

Philips Medical Capital

Master Lease Schedule — FMV Purchase Option (non-Ultrasound)

#21322

LESSEE: County of Rowan

Lease Number: 501-50190421

This Master Lease Schedule No. 03 ("Lease Schedule"), dated as of November 11, 2020, constitutes an independent lease incorporating the terms and conditions of the Master Lease Agreement ("Agreement"), dated June 26, 2015 by and between PHILIPS MEDICAL CAPITAL, LLC ("Lessor") and Lessee. All capitalized terms in this Lease Schedule shall have the meanings ascribed to them in the Agreement. To the extent that the terms of this Lease Schedule conflict with the terms of the Agreement, the terms of this Lease Schedule shall control.

Lessee hereby acknowledges and certifies that (i) the System and each item thereof described below or in any exhibit attached hereto was selected by the Lessee, (ii) the Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each item of the System, (iii) as between the Lessor and the Lessee, each such item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's need; and (iv) as of the Commencement Date, each item of the System has been delivered and inspected by Lessee, is in good working order, repair and condition and that Lessee unconditionally and irrevocably accepts the System and each item thereof for lease hereunder.

1. SYSTEM DESCRIPTION (quantity, make, model, description, etc.)

Sixteen (16) Philips Tempus ALS-PKG 2 as more fully detailed in Code Blue Resources Quote no. 511105

2. PROVIDER NAME AND ADDRESS: (if blank, the Provider is Philips Healthcare)

Name	Street Address	City	State	Zip
Code Blue Resources LLC	1743 S. Main St., Ste 202	Wake Forest	NC	27587-9296

3. SYSTEM LOCATION: (only if different from address in Agreement)

Street Address	City	State	Zip
2727 Old Concord Road, Ste E	Salisbury	NC	28164

4. LEASE TERM: _____ months starting the first day of the first full month after the "Commencement Date" (as defined below). Nevertheless, the Lease Term shall automatically renew for an additional 12 months upon payment terms then in effect unless Lessee notifies Lessor not less than one hundred and eighty (180) days and not more than two hundred and seventy (270) days prior to the last day of the Lease Term ("Term Expiration Date") that it is going to return the System and returns the System on Term Expiration Date. Thereafter, the Lease Term shall extend for additional three (3) month periods until Lessee has returned or purchased the System as provided for hereunder. For the purposes of this Lease Schedule, the Commencement Date shall mean the earliest to occur of: (i) the date on which the System is Available for First Use (as hereinafter defined); (ii) the date on which the Lessor shall have received telephonic confirmation from the Lessee that the System has been accepted; or (iii) execution by Lessee of a Delivery and Acceptance Certificate. As used herein, "Available for First Use" shall mean that the System is available for first patient or clinical use. It is agreed that if the appropriate Provider represents to Lessor that a System has been installed and is available for first patient or clinical use, such representation shall, as between Lessor and Lessee, constitute a definitive determination that such System is "Available for First Use."

5. PAYMENTS:

(a) **Payment:** Lessee shall make payments based on the following schedule beginning on the first day of the first month of the Lease Term.

Number of Payments	Payment	(PLUS)	Applicable Sales Tax	(EQUALS)	Total Payment
60	\$12,429.16	+	870.04	=	\$13,299.20
		+		=	

(b) **Changes in Payment:** The Payment amount is based on an interest rate equivalent to that of Interest Rate Swaps as published in the ICE Report Center daily update referencing USD Rates 1100 (<https://www.theice.com/marketdata/reports/180>) that would have a repayment term equivalent to the Lease Term (or Lessor may use an interpolated rate if a like-term is not available), as reasonably determined by Lessor ("Swap Rate") and on Lessor's estimated value of the System at the Term Expiration Date (the "Projected Value"). The Payment shall be adjusted upward by Lessor to reflect any change: (i) in the Swap Rate set forth on 10/2/2020, and the Swap Rate in effect on the Commencement Date; and (ii) in the Projected Value due to market conditions if the Commencement Date does not occur within ninety (90) days of the date first set forth above.

(c) **Advance Payment:** \$0.00 ☐ plus / ☐ including all applicable sales taxes. The Advance Payment is due on or before the Commencement Date.

6. SECURITY DEPOSIT AND FEE: Lessee will provide Lessor with a security deposit of \$0.00 as security for its obligations hereunder and pay Lessor a processing fee of \$150.00 plus all applicable taxes for Lessor's documentation, UCC-1 financing statement filing and other administrative costs. Any security deposit is non-interest bearing and may be commingled by Lessor. Lessor may apply any security deposit upon an Event of Default and Lessee shall promptly restore any amount so applied. If Lessee is not in default on the Term Expiration Date, then Lessor shall return any security deposit not applied to Lessee without interest.

7. INTERIM RENT: If the Commencement Date is on a day other than the first day of the month, Lessee shall pay interim rent ("Interim Rent") equal to one-thirtieth (1/30) of the Payment for each day from and including the Commencement Date through and including the last day of the month prior to the beginning of the Lease Term. Interim Rent is due and payable concurrently with the first regularly scheduled Payment of the Lease Term. If the Payments are not level, then the calculation will be based on the weighted average of the Payments in excess of \$0.

