

CERTIFICATE OF NEED APPLICATION

FOR

UNIVERSITY DIAGNOSTICS

**The Establishment of an
Outpatient Diagnostic Center**

Knox County, Tennessee

October 1, 2021

Contact Person:

**Jerry W. Taylor, Esq.
Thompson Burton, PLLC
6100 Tower Circle, Suite 200
Franklin, Tennessee 37067
615-716-2297**



State of Tennessee

Health Services and Development Agency

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

www.tn.gov/hsda Phone: 615-741-2364 Email: hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

University Diagnostics

Name			
1975 Town Center Boulevard			Knox
Street or Route			County
Knoxville	Tennessee		37922
City	State		Zip

Website Address

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

2A. Contact Person Available for Responses to Questions

Jerry W. Taylor			Attorney
Name			Title
Thompson Burton, PLLC			jtaylor@thompsonburton.com
Company Name			Email Address

6100 Tower Circle, Suite 200			
Street or Route			
Franklin	Tennessee		37027
City	State		Zip
Attorney			615-716-2297
Association with Owner			Phone Number

3A. Proof of Publication

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

Date LOI was Submitted: September 14, 2021

Date LOI was Published: September 14, 2021

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

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

X Establish New Health Care Institution

- Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- Change in Bed Complement
- Initiation of Health Care Service as Defined in §TCA 68-11-1607(3) Specify: _____
- Relocation
- Initiation of MRI Service
- MRI Unit Increase
- Satellite Emergency Department
- Addition of ASTC Specialty
- Initiation of Cardiac Catheterization
- Addition of Therapeutic Catheterization
- Establishment/Initiation of a Non-Residential Substitution Based Opioid Treatment Center
- Linear Accelerator Service
- Positron Emission Tomography (PET) Service

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

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

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

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

University Diagnostics, LLC		
<hr/>		
Name		865-305-9000
2121 Medical Center Way		<hr/>
Street or Route		Phone Number
Knoxville	Tennessee	37920
<hr/>	<hr/>	<hr/>
City	State	Zip

7A. Type of Ownership of Control (Check One)

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

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

RESPONSE: University Diagnostics, LLC is a Delaware limited liability company authorized to do business in Tennessee. The requested documents are attached as Attachment 7A.

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

RESPONSE: The applicant is newly formed limited liability company with ownership/membership interests being held as follows: University Health Systems, Inc. (72.5%); OIA of Knoxville, a wholly owned subsidiary of Outpatient Imaging Affiliates, LLC, (22.5%); and URAD, LLC, an affiliate of Association of University Radiologists, PC (5%).

8A. Name of Management/Operating Entity (If Applicable)

Outpatient Imaging Affiliates, LLC		
Name		
800 Crescent Centre Drive, Suite 400		
Street or Route		County
Franklin	Tennessee	37067
City	State	Zip
www.oiarad.com		
Website Address		

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

RESPONSE: A copy of a draft management agreement is attached as Attachment 8A.

9A. Legal Interest in the Site

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

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

- Ownership (Applicant or applicant’s parent company/owner) – Attach a copy of the title/deed.
- Lease (Applicant or applicant’s parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- Option to Lease** - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- Other (Specify) _____

RESPONSE: The ODC will be in spaced which is currently leased to The University of Tennessee Medical Center, (“UTMC”), which operates a hospital outpatient department (“HOPD”) imaging center there. UTMC will sub-lease the space to University Diagnostics, LLC for the ODC. Copies of the master lease and sub-lease are attached as Attachment 9A.

10A. Floor Plan

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

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

RESPONSE: A floor plan for each of the two floors is attached as Attachment 10A,

11A. Public Transportation Route

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

RESPONSE: The site is located immediately off an exit ramp for Interstate 140 (Pellissippi Parkway) in far western Knox County. It is an extremely convenient location for transportation by private cars and trucks, which is how almost all patients for imaging services arrive at the facility. It is not on the public bus route

12A. Plot Plan

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

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

RESPONSE: A plot plan with the required information is attached is Attachment 12A.

13A. Notification Requirements

➤ TCA §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.” Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Notification Attached

Not Applicable

➤ TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Notification Attached

Not Applicable

EXECUTIVE SUMMARY

1E. Overview

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

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.
- Ownership structure
- Service Area
- Existing similar service providers
- Project Cost
- Staffing

RESPONSE:

Description: The applicant proposes to establish an Outpatient Diagnostic Center (“ODC”) to be located in leased space currently occupied by a hospital outpatient department (“HOPD”) imaging center owned and operated by The University of Tennessee Medical Center (“UTMC”), at 1975 Town Center Boulevard, Knoxville, Tennessee. The ODC will offer CT, Ultrasound, Echo Vascular, and X-ray services. The same services are offered in the current HOPD imaging center. This CON would authorize that hospital-based imaging center to become a separately licensed free-standing ODC, allowing for a lower charge structure, and allowing for participation by groups affiliated with area radiologists.

Ownership structure: The applicant is newly formed limited liability company with ownership/membership interests being held as follows: University Health Systems, Inc. (the owner of The University of Tennessee Medical Center) (72,5%); OIA of Knoxville, LLC, a wholly owned subsidiary of Outpatient Imaging Affiliates, LLC, (22.5%); and URAD, LLC, an affiliate of Association of University Radiologists, PC (5%).

Service area: The primary service area is Knox and Blount counties. Residents of these two counties accounted for approximately 82% of the patients of the UTMC HOPD imaging center over the past approximately 12 months.

Existing similar service providers: There are three existing ODCs in the service area. This would be the only ODC which is a JV among an academic medical center and groups affiliated with radiologists. Among the three existing ODCs, only one of them offers all four of the services to that will be offered by University Diagnostics. That facility, Diagnostic Centers of Tennessee, is located almost 20 miles east of the site for University Diagnostics. The other two existing ODCs are located at the same address, and are just in different suites. That is approximately 13 miles from the site for University Diagnostics.

Project Costs: The total estimated project costs are approximately \$2,365,697.00. This includes \$1,527,759.00 as the fair market value of medical imaging equipment, which is currently in use at the HOPD imaging center, and is being contributed to the JV entity by UTMC. The medical imaging equipment is currently in use at the HOPD imaging center owned and operated by UTMC. The estimated project cost also includes a total of \$684,746.00 for leasehold costs over the initial term of the lease, and for build-out and renovation costs.

Staffing: The ODC staffing will require 6.0 FTE direct patient care positions and 2.0 FTE non-patient care position at the utilization level projected for Year 1.

2E. Rationale for Approval

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

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

- Need
- Quality Standards
- Consumer Advantage
 - Choice
 - Improved access/availability to health care service(s)
 - Affordability

RESPONSE:

Need: UTMC has operated a hospital outpatient department (“HOPD”) imaging center under its hospital license in the same location which is the site for the proposed ODC, since January 2021. It is an extremely accessible location, just off an exit ramp to the Pellissippi Parkway in western Knox County. The CON will authorize the HOPD imaging center to be converted to a separately licensed ODC. This is needed for two primary reasons. First, it allows for much lower charges for patients than is possible under a hospital-based charge structure. Second, it allows for shared ownership among UTMC and groups affiliated with radiologists. This hospital and physician cooperative venture is a merging of different areas of expertise, and an alignment of interests which is beneficial to consumers.

The HOPD imaging center has been very well-utilized. In 2021 (annualized through July) there were a total of 4,546 patients served and 5,230 scans performed. This project is not based on a projected or anticipated need; there is an existing need for the imaging center as demonstrated by its current utilization.

The utilization of the imaging center is projected to increase following the conversion to an ODC to 8,006 patients and 9,122 procedures in Year 1. The increase in utilization is attributed to several factors. First, the ODC will have lower patient charges since it will be a free-standing facility rather than being hospital-based. Second, the HOPD imaging center opened in January 2021, and its first-year utilization (a ramp-up year) would be expected to increase in its second year. Third, UTMC is actively recruiting more physicians to practice in the western Knox County area, and that will increase referrals to the ODC. Fourth, some patients currently utilizing imaging services at Diagnostic Centers of Tennessee, located in the downtown Knoxville area and owned in part by OIA, reside in areas closer to the proposed University Diagnostics, and will likely utilize the facility which is closer to their homes.

Quality Standards: The ODC will be licensed by the Tennessee Department of Health and will be accredited by the American College of Radiology.

Consumer Advantage: The conversion of the HOPD imaging center to an ODC will be extremely beneficial to consumers. It will have significantly lower charges than those which are able to be offered at a hospital-based facility. This results in lower out-of-pocket costs to consumers. It also results in lower reimbursement levels from Medicare and other payors, thereby benefitting the payors as well. It will be located in western Knox County which is an area with high residential and commercial/retail growth. The only existing ODCs are located in the Weisgarber Road area (approximately 13 miles away) and the downtown Knoxville area (approximately 20 miles away). Traffic to these areas from west Knox County can be very heavy at times.

3E. Consent Calendar Justification

Consent Calendar Requested (Attach rationale)

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

X Consent Calendar NOT Requested

4E. PROJECT COST CHART

PROJECT COST CHART

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$ 73,000.00
2. Legal, Administrative, Consultant Fees	\$ 50,000.00
3. Acquisition of Site	
4. Preparation of Site	
5. Total Construction Costs	\$ 301,918.00
6. Contingency Fund	\$ 30,191.80
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over \$50,000.00)	\$ 1,527,759.00
9. Other (Specify) _____	

B. Acquisition by gift donation, or lease:

1. Facility (Inclusive of building and land)	\$ 382,828.00
2. Building Only	
3. Land Only	
4. Equipment (Specify) _____	
5. Other (Specify) _____	

C. Financing Costs and Fees:

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

D. Estimated Project Cost (A+B+C)	\$ 2,365,696.80
E. CON Filing Fee	\$ 5,322.82
F. Total Estimated Project Cost (D + E)	\$ 2,371,019.62
	TOTAL
	\$ 2,371,019.62

Equipment	Approximate Cost
Siemens CT Scanner (Somatom.go.Top)	\$476,336
Siemens Ultrasound (Ultrasound Sequoia)	\$141,134
Siemens Digital X-ray (Multix fusion)	\$192,808
Echo Vascular	\$127,811

GENERAL CRITERIA FOR CERTIFICATE OF NEED

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

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

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

NEED

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

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

RESPONSE: Responses to the criteria and standards for outpatient diagnostic centers are attached as Attachment 1N.

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

RESPONSE: The primary service area is Knox and Blount counties. Residents of these two counties accounted for approximately 82% of the patients of the UTMC HOPD imaging center over the past approximately 12 months.

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

Service Area Counties	Historical Utilization-County Residents – (2021 - Annualized through July)	% of Total Patients
Knox (PSA)	2,808	61.8%
Blount (PSA)	843	18.6%
Loudin	122	2.7%
Anderson	117	2.7%
All Other (< 2% each)	657	14.2%
Total	4546	100%
Service Area Counties	Projected Utilization-County Residents – (Year 1 - 2022)	% of Total Patients
Knox (PSA)	5,064	63.3%
Blount (PSA)	1,472	18.4%
Loudin	219	2.7%
Anderson	205	2.6%
All Other (< 2% each)	1,046	13.0%
Total	8,006	100%

A map of the service area is attached as Attachment 2N.

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

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

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

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year 2021	Total Population-Projected Year 2025	Total Pop.% Change	*Target Population-All Ages 2021	Target Population-All Ages 2025	Target Population-All Ages % Change	Target Population All Ages 2025 - % of Total	Median Age**	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Knox County	478,242	494,503	3.4%	N/A	N/A	N/A	N/A	N/A	\$57,470	64,084	13.4%	86,993	18.2%
Blount County	134,982	139,287	3.2%	N/A	N/A	N/A	N/A	N/A	\$56,667	14,173	10.5%	25,151	18.6%
Service Area Total	613,224	633,790	3.4%	N/A	N/A	N/A	N/A	N/A	\$57,068	78,257	12.8%	112,144	18.3%
State of TN Total	6,942,653	7,153,758	3.0%	N/A	N/A	N/A	N/A	N/A	\$53,320	965,029	13.9%	1,596,949	23.0%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.

** Median Age is not provided on the referenced Census Bureau website.

Be sure to identify the target population, e.g. Age 65+, the current year and projected year being used.

RESPONSE: The current year is 2021 and the projected year is 2025. The target population is All Ages.

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

RESPONSE: There are no significant disparities in socioeconomic factors such as income, poverty level, and TennCare enrollment between residents of the service area and those of the state as a whole. University Diagnostics will participate in Medicare and TennCare and will not discriminate against anyone based on non-clinical factors such as race, ethnicity or gender.

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

RESPONSE: There are three existing ODCs in the service area. This would be the only ODC which is a JV among an academic medical center and groups affiliated with radiologists. Among the three existing ODCs, only one of them offers all four of the services to that will be offered by University Diagnostics. That facility, Diagnostic Centers of Tennessee, is located almost 20 miles east of the site for University Diagnostics. The other two existing ODCs are located at the same address and are just in different suites. That is approximately 13 miles from the site for University Diagnostics. Please see the table below.

SERVICES OFFERED BY OUTPATIENT DIAGNOSTIC CENTERS IN THE SERVICE AREA						
Facility	County	MRI	CT	Ultrasound	Echo-Vascular	X-Ray
University Diagnostics (Proposed)	Knox	No	Yes	Yes	Yes	Yes
East Tennessee Community Open MRI	Knox	Yes	No	Yes	No	Not Reported on JAR
East Tennessee Diagnostic Center	Knox	No	Yes	No	No	Not Reported on JAR
Diagnostic Centers of Tennessee	Knox	Yes	Yes	Yes	Yes	Not Reported on JAR

The Joint Annual Reports do not report utilization of ODCs by type of service. The only utilization data reported on the JARs are the number of patients and the number of diagnostic procedures. ODCs report the utilization of CT units annually to the HSDA. The number of CT scans performed at the service area ODCs is included in the table below.

UTILIZATION OF OUTPATIENT DIAGNOSTIC CENTERS IN THE SERVICE AREA										
Facility	County	2020			2019			2018		
		Patients	Total Proc.	CT	Patients	Total Proc.	CT	Patients	Total Proc.	CT
East Tennessee Community Open MRI	Knox	4991	5310	3,801	6380	6789	4,126	4844	5260	3,375
East Tennessee Diagnostic Center	Knox	4561	5510	4,158	4312	5328	4,030	3463	4197	3,053
Diagnostic Centers of Tennessee, d/b/a Outpatient Diagnostic Center of Knoxville	Knox	17,998	24,68	3,155	17,816	24,720	2,265	15,263	21,731	2,148

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

RESPONSE: The projected data for the first two years is shown below. Also included is the annualized first year utilization of Northshore Imaging Center (the UTMC HOPC imaging center).

PROJECTED UTILIZATION OF ODC AND HISTORICAL UTILIZATION OF NORTHSHORE IMAGING CENTER			
Facility	Year	Patients	Procedures
University Diagnostics (Proposed)	2022	8,006	9,122
University Diagnostics (Proposed)	2023	8,264	9,418
Northshore Imaging Center (UTMC HOPD)	2021 (Annualized)	4,546	5,230

The projections were based on the numbers of procedures performed at Northshore Imaging Center in 2021, annualized. Growth was factored in for normal second year growth, for patients relocating from Diagnostic Center of Tennessee due to area code of residence, and for other factors including lower charges and physician recruitment to the area.

7N.

<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>Expiration Date</u>
CN2103-010A	The University of Tennessee Medical Center, Off-Campus Radiation Therapy Service	June 2021	August 1, 2024
CN2106-020A	The University of Tennessee Medical Center, FSED in Fentress County	August 2021	Approximately October 1, 2024 (have not yet received the CON)

- Complete the above chart by entering information for each applicable outstanding CON by applicant or share common ownership; and
- Describe the current progress and status of each applicable outstanding CON and how the project relates to them.

RESPONSE: The above table reflects outstanding CONs issued to UTMC, the majority partner in University Diagnostics. Neither of these are related to or have any impact on this project. Both are in the very early stages of development, having been approved only within the past 3 months or so.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

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

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

RESPONSE: The ODC will have a Transfer Agreement with UTMC. A copy is attached as Attachment 1C.

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

RESPONSE: It is premature to have all health plans identified or under contract. The following are the plans in which UTMC is currently participating. The ODC will likely participate in these and perhaps others.

COMMERCIAL MANAGED CARE:

Aetna Health Care
Beech Street
Blue Cross and Blue Shield of TN
Bright Health Plan
Cigna
Coventry Health
CTI
Evolutions
Galaxy
Health Smart Payer Organization
Humana
Initial Group
Multiplan
NX Health Network
Optum Transplant Network
PHCS
Preferred Health Care Ltd
Prime Health
TriWest Healthcare Alliance
United Healthcare
United Healthcare/Optum Veterans Affairs Community Plan
USA MCO

MEDICARE:

American Health Medicare Advantage Plan
Amerigroup
Blue Cross and Blue Shield of TN
Cigna HealthSpring Medicare Advantage
Humana
NHC Medicare Advantage Tennessee
Optum Medicare Transplant Network
USA Senior Care
UHC Community Health
United HealthCare Medicare Advantage & AARP Medicare Advantage
Sterling Health
WellCare Health Plans

TENNCARE:

Amerigroup Community Care
Blue Cross Blue Shield of Tennessee
Optum Transplant Network
United HealthCare Community Plan

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

RESPONSE: The conversion of the HOPD imaging center to an ODC will be extremely beneficial to consumers. It will have significantly lower charges than those which are able to be offered at a hospital-based facility. This results in lower out-of-pocket costs to consumers. It also results in lower reimbursement levels from Medicare and other payors, thereby benefitting the payors as well. It will be located in western Knox County which is an area with high residential and commercial/retail growth. The only existing ODCs are located in the Weisgarber Road

area (approximately 13 miles away) and the downtown Knoxville area (approximately 20 miles away). Traffic to these areas from west Knox County can be very heavy at times.

