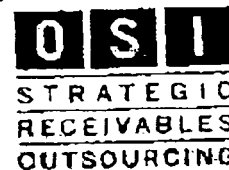


**OSI Alaska Financial Services Division**  
 P.O. Box 91160  
 360 West Benson Boulevard, Suite 303  
 Anchorage, Alaska 99509  
 www.osioutsourcing.com



## Agreement for Collection Services

**OSI Collection Services, Inc., d/b/a Alaska Financial Services** a Delaware corporation, ("Collector") and **Fairbanks Memorial Hospital** ("Client") agree that the accounts placed with the Collector are subject to the following terms and conditions:

1. Collection activities shall comply with federal, state and local laws or regulations, shall be courteous and businesslike and consistent with the image and reputation of Client. Collector will perform services as described in the attached Statement of Work.
2. One or more of the branch offices of Collector may perform collection services with respect to accounts placed by Client.
3. Collections by Collector of Client's accounts will be immediately deposited in a separate bank trust account maintained for both Client and other clients. Collector is authorized to endorse checks drawn in favor of Client for deposit to said trust account maintained for receipt of sums collected on the accounts.
4. All collections made by Collector of Client's accounts will be remitted to Client less Collector's collection fee. Collector will prepare a statement containing account names, numbers, dates payments received by Collector or Client, gross amounts of collections, and collection fees due Collector. Collection fees due Collector on any statement to Client are due and payable within thirty days of receipt by Client. Collector has the right to offset any such fees unpaid after sixty (60) days against collections made on Client's accounts. Any fees unpaid after sixty (60) days will be increased by one and one-half percent (1-1/2%) per month and Client shall pay all reasonable attorney's fees and court costs incurred by Collector in collecting such unpaid fees.
5. Client will notify Collector when the bank returns an unpaid check when Client receives a direct payment and Client has paid Collector its collection fee. Collector will identify NSF checks on Client's next statement and Client will receive the appropriate offset. Collector shall have no liability for NSF checks, whether received by Client or Collector.
6. Collector may compute interest on uncontested accounts at the lawful rate for the period from placement of account for collection until payment in full is obtained. Collector shall attempt to collect interest thus computed from the debtor. Collector may waive the interest charge to secure prompt payment of the principal amount. Collector shall retain any interest collected from debtors.
7. The collection fee on payments made to either Collector and/or directly to Client on self-pay accounts with a value of less than \$5,000.00 and placed with Collector for collection shall be 25%. The collection fee on payments made to either Collector and/or directly to Client on self-pay accounts with a value of \$5,000.00 and greater and placed with Collector for collection shall be 20%.
8. This Agreement, unless prohibited by state law, constitutes an assignment of Client's rights and interest for the amount owed on any Client's account. Collector will not institute civil legal action on any Client's account in those states where assignments are prohibited by law. Collector, if authorized by Client in writing, will act as Client's agent to retain an attorney for Client. Any legal action will be brought in Client's name. The collection fee on payments made to Collector, attorneys and/or direct to Client on legal accounts with a value of less than \$5,000.00 and placed with Collector for collection shall be 25%. The collection fee on payments made to Collector, attorneys and/or direct to Client on legal accounts with a value of \$5,000.00 and greater and placed with Collector for collection shall be 20%. Collector will remit to Client net collection proceeds (gross proceeds less Collector's fees, attorneys' fees, and related court costs). Exhibit 'A' is an example of the assignment of rights letter used to give permission to the Collector to litigate on behalf of the Client.
9. Client represents that, to the best of its knowledge, unless otherwise disclosed to Collector in writing, all accounts placed with Collector are valid and legally enforceable debts and are neither disputed nor subject to any defense, offset, set-off, counterclaim or bankruptcy proceeding, and that Client has not been advised that any debtor is represented by an attorney. Client shall immediately give Collector written notice of any disputes, any payments made directly to Client, any notification of attorney representation or any bankruptcy notification received after placement of an account with Collector. Client shall be liable for and shall indemnify, defend and save Collector harmless from and against any and all suits, actions, claims, demands, costs, expenses and attorneys' fees incurred in connection with information provided to Collector by Client or the failure of Client to disclose to Collector that an account is disputed, paid in part or in full, satisfied, or alleged to be subject to any defense, offset, set-off, counterclaim or bankruptcy proceeding.

