

COPY NO. \_\_\_\_\_

OFFEREE: \_\_\_\_\_

**PRIVATE PLACEMENT MEMORANDUM**  
**OF**  
**NATIONAL IMAGING SERVICE SOLUTIONS, LLC**

**Dated April 14, 2016**

**Updated May 25, 2017**

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**INVESTMENT IN THE SECURITIES OFFERED IN THIS MEMORANDUM  
INVOLVES A SIGNIFICANT DEGREE OF RISK. SEE “RISK FACTORS.”**

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This memorandum is being delivered to you in connection with the offering by National Imaging Service Solutions, LLC, an Alabama limited liability company (the “Company”) to purchase the Company’s Class A Investor Units (each, a “Class A Unit”) having an exercise price of \$1.00 per Class A Unit. The Units are being offered to certain “accredited investors” who meet the qualifications and invest in the Company on the terms described in this memorandum (the “Offering”). Please, carefully review this memorandum, all exhibits attached and all other documents enclosed, in their entirety, before making a decision as to whether to participate in the Offering. All references to “us,” “we,” “our” or other similar terms used in this memorandum shall mean the Company, and all references to “you,” “your,” and other similar terms used in this memorandum shall mean the prospective investor whose name appears above.

The Offering will commence on the date of this memorandum and will expire at the discretion of the Board of Managers as communicated to you at the time this memorandum is delivered to you, unless otherwise extended by the Company in its sole discretion (the “Expiration Date”). There is no aggregate minimum amount that must be invested in order for the Offering to be consummated. The total amount of funds desired by the Company is subject to change by the Company in its sole discretion.

The Company will make available to you upon request, at any time prior to the Expiration Date, the opportunity to ask such questions and obtain such information concerning the Company and the terms of the Offering as you deem necessary in deciding whether to participate in the Offering. If you have questions or desire additional information, you should call Marc Schaefer at 205.324.9729.

No broker-dealer will act on behalf of the Company in offering or selling the Class A Units. Offers and sales of the Class A Units will be made on behalf of the Company only by the steering committee and officers of the Company, who will not receive any commissions or other compensation (other than their normal salaries or fees to the Company) for such services.

The Company has not authorized any person to provide any information to you which in any way contradicts or negates the information contained in this memorandum, the exhibits attached or the other documents enclosed with this memorandum. If any such information is provided to you by any person, it cannot be relied upon as having been authorized by the Company.

This memorandum is intended solely for your use in evaluating whether to participate in the Offering, and you may not disclose or show any information contained in this memorandum to anyone other than those persons who you retain to advise you connection with your investment decision. The NDA you signed prior to receiving this memorandum and all documents accompanying it is in full force and effect. Accordingly, any reproduction of this memorandum, the exhibits attached or the other documents enclosed, in whole or in part, or the divulgence of any of the contents of such documents, without the prior written consent of the

Company, is prohibited. By accepting delivery of this memorandum, you agree to return this memorandum, all exhibits attached and all other documents enclosed to the Company if you decide not to participate in the Offering, if your subscription is not accepted by the Company, or if the Offering is terminated.

You should not construe the contents of this memorandum as investment, tax or legal advice. This memorandum, the exhibits attached and the other documents enclosed, as well as the nature of the proposed investment, should be reviewed by your investment, tax and other advisors, including your accountant and legal counsel.

THE SECURITIES OFFERED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING, OR THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH ANY STATE SECURITIES COMMISSION AND NO STATE SECURITIES COMMISSION RECOMMENDS OR ENDORSES THE PURCHASE OF ANY SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

### **COMPANY OVERVIEW**

The Company was organized on January 01, 2016 as an Alabama limited liability company for the purpose of developing a National Independent Service and Asset Management Organization as an alternative for Medical Imaging Providers to service their imaging equipment as well as provide exclusive products or products of exceptional quality to the US imaging market not currently available. The Company is currently in the early planning stages. The

Company is a going concern, but is not yet generating revenue. The Company is not a reporting company under the Securities Exchange Act of 1934, as amended.

A copy of the Company's current Business Plan, along with its pro forma projections (the "Business Plan"), is attached as **Exhibit A**. Please, carefully review Exhibit A, in its entirety, before making a decision as to whether to participate in the Offering. When reviewing his memorandum and all documents associated with it, please keep in mind the following disclaimer about "forward-looking statements:"

### **SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS**

Forward-looking statements about the Company are made in this memorandum, the Business Plan and any other exhibits, and the other documents enclosed with this memorandum that are based on assumptions and on information currently available to management. Forward-looking statements include, but are not limited to, information concerning the viability of any technology, the possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, benefits resulting from the proceeds of the Offering and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be, but are not always, identified by the use of forward-looking terminology such as the words "believes," "expects," "anticipates," "intends," "plans," "estimates," "will" or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. Do not place undue reliance on any forward-looking statements, and no forward-looking statements can be guaranteed. You should understand that many important factors, in addition to those discussed elsewhere in this memorandum, the exhibits attached to this memorandum and the other documents enclosed, could cause projected results to differ materially from those expressed in forward-looking statements. These factors include, but are not limited to, (i) legal and regulatory risks and uncertainties, including changes in the laws, rules and regulations applicable to the business, (ii) the competitive environment, (iii) the Company's management team, (iv) technological change, (v) economic,

political and other conditions in the markets in which the Company operates, (vi) future financing needs, (vii) the ability to manage the Company's growth effectively, and (viii) inaccuracies in the analysis of the foregoing risks, factors and uncertainties or the Company's failure to develop strategies to deal with them.

In addition, this memorandum, the Business Plan and other exhibits attached to this memorandum and the other documents enclosed contain summaries of certain documents. All such summaries are qualified in their entirety by reference to the actual documents, copies of which either accompany this memorandum or are available upon oral request by calling Marc Schaefer at 205.324.9729.

### **Organizational Documents**

A copy of the Company's Certificate of Formation is attached as **Exhibit B** (the "Certificate"), and a copy of the Company's Amended and Restated Operating Agreement is attached hereto as **Exhibit C** (the "Operating Agreement"). We urge you to carefully review the Certificate and Operating Agreement, in their entirety, before making a decision as to whether to participate in the Offering.

### **Steering Committee**

As discussed in more detail below under the heading "Operating Agreement - Management", management of the business and affairs of the Company will be vested in a Board of Managers. Until such Board of Managers is seated, the Company is being managed by a steering committee made up of the founder, Marc Schaefer, who resides in Birmingham, Alabama and the following individuals. The initial investors will elect the Board of Managers as described in the attached Operating Agreement.

**Marc Schaefer.** Marc has been in the Medical Imaging field since 1980 in a legacy business. During Marc's years in Medical Imaging, he has provided documents and support noting the value of new and used Medical Imaging equipment for acquisition and corporate evaluation to determine value for ongoing or dissolving practices as well as purchase and disposal.

Marc has provided legal support both in documentation and personal testimony for evaluation and issues that develop from vendors and customers for many imaging products including MRI and CT. Marc has extensive education in MRI valuation and issues that pertain to the use, installation, deinstallation, storage, moving, sale and resale of numerous MRI systems since 1999. Marc has supported testimony in a court of law for suits that involved failures and damages caused by improper MRI installations and support.

**Tim Martin.** Working in the Medical Imaging field for 33 years. Started as a Field Service Representative for Siemens in 1983 and today is President of Radon Medical Imaging –WV as well as a partner in Radon Medical VA LLC. Combined the companies have over 60 Employees and provide Medical Imaging Sales and Service in the Mid Atlantic area of the US.

**Richard Flannery.** Richard Flannery has been active in the Medical Imaging / X-ray field since 1972. He started with CGR Medical Corp / Westinghouse X-ray, becoming responsible for most of the Cardiac Catheterization labs in the western United States. He also specialized in complex angiography suites utilized for all forms of special procedures from head to foot. While an area supervisor for the greater Los Angeles area, he utilized his military leadership skills to create a more cohesive service and support group. As an imaging/equipment specialist he would accompany sales personnel as the technical specialist during presentations and negotiations. He also trained in the latest technology that was becoming available, such as, electronic digital angiography. This knowledge lead to the presentation, sale, and installation of the first digital system on the West Coast, in a lab he was directly involved in supporting.

Leaving CGR in 1980 to form his own company with his wife, Mary Ann, EP Radiological Services Inc. began servicing the Southern California area building a loyal customer following. EP Radiological Services can proudly call most of these accounts customers today. The company has continued to expand its knowledge base and support abilities from the founding of the company.

During these 36 years of business, EP has grown and the management of the company has learned many valuable lessons. They have not compromised their core values of providing excellent service, in both sales and service support. Richard has been directly involved in this operation throughout its history. They have represented many products as dealers during this time and have maintained their level of training to continue being in the vanguard for today's latest products.

EP has also looked at and stayed on the edge of technology by learning the patient care cycle and providing RIS/PACS for their customers. These products range from full enterprise installations to single user, small office PACS. They have personnel that specialize in integrating these products via HL-7 interfaces and database management as well as the full patient care experience.

Richard Flannery has weathered both good and bad times along with the rest of the medical business, always looking for ways to keep EP Radiological Services in the forefront of the industry. He has been able to keep his company viable with the support of many good people that have the same outlook as what he has always espoused. "Our ultimate mission is to provide the best diagnostic equipment with the best support which positively affects patient care." EP Radiological Services continues to grow to this day.

### **Capitalization**

According to the Operating Agreement, after the Offering, the Capitalization and Membership of the Company will include: (i) those individuals who participate in the Offering will hold Class A Units; (ii) Marc Schaefer holds common membership units of the Company as the initial founder ("Founder Units"); and (iii) the Company's Board of Managers is authorized to issue up to 450,000 Common Units as profits interests (each, a "Class C Unit"). In addition, the Class C Units will be subject to certain repurchase rights in favor of the Company. The Company has authorized a class of units referred to in the Operating Agreement as Class B Investor Units, which have certain preferential voting and capital distribution rights. The Class A

Units will give their holders the right to purchase Class B Investor Units for a premium price when such units are offered.

The following table sets forth a current list of the Company's Members, and a list of the Members and their interests following the consummation of the Offering, assuming that all of the Class A Units are sold in the Offering and immediately exercised so that Class B Investors Units are issued, and Class C Units are required to achieve adequate capitalization of the Company, and further assuming that there are no intervening changes in the Company's capitalization.<sup>1</sup>

<u>Member</u>	<u>Pre- Investment</u>	<u>Pre- Investment Ownership</u>	<u>Post- Investment</u>	<u>Post- Investment Ownership</u>
<i>Class A Investor Units<sup>1</sup></i>	0	0%	1,000,000	51.28%
<i>Class B Investor Units<sup>3</sup></i>	0	0%	500,000	25.64%
<i>Class C Units</i>	0	0%	450,000	23.08%
<i>Founder Units<sup>2</sup></i>	100	100%	100	0.01%
<b>Total Units</b>	<b>100</b>	<b>100%</b>	<b>1,950,100</b>	<b>100.00%</b>

The Board of Managers is authorized to issue additional membership units in the Company ("Membership Units"), options, or warrants to purchase Membership Units in the Company ("New Securities"), or any combination of the foregoing, to such employees, Members, or other third parties as it deems appropriate, on such terms and for such consideration or no consideration as the Board of Managers deems appropriate. The power of the Board of Managers stated above notwithstanding, no such New Securities can dilute the holders of the Class A Units to anything less than a majority of the Membership Units of the Company. Any such Units could adversely affect your rights as potential holders of Class B Investor Units.

Each holder of Class A Units will be entitled to one vote per individual holder of such Class A Units on all matters submitted to a vote of the Members.

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<sup>1</sup> The post investment ownership assumes all 1,000,000 available Class A Investor Units will be purchased by the end of the investment period.

<sup>2</sup> Founder Units are owned by Marc Schaefer as the organizer and original founder of the Company.

<sup>3</sup> Class B and Class C Investor Units Projections are possibilities only and do not reflect any offering currently made by the Company.



The Class A Units grant their holders the right to purchase up to 12,500 Class B Investor Units, with the exact number to be determined based on the additional Capital Contributions made under the Subscription Agreement for the Class A Units.. While the additional Capital Contribution of the Class A Units will be subject to the discretion of the Company, a capital call of \$12,500 will result in a Warrant giving its holder the right to purchase 12,500 Class B Investor Units. The warrants offered to the holders of Class A Units protect the holders of such warrants against dilution in the event that the Company issues additional Class B Investor Units for a purchase price that is less than \$1.00 per Membership Unit. The Class B Warrants will expire on a date that is three years from their issuance, and any Class B Units that are not exercised before their expiration will terminate, with a consequence of termination being that the holder no longer has the right to purchase Class B Investor Units on the terms and conditions set forth in the Class B Warrant.

Each Class A Unit entitles the holder to receive cumulative distributions, including both periodic distributions and final liquidating distributions, equal to the amount such holder invested in the Company (the “Class A Preference Amount”) before any distributions, other than Tax Distributions, are made with respect to other membership units in the Company. After distribution of such Class A Preference Amount, each Class B Investor Unit entitles the holder to receive cumulative distributions, including both periodic distributions and final liquidating distributions, equal to the amount such holder invested in the Company (the “Class B Preference Amount”) before any distributions, other than Tax Distributions, are made with respect to Common Units in the Company. After distribution of such Class A Preference Amount and Class B Preference Amount, holders of Common Units as of the date of the distribution are entitled to receive cumulative distributions, including both periodic distributions and final liquidating distributions, equal to such holder’s respective capital account balance as of the date on which the first sale of Class B Warrant Units in the Offering is consummated (the “Common Preference Amount”) before any distributions, other than Tax Distributions, are made with respect to other Membership Units in the Company. Thereafter, all Members will participate in all further distributions together on a pro rata basis.