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

RESPONSE: The ownership of University Diagnostics, LLC consists of affiliates or subsidiaries of UTMC, an academic medical center, Outpatient Imaging Affiliates LLC, a national imaging center company which owns and/or operates ODCs throughout the southeastern U.S., and Associated University Radiologists, P.C., a radiology practice group located in Knoxville. The combined leadership and expertise of these groups is perfectly suited to own and operate the ODC, and meet or exceed every licensing and accreditation standard.

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

RESPONSE: The ODC will be licensed by the Tennessee Department of Health and will be accredited by the American College of Radiology. University Diagnostics will always meet or exceed all applicable standards of these regulatory authorities in all relevant areas including those mentioned above.

6C. See INSTRUCTIONS to assist in completing the following tables.

RESPONSE: This is a proposed new facility, and there is no historical data available. The utilization of the Northshore facility has been previously provided.

- Project Only
 Total Facility

HISTORICAL DATA CHART

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

	Year _____	Year _____	Year _____
A. Utilization Data			
Specify Unit of Measure _____	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____	\$ _____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$ _____	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____	\$ _____

PROJECTED DATA CHART

- Project Only
 Total Facility

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

	Year 2022	Year 2023
A. Utilization Data		
Specify Unit of Measure: CPTs	9,122	9,418
B. Revenue from Services to Patients		
1 Inpatient Services	\$ -	\$ -
2 Outpatient Services	\$ 13,390,657	\$ 13,822,387
3 Emergency Services	\$ -	\$ -
4 Other Operating Revenue (Specify) _____	\$ -	\$ -
Gross Operating Revenue	\$ 13,390,657	\$ 13,822,387
C. Deductions from Gross Operating Revenue		
1 Contractual Adjustments	\$ 12,136,383	\$ 12,526,040
2 Provision for Charity Care	\$ 133,907	\$ 138,224
3 Provisions for Bad Debt	\$ 66,953	\$ 69,112
Total Deductions	\$ 12,337,243	\$ 12,733,376
NET OPERATING REVENUE	\$ 1,053,414	\$ 1,089,011

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

Project Only Chart

	Previous Year to Most Recent Year Year ____	Most Recent Year Year ____	Year One Year 2022	Year Two Year 2023	% Change (Year 1 to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	N/A	N/A	\$1,467.95	\$1,476.66	0
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	N/A	N/A	\$1,352.49	\$1,352.02	0
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	N/A	N/A	\$115.48	\$115.63	0

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

RESPONSE: There are hundreds of charges in the chargemaster for the ODC. A random sample of charges and Medicare reimbursement for each of the various modalities is reflected.

CPT Code	Chargemaster	2021 Medicare	Procedure Description
70030	\$133	\$29.66	X-ray eye for foreign body
70100	\$159	\$35.26	X-ray mandible, less than 4 views
70110	\$181	\$40.19	X-ray exam of jaw
70140	\$134	\$29.69	X-ray facial bones, less than 3 vws
70150	\$196	\$43.65	X-ray facial bones, minimum of 3 vws
70160	\$157	\$34.91	X-ray nasal bones
70200	\$201	\$44.66	X-ray orbits
70450	\$478	\$106.15	CT head/brain w/o dye
70460	\$671	\$149.08	CT head/brain w/dye
70470	\$788	\$175.13	CT head/brain w/o & w/dye
70480	\$715	\$158.99	CT orbit/ear/fossa w/o dye
70481	\$821	\$182.39	CT orbit/ear/fossa w/dye
70482	\$964	\$214.21	CT orbit/ear/fossa w/o&w/dye
70486	\$576	\$127.94	CT maxillofacial w/o dye
70487	\$689	\$153.13	CT maxillofacial w/dye
76536	\$485	\$107.86	Us exam of head and neck
76604	\$281	\$62.53	Us exam chest
76641	\$446	\$99.16	Ultrasound breast complete
76642	\$368	\$81.86	Ultrasound breast limited

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

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

RESPONSE: The average charge per procedure for each of the 3 ODCs in the service area are shown below. The Medicare fee schedule for randomly selected charges on the ODC’s chargemaster is reflected in the preceding table.

AVERAGE CHARGE PER PROCEDURE – ODCS IN THE SERVICE AREA --2020	
Facility	Average Net Charge
East Tennessee Community Open MRI	\$235.67
East Tennessee Diagnostic Center	\$707.11
Diagnostic Centers of Tennessee	\$221.56

10C. Discuss the project’s participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

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

Payor Source	Year 1		Year 2	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$1,486,363	11.1%	\$1,534,285	11.1%
TennCare/Medicaid	\$1,365,847	10.2%	\$1,409,883	10.2%
Commercial/Other Managed Care	\$7,418,424	55.4%	\$7,657,602	55.4%
Self-Pay	\$4857,002	6.4%	\$884,633	6.4%
Other (Specify) _____	\$2,263,021	16.9%	\$2,335,983	16.9%
Total*	\$13,390,657	100%	\$13,822,387	100%
Charity Care	\$133,907		\$138,224	

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

QUALITY STANDARDS

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

RESPONSE: The applicant will do so.

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

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?

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

RESPONSE: The applicant’s response to each of the above questions is “yes.”

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

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	<input checked="" type="checkbox"/> Health <input type="checkbox"/> Intellectual & Developmental Disabilities <input type="checkbox"/> Mental Health & Substance Abuse Services	Will apply	N/A
Certification	<input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> TennCare/Medicaid <input type="checkbox"/> Other: _____	Will apply Will apply	N/A N/A
Accreditation(s)	American College of Radiology	Will apply	N/A

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

RESPONSE:

Amerigroup Community Care
 Blue Cross Blue Shield of Tennessee
 Optum Transplant Network
 United HealthCare Community Plan

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

Yes No

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

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

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

RESPONSE: N/A. This is a proposed new ODC.

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

Has any of the following:

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

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
- Criminal fines in cases involving a Federal or State health care offense;
- Civil monetary penalties in cases involving a Federal or State health care offense;
- Administrative monetary penalties in cases involving a Federal or State health care offense;
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

RESPONSE: The response to each of the bullet points is “no.”

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

RESPONSE: Proposed staffing for the first year of operation is shown below.

Position Classification	Existing FTEs 2021	Projected FTEs Year 1
A. Direct Patient Care Positions		
<i>Radiology Technologist</i>	1.0	1.0
<i>Sonographer</i>	1.0	1.0
<i>Special Imaging Technologist</i>	2.0	2.0
<i>Nurse</i>	1.0	1.0
<i>Vascular Sonographer Technologist</i>	1.0	1.2
Total Direct Patient Care Positions	6.0	6.2
B. Non-Patient Care Positions		
<i>Business Office Specialist</i>	2.0	2.0
<i>Position 2</i>		
<i>Position “etc.”</i>		
Total Non-Patient Care Positions		
Total Employees (A+B)	8.0	8.2
C. Contractual Staff		
Total Staff (A+B+C)	8.0	8.2

DEVELOPMENT SCHEDULE

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

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

PROJECT COMPLETION FORECAST CHART

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

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HSDA Decision Date	N/A	December 2021
2. Building Construction Commenced	30	January 2022
3. Construction 100% Complete (Approval for Occupancy)	90	April 2022
4. Issuance of License	120	May 2022
5. Issuance of Service	150	June 2022
6. Final Project Report Form Submitted (Form HR0055)	210	August 2022

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

LIST OF ATTACHMENTS
UNIVERSITY DIAGNOSTICS

Publisher's Affidavit	<u>Attachment 3A</u>
Entity formation documents and organization chart	<u>Attachment 7A</u>
Draft management agreement	<u>Attachment 8A</u>
Master lease and sub-lease	<u>Attachment 9A</u>
Floor plan	<u>Attachment 10A</u>
Plot plan	<u>Attachment 12A</u>
Responses to the Criteria and Standards for ODCs	<u>Attachment 1N</u>
Map of the service area	<u>Attachment 2N</u>
Transfer Agreement with UTMC	<u>Attachment 1C</u>

Knoxville NEWS SENTINEL

PART OF THE USA TODAY NETWORK

UNIVERSITY HEALTH SY STEM INC.
PO BOX 32849

KNOXVILLE, TN 37930-2849

State of Wisconsin)
County of Brown)

Before me, the undersigned, a Notary Public in and for said county, this day personally came said legal clerk first duly sworn, according to law, says that he/she is a duly authorized representative of *The Knoxville News-Sentinel*, a daily newspaper published at Knoxville, in said county and state, and that the advertisement of

(The Above-Referenced)

of which the annexed is a copy, was published in said paper in the issues dated:

09/14/2021

and that the statement of account herewith is correct to the best of his/her knowledge, information, and belief

Legal Clerk

Subscribed and sworn to before me this September 14 2021

Notary Public

979.21

My commission expires

Publication Cost: \$208.26
Ad No: 0004903818
Customer No: 1319080

of Affidavits: 1
This is not an invoice

VICKY FELTY
Notary Public
State of Wisconsin

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. 568-11-1601 et seq., and the Rules of the Health Services and Development Agency that University Diagnostics, owned by University Diagnostics, LLC with an ownership type of limited liability company and to be managed by Outpatient Imaging Affiliates, LLC intends to file an application for a Certificate of Need for the establishment of an Outpatient Diagnostic Center ("ODC") to be located in leased space currently occupied by an HOPD imaging center owned and operated by The University of Tennessee Medical Center, at 1975 Town Center Boulevard, Knoxville, Tennessee. The ODC will offer CT, Ultrasound, Echo Vascular, and X-ray services. The ODC will be licensed as an outpatient diagnostic center by the Tennessee Board for Licensing Health Care Facilities. The total estimated project cost is \$2,400,000.00.

The anticipated date of filing the application is October 1, 2021.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Thompson Burton, PLLC, One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, TN 37067, 615-716-2297.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for a hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to T.C.A. 568-11-1607 (c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at prior to the consideration of the application by the Agency.



Tre Hargett
Secretary of State

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

University Diagnostics, LLC
STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282

September 28, 2021

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	001241875	Formation Locale:	DELAWARE
Filing Type:	Limited Liability Company - Foreign	Date Formed:	09/07/2021
Filing Date:	09/27/2021 3:43 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2022
Duration Term:	Perpetual	Image # :	B1098-7744
Managed By:	Member Managed		
Business County:	KNOX COUNTY		

Document Receipt

Receipt # : 006645590	Filing Fee:	\$300.00
Payment-Credit Card - State Payment Center - CC #: 3814847667		\$300.00

Registered Agent Address:
BENNETT L. COX
STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282

Principal Address:
STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282

Congratulations on the successful filing of your **Application for Certificate of Authority** for **University Diagnostics, LLC** in the State of Tennessee which is effective on the date shown above. Please visit the Tennessee Department of Revenue website (www.tn.gov/revenue) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Processed By: MeKesha Agee

Tre Hargett
Secretary of State



001241875

**APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY**

SS-4233



Tre Hargett
Secretary of State

**Division of Business Services
Department of State
State of Tennessee**
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50.00 per member
(minimum fee = \$300.00, maximum fee = \$3,000.00)

For Office Use Only

-FILED-

Control # 001241875

To the Secretary of the State of Tennessee:

Pursuant to the provisions of T.C.A. §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

- 1. The name of the Limited Liability Company is:** University Diagnostics, LLC
If different, the name under which the certificate of authority is to be obtained is:

NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of T.C.A. §48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to T.C.A. §48-249-106(d).

- 2. The state or country under whose law it is formed is:** DELAWARE
and the date (mm/dd/yyyy) of its formation is: 09/07/2021
and, if prior to qualifying, the date it commenced doing business in Tennessee is: (none)

NOTE: Additional filing fees and proof of tax clearance confirming good standing may apply if the Limited Liability Company commenced doing business in Tennessee prior to the approval of this application. See T.C.A. §48-249-913(d) and T.C.A. §48-249-905(c).

- 3. This company has the additional designation of:** None

- 4. The name and complete address of its registered agent and office located in the state of Tennessee is:**
BENNETT L. COX
STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282
KNOX COUNTY

- 5. Fiscal Year Close Month:** December

- 6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:**
(none) (Not to exceed 90 days)

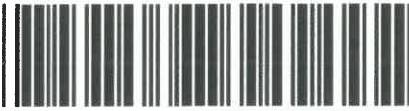
- 7. The LLC will be:** Member Managed Manager Managed Director Managed Board Managed Other

- 8. Number of Members at the date of filing:** 3

- 9. Period of Duration:** Perpetual

- 10. The complete address of its principal executive office is:**
STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282
KNOX COUNTY

B1098-7744 09/27/2021 3:43 PM Received by Tennessee Secretary of State Tre Hargett



**APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY**

SS-4233



Tre Hargett
Secretary of State

**Division of Business Services
Department of State
State of Tennessee**
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50.00 per member
(minimum fee = \$300.00, maximum fee = \$3,000.00)

For Office Use Only

Control # 001241875

The name of the Limited Liability Company is: University Diagnostics, LLC

11. The complete mailing address of the entity (if different from the principal office) is:

STE 300
2121 MEDICAL CENTER WAY
KNOXVILLE, TN 37920-3282

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)

I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)

I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.
 I certify that this entity meets the requirements of T.C.A. §48-249-1123(b)(3)

Licensed Profession:

14. Series LLC (optional)

I certify that this entity meets the requirements of T.C.A. §48-249-309(i)

If the provisions of T.C.A. §48-249-309(i) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document.

15. Obligated Member Entity (list of obligated members and signatures must be attached)

This entity will be registered as an Obligated Member Entity (OME) **Effective Date:** (none)
 I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT AN ATTORNEY.

16. Other Provisions:

Electronic

Signature

Benjamin Cunningham

Printed Name

Secretary

Title/Signer's Capacity

Sep 27, 2021 3:43PM

Date

B1098-7745 09/27/2021 3:43 PM Received by Tennessee Secretary of State Tre Hargett

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNIVERSITY DIAGNOSTICS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SEVENTH DAY OF SEPTEMBER, A.D. 2021.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "UNIVERSITY DIAGNOSTICS, LLC" WAS FORMED ON THE SEVENTH DAY OF SEPTEMBER, A.D. 2021.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.



6218922 8300

SR# 20213354234

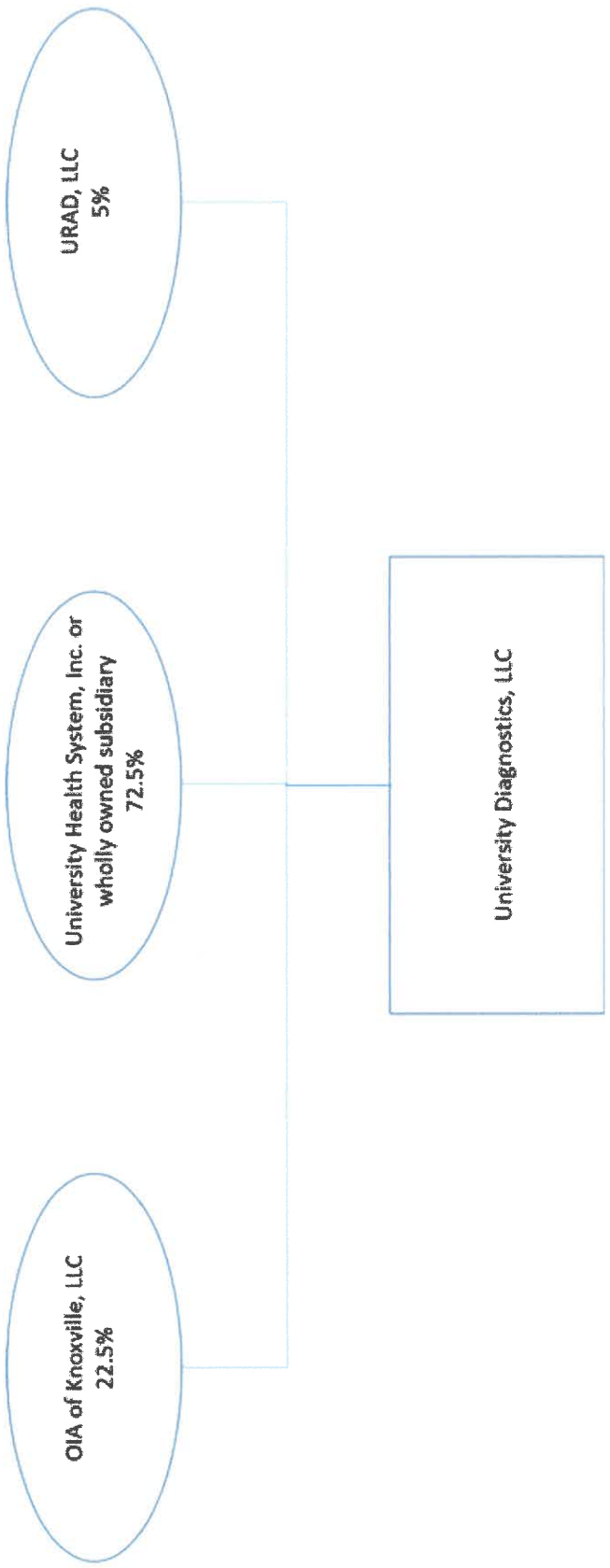
You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JWB", written over a horizontal line. Below the line is the printed name "Jeffrey W. Bullock, Secretary of State".