Outsourcing Solutions Inc., is a member of the OSI family of companies, providing strategic receivables outsourcing services across the entire Credit-to-Cash Cycle.

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- 10. As further consideration for the receipt, handling and collection of accounts by Collector, and for the services rendered to Client by Collector, the parties agree that each party will assume its own proper responsibility in connection with any claims made by a third party against Client and/or Collector. If the negligent errors, acts or omissions of the agents, servants and employees of Collector are the proximate cause of any event that is the subject of any action brought against Client, Collector will assume full responsibility for the defense of said action and the payment of any resulting judgment. If the negligent errors, acts or omissions of the agents, servants and employees of Client, of a prior collection agency, or of a prior credit grantor are the proximate cause of any action brought against Collector by a third party, then Client will assume full responsibility for the defense of said action and payment of any resulting judgment. In no event shall either party be liable to the other for consequential damages arising under this Agreement, whether based in contract, tort, or otherwise. Notwithstanding any other provision of this Agreement, Collector's total liability shall not exceed the amount of fees received by Collector for the performance of its services hereunder.
- 11. Client or persons retained by Client may perform audits of Collector from time to time during Collector's normal business hours. Such audits may include a review of collection efforts, adequacy of cash controls, promptness of recording and remitting payments, compliance with this Agreement and any other normal audit procedures and tests provided Collector has received at least one business day's prior notice.
- 12. Accounts placed by Client with Collector for collection may be withdrawn by Client through reasonable written request or closed and returned to Client by Collector at Collector's discretion. Collector shall retain the right to commissions on paying papers: \_\_\_\_\_ Collector shall retain the right to commissions on paying accounts, and the right to recover any court costs advanced by Collector on Client's accounts. Collector is not liable for claims that become barred by the statute of limitations while in Collector's possession.
- 13. Upon request, Collector will provide Client with evidence of insurance or bonds in the following areas:
  - A. PERSONAL INJURY LIABILITY INSURANCE, INCLUDING CONTRACTUAL LIABILITY.
  - B. COMPREHENSIVE GENERAL LIABILITY INSURANCE, INCLUDING CONTRACTUAL LIABILITY.
  - C. WORKERS COMPENSATION & OCCUPATION DISEASE INSURANCE, INCLUDING EMPLOYER'S LIABILITY INS.
  - D. AUTOMOBILE LIABILITY INSURANCE (owned or non-owned)
  - E. EMPLOYEE DISHONESTY BOND.
- 14. Resolution of any and all disputes arising out of or relating to this Agreement, including disputes in connection with third party claims, shall be exclusively governed by and settled through arbitration in accordance with this Article. Arbitration shall be final, binding and non-appealable upon the parties and their successors and assigns. The arbitration shall be conducted by a sole arbitrator selected by mutual agreement of the parties, but no later than 20 days after delivery of the demand for arbitration, or failing such selection, appointed pursuant to the Commercial Arbitration Rules of the American Arbitration Association, as amended from time to time. The arbitrator shall select the arbitration location. Either party may assert the appropriate statutes of limitation as a defense in arbitration if the claim is time-barred prior to delivery of the arbitration demand. The arbitrator shall not award punitive or consequential damages.
- 15. This Agreement shall continue in full force and 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 termination. Any termination of this Agreement by either party shall not affect the collection, enforcement or validity of any accrued obligations owing between the parties, nor shall it affect Collector's right to commissions on paying accounts, and its right to recover any court costs advanced on Client accounts.
- 16. Any notice shall be deemed to have been received by the party two business days after the postmark date, provided mailed by certified mail, return receipt requested, addressed to the party at the address shown below. Except as otherwise provided by law, this Agreement shall not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- 17. It is further understood that Collector is an independent contractor and not an agent (except as defined in Section 8 herein) or employee of Client.
- 18. This Agreement constitutes the entire agreement between the parties and supersedes all previous agreements, promises, and representations, whether written or oral, with respect to the subject matter of this Agreement.

