



Medical Debt Resolution, Inc.
 dba RIP Medical Debt
 28-07 Jackson Ave 5th Fl
 Long Island City, NY 11101

www.ripmedicaldebt.org

RECEIVABLES PURCHASE AND SALE MASTER AGREEMENT

Debt Forgiveness and Extinguishment

This **RECEIVABLES PURCHASE AND SALE MASTER AGREEMENT** (“Agreement”) is made by and between **Medical Debt Resolution, Inc. dba RIP Medical Debt** (hereinafter referred to as “Purchaser”) and **County of San Mateo on behalf of San Mateo Medical Center** (hereinafter collectively referred to as “Seller”), and is effective as of the last signature date of the Agreement.

WHEREAS, Seller operates a County healthcare system in northern California that provides healthcare services; and

WHEREAS, Seller desires to sell certain receivables, each as defined in the applicable Schedule to this Agreement (“Debt Receivables”); and

WHEREAS, Purchaser desires to purchase such Debt Receivables from Seller, as more particularly defined herein on the terms and conditions set forth in this Agreement and its respective Schedule(s);

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows;

1. **SALE AND PURCHASE OF DEBT RECEIVABLES.** Subject to the terms of this Agreement and its Schedule(s), Seller agrees to sell, convey, transfer and assign to Purchaser and Purchaser agrees to purchase from Seller, for the consideration herein provided, the right, title, interest, and obligations of Seller in and to those Debt Receivables as described on Appendix A to each Schedule 1 attached hereto (all of such receivables herein collectively called “Accounts” and singularly an “Account”). To the best knowledge of Seller, the Accounts shall not include accounts which, as of each Closing Date (the actual date of each Closing [defined below] being herein called the “Closing Date”), are classified as follows (hereinafter referred to as “Unqualified Accounts”):
 - A. Satisfied, settled, or released (the account was paid or otherwise released or settlement check was received by Seller prior to the Closing Date).
 - B. Bankruptcy (an Account where all of the debtors obligated on such Account filed for bankruptcy, and such bankruptcies have not been dismissed).
 - C. Deceased (an Account where all of the debtors obligated on such Account have died).
 - D. Fraud (an Account where debtor obligated on such Account has asserted in writing that the Account was fraudulently originated or used and such assertion was evidenced to the reasonable satisfaction of Seller).
 - E. Pending litigation or disputes.

ALL ACCOUNTS SOLD TO PURCHASER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE AS TO THEIR ENFORCEABILITY, COLLECTABILITY OR DOCUMENTATION EXCEPT AS STATED ABOVE.