Authentication: 204260169

Date: 09-27-21

B1098-7746 09/27/2021 3:43 PM Received by Tennessee Secretary of State Tre Hargett



MANAGEMENT AND BILLING AND COLLECTION SERVICES AGREEMENT

This Management and Billing and Collection Services Agreement (the “Agreement”) is made effective as of _____, 2021, by and between University Diagnostics, LLC, a Tennessee limited liability company (“Client” or “Company”), and Outpatient Imaging Affiliates, LLC, a Tennessee limited liability company (“OIA” or “Manager”).

NOW, THEREFORE, in consideration of the promises and agreements set forth below, THE PARTIES AGREE:

1. RECITALS

1.1. OIA. OIA is a limited liability company organized under the laws of the State of Tennessee, with its principal offices located at Outpatient Imaging Affiliates, LLC, 840 Crescent Centre Drive, Suite 200, Franklin, Tennessee 37067. OIA is primarily engaged in the management of outpatient diagnostic imaging facilities.

1.2. Client. Client is a limited liability company organized under the laws of the State of Tennessee.

1.3. Purpose. Client wishes to retain OIA to provide the management and billing and collection services stated herein for diagnostic imaging centers to be owned by Client from time to time (the “Centers”).

1.4. Effective Date. The effective date of this Agreement (“Effective Date”) shall be the first date stated above.

2. MANAGEMENT AND BILLING AND COLLECTION SERVICES. OIA shall perform the following management and billing and collection services pursuant to this Agreement, in all cases operating under the direction of Client:

2.1. Management. OIA shall have the authority and responsibility to supervise and manage the pre-opening and the day-to-day operations of the Centers according to the terms of this Agreement, including providing the services outlined on Exhibits A and B, attached hereto, and in accordance with the applicable Operating Plan and Budget (defined below) approved by Client. If OIA requires, but following exercise of its reasonable best efforts cannot obtain, Client’s direction concerning a matter involving the Centers, OIA shall exercise its reasonable judgment in addressing such matter until OIA can obtain Client’s direction regarding such matter.

2.2. Annual Operating Plan and Budget. As soon as reasonably practical following execution of this Agreement, and at least forty-five (45) days prior to the commencement of each fiscal year thereafter (which fiscal year shall begin [_____] unless otherwise directed by Client), OIA shall submit for Client’s approval a management plan and operating budget for the Centers (each such budget being referred to herein as an “Operating Plan and Budget”). Client shall have the right to approve, modify or reject each proposed Operating Plan and Budget or amendment thereto proposed by OIA. Each Operating Plan and Budget and proposed amendment thereto proposed by OIA shall be prepared in reasonable detail, based in part on assumptions and input from Client, and shall include a schedule of projected revenues, a schedule of operating

expenses, a schedule of expected repairs and maintenance expenses, a schedule of proposed capital items, if any, to be acquired by Client, a proposed marketing plan for the period, and other matters reasonably identified by Client for inclusion in the Operating Plan and Budget or amendment thereto. Notwithstanding any other provision of this Agreement, OIA is authorized to make expenditures in accordance with each Operating Plan and Budget approved by Client. Any decision which may result in an unbudgeted expenditure of more than \$50,000 shall require the approval of Client. Client may amend the Operating Plan and Budget from time to time upon reasonable notice to OIA. If the applicable Operating Plan and Budget is not approved, OIA shall follow the Operating Plan and Budget from the preceding three months until the applicable Operating Plan and Budget is approved.

2.3. No Guarantee by OIA Regarding Operating Plans and Budgets. OIA makes no guarantee, warranty or representation in connection with any Operating Plan and Budget, or schedule thereto.

2.4. Personnel.

2.4.1. Administrator: OIA shall provide an “Administrator” for the Centers who shall work on a full-time basis in Knoxville, Tennessee. The Administrator will be an employee or leased employee of OIA, and will not be an employee of the Client. Any person proposed by OIA to serve as the Administrator shall be subject to Client’s prior approval, which may not be unreasonably withheld. The Administrator, acting in accordance with the then-current Operating Plan and Budget, shall be directly responsible for the day-to-day operations of the Centers. OIA shall supervise, manage and direct the Administrator to assure compliance with the then-current Operating Plan and Budget. OIA shall be responsible for paying (or arranging for the Administrator’s employer to pay) the Administrator’s salary and benefits, all withholding in accordance with applicable legal requirements, and all required employer contributions. The expense of the Administrator (including any severance benefits in the event of termination of employment of the Administrator) shall be reimbursed as provided in Section 3.1. In the event that Client becomes dissatisfied with the performance of the Administrator, Client shall provide OIA with written notice setting forth with specificity the alleged deficiency in the Administrator’s performance. If OIA fails to cure such deficiency within thirty (30) days from the date of receipt of such notice, OIA shall, unless otherwise requested by Client, remove the Administrator from the Centers within five (5) business days thereafter. If Client notifies OIA in writing that the Administrator has taken any action that would constitute grounds for immediate termination of employment under OIA’s employee handbook or, would constitute grounds for immediate termination of employment under Client’s employee handbook if administrator were employed directly by Client, then OIA shall promptly remove Administrator from service at the Centers. If the Administrator leaves or is removed from the Centers for any reason, OIA shall use its commercially reasonable efforts to provide a replacement Administrator for Client’s approval as soon as possible.

2.4.2. Other Center Personnel: OIA shall oversee the hiring of all non-physician personnel necessary to provide the requisite administrative and clinical services for the Centers. All Center personnel will work on site at the applicable Center, unless otherwise approved in advance by Client. All such personnel shall be employees of an affiliate of OIA or a related employee leasing company. OIA or its affiliates shall provide administrative and payroll services

for the Center personnel leased from such company. Client shall reimburse OIA or its affiliate for all wages, fringe benefits or other forms of compensation, including, without limitation, the employer's contribution of FICA, unemployment compensation and other employment taxes, worker's compensation, group life and accident and health insurance premiums and other similar benefits which may be payable with respect to such employees.

2.5. Operating Supplies. OIA shall arrange for the purchase of all necessary medical and administrative supplies and materials in the name of and for the account of Client, all subject to the then-current Operating Plan and Budget.

2.6. Maintenance and Repairs. OIA shall arrange for all purchase or lease arrangements, maintenance contracts, repairs, renovations and replacements to or for Center equipment and furnishings.

2.7. Licenses and Permits. OIA shall use commercially reasonable efforts to notify Client regarding all licenses, permits, provider numbers and regulatory approvals necessary to operate the Centers, and timely prepare and submit on Client's behalf all applications and documentation necessary for Client to obtain and maintain such licenses, permits, provider numbers and regulatory approvals.

2.8. Bank Account. OIA shall arrange for all payments from third party payors for any services provided by Client to be deposited by the applicable payor directly into an account in Client's name at a bank or other financial institution. OIA shall take all steps necessary to establish such account, to notify all applicable payors concerning such account and to take all steps necessary to provide for payor deposits directly into such account. OIA also shall arrange for all patient payments and any other payments for any services provided by Client to be deposited directly into such account. OIA will have no ownership rights in the bank account or funds in such account, and will have no right to negotiate or assert ownership rights in or to checks made payable to Client or any amount paid or payable for services furnished by Client. Client will be responsible for all bank fees associated with such bank account. OIA shall have authority to write checks on such Client account for items identified in the then-current Operating Budget or otherwise approved by Client. There shall be no commingling of OIA's funds with Client's funds.

2.9. Disbursements. OIA shall disburse and pay on behalf of Client, in such amounts and at such times as the same are required in connection with the operation of the Center, the items set forth below in accordance with the then-current Operating Plan and Budget. In making such disbursements, OIA shall at all times exercise the same care that an ordinarily prudent businessperson with experience in health care management would exercise with regard to the funds of the Client.

2.9.1. Taxes: All taxes, assessments, and impositions of every kind imposed by any governmental authority having jurisdiction, unless the payment thereof is contested by Client;

2.9.2. Center Operating Costs: All costs and expenses of operating the Centers, including without limitation:

2.9.2.1. Equipment Lease Costs: Equipment lease and debt service obligations;

- 2.9.2.2. Rent: Facility rent;
- 2.9.2.3. Loan Payments: Principal and interest payments on approved loans;
- 2.9.2.4. Operating Supplies: The cost of all operating supplies necessary for the operation of the Centers;
- 2.9.2.5. Equipment Maintenance: Center equipment maintenance and service contracts;
- 2.9.2.6. Advertising/Promotion Costs: The cost of advertising and promotion of the Centers;
- 2.9.2.7. Insurance Premiums: Premiums for insurance maintained with respect to the Centers;
- 2.9.2.8. Utilities: The cost of utilities, services and concessions at the Centers;
- 2.9.2.9. License/Permit Fees: Application fees and any other expenses associated with obtaining or maintaining numbers or regulatory approvals required in connection with the Centers;
- 2.9.2.10. Management and Billing Fees: Those amounts due to OIA or any affiliate as out-of-pocket expense reimbursements and the Management Fee as set forth in Section 3 hereto; provided that OIA agrees not to make any such payment if Client notifies OIA in writing that such amount is in dispute; and further provided that in such case Client shall turn over to a mutually approved escrow agent the amount in dispute, which shall be held in escrow until resolution of the dispute;
- 2.9.2.11. Personnel Expenses: Reimbursement for salaries, fringe benefits, payroll processing fees and costs, HR/recruitment fees, withholding costs, and other expenses of the Administrator and other personnel working on-site for the Centers pursuant to this Agreement;
- 2.9.2.12. Printing Costs: Third party printing costs for materials prepared for the Centers;
- 2.9.2.13. Membership Fees: The fees and expenses of Client's membership in any professional or trade associations; and
- 2.9.2.14. Other Expenses: All other expenditures which have been provided for in the then-current Operating Budget or which have been approved by Client.

2.10. Insurance. Unless Client elects other arrangements and notifies OIA to such effect, OIA shall obtain and maintain during the term of this Agreement, at Client's expense, appropriate insurance coverage for the Centers in accordance with the description of insurance coverage set

forth on Exhibit 2.10, provided that if such insurance coverage cannot be obtained at a reasonable expense, OIA and Client shall determine such other coverages as may be reasonably obtained, and shall modify Exhibit 2.10 accordingly. All such policies, except workers compensation insurance policies, shall be written or amended to include OIA, its agents, servant, employees, officers, and directors as additional name insureds.

2.11. Accounting. OIA shall perform or shall arrange for an outside accounting firm to provide all accounting functions necessary in the operation of the Centers, including management of accounts payable, payroll and preparation of income and cash flow statements and balance sheets. OIA shall supervise the performance of such outside accounting services. An outside accounting firm shall be engaged, at Client's expense, to prepare Client's tax returns. The expense of an independent auditor to conduct an annual audit shall be Client's obligation if Client elects to have such an audit performed.

2.12. Financial Reports. OIA shall deliver or cause to be delivered to Client financial statements as follows:

2.12.1. Monthly Report: On or before the thirtieth (30th) day of each month, a statement showing the results of operations of the Centers for the preceding month and year-to-date;

2.12.2. Year-End Statements: Within forty five (45) days after the end of each fiscal year of the Centers, an unaudited balance sheet and related statements of profit and loss; and

2.12.3. Other Reports: Such other monthly, quarterly and annual reports as Client reasonably requests from time to time.

2.13. Agency. In the performance of its duties pursuant to this Agreement, OIA shall act solely as the agent of Client. Except as otherwise expressly stated in this Agreement, OIA shall not be responsible for any debts or liabilities of Client to third parties. Likewise, Client shall not be liable for any debts or liabilities of OIA, except as expressly stated herein. Nothing contained in this Agreement shall be construed to create a joint venture or partnership between Client and OIA.

2.14. Quality Control. OIA shall develop, recommend and assist Client in the evaluation, implementation and supervision of all quality control aspects of the Centers and their operations designed to bring about a high standard of health care in accordance with Client's policies and resources available to the Centers.

2.15. Medical and Professional Matters OIA shall have no responsibility hereunder for the practice of medicine by any physician providing services for the Centers, or the delivery of health care services as appropriately directed by any such physician.

2.16. Coding, Billing and Collection Services. OIA is responsible for performing, or arranging for a third party to perform, all coding, billing and collection services in connection with, and based on documentation provided by, Client regarding services provided by Client, as more fully set forth on Exhibit C and D attached hereto,

2.17. Compliance Program. Client will develop and submit to Client for approval a compliance program that is intended to comply with any guidance provided by the Department of Health and Human Service Office of Inspector General and with the requirements of the Federal Sentencing Guidelines to qualify as an “effective” compliance program. Following Client’s approval of the compliance program, OIA will use commercially reasonable efforts to implement and monitor the compliance program.

2.18. Insurance. OIA must maintain during the term of this Agreement the following insurance coverage on itself: management liability (errors and omissions), \$1 million per incident/\$3 million aggregate; general liability, \$2 million per incident/\$3 million aggregate; umbrella coverage, \$3 million. OIA shall provide Client with evidence of such insurance coverage upon execution of this Agreement and annually thereafter (or at such other times as Client requests). OIA will ensure that the Administrator and any leased employees are covered by workers compensation insurance at the statutory limits.

2.19. Health Law Compliance.

2.19.1. No Violations: OIA hereby represents to Client that (i) neither OIA nor any of its employees who provide services hereunder or at the Centers has been convicted of a criminal offense related to health care or is excluded from participating in any federal or state procurement or health care program, and (ii) there is no pending investigation or proceeding which may result in any such conviction or exclusion with respect to any such person or entity.

2.19.2. Background Checks: Prior to engaging or providing any person to provide services hereunder or at the Centers, OIA may (at its own expense as to OIA employees, and at Client’s expense as to persons performing services at the Centers) perform or arrange for a background check, in accordance with all applicable local, state and federal requirements, on such person to confirm that such person is qualified to perform the duties of his or her position, and to confirm that the person has never been convicted of a criminal offense related to health care or excluded from participating in any federal or state procurement or health care program.

2.20. Ownership of Operating Documents of Centers. All development and operating documents, including all policies and procedures, developed and/or implemented by OIA for the Centers and Client are the property of Client. Such documents shall remain the property of Client notwithstanding any termination of the Agreement.

2.21. Information Technology. Each party will work collectively to determine a mutually agreed upon RIS/PACS platform that will ensure continuity of care for Center patients and healthcare providers through the sharing of patient demographics, exam history, diagnostic images and transcribed reports throughout the enterprise. The clinical systems will also be capable of being interfaced with the OIA Management and Billing platform and Center’s Electronic Health Records system. The chosen information technology platform(s) will be interoperable with Centers, OIA, Association of University Radiologists, PC and referring physicians according to commercially reasonable and industry best practices, and compliant with any regulations applicable to the Centers.

2.23. Negotiation of Contracts and Enrollment as a Medicare and Medicaid Provider. Each party shall work together to enroll the Centers as Medicare and Medicaid suppliers and to negotiate new ambulatory imaging payment contracts with third party managed care payors.

3. COMPENSATION FOR MANAGEMENT AND BILLING AND COLLECTION SERVICES

3.1. Reimbursement for Out-of-Pocket Expenses. The actual salary, bonus (if any), benefits and withholding costs paid by OIA, or actual employee leasing cost paid by OIA to a third party unrelated to OIA or to any of OIA's affiliates, whichever is applicable, for the Administrator, and any other personnel, if any, who perform services at the Centers in accordance with the terms of this Agreement will be reimbursed by Client on the same business day that such expenses are paid by OIA. With respect to other expenses incurred by OIA, within thirty (30) days of incurring such and such not being disputed by Client, OIA shall receive reimbursement for all direct out-of-pocket expenses reasonably incurred by OIA to provide the pre-opening, management, billing and collection services for the Centers in accordance with this Agreement.

3.2. Compensation for Management and Billing and Collection Services. For all services rendered by OIA pursuant to this Agreement, OIA shall receive a monthly fee (the "Management Fee") in an amount equal to the sum of (i) \$25,000.00 plus \$8,333.33 for each additional Center acquired or developed by the Client after the date hereof that provides MRI services and 4,166.67 for each additional Center acquired or developed by the Client after the date hereof that does not provide MRI services; plus (ii) five and 5/10 percent (5.5%) of Net Collected Revenue for the previous month; plus (iii) an incentive fee of up to two percent (2%) of Net Collected Revenue for the previous month based on performance metrics as set forth on Exhibit E ("Incentive Pay"). For the purposes of this Agreement the term "Net Collected Revenues" means for any calendar month or portion thereof that this Agreement is in effect the revenues actually collected by the Centers for diagnostic procedures, less patient refunds and adjustments as may be required by third party payors retroactively for contractual allowances and other adjustments. The Management Fee for each calendar month or portion thereof that this Agreement is in effect shall be paid to OIA within five (5) business days after the end of each calendar month.

4. OBLIGATIONS OF CLIENT

4.1. Reasonable Institutional Support. In addition to any other obligations set forth herein, Client and its owners agree to provide such assistance to OIA as may be reasonably necessary to allow OIA to fulfill its obligations under this Agreement, including responding in a timely manner to requests for information and direction from Client.

