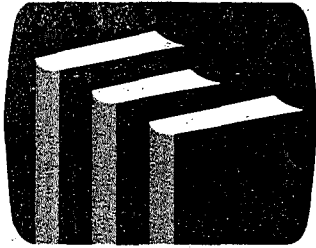


EFG



**TECHNOLOGIES**

REGISTRO DE CONTRATOS  
TOMO 10 PAGINA 71  
CONTRATO NUM 01000497

**SERVICING AGREEMENT**

THIS AGREEMENT is made and entered into as of this 1st day of July 2001, by and between EFG TECHNOLOGIES, a division of Academic Management Services, (hereafter the Company), and UNIVERSITY OF PUERTO RICO MAYAGUEZ CAMPUS (hereafter the Customer);

**WITNESSETH:**

1. The Company agrees to perform certain services for the Customer in consideration of certain fees, all of which services and fees are set out fully on attached schedules or herein. It is understood and agreed that the Company shall be under no duty or obligation to perform any Services, other than those herein expressly provided for, unless agreed upon in writing prior to the performance thereof.

2. a. All communications to the Customer regarding this Agreement are to be addressed as follows:

University of Puerto Rico  
Mayaguez Campus  
Finance Department  
P.O. Box 9003  
Mayaguez, PR 00681-9003  
Attention: Chancellor

b. All communications to the Company regarding this Agreement are to be addressed as follows:

EFG Technologies  
Reynolda Business Center  
2400 Reynolda Road  
Winston-Salem, NC 27106  
Attention: Lisa Koniuto, Manager, Contracts and Proposals

3. The Customer shall furnish to the Company copies of all records necessary to enable the Company to perform the services under this Agreement. The records shall be legible, correct, complete, in the form stated in the Schedule(s) and any written signed amendments thereto, and shall contain control total information normally requested by the Company. If, for any reason, such control total information is not furnished to the Company by the Customer, the Customer agrees to accept the results obtained by the Company as a complete and satisfactory performance of the Services to be rendered hereunder by the Company. The Company agrees that it will retain all information belonging to the Customer in confidence.

The Company shall be under no duty or obligation to inquire into the nature or authenticity of the transactions represented by the records or other data submitted for processing nor to examine, correct, re-code, or otherwise alter or amend said records or data preliminary to, during, or as a result of processing unless specifically authorized and directed in writing to do so by the Customer and accepted in writing by the Company.

4. In the event the Customer's records or other data submitted for processing should be lost or damaged in transit or otherwise due to the failure of the Company, its employees or agents to exercise reasonable care to prevent such loss or damage, the liability of the Company on account of such loss or damage shall not exceed the reasonable cost of reproducing such records or data from exact duplicates thereof in the Customer's possession, and the Customer agrees always to have and maintain such duplicate records and data for such purpose, or, at Customer's option, to assume the risk of any loss and damage and expense to the Company of the Customer which might result from or arise out of the Customer's failure to maintain such duplicate records.

5. The Company shall furnish all forms and supplies as specified in the Schedule(s) and any written, signed amendments thereto, and the Customer shall adopt and use these standard forms and procedures for the transmittal of loan account data to the Company and the Company shall furnish in good condition all forms so specified to be supplied by the Company.

6. Any records or data processing media furnished by the Customer to the Company in connection with this Agreement may be retained by the Company until the services are completed or until this Agreement is terminated. Following completion or termination of this Agreement, the Company may dispose of such records and data processing media unless the Customer furnishes the Company with written instructions accepted in writing for disposition of same within sixty (60) days from the date of completion or termination of this Agreement. Any expense incurred by the Company in disposing of such records and media in accordance with these instructions will be borne by the Customer.

7. The Company reserves the right to change any part or all of its equipment, programs, and the procedures, forms or schedules specified on the attached Schedule(s) or any written, signed amendment thereto upon written notice to the Customer. The Customer will thereafter furnish the Company with such records and data processing media as may be necessary in connection with the equipment, procedures, forms or schedules as changed by the Company.

