

## EQUIPMENT RENTAL AGREEMENT

This Agreement (this "Agreement"), dated as of \_\_\_\_\_, 201\_\_ (the "Effective Date"), is made by and between Saint Luke's Health System, Inc., a Kansas nonprofit corporation with a place of business at \_\_\_\_\_ ("Saint Luke's"), and \_\_\_\_\_, a \_\_\_\_\_ [corporation] with a place of business at \_\_\_\_\_ ("Company").

### RECITALS

**WHEREAS**, Saint Luke's is an integrated healthcare delivery system consisting of various acute care hospitals and medical facilities which are subsidiaries or affiliates of Saint Luke's (each a "Facility"); and

**WHEREAS**, Saint Luke's Facilities provide medical care to patients in the communities they serve, and Saint Luke's has identified a need to obtain and rent certain medical equipment in order to allow the Facilities to provide high-quality and efficient patient care services; and

**WHEREAS**, Company possesses certain medical equipment and is willing to rent to Saint Luke's, for use by the Facilities, rights to use that certain equipment, on the terms and conditions of this Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual benefits and covenants set forth herein, the parties hereto, intending to be legally bound hereby, agree as follows.

#### 1. RENTAL OF EQUIPMENT

1.1. Rental of Equipment. Company hereby rents the equipment set forth on Exhibit A, attached hereto and incorporated herein (the "Equipment"), to Saint Luke's, for use by the Facility identified on Exhibit A, to support the Facility's provision of professional medical services to patients at the Facility's location during the Term (as defined in Section 4.1 below), on an exclusive basis. Exhibit A shall set forth the Equipment to be rented, and the Facility and location at which the Equipment will be rented. The rent of the Equipment hereunder is further subject to the following:

(a) Company will cause the Equipment to be delivered to the Facility within 3 business days following the Effective Date. Saint Luke's will cause the Facility to promptly return the Equipment to Company upon termination of this Agreement. Under no event may Saint Luke's remove the Equipment from the applicable Facility.

(b) Company may not remove the Equipment from the Facility during the Term of this Agreement. If Company has a need to remove any Equipment from the Facility, the Company

may contact the Facility's Director of Materials Management, or his or her designee, to make the request. Upon written consent from the Facility's Director of Materials Management, or his or her designee, the Facility and Company shall make any necessary arrangements for the removal, and Company will execute documentation as requested by Facility to evidence the removal of any Equipment.

1.2. Title and Maintenance. During the Term of this Agreement, Company grants to Saint Luke's the right to use the Equipment on the terms and conditions hereinafter set forth. Title to the Equipment, including any improvements thereto, shall be and remain in Company at all times. Saint Luke's agrees to take no action that it knows would adversely affect Company's title to or interest in the Equipment. At all times, Saint Luke's shall use the Equipment hereunder in a careful and proper manner, and in accordance with all applicable Company written specifications, which Company shall provide to Saint Luke's with the Equipment. All maintenance, repair and replacement, if necessary, of the Equipment shall be performed by Company, including, where necessary, the replacement or substitution of parts, and Company shall be responsible for the cost of any such maintenance, repair or replacement (such costs being included in the Fees to be paid hereunder), except for such repairs as are occasioned by the gross negligence, reckless or willful conduct of Saint Luke's, which shall be the financial responsibility of Saint Luke's. Saint Luke's shall not undertake any repairs or modifications to the Equipment without the express written consent of Company. Saint Luke's shall promptly notify Company of any defective or malfunctioning Equipment.

1.3. Licenses and Permits. Each party shall obtain and maintain throughout the Term all licenses, permits and other registrations required for the performance of their respective functions hereunder, including, but not limited to, the lawful possession and operation of the Equipment under all applicable laws and regulations.

1.4. Liens, Encumbrances. Saint Luke's shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Equipment, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created or approved by Company.

1.5. Insurance. The parties agree (through either policies of insurance or a program of self-insurance) to carry, and cause its personnel performing services hereunder to carry or be covered by, liability insurance covering liability for claims arising out of activities conducted under this Agreement. Each party shall maintain occurrence form, primary commercial general liability insurance in minimum limits of \$1,000,000.00 each occurrence and \$3,000,000.00 general aggregate, combined single limit on \$1,000,000.00 bodily injury and \$1,000,000.00 property damage and \$3,000,000.00 general aggregate.

