



Exhibit 1 Membership Terms and Conditions

An Air Evac EMS, Inc. d/b/a Air Evac Lifeteam (“**Company**”) membership automatically enrolls you as a member in each AirMedCare Network participating provider’s membership program. These terms and conditions apply to all AirMedCare Network participating provider membership programs, regardless of which participating provider transports you. Membership ensures the patient will have no out-of-pocket flight expenses if flown by the Company by providing prepaid protection against the Company’s air ambulance costs that are not covered by a member’s insurance or other benefits or third party responsibility, subject to the following terms and conditions:

1. Patient transport will be to the closest appropriate medical facility for medical conditions that are deemed by Company attending medical professionals to be life- or limb-threatening, or that could lead to permanent disability, and which require emergency air ambulance transport. A patient’s medical condition, not membership status, will dictate whether or not air transportation is appropriate and required. Under all circumstances, the Company retains the sole right and responsibility to determine whether or not a patient is flown.
2. Company air ambulance services may not be available when requested due to factors beyond its control, such as use of the appropriate aircraft by another patient or other circumstances governed by operational requirements or restrictions including, but not limited to, equipment manufacturer limitations, governmental regulations, maintenance requirements, patient condition, age or size, or weather conditions. FAA restrictions prohibit most Company aircraft from flying in inclement weather conditions. The primary determinant of whether to accept a flight is always the safety of the patient and medical flight crews.
3. Members who have insurance or other benefits, or third party responsibility claims, that cover the cost of ambulance services are financially liable for the cost of Company services up to the limit of any such available coverage. In return for payment of the membership fee, the Company will consider its air ambulance costs that are not covered by any insurance, benefits or third party responsibility available to the member to have been fully prepaid. The Company reserves the right to bill directly any appropriate insurance, benefits provider or third party for services rendered, and members authorize their insurers, benefits providers and responsible third parties to pay any covered amounts directly to the Company. Members agree to remit to the Company any payment received from insurance or benefit providers or any third party for air medical services provided by the Company, not to exceed regular charges. Neither the Company nor AirMedCare Network is an insurance company. Membership is not an insurance policy and cannot be considered as a secondary insurance coverage or a supplement to any insurance coverage. **Neither the Company nor AirMedCare Network will be responsible for payment for services provided by another ambulance service.**
4. Membership starts 15 days after the Company receives a complete application with full payment; however, the waiting period will be waived for unforeseen events occurring during such time. Members must be natural persons. Memberships are non-refundable and non-transferable.
5. Some state laws prohibit Medicaid beneficiaries from being offered membership or being accepted into membership programs. By applying, members certify to the Company that they are not Medicaid beneficiaries.
6. These terms and conditions supersede all previous terms and conditions between a member and the Company or AirMedCare Network, including any other writings, or verbal representations, relating to the terms and conditions of membership.



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Fax (417) 257-2863 • membership@amcn.com



**Agreement for Air Evac Lifeteam Memberships
for District Residents between
Hill County Emergency Services District No. 2 and Air Evac EMS, Inc**

This Agreement for Air Evac Lifeteam Memberships (“Agreement”) is between Hill County Emergency Services District No. 2 (“ESD 2”) and Air Evac EMS, Inc., a Missouri corporation d/b/a Air Evac Lifeteam (“AEL”). ESD 2 and AEL are at times collectively referred as the “Parties” in this Agreement.

Recitals

WHEREAS; ESD 2 was created by an election held on November 2, 2004, to provide emergency medical services and no other emergency services within its boundaries consistent with Section 775.0205 of the Texas Health & Safety Code (“Code”);

WHEREAS, AEL is an air ambulance company that is licensed in the State of Texas and that provides a membership based program for certain individuals in compliance with all applicable laws and regulations

WHEREAS, the ESD 2 desires to enter into an agreement with AEL whereby all households within ESD 2 will be members of the AEL’s Air Evac Lifeteam Membership plan (“Membership Plan”); and

WHEREAS, Sections 775.031 of the Code authorize ESD 2 to enter into a contract with AEL for emergency medical services,

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound herby, the Parties agree as follows:

Article I.

Scope of Agreement and Term

1.1 Contract for Ambulance Membership. This Agreement relates to the acquisition of memberships in AEL’s Membership Plan by ESD 2 for the benefit of ESD 2’s residents and property owners.

