



PRIVATE HEALTH SERVICES PLAN

THIS AGREEMENT made as of the ____ day of _____, 2005.

BETWEEN:

PRIVATE HEALTH SOLUTIONS CORPORATION
of 340 – 50 Avenue SE. Calgary, Alberta, T2G 2B1

- and -

(hereinafter the “Employer”)

WHEREAS the Employer intends to establish a Private Health Services Plan for its employees and their dependents (collectively, the “Employees”) in accordance with this Agreement and the attached Fee and Application Schedules (the "Plan"); and

WHEREAS PRIVATE HEALTH SOLUTIONS CORPORATION is engaged in the business of offering to the public its services as an administrator of private health service plans;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for the respective covenants and agreements herein contained, and other such valuable consideration the sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

Covenants of PRIVATE HEALTH SOLUTIONS CORPORATION

1. PRIVATE HEALTH SOLUTIONS CORPORATION will provide consultation to the Employer with regard to requirements to establish a Plan for its Employees.
2. PRIVATE HEALTH SOLUTIONS CORPORATION will assist the Employer with implementing the Plan.
3. PRIVATE HEALTH SOLUTIONS CORPORATION will act as administrator of the Plan on an ongoing basis.

4. Administration of the Plan will include but not be limited to the following:
 - a. Establishing accounts for eligible Employees;
 - b. Confirming that claims under the Plan meet eligibility requirements;
 - c. Monitoring claims to ensure account maximums are not exceeded;
 - d. Establishing client reporting procedures;
 - e. Processing elections on year end account balances;
 - f. Processing and distributing claims from accounts; and
 - g. Arbitrating contestable claims between Employees and the Employer.
5. Upon receipt of a claim submission and related premiums and fees, PRIVATE HEALTH SOLUTIONS CORPORATION shall pay to the relevant Employee the amount of the claim to which the Employee is entitled pursuant to the Plan.
6. PRIVATE HEALTH SOLUTIONS CORPORATION will hold all monies received from the Employer in trust (the "Trust Account") for the specific purposes contemplated herein.
7. Notwithstanding paragraph 6 above, PRIVATE HEALTH SOLUTIONS CORPORATION will be entitled to all interest earned from the Trust Account.

Covenants of the Employer

8. The Employer shall, no more frequently than monthly, submit on behalf of its employees, eligible claims under the Plan.
9. The Employer will ensure that the Plan remains funded, as outlined in the Fee Schedule hereto attached, in a manner necessary to meet its obligations to its Employees and to PRIVATE HEALTH SOLUTIONS CORPORATION. In the event that the Employer fails to fund the Plan as required, PRIVATE HEALTH SOLUTIONS CORPORATION is under no obligation to, and will not pay out claims submitted by the Employees.
10. The Employer shall provide PRIVATE HEALTH SOLUTIONS CORPORATION with a current record of all eligible Employees covered under the Plan.
11. The Employer shall notify PRIVATE HEALTH SOLUTIONS CORPORATION in writing of any changes affecting the eligibility of any Employees to participate in the Plan no later than 10 days from any such change.
12. The Employer shall provide PRIVATE HEALTH SOLUTIONS CORPORATION with all information requested to permit PRIVATE HEALTH SOLUTIONS CORPORATION to ensure compliance of the Plan with the *Income Tax Act* (Canada).

General Covenants

13. PRIVATE HEALTH SOLUTIONS CORPORATION agrees to administer and manage the Plan, hereto attached. The Plan shall remain on file with PRIVATE HEALTH SOLUTIONS CORPORATION and forms part of this agreement.

14. The Employer authorizes PRIVATE HEALTH SOLUTIONS CORPORATION to apply payments from the Trust Account in settlement of eligible benefits payable to Employees under the Plan and settlement of administration fees due to PRIVATE HEALTH SOLUTIONS CORPORATION, and to make adjustments to accounts to comply with the Fee Schedule hereto attached.
15. PRIVATE HEALTH SOLUTIONS CORPORATION shall not be liable in the event that it has paid a benefit for which an Employee was not eligible because the Employer failed to supply PRIVATE HEALTH SOLUTIONS CORPORATION with the information and notice required under paragraphs 10 and 11 above.
16. This agreement can be terminated immediately by either party upon delivery of written notice to the offices of the other party. Termination of this agreement constitutes termination of the Plan.
17. Upon the termination of this agreement, PRIVATE HEALTH SOLUTIONS CORPORATION shall have no obligations under the Plan beyond paying claims incurred prior to and including the date of termination. The Employer shall be required to fund its obligations under this agreement, including fees and applicable taxes due to PRIVATE HEALTH SOLUTIONS CORPORATION, up to and including the date of termination.
18. In the event that the Plan has had no activity for a period of 30 consecutive months, PRIVATE HEALTH SOLUTIONS CORPORATION will terminate this agreement by written notice mailed to the Employer's address.
19. This agreement, together with the Fee Schedule and Application Schedule, copies of which are attached and made a part hereof, constitutes the entire agreement.
20. No agent or other person has authority to waive any condition or restriction contained herein, including paragraph 18, to make or modify this agreement, or to bind PRIVATE HEALTH SOLUTIONS CORPORATION by making any promise or representation or by giving or receiving of any information.
21. Time is of the essence in this agreement.

TOGETHER WITH THE ENCLOSED PAYMENT OF \$267.50 PURSUANT TO THE SET-UP FEE OUTLINED IN THE FEE SCHEDULE OF THIS AGREEMENT, AND IN WITNESS WHEREOF, the terms of this agreement are hereby accepted by the parties hereto as of the date first above written.

PRIVATE HEALTH SOLUTIONS CORPORATION

per:

Witness

Employer.

per:



FEE SCHEDULE

FEES PAYABLE BY THE EMPLOYER

1. **Set-up Fee** - A one-time set-up fee calculated as follows:

i) (\$ 250 Employer Fee); and \$250.00

ii) (\$ 25 x _____ eligible Employees) \$ n/a

Total Set-up Fee \$250.00

G.S.T. (7%) \$ 17.50

Total Balance Due **\$267.50**

2. **Administration Fees**

Calculated as 10% of benefits paid out under the Plan plus G.S.T.

3. **Contributions**

The Employer shall pay to PRIVATE HEALTH SOLUTIONS CORPORATION as a contribution under the Plan, concurrently with each claim submission pursuant to paragraph 8 of the Private Health Services Plan, an amount equal to the aggregate amount of the claims included in the submission.

FEES PAYABLE BY THE EMPLOYEE

A Claims Processing Fee of \$10 plus G.S.T. will be charged for each submission of claims by an Employer where the aggregate of the claims is less than \$500.