



Contract Number
23-273 A-1

SAP Number
4400022041

Arrowhead Regional Medical Center

Department Contract Representative	<u>William L. Gilbert</u>
Telephone Number	<u>(909) 580-6150</u>
Contractor	<u>Intuitive Surgical, Inc.</u>
Contractor Representative	<u>Nick Schafer</u>
Telephone Number	<u>269-501-7854</u>
Contract Term	<u>June 12, 2023 through June 11, 2027</u>
Original Contract Amount	<u>\$704,000 plus applicable taxes</u>
Amendment Amount	<u>\$2,547,651 plus applicable taxes</u>
Total Contract Amount	<u>\$3,251,651 plus applicable taxes</u>
Cost Center	<u>7421</u>

Briefly describe the general nature of the contract: Amendment No. 1 to Agreement No. 23-273 with Intuitive Surgical, Inc. extends the term of the lease agreement for the lease of a Da Vinci Xi Dual Console Robotic Surgical System for an additional 36 months for a total contract term of June 12, 2023 through June 11, 2027, add service, and increases the total contract amount by \$2,547,651 from \$704,000 to \$3,251,651 plus applicable taxes.

FOR COUNTY USE ONLY
Approved as to Legal Form

Charles Phan, Supervising Deputy County Counsel

Date 4/12/2024

Reviewed for Contract Compliance

Date _____

Reviewed/Approved by Department

William L. Gilbert, Director

Date 4/16/24

Amendment to the Lease Agreement

This amendment (the "Amendment ") is made and entered into as of **June 12, 2024** (the "Amendment Effective Date") by and between **Intuitive Surgical, Inc.**, a Delaware corporation, with its principal place of business located at 1266 Kifer Road, Sunnyvale, CA 94086 ("Intuitive") and **San Bernardino County on behalf of Arrowhead Regional Medical Center** located at 400 N Pepper Ave, Colton, California 92324 ("Customer" or "Lessee").

WHEREAS, Intuitive and Lessee have entered into a Lease Agreement with an Effective Date of April 11, 2023 (reference 42002888) (the "Lease Agreement"); and its associated Use, License, and Service Agreement ("ULSA") for the da Vinci® Xi™ Dual Console System, serial number **SK6743** ("System") and associated equipment (collectively, "Equipment"); and

WHEREAS, Lessee now wishes to exercise its option under the Special Conditions of the Lease Agreement to convert its rental to a lease as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants hereinafter expressed, and for other valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, the parties agree to amend the Lease Agreement as follows:

- The Leased Equipment Description, pricing table, Lease Conditions, and Special Conditions in the Lease Agreement are hereby amended as follows:

Qty.	Included in Periodical Lease Payment	Not included in Periodical Lease Payment	Equipment Description	Price
1	☒	☐	Balance for da Vinci® Xi™ Dual Console System SK6743 under 42002888	\$2,182,100.00
1	☒	☐	E-100 Generator	Included from previous Rental Agreement
1	☒	☐	da Vinci Xi® Integrated Table Motion Upgrade	Included from previous Rental Agreement
n/a	☐	☒	Annual Service	\$179,000.00 per year* to be billed annually
n/a	☐	☒	SIMNOW Service and Benefits	\$20,000.00 per year to be billed annually
Lease Conditions				
Lease Period		36 Months. The Lease Period may be extended in accordance with the Lease Agreement.		
Commencement Date		This Lease Period will commence on the Amendment Effective Date, such that the term of this Lease Period under this Amendment is from June 12, 2024 through June 11, 2027.		
Interest Rate		5.00%		
Periodical Lease Payments		Months 1 – 36 \$54,184.74 per month The Periodical Lease Payments do not include applicable sales and property tax. Lessee agrees and acknowledges payments due herein shall not be excused by any contingencies including, but not limited to, Lessee’s internal practices, policies, or any state approvals.	No. of periodical Lease Payments: 36 (subject to extension of Lease Period)	☒ Monthly payments
		☐ The first Periodical Lease Payment is due on Commencement Date. Thereafter, each subsequent Periodical Lease Payment is due on the corresponding day of each month, as applicable, of the Lease Period (payments in advance). ☒ The first Periodical Lease Payment is due one month after the Commencement Date. Thereafter, each subsequent payment is due on the corresponding day of each month of the Lease Period (payments in arrears).		
Deposit		\$0.00	The Deposit, if any, is due on the Commencement Date	
Balloon Payment		N/A	The Balloon Payment, if any, is due on the last day of the Lease Period.	
End of Lease Options		☐ End of Lease option A applies (see 11.1 of Standard Terms and Conditions of Leasing) ☒ End of Lease option B applies (see 11.2 of Standard Terms and Conditions of Leasing) ☒ See Special Conditions below		

Funding Amount	Original Equipment Cost (OEC): \$2,182,100.00	Down-Payment from Lessee to Lessor: \$0.00	Funding Amount: \$2,182,100.00
Special Conditions*			
If Lessee is not in default, after the 12th payment and on each anniversary date of Acceptance thereafter, Lessee will have the option to upgrade the Equipment at a price to be mutually agreed to between the parties. Lessee must provide Lessor written notice sixty (60) days prior to the anniversary date of Acceptance with regards to intent. If the Lessee exercises its upgrade option, service shall be purchased on the upgraded Equipment. If Lessor does not receive notice as to Lessee's intent, Lessee will be deemed to continue the Lease as outlined above.			
Provided the Lessee is not in default, the Fair Market Value at the end of the Lease Period shall not exceed \$436,420.00 (plus applicable taxes).			

2. Lessee remains responsible for any open invoices issued pursuant to the Lease Agreement for amounts accrued thereunder and this Amendment is contingent upon Intuitive receiving Lessee's payment for those open invoices.
3. **Instruments and Accessories Credit.** Customer will receive a credit in the amount of fifty thousand U.S. dollars (\$50,000.00) to be used for the purchase of Instruments and Accessories from Intuitive's then current Endo Wrist® Instrument and Accessories Catalog.
4. Except as set forth above, all other terms and conditions of the Lease Agreement and ULSA remain the same.
5. This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment upon request.

BOTH PARTIES HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AMENDMENT AND EXECUTE THIS AMENDMENT AS OF THE AMENDMENT EFFECTIVE DATE.

IF THIS AMENDMENT IS NOT SIGNED BY BOTH PARTIES AND RETURNED TO INTUITIVE ON OR BEFORE May 31, 2024, THE TERMS WILL BE SUBJECT TO CHANGE.

ACCEPTED BY:

Intuitive Surgical, Inc.

Signature: 
Drew Ferguson (Apr 10, 2024 16:49 EDT)

Email: drew.ferguson@intusurg.com

Title: Principal Contracts Negotiator

Company:

ACCEPTED BY:

**San Bernardino County on behalf of Arrowhead
Regional Medical Center**

By: 

Name: Dawn Rowe

Title: Chair, Board of Supervisors

e-mail: _____

Date: MAY 07 2024

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD
LYNNA MONELL
Clerk of the Board of Supervisors
of the County of San Bernardino

By: 