

CONTRACT FOR SERVICES

THIS CONTRACT FOR SERVICES (this "Agreement") is made to be effective the 14th day of April, 2003, between Affiliated Credit Services, Inc., a corporation duly incorporated under the laws of the State of Colorado (the "Company"), and Banner Health, an Arizona nonprofit corporation (the "Provider") d/b/a Sterling Regional MedCenter and East Morgan County Hospital.

WITNESSETH:

WHEREAS, the Provider desires to engage the Company to handle certain patient collection services on behalf of the Provider's patient accounts office at Sterling Regional MedCenter and East Morgan County Hospital; and,

WHEREAS, the company desires to accept such engagement offered by the Provider;

NOW, THEREFORE, in consideration for the mutual obligations contained herein, the Company and the Provider, each intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Term.** This Agreement shall be effective as of the date first above written (the "Effective Date"). Subject to the provisions of Section 3 of this Agreement, this Agreement shall remain in full force and effect for at least two years beyond the Effective Date (the "Initial Term").

2. **Use and Disclosure of Protected Health Information.** The parties hereto agree that in order for the Company to perform its duties under this Agreement, it will be necessary for the Company to use and disclose Protected Health Information ("PHI"), as such term is defined at 45 CFR §164.501.

2.1 **Permitted and Required Uses and Disclosures of PHI.** The parties hereto agree that the Company may use and disclose PHI in order to carry out any Payment function covered under the definition of "Payment" contained in 45 CFR § 164.501. The parties hereto further agree that the Company may use or disclose PHI for any use or disclosure that is required by law.

2.2 **Use and Disclosure of Minimum Necessary Amount of PHI.** The parties hereto desire to ensure that the Provider only discloses to the Company the minimum necessary amount of PHI necessary for the Company to perform its duties under this Agreement. The parties hereto agree that the following information is the minimum necessary in order for the Company to perform its duties under this Agreement.

(A) Guarantor Name, Guarantor Address, Guarantor Phone Number, Guarantor Spouse, Guarantor Social Security Number, Guarantor Date of Birth, Guarantor Place of Employment, Employment Phone Number.

- (B) Spouse Name, Spouse Address, Spouse Phone Number, Spouse Social Security Number, Spouse Date of Birth, Spouse Place of Employment, Employment Phone Number.
- (C) Patient Name, Patient Address, Patient Phone Number, Patient Social Security Number, Patient Date of Birth.
- (D) Date of Service(s), Amount Due for Service(s), Mail Returned and,
- (E) Upon the Company's receipt of a request from patient requesting verification of the account information, the Provider shall provide the Company with an itemization of the services and the date(s) such service(s) were rendered to the patient and which pertain to the account receivable referred to the Company pursuant to this Agreement.

3. ***Termination.***

3.1 *After the Initial Term.* After the expiration of the Initial Term, either party may at any time, for any or for no reason, terminate this Agreement upon sixty (60) days' written notice to the other party. At the end of the Initial Term, unless the parties have renegotiated an additional term for this Agreement, this Agreement shall remain in full force and effect unless this Agreement is terminated pursuant to the provision of Section 3 herein.

3.2 *Continued Efforts.* Upon termination of this Agreement for any reason other than pursuant to Section 3.4 below, the Company shall be entitled to continue working the following types of accounts received from the Provider prior to the termination date of this Agreement: accounts on which the Company has received a payment within six (6) months of the termination date of this Agreement; accounts that the Company has placed on hold pending the receipt of any information from the Provider; accounts that the Company has placed on hold pending a re-bill of an insurance company or the outcome of an insurance appeal; and, accounts that the Company has placed on hold pending the outcome of a patient's personal injury litigation. In any event, the Company shall be entitled to continue working on any accounts it has received from the Provider prior to receipt of notice of the Provider's intent to terminate this Agreement for the full sixty (60) day notice period.

3.3 *No Obligation to Continue Collection.* The Company shall not be required to perform any work on any accounts placed with the Company after the Company has received notice of the Provider's intent to terminate this Agreement.

3.4 *Termination by the Provider for Breach.* Notwithstanding the provisions of Section 1 and Section 3.1 of this Agreement, pursuant to 45 C.F.R. §164.504(e)(2)(iii), the Provider may terminate this Agreement if the Provider determines that the Company has breached a material term of this Agreement. In the event of a material breach of the Company's duties and responsibilities contained in Sections 4.7 through and including 4.15 of this Agreement, the Provider may immediately terminate this Agreement upon written notice to the Company. In the event of a claimed material breach of any other provision of this Agreement by the Company, the Provider shall give the Company written notice of the alleged material breach.

The Company shall have thirty (30) days from the date of any written notice of breach to cure the alleged breach. In the event the Company cures the alleged breach within the thirty (30) day time period, this Agreement shall remain in full force and effect. In the event that the Company fails to cure the alleged breach within the thirty (30) day time period, this Agreement shall terminate.

3.5 *Termination by the Company for Breach.* In the event of a claimed material breach of any provision of this Agreement by the Provider, the Company shall give the Provider written notice of the alleged material breach. The Provider shall have thirty (30) days from the date of any written notice of breach to cure the alleged breach. In the event the Provider cures the alleged breach within the thirty (30) day time period, this Agreement shall remain in full force and effect. In the event that the Provider fails to cure the alleged breach within the thirty (30) day time period, this Agreement shall terminate.

3.6 *Company's Right to Receive Compensation on Certain Accounts After Termination.* The parties hereto expressly agree that the Company shall be entitled to continue receiving compensation after termination of this Agreement by any party, for any reason, or for no reason at all, for payment received by either the Company or the Provider on the following types of accounts: accounts on which the Company has received a payment within six (6) months prior to the termination date of this Agreement, provided that the Company shall no longer receive compensation for payments received on such an account if six (6) months elapses without either party receiving a payment on such an account; accounts that the Company has placed on hold pending the receipt of any information from the Provider; accounts that the Company has placed on hold pending a re-bill of an insurance company or the outcome of an insurance appeal; accounts that the Company has placed on hold pending the outcome of a patient's personal injury litigation; and, accounts that the Company has reduced to a legal judgment.