4.2. Covenant Not to Hire Administrator. Neither Client nor University Health System, Inc nor Association of University Radiologists, PC nor any of their respective Affiliates shall hire or otherwise engage the Administrator during the term of this Agreement or for two (2) years after termination of this Agreement unless otherwise agreed to by OIA.

5. CONFIDENTIALITY

5.1. Confidentiality.

5.1.1. OIA Confidential Information: The term “OIA Confidential Information” shall mean all confidential and proprietary information shared by OIA with the Client. Notwithstanding the foregoing, the term “OIA Confidential Information” does not include any information in the public domain, now or in the future, other than information in the public domain solely due to public disclosure by Client without authorization pursuant to this Agreement or other authorization by OIA. Client recognizes and acknowledges that Client’s public dissemination, release or use of any OIA Confidential Information other than pursuant to this Agreement could be injurious to the business and operations of OIA. Therefore Client explicitly agrees to maintain the confidentiality of the OIA Confidential Information. Client also agrees not to use, appropriate or disseminate any OIA Confidential Information for its own benefit or the benefit of others, except as permitted under this Agreement. OIA hereby authorizes Client to use any OIA Confidential Information in connection with the operation of the Center, and authorizes Client to disclose any OIA Confidential Information as required by applicable law or as Client reasonably deems necessary to respond to any request or order by a court or regulatory entity. OIA acknowledges that Client is not responsible for any disclosure of OIA Confidential Information by: (i) the Administrator and any personnel provided or engaged by OIA to work at the Centers (the Administrator and such personnel are referred to as the “Center Personnel”); or (ii) any other personnel not employed by Client.

5.1.2. Client Confidential Information: OIA acknowledges that all documents, materials and information concerning the development or operation of the Centers, including policies and procedures developed by OIA for Client but not including any OIA Confidential Information, constitute Client’s confidential information (the “Client Confidential Information”). Notwithstanding the foregoing, the term “Client Confidential Information” does not include any information in the public domain, now or in the future, other than information in the public domain solely due to disclosure by OIA or any Center Personnel without authorization pursuant to this Agreement or other authorization by Client. OIA recognizes and acknowledges that OIA’s or any Center Personnel’s public dissemination, release or use of any Client Confidential Information other than pursuant to this Agreement could be injurious to the business and operations of Client. Therefore OIA explicitly agrees to maintain, and arrange for all the Center Personnel to maintain, the confidentiality of the Client Confidential Information. OIA also agrees not to use, appropriate or disseminate any Client Confidential Information for its own benefit or the benefit of others, except as permitted under this Agreement. OIA shall take commercially reasonable efforts to arrange for each person provided by it pursuant to this Agreement to execute a confidentiality agreement binding such person to confidentiality restrictions in such form and in such manner as may be required by Client. Client hereby authorizes OIA and the Center Personnel to use any Client Confidential Information in connection with the operation of the Center, and authorizes OIA and the Center Personnel to disclose any Client Confidential Information as required by applicable law or as OIA reasonably deems necessary to respond to any request or order by a court or regulatory entity.

5.1.3. Injunctive Relief: The parties acknowledge that the obligations contained in this Section 5 are an essential element of this Agreement, without which this Agreement would

not exist, and that any breach of this Section 5 may cause irreparable harm to the non-breaching party. For those reasons the parties agree that any breach of this Section 5 will entitle the non-breaching party to seek injunctive relief, along with any other remedies available to such non-breaching party at law or in equity.

5.1.4. Survival of Obligations: The obligations in this Section 5 will survive termination or expiration of this Agreement for any reason, including expiration.

6. DEFAULT; REMEDIES

6.1. Default by Client. It shall constitute an event of default under this Agreement (an “Event of Default”) by Client if Client:

6.1.1. Unpaid Fee or Failure to Reimburse Expenses: Fails to authorize or permit payment of any fee owed to OIA pursuant to this Agreement or any expense incurred by OIA for which Client is required to reimburse OIA hereunder within ten (10) business days following the date such payment is due pursuant to Section 3.1 or 3.2; or

6.1.2. Breach: Fails to perform any other material obligation under this Agreement, unless such failure to perform is due to any act or omission by OIA.

6.2. Client’s Right to Cure; OIA’s Remedies. With respect to an Event of Default under Section 6.1.2, Client shall have sixty (60) days (five (5) days in the case of a payment default) from the receipt of written notice of an Event of Default from OIA to remedy such Event of Default. Such notice shall state with particularity the Event of Default, and the action(s) required by Client to cure such Event of Default. If Client fails to cure such Event of Default by the close of such sixty (60) day (five (5) day in the case of a payment default) period, OIA may terminate this Agreement on notice to Client and exercise any remedies available to OIA at law or in equity. Further, any amounts due and owing to OIA by Client pursuant to this Agreement shall bear interest at the lesser of ten percent (10%) or the highest rate of interest permitted by law.

6.3. Default by OIA. It shall constitute an Event of Default by OIA under this Agreement if:

6.3.1. Fraud: OIA commits fraud, misappropriation, embezzlement, or the like, of Client’s assets or property (“Monetary Fraud”);

6.3.2. Gross Negligence: OIA commits or engages in gross negligence, willful misconduct or any intentional breach of its contractual duty to Client pursuant to this Agreement; or

6.3.3. Breach: OIA fails to perform any other material obligation under this Agreement, unless such failure to perform is due to any act or omission by Client, provided, however, that any such Monetary Fraud, gross negligence, willful misconduct or intentional breach by the Administrator or any third party engaged by OIA shall not constitute an Event of Default by OIA if OIA, upon discovery of such action, promptly and permanently terminates such Administrator or third party’s work at the Centers.

6.4. OIA's Right to Cure; Client's Remedies. In the event Client determines that an Event of Default has occurred, Client shall provide OIA written notice of the event or events constituting default, and shall specify with reasonable particularity such actions as would be required to remedy such default. OIA shall then have sixty (60) days from the receipt of written notice of an Event of Default from Client to remedy such Event of Default. If the Event of Default may not reasonably be remedied within such Cure Period, OIA will submit to Client, within sixty (60) days from the receipt of written notice from Client of an Event of Default, a written plan describing the manner and the time period in which OIA will remedy the Event of Default (the "Cure Plan"). Client may terminate this Agreement upon written notice to OIA and exercise any remedies available to Client under this Agreement, if OIA fails to cure an Event of Default within the Cure Period. If the Event of Default may not reasonably be remedied within the Cure Period, Client may terminate this Agreement upon written notice to OIA and exercise any remedies available to Client under this Agreement, if OIA fails to: (i) submit a Cure Plan to Client within sixty (60) days from the receipt of written notice from Client of an Event of Default; or (ii) fails to cure the Event of Default within the time period allowed for such in the Cure Plan.

6.5. Limitation of Liability. In the event of error or omission in the performance of the services rendered by OIA hereunder due solely to the actions or failure to act of OIA, OIA will re-perform the services at no additional cost to Client. Notwithstanding the foregoing, it is expressly understood and agreed that (1) OIA shall have no liability for the (a) inability of third parties or systems beyond the control of OIA to accurately process data, or (b) transmission to OIA of inaccurate, incomplete or duplicate data provided by third parties; and (2) OIA's liability cap for any negligent or intentional acts shall be equal to the amount of liability coverage required in the Section of this Agreement entitled "Insurance." Neither party shall in any event be liable to the other for any indirect, special, or consequential losses or damages suffered by such party or any third party.

6.6. Other Termination Rights.

6.6.1. Bankruptcy: Either party may terminate this Agreement upon written notice to the other party if the other party applies for or consents to the appointment of a receiver, trustee or liquidator or all or a substantial portion of its assets, files a voluntary petition in bankruptcy or is the subject of an involuntary bankruptcy filing, makes a general assignment for the benefit of creditors, or files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the other party bankrupt or insolvent or approving a petition seeking reorganization of such other party or appointing a receiver, trustee or liquidator for such other party of all or a substantial portion of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days.

6.6.2. Violation of Health Care Law: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement immediately on notice to the other party if the other party is (i) convicted of violating any law or regulation concerning the provision of health care services, or (ii) excluded from participating in any federal or state procurement or health care program.

6.6.3. Change in Law: Either party may provide written notice to the other party if counsel for such party reasonably determines that continuation of this Agreement may subject such party to sanctions under applicable legal requirements or may jeopardize such party's participation in or material payments under Medicare, Medicaid, any successor to either such program, or any other governmental payor arrangement or may subject the party to sanctions or penalties under the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b), the Federal Physician Self-Referral (Stark) Law (42 U.S.C. § 1395nn), the Federal Civil Monetary Penalties Law (42 § 1320a-7a) or any similar state health regulatory compliance law. The parties agree to use reasonable best efforts and negotiate in good faith following such notice to determine whether they can reach mutual agreement concerning how to modify this Agreement to comply with applicable legal requirements. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangement between the parties. In the event the parties are unable to reach agreement as to the terms of the amendment within sixty (60) days following the date of written notice, then either party may terminate this Agreement. No party shall assert illegality as a defense to enforcement of this Agreement or any provision hereof.

6.6.4. Failure to Enroll in Medicare or Medicaid or Secure Sufficient Third Party Payor Contracts: In the event that (i) the Centers are not enrolled as providers under the Medicare and Medicaid programs and a reasonable number of third party payor contracts within six (6) month after opening, in each case, despite the exercise of commercially reasonable efforts by both OIA and the Client, and (ii) the Client elects to permanently close and cease to conduct operations of the Centers, then the Client may terminate this Agreement by providing OIA with at least twenty (20) business days advance notice.

6.7. Effect of Termination. Termination of this Agreement for any reason will not relieve either party of any obligation which arose under this Agreement prior to such termination, or any obligation expressly stated herein as surviving termination of this Agreement and shall not adversely effect, directly or indirectly, any rights or obligations of the parties set forth on the operating agreement of the Client.

6.8. Termination Procedures for Billing and Collection Services. In the event of termination of this Agreement for any reason, Client shall choose one of the following two (2) options as a means of transferring its accounts receivable from OIA to another provider of coding, billing and collection services. Client shall notify OIA in writing as to which option it has chosen:

(a) Upon the effective date of termination, OIA shall cease to enter new patient and charge data into its computer system on behalf of Client, but will (a) continue to perform the coding, billing and collection services hereunder for a period of ninety (90) days after termination with respect to all of Client's accounts receivable relating to Client's charges for clinical procedures rendered prior to the termination date, and Client shall continue to pay OIA for such services in accordance with Section 3 during such ninety (90) day period, (b) thereafter discontinue processing Client's existing accounts receivable, (c) deliver to Client, after full payment of all fees owed, a final list of accounts receivable, (d) provide transitional services as mutually agreed, and (e) have no further obligations to Client thereafter with respect to the provision of services in this Agreement; or

(b) On or before the effective date of termination, Client shall pay OIA the “Services Rendered Fee” as defined below. Upon payment of the Services Rendered Fee, OIA shall (a) be immediately relieved of the obligation to provide any further services on behalf of Client with respect to the provision of services set forth in this Agreement, (b) deliver to Client, after full payment of all fees owed, a final list of accounts receivable, (c) provide transitional services as mutually agreed, and (d) have no further obligations to Client with respect to the provision of services set forth in this Agreement. Client may negotiate with OIA for additional transitional services to be provided by OIA to Client after the date of termination at Client’s additional expense. The parties understand and acknowledge that the Services Rendered Fee is in addition to any other legal or equitable remedy OIA may have against Client, if any, and in no way is intended to limit the rights and remedies OIA may have against Client arising out of any breach of this Agreement. The “Services Rendered Fee” shall be equal to the percentage set forth in Section 3.2 for determining the monthly Management Fee, multiplied by the aggregate outstanding accounts receivable incurred in the past 180 days (not including accounts receivable held with or transferred to early-out agencies, collection agencies or any other third party billing/collection organization) as of the effective date of termination, multiplied by the historical gross collection percentage (gross collections divided by gross charges) for the six (6) months immediately preceding the effective date of termination and meet industry standards of being commercially reasonable

7. TERM OF THE AGREEMENT

7.1. Term. Subject to the conditions precedent set forth below, the term of the Agreement will continue for so long as OIA or any of its Affiliates (including Diagnostic Health Centers of Tennessee, LLC) continues to own a membership interest in the Client, subject to any express rights of early termination as set forth elsewhere in this Agreement.

7.2. Payment of Fees; Delivery of Property.

7.2.1. Payment of Fees: Subject to Section 6.8, upon the termination of this Agreement for any reason, all undisputed amounts due OIA hereunder as of the date of termination (minus any undisputed amounts owed by OIA to Client) shall be paid to OIA by Client within thirty (30) calendar days after the date of termination.

7.2.2. Delivery of Property: Upon termination of this Agreement for any reason, each party hereto shall promptly deliver to the other party all of the other party’s property in such party’s possession. Each party shall cooperate with the other party to effect the termination and transition to another management company if one is appointed. Upon termination, OIA shall deliver to Client all funds, without any set offs, hold backs, or deductions, controlled by or in the possession of OIA as agent for Client.

8. MISCELLANEOUS

8.1. Indemnification. Except as otherwise provided herein, each party shall indemnify the other party, and hold it harmless from any and all liability, including reasonable attorney’s fees and costs, caused by or resulting from any gross negligence or willful misconduct of the indemnifying party, that party’s officer, director, agent, employee, leased employee, or any Center

Personnel employed or otherwise engaged by such party to provide services in conjunction with the Centers. In addition, OIA shall indemnify and hold harmless Client, its officers, directors, agents and employees, from and against all liability, claims, damages, suits, demands, expenses and costs, of every kind arising out of OIA's execution of this Agreement, specially to include any breach of any applicable restrictive covenant or exclusivity provision applicable to OIA.

8.2. Disclaimer of Employment of Medical Employees. No person employed by Client as a physician shall be or be deemed to be an employee of OIA, and OIA shall have no liability for payment of any wages, payroll taxes and other expenses of employment for any such person employed by Client, except that OIA shall have the obligation to exercise reasonable care in the management of the Centers and to apply available Client funds to the payment of such wages, benefits, and payroll taxes in accordance with this Agreement.

8.3. Non-Assumption of Liabilities. OIA shall not, solely by virtue of entering into and performing this Agreement, become liable for any of the existing or future obligations, liabilities or debts of Client. Client shall not, solely by virtue of entering into and performing this Agreement, become liable for any of the existing or future obligations, liabilities or debts of OIA.

8.4. Access to, Maintenance and Confidentiality of Records.

8.4.1. Access to Records; Confidentiality: OIA shall, during the term hereof be given complete access to the Centers' records, offices and facilities as necessary for OIA to carry out its obligations hereunder, subject to all applicable legal requirements and Client's policies concerning the confidentiality of patient information and medical records. OIA shall maintain the confidentiality of all files and records, including patient records, of Client, disclosing the same only as required by law, or in accordance with Client's policies in circumstances when disclosure is permitted by law.

8.4.2. Records to be Maintained: Client will maintain all records related to the Centers for at least: (i) the maximum applicable statute of limitations period; (ii) the period of time as is otherwise required by state or federal law with respect to the retention of medical records; (iii) six (6) years after the last date of services rendered; and (iv) five (5) years from termination of this Agreement. If records are under review or audit by any third party payor or governmental agency, Client shall maintain such records until the review or audit is complete. Said records shall be made available and furnished immediately upon request for fiscal audit, medical audit, medical review, utilization review, and other periodic monitoring upon request of authorized representative of authorized federal or state personnel.

8.5. HIPAA Compliance. The parties acknowledge that the relationship between them will involve the transmission and sharing of information that is or may become subject to the provisions of HIPAA. Accordingly, the parties adopt and incorporate by reference herein the provisions of the "Business Associate Addendum" attached hereto as Exhibit 9.5.

8.6. Assignment; Permitted Assignment. Neither party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party, and any attempt to assign or otherwise transfer any rights or obligations hereunder in

violation of this Section is void; provided, however, that OIA may assign this Agreement to an entity that purchases all or substantially all of the assets of OIA.

8.7. Rights Cumulative; No Waiver. No right or remedy herein conferred upon or reserved to either of the parties hereto is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of an Event of Default hereunder. Every right and remedy given by this Agreement to the parties hereto may be exercised from time to time and as often as may be deemed expedient by the parties, as the case may be.

8.8. Headings. The section and paragraph captions and headings contained in this Agreement are included for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original document and all of which, taken together, shall be deemed to constitute but a single original document.

8.10. Notices. All notices, offers, requests, demands, and other communications pursuant to this Agreement shall be given in writing by personal delivery, by prepaid first class registered or certified mail properly addressed with appropriate postage paid thereon, or by nationally recognized overnight express courier service for next business day delivery. Any such notice, offers, requests, demand, or other communications shall be deemed to be duly given and received on the date of delivery or the next business day following sender's delivery to a nationally recognized overnight express courier service, or five (5) business days following the mailing of notice by registered or certified mail. Notices shall be sent to the parties at the following addresses or at such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

Address for Notices:

Outpatient Imaging Affiliates, LLC
Attn: Chief Executive Officer
800 Crescent Centre Drive, Suite 400
Franklin, TN 37067

Address for Notices:

8.11. Entire Agreement. This Agreement, including the exhibits attached hereto, contains the entire understanding of the parties with respect to its subject matter. This Agreement merges and supersedes all prior agreements and understandings between the parties, written or oral, with respect to its subject matter, and there are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter hereof other than those expressly set forth herein.