2. **PURCHASE PRICE.** Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties and covenants of the Seller made herein, Purchaser shall pay and deliver to Seller the sum set forth in the Closing Statement attached hereto as Appendix B to each Schedule, for the Accounts purchased under that Schedule and this Agreement.
3. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller represents and warrants to Purchaser that to the best of its knowledge and belief as of the date of this Agreement, and shall ensure that the following are accurate representations and warranties on each Closing Date:
 - A. Seller will, at the time of execution of the Assignment and Bill of Sale (“Transfer Date”), be the owner of all right, title, and interest in and to all of the Accounts. Seller transfers the assets to be sold, free and clear of all assignments, liens, charged, encumbrances and other security interests.
 - B. On the Transfer Date, Seller will have good and marketable title to the Accounts free and clear of all liens, charges, encumbrances or rights of others (other than Purchaser). The Seller will sell and transfer the Accounts to Purchaser without recourse, and without any express or implied representation or warranty except as made in this Agreement. Except as expressly set forth in this Agreement, Seller has made no representation, and now makes no representation, with respect to any of the Accounts or with respect to the completeness or accuracy of any documents relating to any Account (“Account Documents”).
 - C. Seller will make any adjustments, if required by federal law, to offset the proceeds of any sale of Medicare bad debt against Seller’s reimbursable Medicare bad debt expense.
 - D. Seller undertakes to initiate the recall of the Accounts from all credit reporting agencies no later than thirty (30) days after the Closing Date and shall provide confirmation of files having been received by credit reporting agencies and files used to recall the Accounts.
4. **RESERVED.**
5. **INDEMNIFICATION BY PURCHASER.** Purchaser agrees to indemnify and hold Seller (including its officers, directors, employees, affiliates, shareholders, members, managers, agents, and attorneys) harmless from and against any claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs (including all attorneys’ fees and disbursements of counsel) incurred or suffered by Seller by reason of any act or omission of Purchaser with respect to Purchaser’s obligations pursuant to this Agreement, or breach of any of Purchaser’s warranties or representations made in this Agreement, or any willful misconduct or violation of any applicable law, rule or regulation by Purchaser (or its employees, representatives, agents or successors) or any subsequent Purchaser (or its employees, representatives, agents or successors), in connection with the collection or enforcement of the Accounts. At its option, Seller shall have the right to require Purchaser to assume the defense of any claims, actions, suits or other actual or threatened proceedings and to directly pay for all losses, judgments, damages, expenses or other costs (including all fees and disbursements of counsel) which may be imposed.
6. **INDEMNIFICATION BY SELLER.** For a period of one (1) year following each Closing Date and with respect to the Accounts subject to such Closing, Seller agrees to indemnify and hold Purchaser (including its officers, directors, employees, affiliates, shareholders, agents, and attorneys) harmless from and against any claims, actions, suits or other actual or threatened proceedings, and all losses, judgments, damages, expenses or other costs (including all attorneys’ fees and disbursements of counsel) incurred or suffered by Purchaser by reason of any act or omission of Seller with respect to Seller’s obligations pursuant to this Agreement, or breach of any of Seller’s warranties or representations made in this Agreement, otherwise in connection with the Accounts, or any willful misconduct or violation of any applicable law, rule or regulation by Seller (or its employees, representatives, agents or successors) , in connection with the collection or enforcement of the Accounts. At its option, Purchaser shall have the right to require Seller to assume the defense of any claims, actions, suits or other actual or threatened proceedings and to directly

pay for all losses, judgments, damages, expenses or other costs (including all fees and disbursements of counsel) which may be imposed.

7. **LIMITATIONS OF LIABILITY.** Notwithstanding any provision in this Agreement to the contrary, the liabilities, responsibilities, and obligations of the Seller under this Agreement shall be subject to the following limitations:
- A. In no event will Seller be liable or responsible to the Purchaser for any indirect, incidental, consequential, special, punitive or exemplary damages (including, without limitation, lost profits) arising from, or relating to, any provision, breach, default, or performance of, this Agreement.
 - B. No claim by the Purchaser under this Agreement will be effective if it is not received by the Seller in writing on or before the first anniversary of the Closing Date.
 - C. The maximum aggregate liability of the Seller under this Agreement, a Schedule, the Bill of Sale, or otherwise in connection with the Accounts shall be equal to (i) the Purchase Price paid by the Purchaser, minus (ii) all payments made or scheduled to be made to the Purchaser.
8. **REMITTANCE OF DIRECT PAYMENTS.** Seller shall remit to the patient/debtor/guarantor of record, as applicable, all payments on Accounts purchased hereunder that are received by Seller after the applicable Closing Date.
9. **CONDITIONS OF SALE.**
- A. The obligations of Purchaser to perform hereunder and purchase the Accounts on each Closing Date shall be subject to the satisfaction on or before each Closing Date of the following further conditions: (i) the representations and warranties contained in Paragraph 3 hereof shall to the best of Seller's knowledge and belief be true and correct in all respects on the Closing Date as if made on such date; and (ii) Seller shall have performed and observed all covenants, agreements and conditions hereof to be performed or observed by it on or before the Closing Date.
 - B. The obligations of Seller to perform hereunder and sell the Accounts at Closing shall be subject to the satisfaction, on or before each Closing Date, of the Purchaser's delivery to the Seller of the Purchase Price as specified in Paragraph 2 hereof.
10. **CLOSING.** The closing of the sale and applicable purchase of the Accounts shall take place on the Closing Date described in Appendix B to each Schedule. At each Closing, the following shall be done:
- A. Seller shall deliver or cause to be delivered to Purchaser such bills for sale, assignments, conveyances and other good and sufficient instruments of transfer (all of which shall be consistent with the terms set forth in this Agreement), which shall be effective to vest in Purchaser good and valid title to the Accounts.
 - B. Purchaser shall pay to Seller the Purchase Price as set forth on Paragraph 2 of this Agreement and in Appendix B of each Schedule.
11. **RETRIEVAL OF ACCOUNT DOCUMENTS.** After each Closing Date, Seller will use its best efforts to furnish Purchaser, as soon as reasonably possible for Seller to do so, such Account Documents that Purchaser reasonably requests on the Account acquired by Purchaser to the extent such documents are available. Seller will charge Purchaser a 25% premium over Seller's actual cost per copy for Account Documents requested by Purchaser, but at no such time shall Purchasers cost for such Account Documentation be less than \$10.00. For illustration purposes only, if Seller is charged \$10.00 per copy, Seller will charge Purchaser \$12.50. If the promissory note or the evidence of indebtedness for an Account is lost, Seller shall furnish to Purchaser a lost note affidavit for such account at the costs outlined herein. Seller makes no guarantees as to the availability of applications, statements, records, or copies of previous