4. *Duties and Responsibilities of the Company.* The Company shall:

4.1 *Collection Notices.* Cause the generation and mailing of collection notices to the Provider's patients:

4.2 *Inbound Calls.* Receive and handle any inbound calls from the Provider's patients concerning such collection notices;

4.3 *Outbound Calls.* Make outgoing calls to the Provider's patients concerning the payment of accounts;

4.4 *Staffing.* Dedicate an appropriate number of employees and/or independent contractors to work on the accounts placed with the Company by the Provider;

4.5 *Reports.* Upon request, furnish the Provider with monthly management reports concerning liquidation percentage, canceled and returned accounts;

4.6 *Computer Access.* Allow the Provider appropriate access to the Company's computer system for the purpose of performing periodic account audits;

4.7 *Restriction on Use and Disclosure of PHI.* The Company shall not use or further disclose and PHI other than as permitted or required by this Agreement, or as required by law;

4.8 *Safeguarding of PHI.* The Company shall use appropriate safeguards to prevent the use of disclosure of PHI other than as provided for in this Agreement;

4.9 *Reporting of Unauthorized Use or Disclosure of PHI.* The Company shall report to the Provider any use or disclosure of PHI not provided for by this Agreement of which the Company becomes aware;

4.10 *Protection of PHI by Agents and Subcontractors.* The Company shall ensure that any agents, including any subcontractors, to whom it provides PHI received from, or created or received by the Company on behalf of the Provider agrees to the same restrictions and conditions that apply to the Company with respect to such PHI;

4.11 *Access to PHI.* The Company shall make available PHI in accordance with 45 CFR § 164.524. Within ten (10) days after receipt of a request from the Provider for access to PHI in the possession of the Company, the Company shall make such PHI available to the Provider. Within ten (10) days after receipt of a request from an individual for access to PHI in the possession of the Company, the Company shall forward such request to the Provider;

4.12 *Amendments to PHI.* Within ten (10) days after receipt of a request from the Provider for an amendment to any PHI, the Company shall make the requested PHI available to the Provider for amendment and shall incorporate any such amendments into the PHI in accordance with 45 CFR § 164.256. Within ten (10) days after receipt of a request from an individual for an amendment to any PHI, the Company shall forward such request to the Provider;

4.13 *Accountings.* Within ten (10) days after receipt of notice from the Provider that the Provider has received a request from an individual for an accounting of disclosures of PHI regarding the individual during the six (6) years prior to the date on which the accounting was requested, the Company shall make available to the Provider such information as is in the Company's possessions and is required for the Provider to provide an accounting of disclosures of PHI to the individual in accordance with 45 CFR § 164.528;

4.14 *Internal Practices, Books, and Records.* The Company shall make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Company on behalf of the Provider available to the Secretary of the Department of Health and Human Services for purposes of determining the Provider's compliance with Subpart E of Part 164 of Title 45 of Code of Federal Regulations; and,

4.15 *Duties with Regard to PHI Upon Termination of this Agreement.* At termination of this Agreement, if feasible, the Company shall return or destroy all PHI received from or created or received by the Company on behalf of the Provider that the Company still maintains in any form and retain no copies of such PHI. If such return or destruction is not feasible, the Company shall extend the protections of this Agreement to the PHI and limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI not feasible.

5. *Duties and Responsibilities of the Provider.*

5.1 *Notice of Bankruptcies.* The Provider shall immediately notify the Company upon receipt of any notification of the commencement of any proceeding under the United States Bankruptcy Code initiated on behalf of any patient whose account has been placed with the Company by the Provider;

5.2 *Notice of Attorney Representation.* The Provider shall immediately notify the Company upon receipt of any notification that an attorney represents any patient whose account has been placed with the Company by the Provider;

5.3 *Preparation and Delivery of Accountings.* It shall be the sole responsibility of the Provider to prepare and deliver any accounting requested pursuant to 45 CFR § 164.528;

5.4 *Decisions Concerning Access to PHI.* In the event that an individual has requested access to PHI directly from the Company, and the Company has forwarded such request to the Provider in accordance with Section 4.11 of this Agreement, it shall be the sole responsibility of the Provider to determine whether to grant or deny such access; and,

5.5 *Amendment of PHI.* In the event that an individual has requested an amendment to PHI directly from the Company, and the Company has forwarded such request to the Provider in accordance with Section 4.12 of this Agreement, it shall be the sole responsibility of the Provider to determine whether to allow or disallow such amendment.

6. *Representations and Warranties of the Provider.* The Provider hereby represents and warrants to the Company as follows:

6.1 *Bankruptcies.* The Provider shall not place any accounts with the Company that, as of the date of placement, are included in any proceeding under the United States Bankruptcy Code which has been initiated on behalf of any individual or entity;

6.2 *Attorney Representation.* If the Provider knows that a patient is represented by an attorney, the Provider shall notify the Company of such attorney representation at the time the Provider places any of such patient's accounts with the Company;

6.3 *Accurate Information.* All accounts placed with the Company by the Provider shall contain accurate information;

6.4 *Consents and Authorizations.* Prior to disclosing any PHI to the Company, the Provider shall obtain all required consents and authorizations pursuant to 45 CFR §164.506 and 45 CFR §164.508 respectively, sufficient to permit the disclosure of PHI from the Provider to the Company, and to permit the Company to perform its duties pursuant to the terms of this Agreement;

6.5 *No Restrictions.* The Provider shall not place any account with the Company if the Provider has agreed to any individual's request to restrict the use or disclosure of PHI connected with such account pursuant to 45 CFR §164.522; and,

6.6 *Organization and Authority.* The Provider is a nonprofit corporation validly organized under the laws of the State of Arizona and has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Provider and constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with its terms.

7. *Representations and Warranties of the Company.* The Company hereby represents and warrants to the Provider as follows:

7.1 *Organization and Authority.* The Company is a corporation validly incorporated under the laws of the State of Colorado and has all requisite power and authority to enter into this Agreement and to perform its obligation hereunder. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms.

8. *Compensation.*

8.1 *Non-Legal Accounts.* The Provider shall compensate the Company by remitting to the Company twenty seven per cent (27%) of all amounts recovered without resort to legal action on accounts that have been placed with the Company.

8.2 *Legal Accounts.* The Provider shall compensate the Company by remitting to the Company thirty seven per cent (37%) of all amounts recovered after the commencement of legal action on accounts that have been placed with the Company. For the purposes of this Agreement, legal action shall be considered to have commenced upon the serving of a summons and complaint upon the defendant.