8.12. Severability. In the event that any provision of this Agreement, or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, or the application of the invalid, illegal or

unenforceable provision to any other person or circumstance, and this Agreement shall then be construed as if such invalid, illegal or unenforceable provision had not been contained in this Agreement, but only to the extent of such invalidity, illegality or unenforceability.

8.13. Amendment. This Agreement may be amended by mutual written consent of duly authorized representatives of the parties.

8.14. Force Majeure. Neither party shall be liable for any failure or delay in performing its obligations under this Agreement due in whole or in material part to any cause beyond its reasonable control, including but not limited to fire, accident, labor dispute or unrest, flood, riot, war, rebellion, insurrection, sabotage, terrorism, transportation delays, shortage of raw materials, energy or machinery, acts of God or of the civil or military authorities of a state or nation, or the inability, due to the aforementioned causes, to obtain necessary labor or facilities.

8.15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to the State's cases and statutes concerning conflict of laws. Exclusive venue for any legal proceeding in respect of or arising out of this Agreement shall lie in any court of competent jurisdiction sitting in Knoxville, Tennessee.

8.16. Arbitration. In the event the parties to this Agreement disagree on the interpretation, construction, performance or enforcement of this Agreement ("Dispute"), the parties hereby agree, to the extent permitted by law, to resolve the Dispute by binding arbitration in accordance with the following procedures. First, any party with a Dispute may demand in writing that the Dispute be submitted to arbitration. A period of twenty (20) business days shall pass from the date of the demand during which the parties shall exercise good faith to reach a common understanding and resolution of the Dispute. In the event that the parties shall not be able to resolve the Dispute within the twenty (20) business day period, the Dispute shall be referred to binding arbitration in Knoxville, Tennessee, before a single arbitrator agreeable to both parties under the then-existing rules of the American Arbitration Association. Judgment on the arbitration award may be entered in any court of competent jurisdiction. The prevailing party shall have the costs of the arbitrator and its reasonable attorney's fees paid by the losing party. In the event that the arbitrator determines that neither party has substantially prevailed in its claim, each party shall share the costs of the arbitrator equally and shall pay their own attorney's fees.

8.17. Affiliate. The term "affiliate" as used in this Agreement with respect to any person or entity shall mean, any other person or entity that controls, is controlled by, or is under common control with such first person or entity. For purposes of the foregoing, "control" means the power to direct or cause the direction of the management and policies of an entity, directly or indirectly, whether through ownership of voting securities, by contract, as trustee or executor, or otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the day and year first above written.

OUTPATIENT IMAGING AFFILIATES, LLC

UNIVERSITY DIAGNOSTICS,
LLC

By: _____

By: _____

Title: _____

Title: _____

Print Name: _____

Print Name: _____

OPTION TO SUBLEASE AGREEMENT

THIS OPTION TO SUBLEASE AGREEMENT (this “**Option**”) is made as of this 20th day of September, 2021, by and among YASALAMA PROPERTIES, LLC, a Tennessee limited liability company (“**Landlord**”), and UNIVERSITY HEALTH SYSTEM, INC., d/b/a UNIVERSITY OF TENNESSEE MEDIAL CENTER, a Tennessee non-profit corporation (“**Tenant**”) and UNIVERSITY DIAGNOSTICS, LLC, a Tennessee limited liability company (“**Subtenant**”).

RECITALS

A. Landlord and Tenant have entered into that certain Lease dated as of November 7, 2019, which Lease has been amended by that certain First Amendment to Lease dated June 26, 2020 (collectively the “**Master Lease**”) pursuant to which Landlord leased to Tenant certain premises consisting of 12,689 square feet located on the second floor in that certain medical office building located at 1975 Town Center Boulevard, Knoxville, Tennessee, as more particularly described in the Master Lease (the “**Leased Premises**”).

B. Tenant is a member of University Diagnostics, LLC, a joint venture organized to provide diagnostic imaging services to health care patients.

C. Tenant and Subtenant desire to enter into a sublease agreement for a portion of the Leased Premises (the “**Sublease**”), wherein Tenant will sublet approximately 2,579 square feet of the Leased Premises to Subtenant (the “**Subleased Premises**”), monthly rent to be equal to Subtenant’s proportionate share of the current Rent (as defined below) paid by Tenant pursuant to the Master Lease for the Leased Premises. The term of the Sublease will be for remainder of the Initial Lease Term of the Master Lease, commencing on the date Subtenant takes occupancy of the Subleased Premises and expiring December 7, 2025.

D. Subtenant has filed an application for a Certificate of Need (“**CON**”) with the Tennessee Health Services Development Agency (the “**Agency**”) to provide diagnostic imaging services to patients.

E. Tenant and Subtenant desire to obtain the consent of Landlord to the Sublease upon terms and conditions acceptable to Landlord.

AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions. All capitalized terms used in this Option shall have the same meaning given such terms in the Master Lease, unless otherwise defined in this Option.

2. Grant of Option. Landlord hereby grants Tenant the option to sublet the Subleased Premises to Subtenant contingent upon the Agency’s approval of the CON, and subject to the terms and conditions agreed to herein.

3. Consent to Sublease. Prior to Landlord consenting to the subletting of the Subleased Premises, each of Tenant and Subtenant shall execute a Consent to Sublease Agreement (“**Consent Agreement**”) acknowledging to and agreeing to be bound by the terms of the Consent Agreement and Master Lease. Nothing in the Consent Agreement or the Sublease shall: (i) constitute approval or ratification by Landlord of any of the provisions of the Sublease or any other agreement relating thereto (other than the actual demise of the Subleased Premises to Subtenant from Tenant) or constitute a representation or warranty on behalf of Landlord; (ii) waive or release Tenant from any of its obligations under the Master Lease or any other document affecting the Subleased Premises, or waive any present or future default of Tenant under the Master Lease; (iii) modify, waive, amend or affect any provisions, covenants or conditions of the Master Lease or any rights or remedies of Landlord thereunder; or (iv) be construed as an acknowledgment of any obligation of Landlord to Subtenant under the Master Lease with respect to the Subleased Premises. Landlord shall have no responsibility or obligation to Subtenant for the performance by Tenant of its obligations under the Sublease.

4. Master Lease Superior. The Sublease shall at all times be subject and subordinate to the Master Lease, and to all of the covenants, agreements, terms, provisions and conditions of the Master Lease and the Consent Agreement. Subtenant shall acknowledge that it has read and has knowledge of all of the terms, provision, rules and regulations of the Master Lease and agree to be bound and abide by the terms of the Master Lease.

5. Liability of Tenant. Tenant shall be and remain fully and primarily liable and responsible for the due keeping, performance and observance of all of the covenants, agreements, terms, provisions and conditions set forth in the Master Lease on the part of Tenant to be kept, performed and observed and for the payment of the Minimum Rent, Tenant Expense Payment, Tenant Utilities and all other sums now and/or hereafter becoming payable thereunder, including but not limited to, adjustments of rent and any and all charges for additional services or utilities supplied or furnished in, to or in connection with the Subleased Premises, whether for or at the request of Tenant or Subtenant (collectively referred to herein as “**Rent**”). The acceptance of Rent by Landlord from Subtenant or any third-party shall not be deemed a waiver by Landlord of the obligation of Tenant to pay Rent as provided in the Master Lease.

6. Liability of Landlord. In no event shall Landlord be: (a) liable for any act or omission of Tenant; (b) subject to any offsets or defenses which Subtenant has or might have against Tenant; (c) bound by any rent or other payment paid by Subtenant to Tenant more than thirty (30) days in advance; (d) bound by any amendment to the Sublease not consented to in writing by Landlord; or (e) bound by any security deposit paid to Tenant unless such security deposit is actually received by Landlord.

7. Effectiveness of Option. This Option shall not be binding upon the Landlord unless and until (a) the CON sought by Subtenant is approved by the Agency and (b) Tenant and Subtenant execute the Consent Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Option to Sublease Agreement on this ____ of September 2021.

LANDLORD:

Yasalama Properties, LLC

By: 

Date: 9/20/2021

TENANT:

University Health System, Inc.

By: 

Date: 9/20/2021

SUBTENANT:

University Diagnostics, LLC

By: 

Date: 9/20/2021

LEASE

This Lease is entered into as of November 7, 2019 (the "Execution Date"), by and between **Yasalama Properties, LLC**, a Tennessee limited liability company ("Landlord"), and **University Health System, Inc. d/b/a University of Tennessee Medical Center**, a Tennessee non-profit corporation with offices in Knoxville, Knox County, State of Tennessee ("Tenant").

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Landlord and Tenant agree as follows:

1. Lease of Premises to Tenant.

1.1 Demise. Pursuant to the provisions of this Lease, Landlord hereby leases to Tenant, and Tenant rents from Landlord, that certain medical office space (the "Premises") consisting of the second floor of the medical office building ("Building") to be constructed by Landlord on an approximately 3-acre tract (the "Property") at 1975 Town Center Blvd., Knoxville, Tennessee. The Premises is more specifically shown on Exhibit A attached to this Lease. The square footage of the Premises is agreed by the parties to be 12,389 square feet, which number has been determined by Landlord in good faith and using measurement techniques consistently applied throughout the Building of which the Premises are a part. The square footage of the Premises shall be used to determine Tenant's Proportionate Share of Operating Expenses and Taxes and Assessments as provided herein. Landlord and Tenant agree that Tenant's Proportionate Share shall be 37.9%.

1.2 Conditions Precedent to Lease.

(a) Landlord is in negotiations with a contractor to finalize the Construction Contract and Plans and Specifications (subject to approval of Landlord and Tenant) to construct and complete the Improvements (as defined herein) on the Premises. If, within ninety (90) days of the Execution Date, Landlord is unable to reach a final agreement acceptable to Landlord with a contractor for the completion of the Improvements on terms satisfactory to Landlord, Landlord shall promptly notify Tenant of such inability to reach agreement and either Landlord or Tenant may terminate this Lease by delivering written notice to the other party stating that the Lease is terminated.

(b) Landlord is seeking construction financing and a commitment for funds to design, locate, and construct the Improvements on the Premises to enable it to enter into the Lease. If within ninety (90) days of the Execution Date, Landlord is unable to obtain lender approval and financing on loan terms satisfactory to Landlord, Landlord shall promptly notify Tenant of such inability to obtain financing and either Landlord or Tenant may terminate this Lease by delivering written notice to the other party stating that the Lease is terminated.

(c) This Lease is subject to Landlord obtaining any necessary approvals or permits from applicable governmental authorities within ninety (90) days of the Execution Date. If all such necessary approvals or permits are not obtained by Landlord within such ninety (90)

days, the Landlord shall promptly notify Tenant of such inability to obtain necessary approvals and permits and either Landlord or Tenant may terminate this Lease by delivering written notice to the other party stating that the Lease is terminated.

(d) In the event the Lease is terminated pursuant to the terms and provisions stated in this Section 1.2, neither party shall have liability or responsibility to the other under the terms of this Lease or any related matters.

2. Term.

2.1 Term. The “Initial Term” of this Lease shall be five (5) years, commencing on (i) the date the Tenant occupies or first opens for business in the Premises, (ii) the date which is thirty (30) days after Substantial Completion of the Premises (as defined in Section 5.6), or (iii) such other date as Landlord and Tenant may agree in writing, whichever date first occurs. All references to the “term of this Lease” or the “Lease Term” shall be references to the Initial Term of this Lease and any extension as provided for in Section 2.2 below.

2.2 Extension of Lease. No later than one hundred eighty (180) days prior to the end of the Initial Term, Tenant may request in writing (an “Extension Request”) to extend the term of this Lease for one (1) separate and successive extension term of up to five (5) years (the “Extended Term”), upon the same terms and conditions as herein contained, except that Minimum Rent and Tenant Expenses for any Extended Term shall be in the amounts provided herein. Landlord may, in its sole discretion, (i) grant the Extension Request, (ii) grant the Extension Request subject to additional terms and conditions (which Tenant shall, in turn, have the right to accept or deny), or (iii) deny the Extension Request. For clarity, Landlord and Tenant each acknowledge that their needs/plans with respect to the Premises after the Initial Term are uncertain and they intend that the term of the Lease be extended only upon the mutual written agreement of Landlord and Tenant. Accordingly, absent such mutual written agreement, the Lease shall expire by its own terms at the end of the Initial Term.

2.3 Acceptance of Occupancy. The Commencement Date will be finalized upon execution of the Acceptance of Occupancy (Exhibit B) to this Lease.

3. Rent

3.1 Minimum Rent.

(a) Initial Term. During the Initial Term, Tenant shall pay a total annual Minimum Rent of \$359,281.00, which Minimum Rent amount is based on a rate of \$29.00 per square foot of the Premises. Minimum Rent during the Initial Term shall be payable in equal monthly installments of \$29,940.08.

(b) Extended Term. During the Extended Term, if applicable, annual Minimum Rent shall be increased to \$396,448.00, which Minimum Rent amount is based on a rate of \$32.00 per square foot of the Premises. Minimum Rent during the Extended Term shall be payable in equal monthly installments of \$33,037.33.

3.2 Fair Market Value. Landlord and Tenant acknowledge that the Minimum Rent represents a fair market rental for the Premises. All Minimum Rent payable pursuant to this Lease shall be payable in equal monthly installments, prorated for any partial month, on or prior to the first (1st) day of each month, in advance, without demand, without offset, deduction or abatement (unless otherwise expressly provided in this Lease), at the office of Landlord or its designated agent.

3.3 Late Fee. Tenant agrees to pay Landlord a five percent (5%) late fee for any payment of Minimum Rent received after the fifth (5th) day of each month (irrespective of whether such fifth (5th) day falls on a holiday, Saturday or Sunday). Any waiver by Landlord of such late fee on one occasion shall not be construed as a waiver of that right on any subsequent occasion.

4. Tenant Expenses.

4.1 Tenant Expense Payment. Tenant shall pay to Landlord in equal monthly installments (each a "Tenant Expense Payment") an amount equal to one-twelfth (1/12) of the following "Tenant Expenses" as estimated by Landlord at the beginning of the applicable Lease Year, and reconciled to actual Tenant Expenses at the end of the applicable Lease Year. For purposes of this Lease, "Lease Year" shall mean a period of twelve (12) full consecutive calendar months. The first Lease Year shall commence on the Commencement Date

(a) Tenant's pro rata share (based upon the square footage of the Premises as expressed as a percentage of the total square footage of the Premises, i.e., 39.7%) of all annual Taxes and Assessments applicable to the Premises and any Improvements thereon; and

(b) Tenant's pro rata share of the Landlord's costs incurred in operating, maintaining and repairing the Building and the common areas of the Property (the "Operating Expenses").

Tenant's monthly Tenant Expense Payment shall be due at the time of all payments of Minimum Rent to Landlord. Landlord may maintain such Tenant Expense Payments in a separate account (escrow or reserve) for application to Taxes and Assessments as they become due and to Operating Expenses as such are incurred from time to time, as the case may be. Within sixty (60) days after the end of the applicable Lease Year, Landlord shall calculate the actual Tenant Expenses and reconcile against the total Tenant Expense Payments made during the applicable Lease Year, with the excess or shortfall, as applicable, incorporated into the Tenant Expense Payments for the following Lease Year.

4.2 Definitions. Tenant Expenses shall include the following defined terms:

(a) "Taxes" shall mean any and all of the following levied, assessed, or imposed with respect to the Property or any part of the Property in any calendar year: real property and personal property ad valorem taxes, any business taxes, assessments, charges made by any public or quasi-public authority for the land and all Improvements, Tenant Improvements, or betterments related directly or indirectly to the Property, sanitary taxes or charges, sewer or water taxes or

charges, encumbrances, levies, assessments or taxes of any nature whatsoever, whether special or general, whether ordinary or extraordinary and whether payable in installments or not. If, at any time during the term of this Lease, the Laws concerning the method of real property taxation prevailing on the date of this Lease are changed so that a tax or excise on rents or any other tax, however described, is levied, assessed, or imposed against the Landlord or the Property as a direct or indirect substitution in whole or in part for any of the Taxes and/or Assessments described above, then the term "Taxes and Assessments" shall also include the substituted tax or excise on rents or other substituted tax

Landlord agrees to promptly deliver to Tenant copies of all notices, bills, or statements for any such Taxes upon receipt of same by Landlord. Tenant shall be responsible only for its pro rata share of Taxes for any fractional Lease Year occurring during the period in which Tenant shall be responsible for payment of such Taxes as hereinabove provided. If the actual Taxes for the year in which the term of this Lease terminates is not known at the time of termination, Landlord may require Tenant to pay its pro-rata part of the Taxes using the Taxes for the immediately prior year and, in such an event, an adjustment shall be made between the Landlord and Tenant when the actual amount of Taxes for the year are known.

Tenant shall pay all Taxes on Tenant's personal property on the Premises. If Landlord has paid any such taxes in the first instance, as required by the applicable authorities, Tenant shall reimburse Landlord immediately upon Tenant's receipt of paid invoices for such taxes; provided, however, Landlord shall use reasonable efforts to give Tenant notice of any such tax prior to payment of same.

