understanding that the valuation of the lease is required for determining a part of the startup costs of the new ambulatory surgery center. I am accounting manager at Winer & Bevilacqua, Inc. in Akron, Ohio, a Certified Valuation Analyst and specialize in the valuation of ambulatory surgery center businesses.

The ambulatory surgery center will be located at 1335 Gambell Street in approximately 3,200 square feet of the 11,838 square feet available. This building was constructed 49 years ago in 1966 and is made of concrete block with steel columns and a wood roof. The space that will house the ambulatory surgery center is basically warehouse/garage space. If we were to use traditional methods to show the costs allocated to the ASC's space and depreciate it using the *Estimated Useful Lives of Depreciable Hospital Assets, Revised 2008 Edition* as suggested in Alaska Statute 18.07.031, the value of the space would be \$0. However, it is my understanding that a value of \$0 for space is not allowed by the Alaska Certificate of Need Office for purposes of valuation of a lease when determining whether a Certificate of Need is required.

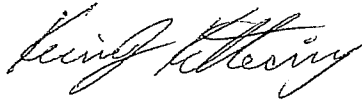
Rather than valuing the space based on the publication referred to above, I am using a valuation based on the ambulatory surgery center's plan to enter into a five-year lease with the owner of the building at 1335 Gambell Street. The owner will upfit the space in a manner suitable to house an ambulatory surgery center. The ambulatory surgery center owners will pay a lease sufficient to cover the building owner's mortgage costs of for improvements, plus an annual lease rate return of seven percent.

Before improvements to this basic warehouse/garage space, comps in the area suggest a lease rate of \$.80 per square foot. After improvements, I calculate a lease rate sufficient to cover the owner's costs, plus an annual lease rate return of seven percent, to be \$2.37 per square foot.

Exhibit D- Certified Valuation Analyst

In conclusion, I have calculated a lease rate sufficient to cover the Gambell Street building owner's costs plus a reasonable profit. The ambulatory surgery center owners will be responsible for these costs over the term of the lease.

Thank you for allowing me the opportunity to assist with this project.

A handwritten signature in cursive script, reading "Kevin Kettering".

Kevin Kettering, CPA, CVA
Winer + Bevilacqua, Inc.

The Hunter Group Architects, Inc.

2878 Piedmont Road N.E.
Atlanta, Georgia 30305
Tel: (404) 816-6537
Fax: (404) 816-2009

April 9, 2015

Chris McMenemy
Arctic Surgery Center
1335 Gambell Street
Anchorage, Alaska 99501

Dear Ms. McMenemy,

We are pleased that our firm has been retained by Arctic Surgery Center to assist in the planning and design for the proposed ambulatory surgery suite in Anchorage, Alaska. Attached is our schematic plan drawing illustrating the scope and layout for this project.

Our firm specializes in outpatient healthcare facilities, including ambulatory surgery, imaging centers, diagnostic facilities, medical offices for physician practices, and hospital-based medical buildings. Our design focus has been to provide our clients an individually crafted design solution, emphasizing a patient-centered environment and operational efficiency. Our portfolio includes over thirty licensed ambulatory surgery centers developed throughout the southeast and mid-Atlantic states, and in Hawaii.

We appreciate being a part of the Arctic Surgery design team, and believe the plan for this project will be a functional, effective, and economical center.

Sincerely,

The Hunter Group Architects, Inc.

A handwritten signature in black ink, appearing to read 'Al Weidenmuller', with a stylized flourish at the end.

Al Weidenmuller, A.I.A.
Principal

Exhibit E - Statement on ASC Design



April 9, 2015

Chris McMenemy
Arctic Surgery Center
1335 Gambell Street
Anchorage, AK 99501

Re: **Proposed Development for Ambulatory Surgery Center
1335 Gambell Street, Anchorage, Alaska**

Dear Chris,

The proposed ambulatory surgery center for Arctic Surgery is being planned as an interior tenant space development in the existing building at 1335 Gambell Street in Anchorage, Alaska. The existing building includes approximately 11,000 square feet. The proposed surgery center tenant space will include approximately 3,200 square feet. The remainder of the building will be occupied by other tenant spaces. The surgery center will include one operating room and the support spaces customarily associated with and required for ambulatory surgery.

