

Via E-Mail: nassarka@yahoo.com

April 21, 2020

Mr. Khouid Nassar  
Arrowhead Regional Medical Center  
400 North Pepper Avenue  
Colton, CA 92324  
Account: 16784  
Contract Number: OP1678420190711-17289.2

**RE: S5 Heart Lung Perfusion System Outright Purchase Proposal**

Dear Mr. Nassar:

As requested through Larry Fine, the LivaNova USA, Inc. ("LivaNova") Account Executive in your area, we are pleased to make the following proposal for the S5 Heart Lung Perfusion System. This proposal will become invalid if not accepted by December 31, 2020.

Our terms are Net 30, and LivaNova prepays freight and adds to the invoice. This proposal is confidential between LivaNova and Arrowhead Regional Medical Center ("Customer") for the duration of the bid process, and disclosure of the information it contains prior to award will render it null and void. The terms of purchase and pricing shall be considered public at the time of award. Notwithstanding the foregoing, this proposal may be disclosed to such representatives, advisors and affiliates of Customer as have a need to know such information for the sole purpose of assisting Customer in evaluating the proposal, and for no other purpose (it being understood that such representatives, advisors and affiliates shall be informed by Customer of the confidential nature of such information and shall be directed by Customer and shall agree to treat such information confidentially).

To accept the terms and conditions of this proposal for the purchase of the quoted equipment, please forward the **Purchase Order referencing the above contract number on the Purchase Order** to the undersigned, via Fax No. 1-800-539 0092, e-mail to [contracts.cp@livanova.com](mailto:contracts.cp@livanova.com), or mail. The mailing address is referenced in the terms and conditions under ordering information.

Our records indicate that you are not affiliated with a GPO (Group Purchasing Organization) member with whom LivaNova currently has a pricing arrangement.

We welcome the opportunity to supply and support your equipment needs in the coming years. If you have any questions or if I can be of any further assistance, please contact me at (281) 810-1182, or Larry Fine at (949) 244-9884.

Sincerely,

LivaNova



Desiree Steele  
Pricing and Contracts Analyst

Enclosure

cc: Larry Fine, LivaNova Account Executive  
Chip Dahl, LivaNova Regional Manager

April 21, 2020

**S5 HEART LUNG PERFUSION  
SYSTEM OUTRIGHT PURCHASE  
PROPOSAL**

**For**  
Arrowhead Regional Medical Center  
**In**

**S5 HEART LUNG PERFUSION SYSTEM:**

Material ID	Material Description	Quantity per System
	<b>Consoles</b>	
45-09-10	SRD S5 CABLE HOLDING SYS	1
48-40-00	SRD S5 CONSOLE FOR 4 PUMP	1
	<b>Pumps</b>	
10-84-64	S5 DRIP TRAY DOUBLE PUMP	1
10-81-30	S5 VARIOLOCK TUB CLAMP RP150	3
10-84-60	SRD S5 DRIP TRAY ROLLER PUMP	1
10-80-00	SRD S5 SINGLE ROLLER PUMP 150	3
	<b>Mast Mounted Pumps</b>	
50-80-99	S5 COLOR CODE SET	1
	<b>Clamps (Tubing &amp; Line)</b>	
10-07-48	METAL INSERTS BLUE	1
	<b>System Panels</b>	
28-95-30	SRD S5 BLANK DISPLAY MODULE	1
28-95-10	SRD S5 CONTROL DISPLAY MODULE	2
28-95-00	SRD S5 4-SLOT SYSTEM PANEL	1
	<b>Control Devices &amp; Monitors</b>	
23-40-00	SRD S5 LEVEL SENSOR MODULE	1
22-20-20	SRD S5 PRESSURE SENSOR MODULE	1
20-30-20	SRD S5 TEMP SENSOR MODULE	1
23-45-00	S5 3/8" BUBBLE MODULE W/420MM	1
	<b>Masts &amp; Shelves</b>	
48-41-19	S5 CRSSTRY 4 POS W/PWER OUTLET	1
	<b>Gas Blenders</b>	
050350100	SECHRIST IV308 HOSE AIR 14 FT	1
050350200	SECHRIST IV309 HOSE OXY 14 FT	1
050350000	PAS SECHRIST 3500 CP-G	1
	<b>Accessories</b>	
45-09-11	S5 CABLE HOLDING SYS 25MM MAST	1
35-05-80	CONSOLE LAMP LED	1
0395-2049	SPD TRUWAVE XDUCER CABLE	1
43-42-61	CAP FOR QUICK CLAMP	1
75-521-548	LEVEL SENSOR HOLDER	1
45-95-11USA	OPERATORS MANUAL, S5	1
	<b>Centrifugal Pumps (Stockert)</b>	
60-00-60	CP5 CENTRIFUGAL PUMP	1
60-05-60	SRD S5 ERC TUBING CLAMP/500MM	1
45-90-75USA	OPS MANUAL, CP5	1
45-91-71USA	OPS MAN, ERC	1
	<b>Each S5 System Net Price</b>	<b>\$186,139.28*</b>
	<b>Freight Charges Per System</b>	<b>\$1,515.00</b>
	<b>Extended Amount for Each System with Freight</b>	<b>\$187,654.28*</b>
	<b>Extended Amount for Two (2) Systems with Freight</b>	<b>\$375,308.56*</b>