This Agreement has been entered into by and between Collector and Client and is effective this 5 day of Oct, 2004, by their duly authorized and empowered representatives.

AGENCY  
OSI Collection Services, Inc. d.b.a.  
Alaska Financial Services

Ken Simington  
Name: Ken Simington

CLIENT  
Fairbanks Memorial Hospital

Mike Powers  
Name: MIKE POWERS

**ADDENDUM OF  
ADDITIONAL TERMS AND CONDITIONS**

This Addendum of Additional Terms and Conditions is incorporated into, and made a part of, that certain Agreement for Collection Services of even date (the "Agreement"), by and between BANNER HEALTH, an Arizona nonprofit corporation, d/b/a Fairbanks Memorial Hospital ("Banner"), and OSI Collection Services, a Delaware corporation ("Contractor"). Should any conflict exist between the following additional terms and conditions and the remainder of the Agreement, the following additional terms and conditions shall govern and control.

The following terms and conditions are added to the Agreement:

1. **Compliance with Regulations and Policies.** Contractor shall comply with all standards applicable to the services described in the Agreement, including, but not limited to, the standards of (a) the Joint Commission on the Accreditation of Healthcare Organizations, (b) federal, state and local government laws, rules and regulations, and (c) third party payors. Whenever providing services or goods pursuant to the Agreement on Banner premises, Contractor and 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 the 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, or CHAMPUS), Contractor shall comply with all government reimbursement requirements as specified by Banner and shall assist Banner in completing necessary documents and records for reimbursement.
2. **Compliance with Federal Employment Law.** Contractor agrees to comply with all state and federal Equal Employment Opportunity, Immigration, and Affirmative Action requirements, including, without limitation, 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, and the Americans with Disabilities Act, and any amendments and applicable regulations pertaining to any of the foregoing.
3. **Compliance with HIPAA.** BH is required to comply with the Standards for Privacy of Individually Identifiable Information under the Health Insurance Portability and Accountability Act of 1996 contained in 45 CFR Parts 160 and 164 (the "HIPAA Privacy Standards") as of the effective date of the HIPAA Privacy Standards on April 14, 2003 or as later determined. The parties hereto acknowledge that this Agreement creates a Business Associate relationship between Contractor (the Business Associate) and BH, as a Covered Entity, as so defined by HIPAA. As such, the parties have executed a Business Associate Agreement, attached hereto as Exhibit B and incorporated herein by this reference. Contractor agrees to comply with all HIPAA regulations pertaining to Protected Health Information, as it is defined by HIPAA. If this Agreement must be amended to secure continued compliance with HIPAA Privacy Standards, the parties will meet in good faith to agree upon such amendments. If the parties cannot agree upon such amendments, then any party may terminate the Agreement upon thirty days written notice to the other party.
4. **Confidentiality.** Contractor and its employees and agents shall keep confidential all knowledge, information and documents entrusted to its care by Banner. Neither Contractor nor any of its employees or agents shall disclose any knowledge, information

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or documents entrusted to it or them by Banner to any person, firm or corporation other than the person, firm or corporation designated by Banner. Knowledge, information and documents entrusted by Banner to Contractor may include, but are not limited to, the names of vendors and the terms and conditions (including financial information) with vendors, the names of patients and the terms and conditions (including financial information) of agreements with, or for the benefit of, patients, medical records and information, trade secrets, proprietary information, non public information, clinical, marketing, personnel and administrative policies, procedures, manuals and reports, written agreements, contracts, including the Agreement, and other assets of Banner.