9. *Notice of Payment Information.* The Provider shall transmit a weekly report to the Company listing the following information for each account on which a payment was received by the Provider (hereafter referred to as "Direct Payments") during the prior week:

- A) The amount of the payment;
- B) The name of the patient or the guarantor of the patient's account; and,

- C) The Provider's account number.

The Provider's duties under this Section 9 of this Agreement shall continue subsequent to termination of this Agreement with respect to payments received upon which the Company remains entitled to receive compensation pursuant to Section 3.6 of this Agreement.

10. **Payment of Fees.** All collections received by Provider, either directly or by Company, for whom Company provided services, shall be processed by Company and included in the fee calculation.

- A) Contingency fees will be assessed and collected on a daily basis as debtor payments are received and posted. A monthly remit check and statement, less Company fee, will be distributed to Provider.
- B) Company shall submit a remittance statement and trust check monthly. Such statement shall include account number, name, date of payment, amount of payment, amount due Provider and amount due Company, and balance remaining.
- C) Company shall have the right to endorse on Provider's behalf any and all financial instruments received by Company for payment on Provider accounts.

The Provider's duties under this Section 10 of this Agreement shall continue subsequent to termination of this Agreement with respect to payments received upon which the Company remains entitled to receive compensation pursuant to Section 3.6 of this Agreement.

11. **Confidentiality.** The parties agree to keep all of the terms of this Agreement strictly confidential, including without limitation, the Compensation terms contained in Section 8 of this Agreement. The parties further agree to maintain the confidentiality of any confidential information and/or trade secrets that they may learn about each other throughout the course of this Agreement, including without limitation, the terms of any contracts that the other party may have with any third parties. The Company agrees to keep all Protected Health Information received from, or created or received by the Company on behalf of the Provider confidential except as necessary for the Company to perform its duties pursuant to the terms of this Agreement. The duties of the parties detailed in this Section 11 of this Agreement shall continue in full force and effect for a period of two (2) years after termination of this Agreement for any reason, except for the Company's duty to maintain the confidentiality of Protected Health Information which shall continue forever, unless disclosure of such information should be allowed or required by law.

12. **No Third Party Beneficiaries.** The Provider and the Company hereby expressly understand and agree that individuals whose PHI is disclosed by the Provider to the Company are not intended to be third party beneficiaries of this Agreement.

13. **Independent Contractor Status.** The parties hereto expressly agree that in performing its duties under this Agreement, the Company is acting as an independent contractor of the Provider. Nothing contained herein is intended, nor shall it be construed to create, a joint venture relationship, a partnership, or an employer-employee relationship between the parties

14. **Notices.** All notices, requests, demands and other communication hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first-class certified mail, return receipt requested, postage prepaid, addressed as follows:

A) If to the Company, to:

Affiliated Credit Services, Inc.
Attn: Matt Laws, President
418 Ensign Street
Fort Morgan, CO 80701

With a copy to:
(*which shall not constitute notice*)

Edward L. Zorn. P. C.
Attn: Edward . Zorn, Esq.
626 East Platte Avenue
Fort Morgan, Colorado 80701

B) If to the Provider, to:

Banner Health
c/o Sterling Regional MedCenter
Attn: Chief Executive Officer
615 Fairhurst
Sterling, Colorado 80751

And to:

Banner Health
c/o East Morgan County Hospital
Attn: Chief Executive Officer
2400 W. Edison Street
Brush, Colorado 80723

With a copy to:
(which shall not constitute notice)

Banner Health
Attn: Legal Department
1801 16th Street
Greeley, Colorado 80631

Such addresses may be changed by written notice sent to the other party at the last recorded address of that party.

15. **No Assignment.** Except as may specifically be provided in the Agreement to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors, and assigns. Except as otherwise expressly provided herein, this Agreement is not assignable by any party without the prior written consent of the other party, and no payment to be made hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or other change.

16. **Waiver of Breach.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to constitute a waiver of any subsequent breach of the same or another provision.

17. **Voluntary Agreement.** The Company and the Provider warrant and represent that this Agreement is executed voluntarily with full knowledge of the consequences and implications of their obligations contained herein, and that they have carefully and thoroughly reviewed this Agreement in its entirety.

18. **Warranty of Authority.** The undersigned individually warrant and represent that they are authorized to execute this Agreement.

19. **Execution in Counterparts; Execution via Facsimile.** This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed an original, and all of which shall be deemed one and the same instrument, and all signatures need not appear on any one counterpart. If executed in counterparts, this Agreement will be as effective as if simultaneously executed. Signatures on this Agreement may be communicated by facsimile transmission and shall be binding upon the parties transmitting the same by facsimile transmission. Counterparts with original signatures shall be provided to the other party within fifteen (15) days of the applicable facsimile transmission, provided, however, that the failure to provide the original counterpart shall have no effect on the validity or the binding nature of the Agreement.

20. **Governing Law and Venue.** This Agreement shall be construed and interpreted

In accordance with and governed by the laws of the State of Colorado. The Company and the Provider hereby expressly agree that any action to interpret, construe, or enforce this Agreement shall be brought in a Colorado court.

21. **Enforcement.** If either party resorts to legal action to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover the costs and expenses of the action, including without limitation, reasonable attorneys' fees.

22. **Severability.** If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not affect, impair or invalidate the remainder of this Agreement.

23. **Further Assurances.** The parties hereto agree to execute such other instruments, documents or agreements as may be reasonable, necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated herein.

24. **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto, and supersedes all other oral or written agreements or understandings between them regarding the subject matter hereof. There are no agreements, representations or warranties of any kind, except as expressly set forth in this Agreement. The parties acknowledge that in executing this Agreement they have relied solely on their own judgment, belief and knowledge, and the advice of their own respective legal counsel, and except for representations expressly set forth herein. They have not been influenced by and other representation or statement.

25. **Amendment.** No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by each of the parties hereto.

26. **Gender and Number.** Whenever the context of this Agreement requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and plural.

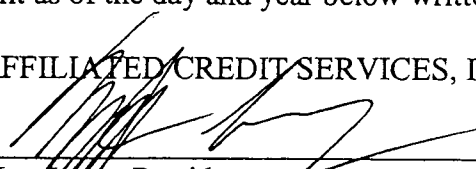
27. **Headings Descriptive.** The headings of the several sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any of this Agreement.