Upon the liquidation, dissolution or winding-up of the Company and after the payment of all debts and other liabilities, all remaining net assets available for distribution shall be distributed to the members in accordance with their respective positive capital account balances as further described in the Operating Agreement, as amended.

The holders of the Membership Units have certain preemptive rights set forth in the Operating Agreement. The Company has certain redemption rights set forth in the Operating Agreement. The Members are subject to certain “drag along” rights set forth in the Operating Agreement. See “Operating Agreement” below.

### **Company Products**

The Company intends to provide the following services: to secure national service contracts and relationships that support service revenue that will be serviced by its network of local ISOs.

### **Financial Information**

The Company is in the planning stages and has no revenues. Any statement related to the financial operations of the Company is a forward-looking statement.

### **Operating Agreement**

The Company is an Alabama limited liability company. As a condition to your participating in the Offering, you will be required to enter into the Operating Agreement by and among the Company and all of its Members by executing and delivering to the Company a counterpart signature page to the Operating Agreement in the form attached as **Exhibit E** (the “Counterpart Signature Page”).

The affairs of the Company, and the rights and duties of the Members and Managers of the Company, are governed by and set forth in the Operating Agreement. The following is a summary of certain provisions of the Operating Agreement. All capitalized terms used but not defined in this memorandum have the meanings as defined in the Operating Agreement. The

following summary is qualified in its entirety by the Operating Agreement and the Alabama Limited Liability Company Act and does not purport to be complete. You should carefully read the Operating Agreement in its entirety before investing.

***Management.*** The Board of Managers shall consist of seven Managers appointed by a majority vote of the individual holders of Class A Units. Any Member holding Class A Units may nominate an individual to the Board of Managers. If such person is nominated, the holders of Class A Units may hold a special meeting or vote by written consent on the election of such prospective Manager to the Board of Managers. Any vote to elect an individual to the Board of Managers will be made by the individual holders of Class A Units with a disregard for the Percentage Interest of such individuals. A Manager will be appointed to the Board of Managers by majority vote.

The Board has full authority, power and discretion to manage and control the business, affairs and properties of the Company and to make all decisions related to management of the Company, except for a very limited list of fundamental actions that also require the approval of a Majority of the Members as described below. A majority vote of the Board is required for the Board to act.

The Managers and Members may have other business interests and may engage in other activities in addition to those relating to the Company and neither the Company or any Member will have any rights or obligations to participate in any such other business interests or activities of a Manager or Member or his, her or its affiliates, or to share in the profits or losses of such other business interests.

The Board will delegate to the Chief Executive Officer of the Company, subject to the Board's contrary direction in any instance and to the provisions of any written agreement that the Company may enter into with the Chief Executive Officer, responsibility for the general and active day-to-day management, supervision and control of the business and all operations of the Company, and the power and authority to exercise any rights and take any actions that are

necessary or appropriate in connection therewith. Such power and authority shall include, without limitation:

- To register the Company to transact business in any other state or jurisdiction, and to cancel any such registration as may be necessary or appropriate.
- To pay all accounts payable and all taxes and other legal assessments, debts, claims, or charges which at any time may be due and owing by, or which may exist against, the Company.
- To appoint, employ, remove and compensate accountants, attorneys, investment advisers and custodians.
- To hire and fire employees of the Company.
- To engage and terminate independent contractors of the Company.
- To enter into contracts on behalf of the Company in the ordinary course of business.

***Members.*** Members will not be liable for any debts or obligations of the Company solely by reason of being or acting as a Member. Members do not have agency authority to act on behalf of the Company.

Each Member has the right, upon reasonable request and during regular business hours and at the requesting Member's expense, to inspect and copy the books and records of the Company for any proper purpose (which determination shall be made by the Board of Managers in its sole discretion).

The Operating Agreement calls for an annual meeting of Members. Additionally, a meeting of the Members may be called as described in the Operating Agreement.

No Member will be required to make any capital contribution to the Company other than its initial capital contribution or the consideration required by the Class A Units for the purchase of Class B Warrant Units in the Offering.

***Indemnification.*** The Operating Agreement provides that the Company shall, except as may be restricted by applicable law, indemnify and hold all Members, Managers, and Officers harmless from, all liabilities and claims (including reasonable attorney's fees and expenses in defending against such liabilities and claims) against the Members, Managers or Officers arising from the Member's performance of duties in conformance with the terms of the operating agreement or other terms established between the Company and such Members, Managers, or officers.

***Distributions.*** The Operating Agreement provides that to the extent that during each fiscal year there is Available Cash available after the Company has established reasonable reserves for working capital or other anticipated costs and expenses, the Board shall cause the Company to distribute to the Members, pro rata in accordance with respective Percentage Interests, not less than annually, an amount sufficient to permit the Members to discharge their obligations to pay federal, state and local taxes with respect to the income of the Company allocable to each Member.

The Board of Managers, may, but is not obligated to, make cash or other distributions other than Tax Distributions to the Members based on their respective Percentage Interests from time to time, provided that each holder of Class A Investor Units has first received his, her or its full Class A Preference Amount and each holder of Class B Investor Units has first received his, her or its full Class B Preference Amount, through the date of the distribution.

The proceeds from the liquidation of the Company, after payment of all of the Company's liabilities and obligations, will be distributed to Members in accordance with their positive Capital Accounts as of the date of distribution, after giving effect to all profits, losses, contributions, distributions and allocations for all periods.

***Allocations of Profits and Losses.*** In general and subject to the regulatory allocation provisions set forth in the Operating Agreement, the Profits and Losses of the Company will be shared among the Members in proportion to their Membership Units, provided that Losses will be specially allocated to the Members of the Company to the extent necessary, first, to ensure that the holders of Class A Investor Units receive the Class A Preference Amount, and second, to ensure that the holders of Class B Investor Units receive the Class B Preference Amount. Except for Losses that are financed by indebtedness of the Company, Losses of the Company may be shared only by those Members who have contributed property or cash (rather than solely services) to the Company. Because holders of certain classes and units will contribute solely their services to the Company in exchange for their Membership Units, the other Members will be primarily at risk of bearing any Losses generated by Company operations. In some instances, if Losses are specially allocated to certain Members because other Members' Capital Account balances have been reduced to zero, Profits will next be specially allocated among the Members in a manner intended to reverse such special allocation of Losses.

The federal and state income tax rules applicable to the Company will require the Members to take their allocable shares of the Company's income or loss into account in determining their taxable income, including their liability for paying estimated taxes, whether or not the Company makes any Tax Distributions. Any Losses allocated to Members who do not materially participate in the Company's business will be subject to the passive loss provisions of Section 469 of the Internal Revenue Code of 1986, as amended, among other limitations. Prospective investors should consult their own tax advisors with regard to the applicable limitations on the deductibility of any tax losses which may flow through from the Company to its Members

***Drag Along Rights.*** If all of the Managers then serving on the board approve a transaction that would result in the acquisition of the Company (including, without limitation, any merger, consolidation, sale, assignment, transfer, distribution or issuance of stock with respect to the Company) and pursuant to such transaction the Members of the Company immediately prior to such transaction will not hold at least 50% of the voting power of the

surviving entity, then upon notice to the other Members of the Company, each Member of the Company will not object to the transaction and will sell, transfer and deliver his Interest in the company to such third party.

***Dissolution.*** The Operating Agreement provides that the Company will be dissolved by: (i) the written consent of (i) all of the Managers then serving on the Board of Managers or (ii) holders of at least two-thirds (2/3) of the outstanding Membership Units of the Company, (iii) the cessation of membership of all Members, unless the holders of all Financial Rights agree in writing within ninety (90) days after the cessation of membership of the last Member, to continue the legal existence and business of the Company and to appoint one or more new Members; (iii) the merger of the Company in which the Company is not the successor entity; or (iv) the entry of a final decree of dissolution by a court of competent jurisdiction.

***Amendment.*** The Operating Agreement may only be amended by a written instrument adopted by the Board, provided, however, that no amendment may eliminate or change any rights explicitly granted to holders of a certain class of Membership Units without a majority vote of the holders of such class of membership Units.

**Please, carefully review the Operating Agreement in its entirety before making a decision as to whether to participate in the Offering. The actual terms of the Operating Agreement will control over any general summaries contained in this memorandum.**

## **TERMS OF THE OFFERING**

### **General**

The Offering will commence on the date of this memorandum and will expire at 5:00 p.m., Central Time, on October 14, 2016, unless otherwise extended by the Company in its sole discretion.

The total amount invested for the Offering and the number of Class B Warrants issued on the additional Capital Call of the Class A Unit Holders is subject to change by the Company in its sole discretion.

No broker-dealer will act on behalf of the Company in offering or selling the Class A Units or the Class B Warrant Units (collectively, the “Offered Securities”). Offers and sales of the Offered Securities will be made on behalf of the Company only by the steering committee and officers of the Company, who will not receive any commissions or other compensation (other than their normal salaries or fees to the Company) for such services.

This memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Securities offered in this memorandum in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The Offered Securities will be offered and sold on behalf of the Company only by certain employees and Managers of the Company who will not receive any commissions or other compensation (other than their normal salary or fees, if any, as employees or Managers of the Company) with respect to such offer and sale of Offered Securities in the Offering. The Company has not engaged the services of a securities broker-dealer in connection with the Offering.

### **Eligible Investors**

Only individuals and entities that are “accredited investors,” as that term is defined in Rule 501 of Regulation D promulgated by the U.S. Securities Exchange Commission (the “SEC”) pursuant to the Securities Act of 1933, as amended (the “Securities Act”), may participate in the Offering. The Offered Securities will be offered and issued only to individuals and entities that are “accredited investors” who: (a) represent, among other things, that they are acquiring the Offered Securities for their own account, for investment only and not with a view toward the resale or distribution thereof, that they are aware that the Offered Securities have not been registered under the Securities Act, that their transfer rights are restricted by the Securities Act and applicable state securities laws, and that they are aware of the absence of a market for the Offered Securities; (b) are investors meeting the suitability standards described in this memorandum, including status as an “accredited investor;” and (c) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of this investment. In this regard, the Company will require as a general investor suitability standard that you represent that you meet these and other standards by executing the Investor



Questionnaire accompanying this memorandum as **Exhibit D**.

An “accredited investor” is defined under Rule 501 of Regulation D promulgated by the SEC under the Securities Act to include, among other categories of investors, the following: (i) corporations, Massachusetts or similar business trusts, or partnerships, not formed for the specific purpose of acquiring the securities offered hereby, with total assets in excess of \$5,000,000; (ii) an executive officer or Manager of the Company; (iii) a natural person whose individual net worth, or joint net worth with such person's spouse, at the time of purchase exceeds \$1,000,000; (iv) a natural person who had an individual income in excess of \$200,000 in each of the previous two years, or joint income with such person's spouse in excess of \$300,000 in each such year, and who has a reasonable expectation of reaching the same income level in the coming year; or (v) an entity (including an IRA) in which all of the equity owners are “accredited investors.”

The requirements described above represent minimum suitability requirements for prospective investors and the satisfaction of such standards by you does not necessarily mean that the Offered Securities are a suitable investment for you. You should make an independent determination as to whether investment in the Offered Securities is appropriate for you. The Company may make or cause to be made such further inquiry and obtain such additional information as it deems appropriate with regard to your suitability as an investor.

In addition to the qualifications described above, it is also important that any potential investor in the Class A Units meet the following qualifications:

#### **QUALIFICATIONS FOR PARTICIPATION IN THE OFFERING**

***Ownership of ISO:***

Each Subscriber must have an equity stake in an Independent Service Organization in the medical imaging field (“ISO”).

***Control of ISO:*** Each Subscriber to the Units must have control and authority to cause ISO to enter into a Service Level Agreement with NIR. An ISO may not be a Subscriber.

***Experience:*** Each Subscriber must have at least five years of experience in the medical imaging field.

## **QUALIFICATIONS FOR ISO**

***Engineer on Staff:*** ISO must have at least one engineer on staff. Such engineer may be the owner of ISO.

***Business Model:*** ISO must have a solid business model and not be in financial distress. This is subject to review by the current managers of NIR.

***Investment:*** The investment amount may not be paid from company funds of ISO.

## **Restrictions on Resale**

The Offered Securities have not been registered under the Securities Act and therefore cannot be resold unless such Offered Securities are registered under the Securities Act or unless an exemption from registration is available. The only permitted manner of resale of such Offered Securities is under the exemption set forth in Rule 144 of the SEC promulgated under the Securities Act, or the resale of such Offered Securities in a privately negotiated transaction.

Rule 144(k) provides that a person who is not an affiliate of the Company may sell securities in privately negotiated transactions without complying with certain of the restrictive conditions otherwise applicable to Rule 144 transactions, such as volume limitations and information availability, after holding such securities continuously for no less than one (1) year. Rule 144(a) provides that an “affiliate” of an issuer (in this case the Company) is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under

common control with such issuer. With respect to the Company, the term “affiliate” will generally include the officers and Managers of the Company and any person owning or controlling 10% or more of the outstanding voting securities of the Company.

Rule 144 also permits securities, once they have been fully paid for and held for one (1) year, to be resold in “brokers’ transactions,” or in transactions with “market makers” and, among other things, limits the volume of securities which may be sold. For purposes of Rule 144, “brokers’ transactions” are transactions in which a broker, subject to certain exceptions, does not solicit, in contemplation of a sale of securities, a buy order respecting such securities and “market maker transactions” are transactions with a broker which makes a market in the securities to be sold.

However, in order for Rule 144 to be available for the resale of securities in “brokers’ transactions” and “market maker transactions” there must be a trading market for such securities, and the Company either must be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or must make comparable information available to security holders. Because there is no trading market in the Offered Securities, and further because the Company is not subject to the reporting requirements of the Exchange Act and does not currently make similar information available, Rule 144 is not available for the resale of the Offered Securities in “brokers’ transactions” or “market maker transactions” as of the date of this memorandum, and it is not expected that such exemption will be available in the foreseeable future for the resale of such Offered Securities. For this reason, you must be able to bear the economic risks of your investment indefinitely.