1.2 Term. The base term of this Agreement commences as of October 1, 2012, and continues through September 30, 2013 (“Term”). Any extensions will be on the same



terms and conditions set forth in this Agreement, except with regards to the price, which may be adjusted.

Article II. AEL Memberships

2.1 ESD 2 Obligation. Pursuant to this Agreement and effective during the Term of this Agreement, ESD 2 is purchasing AEL Memberships for each household in ESD 2 for a total amount equal to \$52,381. Individuals residing in such households are referred to as "Participants." ESD 2 and AEL must comply with all applicable Federal and State laws and regulations governing membership programs. Payment is due during October 2012.

2.2 Terms and Conditions. The terms and conditions of AEL's Membership Plan are as described in the attached Exhibit "1" ("Air Evac Lifeteam Membership Terms and Conditions") with the exception of the price and the following:

Transport must:

- a. Be from a pickup location in Hill County, Texas, or
- b. Be from a pickup location in any county adjacent to Hill County, Texas, and
- c. If the Participant transported is uninsured at the time of transport, AEL will bill the Participant at the "Medicare Allowable Rate" for the transport.

Each membership covers the entire household (i.e., each individual Participant within such household) except for any person in the household who is now or later becomes a recipient of Medicaid benefits.

2.3 Notice of Membership Plan. AEL will mail information to each household about its Membership Plan at least once each fiscal year. ESD 2 will provide AEL a mailing list for all households within ESD 2 at least once annually.

2.4 Full Household Membership. Any individual who resides within the boundaries of ESD 2 may elect to obtain a full household membership (to include coverage outside the ESD 2 service areas and to include 100% self pay coverage) for an additional \$35 per year.

Article III. General Provisions

3.1 Termination. Either Party may terminate this Agreement as of the expiration date of the then current term for any reason after providing the other Party with written notice at least 30 days prior to the end of the then current term.

3.2 Immediate Termination. Either Party may terminate this Agreement with at least 30 days prior written notice if: (1) the Attorney General of Texas renders an official opinion that voids, modifies, or otherwise affects any provision in this Agreement; (2) a court of competent jurisdiction issues a judgment or ruling that voids, modifies, or otherwise affects any provision of this Agreement; or (3) a duly authorized statute, law, rule, or regulation is enacted by a competent legislative authority in such a manner that could reasonably jeopardize the taxing or other authority of either District or otherwise modifies, voids, or affects this Agreement. If any such an above-described event occurs, the Parties will exert best efforts to agree on an alternative agreement in conformance with any such opinion, judgment, or legislative enactment.

3.3 Termination for Default. ESD 2 may terminate this Agreement by providing written notice to AEL upon occurrence of any of the following:

- (A) Failure of AEL to operate its air ambulance service in a manner consistent with Federal, State, and local laws, rules, and regulations;
- (B) AEL making an assignment for the benefit of creditors; filing a petition for bankruptcy; being adjudicated insolvent or bankrupt; petitioning by a custodian, receiver or trustee for a substantial part of its property; or, commencing any proceeding relating to it under the bankruptcy, reorganization arrangements, readjustment of debt, dissolution or liquidation law or statute; and
- (C) Any other failure of performance required in this Agreement by AEL.

A termination under the provisions of this section may be exercised only after giving AEL written notice of alleged default at least 30 days before termination and an opportunity to cure alleged default. If AEL fails to correct the default within 30 days from the date of notice, ESD 2 may terminate this Agreement on a date certain established by ESD 2 in its sole and absolute discretion.

3.4 Remedies. It is not intended hereby to specify (and this Agreement may not be considered as specifying) an exclusive remedy for any default, but all such other



remedies existing at law or in equity, including specific performance, may be availed of by any party and are cumulative of the remedies provided.