5. **Conflict of Interest Disclosure.** Contractor represents and warrants that none of Contractor, any affiliate of Contractor, or 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.
6. **No Federal Exclusion.** Contractor hereby represents and warrants that Contractor and all personnel providing services under the 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 the Agreement is excluded from participation in any federally funded health care program during the term of the Agreement, or if, at any time after the effective date of the Agreement, it is determined that Contractor is in breach of this Section 6, the Agreement shall, as of the effective date of such exclusion or breach, automatically terminate.
7. **Nonexclusivity.** The Agreement is not exclusive. Accordingly, Banner shall have the right to enter into one or more agreements relating to the same or similar matters as are covered by the Agreement, and execution by Banner of such agreements shall not constitute a breach of the Agreement.
8. **Access to Records for Government Inspection.** Contractor agrees, until the expiration of four (4) years after the furnishing of services to be provided under the Agreement, to make available, upon request, to the Secretary of the Department of Health and Human Services, the Comptroller General of the United States of America, or any of their duly authorized representatives, the contracts, books, documents and records that are necessary to certify the nature and extent of reimbursable costs under the Medicare laws.
9. **Assignment.** The Agreement may not be assigned by either party without the prior written consent of the other party. If consent to an assignment is obtained, the Agreement is binding on the successors and assigns of the parties to the Agreement.
10. **Waivers.** No waiver of the enforcement or breach of any agreement or provision of the Agreement, including this Addendum of Additional Terms and Conditions and any other attachments and documents specifically incorporated into the Agreement by reference, shall be deemed a waiver of any preceding or succeeding breach thereof or of the enforcement of any other agreement or provision of the Agreement, including this Addendum of Additional Terms and Conditions and any other attachments and documents specifically incorporated into the Agreement by reference. No extension of

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time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

- 11. **Severability.** If any provision of the Agreement, including this Addendum of Additional Terms and Conditions, or any application thereof to any person, shall be invalid or unenforceable to any extent, the remainder of the Agreement, including this Addendum of Additional Terms and Conditions, and the application thereof to other persons or circumstances, shall not be impaired, and shall be enforced to the fullest extent permitted by law.
- 12. **Counterparts.** The Agreement may be executed in one or more copies or counterparts, each of which when signed shall be an original, but all of which together shall constitute one instrument.
- 13. **Governing Law.** The Agreement shall be governed by the internal substantive law of the State of Alaska, without regard for conflicts of laws.
- 14. **Notice.**
- 15. If intended to Contractor to: Alaska Financial Services - OSI  
1648 South Cushman Street, Suite 203  
Fairbanks, AK 99701  
  
If intended to Banner to: Mike Powers, CEO  
Fairbanks Memorial Hospital  
1650 Cowles Street  
Fairbanks, AK 99701  
  
With a copy to: David Bixby  
Sr. Vice President/General Counsel  
Banner Health  
1441 12<sup>th</sup> Street  
Phoenix, AZ 85006
- 16. **Corporate Authority.** The individual(s) executing the Agreement on behalf of, or as a representative for, a corporation or other person, firm, partnership or entity, represents and warrants that he or she is duly authorized to execute and deliver the Agreement, including this Addendum of Additional Terms and Conditions, on behalf of such corporation, person, firm, partnership or other entity and that the Agreement including this Addendum of Additional Terms and Conditions, is binding upon such entity in accordance with its terms.
- 17. **Compliance.** Contractor and its employees and agents shall cooperate with any corporate compliance program now or hereafter instituted by Banner.
- 18. **Additional Services.** In addition to the services described in the Agreement, Contractor agrees to:
  - A. **Contractor Conduct.** Contractor contact with the debtor may be in writing, by telephone, by facsimile, or through personal meeting. All contact shall be documented, and specify the nature of the contact (i.e., correspondence, phone, meeting) and the date and summary description of such contact. At all times while pursuing reimbursement on an account, Contractor representatives shall bear in mind the particularly sensitive nature of

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collection efforts against an account for any reason, and to request the account to be closed and returned immediately. Such requests shall be communicated to Contractor in writing and shall be specifically described as "Administrative" returns. Banner agrees to exercise this option in good faith, and shall not administratively close and return accounts solely as a means to deprive the Contractor of a fee it may have otherwise earned.