It is not anticipated that certificates will be issued representing the Class B Warrant Units. However, if certificates are issued they will contain the following or substantially similar legends:

“THE LIMITED LIABILITY COMPANY INTERESTS IN NATIONAL IMAGING SERVICE SOLUTIONS, LLC (THE “COMPANY”) HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE

COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE ALABAMA SECURITIES ACT, OR SIMILAR LAWS OR ACTS OF OTHER STATES OR JURISDICTIONS IN RELIANCE UPON EXEMPTIONS UNDER THOSE LAWS AND ACTS. THE SALE OR OTHER DISPOSITION OF THE LIMITED LIABILITY COMPANY INTERESTS IS RESTRICTED AS STATED IN THE OPERATING AGREEMENT OF THE COMPANY. THE LIMITED LIABILITY COMPANY INTERESTS IN THE COMPANY MAY BE ACQUIRED FOR INVESTMENT PURPOSES ONLY. THESE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (1) THE SECURITIES ACT, (2) ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION, AND (3) THE TERMS AND CONDITIONS OF THE LLC AGREEMENT. NO LIMITED LIABILITY COMPANY INTERESTS IN THE COMPANY WILL BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THE OPERATING AGREEMENT.”

## **RISK FACTORS**

**The Offered Securities involve a significant degree of risk and should not be acquired by you unless you can afford a complete loss of all or a substantial portion of your investment. In evaluating the Offering, you should carefully consider the following risk factors:**

**Limited Operating History; Uncertain Future Performance.** The Company has less than a two year operating history, and it expects to incur operating losses in the future, which could be substantial, before achieving profits. The Company’s ability to achieve revenues and profitability will depend almost exclusively on the successful continued acquisition, development and validation of national service contracts. There can be no assurance that the

Company will be able to further acquire, develop or validate such contracts, achieve revenue or profits, or achieve broad market penetration. Moreover, there can be no assurance that the Company will not experience unforeseen expenses, difficulties, complications, and delays which could materially adversely affect the Company's business, financial condition and results of operations.

**New Business Model.** The Company is a new business model for the industry. As such, there is no guarantee that such business model will achieve the success anticipated by research and early stage negotiations.

**Healthcare Market.** Healthcare continues to change and the future is unclear. The Company could be impacted negatively by future changes to healthcare regulations or processes.

**Managing Growth.** The Company may have difficulties managing its anticipated growth in operations, which could reduce its chances of achieving future revenues and profitability. The Company anticipates rapid growth during the next several years that will place a significant strain on its management and operations. As a result of the Company's planned growth, it faces several risks, including: (i) the need to improve its operational, financial, management, informational and control systems; (ii) the need to hire, train and retain highly skilled personnel to conduct the Company's business; and (iii) the possibility that management's attention will be diverted from running the Company's business. The Company cannot assure you that it will be able to manage this growth profitably.

**Need for Additional Funds.** As the Company continues its development and commercialization efforts and attempts to scale up its operations, the Company may find it necessary to raise additional capital to pursue its long-term business strategy. There can be no assurance that the Company will be able to secure any such additional funding if needed, or that funding will be made available on terms favorable to the Company. The failure to acquire additional funding when and if required would have a material adverse effect on the Company's business, financial condition and results of operations.

**Not a Reporting Company.** The Company is not required to and does not file regular

reports under the Exchange Act. The absence of regular reporting on Forms 10-K and 10-Q may restrict the availability of information to Members of the Company. The Company does not plan to become a reporting company in the near future.

**No Public Trading Market for the Offered Securities.** There is presently no public trading market for the Offered Securities and the Company has no present plans to cause the Offered Securities to be publicly traded. Accordingly, the lack of liquidity of the Offered Securities makes the Offered Securities suitable only for prospective investors who have adequate financial means and can bear the risk of loss of such investment, illiquidity of such investment and the lack of any income from an investment in the Company.

**Restrictions on Subsequent Transfers.** The Membership Units will be subject to restrictions on transferability contained in the Operating Agreement. In addition, the Offered Securities have not been registered under the Securities Act or any securities law of any state, and the Offered Securities may not be resold or transferred in the absence of registration thereunder or the availability of an exemption from registration under the Securities Act. Assuming compliance with the restrictions on transferability set forth in the Operating Agreement, the only permitted manner of resale of the Offered Securities is under the exemption set forth in Rule 144 of the SEC promulgated under the Securities Act, or the resale of such Offered Securities in a privately negotiated transaction. Because the Company is not presently a reporting company under the Exchange Act, and there is no public trading market for the Offered Securities, Rule 144 is currently not available with respect to the transfer or resale of the Offered Securities, and the Company does not anticipate that it will become available in the future. Accordingly, prospective investors must be prepared to hold the Offered Securities for an indefinite period of time.

**Future Issuances of Units.** The Board of Managers is authorized to issue additional membership units in the Company (“Membership Units”), options, or warrants to purchase Membership Units in the Company (“New Securities”), or any combination of the foregoing, to such employees, Members, or other third parties as it deems appropriate, on such terms and for such consideration or no consideration as the Board of Managers deems appropriate. The power

of the Board of Managers stated above notwithstanding, no such New Securities can dilute the holders of the Class A Units to anything less than a majority of the Membership Interest of the Company. Any such Units could adversely affect your rights as potential holders of Class B Investor Units. In certain situations, as described in the Operating Agreement, the holders of Class B Investor Units will have the right to purchase such new Membership Units in proportion to the percentage of the Company's total aggregate Membership Units that such holders own (each holder's "Percentage Interest"). As the holder of a Warrant to purchase Class B Warrant Units, you will not have any rights given to the holders of Class B Investor Units in the Operating Agreement prior to the exercise of that purchase right.

**Dependence on Key Personnel.** The business operations of the Company will be dependent on the initial personnel hired to develop the Company. Upon consummation of the Offering, the steering committee anticipates that the business operations of the Company will continue to be dependent upon a limited number of key personnel. The failure of any of these individuals could have a material adverse effect on the Company. The Company's future success also depends on its ability to attract and retain key management, operations personnel, as well as qualified marketing, sales and support personnel, for its operations. Competition for such personnel is intense, and there can be no assurance that the Company will be successful in attracting or retaining such personnel.

**Determination of Purchase Price.** The determination of the exercise price per Class A Unit is a forward looking statement, primarily taking into account the future prospects of the Company. Accordingly, the offering price bears no intended relation to book value per Class A Unit or any other valuation measure.

**Distributions Not Expected.** Other than the tax distributions contemplated by the Operating Agreement, the Board of Managers does not anticipate making any distributions to the Members of the Company in the foreseeable future. It is anticipated that earnings, if any, from operations will be used to finance the growth of the Company. In the event that the Board of Managers does authorize other distributions, the order in which such distributions will be made as contemplated by the Operating Agreement.

**Litigation.** The Company is not presently a party to any legal proceedings. However, the Company may from time to time be forced to defend litigation and claims asserted by third parties. Any such litigation could distract management's attention from the Company's business and may result in the payment of significant amounts of money, either of which could have a material adverse effect on the Company.

**Financial Information not Certified or Audited.** The Company's financial statements have not been certified or audited in accordance with generally accepted accounting principles. You should consult your own financial advisor for assistance in evaluating the Company's financial condition, results of operations and future prospects.

**Acquisitions.** If the Company acquires additional companies, products or technologies in the future, such companies, products or technologies could prove difficult to integrate, disrupt the Company's business, dilute the then current Members of the Company, or adversely affect the Company's results of operations. The Company may make investments in other complementary companies, services, products and technologies in the future. The Company has not completed any acquisitions or investments to date, and therefore its ability as an organization to conduct acquisitions or investments is unproven. If it fails to properly evaluate and execute acquisitions and investments, such failure could have a material adverse effect on the Company. To successfully complete an acquisition, the Company must: (i) properly evaluate the products or technology; (ii) accurately forecast the financial impact of the transaction, including accounting charges and transactions expenses; (iii) integrate and retain personnel; (iv) combine potentially different corporate cultures; and (v) effectively integrate products and research and development, sales, marketing and support operations. If the Company fails to do any of the foregoing, it may suffer losses or its management may be distracted from the Company's day-to-day operations. In addition, if the Company conducts acquisitions using convertible debt or equity securities, existing Members may be diluted.

**Drag Along Rights.** If all of the Managers then serving on the Board, or holders of at least two-thirds (2/3) of the outstanding Class A Units of the Company, approve a transaction that would result in the acquisition of the Company (including, without limitation, any merger,



consolidation, sale, assignment, transfer, distribution or issuance of stock with respect to the Company) and pursuant to such transaction the Members of the Company immediately prior to such transaction will not hold at least 50% of the voting power of the surviving entity, then, upon notice to the other Members of the Company, each Member of the Company will not object to the transaction and will sell, transfer and deliver his Interest in the company to such third party. Accordingly, you may be forced to sell your Membership Units in the Company, or the Company may sell its assets, without your prior consent.

**Pass-Through Taxation.** The Company is classified as a partnership for federal and state income tax purposes, in accordance with applicable classification regulations issued by the Department of Treasury and the Internal Revenue Service. All items of Company taxable income, loss, deduction and credit will be reported to the individual Members of the Company on Schedules K-1 and shall be included by them in their taxable income and reported on their personal income tax returns. Accordingly, if the Company reports taxable income on its informational return (IRS Form 1065), the individual Members will be subject to federal income tax on their proportionate shares of such income, regardless of whether the Company makes any distributions of cash to the Members. The Operating Agreement provides that the Board of Managers, subject to sufficient Remaining Cash, shall make distributions sufficient to permit the Members to discharge their obligations to pay federal, state and local taxes with respect to the income of the Company allocable to each Member, calculated using an assumed Combined Effective Marginal Tax Rate.

**Single Basis in All Classes of Membership Units.** Under applicable federal income tax law, an investor in the Offering will have a single basis in his, her or its aggregate ownership interest in the Company, regardless of how many classes of Membership Units such investor holds. When an investor makes a taxable disposition of any portion of his, her or its Units in the Company, the basis of the transferred portion of his, her or its Units will generally equal an amount which bears the same relation to the investor's basis in his, her or its total Units in the Company as the fair market value of the transferred Units bears to the fair market value of the total Units. See IRS Rev. Rul. 84-53, 1984-1 C.B. 159.

THE FOREGOING TAX DISCUSSION DOES NOT PURPORT TO BE COMPLETE AND IS INCLUDED FOR GENERAL INFORMATION ONLY. MOREOVER, THE EFFECT OF EXISTING INCOME TAX LAWS AND POSSIBLE CHANGES IN SUCH LAWS MAY VARY WITH EACH PROSPECTIVE INVESTOR'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT WITH THEIR OWN TAX ADVISORS.

**The identification of the foregoing risk factors does not imply that there may not be other risks involved in an investment in the Offered Securities. Due to these risk factors and others, an investment in the Offered Securities involves an extreme degree of risk.**

Exhibit List for Private Placement Memorandum

**Exhibit A - Business Plan and Pro Forma**

**Exhibit B - Certificate of Formation**

**Exhibit C - Operating Agreement**

**Exhibit D - Investor Questionnaire**

**Exhibit E - Counterpart Signature Document**

## **Exhibit E - Counterpart Signature Document**

**COUNTERPART MEMBER SIGNATURE PAGE TO AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT OF NATIONAL IMAGING SERVICE  
SOLUTIONS, LLC**

**MEMBER:**

\_\_\_\_\_

By: \_\_\_\_\_

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

If Investor is an Entity Signer's Position:

Its: \_\_\_\_\_

## CLASS A MEMBERSHIP INTEREST PURCHASE AGREEMENT

This agreement is dated \_\_\_\_\_ and is between \_\_\_\_\_, (“Class A Investor”) and National Imaging Services Solutions, LLC, an Alabama Limited Liability Company (“NIR”).

NIR desires to raise capital to fund its business purposes and ideas.

Class A Investor desires to acquire membership interest of NIR.

NIR desires to admit Class A Investor as a member of NIR.

The parties therefore agree as follows:

1. **Sale and Purchase of Membership Interests.** At the closing, Class A Investor shall purchase from NIR and NIR shall sell to Class A Investor 25,000 membership units in NIR for \$25,000 to be paid as described in the Subscription Agreement which is attached as Exhibit A and incorporated by reference (that price the “Purchase Price”).
  - 1.1. **Closing.** The closing shall take place where this agreement and all attached and required documents related to this agreement are signed on the date stated in the introductory paragraph (that time and place, the “Closing”).
  - 1.2. **Deliveries at Closing.** At the Closing, the parties shall deliver, respectively:
    - 1.2.1. **NIR’s Deliveries at Closing.** NIR shall deliver to Class A Investor:
      - 1.2.1.1. **Equity Schedule.** An equity schedule effective as of the closing date listing Class A Investor’s equity stake in NIR shall be attached this agreement.
      - 1.2.1.2. **Subscription Agreement.** NIR shall ensure execution of Exhibit A for the purchase of the Class A Investor Units. Such Subscription Agreement is incorporated by reference alone with the warrant for the purchase of Class B Investor Units attached to the Subscription Agreement.
    - 1.2.2. **Class A Investor’s Deliveries at Closing.** Class A Investor shall deliver to NIR.
      - 1.2.2.1. **Investor Questionnaire.** Before the Closing, Class A Investor shall deliver the Investor Questionnaire which was attached to the Private Placement Memorandum which is incorporated by reference.
      - 1.2.2.2. **Cash Payment.** At or before the Closing, Class A Investor shall deliver a cash payment of \$12,500 as a down payment on the Purchase Price.
      - 1.2.2.3. **Execution of Operating agreement.** At or before the Closing, Class A Investor shall sign the counterpart signature page of the Operating

Agreement for NIR which is attached as Exhibit B and represents Class A Investor's agreement to be bound by the terms of the Operating Agreement for NIR that was provided to Class A Investor with the Private Placement Memorandum which is incorporated by reference.