\*Price does not include applicable taxes.

**LIVANOVA**

**STANDARD TERMS AND CONDITIONS (modified)**

IF THE COUNTY OF SAN BERNARDINO BOARD OF SUPERVISORS (BOARD) HAS APPROVED A CONTRACT FOR THE GOODS AND/OR SERVICES BEING PROVIDED UNDER THIS PURCHASE ORDER, AND THE CONTRACT CONTAINS ADDITIONAL AND/OR DIFFERENT TERMS THAN THOSE LISTED IN THE PURCHASE ORDER, THE TERMS OF THE BOARD APPROVED CONTRACT WILL PREVAIL.

Providing goods and/or services pursuant to this Purchase Order reflects both parties' acknowledgment of, and agreement to be bound by, the following Terms and Conditions:

<b>PRICE &amp; PAYMENT TERMS:</b>	Payment terms subject to approved credit. Taxes, if owed, shall be added to the invoice amount. Tax exemption certificates must be submitted to LivaNova prior to placement of orders. All prices are subject to an annual increase set by LivaNova at its sole discretion. Credit Cards will not be accepted for payment of amounts owed. Payments shall be made, upon submission of itemized invoices of the prices stipulated, for supplies delivered or service rendered, less deductions, if any, as herein provided. Payment on partial deliveries may be made when authorized by the Customer Purchasing Agent. LivaNova shall accept all payments from Customer via electronic funds transfer (EFT) directly deposited into LivaNova's designated checking or other bank account. LivaNova shall promptly comply with directions and accurately complete forms provided by Customer required to process EFT payments.
<b>MOST FAVORED CUSTOMER:</b>	LivaNova represents that the prices charged to Customer in this purchase order do not exceed existing selling prices to other customers for the same or substantially similar articles or services for comparable quantities under similar terms and conditions.
<b>INVOICES:</b>	Invoice each purchase order separately. Items on this purchase order must not be billed with those on other purchase orders. Purchase order number and consignee must be clearly shown on all invoices, shipping documents, shipments, correspondence, and related papers. Note: To expedite payment of the invoice, mail or email the invoice to the "Bill To" address shown on the purchase order promptly, and include the purchase order number on the invoice. If for any reason, an over-payment is made, Customer requires prompt refund via LivaNova's properly referenced check, in order that Customer can expedite clearing of the overpayment through Customer's accounting system.
<b>DEFICIT REDUCTION ACT OF 2005, SECTION 6032 IMPLEMENTATION:</b>	As a condition of payment for services, goods, supplies and merchandise provided to beneficiaries in the Medical Assistance Program ("Medi-Cal"), LivaNova must comply with the False Claims Act Employee Training and Policy Requirements in 1902 (A) of the Social Security Act (42 USC 1396 (A) (68)), set forth in that subsection and as the Federal Secretary of Health and Human Services may specify.
<b>METHOD OF SHIPMENT AND FREIGHT:</b>	Equipment and Disposable Products shall be shipped and delivered to Customer via surface transportation. LivaNova prepays freight and adds to the invoice. Freight charges for Equipment may be billed to the Customer separately. No charge for packing or drayage will be allowed except when specified on order and evidenced by a copy of the freight bill attached to the invoice. A freight bill <u>must</u> accompany invoices whenever freight charges are prepaid and added to the invoice.
<b>TITLE &amp; RISK OF LOSS</b>	Title of, and risk of loss to, all items covered by this purchase order shall pass to Customer upon Shipment. LivaNova shall assist in the filing and supporting of claims for any products damaged during shipment.
<b>ORDER QUANTITIES:</b>	Made to order, custom packs require a minimum order quantity of one case. Federal regulations prohibit the sale of incomplete case quantities.
<b>RETURNED GOODS:</b>	Subject to Purchaser obtaining a corresponding Returned Goods Authorization number in accordance with LivaNova's Return Policy, any unused and unopened Implantable and/or Disposable in its original packaging and condition may be returned to LivaNova within 14 calendar days of their receipt or 90 calendar days from receipt for Equipment and Spare Parts. A \$250 restocking fee shall be charged for each return of Implantables. A 10% restocking fee shall be charged for each return of Disposables, Equipment and Spare Parts to LivaNova. Items must be returned freight prepaid and within 30 calendar days once the Return Authorization number is issued. Items to be returned must be in ORIGINAL UNOPENED cartons, have original labels and be in a saleable condition. Expired products, abused or damaged items, custom items, chemical concentrates, and items identified as non-returnable or that have deteriorated due to a cause beyond LivaNova's control, may not be returned.
<b>INSPECTION:</b>	All materials and workmanship are subject to inspection and test by Customer for compliance with specifications as included herein. In the event articles or services are defective or not in conformity with this order, Customer shall have the right either to reject the items or require correction. Defective articles or services shall be removed from Customer premises and/or corrected by and at the expense of LivaNova. Failure to inspect or reject shall not relieve LivaNova of responsibility for compliance with