(b) "Assessments" shall mean all assessments, expenses and charges levied against the Property or Landlord pursuant to any Declaration for each calendar year during the term of this Lease. Landlord agrees to promptly deliver to Tenant copies of all notices, bills, or statements for any such assessments, charges or expenses upon receipt of same by Landlord. Tenant shall be responsible only for its pro rata share of the Assessments for any fractional Lease Year occurring during the period in which Tenant shall be responsible for payment of same as hereinabove provided. If the actual amount of the Assessments for the year in which the term of this Lease terminates is not known at the time of termination, Landlord may require Tenant to pay its pro rata part of such assessments, charges and expenses for the prior year and, in such event, an adjustment shall be made between the Landlord and Tenant when the actual amount of the Assessments for the year are known.

(c) "Operating Expenses" shall include, but not be limited to, all costs for the maintenance and repair of all indoor and outdoor common areas, grounds and joint use areas of the Property and the Building; maintenance and repair obligations of Landlord for the Building and the Property; janitorial supplies, expenses and equipment; utility expenses (other than Tenant's utility expenses in the Premises); garbage removal; security services; premiums for insurance covering the Building and the Property, including for occurrences in and around the Building and the Property is a part; maintenance and repairs to all elevators and HVAC systems; management fees (not to exceed 3%); pest control expenses; and annual common area maintenance (CAM) plus an annual structural reserve expense equal to \$0.20 per square foot of the estimated maintenance

cost calculated on an annual basis. Tenant's monthly Tenant Expense Payment shall be due at the time of all payments of Minimum Rent to Landlord.

4.3 Utilities. Landlord shall implement a sub-metering process to track the utilities used in the Premises and provide to Tenant a monthly statement of charges for all utilities and services furnished to the Premises or used by Tenant ("Tenant Utilities") including but not limited to: electricity, gas, fuel, heat, water, sewer, and power. Tenant shall pay when due all charges for Tenant Utilities. Landlord shall have no liability for any interruption or failure in the supply of any such utilities to the Premises. The Premises will be wired for cable television service with optional internet access. Tenant will be responsible for contracting directly with the service provider (i.e. Comcast Corporation) for telephone, sanitary services, trash collection, and cable television service with optional internet access and for all costs and expenses associated with utilization and maintenance of such services in the Premises.

4.4 Tenant's Business Requirements. Tenant shall be solely responsible for paying Tenant's business licenses, sales tax license, and any and all other permits required for the conduct of Tenant's business on the Premises.

5. Construction of Improvements.

5.1 By Landlord. Tenant has paid for the expense incurred by Landlord in having its architect complete the design of the floor plan for the Premises. Once the floor plan design is approved by Tenant and Landlord, Landlord, at its cost and expense, shall construct the "Improvements" in the Premises in accordance with construction and architect contracts and the "Plans and Specifications" for the Premises agreed to by Landlord and Tenant and such further Improvements as may be required by any applicable Laws. Landlord, at its cost and expense, shall (i) procure all necessary licenses, permits, consents and authorizations for the construction of the Improvements, and (ii) make available to the Premises, as may be required, sanitary sewer or a septic system, water, storm sewer, electricity and gas which shall meet the criteria set forth for such utilities in the Plans and Specifications.

5.2 By Tenant. "Tenant's Work" or "Tenant's Improvements" shall consist of installation of Tenant's trade fixtures and equipment in the Premises (not otherwise included in the Improvements) and shall include all equipment, signs, appliances, furniture, and such other matters for which Tenant shall be responsible to construct, obtain, locate, and complete in accordance with this Lease, the Plans and Specifications described herein, including any personal property which Tenant has installed on the Premises. All such Tenant's Work or Tenant's Improvements shall be at the expense of Tenant.

5.3 No Landlord Warranty. Landlord and Tenant agree that Landlord's contractor engaged to construct the Improvements pursuant to the Plans and Specifications shall not be considered an employee or agent of Landlord, and Landlord assumes no obligations as to the manner or quality of construction. TENANT AND LANDLORD EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR

ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE.

5.4 Commencement and Completion of Construction. Landlord agrees to use its best efforts to commence construction of Improvements pursuant to the Plans and Specifications in accordance with the construction schedule established by the Contractor and Landlord for the Building and to diligently pursue Substantial Completion (as defined below) of the Improvements by not later than August 8, 2020 (the "Completion Date"); provided, however, the date by which the construction shall be commenced or completed, as the case may be, shall be extended one day for each day same is delayed due to acts of God, strikes, riots, fire, flood, war, delay of carriers, material shortages, embargoes, inclement weather, or other similar happenings which are beyond the control of Landlord; provided that the occurrence of any such condition is in no way caused by or results from any negligent act or omission of Landlord and provided further that Landlord shall have exercised reasonable diligence to commence or resume construction and shall have performed all acts reasonably necessary to do so. The Initial Term and the expiration date of the Initial Term shall be adjusted accordingly. The revised Commencement Date shall be agreed to by the parties and set forth in the Acceptance of Occupancy. In the event Landlord has been unable to deliver the Premises within ninety (90) days of the Completion Date, as that date may be extended by the herein defined delays, then this Lease may be terminated by either party, upon notice to the other, with neither party to have any further liability to the other thereafter.

5.5 Commencement of Construction. For purposes of this Lease, construction of the Improvements pursuant to the Plans and Specifications shall be deemed commenced when all necessary licenses, permits and approvals from governmental and quasi-governmental authorities have been issued, a Notice to Proceed has been delivered to Contractor, and the work on the construction of the Improvements has commenced, and shall be deemed substantially completed upon issuance of a certificate of occupancy from the applicable governmental authority ("Substantial Completion"), or its equivalent, permitting the use of the Premises as a medical office space or similar commercial purposes.

5.6 Tenant's Work Commencement. Prior to Substantial Completion, Landlord shall notify Tenant when the Premises are ready for installation of trade fixtures and equipment owned by Tenant and shall allow Tenant to enter the Premises for the purpose of storing and installing, at Tenant's sole cost and expense, Tenant's trade fixtures and equipment, signs, appliances, furniture, merchandise and other personal property, and preparing for opening of Tenant's use and operation therein. Tenant shall not interfere with completion of Landlord's construction work, and Landlord shall have no liability for damage or loss to Tenant's property placed in the Building or the Premises, except for Landlord's negligence or willful misconduct.

5.7 Landlord's Property. All of the Improvements and Tenant's Improvements shall become a part of Landlord's property and a part of the Premises when completed and affixed to the Premises; provided, however, upon the expiration or earlier termination of this Lease, Tenant may remove all trade fixtures and equipment, signs, appliances, furniture, inventory, and other personal property which Tenant has installed or otherwise located on the Premises so long as the any damage caused by such removal is promptly repaired and the Premises restored to its original condition prior to such removal.

5.8 Acceptance of the Premises. As of the date Tenant and Landlord execute the Acceptance of Occupancy form (Exhibit B), Tenant shall be conclusively deemed to have accepted the Premises, in the condition then existing, and Tenant shall be deemed to have waived all claims relating to the condition of the Premises or the Improvement Work, except as noted in any punch list created by Tenant and Landlord and included in the Acceptance of Occupancy form (Exhibit B). No promise of Landlord to alter, remodel, improve, repair, decorate, or clean the Premises or any part of them, and no representation respecting the condition of the Premises has been made by Landlord or its agent to Tenant, except as expressly provided in this Lease.

6. Maintenance and Repairs

6.1 By Landlord. Landlord shall maintain, repair and replace the structural components of the Building and Premises; the vertical transportation serving the Building, if any; all utility and heating and air conditioning facilities and lines serving the Building and Premises; the lighting and electrical systems for the Building; the plumbing system for the Building; the floor coverings for the Building; the glass, plate glass and doors for Building; and the common areas of the Building. Tenant shall give Landlord prompt notice of any necessary repairs to the Premises that are Landlord's responsibility, and Landlord assumes no responsibility in case of disrepair, or for any damage resulting from a state of disrepair, until Tenant has notified Landlord and Landlord has then had a reasonable length of time in which to make repairs.

6.2 By Tenant. Tenant shall keep the interior of the Premises generally in a neat and clean condition, and shall permit no waste to the Premises. Tenant shall maintain and repair the interior glass, interior plate glass, floor coverings, wall covering and doors for the Premises, and the internal plumbing, lighting and electrical systems within the Premises. Notwithstanding anything else in this Section 6, when repairs are necessary because of acts or omissions of Tenant or persons acting for or through Tenant, such repairs shall be at the expense of Tenant. In the event Tenant fails to repair or maintain the Premises as required in this Lease within fifteen (15) days after receipt of written notice from Landlord specifying such repairs or maintenance, Landlord may, at its option and in addition to any other remedies provided by this Lease, by law or in equity, perform such maintenance or repair and charge the cost (plus interest at the Default Rate) thereof to Tenant, which charge shall be payable by Tenant along with Tenant's next payment of Minimum Rent.

6.3 No Liability. Notwithstanding anything else provided by this Lease, Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income from Tenant's business if such injury or loss is caused by or results from any casualty event (by example, and without limitation, any injury or loss from fire, steam, water, rain; from the unavailability of any utilities; or from the breakage of any pipes, sprinklers, wires, appliance, plumbing or heating and air conditioning facilities) and the occurrence of any such event is in no way caused by or results from any negligent act or omission of Landlord. Landlord shall not be liable for any damages arising from any act or negligence of any other tenant or occupant in the Building.

7. Use of the Premises

7.1 Medical Office Space. Unless consented to by Landlord in writing, Tenant will not use the Premises or any part thereof for any purpose other than as a professional space for the practice of medicine, including medical imaging. Tenant may not, without the prior written consent of the Landlord (which may be withheld in its sole discretion), use the Premises for (i) the operation of a laboratory; (ii) the operation of an outpatient surgery center; (iii) the sale of any product or service competitive with the products or services available to GI for Kids, PLLC; (v) any purpose that is in violation of any law or legal requirement; or (vi) any purpose deemed by Landlord's insurer, or by Landlord, to be extra hazardous due to fire or other risk. In the event that there is an increase in the rate of the insurance on the Building or its contents due to Tenant's acts or conduct of business, then Tenant hereby agrees to pay such increase upon demand, in addition to any other payments provided for herein.

7.2 No Violation of Restrictions. The Premises shall not be used at any time in any manner which violates or is inconsistent with any applicable master deed, bylaws or other restrictions of the Building or the Property; which violates or is inconsistent with the rules and regulations set forth by Landlord and provided to Tenant; or which violates any applicable law, ordinance or regulation. The Premises are expressly leased to Tenant, and Tenant expressly takes the Premises, subject to any and all applicable restrictive covenants, encumbrances, conditions, rights, covenants, easements, restrictions, bylaws, zoning laws or any other laws, regulations or ordinances.

7.3 Exclusive Occupancy. Tenant shall have the exclusive right to use, occupy and possess the Premises during the Term of this Lease.

8. No Transfer of Lease

Neither this Lease nor any interest in it, whether legal or equitable, shall be mortgaged, pledged, assigned, subleased or transferred by Tenant without the consent in writing of Landlord. Any assignment, receivership, bankruptcy or other proceedings by or against Tenant, whether filed voluntarily or involuntarily, shall at the option of the Landlord constitute a forfeiture of this Lease, and no court or officer of a court shall have the right or power to transfer this Lease or any interest in it without the consent in writing of Landlord. Unless otherwise expressly agreed by Landlord in writing, no mortgage, pledge, assignment, sublease or transfer of this Lease by Tenant shall release Tenant from any liability under this Lease.

9. Premises Left in Good Order

Upon termination or expiration of this Lease, Tenant will deliver the Premises peaceably to Landlord in as good order and condition as received by Tenant, reasonable wear and tear or loss by fire excepted, and Tenant shall remove from the Premises all equipment or personal property owned by Tenant. In the event Tenant does not remove such equipment and personal property from the Premises at expiration or termination of this Lease, such equipment and personal property may be removed by Landlord, at Tenant's expense. Any damage caused by the removal of such equipment or personal property shall be repaired at Tenant's expense. Tenant agrees, at termination

of this Lease for any reason, to pay for all damages done to the Premises by Tenant which have not been properly repaired, and further agrees to remove all rubbish and litter from the Premises and to leave the floors and all parts of the Premises in a clean condition.

10. No Alterations of the Premises

Tenant may not make alterations, additions or improvements on or to the Premises without the consent in writing of the Landlord, which consent shall not be unreasonably withheld. All alterations, additions and improvements made shall become the property of Landlord and shall be surrendered as a part of the Premises at the termination of this Lease. Tenant shall not permit any lien, encumbrance or other charge on the Premises or Building arising out of work done or materials furnished by any contractor, subcontractor, mechanic, laborer or materialman.

11. Casualty

11.1 Complete or Substantial Destruction. If all of the Premises or Building are completely damaged or destroyed, or if any part of the Premises is damaged or destroyed so that Tenant cannot use the remainder of the Premises for substantially the same purposes as immediately prior to the damage or destruction, Tenant shall give prompt written notice thereof to Landlord. Landlord shall proceed with reasonable diligence to restore or rebuild the damaged or destroyed part or all of the Premises in accordance with the Plans and Specifications, to the extent that such restoration or rebuilding is fully paid for with the insurance proceeds, if any, recovered with respect to the damage or destruction. Landlord shall use its best efforts to complete the restoration or rebuilding of the Premises within ten (10) months after the date of such damage or destruction provided that sufficient insurance proceeds have been made available to Landlord.

Notwithstanding anything in this Section 11.1 to the contrary, Landlord shall have no obligation to restore or rebuild if insurance proceeds available to Landlord are not sufficient to cover the cost of doing so or if the term of this Lease remaining on the date of such damage or destruction is less than three (3) years, including any extension of the Lease Term exercised and in full force and effect on the date of damage or destruction, but excluding all other options or rights to extend. In either such event, Landlord or Tenant shall have the right to cancel and terminate this Lease as of the date of such damage or destruction by giving written notice thereof to the other party within thirty (30) days after the date of such damage or destruction, and Landlord and Tenant shall account for Minimum Rent, Tenant Expenses, and any other amounts payable by Tenant as of that date. If this Lease is so terminated, all insurance proceeds attributable to destruction or damage of the property described above shall belong to Landlord. All insurance proceeds attributable to destruction or damage of the Tenant's contents and their improvements and betterments shall belong to Tenant.

11.2 Partial Destruction. If any part of the Premises or Building is damaged or destroyed but Tenant can use the remainder of the Premises for substantially the same purposes as immediately prior to the damage or destruction, Tenant shall give prompt written notice thereof to Landlord. Landlord shall promptly restore or rebuild the damaged or destroyed part of the Building or the Premises, as applicable, to the extent that such restoration or rebuilding is fully paid for with the insurance proceeds, if any, recovered with respect to the damage or destruction, to a condition

at least as good as the condition which existed immediately prior to the damage or destruction. In the event of any such damage or destruction, there shall be a proportionate abatement of the Minimum Rent, Tenant Expenses, and any other amounts payable by Tenant pending such repairs or rebuilding to such condition that existed prior to the damage or destruction.

Notwithstanding anything in this Section 11.2 to the contrary, Landlord shall have no obligation to restore or rebuild if insurance proceeds available to Landlord are not sufficient to cover the cost of doing so. In such event, Landlord or Tenant shall have the right, exercisable within thirty (30) days after the date of such damage or destruction, to cancel and terminate this Lease effective as of the date thirty (30) days after the giving of such notice to the other party, and Landlord and Tenant shall account for Minimum Rent, Tenant Expenses, and any other amounts payable by Tenant as of that date. If this Lease is so terminated, all insurance proceeds attributable to destruction or damage of the property described above shall belong to Landlord. All insurance proceeds attributable to destruction or damage of Tenant's contents and their improvements and betterments shall belong to Tenant.

11.3 Rights During Restoration. Tenant covenants and agrees to cooperate with Landlord and any mortgagee of Landlord in their efforts to collect insurance proceeds (including, without limitation, business interruption insurance proceeds) payable to such parties. Landlord shall not be liable for any delay in commencing or completing the restoration or rebuilding of the Premises which may arise by reason of adjustment of insurance on the part of Landlord and/or Tenant, or any cause beyond the control of Landlord or contractors employed by Landlord; provided that the occurrence of any such delay is in no way caused by or results from any negligent act or omission of Landlord.

11.4 Waiver. The Landlord and the Tenant waive all right of recovery for claims of one against the other arising out of loss or damage to property or person from fire or other hazard normally covered by fire and extended coverage insurance; each releases the other from all liability for any loss or damage to the extent permissible under contract, regardless of the origin of the fire or casualty and including fire or casualty caused by the negligence or intentional acts of the parties' employees, agents, subtenants and assignees; and releases all rights to which an insurance company may become subrogated. Any fire and extended coverage insurance procured by either party shall carry a waiver of subrogation endorsement so as to affect this release.

12. Condemnation.

12.1 Permanent or Substantial. If the entire Premises are condemned, the term of this Lease shall terminate on the date when possession of the Premises is taken by the condemning authority. If a substantial part (more than 50%) of the Premises is condemned so that Tenant cannot use the remainder of the Premises for substantially the same purposes as immediately prior to the condemnation, Tenant may terminate this Lease on the date when possession of the Premises is taken by the condemning authority, by giving Landlord written notice of intent to terminate within sixty (60) days after Landlord gives Tenant notice of the condemnation. In the event of any other condemnation, this Lease shall not terminate. Any termination under this Section shall have the same effect as termination of the term of this Lease, as if the date on which possession of the Premises is taken by the condemning authority were stated as the time for termination of the Lease

Term, and the Landlord and the Tenant shall account for Minimum Rent, Tenant Expenses, and any other amounts payable by Tenant as of that date.