1.6. Surrender of Equipment. At the end of the Term, Saint Luke's shall return the Equipment to Company, in the same condition as when received by Saint Luke's, reasonable wear and tear excepted.

## 2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1. Mutual Representations and Warranties. Each party hereby represents and warrants to the other that at all times during the Term of this Agreement: (i) such party is duly organized, validly existing and in good standing under the laws of the State of such party's organization/incorporation; (ii) this Agreement has been duly authorized by all required corporate action of such party; and (iii) neither the execution and the delivery of this Agreement, nor the performance of this Agreement will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice or approval or consent under any agreement, contract, rent, license, instrument or other arrangement to which such party is a party or by which such party is bound.

2.2. Title to Equipment. Company represents and warrants that it has sufficient right, title and interest in the Equipment to fulfill its obligations under this Agreement.

2.3. Equipment Warranties. Company represents and warrants that its: (i) the Equipment it supplies under this Agreement shall be free from defects in workmanship and material at the time of delivery and conform to the manufacturer's published specifications and Company's representations, warranties and covenants regarding the functions and uses for which the Equipment has been marketed to, and relied upon by Saint Luke's and the Facility; (ii) its Equipment shall comply with all applicable federal, state and local laws rules and regulations, and (iii) none its Equipment shall violate any intellectual property or other right of any third party. Company further represents and warrants that throughout the Term, Company shall, and all Equipment shall conform to, be and shall remain in compliance with, all applicable federal, state and local laws, regulations, ordinances, regulations and codes, including, but not limited to: (i) those relating to the privacy or security of information including, but not limited to, HIPAA (as hereinafter defined) and corresponding regulations; (ii) Medicare and Medicaid law; and (iii) all laws and regulations relating to the licensing, regulation and accreditation of health care facilities, (inclusive of the requirements of The Joint Commission or other private accreditation organizations that have established standards relevant to medical care). Company further warrants that Equipment provided to Facility, shall if required by law or regulation, have received FDA approval or will have 510K clearance prior to delivery to Facility and that all Equipment delivered to Facility will be in compliance with FDA regulations. Company shall reimburse Saint Luke's for all costs and expenses associated with any breach of this warranty, including by example only corrective action, withdrawal or recall requested by Company or by any governmental entity.

2.4. Compliance. Each party is responsible for compliance with all applicable laws, rules, regulations, or ordinances which may relate to its respective activities and responsibilities under this Agreement. Company agrees to comply with the applicable Facility's policies and with Saint Luke's Code of Business and Ethical Conduct made known to Company, as they may be modified from time to time. All of Company's representatives, agents, employees, and contractors that enter the Facility premises on behalf of Company in the performance of this Agreement must do so only after reasonable advance notice, must be acceptable to Facility in its sole discretion, and must comply with all Facility

policies and procedures while on site, including any vendor registration policies. All of Company's representatives, agents, employees, and contractors will be required to, and shall comply with, the terms of this Agreement and Company will take all steps to ensure and be responsible for such compliance.

### 3. PAYMENT PROVISIONS

#### 3.1. Fee.

(a) In consideration of the rental of the Equipment, Saint Luke's shall pay Company        per month ("Fee"). In the event the Equipment is removed from the Facility under Section 1.1(b) above, the Fee shall be reduced by \$       per hour (*pro rated* for any portion thereof, and rounded to the nearest ten (10) minute interval) for the time such Equipment is removed from the Facility. Company shall not increase the Fee during the Term of this Agreement, the Fee shall be held firm. The fair market value of the equipment upon the start date of this agreement is \$      . Saint Luke's Health System agrees to pay all applicable taxes.

(b) Saint Luke's shall pay the Fee to Company monthly, within forty-five (45) days of submission by Company of a monthly invoice. In the event the Term of this Agreement includes any portion of a month which is not an entire calendar month, either at the beginning or end, the Fee for such month shall be determined on a *pro rata* basis.