**1.2.2.4. Execution of Subscription Agreement.** At or before the Closing, Class A Investor shall sign the attached Subscription Agreement for the purchase of the Class A Membership Units.

**1.2.3. Member Meeting after Closing.** As soon as practical following the closing of the transaction, the Members shall have a meeting to elect the Managers for NIR.

**2. NIR Representations and Warranties.** NIR represents and warrants that:

- 2.1. Organization and Authority.** NIR is an Alabama Limited Liability Company in good standing. NIR has the authority and the freedom to admit a new Member. NIR represents that it is qualified to continue its current operations.
- 2.2. Capitalization.** As of the Closing the authorized and outstanding equity of NIR consists of ownership in the manner described in the updated Schedule II of the Operating Agreement which is attached and incorporated by reference.
- 2.3. Subsidiaries.** NIR does not presently own or control, directly or indirectly, any interest in any other corporation, association or other business entity. NIR is not a participant in any joint venture, partnership or similar arrangement.
- 2.4. Authorization.** As of the Closing, NIR will have performed all actions on the part of NIR for the authorization, execution and delivery of this agreement and assignment of any intellectual property to NIR.
- 2.5. Valid Issuance of Membership Interests.** The membership interests when issued, sold and delivered in accordance with the terms of this agreement for the consideration paid, shall be duly and validly issued and will be free of restrictions on transfer directly or indirectly created by NIR other than restrictions on transfer in this agreement, the Operating Agreement of NIR, and applicable state and federal securities laws.
- 2.6. Governmental Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required in connection with the offer, sale or issuance of the membership interests. THE SECURITIES OFFERED IN THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "FEDERAL ACT"), THE ALABAMA SECURITIES ACT OF 1990, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. THE TRANSFER OF THE SECURITIES DISCUSSED IN THIS AGREEMENT IS IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL ACT AND VARIOUS APPLICABLE STATE LAWS. THE SECURITIES DISCUSSED IN THIS AGREEMENT

HAVE ONLY BEEN OFFERED BECAUSE, IN THE OPINION OF LEGAL COUNSEL ACCEPTABLE TO NIR, THEY ARE NOT REQUIRED TO BE REGISTERED UNDER THE FEDERAL ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

- 2.7.Litigation.** There are no actions, suits, proceedings or investigations pending or, to the best of NIR's knowledge, threatened before any court, administrative agency or other governmental body against NIR which questions the validity of this agreement, the Operating Agreement of NIR, or the right of NIR or NIR to enter into them. NIR is not a party or subject to, and none of its assets are bound by, the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which would reasonably be expected to have an effect on this agreement. Further, there is no threat of litigation that could, because of the possibility of a judgment or litigation cost, have an impact on the value of NIR.
- 2.8.Employees.** There is no pending or, to the best of NIR's knowledge, threatened labor dispute involving NIR and any group of its employees.
- 2.9.Intellectual Property.** NIR has ownership of all trade secrets, and, to its knowledge, copyrights, information, proprietary rights, trademarks, service marks and trade names in each case necessary for its business as now conducted (that property, the "Intellectual Property"). NIR has not currently licensed any of its Intellectual Property. NIR has not received any written, or oral communications alleging that it has infringed on any of the trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.
- 2.10.Compliance with Other Instruments.** NIR is not in violation or default of any provision of its Certificate of Formation or its Operating Agreement, each as in effect immediately prior to the Closing. NIR is not in violation or default of any provision of any material instrument, mortgage, deed of trust, loan, contract, commitment, judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound. To the best of its knowledge, NIR is not in violation or default of any provision of any federal, state or local statute, rule or governmental regulation. This agreement will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained), or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of NIR pursuant to any such provision.
- 2.11.Permits.** NIR has all franchises, permits, licenses, and any similar authority necessary for its continued operations. NIR is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority.
- 2.12.Environmental and Safety Laws.** To the best of its knowledge, NIR is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety.



2.13.**Registration Rights.** Except as provided in the Operating Agreement of NIR and its predecessor agreements, NIR has not granted any registration rights, including piggyback rights, to any person or entity.

2.14.**Title to Property and Assets.** Class A Investor has reviewed, or has had the opportunity to review, all assets of NIR and is aware of any mortgages or liens placed on any of the assets. NIR is in compliance with the terms of each of these agreements.

2.15.**Financial Statements.** Class A Investor has been afforded an opportunity to review the unaudited, internally prepared, financial statements and other records of NIR.

2.16.**Taxable Classification.** NIR will be classified as a partnership for taxation purposes.

2.17.**No Implied Representations.** Except as expressly set forth in this agreement or in the Operating Agreement of NIR, NIR makes no representations or warranties of any kind to Class A Investor.

3. **Class A Investor's Representations and Warranties.** Class A Investor represents and warrants that:

3.1.**Experience.** Class A Investor is experienced and able to fend for himself in transactions such as the one contemplated by this agreement. Class A Investor has the knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of his prospective investment in NIR, and has the ability to bear the economic risks of the investment.

3.2.**Investment.** Class A Investor is acquiring the membership interests for investment for himself and not for the purpose of reselling the interests.

3.3.**No Contract with Third Parties.** Class A Investor further represents that he does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the membership units.

3.4.**No Public Market.** Class A Investor understands that there is no public market for the membership interests.

3.5.**Access to Data.** Class A Investor has been afforded the opportunity to review any information he desired about NIR and had the opportunity to discuss NIR's business with NIR. Class A Investor understands that such discussions, as well as any written information provided by NIR, were intended to describe NIR's business and prospects which NIR believes to be material, but were not necessarily a thorough or exhaustive description. NIR makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than NIR. Such information could include projections as to the future performance of NIR, which projections may not be realized, which are based on

assumptions that may not be correct and are subject to numerous factors beyond NIR's control.

4. **Acknowledgements of Class A Investor.** Class A Investor acknowledges:

- 4.1. **No Registration of Membership Interest.** The issuance of the Units will not be registered under the Federal Securities Act of 1933, as amended (the "1933 Act") or the securities act of any state that absent an exemption would require registration or issuance of the Units in reliance upon exemptions from registration contained in those respective acts.
- 4.2. **Exemptions Based on this Agreement.** NIR's reliance upon such exemptions is based, in part, on Class A Investor's representations, warranties, and agreements contained in this agreement.
- 4.3. **Sale of Units Restricted.** Sale of the membership interest is restricted according to the terms of the Operating Agreement and Alabama law, and the Units may not be sold except in compliance with Alabama Law and the Operating Agreement.
- 4.4. **Legend on Any Representation of Units.** Class A Investor agrees that a legend stating in substance as follows will be placed on any document representing the membership interests:

THE SECURITIES OFFERED IN THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "FEDERAL ACT"), THE ALABAMA SECURITIES ACT OF 1990, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL ACT AND VARIOUS APPLICABLE STATE LAWS. IN ADDITION, THE TRANSFER OF THE SECURITIES IS SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND THE OPERATING AGREEMENT BETWEEN THE MEMBERS. THESE SECURITIES MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THIS AGREEMENT, AS AMENDED FROM TIME TO TIME AND THE OPERATING

AGREEMENT BETWEEN THE MEMBERS. FURTHER, THESE SECURITIES MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED UNLESS SUCH TRANSFER IS UNDER CIRCUMSTANCES WHICH, IN THE OPINION OF LEGAL COUNSEL ACCEPTABLE TO NIR, DO NOT REQUIRE THAT THE SECURITIES BE REGISTERED UNDER THE FEDERAL ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR SUCH TRANSFER IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE FEDERAL ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

**5. Miscellaneous.**

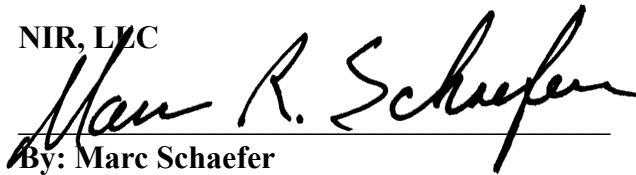
- 5.1.**Notices.** Any notice, election, or other communication provided for or required by this agreement shall be in writing and shall be deemed received when hand-delivered, delivered electronically or delivered by mail to the person to whom such notice is intended to be given at such address as is indicated in the Operating Agreement or at such person's last known address.
- 5.2.**Binding Effect.** This agreement shall inure to the benefit of, and shall be binding upon, the parties, their legal representatives, transferees, heirs, successors, and assigns.
- 5.3.**Construction.** This agreement shall be interpreted and construed according to the laws of the state of Alabama and jurisdiction for any dispute arising from this agreement shall be in the state and federal courts located in Jefferson County, Alabama. The titles of the sections in this agreement have been inserted as a matter of convenience for reference only and shall not control or affect the meaning or construction of any of the terms and provisions of this agreement.
- 5.4.**Pronouns.** All pronouns and any variations shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the person or entity may require.
- 5.5.**Entire Agreement.** This agreement sets forth all the understandings and agreements existing between the parties concerning this agreement. Any other arrangements concerning different matters between the parties must be set forth in a separate instrument. This agreement supersedes any prior agreements between the parties.
- 5.6.**Severability.** Each provision of this agreement shall be considered severable, and if for any reason any provision or provisions in this agreement are determined to be invalid, unenforceable, or illegal under any existing or future law, such invalidity, unenforceability,

or illegality shall not impair the operation of or affect those portions of this agreement which are valid, enforceable, and legal.

**5.7. Mediation/Arbitration.** To the fullest extent permitted by law, all disputes, except for those pertaining to collections, arising out of or relating to this agreement shall be submitted to mediation and, if necessary, legally binding arbitration, under the provisions of 9 U.S.C. Section 1, et seq. Such mediation and, if necessary, arbitration shall be held in Birmingham, Alabama. Judgment upon an arbitration decision may be entered in any court otherwise having jurisdiction. This provision is intended to be as broad as possible under the law: it shall apply to all claims and causes of action, including all statutory and constitutional claims, contract claims and tort claims. The parties agree that their relationship affects and involves interstate commerce. **EXCEPT AS DESCRIBED IN THIS SECTION, THE PARTIES UNDERSTAND THAT DISPUTES RESOLVED PURSUANT TO THIS ARBITRATION AGREEMENT SHALL BE THE SOLE REMEDY FOR ANY CONTROVERSY OR CLAIM ARISING OUT OF THIS AGREEMENT AND EXPRESSLY WAIVE THEIR RIGHT TO A LAWSUIT (EXCEPT AS NOTED ABOVE) IN ANY CIVIL COURT EXCEPT TO ENFORCE AN ARBITRATION DECISION.**

This agreement is signed on the date stated in the introductory paragraph.

NIR, LLC



By: Marc Schaefer

Its: Member

Investor

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**Referenced and Incorporated Documents and Attachments**

- **Subscription Agreement - Exhibit A**
  - **Class B Warrant**
- **Counterpart Signature Page for OA - Exhibit B**
- **Private Placement Memorandum**
- **Operating Agreement**
- **Schedule II from Operating Agreement - Updated Equity Schedule**

**Subscription Agreement for Class A Investment Membership Units  
of  
National Imaging Service Solutions, LLC**

The undersigned ("Subscriber"), effective as of \_\_\_\_\_, subscribes for twenty-five thousand (25,000) Class A Investor Class A Units (the "Class A Class A Units") of National Imaging Service Solutions, LLC, a limited liability company organized under the laws of the State of Alabama (the "Company"). The Class A Units are issued in consideration of \$1.00 per Unit, or \$25,000 in the aggregate and have the rights and obligations as described in the attached Term Sheet attached as Exhibit B. This purchase price will be paid in cash in installments of \$12,500 as described in Exhibit A. The first installment of \$12,500 will be paid on signing of this Subscription Agreement and any additional installment shall be paid within 5 business days of a call by the Company for such additional funds not to exceed \$12,500 as further described in the attached capital investment schedule.

Subscriber acknowledges that: (i) the issuance of the Class A Units will not be registered under the Federal Securities Act of 1933, as amended (the "1933 Act") or the securities act of any state that absent an exemption would require registration or issuance of the Class A Units in reliance upon exemptions from registration contained in those respective acts; and (ii) the Company's reliance upon such exemptions is based in part upon Subscriber's representations, warranties and agreements contained in this Subscription Agreement.

Subscriber acknowledges that the Company is in the organizational stage and has no operating history on which to base any estimates of its future prospects. Prior to the execution of this Subscription Agreement, Subscriber has had the opportunity to ask questions of, and receive answers or obtain additional information from, a representative of the Company concerning the proposed business of the Company and the terms and conditions of the offering of units of the Company to which this Subscription Agreement relates, and to the extent Subscriber believes necessary, in light of Subscriber's personal knowledge of the Company's proposed business affairs, Subscriber has asked such questions and received satisfactory answers.

Subscriber represents, warrants and agrees as follows:

(1) Subscriber has carefully reviewed this agreement, the Company's Certificate of Formation and its Operating Agreement, as amended as of the date of this subscription agreement; Subscriber understands that Subscriber is a founding member of the Company, and the Company has no operating history or financial statements on which to base any estimates of its future prospects; to the extent Subscriber believes necessary, Subscriber has discussed the representations, warranties and agreements which Subscriber is making by signing this Subscription Agreement, and the applicable limitations upon Subscriber's resale of the Class A Units with Subscriber's counsel and counsel for the Company; Subscriber understands that the Company is a limited liability company and that adverse consequences may result to Subscriber personally under applicable income taxation laws if the Company is unable or unwilling to

distribute cash from its operations to satisfy the proportionate share of the Company's income attributable to Subscriber's interest, among other events; Subscriber has had the opportunity to discuss all of the foregoing, and receive satisfactory advice from, independent legal counsel of Subscriber's own choosing regarding such matters and has chosen to accept the Class A Units, knowingly and voluntarily.