12.2 Temporary or Partial. If any part of the Premises is condemned and this Lease is not terminated as specifically provided in this Section, the Minimum Rent shall be abated in the same proportion as usable space in the Building has been rendered unusable by reason of such condemnation. The abatement of Minimum Rent shall be effective from the date when the condemning authority takes possession of the part of the Premises condemned through the remainder of the term of this Lease. No termination of this Lease and no abatement in Minimum Rent shall affect the Landlord's right to compensation for any condemnation.

12.3 Rights to Proceeds. Landlord shall be entitled to the full award or proceeds payable with respect to the Premises and Improvements by reason of any such condemnation, and neither Landlord nor Tenant shall have any claim to any award or proceedings payable to the other. For purposes of this Section, words and phrases referring to condemning or condemnation shall refer to statutory condemnation, exercise of the private or public power of eminent domain, proceedings in the nature of condemnation, and any sale or transfer made in lieu of or under threat of condemnation or exercise of the private or public power of eminent domain and shall include any such condemnation for permanent or for temporary use of or interference with any part or all of the Premises.

13. Increase of Fire Insurance Rate

Tenant will not do or permit to be done anything on the Premises that will increase the rate of fire insurance on the Premises or its contents. If, because of any act or omission on the part of the Tenant, the rate of fire insurance on the Premises is increased, the Tenant agrees to pay any such increase on demand as additional rent. Tenant will comply with all laws, regulations and ordinances of the Federal, State, or municipal government and their departments applicable to the Premises, and will comply with the requirements of the Board of Fire Underwriters.

14. Insurance and Indemnity

14.1 Landlord's Insurance. Landlord shall maintain, at Landlord's expense, (i) fire and extended coverage insurance insuring the Building against damage or loss from fire or other casualty normally insured against under the terms of special extended perils ("All Risks" as such term is used in the insurance industry) and perils caused by earthquake and/or flood and (ii) Commercial General liability for the common areas and property insurance for the Building and Property in amounts not less than \$2,000,000.00 per occurrence and \$3,000,000.00 in the aggregate. Landlord shall not be obligated to insure any personal property of Tenant or improvements installed or placed in the Premises by, or at the expense of, Tenant. All personal property belonging to Tenant or any occupant of the Premises that is in the Building or the Premises shall be there at the risk of Tenant or other person only and Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

14.2 Tenant's Insurance. Tenant shall procure and maintain in full force and effect at its expense at all times during the term of this Lease, with insurers approved by Landlord:

(i) commercial general liability insurance (with products and completed operations coverages) with combined single limit coverage of at least \$2,000,000.00 per occurrence and \$3,000,000.00 in the aggregate against claims, demands or actions with respect to damage, injury or death made by or on behalf of any person or entity, arising from or related to the conduct and operation of Tenant's business in, on or about the Premises, or arising from or relating to any act or omission of Tenant or any of Tenant's subtenants and assignees and all of their respective principals, officers, agents, servants, employees and licensees, and in which Landlord is named as additional insured. Tenant may self-insure for all or part of the insurance required hereunder. Such coverage will not indemnify Landlord for actions within Landlord's sole control;

(ii) insurance with respect to the Premises, and all alterations, additions, and improvements thereto, against loss or damage from all perils of fire, extended coverage, physical loss or damage, including without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and start-up, temporary buildings and debris removal, including demolition occasioned by enforcement of any applicable legal requirements, including reasonable compensation for architects and contractors services, and special extended perils ("All Risks" as such term is used in the insurance industry) and perils caused by earthquake and/or flood, all in amounts sufficient to prevent Landlord from becoming a co-insurer of any partial loss under the applicable policies, but in any event, in an amount not less than the full replacement value of the Improvements, and all alterations, additions and Tenant's Improvements thereto, from time to time;

(iii) insurance with respect to Tenant's business personal property on the Premises in an amount equal to not less than the full repair or replacement value of the property insured, and which insures against loss or damage from all perils of fire, extended coverage, vandalism, malicious mischief and special extended perils ("All Risks" as such term is used in the insurance industry) and perils caused by earthquake and/or flood;

(iv) business interruption insurance covering a period of not less than one (1) year;

(v) workers compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the workers' compensation laws of the state in which the Premises are located with employer's liability insurance in an amount not less than \$500,000.00; and

(vi) excess (umbrella) liability insurance in an amount not less than \$1,000,000.00.

14.3 Insurers. All insurance required to be maintained pursuant to paragraph (a) of this Section shall (i) be carried with companies licensed to do business in the state in which the Premises are located; (ii) carried by companies having a policyholder's rating of at least A-V or better as set forth in the most current edition of Best's Key Rating Guide (or if such publication is discontinued, then by such other insurance rating guide or service as Landlord may select); (iii) provide that the policy cannot be canceled as to Landlord except after the insurer gives Landlord thirty (30) days written notice of cancellation; (iv) provide that the policy cannot lapse if it is not renewed for any reason except after the insurer gives Landlord thirty (30) days written notice of non-renewal; (v) provide that no material change in coverage provided by the policy shall be effective except after the insurer gives Landlord fifteen (15) days written notice of the change; (vi)

not be subject to invalidation as to Landlord by reason of any act or omission of Tenant; and (vii) name as additional insureds Landlord, Landlord's successor(s), assignee(s), nominee(s), nominator(s), and agent(s) with an insurable interest and their respective principals, members, managers, officers, directors and shareholders; and (ix) provide a mortgage endorsement in favor of any holder or holders of a Mortgage or Mortgages providing loss payee status, if required under the terms of the applicable Mortgage(s). Notwithstanding the foregoing, Tenant may self-insure for all or part of the insurance required hereunder.

14.4 Proof of Tenant Insurance. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies. If Tenant does or permits to be done anything which shall increase the cost of the insurance policies, then upon Landlord's demand Tenant shall immediately reimburse Landlord for any additional premiums attributable to any acts or omissions or operations of Tenant causing the increase in the cost of insurance.

14.5 Waiver and Subrogation. Landlord and Tenant hereby release each other and anyone claiming through or under the other by way of subrogation or otherwise from any and all liability for any loss of or damage to property, whether caused by the negligence or fault of the other party, to the extent of any recovery made by the parties hereto for such loss or damage under any all risks, fire and extended coverage or similar property insurance policy now or hereafter issued covering the Premises. In addition, Landlord and Tenant shall cause each such insurance policy carried by them, insuring the Premises or the Building or the contents thereof, to be written to provide that the insurer waives all rights to recovery by way of subrogation against the other party hereto in connection with any loss or damage covered by the policy

14.6 Indemnity. Tenant agrees to indemnify and hold Landlord harmless from and against claims, damages, causes of action for damages brought on account of any failure of Tenant to perform its obligations under the terms of this Lease. Landlord agrees to indemnify and hold Tenant harmless from and against claims, damages, causes of action for damages brought on account of any failure of Landlord to perform its obligations under the terms of this Lease. The provisions of this Section shall survive the expiration or earlier termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination and shall not be limited by reason of any insurance carried by Landlord and Tenant.

15. Signs

Tenant may erect sign or signs on the Premises in accordance with the plans and specifications for such signage set forth on Exhibit B or as otherwise approved by the Landlord and in compliance with the sign ordinance or other laws and regulations governing the same by the appropriate governmental authority. Except to the extent any such signage is required by state law, rule or regulation for healthcare providers, Landlord reserves the right at all times during the Term to control the size, character and location of any of Tenant's signs, and may require Tenant to remove any sign that does not conform to Plans and Specifications or the standards of other signs on or in the Building.

16. Landlord May Enter Premises

Landlord, by an officer or agent, shall have the right to enter the Premises at all reasonable times to inspect them or to make those repairs, additions or alterations the Landlord believes necessary or to show the Premises to prospective Tenants or purchasers.

17. No Waiver of Forfeiture

No waiver by Landlord at any time of forfeiture for breach of covenant by Tenant shall impair the right of Landlord to rely on the forfeiture or any subsequent breach, and acceptance by the Landlord of a portion or all of Minimum Rent or other rent past due shall not constitute a waiver of the forfeiture or of the breach of any covenant or condition, or of any damages due to Landlord by Tenant. No waiver of any of the provisions of this Lease shall be binding upon Landlord unless in writing, signed by it or its authorized agent.

18. Default

(a) In the event that Tenant shall not pay Minimum Rent or any other amount provided by this Lease within ten (10) business days after it becomes due, such unpaid Minimum Rent or other amount shall accrue interest at the annual rate of three (3%) plus the prime rate as published in the *Wall Street Journal* (the "Default Rate") from and after such tenth (10th) day.

(b) In the event that Tenant shall (1) fail to pay Minimum Rent or any other amount provided by this Lease within ten (10) business days after written notice from Landlord to Tenant that such Minimum Rent or other amount is delinquent; (2) violate or fail to perform any of the covenants, agreements or conditions of this Lease, with such violation remaining uncured for a period of thirty (30) days following written notice from Landlord to Tenant; (3) violate or fail to perform any of the covenants, agreements or conditions of this Lease so that Landlord delivers notice to Tenant on three or more separate occasions in any twelve (12) month period; or (4) abandon the Premises or leave them vacant for more than thirty (30) days, or use the Premises in violation of this Lease; the Landlord shall have the right, at its option, to (1) terminate this Lease immediately, as fully as though the term had expired, by giving written notice addressed to Tenant; (2) permit the Lease to continue in effect, with Tenant in possession of the Premises, and collect Minimum Rent and all other payable amounts as they become due and to recover damages for the default; (3) re-enter the Premises by summary proceedings without terminating the Lease, take possession and remove all persons and property and re-let the Premises to a third party, thereby applying the net amount of the rents received from such re-letting, less the total amount of expenses for such re-letting, to the Minimum Rent and other charges payable by Tenant; (4) any other remedy permitted by law or in equity. Landlord shall be entitled to collect reasonable expenses and attorneys' fees from the Tenant in the event of default for all expenses incurred in collecting the defaulted amount, damages, and regaining possession of the Premises.

19. Holdover

If the Tenant shall continue to remain in the Premises after the expiration of the Lease Term, such tenancy shall be deemed a holdover tenancy from month-to-month upon the same

terms and conditions set forth in this Lease, provided that Minimum Rent shall increase to 125% of the amount previously payable. In no event shall any such holdover tenancy exceed six (6) months. However, nothing contained in this Lease shall be construed to give Tenant the right to hold over at any time, and Landlord shall have the right to exercise any and all remedies at law or in equity to recover possession of the Premises.

20. Common Areas

Tenant, its customers, employees and invitees, shall have the right to use on a non-exclusive basis of the common areas of the Building and all parking facilities owned by Landlord that serve the Building, all subject to the rules and regulations set forth by Landlord and provided to Tenant. Such common areas may also be used by Landlord and by other occupants of the Building, and their customers, employees and invitees. As used herein, common areas shall include all areas, facilities and improvements operated or provided in connection with the Building for the non-exclusive use of the tenants and occupants of the Building, including without limitation all non-exclusive parking areas, roadways, sidewalks, landscaped areas, vertical transportation, seating areas, hallways, lobbies and corridors. Provided, however, that Landlord may close any portion of the common areas on a temporary basis to make repairs or improvements thereto, or to prevent any dedication thereof to the public or any person.

21. Rules & Regulations

Tenant will abide by the provisions of the Landlord's rules and regulations governing the Premises and the Building, as outlined in Exhibit D, as such rules and regulations may be amended, modified or supplemented during the Term.

22. Medical Waste and Hazardous Materials.

Tenant shall, at its sole cost and expense, comply with all present and future laws, orders and regulations regarding the collection, sorting, separation and recycling of waste products, garbage and refuse within the Premises. Tenant shall separate all medical waste products (including without limitation syringes, needles, tissues, bandages and gowns) as required by applicable laws, orders and regulations and in accordance with all rules and regulations of the Building, and shall place all such medical waste products in containers provided by Landlord for such purpose. Landlord shall arrange for removal of such medical waste products from the Building in strict compliance with all applicable federal, state and local laws, rules and regulations, which shall be a Tenant Expense. Tenant shall indemnify Landlord of any violation of Tenant's obligations pursuant to this Section 22, or for any hazardous materials contamination within the Premises or Building resulting by an act or omission of Tenant, and Tenant shall pay all costs and shall be solely responsible for performance of any and all necessary and appropriate removal, control or remediation work related thereto.

23. Landlord Financing.

20.1 Subordination. Tenant accepts this Lease subject to and subordinate to any mortgage, deed of trust or similar financing instrument now or at any time hereafter constituting a

lien or charge on the Premises or the Building, and to all extensions, amendments and supplements thereto, without the necessity of execution of any further instrument by Tenant. Provided, however, that Tenant agrees to execute any instrument memorializing such subordination, or if requested by Landlord, providing that this Lease shall be superior to any such mortgage, deed of trust or similar financing instrument, upon reasonable request of Landlord. In the event of any foreclosure or conveyance in lieu of foreclosure, Tenant shall attorn to the successor landlord and recognize such successor landlord as the Landlord under this Lease.

20.2 Estoppel Certificate. Tenant shall, from time to time and within fifteen (15) days after a written request therefore from Landlord, execute and deliver to Landlord (or any other addressee) a written estoppel certificate certifying, if correct, that the Lease is in full force and effect; that the Term commenced on a certain date; that the Lease has not been assigned, modified or supplemented except as shown; that neither party is in default under the Lease; and that no situation of facts exists which, with the passage of time or with notice, would constitute a default under the Lease. Such estoppel certificate may also contain other accurate statements about the Lease reasonably requested by Landlord.

24. Notice

Whenever notice is required by this Lease, it shall be in writing and either be delivered personally to the other party, which shall be evidenced by a receipt from the party who receives the notice, or by certified or registered mail with a returned receipt. Notice shall be delivered or mailed to the following addresses, unless the address is changed by notice given in accordance with this provision of the Lease:

Tenant: University Health System, Inc.
2121 Medical Center Way, Suite 200
Knoxville, TN 37920
Attention: Executive Vice President

Landlord: Yasalama Properties, LLC
1701 Alcott Manor Lane
Knoxville, Tennessee 37922

25. Warranties of Landlord

Landlord warrants and covenants that Landlord is lawfully seized and possessed of good title to the Premises and that Tenant, on paying the Minimum Rent and the Tenant Expense Payments and performing the other covenants and conditions herein contained, shall have quiet and peaceful possession of the Premises during the Lease term. Tenant is acquainted with the Premises and accepts the same in its present condition. Landlord makes no other warranties, either expressed or implied.

26. Addenda and Exhibits

Provisions may be added to this Lease in the form of addenda or exhibits which shall be attached to this Lease. All addenda and exhibits to this Lease are hereby incorporated herein by this reference.

27. Miscellaneous.

(a) The captions and headings appearing in this Lease are inserted only as a matter of convenience and in no way amplify, define, limit, construe or describe the scope or intent of such sections in this Lease, nor in any way affect this Lease.

(b) Landlord and Tenant agree that all provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision of this Lease.

(c) This Lease shall not be construed for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

(d) Nothing in this Lease shall be deemed or construed to create the relationship of principal and agent, or partnership, or joint venture, it being understood and agreement that the relationship of the parties is that of lessor and lessee.

(e) If any provision of this Lease is determined by a court of competent jurisdiction to be contrary to applicable law and thus unenforceable, all of the remaining enforceable provisions of this Lease shall continue to be in full force and effect.

(f) Any liability of Landlord under this Lease shall be limited to the amount of Landlord's interest in the Building.

(g) This Lease shall inure to the benefit and be binding upon Landlord, Tenant and their successors and assigns.

(h) Time is of the essence to the performance of the respective obligations of Landlord and Tenant pursuant to this Lease.

(i) The laws of the State of Tennessee shall govern the validity, performance and enforcement of this Lease.

(j) There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, letter of intent, proposals, brochures, agreements, representations, promises, warranties and understanding between Landlord and Tenant.

(k) No alteration, amendment, change or addition to this Lease shall be binding on Landlord or Tenant unless reduced to writing, signed by both Landlord and Tenant, and mutually delivered to Landlord and Tenant.

(l) This Lease shall not be recorded. However, if requested by Landlord, a memorandum of this Lease shall be executed by both Landlord and Tenant and made of record.

(m) In the event this Lease is terminated for any reason during the first year of the Initial Term, Landlord and Tenant shall not enter into a new agreement until after the first year of the Initial Term of this Lease would have otherwise expired.

IN WITNESS WHEREOF, the parties have signed their names the day and year first above written.