payment checks on any account and Purchaser acknowledges that Seller shall have no liability to purchaser for the failure to produce any such application, statement, record or copy.

12. **REPRESENTATIONS AND WARRANTIES OF PURCHASER.**

Purchaser hereby represents and warrants to Seller as of the date of this Agreement and shall ensure that the following are accurate representations and warranties on each Closing Date:

Purchaser is a New York Company duly organized, validly existing and in good standing under the laws of the state of its formation with full power and authority to enter into this Agreement, to purchase the Accounts, and to carry out the terms and provisions hereof.

Purchaser has the power and authorizations, if any, required by governmental authority to carry on its business as now being conducted which relate to the Accounts, which authorization is in full force and effect.

The execution and delivery of this Agreement and the performance hereunder have been duly authorized on or prior to the Closing Date, by all necessary action on the part of Purchaser and no provision of applicable law or regulation or the charter or by-laws of Purchaser or any agreement, judgment, injunction, order, decree or other instrument binding upon Purchaser is or will be contravened by Purchaser's execution and delivery of this Agreement or Purchaser's performance hereunder.

No authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any governmental agency or regulatory authority or any other body is required in connection with the execution, delivery or performance by Purchaser of this Agreement, which authorization, consent, approval, license, qualification or formal exemption from, or filing declaration or registration has not been obtained on or prior to each Closing Date hereunder.

No authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any governmental agency or regulatory authority or other body is required in connection with the purchase by the Purchaser of the Accounts to be purchased on each Closing Date, which authorization, consent, approval, license, qualification or formal exemption, or filing, declaration or registration has not been obtained on or prior to such date.

Purchaser agrees to immediately notify Seller in writing of any unauthorized misappropriation, disclosure or use by any person of any of Seller's confidential information which may come to its attention and to take immediate steps to limit, stop, or otherwise remedy such misappropriation, disclosure or use.

This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights in general and the rights of creditors of national banking associations and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

Purchaser represents and warrants that its sole and absolute business purpose is to provide a charitable relief to consumers across the United States of America by lawfully acquiring the unpaid legal obligations of consumers ("Debt" or "Debts") and subsequently extinguishing those Debts owed by the consumer by eliminating any further obligation with respect to the specific Account purchased by the Purchaser.

Purchaser covenants and agrees that it will not, nor will any of its representatives, agents, independent contractors, persons or entities acting on its behalf, or any assignee engage in any type of collection efforts in connection with any Account sold to it by Seller (those of which also may be listed in Appendix A to each Schedule), and that (to the extent applicable) Purchaser and its agents, employees, representatives or assignees shall comply with all applicable state and federal debt collection laws, or any other law.

Purchaser warrants and represents that it will not resell any Accounts being purchased pursuant to this Agreement to any third parties, affiliates, or any other entity that is not a party to this Agreement.

Purchaser or its assignee or successor shall, at its own expense, give the debtor of each Account written notice of the transfer by ordinary mail or debtor's last known address in its first written communication with the debtor.

Purchaser warrants and represents that it is a sophisticated informed investor, has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transaction contemplated by this Agreement.