28. **Change of Law:** The parties hereto shall modify any term of this Agreement at anytime if it is determined that the inclusion of any term of this Agreement or the omission of any term from this Agreement violates any federal or state law or regulation, including, without limitation: the Standard for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164); the Health Insurance Reform: Standards for Electronic Transactions; Announcement of Designated Standard Maintenance Organizations (45 CFR Part 160-162); and, the Security and Electronic Signature Standards (the "Security Standard") (45 CFR Part 142) (or the final version of the Security Standard once such final version is released), all promulgated under the Health Insurance Portability and Accountability Act of 1996 (Pub.L. 104-191)

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year below written.

AFFILIATED CREDIT SERVICES, INC.

By:




Matt Laws, President

BANNER HEALTH

By:

Title:



President - Colorado Region

CONTRACT FOR SERVICES

THIS CONTRACT FOR SERVICES (this "Agreement"), effective **January 1, 2003**, is by and between **Healthcare Billing Service**, a division of Professional Finance Company, Inc., a corporation duly incorporated under the laws of the State of Colorado (the "Company"), and **Banner Health (f/k/a Banner Health System)** an Arizona non-profit corporation d/b/a as the facilities identified in "Addendum A - Participating Provider Facilities" (collectively the "Provider").

WITNESSETH:

WHEREAS, the Provider desires to engage the Company to handle certain patient billing services on behalf of the Provider's patient accounts office; and,

WHEREAS, the Company desires to accept such engagement offered by the Provider;

NOW, THEREFORE, in consideration for the mutual obligations contained herein, the Company and the Provider, each intending to be legally bound, hereby mutually covenant and agree as follows:

1. **Term.** This Agreement shall be effective as of the date first above written (the "Effective Date"). Subject to the provisions of Section 3 of this Agreement, this Agreement shall remain in full force and effect for thirty-six months.
2. **Use and Disclosure of Protected Health Information.** The parties hereto agree that in order for the Company to perform its duties under this Agreement, it will be necessary for the Company to use and disclose Protected Health Information ("PHI"), as such term is defined at 45 CFR §164.501.
 - 2.1 **Permitted and Required Uses and Disclosures of PHI.** The parties hereto agree that the Company may use and disclose PHI in order to carry out any Payment function covered under the definition of "Payment" contained in 45 CFR §164.501. The parties hereto further agree that the Company may use or disclose PHI for any use or disclosure that is required by law.
 - 2.2 **Use and Disclosure of Minimum Necessary Amount of PHI.** The parties hereto desire to ensure that the Provider only discloses to the Company the minimum necessary amount of PHI necessary for the Company to perform its duties under this Agreement. The parties hereto agree that the following information is the minimum necessary in order for the Company to perform its duties under this Agreement:
 - A) Name and address of responsibility party;
 - B) Name and address of patient;
 - C) Date of birth of responsible party;
 - D) Date of birth of patient;
 - E) Social security number of responsible party, if available;
 - F) Social security number of patient, if available;
 - G) Payment history pertaining to the account;
 - H) Name and address of any healthcare provider and /or health plan pertaining to the account, if available;
 - I) Driver's license number of responsible party, if available;
 - J) Driver's license number of patient, if available;

- K) Upon the Company's receipt of a written request from patient requesting verification of the account information, the Provider shall provide the Company with an itemization of the services and the date(s) such service(s) were rendered to the patient and which pertain to the account receivable referred to the Company pursuant to this Agreement; and,
- L) Insurance information, if available.

3. Termination.

- 3.1 *Without Cause Termination.* Either party may at any time, for any or for no reason, terminate this Agreement upon ninety days (90) days' written notice to the other party.
- 3.2 *Continued Efforts* Upon termination of this Agreement for any reason other than pursuant to Section 3.4 below, the Company shall be entitled to continue working the following types of accounts received from the Provider prior to the termination date of this Agreement: accounts on which the Company has received a payment within six (6) months of the termination date of this Agreement; accounts that the Company has placed on hold pending the receipt of any information from the Provider; accounts that have been reduced to legal judgment; accounts in which legal action has been filed; accounts that the Company has placed on hold pending a re-bill of an insurance company or the outcome of an insurance appeal; and, accounts that the Company has placed on hold pending the outcome of a patient's personal injury litigation. In any event, the Company shall be entitled to continue working on any accounts it has received from the Provider prior to receipt of notice of the Provider's intent to terminate this Agreement for the full ninety (90) day notice period.
- 3.3 *No Obligation to Continue Collection* The Company shall not be required to perform any work on any accounts placed with the Company after the Company has received notice of the Provider's intent to terminate this Agreement.
- 3.4 *Termination by the Provider for Breach.* Notwithstanding the provisions of Section 1 and Section 3.1 of this Agreement, pursuant to 45 C.F.R. §164.504(e)(2)(iii), the Provider may terminate this Agreement if the Provider determines that the Company has breached a material term of this Agreement. In the event of a material breach of the Company's duties and responsibilities contained in Sections 4.7 through and including 4.15 of this Agreement, the Provider may immediately terminate this Agreement upon written notice to the Company. In the event of a claimed material breach of any other provision of this Agreement by the Company, the Provider shall give the Company written notice of the alleged material breach. The Company shall have ten (10) days from the date of any written notice of breach to cure the alleged breach. In the event the Company cures the alleged breach within the ten (10) day time period, this Agreement shall remain in full force and effect. In the event that the Company fails to cure the alleged breach within the ten (10) day time period, the Provider may elect to terminate this Agreement.
- 3.5 *Termination by the Company for Breach.* In the event of a claimed material breach of any provision of this Agreement by the Provider, the Company shall give the Provider written notice of the alleged material breach. The Provider shall have ten (10) days from the date of any written notice of breach to cure the alleged breach. In the event the Provider cures the alleged breach within the ten (10) day time period, this Agreement shall remain in full force and effect. In the event that the Provider fails to cure the alleged breach within the ten (10) day time period, the Company may elect to terminate this Agreement.