As the anticipated Architect of Record and in association with The Hunter Group, we believe a reasonable budget for the ASC space should be from around \$250.00/s.f. to \$300.00/s.f., or a projected construction cost of \$800,000 - \$960,000.

The Hunter Group anticipates the architectural and engineering costs associated with the ASC project will be approximately \$85,000.00.

Please let us know if you have any questions. Thank you.

Sincerely,

NVISION ARCHITECTURE, INC.

A handwritten signature in blue ink, appearing to read "Bill Tatom", with a long horizontal flourish extending to the right.

Bill Tatom
Principal

BT/II

Exhibit F - Cost Est: Construction

Ortmann Healthcare Consulting Services LLC

1712 St. Julian Place
Suite 101
Columbia, SC 29204 US

ORTMANN

HEALTHCARE CONSULTING SERVICES

BILL TO
Arctic Surgery Center, LLC
1335 Gambell Street
Anchorage, AK 99501

INVOICE # 300
TERMS Net 30
DATE 04/13/2015
DUE DATE 05/13/2015

ACTIVITY	QTY	RATE	AMOUNT
CON consulting for Surgery Center project		5,000.00	5,000.00

We thank you for your business!

BALANCE DUE

\$5000.00

Phone: 803-252-7979 or Toll Free: 866-678-6266
Visit us at www.ortmannhealth.com

Exhibit 6 - Consultant Quote for Services

Mc KESSON

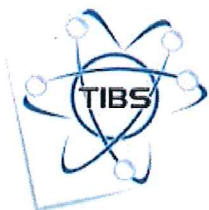
Empowering Healthcare

Price Quote

McKesson Medical-Surgical Darryl Farmer, Acct Mgr Phone: 803-892-6790 Fax: 803-892-4397			Arctic Surgery Center, LLC 1335 Gambell Street Anchorage, AK 99501 Ship To Number: 4600854		
	Order	Description	Price	Qty	Ext Price
Operating	2	Flowmeter, Oxygen 1-15 L/diamond	\$52.91	2	\$105.82
Rooms	2	Regulator, suction continuous 3 mode	\$224.25	2	\$448.50
	1	Surgical Beds	\$10,204.09	1	\$10,204.09
	1	Back Tables 48 in	\$653.00	1	\$653.00
	1	Prep Tables with drawer	\$738.91	1	\$738.91
	1	Mayo table	\$388.74	1	\$388.74
	1	Kick Buckets	\$139.44	1	\$139.44
	1	OR lights	\$10,744.30	1	\$10,744.30
	1	Cautery /cart	\$5,482.50	1	\$5,482.50
	1	Anesthesia Machine	\$16,000.00	1	\$16,000.00
	1	Anesthesia Cart	\$1,020.41	1	\$1,020.41
	1	Flat screen wall mounted	\$879.00	1	\$879.00
	1	Ceiling Hose Drop O2	\$70.75	1	\$70.75
	1	Ceiling Hose Drop Nitrous oxide	\$59.35	1	\$59.35
	1	Ceiling Hose Drop Vacuum	\$86.29	1	\$86.29
	1	Ceiling Hose Drop Air	\$75.08	1	\$75.08
	1	Ceiling Hose Drop Evacuation	\$99.06	1	\$99.06
	1	Infusion Pumps	\$786.72	2	\$1,573.44
	1	VS Monitor w/EKG, O2, Co2, Non-invasive BP	\$6,708.28	1	\$6,708.28
		Rolling stand assembly	\$460.63	1	\$460.63
		Tourniquets	\$5,504.21	1	\$5,504.21
	1	Ethicon Endo Surgery Generator/Harmonic	\$10,744.30	1	\$10,744.30
	1	Stools with back, casters High anesthesia	\$584.54	1	\$584.54
	1	IV pole	\$60.78	1	\$60.78
	1	Double bowl ring rack	\$329.58	1	\$329.58
	1	Hamper	\$111.25	1	\$111.25
Nurses	1	IV pole	\$60.78	1	\$60.78