Purchaser acknowledges that Seller does not represent, warrant or insure the accuracy or completeness of any information or its sources of information contained in the information provided or in any of the Account Files.

Purchaser agrees and represents that the Accounts and any other information provided to Purchaser prior to the decision to purchase the Accounts were an adequate and sufficient basis on which to determine whether and at what price to purchase the Accounts.

Purchaser has made such independent investigations as it deems to be warranted into the nature, validity, enforceability, collectability and value of the Accounts, and all other facts it deems material to its purchase and is entering into this transaction solely on the basis of that investigation and Purchaser's own judgment, and is not acting in reliance on any representatives or independent contractors (other than the representations and warranties of Seller contained herein).

Purchaser is in full compliance with its obligations under the terms of any Confidentiality Agreement, including but not limited to any Business Associate Agreement executed by the Purchaser to review the information made available by Seller or its agents, and the terms thereof are hereby incorporated herein subject to Purchaser's ownership rights and interests acquired by Purchaser hereunder.

Purchaser is compliant with all data and information security standards, patient account privacy standards, and any other account information security standards that are generally accepted industry standards for the financial services and healthcare industries, including but not limited to PCI, , the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time including Sections 13400 through 13424 of the Health Information Technology for Economic Clinical Health Act.

At time of each Closing, the Purchaser represents and warrants that it has and will continue to maintain during its ownership of any Account sold to Purchaser under this Agreement, general liability insurance and errors & omissions insurance, each individually in an amount of not less than \$1,000,000 per occurrence, and \$2,000,000 in aggregate.

13. **NOTICES.** Any notice or other communication provided for herein or given hereunder to a party hereto shall be in writing and shall be delivered in person to such party or mailed by first class registered or certified mail, or by courier service such as Federal Express, postage prepaid, addressed as follows:

If to Seller:	If to Purchaser:
County of San Mateo	RIP Medical Debt
222 West 39 th Ave.	28-07 Jackson Ave 5 th Fl
San Mateo, CA 94403	Long Island City, NY 11101
Attn: David McGrew, Chief Financial Officer Email: dmcgrew@smcgov.org Ph: 650-573-2096	Attn: Allison Sesso, President/CEO Email: allison.sesso@ripmedicaldebt.org Ph: 917-768-6150

14. **SEVERABILITY.** If any provision, or application thereof, of this Agreement is held unlawful or unenforceable in any respect, the parties hereto agree that such illegality or unenforceability shall not affect other provisions or allocations that can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provisions are amended so as to make it valid, reasonable and enforceable and agree to be bound by the terms of such provision, as modified by the court.
15. **AMENDMENTS.** This Agreement may be amended or modified only by a written instrument executed by all the parties hereto.
16. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.
17. **HEADINGS.** The headings contained in this Agreement, the Exhibits and the Schedules appended hereto are for convenience only and shall be deemed to affect the interpretation of the provisions of this Agreement.
18. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** The representations, warranties, covenants and agreements of the parties set forth herein shall survive the closing.
19. **GOVERNING LAW AND VENUE.** This Agreement is made pursuant to and shall be construed under the laws of California.
20. **ENTIRE AGREEMENT.** This Agreement is intended to define the full extent of the legally enforceable undertakings of the parties hereto, and no related promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either party to be legally binding. Both parties acknowledge that in deciding to enter into this transaction they have relied on no representations, written or oral, other than those explicitly set forth in this Agreement.
21. **CONFIDENTIALITY.** The parties understand and agree that, except as required by law, government regulation, or a court ordered process, certain terms of Schedule 1, and it's related appendices, of this Agreement are confidential and they will not be disclosed to anyone outside of their respective organizations unless the recipients of such information are agents or representatives of such organizations (including attorneys and accountants thereof), each of which if receiving such information shall be bound by the same terms and conditions of any confidentiality agreements or other agreements signed by Purchaser, provided, however, that Purchaser, with prior written approval from Seller, may generally describe (without disclosing the identity of the name of any individual representative of Seller, the price paid for any individual Account, or any debtor with respect to any Account) the process of identifying, negotiating and purchasing the Debt Receivables. Accordingly, Schedule 1, and it's related appendices, will be redacted and marked confidential for the purposes of presentation at the public meeting of the County of San Mateo Board of Supervisors meeting. Moreover, Purchaser shall be permitted to disclose the existence of this Agreement and share redacted copies of this Agreement with the Internal Revenue Service to the extent required in order for Purchaser to obtain and/or maintain its tax-exempt status. Purchaser further agrees not to disclose to any third party without written consent from Seller any information describing Seller's business practices, contacts, sources for assets, other customers or pricing information, or any other information regarding Seller, except as would be reasonably required to be revealed to Purchaser's accountants to prepare financial statements or tax returns, or to a lender in order to obtain financing. For the avoidance of doubt, the preceding sentence shall not prevent Purchaser from discussing, in general terms, for educational purposes and in any medium, the workings of the debt-collection industry, so long as such information does not contain any information about the Seller or its employees, representatives, and agents, and does not contain any information about the transaction contemplated by this Agreement. In addition, this Agreement will automatically re-new the terms and conditions of any prior Confidentiality Agreement that Purchaser has executed with Seller. Notwithstanding the foregoing, the parties understand and agree that that this Agreement is subject to the Public Records Act and may be disclosed in accordance with that Act, which will include the redacted version of Schedule 1, and it's related appendices. Seller will notify Purchaser in the event an unredacted version is requested