3.2. Reasonableness of Fee. The parties hereto represent, warrant and acknowledge that the Fee paid and payable hereunder by Saint Luke's to Company has been determined by the parties through good-faith and arm's length bargaining, and is commercially reasonable and reflects the fair market rental value of the Equipment; the aggregate Fee does not exceed that which is reasonably necessary to accomplish the commercially reasonable business purpose of the Equipment rental. The Fee has not been determined in a manner that takes into account, either directly or indirectly, the volume or value of any referrals from Saint Luke's to Company (or its affiliates), or from Company (or its affiliates) to Saint Luke's. No amount paid or payable hereunder is intended, nor shall be construed to be, an inducement or payment for referral of or recommending referral of, patients by Saint Luke's to Company (or its affiliates), or by Company (or its affiliates) to Saint Luke's, or for ordering, leasing or purchasing any item or service covered by any governmental or private health care payment program. In addition, the Fee charged hereunder does not include any discount, rebate, kickback or other reduction in charge.

3.3. Disposable Products. Both parties agree that any required disposable products purchased for use with the rented equipment shall not include any pricing upcharges.

### 4. TERM AND TERMINATION

4.1. Term. This Agreement shall commence as of the Effective Date and continue for a period of        (months) (the "Term") not to exceed one (1) year.

4.2. Termination. This Agreement shall terminate upon the happening of any of the following events:

(a) Termination Without Cause. Either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party hereto.

(b) Change of Law and Material Adverse Financial Effects. If, in the opinion (the "Opinion") of the legal counsel of either party, it is determined that it is more likely than not that applicable legislation, regulations, rules or procedures (collectively referred to herein as a "Law") in effect or to become effective as of a date certain, or if a party receives notice (the "Notice") of an actual or threatened decision, finding or action by any governmental or private agency or court (collectively referred to herein as an "Action"), which Law or Action, if or when implemented, would: (a) result in a party's continued performance under the terms of this Agreement to have a material adverse financial effect on such party; or (b) have the effect of subjecting a party to civil or criminal prosecution under state and/or federal laws, or other material adverse proceeding or effect, including without limitation, jeopardizing a party's status as a recipient of governmental or private funds for the provision of health care services or its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute, on the basis of their participation herein, then such party shall provide such Opinion or Notice to the other party. The parties shall attempt in good faith to amend this Agreement to the minimum extent necessary in order to comply with such Law or to avoid the Action, as applicable. If, within ninety (90) days of providing written notice of such Opinion or such Notice to the other party, the parties hereto acting in good faith are unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or alternatively, the parties mutually determine in good faith that compliance with such requirements is impossible or unfeasible, then this Agreement shall be terminated without penalty, charge or continuing liability upon the earlier of the following: (i) the date one hundred and eighty (180) days subsequent to the date upon which any party provides the Opinion or Notice to the other party, or (ii) the effective date upon which the Law or Action prohibits the relationship of the parties pursuant to this Agreement.

4.2. Effect of Expiration or Earlier Termination. Upon the expiration or earlier termination of this Agreement, no party shall have any further obligations hereunder except for: (a) obligations accruing prior to the date of expiration or termination; and (b) obligations, promises or covenants contained herein which are expressly made to extend beyond the Term. In the event of any termination of this Agreement, Saint Luke's shall pay to Company all accrued but unpaid Fees due to Company under this Agreement that are due and owing as of the date of termination.

4.3. Termination During the Initial Term. In the event that either party terminates this Agreement during the Initial Term, the parties shall not enter into a new agreement that contains substantially the same terms (or covers substantially the same services on different terms) as those set forth in this Agreement for a period of at least one (1) year from the Effective Date.