(2) Subscriber is familiar with the business in which the Company will be engaged, and based upon Subscriber's knowledge and experience in financial and business matters, Subscriber is familiar with the investments of the sort which Subscriber is undertaking herein; Subscriber is fully aware of the problems and risks involved in making an investment of this type; and Subscriber is capable of evaluating the merits and risks of this investment.

(3) This investment is in accord with the nature and the size of Subscriber's present investment and net worth, and Subscriber is financially able to bear the economic risk of this investment, including the ability to afford holding the Class A Units for an indefinite period or to afford a complete loss of this investment.

(4) The residence of Subscriber (or principal place of business, if not an individual) is at the address shown under the signature on the bottom of this Subscription Agreement.

(5) Subscriber understands that: (i) sales of the Class A Units are restricted pursuant to the terms of the Operating Agreement and Alabama law, and the Class A Units may not be sold except in compliance therewith; (ii) the provisions of Rule 144 under the 1933 Act are not available to permit resales of these Class A Units, and due to the nature of the business of the Company and the conditions of Rule 144, it is unlikely that the conditions necessary to permit routine sales of the Class A Units under Rule 144 will ever be satisfied, and, if Rule 144 should become available, routine sales made in reliance upon its provisions could be made only in limited amounts and in accordance with the terms and conditions of the Rule; and (iii) in connection with sales of Class A Units for which Rule 144 is not available, compliance with Regulation A or some other registration exemption will be required.

(6) Subscriber understands that the Company is under no obligation to register the Class A Units or to comply with the conditions of Rule 144 or take any other action necessary in order to make any exemption for the sale of the Class A Units without registration available.

(7) Subscriber further agrees that there will be placed on any certificate representing the Class A Units, or any substitution of such certificate, a legend stating in substance as follows, and Subscriber understands and agrees that the Company and the Members of the Company may refuse to permit the transfer of the Class A Units out of Subscriber's name and that the Class A Units must be held indefinitely in the absence of compliance with the terms of such legend:

THE SECURITIES OFFERED IN THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “FEDERAL ACT”), THE ALABAMA SECURITIES ACT OF 1990, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL ACT AND VARIOUS APPLICABLE STATE LAWS. IN ADDITION, THE TRANSFER OF THE SECURITIES IS SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND THE BUY-SELL AGREEMENT BETWEEN THE MEMBERS. THESE SECURITIES MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT, AS AMENDED FROM TIME TO TIME AND THE BUY-SELL AGREEMENT BETWEEN THE MEMBERS. FURTHER, THESE SECURITIES MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED, OR TRANSFERRED UNLESS SUCH TRANSFER IS UNDER CIRCUMSTANCES WHICH, IN THE OPINION OF LEGAL COUNSEL, ARE ACCEPTABLE TO THE COMPANY, DO NOT REQUIRE THAT THE SECURITIES BE REGISTERED UNDER THE FEDERAL ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR SUCH TRANSFER IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE FEDERAL ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

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## **Exhibit A**

### **Capital Investment and Vesting Schedule**

The consideration for the Class A Units described in the attached Subscription Agreement shall be paid for, in cash, by the Subscriber as described below:

- \$12,500 due on signing of the Subscription Agreement.
- Any amount up to and including \$12,500 due within 7 days of a demand by the Company.

The required capital investment for all holders of Class A Units is \$25,000. If, at any time, a Class A Unit Holder fails to make any capital demand of up to \$12,500, such holder of Class A Units will forfeit any investment in the Company and such member's Class A Units.

On payment of any demanded amount of the \$12,500 remaining capital investment of Class A Unit Holders, the Class A Unit Holder the attached Warrant for the purchase of Class B Investor Units will go into effect and may be exercised at any time Class B Investor Units are offered.

#### **Vesting Period**

The ownership of the Units will have a 2 year vesting schedule. Any Subscriber to the Units must meet all of the qualifications as a holder of the Units for 2 years after initial investment before the Units will be fully vested to Subscriber. If Subscriber leaves, ceases to qualify as a Subscriber, or fails to cause Subscriber's ISO to enter into the Service Level Agreement at any point within 2 years of initial investment, the Units will be returned to NIR and any investment made by Subscriber would be void and nonrefundable.

The above notwithstanding, if Subscriber's ISO is acquired by the Company, Subscriber will be exempt from any such qualifications regarding Subscriber's ownership of an ISO and Subscriber shall remain a Member of the Company.



## Exhibit B

### Term Sheet for Class A Membership Units

THE SECURITIES DESCRIBED IN THIS TERM SHEET WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE AND WILL BE OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WILL NOT BE FILED WITH ANY STATE SECURITIES COMMISSION AND NO STATE SECURITIES COMMISSION RECOMMENDS OR ENDORSES THE PURCHASE OF ANY SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

National Imaging Service Solutions, LLC is considering and offering of Class A Investor Series Units of NIR. The anticipated terms of the Offering are as follows:

#### THE OFFERING

<b><i>Issuer:</i></b>	National Imaging Service Solutions, an Alabama limited liability company that does business as National Imaging Resources (“NIR”)
<b><i>Securities:</i></b>	Class A Series Investor Units (the “Units”). A purchaser of the Units is a “Subscriber”. This is a private placement offering.
<b><i>Investment:</i></b>	\$12,500 on purchase and \$12,500 guaranteed available to NIR within 7 business days of a capital call.

#### QUALIFICATIONS FOR PURCHASE

<b><i>Ownership of ISO:</i></b>	Each Subscriber must have an equity stake in an Independent Service Organization in the medical imaging field (“ISO”). Subscriber is exempt from this requirement if such ISO that was owned at the time Subscriber purchased the Units is acquired by NIR.
<b><i>Control of ISO:</i></b>	Each Subscriber to the Units must have control and authority to cause ISO to enter into a Service Level Agreement with NIR. An ISO may not be a Subscriber. Subscriber is exempt from this requirement if such ISO that was owned at the time Subscriber purchased the Units is acquired by NIR.
<b><i>Experience:</i></b>	Each Subscriber must have at least five years of experience in the medical imaging field.
<b><i>Investment:</i></b>	\$12,500 on purchase and \$12,500 guaranteed available to NIR within 7 business days of a capital call. All funds must be paid personally by the Subscriber and may not be paid from ISO.

## QUALIFICATIONS FOR ISO

<b><i>Engineer on Staff:</i></b>	ISO must have at least one engineer on staff. Such engineer may be the owner of ISO.
<b><i>Business Model:</i></b>	ISO must have a solid business model and not be in financial distress. This is subject to review by the current managers of NIR.
<b><i>Investment:</i></b>	The investment amount may not be paid from company funds of ISO.

## TERMS

<b><i>Rights on Acquisition:</i></b>	If NIR is acquired prior to redemption, holders of the Units would receive a pro rata portion of the net proceeds of such purchase price.
<b><i>Vesting</i></b>	The ownership of the Units will have a 2 year vesting schedule. Any Subscriber to the Units must meet all of the qualifications as a holder of the Units for 2 years after initial investment before the Units will be fully vested to Subscriber. If Subscriber leaves or ceases to qualify as a Subscriber within 2 years of initial investment, the Units will be returned to NIR and any investment made by Subscriber would be void and nonrefundable. Subscriber is exempt from the requirements related to the ISO if such ISO that was owned at the time Subscriber purchased the Units is acquired by NIR.
<b><i>General voting rights:</i></b>	The Units will vote on the members of the Board of Managers of NIR and any other issues submitted to the Units for a vote. Each Subscriber shall have one vote regardless of number of Units or pro rata equity holding in NIR.
<b><i>Protective provisions:</i></b>	If any of the Units is outstanding, consent of at least half of the holders of the Units will be required for any action that: (i) alters any provision of the Operating Agreement if it would adversely alter the rights, preferences, privileges or powers of the Units; or (ii) changes the authorized number of the Units.

## INVESTOR BENEFITS

<b><i>Dilution:</i></b>	The Operating Agreement of NIR and any document authorizing or describing the Units will indicate that, in no event, shall the Units be diluted to less than 51% of the equity and voting rights of NIR. This right will terminate immediately prior to an initial public offering or if approved by a majority of the holders of the Units.
<b><i>Information rights:</i></b>	As soon as practicable upon request, the Company will deliver to each holder of the Units, (i) unaudited annual financial

statements and (ii) unaudited quarterly financial statements. The information rights will terminate upon an initial public offering.

***Succession Plan:***

All investors will receive a built-in succession plan for their respective ISO. Other Benefits from NIR: NIR will provide, as such benefits are created, benefits to all qualifying ISOs. Such benefits will include: financial benefits of SLA for ISO, private label access, advanced level training for the staff of ISO, national contracting avenues, national recruiting of staff, multi-modality support, assistance with standardization of services and business processes, legal and political support nationally.

*This warrant will go into effect on the condition precedent of Holder making the Additional Contribution as required in the Subscription Agreement for such Holder's Class A Investor Units. The Class B Investor Units issuable upon its exercise are subject to the restrictions on transfer described in this warrant. These securities have not been registered under the Securities Act of 1933 (the "Act") or the securities or blue sky laws of any state, and they may not be sold, offered for sale, transferred, assigned, pledged or otherwise disposed of in the absence of an opinion of counsel (which counsel and opinion shall be reasonably satisfactory to the Company and counsel for the Company) that such sale, offer for sale, transfer, assignment, pledge or other disposition does not violate the requirements of the Act or any applicable state securities laws, or any other applicable laws and regulations.*

Issued as of the date of the Class A Membership Interest Purchase Agreement for Holder.

## **NATIONAL IMAGING SERVICE SOLUTIONS, LLC**

### **CLASS B INVESTOR UNITS WARRANT**

(Void after October 14, 2019 or such earlier date as described in this warrant)

National Imaging Service Solutions, LLC, an Alabama limited liability company (the "Company"), for value received, certifies that \_\_\_\_\_, or its permitted assigns ("Holder"), is entitled, subject to the terms in this warrant, to purchase, at any time during the Exercise Period, twelve thousand five hundred (12,500) Class B Investor Units of the Company (as from time to time adjusted in accordance with the terms of this warrant, the "Warrant Units", and together with the Capital Account that shall be established in connection with the purchase of such Warrant Units, the "Warrant Interest"), at a purchase price of one dollar (\$1.50) per Class B Investor Unit (the "Purchase Price").

This warrant is issued pursuant to, and in accordance with, the Class A Membership Purchase Agreement a between the Company and Holder, dated \_\_\_\_\_, (such agreement and all exhibits, attachments, and referenced documents the "Purchase Agreement"). All of the terms of the Purchase Agreement that reference or relate to this warrant are incorporated into this warrant by reference.

**1. Exercise.** If an offering of Class B Investor Units is made, this warrant may be exercised by Holder by surrendering this warrant, with the purchase form attached as Exhibit A executed by Holder or by Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full, in lawful money of the United States, of the Purchase Price.

**1.1. Effective Date of Exercise.** The exercise of this warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this warrant shall have been surrendered to the Company as provided above. At such time, the person or persons in whose name the Warrant Interest shall be issuable upon such exercise shall be deemed to have become the holder of record of the Warrant

Interest.

- 1.2.Amendment to Equity Schedule.** After the exercise of this warrant, the Company will amend the equity schedule attached to the Operating Agreement to reflect the Warrant Interests issued upon such exercise.
        - 1.3. Exercise Period.** Holder may exercise this warrant during the period commencing thirty (30) days prior to an offering of Class B Investor Units to anyone other than Holders of warrants for Class B Investor Units and ending at the closing of such offering (that period, the “Exercise Period”).
        - 1.4.Expiration of Warrant.** This warrant shall expire on the earlier of the date on which all Class B Investor Units that are authorized at the time this warrant is issued to Holder are issued or October 14, 2016.
- 2. Adjustments.** The Warrant Units shall be subject to adjustment from time to time upon the occurrence of certain events described in this warrant.
  - 2.1.Events Causing a Change the Warrant Interest.** If any change of domicile, merger, conversion, reorganization, reclassification, consolidation, or any other event which may change the Warrant Interest, the Company shall cause, as part of any such event, lawful provision to be made so Holder maintains the right to receive the kind and amount of securities or property which such Holder would have been entitled to receive if, immediately prior to any such event, Holder had held the Warrant Interest. In any such case, appropriate adjustment shall be made in the application of the provisions set forth in this warrant with respect to the rights and interests of Holder such that the provisions remain applicable, as nearly as is reasonably practicable, in relation to any securities or property deliverable upon the exercise of this warrant.
  - 2.2.Notice of Adjustment.** When any adjustment is required to be made in the Warrant Interest, the Company shall send a notice to Holder explaining the Warrant Interest after such adjustment and offering a brief statement of the facts requiring such adjustment. Such notice shall also describe the kind and amount of securities or property into which this warrant shall be exercisable following the occurrence of any of the events specified in this section and shall serve as an addendum to this agreement.
  - 2.3.Conversion to Corporate Form.** If the Company is converted into a corporation, whether directly or by way of merger, reorganization or any other means, Holder shall receive, in exchange for this warrant, a warrant to acquire securities of such corporation having the same relative economic, voting and other powers, preferences, privileges, special rights and limitations as set forth in the Operating Agreement with respect to the Warrant Interest, subject to any modifications required solely as a result of the conversion.