under the Public Records Act and allow Purchaser an opportunity to take appropriate action to prevent the disclosure. If Purchaser fails to take action, Seller shall not be liable for the disclosure.

21. **INTERPRETATION & CONSTRUCTION SUBJECT TO HIPAA.** The Purchaser and Seller recognize that under HIPAA”, Purchaser is a Business Associate as that term is defined under the HIPAA Privacy Standards, codified at 45 C.F.R. §§ 160 and 164 et seq. Consequently, concurrently herewith, Purchaser and Seller are entering into a Business Associate Agreement, a copy of which is attached as Exhibit B. This Agreement will be construed and interpreted, at all times, to assure that HIPAA, and any state-law equivalents that are more restrictive than HIPAA, are fully observed and effectuated. Nothing contained in this Agreement permits any use or disclosure of PHI that is contrary to HIPAA, or any state-law equivalents that are more restrictive than HIPAA.
22. **PURCHASER’S RIGHT OF RESALE.** Purchaser is strictly prohibited from reselling any Debt Receivable or Account purchased under this Agreement.
23. **DEFAULT BY PURCHASER:** If after the execution of this Agreement the Purchaser fails or refuses, for any reason, to purchase Accounts pursuant to this Agreement prior to the applicable Closing Date, or fails to perform any of Purchaser’s other obligations hereunder prior to the Closing Date, Seller shall have the right to (i) enforce specific performance of Purchaser’s obligations under this Agreement and/or (ii) exercise any other right or remedy Seller may have at law or in equity by reason of the default.
24. **FACSIMILE SIGNATURES:** All signatures to this Agreement may be delivered by facsimile and such facsimile signatures shall be binding and have full force and effect of original signatures.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date entered below.

SELLER:

County of San Mateo
222 W. 39th Ave.
San Mateo, CA

By: _____

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By: _____

Clerk of Said Board

PURCHASER:

RIP Medical Debt
28-07 Jackson Ave 5th Fl
Long Island City, NY 11101
Attn: Allison Sesso, President/CEO
Email: allison.sesso@ripmedicaldebt.org
Ph: 917-768-6150

DocuSigned by:
Signature: Allison Sesso

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Date of Signature: 11/7/2022

EXHIBIT A
REQUIRED DOCUMENTATION FOR UNQUALIFIED ACCOUNTS

BANKRUPTCY:

- Chapter and
- Date filed and
- Docket No and
- Joint or Individual Filing and
- Court District Name or
- BANKO report and
- LOT number of Purchase Agreement found in the applicable Schedule to the Purchase Agreement

Bankruptcy filing date must be prior to Closing Date. If the bankruptcy is an individual filing and the Account is a joint Account, the Account will not be replaced or repurchased unless both Accountholders have filed for bankruptcy.