3.5 Indemnification. AEL MUST DEFEND, IDEMNIFY AND HOLD HARMLESS ESD 2 AND ITS EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "INDEMNIFIED PARTIES"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER, (COLLECTIVELY, "CLAIMS") TO THE EXTENT RESULTING OR ARISING FROM AEL'S BREACH OF THIS AGREEMENT OR ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF AEL, OR ANY NEGLIGENT ACT OR OMISSION OF ITS EMPLOYEES. ESD 2 IS NOT RESPONSIBLE FOR THE ACTS OR OMISSIONS OF AEL'S EMPLOYEES OR PERSONNEL. IT IS EXPRESSLY UNDERSTOOD THAT ESD 2 DOES NOT WAIVE, AND MAY NOT BE DEEMED TO WAIVE, ANY IMMUNITY OR DEFENSE THAT WOULD OTHERWISE BE AVAILABLE TO IT AGAINST CLAIMS ARISING IN THE EXERCISE OF ITS GOVERNMENTAL POWERS AND FUNCTIONS, OR THAT MIGHT OTHERWISE BE AVAILABLE AT LAW OR IN EQUITY. THE PROVISION OF THIS SECTION WILL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS AGREEMENT OR ANY EXTENSIONS HEREOF.

3.6 Entire Agreement. The terms and provisions of this Agreement contain the entire agreement between the parties and supersedes all previous communication, representations or agreements, either oral or written, with respect to the matters addressed herein. In case of conflict between this Agreement and any other agreement or contract now existing or later entered into by either of between the Parties, this Agreement prevails. This Agreement may be modified as provided below.

3.7 Written Modifications. All modifications to this Agreement must be in writing and approved by the appropriate governing authority for both Parties.

3.8 Assignment. No rights, duties, or obligations under this Agreement may be assigned nor may any interest or options contained herein be made available or otherwise assigned to any third party without the prior written consent of the Parties, which may be withheld in either Party's absolute and sole discretion.

3.9 Severability. If any provision or application of this Agreement is held illegal, invalid, or unenforceable by any Court of competent jurisdiction, the invalidity of such



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provision will not affect or impair any of the remaining provisions of this Agreement, except as expressly set forth herein.

3.10 Applicable Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas. Venue over any dispute arising from this Agreement will, by agreement, be in Hill County, Texas. This Agreement will be interpreted and construed as broadly as possible consistent with the purposes stated herein.

3.11 Attorney's Fees. If either Party becomes a party to any litigation against the other to enforce or protect any rights or interest under this Agreement and prevails, the losing party must reimburse the prevailing party for all investigative and court costs and attorney's fees incurred in such litigation.

3.12 Notice. All notices and other communications required or permitted under or necessary or convenient in connection with this Agreement must be in writing and will be deemed to have been given when hand delivered, sent by facsimile with evidence of receipt, sent by reputable overnight courier with signature of recipient required or mailed by registered or certified mail, as follows (provided that notice of change of address will be deemed given only when received):

AEL
Attention: Keith Hovey
Vice President of Membership
PO Box 948
West Plains, Missouri 65775
(800) 793-0010 Office
_____ Fax

Hill County ESD #2
Attention: Barbara Leetun
President
PO Box 457
Hillsboro, Texas 76645

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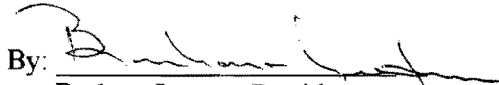
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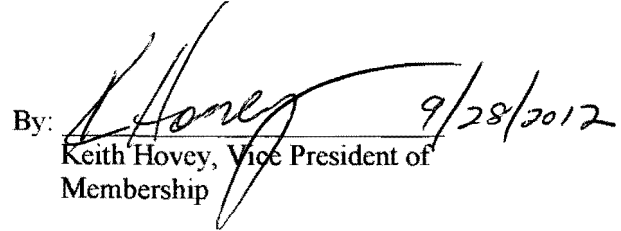


IN WITNESS WHEREOF, the Parties hereto make and enter into this Agreement on this the 1 day of October, 2012, to be effective as of the 1st day of October 2012. By their signatures below, the individuals signing and the Parties represent that they are authorized and intend to enter this agreement.

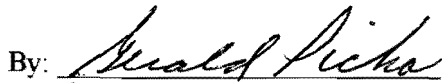
HILL COUNTY EMERGENCY
SERVICES DISTRICT NO. 2

Air Evac EMS, Inc.
d/b/a Air Evac Lifeteam

By: 
Barbara Lectun, President

By:  9/28/2012
Keith Hovey, Vice President of
Membership

Attest as to ESD #2:

By: 
10-1-12, Secretary