## 5. MISCELLANEOUS

5.1. Compliance with Laws. Saint Luke's and Company shall at all times comply with all applicable federal, state and local laws, rules and regulations during the Term of this Agreement. The parties intend that the rental of the Equipment pursuant to this Agreement shall comply with the federal "Stark" law, 42 U.S.C. § 1395nn (and specifically the "fair market value" exception set forth at 42 U.S.C. § 411.357(l)); the federal anti-kickback law, 42 U.S.C. § 1320a-7b; and any applicable state anti-kickback laws, each as amended from time to time. This Agreement shall be construed to comply therewith. The parties shall comply with the reporting requirements of 42 C.F.R. §1001.952(h), regarding "safe harbor" protection for discounts under the Anti-Kickback Statute and the "safe harbor" regulations regarding payments to group purchasing organizations set forth in 42 C.F.R. 1001.952(j), as applicable. The parties acknowledge that there is no obligation of Company (or its affiliates) or of Saint Luke's to refer patients to the other party, nor any intent to influence the judgment of the other party in any respect that would affect patient care or payment for patient care.

5.2. Non-Exclusion. Company represents and warrants that neither it, nor any of its employees, agents or other contracted staff (collectively referred to in this Section as "employees") has been or is about to be excluded from participation in any Federal Health Care Program (as defined herein). If at any time during the Term of the Agreement, Company: (i) is charged with a criminal offense related to Federal Health Care Program or is proposed for exclusion from participation in Federal Health Care Program or procurement or nonprocurement programs; or (ii) has notice that any of its directors, officers, employees or Agents has been charged with a criminal offense related to Federal Health Care Program or is proposed for exclusion, Company agrees to notify Saint Luke's immediately. In the event of any such notification, Saint Luke's shall have the right to terminate the Agreement immediately upon notice to Company. For the purpose of this paragraph, the term "Federal Health Care Program" means the Medicare program, the Medicaid program, TRICARE, any health care program of the Department of Veterans Affairs, the Maternal and Child Health Services Block Grant program, any state social services block grant program, any state children's health insurance program, or any similar program. Further, in the event that Saint Luke's becomes aware that any criminal charges or exclusions as described above are pending or proposed against Company, or that any director, officer, employee or agent of Company may otherwise be in violation of (or put Company in violation of) the Agreement, Saint Luke's reserves the right in its sole discretion to terminate the Agreement or to exclude such individual/party or parties from participation in the Agreement, or to take other appropriate steps to protect patients and state and Federal program funds.

5.3. Indemnification; Limitation of Liability. Company agrees to indemnify, defend and hold harmless Saint Luke's, its subsidiaries, agents, directors, officers, trustees, medical staff, employees and volunteers (collectively referred to as "Indemnitees") from and against any and all claims, fines, costs, suits, damages, losses, and expenses, including, but not limited to, reasonable attorney's fees, which may be alleged, claimed, or recovered against Indemnitees that may arise in connection with (i) Company's material breach of any provision of this Agreement, (ii) any violation of or noncompliance with any federal or state law, rule, regulation, statute or ordinance by Company or by Company's subcontractors, agents, directors, officers, trustees, or employees, and/or (iii) any negligent act or omission by Company including, without limitation, Company's subcontractors,

agents, directors, officers, trustees, and employees. This indemnification shall be in addition to the warranty obligations of Company and shall survive termination of this Agreement.

5.4. Access of the Government to Records. If applicable, the parties agree to make books and records available and to require any subcontractor to make books and records available, upon request of the Secretary of the U.S. Department of Health and Human Services or the Comptroller General of the United States or their duly authorized representatives for up to four (4) years following the furnishing of goods or services under this Agreement pursuant to Section 1861(v) (1) (I) of the Social Security Act.

5.5. Entire Agreement; Amendments. This Agreement contains the complete and full understanding of the parties with respect to the subject matter hereof. All amendments or additions hereto must be in writing and signed by both parties to the Agreement.

5.6. Non-Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to that term or any other term of this Agreement.

5.7. Assignment. Neither this Agreement nor any of the rights or duties under this Agreement may be assigned or delegated by either party without the express written consent of the other party hereto.

5.8. Independent Contractors. The relationship of the parties hereunder shall at all times be that of independent contractors.

