## CENTRAL STATES RECOVERY, LLC SERVICE AGREEMENT

THIS SERVICE AGREEMENT (this "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_\_, 202<u>3</u>, by and between Central States Recovery, LLC, a Kansas limited liability company ("CSR"), and Mangum Family clinic

("Client"). CSR and Client are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties".

WHEREAS, Client has unpaid accounts receivable which it desires to have collected and CSR is qualified to collect such accounts receivable; and

WHEREAS the Parties desire to enter into this Agreement to set forth the terms and condition under which CSR will provide collection services on behalf of Client.

NOW, THEREFORE, in consideration of the covenants contained herein, the Parties agree as follows:

1. <u>Collection Services</u>. CSR agrees to use commercially reasonable efforts to collect any and all amounts due and owing under each account receivable that is referred by Client and accepted by CSR from time to time (individually, an "Account" and collectively, the "Accounts") through legal and proper means, and in conformity with applicable federal and state laws and regulations including, but not limited to, the Federal Fair Debt Collection Practices Act. Notwithstanding the foregoing, CSR has no obligation under this Agreement to commence or participate in mediation, arbitration or litigation in connection with the collection of any Account.

2. <u>Compensation for Services</u>. Client agrees to pay CSR a contingent fee equal to <u>twenty five</u> percent  $(25 \ \%)$  of all amounts collected on each Account. Notwithstanding the foregoing, if litigation is commenced to collect any amounts due and owing under an Account, the contingency fee payable to CSR for such Account shall be increased to <u>fifty</u> percent  $(50 \ \%)$  of all amounts collected on such Account. If authorized by Client, CSR may (but is not obligated to) commence litigation to collect amounts due and owing under an Account. If litigation is commenced, Client shall be responsible for paying the court filing fees, service of process fees, and other miscellaneous legal costs (excluding attorneys' fees). Amounts collected in such litigation, if any, shall first be used to reimburse Client for the legal fees and costs paid by it and then the remaining amounts collected in such litigation, if any, will be split between Client and CSR with CSR receiving the above percentage of such remaining amounts. Attorneys' fees for any litigation shall be paid from the contingent fee payable to CSR in such litigation, if any.

3. <u>Term</u>. This Agreement may be terminated by either Party upon at least sixty (60) days prior written notice to the other Party. Upon termination of this Agreement, Client may request in writing that CSR return some or all Accounts to Client; provided, however, if an Account was referred by Client to CSR within the twelve (12) months immediately preceding the date of termination, CSR may (but is not obligated to) delay return of such Account to Client up to the date that is twelve (12) months after the date of such referral and the terms of this Agreement will continue to apply to such Account including, but not limited to, the compensation payable to CSR pursuant to paragraph 2. If Client fails to request a return of any Account, CSR may (but is not obligated to) continue collection of such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue collection of such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue collection of such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue to apply to such Account and the terms of this Agreement will continue to apply to such Account.

4. <u>Monthly Reports by CSR</u>. CSR will provide monthly statements to Client setting forth all amounts collected by CSR on each Account during such calendar month, if any. The statement for each month will be furnished to Client on or before the <u>fifteenth</u> (<u>15th</u>) day of the calendar month immediately following such month. A monthly statement shall also list the portions of the amounts

collected by CSR during the month that are payable to CSR and Client. CSR is authorized to retain its share of the amounts collected by CSR on the Accounts during each month and, subject to the right of set off under paragraph 5, Client will be paid its share of such amounts for such month on or before the due date for the statement for such month.

5. <u>Collection by Client</u>. CSR shall be entitled to payment of the compensation hereunder on all payments received by the Client, directly or indirectly (other than amounts received by CSR), on any Account. Client shall notify CSR of any such payment within five (5) business days after receipt thereof. CSR will include each such payment in its statement to Client for the month in which it received notice of such payment. In determining the Parties' respective share of amounts collected during any month, CSR may (but is not obligated to) set off its share of amounts collected by Client against the Client's share of amounts collected by CSR for such month. If CSR does not exercise such right of set off for any payment collected by Client, CSR's share of such payment shall be paid by Client to CSR within <u>thirty</u> (30 ) days CSR requests payment thereof.