**2.4. Distribution, Subdivision, Combination or Reclassification of Class B Investor**

**Units.** If the Company, prior to the exercise of this warrant by Holder (i) make a distribution on the outstanding number of Class B Investor Units payable in Class B Investor Units, (ii) subdivides the outstanding number of Class B Investor Units into a larger number of Class B Investor Units, or (iii) combines the outstanding number of Class B Investor Units into a smaller number of Class B Investor Units, the number of Warrant Units exercisable under this warrant immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Company) so that Holder of this warrant shall be entitled to receive the number of Warrant Units that Holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had this warrant been exercised immediately prior to the occurrence of such event.

3. **No Impairment.** The Company will not, by amendment of its certificate of formation or Operating Agreement, or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this warrant against impairment.
4. **Authorization.** The Company represents to Holder that the Warrant Interest will, upon issuance in accordance with the terms of this warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any kind and free of all liens, charges, restrictions, pledges and encumbrances with respect to the issue of the Warrant Interest. The Company covenants and agrees that during the period within which the rights represented by this warrant may be exercised, the Company will at all times ensure that all Members of the Company are aware of, and have consented and agreed to, this warrant. The Company will take all such action as may be necessary to assure that the Warrant Interest will be issued upon exercise of this warrant without violation of any applicable law or regulation.
5. **Replacement of Warrant.** Upon receipt of evidence reasonably satisfactory to the Company and its counsel of the loss, theft, destruction or mutilation of this warrant, the Company will agree to reissue the warrant so Holder has an original copy of such warrant.
6. **Transfers.** Holder acknowledges that this warrant and the Warrant Units have not been registered under the Act, and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this warrant or any Warrant Units issued upon its exercise in the absence of (i) an effective registration under the Act as to this warrant or such Warrant Units and registration or qualification of this warrant or such Warrant Units under any applicable blue sky or state securities law then in effect, or (b) an exemption from any such registration and qualification.

7. **Definitions.** For purposes of this warrant, any capitalized terms used but not defined shall have the meanings ascribed to them in the Operating Agreement for the Company.
8. **Notices and Consents.** Any notices or consents required or permitted by this warrant shall be in writing and shall be deemed delivered if delivered in person or if sent by certified mail, postage prepaid, return receipt requested, or telegraph, or facsimile, to the address listed in the Operating Agreement of the Company, unless such address is changed by written notice as described in the Operating Agreement of the Company.
9. **Counterparts.** This warrant may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. Execution and delivery by facsimile shall constitute good and valid execution and delivery unless and until replaced or substituted by an original executed instrument.
10. **Severability.** If any provision of this warrant shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this warrant or such other instrument or agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.
11. **Change or Waiver.** Any term of this warrant may be changed or waived only by an instrument in writing signed by the Company.
12. **Headings.** The headings used in this warrant are used for convenience only and are not to be considered in construing or interpreting this warrant.
13. **Governing Law.** This agreement shall be interpreted and construed according to the laws of the state of Alabama and jurisdiction for any dispute arising from this agreement shall be in the state and federal courts located in Jefferson County, Alabama.

NIR, LLC

Investor



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By: Marc Schaefer

Its: Member

**Exhibit A**

**NOTICE OF EXERCISE**

To: National Imaging Service Solutions, LLC (the “Company”)

The undersigned, pursuant to the provisions set forth in the attached Warrant, irrevocably elects to purchase 25,000 Class B Investor Units covered by such Warrant, and:

1. Tenders payment of \$18,750, representing the full Purchase Price for such Class B Investor Units at the price per unit provided for in such Warrant; or
2. Agrees that such Class B Investor Units will be subject to the Operating Agreement of the Company, as amended through the date of this notice of exercise and acknowledges that undersigned has already agreed to be bound by the terms of the Operating Agreement.
3. Requests that the Company adjust Schedule II to the Operating Agreement, as amended through the date of this notice of exercise, to reflect the issuance of such Warrant Interest in the name of the undersigned.

**Print Name**

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**Signature of Investor**

**Date**

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# INDEPENDENT SERVICE PROVIDER AGREEMENT

This ISO agreement is dated \_\_\_\_\_ and is between National Imaging Service Solutions, LLC, an Alabama Limited Liability Company (“NIR”), and \_\_\_\_\_ a \_\_\_\_\_ (the “ISO”).

NIR is a national provider of medical imaging services for medical organizations including includes comprehensive maintenance programs including items such as planned maintenance, remedial maintenance service, emergency service and coverage for parts and labor for the equipment as described (those services, the “Services”).

NIR desires to contract for the services of ISO to assist NIR in development of its business through an independent channel of service providers.

ISO is an independent service organization who provides services similar to the Services in its local area.

ISO desires to participate in the independent service provider program to provide the Services in the territory as described in this agreement.

ISO agrees to perform the Services for NIR according to the conditions set forth in this agreement.

The parties therefore agree as follows:

**1. Work Included.** This agreement covers maintenance and service work that NIR may assign from time to time to ISO. Each project will contain instructions on the work to be performed including time and location of the work (that work, the “Service Work”). This agreement incorporates by reference any document describing work on a specific service contract for an assignment of NIR (any specific Service Work assigned to ISO, an “Assignment”).

**2. Duties of ISO.** ISO agrees to perform all labor necessary to complete any Assignment related to the Service Work.

**2.1. Conformance to Guidelines and Service Provider Rules.** ISO agrees to follow all rules as outlined by NIR and its Customers. Rules and guidelines for specific Customers will be provided to ISO as applicable to the Services.

**2.2. Conformance to NIR Rules and Policies.** ISO agrees to follow all rules and policies as issued by NIR.

**2.3. Approval of Marketing Materials.** ISO agrees to submit any materials used for marketing to NIR for approval. The approval process may be changed from time-to-time with NIR marketing policies. Marketing materials include anything that uses the NIR trademarks or name or that are intended to drive business to ISO for

business that is not part of the Service Work, but a part of ISO's regular course of business.

**2.4. Payment of Fees.** ISO agrees to pay all fees, if any, as outlined in the Fee Schedule, which is attached as Appendix B according to the terms of this agreement. Any fees owed by ISO to NIR will be subtracted before any commissions are paid to ISO. ISO agrees, if any amounts under this agreement must be collected by NIR, to pay any cost of collection including, but not limited to, interest, fees, attorneys' fees, and court costs.

**2.5. Maintenance of Records.** ISO agrees to keep true and complete records of all Service Work performed in a manner acceptable to NIR for maintenance of such records.

**2.6. Insurance.** Before commencing the Service Work, unless otherwise agreed to by both parties, ISO shall secure and maintain, at its own expense, until completion of and final acceptance of any Service Work, the following insurance from insurance companies satisfactory to NIR:

**2.6.1. Workmen's Compensations and Employer's Liability**

**Insurance.** This insurance should contain limits in accordance with the laws of the state and nation in which the work is situated.

**2.6.1.1. Minimum Limits.** The minimum shall be \$100,000 by accident. Each accident shall be \$100,000 for bodily injury by disease and each employee shall be limited to \$500,000 bodily injury by disease.

**2.6.2. Liability Insurance.** This insurance should include contractual liability insurance against the liability assumed in this agreement and NIR's protective liability insurance with the minimum limits as set forth in the specification of the agreement. If no such minimums are set forth in the specifications then such minimums shall be those set by NIR.

**2.6.2.1. Minimum Limits.** \$1,000,000 Occurrence / \$2,000,000 General Aggregate.

**2.6.3. Automobile Liability Insurance.** This insurance should cover all owned, non-owned and hired automobiles used in connection with the Service Work, with the minimum limits as set forth in the specifications, or if no minimum is set forth, then such limit shall be such minimums shall be those set by NIR.

**2.6.3.1. Minimum Limits.** \$1,000,000 Combined Single Limit.

**2.6.4. Contractors Umbrella Insurance.** This insurance should serve to supplement all other policies up to \$1,000,000 per occurrence.

**2.6.5.Additional Insured.** NIR will be named as an additional insured on the general liability, auto, and umbrella policies. This additional insured status will be primary and non-contributory to any other insurance.

**2.6.6.Certificates of Insurance.** ISO will not commence any Service Work or be paid any amounts owed under this agreement until ISO evidences adequate insurance coverage as required by this agreement by returning to NIR a properly executed certificate of insurance.

**2.6.7.Waiver of Subrogation.** ISO waives all rights of subrogation against NIR.

**2.6.8.Release of Liability and Indemnification.** ISO agrees to indemnify and defend at his sole expense: NIR, its employees, agents, representatives, managers, and members, from and against any and all claims arising out of or based upon the Service Work. In addition, ISO agrees to pay any judgment and costs associated with such claim.

**2.6.9.Notice of Claim.** ISO shall report any possible or actual claim regarding the Service Work immediately upon receipt of notice of such a claim. In the event of a possible or actual claim, ISO agrees not to do any of the following: (1) admit liability; (2) participate in any settlement discussions nor enter into any settlement; or (3) incur any costs of expenses.

**2.7.Compliance with Business Associate Agreement.** ISO shall implement safeguards to protect any Public Protected Health Information disclosed during the Service Work or any Assignment. ISO agrees to abide by the terms of the Business Associate Agreement which is incorporated by reference.

**3.ISO Investigation and Representations.** ISO acknowledges that it understands the scope of the Service Work, and agrees to perform all labor necessary to complete any Assignment including, but not limited to, all labor, materials, services, report, and tests as required.

**3.1.Final Say on Service Work.** The Service Work shall be performed under the direction and to the satisfaction of NIR. The decision of NIR regarding any Service Level Agreement with Customers of NIR and its interpretation shall be in the sole discretion of NIR.

**3.2.No Additional Charge for Access to Site.** ISO agrees that no additional charges will be made because of unexpected or extraordinary conditions or restrictions for any Assignment, unless such additional charge is offered by NIR in its sole discretion.

**3.3.Agreement not to Compete.** ISO further agrees that it will not knowingly compete with NIR to be the contractor for any Assignment.

**3.4.Compliance with Prior Agreements.** ISO agrees it has authority to enter into this agreement. ISO agrees that no prior agreement is violated by ISO's acceptance and performance of this agreement.

**3.4.1.Indemnity for Breach.** ISO agrees to indemnify and hold NIR harmless for any claim brought or judgment entered as a result of ISO breaching other contractual obligations by performing ISO's obligations under this agreement.

**4.Applicability of the Customer Agreement.** ISO agrees to be bound to NIR by all the terms of NIR's agreement with the customer, which is incorporated by reference, so far as the customer agreement relates to the Service Work and to assume toward NIR all of the obligations and responsibilities that NIR has by that agreement assumed toward the customer (that agreement, the "Customer Agreement; that customer, the "Customer").

**4.1.Incorporation of ISO Provisions.** All terms and conditions contained in any Customer Agreement which, by agreement or by operation of law, are required to be placed in agreements such as this one for independent service providers are incorporated as if they were specifically written into this agreement.

**4.2.Availability of Customer Agreement.** The Customer Agreement and any referenced documents are available at all reasonable times at the office of NIR for examination by the ISO.

**4.3.This Agreement Controlling.** If there is a conflict between the terms of the Customer Agreement and this agreement, this agreement shall be considered controlling.

**4.4.No Modification of Terms.** The preprinted terms and conditions found on any form, sales documents, form rental agreements, purchase orders, receipts, invoices or project-specified purchase orders will not be considered an amendment or modification of this agreement, even if the document is signed by representatives of both parties.

**5.Performance by ISO.** ISO must perform the Service Work in such a manner as not to cause delay in the Service Work or hinder any other contractor of Customer's or NIR. ISO will respond to any Assignment according to the time restraints and guidelines of the Customer Agreement applicable to the Assignment. ISO will be prepared to commence and complete the work when notified and shall be responsible for all damages caused by its delay, including liquidated damages or actual damages assessed under the terms of the Customer Agreement which are attributable to the Service Work.

**5.1.Delays Outside the Control of ISO.** The above notwithstanding, should ISO's performance of the Service Work be delayed by acts of NIR, its other subcontractors or suppliers, or delayed by acts or causes which entitle NIR to an

extension of time under the Customer Agreement, ISO will receive an equitable extension of time for the performance of the Service Work (not to exceed the time extension received by NIR from the Customer).

**5.2.No Additional Payment for Delay.** ISO will not be entitled to any increase in the fee for an Assignment or to damages or additional compensation as a consequence of delays, unless the Customer is liable and pays for the delays.

**5.3.Payment for Delay if Paid by Customer.** If the Customer is liable and must pay, NIR will pay an equitable increase in the amount owed for the Assignment allowed and paid by the Customer for the ISO's delay.

**5.4.Written Notification of Delays.** ISO will notify NIR in writing of any delays for which the Customer is responsible in sufficient time so that its claim may be timely processed against the Customer administratively.

**6.Warranty.** In addition to any other warranties, general or specific, set forth in the Customer Agreement relative to the Service Work, materials or equipment covered by this agreement, ISO warrants that all materials and equipment furnished under this agreement will be new, used, or refurbished unless otherwise specified in the Customer Agreement and in accordance with the requirements of the Customer Agreement.

**6.1.Workmanship.** ISO further warrants that all work will be in conformance with the requirements of the Customer Agreement and shall be of good quality and free from faults and defects or in case of failure will be made good.

**6.2.Repair at ISO's Expense.** ISO will remove, replace, or repair at its own expense and at the convenience of NIR and the Customer faulty, defective or improper work, materials or equipment discovered at any time within the warranty period stipulated from the service date of such Assignment.

**6.3.Damages for Defects.** ISO shall pay for all damages, direct and consequential, suffered by NIR or the Customer as a result of defects in the workmanship, failure to perform in accordance with the terms of this agreement, or breach of these warranties, and at all costs and expenses necessary to correct, remove, replace or repair the work and any other work or property which may be damaged in correction, removing, replacing, or repairing the work.

**7.Duties of NIR.** NIR agrees to assist ISO as necessary for ISO to perform the duties listed above at the level of performance noted.