IN WITNESS WHEREOF, the parties have executed this Addendum of Additional Terms and Conditions individually or by signature of their duly authorized representative as of the signature dates set forth below, to be effective as of the effective date of the Agreement.

<b>BANNER:</b>	<b>CONTRACTOR:</b>
By: <u>[Signature]</u>	By: <u>[Signature]</u>
Title: <u>CEO / ADMINISTRATOR</u>	Title: <u>Branch Manager, Fairbanks</u>
Date: <u>6/5/04</u>	Date: <u>10-11-04</u>
FEIN: <u>92-0077525</u>	FEIN: <u>39-1314048</u>

DB0104

**BUSINESS ASSOCIATE AGREEMENT**  
**Contract File #0301-03-2064**

This Business Associate Agreement ("Agreement") effective October \_\_\_\_, 2004 ("Effective Date"), is entered into by and between **Banner Health**, an Arizona nonprofit corporation d/b/a Fairbanks Memorial Hospital ("Covered Entity") and **OSI Collection Services, Inc.**, d/b/a Alaska Financial Services ("Associate"), collectively the "Parties".

Covered Entity is a healthcare provider and the Associate provides billing services. The Parties have an Agreement which took effect on October \_\_\_\_, 2004 (the "Primary Agreement") under which the Covered Entity discloses or may disclose Protected Health Information (as defined in 45 CFR 164.501) to Associate for its use in performance of the services referenced above. Associate and Covered Entity agree to the terms and conditions of this Agreement in order to comply with the use and handling of Protected Health Information ("PHI") under the Standards for Privacy of Individually Identifiable Health Information, 45 CFR 160.103, 164.501 et. seq., as amended from time to time ("Privacy Standards") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Unless otherwise provided, all capitalized terms in this Agreement will have the same meaning as provided under the Privacy Standards. Associate and Covered Entity will comply with the terms of this Agreement for the duration of this Agreement. The ending or termination date for this Agreement shall coincide exactly with the ending or termination date of the Primary Agreement.

**1. Uses and Disclosures of Protected Health Information.** Associate will use and disclose PHI only for those purposes necessary to perform its duties, obligations and functions under the Primary Agreement, for the necessary management and administration of Associate, or as otherwise expressly permitted in this Agreement or required by other law. Associate will not use or further disclose any PHI in violation of this Section.

**2. Safeguards.** Associate will implement appropriate safeguards to prevent any use or disclosure of PHI not otherwise permitted in this Agreement.

**3. Reports of Impermissible Use or Disclosure.** Associate will report to Covered Entity any use or disclosure of PHI not permitted by this Agreement within five days of Associate's learning of such use or disclosure.

**4. Agents and Subcontractors.** Unless prohibited by the Primary Agreement, Associate may provide PHI to an agent or subcontractor for a purpose authorized under the Primary Agreement if Associate first enters into a written contract with the agent or subcontractor in substantially the form of **Exhibit 1** hereto, that requires the agent or subcontractor to: (i) hold the PHI confidential; (ii) use or disclose the PHI only as required by law or for the purposes for which it was disclosed to the recipient; and (iii) notify the Associate of any breaches in the confidentiality of the PHI. Associate will maintain an accounting of any such disclosures to agents or subcontractors as provided in Section 8 of this Agreement.

**5. Obligations Regarding Associate Personnel.** Associate will inform all of its employees, agents, representatives and members of its workforce ("Associate Personnel"), whose services may be used to satisfy Associate's obligations under the Primary Agreement and this Agreement of the terms of this Agreement. Associate represents and warrants that all Associate Personnel are under legal obligation to Associate, by contract or otherwise, sufficient to enable Associate to fully comply with the provisions of this Agreement.