8. All records specifically relating to the Customer shall be subject to review and audit by the Customer and its designated representatives during business hours upon reasonable advance notice by the Customer. All expenses related to such review shall be borne by the Customer.

9. If the records or data processing media submitted by the Customer for processing are illegible, incorrect, incomplete, not in the form specified by this Agreement, or not in accordance with the agreed time schedule, upon notice to the Customer, the Customer agrees to pay the Company a reasonable additional fee for any work done by the Company or its assignee in an attempt to place the records or data processing media in proper condition for processing. The Company will use its best efforts to reschedule and process such data, but the Customer agrees that

any time schedule may be extended for so long as the Company may deem necessary, that any loss or consequential damages due to such extension of time will be borne by the Customer, and that the Company may assign work at its option. In any event, the Company reserves the right to accept or reject any source information media substituted by the Customer for that specified in the attached Schedule(s) or any written, signed amendment thereto.

10. The Customer shall be responsible for auditing all processed records and for reporting any errors to the Company within sixty (60) days of receipt. The Customer further agrees that account status and data changes will be reported to the Company as they occur.

11. The preparation and submission of all governmental reports or requests for data will remain the responsibility of the Customer. The Company will, however, supply supporting data as per this Agreement and the attached Schedule(s), and will prepare any such reports as are set out in the attached Schedule(s).

12. The Company shall use due care in performing its services hereunder. If the Company is required to appear in, or is made a defendant in, any legal action with respect to the services provided hereunder, the Customer shall indemnify and hold the Company harmless from all loss, liability, and expense, except for loss or damage arising directly from the Company's negligent acts or omissions. In any event, the Company's liability with respect to this Agreement and the services to be performed hereunder shall be limited to actual money damages in an amount not to exceed the total amount paid by the Customer to the Company during the previous twelve (12) months or portion thereof immediately preceding the incident causing the damages for the services performed without due care. The Customer agrees that the foregoing shall constitute its exclusive remedy and that the Company shall not be liable for special, consequential or exemplary damages. No action regardless of form arising out of the services under this Agreement may be brought by either party more than one year after the cause of action has accrued, except that an action for non-payment which may be brought any time after the date of last payment.

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Furthermore, so long as it is required under Title IV of the Higher Education Act or the regulations promulgated and in force thereunder (the "Act"), the Company will comply with the applicable provisions of (i) the Act; (ii) all statutory provisions; and (iii) any special arrangements, agreements, limitations, suspensions and terminations entered into under the authority of the Act ("Other Agreements") of which the Company has actual written knowledge, to the extent of the services contracted by the Company to be performed for Customer hereunder.

Also, so long as the same is required by the Act and is legally enforceable, the Company agrees to be jointly and severally liable with Customer to the United States Secretary of Education for any violation by the Company of any statutory provision of or applicable to Title IV of the Act, any regulations thereunder or any Other Agreement of which the Company has actual written notice as of the date of such violation. Notwithstanding anything herein or in the Agreement to the contrary, Customer agrees that it shall pay within the time frame demanded by the Department of Education any monies for which the Department of Education may hold the Company and Customer jointly and severally liable. In the event Customer fails to make such payment and the Company is required to make such payment as a result of the joint and several liability provisions of this

amendment or the Regulations, Customer shall indemnify and hold harmless the Company from all costs, expenses (including reasonable attorney's fees) and payments made by the Company or incurred as a result of Customer's failure to make payment to the Department of Education as provided herein, including interest at the rate of **eighteen (18%) percent per annum or prime, plus three percent (3%) per annum** on any such amounts paid by the Company to the Department of Education from the date paid.