	specifications.
<b>DAMAGED SHIPMENTS:</b>	Damage or shortage should be noted on the freight bill. If damage is observed after opening, notify the transportation company and request a hidden damage report. No adjustment credit or duplicate shipment can be made until written documentation is received by LivaNova.
<b>LIMITED WARRANTY:</b>	For a period of twelve (12) months from the date of installation of Equipment, LivaNova will at its option repair or replace (free of charge) Equipment that LivaNova finds defective in materials or workmanship. For a period of twelve (12) months from the date of the invoice, LivaNova will replace (free of charge) Disposable Products which LivaNova finds defective in materials or workmanship. For a period of ninety (90) days from the date of the invoice, LivaNova will repair or replace (free of charge) spare parts that LivaNova finds defective in materials or workmanship. LivaNova is not responsible for, and shall have no obligation with respect to, any failure caused by normal wear and tear, misuse, unauthorized alterations, accident, neglect, use of nonstandard accessory attachments, and/or improper maintenance. LivaNova does not verify the safety or efficacy, and makes no warranties - expressed or implied - with respect to any non- LivaNova components included at Customer's request or any components or products used other than as expressly intended by their manufacturer. <b>THIS LIMITED WARRANTY CONTAINS THE CUSTOMER'S EXCLUSIVE REMEDIES. LIVANOVA SHALL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING FROM THE USE OF ITS PRODUCTS. LIVANOVA DOES NOT GIVE ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.</b>
<b>ORDERING INFORMATION:</b>	Orders may be placed by phone, facsimile, e-mail or mail to LivaNova at:  LivaNova USA, Inc. Attn.: Customer Service Department 100 Cyberonics Blvd. Houston, TX 77058 (866) 332-1375 Toll-Free Phone (800) 539 0092 Fax <a href="mailto:Customerservice.US@livanova.com">Customerservice.US@livanova.com</a>  Normal business hours are 7:30 a.m. to 5:30 p.m., Central Time Zone, Monday through Friday. Purchase Order numbers are required at the time the order is placed.
<b>DELIVERY:</b>	Stock products will be delivered in 7-10 days after receipt of order (ARO)
<b>CHANGES:</b>	This purchase order may, at any time, by written order, be changed as to the materials or services to be furnished, quantities ordered, unit price, discount, delivery point or arrangements, terms, or any other matters affecting a valid order. In the event such change causes an increase or decrease in cost of performance hereunder, an equitable adjustment will be made for the cost, subject to the written approval of Customer's Purchasing Agent. No change or other modification to this purchase order, by invoice, shipping documents or other communication, shall be binding upon Customer's Purchasing Agent unless accepted in writing.
<b>DISTRIBUTORS:</b>	LivaNova is not responsible for any fees associated with placement of orders through JIT suppliers, distributors or warehouses.
<b>MODIFICATION AND LEGAL COMPLIANCE</b>	Customer shall not modify or alter the products in any way without the prior written approval of LivaNova. Customer shall conduct its business in compliance with all applicable laws, statutes and ordinances and shall comply with all applicable governmental rules and regulations in force with respect to the products.  LivaNova will make available technical training opportunities for health care practitioners on the use of LivaNova medical devices purchased by you. Should health care practitioners choose to receive such training, LivaNova may pay the reasonable travel and lodging expenses, including meals, to all health care practitioners who reasonably require such training and use or recommend the use of LivaNova products. Training and education of your employees, agents or others who implant or utilize LivaNova medical devices purchased by you will enable informed medical decisions about the use or recommendation for use of LivaNova products with patients. The articles covered by this purchase order or contract must conform to safety orders of OSHA, CAL OSHA, and/or NIOSHA and applicable Safety Data Sheets. LivaNova shall fully comply with all applicable provisions of federal, state and local laws, rules and regulations, and Vendor LivaNova agrees to hold Customer, its agents, officers and employees harmless from any and all liability, costs, including, but not limited to attorney's fees and damages resulting from failure of compliance. By acceptance of this purchase order, LivaNova certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and will