Station	1	Glucometer	\$50.78	1	\$50.78
	1	Narc Box	\$425.08	1	\$425.08
	1	Refrigerator Locked for Meds	\$379.00	1	\$379.00
Patient	3	VS Monitor w/BP, EKG, O2	\$2,550.00	3	\$7,650.00
Bays	3	Rolling stand assembly	\$378.00	3	\$1,134.00
	3	Stretcher, IV pole, 4in mattress	\$2,970.99	3	\$8,912.97
	3	Flowmeter, Oxygen 1-15 L/diamond	\$52.91	3	\$158.73
	3	Regulator, suction continuous 3 mode	\$224.25	3	\$672.75
	2	Overbed tables	\$76.28	2	\$152.56
Nurse					
Storage	1	Wheelchair	\$227.78	1	\$227.78
Crash Cart	1	Quick Trach, Adult	\$184.59	1	\$184.59
	1	Suction, battery portable shuco	\$660.49	1	\$660.49
	1	Code cart, Low profile with back board	\$1,020.41	1	\$1,020.41
	1	Gas cylinder holder for code cart	\$59.12	1	\$59.12
	1	IV pole for code cart	\$175.68	1	\$175.68
	1	AED/Defib	\$1,546.10	1	\$1,546.10
	1	Laryngoscope Handle, standard fiberoptic	\$60.00	1	\$60.00
	1	Laryngoscope Mac 2 blade	\$57.57	1	\$57.57
	1	Laryngoscope Mac 3 blade	\$57.57	1	\$57.57
	1	Laryngoscope Mac 4 blade	\$58.67	1	\$58.67
	1	Laryngoscope Miller 2 blade	\$57.57	1	\$57.57
	1	Laryngoscope Miller 3 blade	\$58.69	1	\$58.69

Exhibit H Equip Quote

	1	Magill Forceps	\$60.35	1	\$60.35
OR					
Corridor	1	Scrub sinks	\$3,749.38	1	\$3,749.38
Equipment					
Storage	5	Lead Aprons	\$259.95	5	\$1,299.75
131	1	Apron Rack	\$223.99	1	\$223.99
Hand Wash	1	Blanket Warmer	\$2,640.00	1	\$2,640.00
Nutrition	1	Refrig - nourishment	\$189.00	1	\$189.00
	1	Ice Machine	\$3,224.00	1	\$3,224.00
	1	Linen Cart	\$497.70	1	\$497.70
Sterilization	1	20x20 Sterilizers	\$26,235.63	1	\$26,235.63
Room		Sterilizer generator (Goes with sterilizer)	\$5,045.06	1	\$5,045.06
135		Auto Flush for generator (Goes with sterilizer)	\$1,108.68	1	\$1,108.68
Decontam	1	Pass through washer/ disinfecter	\$34,660.00	1	\$34,660.00
Room		Valve auto drain	\$197.37	1	\$197.37
136		Tube pick up	\$249.81	1	\$249.81
		Sensor	\$410.85	1	\$410.85
		Cart	\$4,913.12	1	\$4,913.12
	1	Eye wash station		1	\$54.84
		Freight Charges			\$25,000.00
TOTAL					\$206,852.67



QUOTATION

The Intuitive Biomedical Solution
P.O. Box 644 Bryant, AR 72089

To:

Arctic Surgery Center
1335 Gambell St
Anchorage, AK 99501

Quote Expiration Date: 4-30-2015
Direct Inquiries To: Terrence T. Mack

Email: Terrence.mack@tibscorp.com
Phone: 866-499-3966 ext: 101
Fax: 866-499-9760

Customer Number: N/A

Part Number	Qty	Description	List Price	Net Price
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Third Party Item

N/A	1	USED OEC 9600™ Digital Mobile C-arm GSP (General Surgical Platform with 9" I.I.)	\$45,400.00	\$20,000.00
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High performance mobile C-arm for use in general surgical procedures. Provides flexible mechanical features, rotating anode x-ray tube, user-friendly touch screen user interface, and superb image quality.

