

CONSULTING, LICENSING, MAINTENANCE AND SUPPORT AGREEMENT

THIS CONSULTING, LICENSING, MAINTENANCE AND SUPPORT AGREEMENT (this "Agreement") is made and entered into this December 17, 2008, effective as of the December 1, 2008 (the "Effective Date"), by and between **CATALYST INFORMATION TECHNOLOGIES, INC.**, a Georgia corporation ("Catalyst"), and Ventura County Health Plan (the "Client"), with offices located at 2323 Knoll Drive Ventura, CA 93003.

Recitals:

A. The Client operates a managed care organization that arranges for the coverage of certain health care services to persons enrolled in the health care plans it issues or administers and maintains systems to monitor and improve the quality of the services provided by the health care providers who participate in Client's network of participating providers.

B. The National Committee for Quality Assurance ("NCQA") has established the Healthcare Effectiveness Data and Information Set ("HEDIS") performance measures for use in the comparative evaluation of health plan quality. HEDIS® sets forth the applicable specifications for health care performance measurement.

C. Catalyst is a supplier of information products and services and desires to provide certain consulting services to the Client as provided herein.

D. In addition, Catalyst owns certain software products called Quality Spectrum®, Quality Spectrum Insight™, Quality Spectrum SAS™ and Quality Spectrum Flowchart Designer™ (collectively, the "Product"), which include programs designed to meet HEDIS specifications. In the event the Client elects to license Quality Spectrum Hybrid Reporter™ in accordance with the terms hereof, the term "Product" shall also include Quality Spectrum Hybrid Reporter.

E. The Client desires to obtain a nonexclusive license to use the Product at the Site solely in its HEDIS reporting efforts and engage Catalyst to perform certain consulting and other services, and Catalyst is willing to grant such license and perform such services, subject to the terms and conditions set forth herein. As used herein, the term "Site" shall mean the offices of the Client listed above and all other offices of Client and its subsidiaries approved by Catalyst in writing.

F. As used herein, the term "Membership Population" shall mean the total number of plan participants in all plans issued or administered by the Client and its subsidiaries (actual and historical) loaded into the membership demographic tables across all instances of the Product.

Agreement

In consideration of the foregoing premises, the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Catalyst and the Client hereby agree as follows:

1. Term and Termination.

(a) **Term.** The term of this Agreement (the "Initial Term") will commence on the Effective Date and shall continue through and including November 30, 2011, unless earlier terminated as provided herein. Upon expiration of the Initial Term or any Renewal Term, this Agreement will automatically renew for additional periods of one year each (each, a "Renewal Term") unless either party delivers written notice to the other party that it desires to terminate this Agreement at least ninety (90) days prior to the expiration of the then current term. Each Renewal Term shall be subject to Catalyst's then current pricing. The Initial Term and all Renewal Terms are collectively referred to as the "Term."

(b) **Termination by Either Party.** Either party may terminate this Agreement if the other party materially breaches any of its obligations under this Agreement and fails to cure such material breach within sixty (60) days following written notice of such breach from the non-breaching party; provided, however, that anything to the contrary notwithstanding, Catalyst may terminate this Agreement if the Client does not timely pay any amount owed to Catalyst pursuant to this Agreement and fails to cure such failure within twenty (20) days following written notice of such failure from Catalyst. In addition, either party may terminate this Agreement immediately upon written notice in the event of the other party's insolvency; adjudication of insolvency; filing of a voluntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement or readjustment of its debts or any agreement of the other party indicating its consent to, approval of or acquiescence in any such petition or proceeding; or the application by the other party for or the consent or acquiescence of the other party to the appointment of a receiver or trustee over all or a substantial part of the other party's property or assets; or the filing of an involuntary petition against the other party seeking reorganization, rearrangement or readjustment of its debts or for any other relief under any insolvency act or law, now or hereafter existing (which petition is not dismissed within 60 days); or the involuntary appointment of a receiver or trustee over all or a substantial part of the other party's property or assets. Notice of termination by either party pursuant to this Section 7(b) shall be delivered in accordance with Section 17. Notices under this Section shall be effective upon receipt. Upon any termination or expiration of this Agreement, the Client shall immediately cease all use of the Product and return the Product to Catalyst, together with all other materials and documentation provided to the Client pursuant to this Agreement, and all copies of the foregoing in any form.