LANDLORD:

Yasalama Properties, LLC

By: 

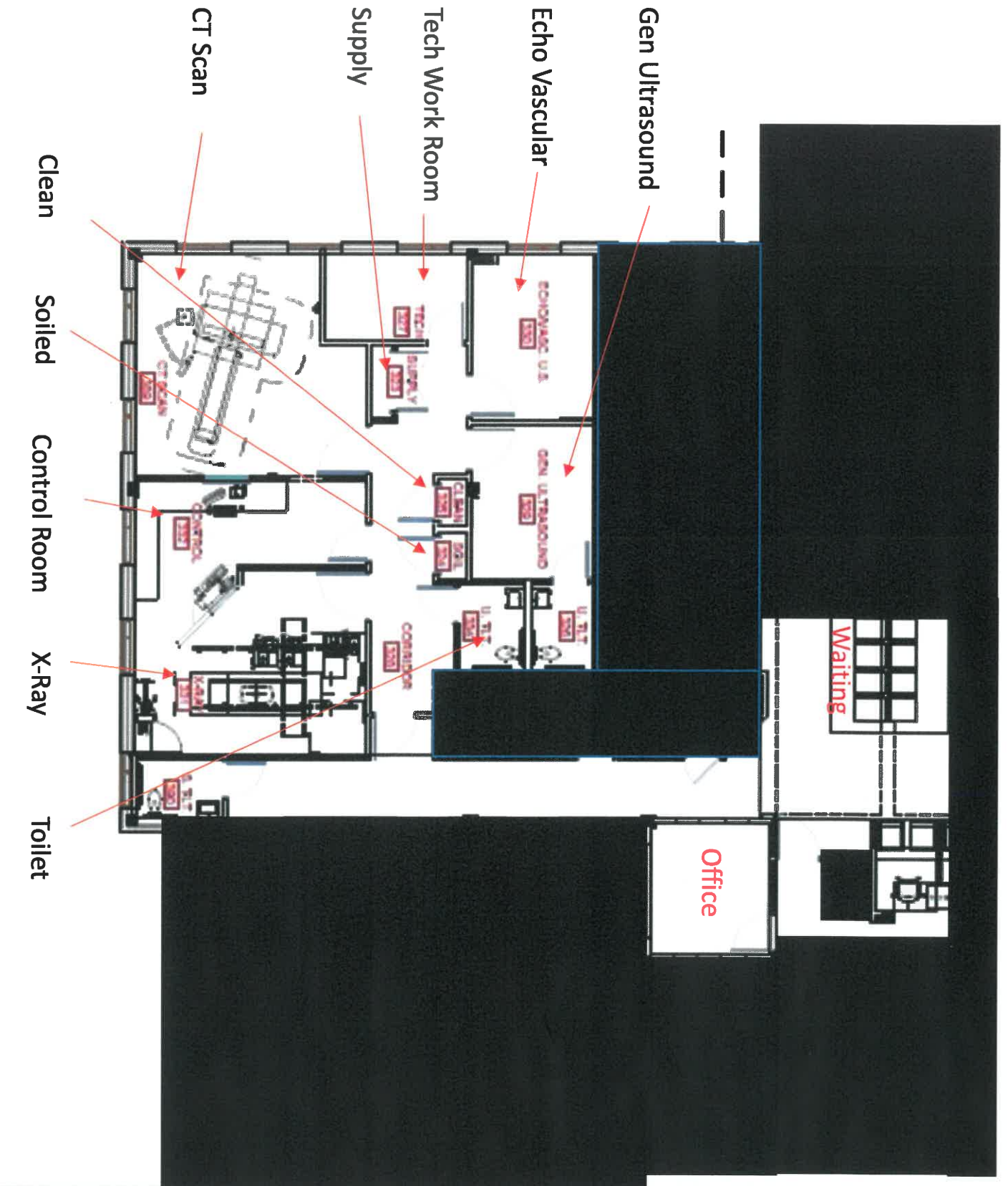
Youhanna Al-Tawil, President

TENANT:

University Health System, Inc.,
a Tennessee non-profit corporation

By: 

Wm David Hall, Executive Vice President



Blacked Out Area is non-ODC space leased to UTMC

ATTACHMENT 1N

RESPONSES TO

CRITERIA AND STANDARDS FOR OUTPATIENT DIAGNOSTIC CENTERS

1. The need for outpatient diagnostic services shall be determined on a county by county basis (with data presented for contiguous counties for comparative purposes) and should be projected four years into the future using available population figures.

The need analysis is based on the need in the PSA, which is Knox County. There are no ODCs in any of the seven counties contiguous to Knox County. The demographics table later in this application is based upon a four-year planning horizon.

2. Approval of additional outpatient diagnostic services will be made only when it is demonstrated that existing services in the applicant's geographical service area are not adequate and/or there are special circumstances that require additional services.

UTMC has operated a hospital outpatient department (“HOPD”) imaging center under its hospital license in the same location which is the site for the proposed ODC, for approximately one year. It is an extremely accessible location, just off an exit ramp to the Pellissippi Parkway in western Knox County. The HOPD imaging center has been very well-utilized. In 2021 (annualized through July) there were a total of 4,546 patients served and 5,230 procedures performed. This project does not involve a projected or anticipated need; there is an existing need for the imaging center as demonstrated by its current utilization.

The CON will authorize the HOPD imaging center to be converted to a separately licensed ODC. This is needed for two primary reasons. First, it allows for much lower charges for patients than is possible under a hospital charge structure. Second, it allows for shared ownership among UTMC and groups affiliated with radiologists. This hospital and physician cooperative venture is a merging of different areas of expertise, and an alignment of interests which is beneficial to consumers.

3. Any special needs and circumstances:

a. The needs of both medical and outpatient diagnostic facilities and services must be analyzed.

University Diagnostics ODC will not provide medical services beyond the scope of the diagnostic imaging services offered, i.e., CT, Ultrasound, Echo Vascular, and X-ray services. The need for outpatient diagnostic facilities and services is addressed in the immediately preceding response.

- b. **Other special needs and circumstances, which might be pertinent, must be analyzed.**

There are no significant disparities in socioeconomic factors such as income, poverty level, and TennCare enrollment between residents of the service area and those of the state as a whole. (Please see the table in response to Question 3N of the application). University Diagnostics will participate in Medicare and TennCare and will not discriminate against anyone based on non-clinical factors such as race, ethnicity or gender.

- c. **The applicant must provide evidence that the proposed diagnostic outpatient services will meet the needs of the potential clientele to be served.**

The three participants in the joint venture company are ideally qualified and situated to meet the needs of the clientele. UTMC currently provides the diagnostic imaging services to be provided in the ODC through HOPDs, including the Northshore imaging center that will be replaced by the proposed ODC. Radiological professional services for these hospital-based imaging services are provided by Association of University Radiologists, PC, an affiliate of which is a member of University Diagnostics, LLC. Outpatient Imaging Affiliates, LLC, ("OIA"), a subsidiary of which is a member the applicant, is a national owner and operator of outpatient imaging centers. OIA is headquartered in Franklin, Tennessee.

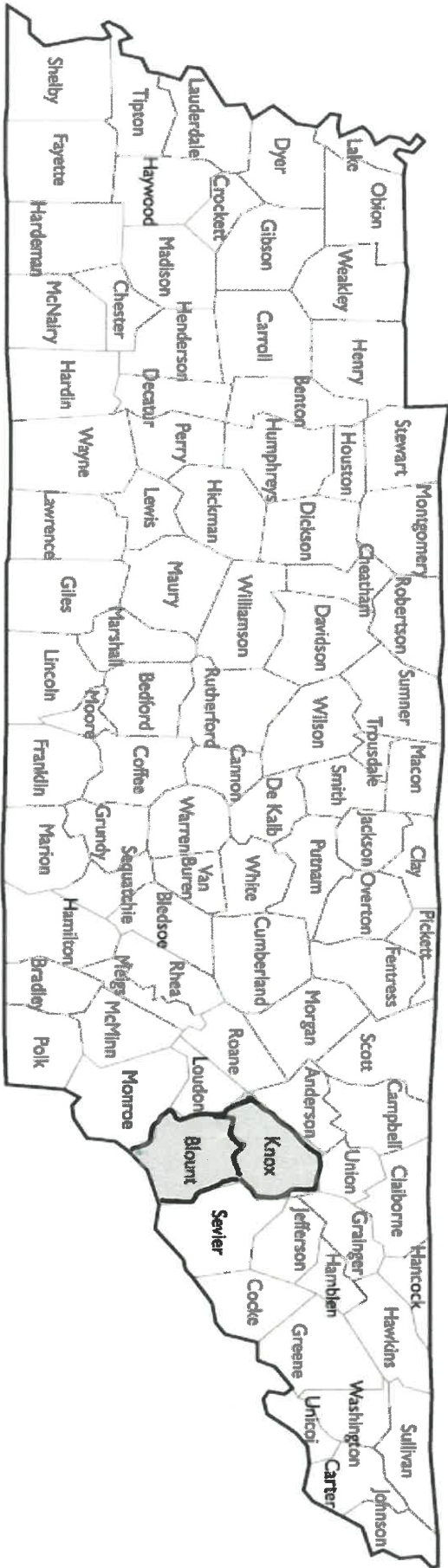
4. **The applicant must demonstrate how emergencies within the outpatient diagnostic facility will be managed in conformity with accepted medical practice.**

A draft emergency protocol is attached on the following page. This is based on protocols utilized by UTMC in its various outpatient facilities.

5. **The applicant must establish protocols that will assure that all clinical procedures performed are medically necessary and will not unnecessarily duplicate other services.**

Imaging services are provided only upon the orders of a physician, who has determined the procedure is medically necessary. Also, in many cases the insurance imaging procedure requires advance authorization by Medicare, a health plan, or another a third party payor which I will only give approval for medically necessary procedures.

PSA for University Diagnostics



TRANSFER AGREEMENT

In consideration of the needs of the residents of the area served by both institutions named herein, this Agreement is entered into as of this 23rd day of September, 2021. ("Effective Date") by and between, University Diagnostics, LLC ("Transferring Facility") and University Health System, Inc., d/b/a The University of Tennessee Medical Center ("Receiving Facility"), each of which herein may be individually referred to as "Party" or collectively as "Parties."

WHEREAS, the Parties are health care facilities serving the health care needs of the residents of their respective service areas; and

WHEREAS, Transferring Facility may, from time to time, require the services of the Receiving Facility to assist with the provision of health care services to the patients served by Transferring Facility;

NOW, THEREFORE, in consideration of the promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

- 1.0 Under this Agreement, the Receiving Facility will provide treatment and hospitalization for patients of the Transferring Facility when said patients require acute inpatient services, on the conditions set forth in this Agreement. Neither Transferring Facility nor Receiving Facility shall make any decision regarding the transfer or reception of a patient in a discriminatory, arbitrary or capricious manner, or in the case of an emergency, on the basis of a patient's insurance status or other ability to make payment. However, this shall in no way require either Party to accept nonemergent patients for transfer when the Receiving Facility is not in patient's managed care organization's ("MCO") provider network ("Network") or for whom the Receiving Facility cannot work out other arrangements with MCO, provided however that there is a facility which is in Network that is willing to accept patient.
- 2.0 This Agreement shall be governed by, and services performed hereunder shall be provided in a manner consistent with, Tennessee and applicable Federal laws and/or regulations, without regard to principles of conflicts of law. This includes, but is not limited to, the provisions of the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 USCA §1395dd; Tennessee law regarding patient transfer, TCA 68-11-701-705; EMTALA regulations, 42 CFR 489.24; and Tennessee regulation governing patient transfers, Tenn. Reg. §1200-8-1-.05. This provision shall survive the termination of this Agreement.
- 3.0 The Transferring Facility assumes responsibility for assuring that the patient is transferred using the appropriate method of transportation and is accompanied by the appropriate personnel and equipment during the transfer. The Transferring Facility assumes responsibility for arrangements for and cost of such transportation, personnel and equipment.
- 4.0 The Transferring Facility shall ensure that the relevant portions of patient's medical record and other relevant information needed to continue the care of the patient are sent with the patient on transport.
- 5.0 The Receiving Facility agrees to accept the patient for prompt evaluation and, within its capabilities and resources, provide care as indicated after acceptance of patient by a physician at Receiving Facility, contingent upon available space, personnel and resources. The Transferring Facility shall bear no responsibility for the care and treatment provided to any patient after arrival at the Receiving Facility. The Receiving Facility shall bear no responsibility for the care and treatment provided to any patient prior to the arrival at the Receiving Facility.
- 6.0 It is agreed that services rendered by the Receiving Facility or the Transferring Facility shall be charged to the patient and that neither shall be held responsible for payment of services rendered to the patient by the other. The Parties shall cooperate in the provision of the information for each Party to bill for the services provided by them. Each Party will use its best efforts to abide by all policies, regulations and contractual obligations with regard to billing patients and/or third party payors for services it performs.

- 7.0 Upon determination by appropriate medical personnel of Receiving Facility that a patient transferred from the Transferring Facility has been stabilized, no longer has an emergency medical condition or no longer requires the specialty services provided at the Receiving Facility, but that the patient does require further hospitalization, Transferring Facility agrees to facilitate identification of an appropriate physician to accept the patient.
- 8.0 The Parties agree to promptly notify each other in writing of any incident, occurrence, or claim arising out of or in connection with the transfer or medical treatment of a patient transferred under the Agreement and to cooperate with each other in any investigation of said incident, occurrence, or claim.
- 9.0 Nothing contained in this Agreement shall be construed or deemed to create a relationship of employer and employee, principal and agent, insured and insurer, partnership, joint venture, or any other relationship other than that of independent parties, contracting with each other solely to carry out the purposes recited in the Agreement.
- 10.0 Both Parties agree to maintain adequate liability coverage to cover themselves, their employees, contractors and agents from any and all liability arising out of or related to the services provided pursuant to this Agreement including, but not limited to, general and professional liability coverage. However, this provision shall not be construed so as to prohibit the Parties from fulfilling this obligation with various programs of insurance, self-insurance and/or self-insured retention. This obligation shall survive the expiration or termination of this Agreement for any reason.
- 11.0 The term of this Agreement shall begin on the Effective Date and remain in effect until terminated in accordance with this Agreement. Either Party may terminate this Agreement upon thirty (30) days written notice to the other Party. This Agreement may be terminated at anytime upon mutual written consent of the Parties. This Agreement shall automatically terminate should either party fail to maintain licensure or certification as provided by law or regulation.
- 12.0 Both Parties acknowledge that they will have access to confidential protected health information (“PHI”) including, but not limited to, patient identifying information. The parties acknowledge that their performance under this Agreement must comply with the Health Information, as codified at 42 U.S.C. 1320d (“HIPAA”), the Health Information Technology Act of 2009, as codified at 42 U.S.C.A. prec 17901 (“HITECH Act”), and any current and future regulations promulgated under HIPAA or the HITECH Act (HIPAA, HITECH Act and any current and future regulations promulgated under either are collectively referred to as the “Regulations”). Each Party warrants that it is familiar with the requirements of the Regulations and will comply with all the Regulations in connections with their respective performance under this Agreement. The Parties will each cooperate with the respective privacy officials and other compliance officers of the other Party as necessary for both Parties to comply with the Regulations and will sign any documents that are reasonably necessary to maintain compliance with the Regulations.
- 13.0 This Agreement is intended solely for the benefit of UTMC and Facility. All other parties, named or unnamed in this Agreement, shall have no rights or remedies under this Agreement.
- 14.0 If any provision of this Agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of this Agreement unless such illegality or invalidity prevents accomplishment of the goals, objectives, or purposes of the Agreement.
- 15.0 Any waiver of past breach, default, deficient performance or otherwise, even on multiple occasions, shall not be considered as a waiver of any rights or remedies at law or equity in any future circumstance regardless of similarity to past instances.
- 16.0 Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement or any greater length of time as may be required by applicable federal statute or regulation, the Parties shall make available

upon written request from the other Party or the Secretary of the United States Department of Health and Human Services, or upon request of the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and books, documents, and records of that are necessary to certify the nature and extent of costs and services provided under this Agreement.

- 17.0** The Parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local and federal law, including the Medicare/Medicaid anti-kickback/Fraud and Abuse provisions. Notwithstanding any unanticipated effect of any provisions herein, neither Party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of said statutes.
- 18.0** Each Party represents and warrants to the other Party that neither it nor its officers, directors and employees (i) are currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 USC § 1320a-7b(f) (the "Federal Healthcare Programs") or any state healthcare programs; (ii) have been convicted of a criminal offense related to the provision of healthcare items or services or excluded, debarred, or otherwise declared ineligible to participate in the Federal Healthcare Programs or any state healthcare programs; and (iii) are, to the best of its knowledge, under investigation or otherwise aware of any circumstances which may result in it being excluded from participation in the Federal Healthcare Programs or any state healthcare programs. This shall be an ongoing representation and warranty during the term of this Agreement and each Party shall immediately notify the other of any change in the status of the representations and warranty set forth in this section. Any breach of this section shall give a Party the right to terminate this Agreement immediately for cause.
- 19.0** Any requirements imposed under applicable law or regulation as in effect from time to time, shall, where inconsistent with any provision of this Agreement, be controlling and shall govern rights of the Parties hereto. Any such provisions under applicable law or regulation which will supersede or invalidate any provisions hereof shall not affect the validity of this Agreement and the remaining provisions hereof, unless such a change would prevent the accomplishment of the objectives and purposes of this Agreement as set forth herein.
- 20.0** No revision in or amendment to this Agreement shall be valid unless such revision or amendment is in writing and executed by all Parties hereto.

IN WITNESS WHEREOF, the Parties have entered into this Agreement to be effective as of Effective Date.

UNIVERSITY DIAGNOSTICS, LLC

UNIVERSITY HEALTH SYSTEM, INC.

BY: W. David Hall

BY: J. Ryan Shearer

NAME: W. David Hall

NAME: J. Ryan Shearer

DATE: 9/23/21

DATE: 9/23/21

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Knox

Wm. David Hall, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and TCA §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Wm. David Hall
SIGNATURE/TITLE

Sworn to and subscribed before me this 29th day of September, 2021 a Notary
(Month) (Year)

Public in and for the County/State of Tennessee.

Tracey J. Whitt
NOTARY PUBLIC

My commission expires _____ (Year)