The physical dimensions and the open design of the C-arm allow the system to be easily transported throughout the hospital and provide unobstructed imaging access around the patient and procedural table.

Digital Image Processing and Workstation

- Four pre-set imaging profiles for optimized anatomical capture
- Dual, high resolution CRT screen black & white monitors
- Integrated keyboard touchpad – cursor/tap controls

X-ray Generator

- 60 kHz high frequency
- 15kW power
- Up to 120kVp
- Up to 75mA for radiographic film exposure
- Continuous high level fluoro (HLF) up to 20mA
- Digital spot up to 75 mA

Exhibit I - Quote for C Arm

- Full power from standard wall outlet

Part Number	Qty	Description	List Price	Net Price
		- Patented battery buffered design		

X-ray Tube

- Rotating anode x-ray tube
- 0.3mm and 0.6mm focal spots
- Anode heat capacity: 300,000 HU (per IEC 60613)
- Anode cooling rate: 85,000 HU/min.
- Housing heat capacity: 1,600,000 HU
- Standard housing cooling 22,500 HU/min.

Digital Image Rotation

- Digitally adjusts image display
- Automatic image update
- Image rotation
- Image reversal (side-to-side)
- Image invert (top-to-bottom)
- Image positioning without additional exposure

PreView™ Collimator

- On-screen collimator position indication
- PreView™ iris collimator
- PreView™ Tungsten rotatable double leaf collimator
- Adjusts collimator without X-ray exposure

Fluoro Mode

- Kv range: 40 – 120
- mA range: 0.2 – 10
- 1.0 – 20 HLF (high level fluoro)
- Auto and manual fluoro modes
- AutoTrak™ ABS varies mA, kVp camera gain

Pulsed Fluoro Mode

- kVp range: 40 – 120
- mA range: 0.2 – 10
- Pulse rate: 1,2,4,8
- Pulse width: 25 or 50ms
- AutoTrak™ ABS, mA, kVp camera gain
- Reduces X-ray dose to patient and operator

High Level Pulsed Fluoro

- kVp range: 40 – 120
- mA range: 1 – 40
- Pulse rate: 1,2,4,8
- Pulse width: 25 or 50ms

- AutoTrak™ ABS, mA, kVp, and camera gain

Part Number	Qty	Description	List Price	Net Price
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Digital Spot Mode

- kVp range: 40 – 120
- mA range: Up to 75
- Automatic exposure termination and automatic image save

Radiographic Mode

- mA range: up to 75
- mAs range: up to 300
- Computer controlled exposure time

9" Image Intensifier

- Tri-Mode 9"/6"/4.5" (23cm/15cm/11cm) image intensifier
- Minimum central resolution (at the monitor)
- 9" (23cm): 2.2 lp/mm
- 6" (15cm): 2.5 lp/mm
- 4.5" (11cm): 3.0 lp/mm
- DQE:65% (typical)

AutoTrak™

- Automatic Brightness Stabilization (ABS)
- Automatically seeks the subject anatomy anywhere within the imaging field and selects the optimum imaging technique
- Automatically adjusts to anatomical size and location
- Provides uniform image quality throughout the entire image
- Simplifies operation

Image Quality

- Smart Window:
 - o Dynamically senses the collimator position and automatically adjusts brightness and contrast to produce high image quality.
- Smart Metal:
 - o Allow user to adjust automatic brightness and contrast sensitivity levels to metal
 - o Provides optimum image quality even when metal is introduced to the field
- Tungsten Collimator:
 - o Denser collimator limits X-ray exposure area
 - o Reduces scatter radiation