13. Customer hereby consents to and authorizes the Company to refer to the Office of the Inspector General of the Department of Education for investigation any information indicating there is reasonable cause to believe that Customer might have engaged in fraud or other criminal misconduct in connection with Customer's administration of any Title IV, HEA program or an applicant for Title IV, HEA program assistance might have engaged in fraud or other criminal misconduct in connection with his or her application. Customer agrees to defend, indemnify and hold harmless the Company from any action taken by the Company in good faith under this provision.

14. Customer represents and warrants that it has not entered into, nor is it subject to, any Other Agreements. In the event Customer becomes subject to any Other Agreements, Customer shall immediately notify the Company and provide the Company with a copy of such Other Agreements. In the event the Company is required to take on additional liabilities, obligations or perform additional services as a result of such Other Agreements, the Company may immediately terminate the Agreement and/or offer to amend the Agreement to take into account the economics of such liabilities, obligations or services.

15. The Company shall not be responsible for delays or failures in performance resulting from acts beyond its control. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, fire, communication line failures, power failures, earthquakes or other disasters.

16. Either the Company or the Customer may terminate this Agreement by giving ninety (90) days advance notice to the other in writing at any time one (1) year after the date of acceptance of this Agreement by the Company.

17. The Company reserves the right to adjust its fees at any time and notify Customer in writing of any changes, with such changes to become effective sixty (60) days after notification.

18. Invoices for the Company's Services shall be due and payable when rendered.

- a. If full payment is not received within thirty (30) days of statement rendering, a late charge of 1 1/2 percent per month will be imposed against the entire outstanding balance of the account, including any prior unpaid late charges.
- b. If full payment is not received within sixty (60) days of statement rendering, the parties agree that the Company may, without written notice, offset and retain any and all due and unpaid amounts from amounts available for remittance to Customer, except federal funds, under this Agreement. Also, the Company reserves the right to terminate its services without any prior notice.

- c. Any reports otherwise due under this Agreement may be retained by the Company whenever any payment is more than thirty (30) days past due, or whenever any terminated customer's account is not paid in full.
- d. All reports, invoices or notices will be mailed by the Company to Customer by normal mail (2-3 day delivery). In the event Customer desires express mail, overnight delivery, Customer agrees to reimburse Company for that expense.
- e. Customer agrees that Company may assess a reasonable charge to Customer for Company's costs and expenses in processing noncollectible payments (e.g. NSF, closed account, etc.) received by Company for an account. The Company may bill and collect this charge directly from the Customer.
- f. Upon termination of any services under this Agreement, all fees due shall become payable immediately. Customer agrees to pay to Company all costs and expenses, including reasonable attorney fees, for the any action taken by Company to collect any delinquent and outstanding fees due to Company from Customer. Upon payment, all relevant loan account data shall be returned to the Customer in the Company's format.

19. In performing the services hereunder, the Company will be guided by its interpretations of the provisions of the authorizing governmental legislation relating to the administering and servicing of student loans and any regulations pertaining to such legislation when it is published in its final form.

20. This Agreement will be governed by the laws of the State of North Carolina and constitutes the entire Agreement between the parties with respect to the subject matter; all prior agreements, representations, statements, negotiations and undertakings are superseded hereby. No amendment to this Agreement shall be effective unless such amendment is in writing and signed by duly authorized representatives of both parties.

21. Waiver by the Company of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

22. This Agreement and any or all rights and obligations of the Company hereunder may be assigned by the Company without the consent of the Customer. The Customer shall not assign or transfer this Agreement or any of its rights and obligations hereunder without the written consent of the Company.

23. All Schedules signed and dated by both parties and attached hereto are hereby incorporated by reference into this Agreement and made a part hereof. Schedules attached at the time of execution are set out below. Alterations and additions to these Schedules may be made from time to time by the substitution of new Schedules, which substitutions must be dated and signed by authorized representatives of both parties.

The undersigned represents that he or she has authority to execute this Agreement on behalf of this Customer.