Confidentiality. CSR shall forward to Client, and Client will respond to, all requests by 6. the debtor(s) on the Accounts involving protected health information ("PHI"). It may be necessary for the Client to disclose PHI to CSR in order for CSR to provide the services under this Agreement. All PHI which CSR receives from the Client shall be kept confidential by CSR and shall not be used or disclosed by CSR for any purpose other than as specifically permitted under this Agreement. CSR shall maintain the privacy, security and confidentiality of such PHI in the manner as required by applicable laws and regulations, including without limitations, the Health Insurance Portability and Accountability Act of 1996, and the rules and regulations promulgated thereunder (collectively, "HIPAA") and subpart D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"). The Parties acknowledge and agree that this Agreement constitutes the "Underlying Agreement" under any Business Associate Agreement by and between them (the "Business Associate Agreement"), and that this paragraph is intended to supplement, and not replace, the terms and provisions of the Business Associate Agreement. CSR as a business associate of Client agrees to comply with the terms of the Business Associate Agreement and shall require its employees, any sub-contractors, and agents to maintain the confidentiality of PHI in accordance with the Business Associate Agreement. CSR's obligation to protect the privacy of PHI is continuous and survives any termination, cancellation, expiration, or other conclusion of this Agreement or any other agreement between CSR and the Client.

7. <u>Indemnification</u>. Each Party hereby indemnifies and holds harmless the other Party (and its members, managers, stockholders, directors, officers, employees and agents), from and against any claim, loss, damage, cost, expense (including reasonable attorneys' fees) or liability arising out of, resulting from or related to any (i) breach of this Agreement by such Party, or (ii) any negligent or willful act or omission by such Party. Notwithstanding the foregoing, a Party shall have no liability to the other Party (and its members, managers, stockholders, directors, officers, employees and agents) with respect to its obligations under this Agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages. In addition, CSR's liability with respect to any Account for any reason and upon any cause of action shall be limited to the amount actually paid to CSR in connection with such Account. This limitation applies to all causes of action in the aggregate including, but not limited to, breach of contract, breach of warranty, indemnity, negligence, strict liability, misrepresentations, and other torts.

## 8. <u>Miscellaneous</u>.

(a) This Agreement and the rights or obligations hereunder shall not be assigned, delegated, subcontracted, or otherwise transferred by either Party without the prior written consent of the other Party. This Agreement shall inure to the benefit of and be binding upon the Parties and their successors and permitted assigns.

(b) This Agreement may be executed simultaneously in two or more counterparts, each one of which shall be deemed the original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement or an executed signature page of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(c) Notwithstanding the fact that this Agreement has been drafted or prepared by one of the Parties, each of the Parties confirms that both it and its counsel have reviewed, negotiated, and adopted this Agreement as the joint agreement and understanding of the Parties. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party. All terms and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require. Headings contained in this Agreement (and exhibits) are not to be considered part of this Agreement and are included solely for convenience and reference and are not intended to be full or accurate descriptions of the content thereof and shall have no force or effect. The exhibits attached to this Agreement are incorporated by reference into and are a part of this Agreement.

(d) CSR is an independent contractor with the right to exercise its independent judgment in carrying out its obligations under this Agreement. Nothing in this Agreement is intended to create or shall be deemed or construed to create any relationship between the Parties other than that of independent contractors, solely for the purposes of effecting the provision of this Agreement.

(e) This Agreement (and the exhibits) constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes and merges with all prior agreements, communications, and understandings between the Parties relating to the subject matter hereof. Any amendment to this Agreement (or the exhibits) must be approved in writing by the Parties.

(f) Except as provided in paragraph 7 with respect to indemnification in favor of the Parties' respective members, managers, stockholders, directors, officers, employees and agents, nothing in this Agreement shall confer any rights upon any person other than the Parties hereto and their respective successors and assigns.

(g) Any notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case to the following address or to any other address a Party shall designate in a written notice to the other Party:

To CSR:	Central States Recovery			
	Attn: Scott Miles			
	1314 N Main			
	Hutchinson, KS 67501			

To Client: Address listed on signature page.

All notices sent pursuant to the terms of this subparagraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on

the next business day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third business day following the day sent or when actually received.

(h) The invalidity or unenforceability of any provision hereof shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(i) No terms of this Agreement may be waived except by a written instrument signed by the Party waiving compliance. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

(j) With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

(k) This Agreement and the rights and obligations of the Parties hereunder shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Kansas (without regard to its conflicts of laws principles).

(1) <u>Survival of Obligations</u>. Any provision or covenant of this Agreement by its terms or by reasonable implication are to be performed in whole or in part, after the expiration or termination of this Agreement shall survive such expiration or termination (including, without limitation, the covenants set forth in paragraphs 3, 5 and 6, and the indemnity provisions set forth in paragraph 7).

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed as of the date first set forth above.

CSR:

SEAMIN

Client: Mangum Family Clinic

Title: President

Date:\_\_\_\_\_\_June 15, 2023

Email:\_\_\_\_\_smiles@csrecovery.com

By:	 	 	
Title:	 	 	

Date:\_\_\_\_\_

Email:\_\_\_\_\_

Address: 118 S Louis Tittle

Mangum, OK 73554