Part Number	Qty	Description	List Price	Net Price
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- o Improves image detail

Video Camera

- High resolution CCD camera

- Full frame capture
- Motorized rotation
- On-screen orientation indicator (real-time feedback without fluoro)
- Left-right image reversal
- Top-bottom image invert

Video Display

- Dual display anti-glare, CRT monitors mounted.
- Maximum brightness
- High resolution monitors
 - o Reference quality real-time video of left live-image C-arm

GSP Platform

- 16 bit image processing
- Preset Imaging Profiles
- Noise filter with on-screen indicator
- Minimal difference spatiotemporal noise filter (MDST)
- Automatic digital brightness and contrast control
- Negate mode
- Save and auto-save feature
- Swap and auto-swap feature
- Patient information
 - o Examination list
 - o Customized patient information
- Customize functions
 - o Workstation set-up
 - o Mainframe set up
 - o Patient information set up
 - o Date/time set up

Part Number	Qty	Description	List Price	Net Price
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User Interface

- Entire system is computer controlled and software upgradeable
- Automated system operation requires minimum operator interface
- Multi-functional controls
 - o Footswitch
 - o Hand-held control
- Simplified keyboard with integrated touchpad
- Multi-purpose image directory
 - o Retrieve and review images
 - o Compose hardcopy films
 - o Copy images
- X-ray dose summary

C-arm Mechanics

- Counterbalanced, manual adjustment of orbital rotation, cranial-caudal rotation, wig-wag and horizontal motion
- Dual, illuminated C-arm operator control panels

Warranty & Training

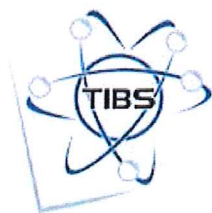
- One Month warranty includes Full coverage for glassware and parts “ physical damage not included”

Total C-Arm Investment	\$ 45,400.00	\$ 20,000.00
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Shipping & Handling	\$ 850.00
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Quote total \$ _____ Additional items \$ _____

Grand total \$ _____ Signature _____



Customer Name & Address:

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

1. This TIBS Quotation (together with any applicable schedules referred to herein) that identifies the Product and/or Service offerings purchased or licensed by Customer;
2. The following documents, as applicable, if attached to or referenced in this Quotation: (i) TIBS Warranty(ies); (ii) TIBS Product Terms and Conditions; (iii) TIBS Service Terms and Conditions and service support deliverables and/or schedules; and (iv) TIBS General Terms and Conditions.

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

This Quotation is subject to withdrawal by TIBS at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to TIBS. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products and/or Services identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding.

McKESSON

Empowering Healthcare

Price Quote

McKesson Medical-Surgical
 Darryl Farmer, Acct Mgr
 Phone: 803-892-6790
 Fax: 803-892-4397

Arctic Surgery Center, LLC
 1335 Gambell Street
 Anchorage, AK 99501
 Ship To Number: 4600856