(c) **Infringement.** If a third party infringement claim regarding Client's use of the Product is, or in Catalyst's reasonable belief is likely to be, asserted prior to termination of this Agreement, (i) Catalyst may require the Client to discontinue use of the Product immediately and Client shall comply with such requirement; and (ii) Catalyst will promptly, at its sole option, either (A) procure for Client the right to continue to use and exercise its rights with respect to the Product or affected part thereof as provided in this Agreement; or (B) replace the Product or affected part thereof with other non-infringing products or modify the Product or affected part thereof to make it not infringing while retaining substantially similar functionality; or (C) if the remedies set forth in clauses (ii)(A) and (ii)(B) are not commercially practical, as determined by Catalyst in its sole discretion, terminate this Agreement, in whole or in part, and the licenses granted pursuant to it; provided that in the event such termination occurs prior to June 30 during a calendar year, Catalyst will refund to Client any License Fees paid by Client for that calendar year for the infringing Product or affected part thereof. The foregoing shall be the Client's sole and exclusive remedy for any infringement claim with respect to the Product.

(d) **Billing Upon Termination.** Upon termination or expiration of this Agreement for any reason, Catalyst shall bill the Client, within ninety (90) days after the effective date of the termination or expiration, in full for all fees, taxes and expenses payable to Catalyst through the date of termination. All of the foregoing fees, expenses and taxes shall become due and payable immediately when billed (or when assessed, levied or billed by the appropriate taxing authority, as the case may be).

2. **HEDIS Compliance Audit and Hold Harmless.** Catalyst will provide customary and reasonable assistance to the Client in connection with the Client's HEDIS Compliance Audit™ of the Product at no additional fee, including providing all necessary system documentation needed in connection with such audit. The Client understands that there is no guarantee that it will pass a HEDIS Compliance Audit and agrees to hold Catalyst harmless from any claims, losses, damages, fines, penalties or expenses incurred by the Client in connection with, arising out of or otherwise relating to the results of any such audit or other HEDIS reporting or verification activities, and all review and reconsideration processes. Catalyst shall not be responsible for the performance of any other contractor, person or entity involved in any phase of the Client's administrative data reporting process.

3. **Optional Services and Hosting Services.** Client may elect to receive the optional services more fully described in Appendix C ("Optional Services"), as amended by Catalyst from time to time, at the prices set forth in Appendix C. Optional Services are available on an annual basis and the Client must give Catalyst at least sixty (60) days prior written notice of its election to receive such Optional Services. In addition, Client may elect to receive the ASP hosting services more fully described in Appendix D ("Hosting Services"), as amended by Catalyst from time to time, at the prices set forth in Appendix D. Hosting Services are available on an annual basis and Client must give Catalyst at least sixty (60) days prior written notice of its election to receive such Hosting Services.

4. **Grant and Use of License; Training, User's Manuals and Customer Hotline.**

(a) **Grant.** As consideration for the receipt of the License Fee (as calculated pursuant to Section 7), Catalyst grants to the Client a limited, non-exclusive, non-transferable and non-sublicensable license to

use the Product solely at the Site in accordance with the terms, conditions and restrictions set forth in this Agreement (the "License"). The Client acknowledges and agrees that the Product is proprietary to Catalyst and that this Agreement grants the Client no title or right of ownership whatsoever in the Product (including without limitation any derivatives works, improvements, modifications or enhancements thereto). The Client acknowledges and agrees that it is not entitled to receive a SAS® or SQL® license in connection with this Agreement.