DECEASED:

- Copy of death certificate or
- Letter from attorney indicating date of death or
- Verification from Department of Social Security indicating date of death or
- Copy of obituary
- LOT number of Purchase Agreement found in the applicable Schedule to the Purchase Agreement

Date of death must be prior to the Closing Date or the Account will not be repurchased. If a joint account, both Accountholders must have died prior to the applicable Closing Date.

FRAUD:

- Letter from debtor or debtor's attorney alleging a dispute received by Seller prior to the Closing Date, which allegation has not been resolved to the seller's satisfaction by the Closing date.
- LOT number of Purchase Agreement found in the applicable Schedule to the Purchase Agreement

PREVIOUSLY SETTLED:

- Letter from either the seller or Collection Agency stating the account was settled.
- LOT number of Purchase Agreement found in the applicable Schedule to the Purchase Agreement

**EXHIBIT B
BUSINESS ASSOCIATE AGREEMENT**

(Executed Separately)

**Health Insurance Portability and Accountability Act (HIPAA)
Business Associate Requirements**

DEFINITIONS

Terms used, but not otherwise defined, in this Schedule shall have the same meaning as those terms are defined in 45 Code of Federal Regulations (CFR) sections 160.103, 164.304, and 164.501. All regulatory references in this Schedule are to Title 45 of the Code of Federal Regulations unless otherwise specified.

- a. **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the parties to this agreement shall mean Contractor.
- b. **Covered Entity.** "Covered entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement shall mean County.
- c. **HIPAA Rules.** "HIPAA rules" shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR part 160 and part 164, as amended and supplemented by Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009.
- d. **Designated Record Set.** "Designated Record Set" shall have the same meaning as the term "designated record set" in Section 164.501.
- e. **Electronic Protected Health Information.** "Electronic Protected Health Information" (EPHI) means individually identifiable health information that is transmitted or maintained in electronic media; it is limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- f. **Individual.** "Individual" shall have the same meaning as the term "individual" in Section 164.501 and shall include a person who qualifies as a personal representative in accordance with Section 164.502(g).
- g. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- h. **Protected Health Information.** "Protected Health Information" (PHI) shall have the same meaning as the term "protected health information" in Section 160.103 and is limited to the information created or received by Business Associate from or on behalf of County.
- i. **Required By Law.** "Required by law" shall have the same meaning as the term "required by law" in Section 164.103.
- j. **Secretary.** "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his or her designee.
- k. **Breach.** The acquisition, access, use, or disclosure of PHI in violation of the Privacy Rule that compromises the security or privacy of the PHI and subject to the exclusions set forth in Section 164.402. Unless an exception applies, an impermissible use or disclosure of PHI *is presumed* to be a breach, unless it can be demonstrated there is a low probability that the PHI has been compromised based upon, at minimum, a four-part risk assessment:
 1. Nature and extent of PHI included, identifiers and likelihood of re-identification;
 2. Identity of the unauthorized person or to whom impermissible disclosure was made;
 3. Whether PHI was actually viewed or only the opportunity to do so existed;
 4. The extent to which the risk has been mitigated.
- l. **Security Rule.** "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and Part 164, Subparts A and C.

- m. **Unsecured PHI.** “Unsecured PHI” is protected health information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in relevant HHS guidance.
- n. **Security Incident.** "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. “Security Incident” includes all incidents that constitute breaches of unsecured protected health information.

OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as required by law.
- b. Business Associate agrees to use appropriate safeguards to comply with Subpart C of 45 CFR part 164 with respect to EPHI and PHI, and to prevent the use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Business Associate agrees to make uses and disclosures requests for Protected Health Information consistent with minimum necessary policy and procedures.
- d. Business Associate may not use or disclose protected health information in a manner that would violate subpart E of 45 CFR part 164.504 if used or disclosed by Covered Entity.
- e. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- f. Business Associate agrees to report to County any use or disclosure of Protected Health Information not authorized by this Agreement.
- g. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of County, agrees to adhere to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- h. If Business Associate has Protected Health Information in a Designated Record Set, Business Associate agrees to provide access, at the request of County, and in the time and manner designated by County, to Protected Health Information in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under Section 164.524.
- i. If Business Associate has Protected Health Information in a Designated Record Set, Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs or agrees to make pursuant to Section 164.526 at the request of County or an Individual, and in the time and manner designed by County.
- j. Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of County, available to the County at the request of County or the Secretary, in a time and manner designated by the County or the Secretary, for purposes of the Secretary determining County's compliance with the Privacy Rule.
- k. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- l. Business Associate agrees to provide to County or an Individual in the time and manner designated by County, information collected in accordance with Section (k) of this Schedule, in order to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- m. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of County.
- n. Business Associate shall conform to generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information.