- 3.6 *Company's Right to Receive Compensation on Certain Accounts After Termination.* The parties hereto expressly agree that the Company shall be entitled to continue receiving compensation after termination of this Agreement by any party, for any reason, or for no reason at all, for payments received by either the Company or the Provider on the following types of accounts: accounts on which the Company has received a payment within six (6) months prior to the termination date of this Agreement, provided that the Company shall no longer receive compensation for payments received on such an account if six (6) months elapses without either party receiving a payment on such an account; accounts that the Company has placed on hold pending the receipt of any information from the Provider; accounts that the Company has placed on hold pending a re-bill of an insurance company or the outcome of an insurance appeal; accounts that the Company has placed on hold pending the outcome of a patient's personal injury litigation; and, accounts that the Company has reduced to a legal judgment; accounts in which legal action has been filed.
- 3.7 *Participating Provider Facilities.* Provider and Company agree that the foregoing termination rights may be exercised in whole, with one party terminating the entire Agreement, or in part, with Provider terminating the Agreement as it applies to one or more Participating Provider Facilities, as identified in Addendum A. Likewise, Company's right to terminate this Agreement under this Section 3 may be exercised as to one or more Participating Provider Facilities.
4. *Duties and Responsibilities of the Company.* The Company shall:
- 4.1 *Billing Statements.* Cause the generation and mailing of billing statements to the Provider's patients. A minimum of three (3) statements will be sent per account. If a statement is returned by the postal service for any reason, Company will attempt to locate a current address by accessing internal and Internet databases and by telephoning the patient.
- 4.2 *Inbound Calls.* Receive and handle any inbound calls from the Provider's patients.
- 4.3 *Outbound Calls.* Make outgoing calls to the Provider's patients. A minimum of two (2) outbound telephonic attempts will be made on each account, so long as phone numbers are provided. If a phone number is disconnected, Company will attempt to locate a phone number by accessing internal databases and Internet databases. If Company is unable to reach the Provider's patient by phone and the patient has a valid phone number, at least one unattended voice message will be left with the Provider's patient prior to referral to collection.
- 4.4 *Payment Agreements.* Payment agreements will be established pursuant to guidelines established by Provider. Accounts that become delinquent will receive a final notification by mail and one (1) phone call and be allowed 10 days to cure the default.
- 4.5 *Staffing.* Dedicate an appropriate number of employees to work on the accounts placed with the Company by the Provider;
- 4.6 *Reports.* Upon request, furnish the Provider with monthly management reports concerning liquidation percentage, canceled and returned accounts, accounts in which insurance coverage was discovered, accounts into collection, etc.
- 4.7 *Computer Access.* Allow the Provider appropriate access to the Company's computer system for the purpose of performing periodic account audits;

- 4.8 *Restrictions on Use and Disclosure of PHI.* The Company shall not use or further disclose any PHI other than as permitted or required by this Agreement, or as required by law;
- 4.9 *Safeguarding of PHI.* The Company shall use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for in this Agreement;
- 4.10 *Reporting of Unauthorized Use or Disclosure of PHI.* The Company shall report to the Provider any use or disclosure of PHI not provided for by this Agreement of which the Company becomes aware;
- 4.11 *Protection of PHI by Agents and Subcontractors.* The Company shall ensure that any agents, including any subcontractors, to whom it provides PHI received from, or created or received by the Company on behalf of the Provider agrees to the same restrictions and conditions that apply to the Company with respect to such PHI;
- 4.12 *Access to PHI.* The Company shall make available PHI in accordance with 45 CFR §164.524. Within ten (10) days after receipt of a request from the Provider for access to PHI in the possession of the Company, the Company shall make such PHI available to the Provider. Within ten (10) days after receipt of a request from an individual for access to PHI in the possession of the Company, the Company shall forward such request to the Provider;
- 4.13 *Amendments to PHI.* Within ten (10) days after receipt of a request from the Provider for an amendment to any PHI, the Company shall make the requested PHI available to the Provider for amendment and shall incorporate any such amendments into the PHI in accordance with 45 CFR §164.526. Within ten (10) days after receipt of a request from an individual for an amendment to any PHI, the Company shall forward such request to the Provider;
- 4.14 *Accountings.* Within ten (10) days after receipt of notice from the Provider that the Provider has received a request from an individual for an accounting of disclosures of PHI regarding the individual during the six (6) years prior to the date on which the accounting was requested, the Company shall make available to the Provider such information as is in the Company's possession and is required for the Provider to provide an accounting of disclosures of PHI to the individual in accordance with 45 CFR §164.528;
- 4.15 *Internal Practices, Books, and Records.* The Company shall make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Company on behalf of the Provider available to the Secretary of the Department of Health and Human Services for purposes of determining the Provider's compliance with Subpart E of Part 164 of Title 45 of the Code of Federal Regulations; and
- 4.16 *Duties with Regard to PHI Upon Termination of this Agreement.* At termination of this Agreement, if feasible, the Company shall return or destroy all PHI received from or created or received by the Company on behalf of the Provider that the Company still maintains in any form and retain no copies of such PHI. If such return or destruction is not feasible, the Company shall extend the protections of this Agreement to the PHI and limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI not feasible.

5 ***Duties and Responsibilities of the Provider.***

- 5.1 ***Patient Account Policy.*** The Provider shall provide training and training materials to the Company's employees regarding the policies and procedures of the Provider's patient accounts office.
- 5.2 ***Telephone Protocol.*** The Provider shall provide the Company with guidance detailing the manner in which the Provider would like the Company's employees to answer incoming calls and to initiate outgoing calls.
- 5.3 ***Patient Notices.*** The Provider shall work with the Company to create all notices that the Provider desires the Company to send out to the Provider's patients. The Provider shall approve the content and format of each such notice prior to the Company sending any such notices to any patient of the Provider.
- 5.4 ***Notice of Bankruptcies.*** The Provider shall immediately notify the Company upon receipt of any notification of the commencement of any proceeding under the United States Bankruptcy Code initiated on behalf of any patient whose account has been placed with the Company by the Provider.
- 5.5 ***Preparation and Delivery of Accountings.*** It shall be the sole responsibility of the Provider to prepare and deliver any accounting requested pursuant to 45 CFR § 164.528.
- 5.6 ***Decisions Concerning Access to PHI.*** In the event that an individual has requested access to PHI directly from the Company, and the Company has forwarded such request to the Provider in accordance with Section 4.11 of this Agreement, it shall be the sole responsibility of the Provider to determine whether to grant or deny such access.
- 5.7 ***Amendment of PHI.*** In the event that an individual has requested an amendment to PHI directly from the Company, and the Company has forwarded such request to the Provider in accordance with Section 4.12 of this Agreement, it shall be the sole responsibility of the Provider to determine whether to allow or disallow such amendment.
- 5.8 Provider shall pay all documented expenses relating to producing and mailing of statements. Current cost is \$.46 per mailing. Company will advance payment and invoice Provider weekly.