**7.1.Payment of Commissions.** NIR agrees to pay commissions to ISO as described in the Commission Schedule.

**7.2.Training Materials.** NIR will make any training offered available to ISO.

**7.3. Insurance.** Where applicable and possible, NIR will include ISO in NIR's insurance policies as an "Other Insured". If included, ISO will be an ISO under such policy.

## **8. Central Dispatch Program.**

**8.1. Area of Coverage.** NIR assigns coverage areas. The area is determined by various factors, which may include, but are not limited to, telephone prefixes, zip codes, city or town names (geographic area) and input from ISO as to capabilities. The assigned area is agreed to by ISO upon execution of this agreement. NIR may, in response to a Customer's request for Service Work, make an Assignment to ISO if such Service Work is located in the coverage area assigned to ISO. ISO agrees to provide Service Work to Customers in the assigned areas. Changes to the assigned area will be handled by amendment to Exhibit A which is attached and incorporated by reference.

**8.2. Modification of Area.** If ISO is unable to provide a proper level and quality of Service Work in the area of coverage, NIR may, at its sole discretion, modify ISO's area of coverage.

**8.3. Non-exclusivity.** It is expressly understood by the parties that the area of coverage shall be nonexclusive and NIR shall have the right to contract with others to provide Services within said area of coverage. The area has been established for the sole purpose of providing prompt and reliable Service to its Customers.

**9. Commission on Services.** NIR shall pay ISO according to the Commission Schedule attached as Appendix A and incorporated by reference. The above notwithstanding, before ISO is paid, NIR must have been paid by the Customer. The Commission Schedule may be amended by NIR with sixty days advance notice to ISO and only for future work to be performed.

**9.1. Supplies.** ISO will use its own supplies in performing the duties described above except as such supplies are otherwise provided by NIR. Supplies provided by NIR will be subject to the Fee Schedule attached to this agreement as Appendix B. The Fee Schedule may be amended by NIR with sixty days advance notice to ISO.

**9.2. Reimbursements.** Unless approved in writing in advance, NIR will not reimburse ISO for any expenses.

**9.3. Automatic Deductions.** NIR will subtract all fees owed by ISO from any amount of commissions or reimbursements owed to ISO before Payment.

**9.4. Payment to ISO** No partial payment will constitute acceptance or approval by NIR of incomplete work or material for which the partial payment is made. No partial payment will constitute a waiver by NIR of any right to require fulfillment of all terms of this agreement. No payment will constitute acceptance of

NIR of defective work or improper materials or any element of ISO's performance determined to be at variance with this agreement.

**9.5. Withholding Payment.** Payments otherwise due to ISO may be withheld by NIR for:

9.5.1. defective work performed and not remedied;

9.5.2. claims filed by third parties arising out of ISO's work;

9.5.3. the probability of the filing of such claims;

9.5.4. failure of the ISO to make payments to its employees or materials suppliers for work done or materials furnished; or

9.5.5. a reasonable doubt that this agreement can be completed by NIR without prejudice to any other rights specified to NIR by operation of law.

**9.6. Disputes.** ISO agrees to make any claims to NIR for damages or additional compensation based on alleged extra work changed conditions or any other grounds in the same manner as provided in the agreement for like claims of NIR upon the Customer and in a timeframe which will enable NIR to present such claims to the Customer for payment or recognition.

**9.6.1. No Liability of Untimely Claims.** NIR will not be liable to ISO on account of any claim not timely or properly presented, unless it is allowed by the Customer.

**9.6.2. Duty to Timely Perform.** Notwithstanding anything to the contrary contained in this agreement, no interruption, cessations, postponement or delay in the commencement of the Service Work or in the progress of the Assignment from any cause whatsoever, including disputes, shall relieve ISO of its duty to timely perform or give rise to any right to damage or additional compensation from NIR therefore with the respect to the work performed by ISO.

**9.6.3. Waiver of Damages.** ISO expressly waives and releases any other or further right to damages or additional compensation.

**9.7. Default.** If ISO defaults in the performance of the Service Work for more than forty-eight (48) hours after written notice from NIR of the default, or ISO becomes insolvent or makes an assignment for the benefit of creditors, or shall file or become involved in any reorganization or other proceeding in bankruptcy, or shall fail to adequately man the job, then NIR shall have the right to terminate, in whole or in part, this agreement.

**9.7.1.Assumption of Work.** Upon termination, NIR shall have the right to take possession of the Service Work and of all materials, tools, equipment, and appliances of ISO on the premises and finish the Service Work by whatever method NIR may deem expedient.

**9.7.2.No Payments until Work is Completed.** After default, ISO shall not be entitled to receive any further payments until the Service Work of an Assignment is finished and accepted.

**9.7.3.Excess Paid by ISO.** If the unpaid balance of the Service Work shall exceed the cost and expense to NIR of finishing the work of ISO (which cost and expense shall be deemed to include compensation for additional managerial and administrative services rendered by NIR plus ten percent (10%) profit factor), such excess shall be paid by ISO.

**9.7.4.Payment on Demand.** If such cost and expenses shall exceed such unpaid balance of the subcontract price, ISO shall pay the difference to NIR upon its demand plus interest beginning on the date of demand at the rate of twelve percent (12%) per year.

**9.7.5.No Limitation on Remedies.** NIR, however, shall not be limited to this remedy in the event of any default of ISO, but shall have and be entitled to such other rights and remedies as the Customer may be entitled to assert against NIR under the Customer Agreement, or as may be provided to the Customer or NIR by law.

**9.7.6.Payment of Damages.** If any cost, expenses or damages (including liquidated damages) are assessed or recovered against NIR by the Customer pursuant to the provisions of the Customer Agreement or by law, the same shall be paid by ISO to the full extent that ISO shall be responsible for the acts, failures, or delays subjecting NIR to such liability.

**10.Indemnification.** ISO agrees to protect, indemnify, defend and hold NIR harmless against all damages arising out of this agreement, which shall include, but not be limited by:

**10.1.Indemnification for Failure to Perform Duties.** ISO agrees to protect, indemnify, defend and hold NIR harmless from and against all damages caused by a failure of ISO to perform the duties required and agreed to in this section.

**10.2.Indemnification for Unsafe Working Conditions.** ISO agrees to indemnify and hold NIR harmless from the expense of payment (including the proposed penalty) of any penalty assessed against NIR as the result of an unsafe condition or standard violation created by or arising out of ISO's action, inaction or work.



**10.3.Reimbursement of Expenses.** If NIR pays any expenses related to a claim or damages for which it should be indemnified and held harmless as described in this agreement, ISO agrees to reimburse NIR to the fullest extent permitted by law.

**10.4.No Limitation of Loss.** Any other provision of this agreement notwithstanding, ISO's indemnity obligations shall not be limited in any way by the limits or other terms or conditions of any insurance coverage obtained by ISO, nor by any limitation on the amount or type of damages, nor for benefits or damages payable under workers' compensation, disability benefit, or other employee benefit statutes, regulations, or ordinances.

**11.Relationship of Parties.** This agreement creates no agency relationship between the parties. ISO, nor any of its agents or employees, does not, and will not, represent itself as an agent of NIR beyond performance of the duties listed in this agreement. ISO is not an agent or an employee of NIR for any purpose other than the performance of the duties in the Service Work. ISO is not entitled to any of the benefits that NIR provides its employees.

**11.1.Employment Taxes.** ISO will pay all federal and state withholding, social security, and other taxes imposed upon it as an employer in connection with the performance of this agreement, and will furnish evidence, when required by NIR, showing that all payments required have been paid.

**11.2.Local, State, and Federal Taxes.** ISO shall determine what local, state and federal taxes, if any, are due in connection with its work under this agreement. ISO is also responsible for paying any local, state or federal taxes due in connection with the Service Work.

**12.Subcontracting and Assignments.** ISO shall not let, assign or transfer this agreement, or any part or interest, without the written consent of NIR. If such consent is given, the terms of such assignment or transfer will be documented in writing and signed by all parties.

**13.Term of Agreement.** The term of this agreement shall last until written notice of termination is given as defined in Section 5 below.

**14.Termination of Agreement.** This agreement may be terminated as follows:

**14.1.Termination for Convenience.** Either party may terminate this agreement by thirty (30) days' written notice to the other party. Both parties may terminate this agreement by written mutual consent. If, within the first two years of the term of this agreement, NIR chooses to exercise its right of termination for convenience, any requirements related to this agreement for ISO or any equity holder of ISO shall be nullified.

**14.2.Termination for Cause.** Immediate termination may occur if ISO creates the possibility of legal liability for NIR due to the negligence of ISO. Cause may also be defined as:

**14.2.1.Failure to Perform.** Failure to perform any Service Work as accepted or respond to an Assignment as agreed upon.

**14.2.2.Factual Misrepresentation.** Willful misrepresentation of facts related to the duties of this agreement or NIR.

**14.2.3.Violation of Laws.** Any violation of State or Federal laws.

**14.2.4.Bankruptcy.** Proceedings in bankruptcy, or for reorganization of ISO or for the readjustment of any of its debts, under the bankruptcy code, as amended, or any part of the bankruptcy code, or under any other laws, whether state or federal, for the relief of debtors, now or later existing, shall be commenced by the ISO or shall be commenced against the ISO and shall not be discharged within thirty (30) days of their commencement.

**14.2.5.Insolvency of ISO.** The ISO shall admit its inability to pay its debts as they mature, or shall make an assignment for the benefit of any of its creditors.

**14.2.6.Receiver or Trustee.** A receiver or trustee shall be appointed for ISO or for any substantial part of their respective assets, or any proceedings shall be instituted for the dissolution of or the full or partial liquidation of the ISO and such receiver or trustee shall not be discharged within thirty (30) days of his appointment, or such proceedings shall not be discharged within thirty (30) days of their commencement or the ISO shall discontinue business or materially change the nature of its business.

**14.2.7.Final Judgment.** The ISO shall suffer final judgments for payment of money aggregating in excess of \$100,000 (which judgments are not covered by insurance policies as to which liability has been accepted by the insurance carrier) and the same are not, within thirty (30) days after their entry, discharged or their execution stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay.

**14.2.8.Change of Control of ISO.** For two years from the date of this agreement, if any transfer, change of ownership, or change in control shall occur with the ISO. The above notwithstanding, if NIR takes control of ISO through any merger, acquisition, or other means, such change of control will not be an Event of Default.

**15.Return of Property upon Termination.** Upon termination, ISO shall return all property to NIR including, but not limited to: (1) marketing materials with NIR trademarks; (2) files maintained under this agreement ; (3) business documents; (4) computer software; (5) equipment; (6) any other record, document, or tangible property relating to NIR or its business. Further, ISO may not take, photocopy, or create an electronic copy of any property of NIR after

notification (or in anticipation) of early termination of this agreement. ISO must securely delete any of NIR's property that is stored electronically.

**16.Restrictions on Termination.** During the term of this agreement and for a period of twelve months (12 months) from the time of Termination, ISO agrees to refrain from directly competing with NIR by using trade secrets or confidential information received as a result of this agreement. (that period, the "Restricted Period")

**16.1.Obligations During Restricted Period.** ISO agrees that during the Restricted Period it will not, without prior written consent of NIR, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, stockholder, investor, corporate officer, director, or in any other individual or representative capacity:

**16.1.1.Representatives.** Induce or influence, or attempt to induce or influence, any person who is engaged by NIR, as an ISO, employee, agent, independent contractor, or otherwise acting on behalf of NIR, to terminate his her or its engagement or relationship with NIR or to participate in activities competitive with NIR;

**16.1.2.Prospects or Leads.** Divert, solicit, contact, call upon, or communicate with prospects, leads, or customers (current or past) with a view or purpose to provide any product, equipment, or service competitive with any product, equipment, or service sold, provided, or under development by NIR at the time of termination;

**16.1.3.Customers.** Suggest, induce or influence any Customer to terminate or limit his or her engagement or relationship with NIR; or

**16.1.4.Products or Services.** Market, sell, offer to sell or otherwise provide leads, prospects, or customers (current or past) with any product, equipment, or service competitive with any product, equipment, or service sold, provided, or under development during this agreement or at the time of termination by NIR unless such Product or Service was already offered by ISO prior to this agreement.

**16.2.Commissions After Termination.** As of the effective termination date, ISO will not be entitled to any commissions, except those earned before the termination date, but payable after the termination date. If, on termination of this agreement, any Carrier has advanced commissions that result in a chargeback to NIR, NIR will give written notice to ISO of such chargeback. ISO will either refund the chargeback within 15 days of such notice from NIR or offer proof money is not due within the same time period.

**16.3. Continuation of Obligations.** Any obligations to reimburse, pay any amount, or to defend or hold NIR harmless for any actions or Service Work taken by ISO shall continue after the termination if this agreement.

**17. NIR Right to Communication and Oversight.** In the performance of its duties, ISO has the primary responsibility to control and direct performance of the details of his work. NIR is interested only in maintaining appropriate oversight. To ensure appropriate oversight, NIR reserves the right to inspect or request a report on all activities performed by ISO under this agreement on behalf of NIR at any time without notice. NIR may also inspect all records maintained by ISO as described above.

**18. Access to NIR's Information.** NIR may provide ISO access to its confidential files pertaining to the work contemplated in this agreement as well as other matters necessary for the ISO to carry out his duties.

**19. Intellectual Property.** All intellectual property created or developed by ISO in the performance of this agreement shall belong exclusively to NIR. This work will be considered a work made for hire (that property, the "Intellectual Property").

**20. Nondisclosure of Trade Secrets.** ISO recognizes and acknowledges that the information to be furnished him concerning NIR's customers, listings, holdings, investments, transactions, and other confidential matters constitutes a valuable, special, and unique asset and trade secret of NIR's business. ISO will not use or disclose anything disclosed by NIR under this agreement or any other technical or business information or plans of NIR, except to the extent ISO can document that it is generally available (through no fault of ISO) for use and disclosure by the public without any charge, license or restriction.