Item Num	Vendor Abbr	Catalog Num	Full Item Desc	Stocked	UOM	Usage
252841	Sklar	06-2903	Handle, Scalpel #3 Sklar	No	EA	1
252842	Sklar	06-2904	Handle, Scalpel #4 Sklar	No	EA	1
331019	Sklar	06-2907	Handle, Scalpel #7 Sklar	No	EA	1
74969	Sklar	14-1055	Scissor, Or Sh/bl Strt 5 1/2" Sklar	No	EA	1
252911	Sklar	14-2055	Scissor, Operating Crvd Sh/bl 5 1/2" Sklar	No	EA	1
166272	Sklar	15-1567	Scissor, Dissect Mayo Strt 6 3/4" Sklar	No	EA	1
135346	Sklar	15-2567	Scissor, Dissect Mayo Crvd 6 3/4" Sklar	No	EA	1
65062	Sklar	17-1450	Forcep, Hemostat Mosq H3 & H 4 Str 5" Sklar	No	EA	12
146361	Sklar	17-1550	Forcep, Hemostat Mosq H3 & H4 Crvd 5" Sklar	No	EA	12
252947	Sklar	17-3062	Forcep, Crile Strt 6 1/4" Sklar	No	EA	12
252948	Sklar	17-3162	Forcep, Crile Crvd 6 1/4" Sklar	No	EA	12
252953	Sklar	19-1055	Forcep, Drsng 5 1/2" Sklar	No	EA	1
319455	Sklar	19-1080	Forcep, Drsng Serr 8" Sklar	No	EA	2
252958	Sklar	19-1255	Forcep, Tiss 1x2 Teeth 5 1/2" Sklar	No	EA	1
252960	Sklar	19-1280	Forcep, Tiss 1x2 Teeth 8" Sklar	No	EA	2
377881	Sklar	22-6770	Forcep, Cushing Brain Del Serr 7" Sklar	No	EA	1
377883	Sklar	22-6870	Forcep, Cushing Brain Del 1x2 7" Sklar	No	EA	1
303058	Sklar	36-2260	Forcep, Allis Tiss 5x6 Teeth 6" Sklar	No	EA	4
378998	Sklar	40-3670	Rongeur, Luer Bone Crvd 7" 8x10mm Sklar	No	EA	1
378999	Sklar	40-3710	Forcep, Stille-List Bone Strt 10 1/2" Sklar	No	EA	1
379001	Sklar	40-3910	Forcep, Stille-Hors Bone 10 1/2" Sklar	No	EA	1
379002	Sklar	40-3985	Rongeur, Stille-Luer Bone Strt 8 1/2" Sklar	No	EA	1
719763	Sklar	40-4090	Rongeur, Stille-Luer Ang 8 1/2" Sklar	No	EA	1
379004	Sklar	40-4092	Rongeur, Leksell Crvd 9" 8x16mm Sklar	No	EA	1
253050	Sklar	40-7000	Curette, Bone Bruns Oval #000 Sklar	No	EA	1
379134	Sklar	40-7100	Curette, Bone Bruns Oval #00 Sklar	No	EA	1
470528	Sklar	40-7110	Curette, Bone Oval #0 Sklar	No	EA	1
379135	Sklar	40-7111	Curette, Bone Bruns Oval #1 Sklar	No	EA	1
139850	Sklar	40-7112	Curette, Bone Bruns Oval Sz2 Sklar	No	EA	1
379136	Sklar	40-7113	Curette, Bone Bruns Oval #3 Sklar	No	EA	1
999	Sklar	40-7114	Curette, Spinal #4 8" Sklar	No	EA	1
379138	Sklar	40-7115	Curette, Bone Bruns Oval #5 Sklar	No	EA	1
999	Sklar	40-7116	Curette, Spinal #6 8" Sklar	No	EA	1
379295	Sklar	42-1975	Retractor, Weitlaner Shrp 3x4 8" Sklar	No	EA	2
999	Sklar	42-3150	Rongeur, Love-Gruenwald 2mm X10mm 6" Sklar	No	EA	1
999	Sklar	42-3156	Rongeur, Love-Gruenwald 3mm X10mm 7" Sklar	No	EA	1
999	Sklar	42-3158	Rongeur, Love-Gruenwald Upbite 3mm X 10mm 7" Sklar	No	EA	1
999	Sklar	42-3160	Rongeur, Love-Gruenwald Downbite 3mm X 10mm 7" Sklar	No	EA	1
921898	Sklar	42-3418	Rongeur, Laminectomy Love-Kerrison 5mm Up-Bite 6"	No	EA	1
999	Sklar	47-2955	Rongeur, Love-Kerrison 5mm 6" Downbite, Sklar	No	EA	1
146274	Sklar	47-2955	Clamp, Towel Backhaus 5 1/2" Sklar	No	EA	12
253076	Sklar	50-3371	Forcep, Bayonet Serr 7 1/8" Sklar	No	EA	1
377270	Sklar	57-1322	Retractor, On Shrp 12 1/2" Sklar	No	EA	2
134381	Sklar	75-5570	Scissor, Metzenbaum Dissecting Strt 7" Sklar	No	EA	1
71641	Sklar	87-2195	Forcep, Sponge Serr Strt 9 1/2" Sklar	No	EA	6