6. ***Representations and Warranties of the Provider.*** The Provider hereby represents and warrants to the Company as follows:

- 6.1 ***Accounts Placed are Not in Default.*** The Provider shall only place with the Company accounts which the Provider considers to be current receivables. The Provider shall not place any accounts with the Company that are considered by the Provider to be in default.
- 6.2 ***Bankruptcies.*** The Provider shall not place any accounts with the Company that, as of the date of placement, are included in any proceeding under the United States Bankruptcy Code which has been initiated on behalf of any individual or entity;

- 6.3 *Accurate Information.* All accounts placed with the Company by the Provider shall contain accurate information;
- 6.4 *Consents and Authorizations.* Prior to disclosing any PHI to the Company, the Provider shall obtain all required consents and authorizations pursuant to 45 CFR §164.506 and 45 CFR §164.508 respectively, sufficient to permit the disclosure of PHI from the Provider to the Company, and to permit the Company to perform its duties pursuant to the terms of this Agreement;
- 6.5 *No Restrictions.* The Provider shall not place any account with the Company if the Provider has agreed to any individual's request to restrict the use or disclosure of PHI connected with such account pursuant to 45 CFR §164.522; and,
- 6.6 *Coding of Claims.* The Provider shall perform all necessary coding for all statements submitted to third-party payors for payment; and,
- 6.7 *Organization and Authority.* The Provider is a corporation validly incorporated under the laws of the State of Colorado and has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Provider and constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with its terms.
7. *Representations and Warranties of the Company.* The Company hereby represents and warrants to the Provider as follows:
- 7.1 *Organization and Authority.* The Company is a corporation validly incorporated under the laws of the State of Colorado and has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms.
8. *Compensation.* The Provider shall compensate the Company by remitting to the Company four percent (4%) of all amounts recovered on accounts that have been placed with the Company. The Provider shall pay \$5.00 to the Company for each account in which insurance information is obtained and provided to the Provider for billing. Patient portion after insurance pays shall be returned to Company for processing under the terms of this agreement.
- 8.1 *Interest.* Accounts shall accrue interest at the rate of 8% on account balances outstanding by more than 30 days after services were initially billed to the patients by the Provider. All interest received shall be allocated to the Company. Payments received shall first be applied toward interest and then toward principal.
9. *Notice of Payment Information.* The Provider shall transmit a daily report to the Company listing the following information for each account on which a payment was received by the Provider (hereafter referred to as "Direct Payments") during the prior day:
- A) The amount of the payment;
 - B) The name of the patient or the guarantor of the patient's account; and,

- C) The Provider's account number.

The Provider's duties under this Section 9 of this Agreement shall continue subsequent to termination of this Agreement with respect to payments received upon which the Company remains entitled to receive compensation pursuant to Section 3.6 of this Agreement.

10. **Payment of Fees.** The Company shall submit a weekly remittance statement (the "Statement") to the Provider detailing the payments received. The Statement shall list the following information for each Direct Payment and for each account on which the Company received a payment during the period covered by the Statement.

- A) The amount(s) of the payment(s);
B) The name of the patient or the guarantor of the patient's account;
C) The Provider's account number(s); and,

The Company shall submit a weekly invoice for fees due pursuant to Section 8 and postage due pursuant to Section 5.8.

The Provider's duties under this Section 10 of this Agreement shall continue subsequent to termination of this Agreement with respect to payments received upon which the Company remains entitled to receive compensation pursuant to Section 3.6 of this Agreement.

11. **Confidentiality.** The parties agree to keep all of the terms of this Agreement strictly confidential, including without limitation, the Compensation terms contained in Section 8 of this Agreement. The parties further agree to maintain the confidentiality of any confidential information and/or trade secrets that they may learn about each other throughout the course of this Agreement, including without limitation, the terms of any contracts that the other party may have with any third parties. The Company agrees to keep all Protected Health Information received from, or created or received by the Company on behalf of the Provider confidential except as necessary for the Company to perform its duties pursuant to the terms of this Agreement. The duties of the parties detailed in this Section 11 of this Agreement shall continue in full force and effect for a period of two (2) years after termination of this Agreement for any reason, except for the Company's duty to maintain the confidentiality of Protected Health Information which shall continue forever, unless disclosure of such information should be allowed or required by law.
12. **No Third Party Beneficiaries.** The Provider and the Company hereby expressly understand and agree that individuals whose PHI is disclosed by the Provider to the Company are not intended to be third party beneficiaries of this Agreement.
13. **Independent Contractor Status.** The parties hereto expressly agree that in performing its duties under this Agreement, the Company is acting as an independent contractor of the Provider. Nothing contained herein is intended, nor shall it be construed to create, a joint venture relationship, a partnership, or an employer-employee relationship between the parties.
14. **Notices** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed within the continental United States by first-class certified mail, return receipt requested, postage prepaid, addressed as follows:

A) If to the Company, to:

Professional Finance Company, Inc.
Attn: Michael V. Shoop, President
918 10th Street
Greeley, CO 80632-1686

B) If to the Provider, to:

Banner Health
ATTN: Colorado Region CFO
1801 16th Street
Greeley, Colorado 80631

With a copy to:

Banner Health – Legal Dept
1801 16th Street
Greeley, Colorado, 80631

Such addresses may be changed by written notice sent to the other party at the last recorded address of that party

15. **No Assignment.** Except as may specifically be provided in this Agreement to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors, and assigns. Except as otherwise expressly provided herein, this Agreement is not assignable by any party without the prior written consent of the other party, and no payment to be made hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or other change.
16. **Waiver of Breach.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to constitute a waiver of any subsequent breach of the same or another provision.
17. **Voluntary Agreement.** The Company and the Provider warrant and represent that this Agreement is executed voluntarily with full knowledge of the consequences and implications of their obligations contained herein, and that they have carefully and thoroughly reviewed this Agreement in its entirety.
18. **Warranty of Authority.** The undersigned individually warrant and represent that they are authorized to execute this Agreement.
19. **Execution In Counterparts; Execution via Facsimile.** This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed an original, and all of which shall be deemed one and the same instrument, and all signatures need not appear on any one counterpart. If executed in counterparts, this Agreement will be as effective as if simultaneously executed. Signatures on this Agreement may be communicated by facsimile transmission and shall

be binding upon the parties transmitting the same by facsimile transmission. Counterparts with original signatures shall be provided to the other party within fifteen (15) days of the applicable facsimile transmission, provided, however, that the failure to provide the original counterpart shall have no effect on the validity or the binding nature of the Agreement.