**6. Access to PHI.**

- a. **Covered Entity Access.** Within five business days of a request by Covered Entity for access to PHI held by Associate, Associate will make requested PHI available to Covered Entity.
- b. **Patient Access.** If a Patient (i.e., the individual to whom the PHI relates), or someone legally authorized to have access to such Patient's PHI, requests access to PHI directly from Associate, Associate will within five business days forward a copy of the requested PHI to the Patient (or Patient representative) in strict accordance with the following procedure:

- (1) Associate shall first verify in a commercially reasonable manner that the person requesting the PHI is in fact the Patient to whom the PHI refers, or is an individual legally authorized to have access to such PHI;
- (2) Associate shall document in writing the details of the request and the method used to verify the identity of the Patient or other requestor requesting the PHI;
- (3) Associate shall send the PHI only to the Patient to whom the PHI refers (or Patient's representative) and in the exact manner specified by the Patient (or Patient representative).



**7. Amendment of PHI.** Within five business days of receiving a request from Covered Entity to amend a Patient's PHI, Associate will provide such information to Covered Entity for amendment. If Covered Entity's request includes specific information to be included in the PHI as an amendment, Associate will incorporate such amendment within five business days of receipt of Covered Entity's request. Within five business days of receipt of a request by Patient to Associate to amend PHI, Associate will forward the request to Covered Entity. Covered Entity will be responsible for making all determinations regarding amendments to PHI; Associate will make no such determinations and will not amend any PHI without Covered Entity's authorization.

**8. Accounting for Disclosures; Requests for Disclosure.**

**a. Disclosure Records.** Associate will keep a written record of any disclosure made to its agents, subcontractors or to third parties for any purpose other than:

- (1) Disclosures to other health care providers to assist in the treatment of patients
- (2) Disclosures to others to assist the Covered Entity in obtaining payment;
- (3) Disclosures to others to assist the Covered Entity in conducting its health care operations, as defined in 45 C.F.R. § 164.501.

**b. Data Regarding Disclosures.** Except for disclosures made for purposes set forth in Section 8.a (1)-(3), Associate will record and maintain the following information for each disclosure:

- (1) The date of disclosure;
- (2) The name of the entity or person who received the PHI and the address of such entity or person, if known.
- (3) A description of the PHI disclosed; and
- (4) A brief statement of the purpose of the disclosure, including an explanation of the basis for the disclosure.

**c. Patient Request for Record of Disclosures.** Within five business days of receipt of a notice from Covered Entity to Associate of a Patient's (or Patient representative's) request for an accounting for all disclosures of such Patient's PHI, Associate will provide Covered Entity with the record of all disclosures requested in the notice. Associate will provide the disclosure records for any period that begins on or after April 14, 2003. In no event shall the disclosure period exceed six years before the date on which the accounting was requested by the Patient (or Patient representative), as set forth in the notice. In no event shall Associate be required to provide an accounting for any dates prior to April 14, 2003.

**d. Patient Request to Associate.** If a Patient (or Patient representative) requests an accounting of disclosures directly from Associate, Associate will forward the request to Covered Entity within five business days of Associate's receipt of the request, and will make its records of disclosures available to Covered Entity as otherwise provided in this Section. Covered Entity will be responsible to prepare and deliver the records of disclosure to the Patient. Associate will not provide an accounting of disclosures directly to the Patient.

**e. Maintenance of Record of Disclosures.** Associate will maintain its written records of PHI disclosures required to be kept under this Agreement for the term of this Agreement plus six years after the termination or expiration of this Agreement.

**9. Change or Restriction of Use or Disclosure of PHI.** If Covered Entity advises Associate of any changes in, or restrictions to the permitted use or disclosure of PHI provided to Associate, Associate will restrict use or disclosure of PHI consistent with Covered Entity's instructions.