5.9. Notices. Any notice given pursuant to this Agreement shall be in writing and shall either be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by means of another regularly scheduled delivery service customarily utilized for business correspondence that provides equivalent proof of delivery and receipt, fees prepaid, addressed to the appropriate party as set forth in the preamble hereto, or to such other address as a party shall designate by notice to the other, given in accordance with this Section. Notice shall be deemed to have been given (i) when received if personally delivered, or (ii) on the delivery date indicated on the return receipt.

5.10. Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable, then the invalidity, illegality, or unenforceability of such specific provision herein shall not be held to invalidate any other provision herein, which other provision shall remain in full force and effect unless the removal of the invalid, illegal, or unenforceable provision destroys the legitimate purposes of this Agreement in which event this Agreement shall be null and void.

5.11. Counterparts. This Agreement may be executed in more than one counterpart, and each executed counterpart shall be considered as the original.

5.12. Further Actions. Each of the parties agrees that it shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

5.13. Confidentiality. During discussions leading up to the execution of the Agreement, and during the course of performance of the Agreement, it is expected that each party hereto (“Receiving Party”) will learn confidential and proprietary information and/or trade secrets (“Confidential Information”) of the other party (“Disclosing Party”). Confidential Information includes, by way of example, all technical, marketing, financial, and clinical information, as applicable, of Disclosing Party that the Receiving Party knows or reasonably should know are to be treated as confidential, as well as all materials that are marked by Disclosing Party as confidential or proprietary. Except as authorized by Disclosing Party in writing, Receiving Party will not, directly or indirectly, (a) use any Confidential Information for any purpose that is not directly related to the performance of its obligations under the Agreement or (b) publish or disclose any Confidential Information to any third party. Receiving Party shall maintain the Confidential Information in a secure manner that is at least as protective as that which Receiving Party uses with respect to its own confidential and proprietary information, but in no event shall Receiving Party provide Confidential Information less than reasonable protection. Receiving Party will take such action as necessary, including agreements with or instructions to its employees and agents, to enable it to perform its obligations with respect to Confidential Information. Receiving Party's obligations with respect to Confidential Information shall cease to apply with respect to Confidential Information that: (i) is or becomes part of the public domain other than by breach of the Agreement by Receiving Party; (ii) is developed by Receiving Party independent of any Confidential Information; (iii) is rightly received by Receiving Party from a third party who is not under an obligation of confidentiality with respect to such information; (iv) must be disclosed by law; or (v) is required to be disclosed under court order or subpoena. In the event Confidential Information is required to be disclosed by a court order, to the extent allowed by law, Receiving Party shall notify the Disclosing Party of such court order prior to disclosing the Confidential Information (if permitted by law, but in any case as soon as possible) and cooperate with Disclosing Party to obtain a protective order to contest the disclosure of such Confidential Information. Both parties acknowledge that a breach or attempted breach of the Agreement will cause irreparable damage and that damages at law will be an insufficient remedy. Accordingly, both parties agree that, notwithstanding the arbitration clause in the Agreement, the Disclosing Party shall be entitled as a matter of right to: (i) injunctive relief in the Sixteenth Circuit Court of Jackson County, Missouri or the United States District Court for the Western District of Missouri solely in order to restrain the breach or threatened breach of Confidential Information; and (ii) its reasonable attorney's fees and costs in obtaining such relief or specific enforcement.

5.14. HIPAA. Company agrees to comply with all applicable current and future regulations of the Health Insurance Portability and Accountability Act of 1996 as codified at 42 USC§1320(d) (“HIPAA”) as may be amended from time to time as specified in the Business Associate Addendum which is attached hereto and incorporated by reference into this Agreement. Company shall make its



internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of Health and Human Services to the extent required for determining compliance with HIPAA.

5.15. Governing Law. The laws of the State of Missouri govern this Agreement and venue shall be in the state courts located in Jackson County, Missouri or, if applicable, the federal courts located in the Kansas City, Missouri

**IN WITNESS WHEREOF**, the parties have signed this Agreement on the date set forth above.

**SAINT LUKE'S HEALT SYSTEM, INC.**

**COMPANY**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Exhibit A**  
**EQUIPMENT**

1. Company shall rent to Saint Luke's the equipment listed below.

[List all Equipment to be rented]

2. The Equipment shall be rented from [insert Facility name and address].