20. **Governing Law and Venue.** This Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of Colorado. The Company and the Provider hereby expressly agree that any action to interpret, construe, or enforce this Agreement shall be brought in the District Court in and for Weld County, in the State of Colorado.
21. **Enforcement.** If either party resorts to legal action to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover the costs and expenses of the action, including without limitation, reasonable attorneys' fees.
22. **Severability.** If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not affect, impair or invalidate the remainder of this Agreement.
23. **Further Assurances.** The parties hereto agree to execute such other instruments, documents or agreements as may be reasonable, necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated herein.
24. **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto, and supersedes all other oral or written agreements or understandings between them regarding the subject matter hereof. There are no agreements, representations or warranties of any kind, except as expressly set forth in this Agreement. The parties acknowledge that in executing this Agreement they have relied solely on their own judgment, belief and knowledge, and the advice of their own respective legal counsel, and, except for representations expressly set forth herein, they have not been influenced by any other representation or statement.
25. **Amendment.** No modification, amendment, or alteration of this Agreement shall be valid unless in writing and signed by each of the parties hereto.
26. **Gender and Number.** Whenever the context of this Agreement requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and plural.
27. **Headings Descriptive.** The headings of the several sections of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any of this Agreement.
28. **Change of Law.** The parties hereto shall modify any term of this Agreement at anytime if it is determined that the inclusion of any term of this Agreement or the omission of any term from this Agreement violates any federal or state law or regulation, including, without limitation: the Standards for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164); the Health Insurance Reform: Standards for Electronic Transactions; Announcement of Designated Standard Maintenance Organizations (45 CFR Parts 160 and 162); and, the Security and Electronic Signature Standards (the "Security Standard") (45 CFR Part 142) (or the final version of the Security Standard once such final version is released), all promulgated under the Health Insurance Portability and Accountability Act of 1996 (Pub.L. 104-191).

29. **Insurance.** Contractor shall obtain and maintain in force during the term of this Agreement comprehensive general liability, including blanket contractual liability, automobile insurance, and complete operations insurance coverages with minimum limits of One Hundred Thousand Dollars (\$100,000.00) per occurrence and Three Hundred Thousand Dollars (\$300,000.00) per aggregate. Further, Contractor agrees to provide Banner with a certificate of insurance acceptable to Banner, which states that the above coverages are in force and will continue in force throughout the term of this Agreement.
30. **Mutual Indemnification.** Each party shall indemnify and save harmless the other for, from and against all actions, liabilities, losses, damages, claims and demands whatsoever, including costs, expenses and attorney's fees resulting from or claimed to have resulted from any intentional or negligent acts or omissions of the other party or its employees or agents engaged in the work under this Agreement at the time of the event or occurrence upon which such actions, claims or demands are based. Where both Banner and Contractor, including their respective employees or agents, participated in the liability causing event, each party shall contribute to the common liability a pro rata share based upon its relative degree of fault.
31. **Compliance with Regulations and Policies.** Contractor shall comply with all standards applicable to the services described in this Agreement, including, but not limited to, the standards of (a) the Joint Commission on the Accreditation of Health Care Organizations, (b) federal, state and local government laws, rules and regulations and (c) third party payors. Whenever providing services or goods pursuant to this Agreement on Banner premises, Contractor, its employees and agents shall comply with and observe all Banner rules and regulations concerning conduct on Banner premises. If any of the services or goods provided under this Agreement are services or goods for which Banner may, directly or indirectly, obtain compensation or reimbursement from any governmental health program (e.g., Medicare, Medicaid, AHCCCS, CHAMPUS), Contractor will comply with all government reimbursement requirements as specified by Banner and shall assist Banner in completing necessary documents and records for reimbursement.
32. **Compliance with Federal Employment Law.** CONTRACTOR agrees to comply with all state and federal Equal Employment Opportunity, Immigration, and Affirmative Action requirements including 42 U.S.C. Sec. 2000 (e) et seq, The Civil Rights Act of 1964, The Civil Rights Act of 1991, Sections 503 and 504 of the Rehabilitation Act of 1973, Section 402 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, the Immigration Reform Act of 1986, the Americans with Disabilities Act and any amendments and applicable regulations pertaining thereto.
33. **Compliance with HIPAA.** Contractor hereby expressly agrees to comply with any Banner rules, regulations and policies implementing Health Insurance Portability and Accountability Act of 1996 ("HIPAA") requirements whether now or hereafter existing and which relate in any way to Contractor's performance of its obligations under this Agreement including without limitation, all policies relating to the protection or de-identification of any individually identifiable health information which Contractor may obtain in connection with the performance of this Agreement. Upon request from Banner, Contractor shall execute a Business Associate Agreement containing customary terms and conditions (which shall, at a minimum or unless otherwise agreed by the parties, contain substantially the same provisions as those set forth in the Model Business Associate Contract as published by the Department of Health and Human Services) if Banner determines, in its reasonable discretion, that Contractor is, or may be considered to be, a "business associate" as such term is defined in the federal regulations implementing HIPAA.