8. FAIR MARKET VALUE PURCHASE OPTION: So long as no Event of Default exists, Lessee may, not less than one hundred and eighty (180) days and not more than two hundred and seventy (270) days prior to the Term Expiration Date, elect to purchase all, but not less than all, of the System for a purchase price equal to the fair market value of the System as of the Term Expiration Date. For the purposes of this Lease Schedule, fair market value of the System will equal the price a willing buyer would pay and a willing seller would accept (neither buyer or seller being under compulsion to act) for the System as installed, in continued use, giving due consideration to its replacement cost, as determined by Lessor in its sole discretion. Upon receipt by Lessor of the purchase price and all other sums due hereunder on or about the Term Expiration Date, Lessor shall convey title to the System to Lessee free and clear of all liens and encumbrances arising through Lessor but otherwise "As Is" and "Where Is" and without warranty of any kind, including the warranty of fitness for a particular purpose and of merchantability. Lessee shall pay all taxes attributable to any sale other than net income taxes imposed on any gain recognized by Lessor as a direct result of such sale.

In Witness Whereof, the parties hereto have executed this Master Lease Schedule No. 03 as of the date first set forth above.

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT.

Not to exceed \$745,899.60 Initials JRH

[Signature]
FINANCE DIRECTOR

LESSEE SIGNATURE	Lessee <u>County of Rowan</u>
	Signature X _____
	Print Name _____
	Title _____

LESSOR SIGNATURE	Lessor <u>PHILIPS MEDICAL CAPITAL, LLC</u>
	Signature X <u>[Signature]</u>
	Print Name <u>Eugene A. Fisher</u>
	Title <u>VP of Operations</u>

WITNESS X _____
Print Name X _____
Title X _____

WITNESS _____
Print Name _____
Title _____

OPINION OF COUNSEL LETTER

Philips Medical Capital, LLC
1111 Old Eagle School Road
Wayne, PA 19087

Date: November 11, 2020

Gentlemen/Ladies:

Reference is made to the Agreement between Philips Medical Capital, LLC (herein called "Company"), and County of Rown (herein called "Customer") for the lease or rental of Sixteen(16) Philips Tempus Pro ALS-PKG2 (equipment description). Unless otherwise defined herein, terms which are defined or defined by reference in the Agreement or any exhibit or schedule thereto shall have the same meaning when used herein as such terms have therein.

The undersigned is Counsel for the Customer in connection with the negotiation, execution and delivery of the Agreement, and as such I am able to render a legal opinion as follows:

1. The Customer is a public body corporate and politic of the State of North Carolina and is authorized by the Constitution and laws of the State of North Carolina to enter into the transactions contemplated by the Agreement and to carry out its obligations thereunder.
2. The Agreement set forth above has been duly authorized, executed and delivered by the Customer and constitutes a valid, legal and binding agreement enforceable in accordance with its terms.
3. No further approval, consent or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by the Customer of the Agreement and the transactions contemplated thereby.
4. The entering into and performance of the Agreement and the other related documents will not violate any judgment, order, law or regulation applicable to the Customer or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Customer or the equipment pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument by which the Customer is a party or by which it or its assets may be bound.
5. There are no actions, suits or proceedings pending or, to the knowledge of the Customer, threatened against or affecting the Customer in any court or before and governmental commission, board or authority, which, if adversely determined, will have a material adverse effect on the ability of the Customer to perform its obligations under the Agreement.
6. The equipment is personal property and, when subject to use by the Customer, will not be or become fixtures under the laws of the State of North Carolina.
7. All required public bidding procedures regarding the award of the Agreement have been followed by the Customer.
8. Except as provided in the Agreement, Customer has no authority (statutory or otherwise) to terminate the Agreement prior to the end of its term for any reason other than non-appropriation of funds to pay the Payments for any fiscal period during the term of the Agreement.

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

Very truly yours,

BY: _____

PRINT NAME: _____

TITLE: _____

ESSENTIAL USE QUESTIONNAIRE

Lessee Contact Name / Position: Lennie M Cooper / EMS Division Chief Phone Number: 704 216 8911

- 1) Please clarify legal name of proposed lessee? County of Rowan
- 2) Is any equipment to be leased replacing any existing equipment? (If No, proceed to question 3) ☒ Yes ☐ No
 What percentage of the equipment to be leased is replacement? 100 %
 How long was the existing equipment in use? ☐ 1-3 yrs ☒ 3-5 yrs ☐ 5+ yrs
 Why is the existing equipment being replaced? End of current lease and equipment is obsolete
- 3) For what purpose is the equipment being acquired? (Provide detail as to which department(s) and the expected use of the equipment)
EMS equipment used for emergency and nonemergency response. Specifically the equipment will be used for diagnosis and treatment of cardiac illness /disease
- 4) Was the equipment/lease placed for competitive bid? ☒ Yes ☐ No
 If No, why was a bid not required?
☐ Covered under state contract (Contract name and # _____)
☐ Size of transaction does not require competitive bid (What documentation _____)
☐ Transaction exempt from bidding process pursuant to current statutes (statute # _____)
 (Please attach copy of statute if available)
☐ Other _____
- 5) What is the source of funds for repayment of this obligation?
☒ Local Property Taxes
☐ State Unrestricted Revenues
☐ Federal Financial Assistance
☐ Chapter I ☐ Chapter II ☐ Other _____
☐ Other _____
- 6) Are the funds to be used for repayment of this obligation appropriated and encumbered in an approved budget? ☒ Yes ☐ No
 If No, why is the obligation not included in an approved budget? _____
- 7) Why do you expect funds to continue to be appropriated in the future for repayment of this obligation?
Funds are identified to be approved by internal process during contract processing. Annual payments are identified for budgetary purposes during this process and are entered into the contract record.
 To the best of your knowledge, have you ever non-appropriated funds in the past? ☐ Yes ☒ No
 If Yes, please provide details _____
- 8) What is required on the Invoice for prompt payment? Due date, Account #, Contract #, Itemized bill showing lease and taxes separately.

Completed By:

Signature:

Lennie M Cooper

Date: 11/12/2020

Print Name: Lennie M Cooper

Phone: 704-216-8911