Quote Total \$ 12,493.00

Shipping \$ 624.65

Total \$ 13,117.65

FARMER, DARRYL W

Cust Svc: (800) 811-8528, Fax: (800) 311-3408

Exhibit J - Instrument Quote

DH Biomedical, Inc.
1712 9th Street W
Bradenton, FL 34205

QUOTE

Date	Invoice #
4/5/2015	351

Bill To
Arctic Surgery Center, LLC 1335 Gambell Street Anchorage, AK 99501



Anchorage, AK 99508

P.O. No.	Terms	Project

Visit us on the web at www.ortmannhealth.com

Quantity	Description	Rate	Amount
1	Zeiss OPMI MDU Surgical Microscope w/Dual Bino S3B Stand with 90 day warranty	11,999.00	11,999.00
	Shipped by DH Biomedical - 1712 9th St W, Bradenton, FL 34205 - shipping cost	1,199.90	1,199.90
		Total	\$13,198.90
		Payments	\$0.00
		Balance Due	\$13,198.90

Exhibit K - Microscope Quote

SurplusSales931
2455 Smithville Hwy
Sparta, Tennessee 38583

QUOTE

Date	Invoice #
4/5/2015	352

Phone #

Bill To
Arctic Surgery Center, LLC 1335 Gambell Street Anchorage, AK 99501



P.O. No.	Terms	Project

Visit us on the web at www.ortmannhealth.com

Quantity	Description	Rate	Amount
1	Laser Engineering Weck Squibb 525 Surgical Systems Co2 Laser	1,250.00	1,250.00
	Shipping - Sparta, Tennessee	175.00	175.00
		Total	\$1,425.00
		Payments	\$0.00
		Balance Due	\$1,425.00

Kxhibit L. Laser Quote

Endosource Inc
 320 BRUNEL ROAD, SUITE A
 MISSISSAUGA, ONTARIO
 ZIP/POSTAL CODE: L4Z 2C2
 CANADA

QUOTE

Date	Invoice #
4/5/2015	355

Bill To
Arctic Surgery Center, LLC 1335 Gambell Street Anchorage, AK 99501



P.O. No.	Terms	Project

Visit us on the web at www.ortmannhealth.com

Quantity	Description	Rate	Amount
	Storz Image 1 Complete Video Endoscopy Systems	15,449.00	15,449.00
	HOPKINS II Wide Angle Forward, Oblique Telescope 30 degrees, diameter 4mm, length 18cm	2,249.00	2,249.00
	Shipping - Endosource Inc - MISSISSAUGA, ONTARIO	1,800.00	1,800.00
		Total	\$19,498.00
		Payments	\$0.00
		Balance Due	\$19,498.00

Exhibit M: Endo Quote

Florida Surgical
1700 NW 15th Ave Ste 365
Pompano Beach, FL 33069

QUOTE

Date	Invoice #
4/5/2015	354

Bill To
Arctic Surgery Center, LLC 1335 Gambell Street Anchorage, AK 99501

florida|surgical®

P.O. No.	Terms	Project

Visit us on the web at www.ortmannhealth.com

Quantity	Description	Rate	Amount
	Stryker Sumex Drill Set	7,450.00	7,450.00
	Shipping from - Pompano Beach, Florida	98.00	98.00
		Total	\$7,548.00
		Payments	\$0.00
		Balance Due	\$7,548.00

Exhibit N: Stryker Drill Quote