**10. Responsibilities upon Termination.**

**a. Return of PHI; Destruction.** Within 30 days of termination or expiration of the Primary Agreement, Associate will return to Covered Entity all PHI received from Covered Entity or created or received by Associate on behalf of Covered Entity which Associate maintains in any form or format, and Associate will not maintain or keep in any form or format any portion of the PHI.

Alternatively, Associate may, upon request and receipt of Covered Entity's prior written consent, destroy all such PHI and provide written documentation of such destruction to Covered Entity. The requirement to return or destroy such PHI shall apply to all agents or subcontractors of Associate. Associate will be responsible for recovering all PHI from such agents or subcontractors or assuring the destruction of such PHI.

b. **Alternative Measures.** If Associate believes that returning or destroying PHI at the termination or expiration of the Primary Agreement is not feasible, it will provide written notice to Covered Entity within five business days of the effective date of termination of the Primary Agreement. Such notice will set forth the circumstances that Associate believes makes the return or destruction of PHI not feasible and the alternative measures that Associate recommends for assuring the continued confidentiality and security of the PHI. Associate agrees to extend all protections, limitations and restrictions of this Agreement to Associate's use or disclosure of PHI retained and to limit further uses or disclosures to those purposes that make the return or destruction of the PHI not feasible. Any such extended protections, limitations and restrictions will apply to any agents or subcontractors of Associate for whom return or destruction of PHI is determined by Covered Entity to be not feasible.

11. **Termination.** Covered Entity may immediately terminate the Primary Agreement upon written notice to Associate if Covered Entity determines in its discretion that the Associate has breached a material term of this Agreement. Alternatively, Covered Entity may elect to provide Associate with at least 10 business days' advance written notice of Associate's breach of any term or condition of this Agreement, and afford Associate the opportunity to cure the breach to the satisfaction of Covered Entity within the 10 day period (the "Cure Period"). If Associate fails to timely cure the breach, as determined by Covered Entity, the Primary Agreement will terminate on expiration of the Cure Period unless Covered Entity extends the Cure Period in writing.

12. **Associate Books and Records.**

a. **Covered Entity Access.** Associate will, within five business days of Covered Entity's written request, make available during normal business hours at Associate's offices all records, books, agreements, policies and procedures relating to the use or disclosure of PHI for the purpose of allowing Covered Entity to determine Associate's compliance with the Agreement and this Agreement.

b. **Government Access.** Associate will make its internal practices, books and records on the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services to the extent required for determining compliance with the Privacy Standards and any other provisions of HIPAA and HIPAA regulations. Notwithstanding this provision, no attorney-client, accountant-client or other legal privilege will be deemed waived by Associate or Covered Entity as a result of this Section.

13. **Indemnification.** Associate shall indemnify and hold Covered Entity harmless from and shall defend Covered Entity against any claims by a third party against Covered Entity for losses, injuries or damages, including reasonable attorneys' fees, caused by the acts or failures to act of Associate, its agents or subcontractors pursuant to this Agreement. This Indemnification obligation is not subject to any limitation in any other agreement between Covered Entity and Associate.

14. **Notices.** Any notices required under this Agreement will be sent to the Parties at the following address by first class mail, fax or hand delivery:

Covered Entity:

Banner Health  
1441 North 12<sup>th</sup> Street  
Phoenix, Arizona 85006  
Fax: 802-495-4897  
Attn: Senior Vice President/General Counsel

Business Associate:

OSI  
1648 S. Cushman St. Ste. 203  
Fax: 907-451-6574  
Attn: Ken Branch Manager

COVERED ENTITY:

Banner Health, an Arizona nonprofit corporation  
d/b/a Fairbanks Memorial Hospital

By [Signature]  
Its CEO/ADMINISTRATOR

BUSINESS ASSOCIATE:

OSI Collection Services, Inc.,  
d/b/a Alaska Financial Services

By [Signature]  
Its Branch Manager, Fairbanks.