**21. Miscellaneous.**

**21.1. Notices.** Any notice, election, or other communication provided for or required by this agreement shall be in writing and shall be deemed received when delivered electronically, by hand, or on the third calendar day following its deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at such address as such person may have previously furnished in writing to NIR or at such person's last known address.

**21.2. Binding Effect.** This agreement shall inure to the benefit of, and shall be binding upon NIR, its legal representatives, transferees, heirs, successors, and assigns.

**21.3. Construction.** This agreement shall be interpreted and construed according to the laws of the state of Alabama and jurisdiction for any dispute arising from this agreement shall be in the state and federal courts located in Jefferson County, Alabama. The titles of the sections in this agreement have been inserted as a

matter of convenience for reference only and shall not control or affect the meaning or construction of any of the terms and provisions of this agreement.

**21.4.Pronouns.** All pronouns and any variations shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the person or entity may require.

**21.5.Entire Agreement.** This agreement sets forth all the understandings and agreements of whatever kind and nature existing between the parties hereto concerning this agreement. This agreement supersedes any other written agreement between the parties concerning the relationship described in this agreement. Any other arrangements concerning different matters between the parties must be set forth in a separate instrument.

**21.6.Severability** Each provision of this agreement shall be considered severable, and if for any reason any provision or provisions herein are determined to be invalid, unenforceable, or illegal under any existing or future law, such invalidity, unenforceability, or illegality shall not impair the operation of or affect those portions of this agreement which are valid, enforceable, and legal.

**21.7.Remedies.** ISO recognizes that nothing in this agreement is intended to limit any remedy of NIR under any federal or state law concerning trade secrets. ISO further recognizes that ISO's violation of this agreement will cause NIR irreparable harm and that monetary damages will be inadequate to compensate fully for such breach. Accordingly, NIR shall be entitled to a temporary restraining order, preliminary injunction and permanent injunction in order to prevent or restrain any such breach by ISO, without the necessity of posting bond. These remedies are in addition to any remedies available at equity or at law. ISO agrees to reimburse NIR for any and all costs and expenses, including reasonable attorneys' fees, incurred by NIR in enforcing ISO's obligations.

**21.8.Mediation/Arbitration.** To the fullest extent permitted by law, all disputes, except for those pertaining to collections, arising out of or relating to this agreement shall be submitted to mediation and, if necessary, legally binding arbitration. Such mediation and, if necessary, arbitration shall be held in Birmingham, Alabama. Arbitration shall be governed by the rules of the American Arbitration Association. Judgment upon an arbitration decision may be entered in any court otherwise having jurisdiction. This provision is intended to be as broad as possible under the law: it shall apply to all claims and causes of action, including all statutory and constitutional claims, contract claims and tort claims. The parties agree that their relationship affects and involves interstate commerce. EXCEPT AS DESCRIBED IN THIS SECTION, THE PARTIES UNDERSTAND THAT DISPUTES RESOLVED PURSUANT TO THIS ARBITRATION AGREEMENT SHALL BE THE SOLE REMEDY FOR ANY CONTROVERSY OR CLAIM ARISING OUT OF THIS

AGREEMENT AND EXPRESSLY WAIVE THEIR RIGHT TO A LAWSUIT  
(EXCEPT AS NOTED ABOVE) IN ANY CIVIL COURT EXCEPT TO ENFORCE  
AN ARBITRATION DECISION.

This agreement is signed on the date stated in the introductory paragraph.

**National Imaging Service Solutions, LLC**

**ISO**

A handwritten signature in black ink, appearing to read "Marc R. Schaefer", is written over a horizontal line.

By: Marc Schaefer

Its: **Manager**

**Print Name:** \_\_\_\_\_

## Appendix A - Commission Schedule

Commissions will be paid to ISO according as described below. Commissions will be paid to ISO provided:

- ISO provided the Service Work for the Assignment.
- NIR has been paid by the Customer for the Service Work and the Assignment.
- ISO does not owe any amount to NIR.
- NIR has no other cause under the Independent Service Provider Agreement to withhold any funds.

Commissions to ISO will be based on the actual payment received by NIR for Service Work provided by ISO to Customer. Commissions will be calculated at the following rates on the gross fee paid by Customer to NIR:

Type of Service Work	Commission

This commission schedule may be changed with 90 days' written notice to ISO. If it is legally necessary or legally prudent, NIR may change commission schedules immediately upon written notice.

Any commissions or other funds held by NIR may be applied at any time to offset any due and unpaid obligation of ISO.

Commissions will be calculated and paid on the first business day of each month.

## Appendix B - Fee Schedule

The following fees may be applied to ISO's account. All fees will be applied before any Commissions as described in the Commission Schedule are paid. If a fee is listed as required, it will be taken each month. Optional fees will be charged if ISO incurs such fee.

Type of Fee	Includes	Required/ Optional	Amount

Any fee related to technology is for the use of NIR's equipment or software. ISO has no ownership of any items leased in this manner. Any email addresses or phone numbers provided to ISO are the property of NIR. Upon termination such property will remain with NIR. NIR retains the right to monitor all equipment. ISO should expect no privacy on NIR owned systems. This includes email and phone use.

This fee schedule may be changed by NIR with 60 days' written notice to ISO.



**Exhibit A**

**Area of Coverage**

## **Business Associate Agreement**

This agreement is dated \_\_\_\_\_ and is between \_\_\_\_\_ (“Business Associate”) and National Imaging Service Solutions, LLC, an Alabama Limited Liability Company (“NIR”).

Business Associate provides services to assist NIR with its contract fulfillment for certain covered entities .

Business Associate may have access to Protected Health Information (“PHI”) that is subject to the federal privacy regulations issued pursuant to the Health Insurance Portability and Accountability Act (that regulation, “HIPAA”) and codified at 45 C.F.R. parts 160 and 164 (those sections collectively, the “Privacy Rule”); and

NIR and Business Associate want to ensure NIR complies with the requirements of the Privacy Rule.

The parties therefore agree as follows:

### **1. Business Associate Responsibilities.**

- 1.1. Business Associate agrees not to use or disclose PHI other than as permitted or required by this agreement or any other business associate agreement between NIR and a covered entity or as required by law.
- 1.2. Business Associate agrees to use appropriate safeguards to prevent unauthorized use or disclosure of the PHI.
- 1.3. Business Associate agrees to report to NIR any use or disclosure of the PHI not provided for by this agreement within three (3) business days of Business Associate’s first notice of the unauthorized use or disclosure.
- 1.4. Business Associate will ensure that any agent to whom it provides the PHI agrees to the applicable terms of this agreement.
- 1.5. If requested by NIR, Business Associate agrees to provide reasonable access to PHI as required by 45 CFR § 164.524.
- 1.6. Business Associate agrees to make, as soon as possible, any amendments to PHI as directed by NIR or the individual whose PHI is to be amended as required by 45 CFR § 164.526.
- 1.7. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining NIR’s compliance with HIPAA.

- 1.8. Business Associate agrees to make available, within a reasonable time, the information required to provide an accounting of disclosures according to 45 CFR § 164.528.
- 1.9. Business Associate will ensure that any subcontractors or service providers engaged on behalf of NIR that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to terms at least as stringent as those contained in this agreement.
2. **Confidentiality and Disclosure of Patient Information.** As set forth in 45 C.F.R. 164.5049(e), Business Associate may use or disclose this PHI in compliance with applicable laws and regulations. This may include, but is not limited to:
  - 2.1. Using PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
  - 2.2. Providing data aggregation services to NIR as permitted by 45 CFR § 164.504(e)(2)(i)(B).
  - 2.3. Using PHI to report violations of law to appropriate Federal and State authorities, consistent with § 164.502(j)(1).
3. **NIR Responsibilities.**
  - 3.1. According to 45 CFR § 164.520, NIR shall notify Business Associate of any limitations placed on Business Associate's use or disclosure of PHI in its notice of privacy practices.
  - 3.2. NIR shall notify Business Associate of any changes in, or revocation of, permission of any individual regarding the use or disclosure of that individual's PHI.
  - 3.3. According to 45 CFR § 164.522, NIR shall notify Business Associate of any limitations placed on Business Associate's use or disclosure of PHI.
  - 3.4. NIR shall be solely responsible for formulation and safeguarding of secure passwords used to access PHI.
  - 3.5. NIR agrees to indemnify and hold Business Associate and its respective officers, directors, employees and agents harmless against any and all claims, costs, and expenses, including attorney's fees and court costs arising out of or in connection with Business Associate's access to or use of PHI while performing duties as requested by NIR or as described in any terms or agreement between the parties. Any such terms or agreements are incorporated by reference.
  - 3.6. NIR shall not request use or disclosure of PHI in any manner that would not be permissible under the Privacy Rule.

4. **Term.** The Term of this agreement shall begin on the date stated in the introductory paragraph and continue until all PHI is destroyed or returned to NIR, or, if it is not possible to return or destroy PHI, protections are extended to such information as described below.
  - 4.1. **Termination for Cause.** Upon NIR's knowledge of a material breach by Business Associate, NIR shall Provide written notice of the existence of an alleged material breach for Business Associate to cure the breach or end the violation and NIR shall be entitled to terminate this agreement if Business Associate does not cure the breach or end the violation within the time specified by NIR, which time period shall be reasonable and based on the nature of the breach involved.
  - 4.2. **Compliance Plan.** If Business Associate fails to perform obligations under this agreement, NIR may until such failure is cured:
    - 4.2.1. Require Business Associate to submit to a plan of compliance, including monitoring by NIR and reporting by Business Associate, as NIR, in its sole discretion, determines necessary to maintain compliance with this agreement and applicable law. Such plan shall be incorporated into this agreement
    - 4.2.2. Require Business Associate to mitigate any loss occasioned by the unauthorized disclosure or use of PHI.
  - 4.3. **Effect of Termination.** Upon termination of this agreement, Business Associate shall return or destroy all PHI maintained by Business Associate in any form, and shall retain no copies of such information. If the parties mutually agree that return or destruction of PHI is not feasible, Business Associate shall continue to maintain the security and privacy of PHI in a manner consistent with the obligations of this agreement and as required by applicable law, and shall limit further use of the information to those purposes that make the return or destruction of the information infeasible. The duties in this section shall survive the termination of this agreement.
  - 4.4. **Amendment.** NIR may amend this agreement by providing ten (10) days prior written notice to Business Associate in order to maintain compliance with applicable law. Such amendment shall be binding upon Business Associate at the end of the ten (10) day period and shall not require the consent of Business Associate. Business Associate may elect to discontinue the agreement within the ten (10) day period, but the duties to maintain the security and privacy of PHI shall survive such discontinuance. NIR and Business Associate may otherwise amend this agreement by mutual written agreement.
5. **Miscellaneous.**

- 5.1. **Notices.** Any notice, election, or other communication provided for or required by this agreement shall be in writing and shall be deemed received when hand-delivered, delivered electronically or delivered by mail to the person to whom such notice is intended to be given at such address as such person may have previously furnished in writing to the Company or at such person's last known address.
- 5.2. **Assignment.** Except as otherwise provided in this agreement, neither party shall assign their respective rights, duties, or obligations under this agreement without prior written consent of the other party to this agreement.
- 5.3. **Binding Effect.** This agreement shall inure to the benefit of, and shall be binding upon, the Parties, their legal representatives, transferees, heirs, successors, and assigns.
- 5.4. **Waiver.** No waiver of either party of any default, breach, or violation of any term or provision of this agreement shall be deemed to be a waiver of any other breach, default, or violation of the same, or any other term or provision contained in this agreement.
- 5.5. **Status of the Parties.** This agreement does not create any agency relationship between the parties. Nothing in this agreement shall be deemed to authorize either party to exercise control or dominion over the manner in which the other party conducts its business or performs its obligations or to create a joint venture between the parties.
- 5.6. **Construction.** This agreement shall be interpreted and construed according to the laws of the state of Alabama and jurisdiction for any dispute arising hereunder shall be in the state and federal courts located in Jefferson County, Alabama. The titles of the sections in this agreement have been inserted as a matter of convenience for reference only and shall not control or affect the meaning or construction of any of the terms and provisions hereof.
- 5.7. **Pronouns.** All pronouns and any variations shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the person or entity may require.
- 5.8. **Entire agreement.** This agreement sets forth all the understandings and agreements of whatever kind and nature existing between the parties concerning this agreement. Any other arrangements concerning different matters between the parties must be set forth in a separate instrument.
- 5.9. **Severability.** Each provision of this agreement shall be considered severable, and if for any reason any provision or provisions herein are determined to be invalid, unenforceable, or illegal under any existing or future law, such

invalidity, unenforceability, or illegality shall not impair the operation of or affect those portions of this agreement which are valid, enforceable, and legal.

- 5.10. **Mediation/Arbitration.** To the fullest extent permitted by law, all disputes, except for those pertaining to collections, arising out of or relating to this agreement shall be submitted to mediation and, if necessary, legally binding arbitration, under the rules of the American Arbitration Association. Such mediation and, if necessary, arbitration shall be held in Birmingham, Alabama. Arbitration shall be governed by the American Arbitration Association. Judgment upon an arbitration decision may be entered in any court otherwise having jurisdiction. This provision is intended to be as broad as possible under the law: it shall apply to all claims and causes of action, including all statutory and constitutional claims, contract claims and tort claims. The parties agree that their relationship affects and involves interstate commerce.

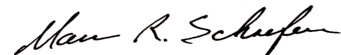
The parties are signing this agreement on the date stated in the introductory paragraph.

Business Associate

NIR

By: \_\_\_\_\_

Its:



By: Marc R. Schaefer

Its: Manager