	be treated equally by it without regard to or because of race, religion, ancestry, national origin, disability or sex and in compliance with all anti-discrimination laws of the United States and the State of California. LivaNova further certifies and agrees that it will deal with its subcontractors, bidders or vendors without regard to or because of race, religion, ancestry, national origin, disability or sex. If Customer finds that the above provisions have been violated, the same shall constitute a material breach of contract and Customer through Customer's Purchasing Agent may determine to cancel, terminate or suspend the purchase order.
<b>CONTRACTOR'S LICENSE:</b>	Unless otherwise qualified, LivaNova agrees for the period of any agreement formulated that a total price more than \$500.00 for any public work requires an active Contractor's License Number. It is the LivaNova's responsibility to make sure that its license is active, valid and on file with the department to which the services are being provided. If LivaNova is not licensed as required, LivaNova will not be paid for any work performed in violation of this requirement.
<b>PREVAILING WAGE:</b>	Where labor is required for public works as part of any requirements covered by this purchase order and as such is defined by the California Labor Code, LivaNova shall pay no less than the applicable prevailing wages specified.
<b>COVENANT AGAINST GRATUITIES:</b>	The offering of gifts, excluding token gifts of a promotional or advertising nature, or gratuities by LivaNova or any agent or representative of LivaNova is strictly prohibited. LivaNova warrants that no gratuities (in the form of entertainment, gifts or otherwise) were offered or given by LivaNova, or any agent or representative of LivaNova, to any officer or employee of Customer with a view toward securing this purchase order or favorable treatment with respect to any determination concerning this order.
<b>SUBSTITUTION:</b>	LivaNova reserves the right to discontinue products that may be covered by this Agreement. Should any product covered by this Agreement become obsolete during the term of this Agreement LivaNova will notify the Customer and offer substitute product if available.
<b>FORCE MAJEURE:</b>	LivaNova shall not be liable for any delays in delivery from any cause beyond its control including, Without limitation, acts of GOD, fire, flood, strike, lockout, factory shutdown, supply shortage, priority request, riot, war or embargo. In the event of shortage of supply of materials or goods for any reason, LivaNova may allocate its available supply among itself and its Customers in a manner determined by LivaNova in its sole discretion. In the event LivaNova fails to perform this purchase order within the time specified, if any, or a reasonable time after placement of the order, Customer's Purchasing Agent may, by written notice, order LivaNova to cease further deliveries.
<b>PRODUCT TRACEABILITY:</b>	Customer is responsible to maintain product traceability for each individual product delivered by LivaNova. Customer will comply with any product recalls initiated by LivaNova and will notify LivaNova of any Customer complaints on LivaNova products.
<b>DISCOUNTS FROM LIST PRICE:</b>	The parties understand that for purposes of 42 C.F.R. § 1001.952(h), any reduction in the amount charged Customer from list price is a "discount or other reduction in price" to Customer. The Customer shall report the discount or reduction in price and provide other requested information to any state or federal program which provides cost or charge-based reimbursement to Customer for products and supplies covered by this Agreement in accordance with applicable governmental regulations.
<b>INDEMNIFICATION:</b>	Customer shall not be responsible for any damages that may be claimed by reason of death or injury of the person of LivaNova's officers, agents, employees, invitees, or licensees, or for damage to any property of LivaNova or that may arise or result at any time because of personal injury or damage to property sustained by any other person or persons, which may have been caused or contributed to, proximately, by reason of, or in the course of carrying out this purchase order. LivaNova shall assume full responsibility for the result of any third party claim arising under this purchase order, and LivaNova shall indemnify, defend, and hold harmless Customer, all officers and employees thereof, from all damages, costs, or expenses, in law or in equity, because of personal injury, property damage, or alleged or actual patent infringements, based on the performance of this purchase order. LivaNova's indemnification obligation does not apply to Customer's "negligence" or "willful misconduct" within the meaning of California Civil Code section 2782.
<b>INSURANCE:</b>	Customer self-insures goods upon title of goods being transferred to Customer. Prior to commencement of work, Certificates of Insurance shall be delivered and approved by Customer Department to which products or services are being provided. Commencement of work prior to delivery and approval of Certificates of Insurance shall not act as a waiver of the Terms and Conditions attached hereto and may be treated as a material breach of this agreement. The required insurance policies shall have coverage limits of at least \$1,000,000.00 per claim or occurrence and a \$2,000,000.00 general aggregate (may be met by umbrella coverage). Additional or other insurance may be required by addendum.