- 34. **Compliance with Health Testing and Immunization Policies.** Contractor agrees to provide Banner quarterly disclosures of all individuals providing services in any Banner facility. The disclosure shall include information reasonably necessary to determine the assigned individual's compliance with Banner's health policy and requirements.
- 35. **Conflict of Interest Disclosure.** Contractor represents and warrants that neither Contractor nor any affiliate of Contractor nor any officers, directors, employees, partners, members, owners or shareholders of Contractor or any affiliate of Contractor is related to, affiliated in any way with, or employs (or otherwise has a compensation interest with) any officer, director or employee of Banner.
- 36. **No Federal Exclusion.** Contractor hereby represents and warrants that Contractor and all personnel providing services under this Agreement are not and at no time have been excluded from participation in any federally funded health care program, including Medicare and Medicaid. Contractor hereby agrees to immediately notify Banner of any threatened, proposed, or actual sanction or exclusion from any federally funded health care program, including Medicare and Medicaid. Such notice shall contain reasonably sufficient information to allow Banner to determine the nature of any sanction. In the event that Contractor or any personnel providing services under this Agreement is excluded from participation in any federally funded health care program during the term of this Agreement, or if at any time after the effective date of this Agreement it is determined that Contractor is in breach of this Section, this Agreement shall, as of the effective date of such exclusion or breach, automatically terminate.


IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

PROFESSIONAL FINANCE COMPANY, INC., d/b/a HEALTHCARE BILLING SERVICE

By: 
 Michael V. Shoop, President

Date: 12-22-03

BANNER HEALTH

By: 
 Scott W. Bosch, President, Colorado Region
 Daniel J. Snyder Western

Date: 4/18/05

Addendum A - Participating Provider Facilities

North Colorado Medical Center, Greeley, Colorado

McKee Medical Center, Loveland, Colorado

Platte County Memorial Hospital, Wheatland, Wyoming

Community Hospital, Torrington, Wyoming

Washakie Memorial Hospital, Worland, Wyoming

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AGREEMENT FOR COLLECTION SERVICES

FAIRBANKS MEMORIAL HOSPITAL ("Client"),

Cornerstone Credit Services, L.L.C. ("CCS") and FAIRBANKS MEMORIAL HOSPITAL ("Client"), hereby agree that all Accounts and/or Dishonored Checks referred to CCS are subject to the terms and conditions of the following agreement between the parties:

- CCS agrees to provide Collection Services to Client for all Accounts and/or Dishonored Checks referred to it by Client ("Referrals"). CCS agrees to comply with all federal, state and local laws and regulations including the Fair Debt Collection Practices Act in providing Collection Services.
- CCS will make available for audit or inspection all records pertaining to Client and Client Referrals.
- CCS will deposit payments made on Referrals into a trust account maintained for all clients. Client will receive a monthly statement reflecting all payments made on Client Referrals. Payments will be remitted to Client, less CCS's collection fee, 15 days after the end of the month in which the collection is made. Any additional fees due CCS and reflected on the monthly statement to Client are due and payable upon receipt of the statement by Client.
- Client agrees to immediately notify CCS of any direct payments it receives on Referrals. Merchandise accepted for return and credit is considered the same as payment. Upon receipt of such payment, Client shall submit to CCS the fee provided for in this Agreement.
- CCS shall have authority to receive payment in cash, check or money order, and shall have authority to endorse checks, drafts, money orders, or other negotiable instruments made payable to Client that are received in payment of a Referral.
- For Account Collection Services provided by CCS under this Agreement, CCS will charge a collection fee of 3% % on all payments made to CCS or directly to Client once the account has been referred to CCS for collection. CCS will charge a collection fee of 3% % in cases where it commences legal action, submits required bankruptcy filings or refers the account to an attorney or agent.
- For Dishonored Check Collection Services provided by CCS under this Agreement, CCS will charge a collection fee of \$25.00 or the highest amount allowed under A.S. 09.68.115, whichever is greater. CCS will deduct the collection fee from the payment(s) received from the debtor. If payment is made directly to Client, Client shall notify CCS and pay CCS the collection fee provided for in this Agreement. Except as otherwise provided in this Agreement, this shall be the only compensation to CCS for the Dishonored Check Collection Services provided.
- During the term of this Agreement, CLIENT may access CCS's confidential information database provided CCS receives CLIENT's dishonored checks directly from CLIENT's bank.
- Client authorizes CCS to add and retain interest to Referrals at the rate allowed by law.
- CCS will obtain Client's consent prior to making any settlement for less than the Referral amount. Should legal action be required, the amount of the claim may be adjusted to reflect the principal amount of the Account or Dishonored Check.
- CCS will obtain Client consent prior to commencing any legal action on Referrals. CCS agrees to pay all normally incurred court costs and attorney fees up to five hours of attorney time. If Client determines that additional attorney time is necessary and warranted, Client may request that CCS incur additional attorneys fees. Client must reimburse CCS for the additional fees.
- If CCS commences litigation and the opposing party is awarded attorneys fees or damages as a result of acts or omissions of the Client, including but not limited to a determination that the amount was never legally owed or a finding that Client failed to comply with the Federal Truth-in-Lending Act, Client will be liable for such award. If CCS pays the award, Client agrees to reimburse CCS immediately upon receipt of written notice of the amount and CCS's payment.
- Client will reimburse CCS for its own costs and attorneys fees if Client fails to appear at scheduled trials or hearings or fails to report direct payments from the debtor.
- Client may not cancel its request for collection services for a particular Referral unless the claim is paid prior to the referral or the parties agree to the cancellation. A service fee may be charged for Referrals canceled after the referral date, or on an amount referred that was not legally owed.
- Client warrants, that so far as is known to Client, each Referral assigned for collection is a valid and existing debt.
- This agreement shall be effective as of the date shown and continue in effect until terminated as hereinafter provided. Either party may terminate this agreement by giving the other party at least 30 days prior written notice of the date of termination. Referrals placed with CCS before the cancellation shall remain with CCS until which time, in CCS's opinion, all collection activity has ceased.
- The provisions of this agreement shall override any and all contrary or conflicting provisions contained in any past or present agreements.

This agreement is entered into by and between CCS and Client, this 16 day of June, 2002 by their duly authorized and empowered representatives.

[Signature]
 Cornerstone Credit Services, L.L.C.

 Authorized Signature Date

[Signature]
 FAIRBANKS MEMORIAL HOSPITAL
 Client

 Authorized Signature Date

Client FAIRBANKS MEMORIAL HOSPITAL
 Address 1650 OWLES
 City FAIRBANKS State AK Zip 99701 Contact Name SHEILA SEIGLER
 Phone # _____ Extension _____ Fax # _____
 Special Instructions: 30 - 2400 = 24% MONITORING = 10%
2500 - 7455 = 23% ALL ETC. MAJORIE MARLOW
7000 + = 20% Joyce Cottrell