- o. Business Associate shall ensure that any agent to whom it provides EPHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such EPHI.
- p. Business Associate shall report to County any Security Incident within three (3) business days of becoming aware of such incident. Business Associate shall also facilitate breach notification(s) to the appropriate governing body (i.e. HHS, OCR, etc.) as required by law. As appropriate and after consulting with County, Business Associate shall also notify affected individuals and the media of a qualifying breach.
- q. Business Associate understands that it is directly liable under the HIPAA rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of Protected Health Information that are not authorized by this Attachment, the underlying contract as or required by law.

PERMITTED USES AND DISCLOSURES BY CONTRACTOR AS BUSINESS ASSOCIATE

Except as otherwise limited in this Schedule, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement; provided that such use or disclosure would not violate the Privacy Rule if done by County. Business Associate may use Protected Health information to de-identify the information: (i) if required for purposes of providing Services, (ii) as agreed in the underlying service agreement, (iii) for Business Associate's quality assessment and quality improvement purposes, and (iv) for research purposes, limited to research regarding the impact of medical debt and medical debt forgiveness and research regarding the causes of medical debt. Other than these uses, Business Associate shall not use Covered Entity's de-identified information for its own purposes, except on a case by case basis with Covered Entity's separate prior written agreement for a proposed use. De-identification must comply with 45 C.F.R. § 164.502(d), and any such de-identified information must meet the standard and implementation specifications for de-identification under 45 C.F.R. § 164.514(a) and (b), or as they may be amended from time to time.

OBLIGATIONS OF COUNTY

- a. County shall provide Business Associate with the notice of privacy practices that County produces in accordance with Section 164.520, as well as any changes to such notice.
- b. County shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.
- c. County shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that County has agreed to in accordance with Section 164.522.

PERMISSIBLE REQUESTS BY COUNTY

County shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if so requested by County, unless the Business Associate will use or disclose Protected Health Information for, and if the Agreement provides for, data aggregation or management and administrative activities of Business Associate.

DUTIES UPON TERMINATION OF AGREEMENT

- a. Upon termination of the Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from County, or created, maintained, or received by Business Associate on behalf of County, that Business Associate still maintains in any form. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- b. In the event that Business Associate determines that returning or destroying Protected Health Information is infeasible, Business Associate shall provide to County notification of the

conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of the Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

- a. **Regulatory References.** A reference in this Schedule to a section in the HIPAA Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b. **Amendment.** The Parties agree to take such action as is necessary to amend this Schedule from time to time as is necessary for County to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c. **Survival.** The respective rights and obligations of Business Associate under this Schedule shall survive the termination of the Agreement.
- d. **Interpretation.** Any ambiguity in this Schedule shall be resolved in favor of a meaning that permits County to comply with the Privacy Rule.
- e. **Reservation of Right to Monitor Activities.** County reserves the right to monitor the security policies and procedures of Business Associate.

SCHEDULE 1

This **SCHEDULE 1** (“Schedule 1”) to the **RECEIVABLES PURCHASE AND SALE MASTER AGREEMENT** (“Agreement”) is made by and between **Medical Debt Resolution, Inc. dba RIP Medical Debt**, (“Purchaser”) and **County of San Mateo on behalf of San Mateo Medical Center** (“Seller”) and is effective as of the last signature date listed below. Terms not defined in this Schedule shall have the meaning set forth in the Agreement.

Pursuant to this Schedule 1, Seller sells the Accounts listed in Appendix A to this Schedule 1 to Purchaser. On the Closing Date indicated in Appendix B to this Schedule 1, Purchaser shall pay the price indicated in Appendix B to Seller.

Purchaser represents and warrants to Seller that, to the best of its knowledge and belief, as of the Closing Date, the representations and warranties set forth in Section 12 of the Agreement are accurate.