<b>TERM:</b>	Unless there is a specific termination provision in a document signed by Customer and LivaNova, LivaNova may terminate this Agreement and its obligations to Customer at any time upon one hundred twenty (120) days advance written notice to Customer and immediately upon written notice to Customer if Customer fails to pay LivaNova when due any amount it owes LivaNova or otherwise breaches these Standard Terms and Conditions. Termination or expiration of this Agreement shall not affect Customer's obligation to pay LivaNova all amounts it owes LivaNova including interest and attorneys' fees nor shall it affect any provision intended to survive expiration or termination.
<b>TERMINATION:</b>	This purchase order may be terminated in whole or in part at the end or during any fiscal year by written notice to LivaNova for any reason including insufficient funding. Such termination shall be effective in the quantity, manner, and time specified in such notice and Customer shall be liable at the stipulated price for only such materials and/or services as have been delivered, are part of a custom product that have been produced as a result of the Purchase Order. Customer shall not be liable for any excess costs arising out of such termination, and failure of LivaNova to cease delivery and/or work upon receipt of termination notice shall not occasion a claim for extra costs.
<b>ASSIGNMENT AND DELEGATION:</b>	LivaNova shall not assign its rights or delegate its duties under this purchase order without Customer's prior written authorization and any assignment or delegation without such authorization shall be null and void and shall constitute a material breach of this purchase order. Customer's Purchasing Agent may immediately cancel or terminate the purchase order.
<b>STANDARD TERMS AND CONDITIONS:</b>	In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of, printed on, or referenced in any purchase order, order acknowledgement, invoice, or similar document, the terms and conditions of the Agreement shall take precedence. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

\_\_\_\_\_  
Signature - Customer Authorized Representative

\_\_\_\_\_  
Name (print or type)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature - LivaNova Authorized Representative

\_\_\_\_\_  
Desiree Steele

\_\_\_\_\_  
Name (print or type)

\_\_\_\_\_  
Contract Administrator  
Title

\_\_\_\_\_  
9/11/2020  
Date

**ADDITIONAL INFORMATION REQUIRED FOR EQUIPMENT TO BE SHIPPED TO CUSTOMER'S LOCATION**

**Customer Contact Information**

Department	Phone	Contact name	Alternate Contact
Shipping/Receiving			
Perfusion/Surgery/ECMO O.R. Director			
Biomedical Engineering			
Purchasing			

**Customer Shipping Information**

Customer PO Number: \_\_\_\_\_

Facility Medical License Number: \_\_\_\_\_

Equipment Shipping Information:

Hospital Name		
Street Address		
City	State	Zip
<input type="checkbox"/> Appointment Required		<input type="checkbox"/> Lift gate
<input type="checkbox"/> Inside Delivery		<input type="checkbox"/> Other (Please describe)

**Please include these special delivery instructions requirements on your Purchase Order.**