EFG TECHNOLOGIES

By: Paul R. Lombardo

Name: Paul R. Lombardo

Title: Executive Vice President

Date: 6/18/01

UNIVERSITY OF PUERTO RICO  
MAYAGUEZ CAMPUS

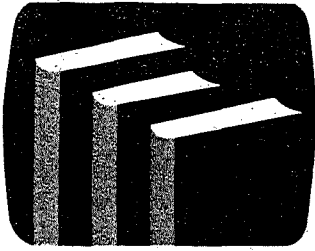
By: Pablo Rodriguez

Name: Pablo Rodriguez

Title: Rector Interino

Date: 6/16/01

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## TECHNOLOGIES

### SCHEDULE A - N.D.S.L./PERKINS SERVICING - OPTION I

This Schedule attached to the Servicing Agreement for University of Puerto Rico Mayaguez Campus (the Customer), dated July 1, 2001, is considered an integral part of the agreement between EFG Technologies (the Company) and the Customer.

The Company agrees to provide a data processing service specifically to perform the reporting, billing, and servicing functions outlined in this Schedule for N.D.S.L./Perkins loan accounts. The functions may alter in accordance with changes in relevant statutes and regulations.

All governmental reporting on statistics, loan funds, refunds, accounting reports, and similar required data will remain the function of the Customer with supporting data being furnished by the Company, as available.

#### THE COMPANY AGREES TO:

- 1.1. Provide the Customer with the necessary forms and materials for transferring loans and submitting loan account adjustments.
- 1.2. Provide the Customer with weekly, monthly, quarterly, and annual reports to include monetary and non-monetary account data.
- 1.3. Provide the following services:
  - a. Send each Borrower, entitled to a six or nine month grace period, a disclosure statement ninety (90) days after separation.
  - b. Send each Borrower, entitled to a six or nine month grace period, a statement of the loan, a grace expiration notice, and a list of informative statements one hundred fifty (150) days after separation.
  - c. Send each borrower, entitled to a nine month grace period, a statement of the loan two hundred forty (240) days after separation.
  - d. Send each borrower a billing statement approximately thirty (30) days before the due date of the first payment. This statement, and subsequent bills (and coupon books issued annually) are mailed to be received at least ten (10) days before each due date. Borrowers may elect to pay electronically.
  - e. Send each repayment borrower forms for deferment, postponement, and cancellation.

- f. Send each Borrower notices at fifteen (15) and forty-five (45) days past due.
- g. Send each Borrower a Demand Letter at sixty (60) days past due.
- h. Make a collection telephone call to each Borrower at ninety (90) days past due. The Company will make three separate attempts to contact the borrower.
- i. Perform I.R.S. skip-tracing activities as permitted.

THE CUSTOMER AGREES TO:

- 2.1. Adopt and use the Company's forms and procedures for the preparation and transmittal of loan account information to the Company.
- 2.2. Transfer data on new loan accounts to the Company immediately after initial advances are made.
- 2.3. Ensure that each Borrower, on ceasing to be a half-time student, is fully informed as to the relationship between the Customer and the Company, and the importance of maintaining contact with both.
- 2.4. Establish and maintain an account at a bank mutually agreed upon into which payments received by the Company will be deposited.
- 2.5. Authorize the Company, as agent of the Customer, to review and make tentative approval or disapproval of cancellations or deferments. However, the final cancellation and deferment decisions are the responsibility of the Customer.
- 2.6. Maintain trained staff as a contact for the Company. In the event the Company is required to provide additional training to the Customer's staff, the Customer agrees to pay all travel expenses related to such training visits:

EFG TECHNOLOGIES

By: Paul R. Lombardo  
 Name: Paul R. Lombardo  
 Title: Executive Vice President  
 Date: 6/18/01

UNIVERSITY OF PUERTO RICO  
 MAYAGUEZ CAMPUS

By: Pablo Rodriguez  
 Name: Pablo Rodriguez  
 Title: Rector Interino  
 Date: 6/16/01

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