Seller represents and warrants to Purchaser that, to the best of its knowledge and belief, as of the Closing Date, the representations and warranties set forth in Section 3 of the Agreement are accurate.

IN WITNESS WHEREOF, the parties hereto have duly executed this Schedule 1 on the date entered below.

SELLER:

County of San Mateo
222 W. 39th Ave.
San Mateo, CA

By: _____

President, Board of Supervisors, San Mateo County

Date:

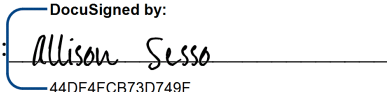
ATTEST:

By: _____

Clerk of Said Board

PURCHASER:

RIP Medical Debt
28-07 Jackson Ave 5th Fl
Long Island City, NY 11101
Attn: Allison Sesso, President/CEO
Email: allison.sesso@ripmedicaldebt.org
Ph: 917-768-6150

Signature:  _____
44DF4FCB73D749F...

Date of Signature: 11/7/2022

**Schedule 1, Appendix A
Listing of Accounts for LOT 1**

Customer ID	Face Value	# of Accounts	<u>Purchase Price</u> Factor	Purchase Price
				\$90,538.57

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**Schedule 1, Appendix B
CLOSING STATEMENT
LOT 1**

This transaction consists of Charged Off Receivables being purchased by **Medical Debt Resolution, Inc. dba RIP Medical Debt** (“Purchaser”) from **County of San Mateo on behalf of San Mateo Medical Center** (“Seller”) pursuant to a **RECEIVABLES PURCHASE AND SALE AGREEMENT** dated **November 15, 2022, between** Purchaser and Seller.

For the purpose of this Closing Statement the Sale File date shall be **November 30, 2022**

- NUMBER OF CHARGED-OFF ACCOUNTS: [REDACTED]
- TOTAL UNPAID BALANCE: [REDACTED]
- PURCHASE PERCENTAGE: [REDACTED]
- PURCHASE PRICE: **\$90,538.57**

TOTAL COMBINED/BLENDED PURCHASE PRICE: \$90,538.57

- A. On the Closing Date of **November 30, 2022**, Purchaser shall pay to Seller, by wire transfer or otherwise immediately available funds, an amount which equals **\$90,538.57**.
- B. Seller agrees to transfer the Purchased Receivables, as set forth in Appendix A, to Purchaser on the Closing Date.

Funds must be wired as follows:

Account Name: [REDACTED]

Bank Name: [REDACTED]

ABA (Routing) Number: [REDACTED]

Bank Account Number: [REDACTED]

~All funds must be by wire transfer~

SELLER:
 County of San Mateo
 222 W. 39th Ave.
 San Mateo, CA

By: _____

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By: _____

Clerk of Said Board

PURCHASER:
 RIP Medical Debt
 28-07 Jackson Ave 5th Fl
 Long Island City, NY 11101
 Attn: Allison Sesso, President/CEO
 Email: allison.sesso@ripmedicaldebt.org
 Ph: 917-768-6150

DocuSigned by:
 Signature: Allison Sesso
 44DF4FCB73D749F...

Date of Signature: 11/7/2022

Schedule 1, Appendix C

**ASSIGNMENT AND BILL OF SALE
LOT 1**

County of San Mateo on behalf of San Mateo Medical Center (hereinafter called "Seller") has entered into a **RECEIVABLE PURCHASE AND SALE AGREEMENT** ("Agreement") for the sale of Accounts on Appendix A, hereof to **Medical Debt Resolution, Inc. dba RIP Medical Debt** (hereinafter called "Purchaser"), upon the terms and conditions set forth in that Agreement.

NOW, THEREFORE, for good and valuable consideration, Seller hereby sells, assigns, and transfers to Purchaser, its successors and assigns, all of Seller's rights, title, and interest in each and every one of the Accounts described in the Agreement.

Purchaser and Seller agree that the Purchase Price shall be as stated in Appendix B of this Schedule.

IN WITNESS WHEREOF, Seller has signed and delivered this instrument on **November 15, 2022**.

County of San Mateo on behalf of San Mateo Medical Center

By: _____

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By: _____

Clerk of Said Board