(b) **Use.** In connection with the licenses granted pursuant to Section 4(a), the Client may: (i) use the Product solely at the Site, (ii) use the Product solely for its Internal Business Use (as defined below) in accordance with the documentation and specifications provided by Catalyst from time to time, and (iii) make a reasonable number of copies of the documentation solely for its Internal Business Use. The Client shall not use the Product for any other purpose. Client shall include, and shall under no circumstances remove, Catalyst's copyright, trademark, service mark and other proprietary notices on any complete or partial copies of the Product in the same form and location as the notice appears on the original work. The Client shall not attempt to rent, lease, sell, sublicense, assign or otherwise transfer the Product in any way to any other person or entity. The Client shall not reverse engineer, decompile, disassemble or in any other way modify the Product at any time during its use of the Product pursuant to this Agreement, except to the extent that this restriction is expressly prohibited by applicable law. For purposes of the License, "Internal Business Use" means use of the Product by the Client solely to support the HEDIS reporting efforts of the Client and its subsidiaries with respect to the member populations (actual and historical) of plans supported or administered by the Client and its subsidiaries, and also includes the ability of the Client's HEDIS auditors to review the applicable source code and system documentation solely in connection with their HEDIS compliance audits on behalf of the Client and its subsidiaries.

(c) **Training, User's Manuals and Customer Hotline.** As further consideration for the receipt of the License Fee, the Client shall receive (i) Catalyst's standard user manuals and audit support documentation related to the Product solely for Internal Business Use, and (ii) access for two (2) (and only two) of its representatives to Catalyst's toll-free customer support hotline (the "Hotline") for questions related solely to the installation and basic use of the Product. The normal hours of the Hotline are 8:00 AM to 8:00 PM Eastern Time, Monday through Friday, excluding holidays. If the Client seeks advice that falls outside the basic installation and intended use of the Product, including but not limited to, any of the items enumerated in Sections 6(a) and (b) below, Client agrees to utilize Support Hours to compensate Catalyst for the time expended for such requests.

5. Ownership of the Product. The Client acknowledges that the Product (including without limitation any modifications, updates, new versions, derivatives works and improvements related thereto and all intellectual property rights therein) are owned exclusively by Catalyst. The Client acknowledges and agrees that it acquires no right or title of ownership of the Product pursuant to this Agreement and agrees to promptly assign to Catalyst any rights it may acquire as a matter of law or otherwise and to execute such assignments and acknowledgements of assignment as Catalyst may request. All rights not expressly granted hereunder to the Client are hereby reserved by Catalyst.

6. Support and Maintenance Services; Training; Support Hours and Pricing; Additional Hours and Pricing.

(a) **Provision of Support and Maintenance Services.** Under the terms detailed in Section 6(c), the Client agrees to purchase from Catalyst and Catalyst agrees to provide to Client, support and maintenance services in connection with the following ("Support Services"):

- (i) Data conversion and analysis;
- (ii) Interpretation of NCQA guidelines;
- (iii) Custom measure specification and development; and
- (iv) Ad hoc programming and system configuration.

Client is required, as a condition to Catalyst's provision of Support Services, to provide Catalyst with dial-in capability or the equivalent to the Product installed at the Site.

(b) **Training.** Under the terms detailed in Section 6(c), Client may elect to purchase from Catalyst and Catalyst agrees to provide to Client, training courses related to Catalyst's software and the HEDIS reporting process on the following specific subjects ("Training"):

- (i) Data conversion and analysis;
- (ii) Advanced measure building;
- (iii) HEDIS medical record review;
- (iv) Advanced MRR data collection; and
- (v) Audit support and preparation.

Participation in each training course is limited to a maximum of eight (8) participants from the Client. Participation in any training course by one (1) or more Client participants (up to a maximum of eight (8)) shall count as use of eight (8) Support Hours (as defined below) purchased by the Client.

(c) **Support Hours and Pricing.** The Client hereby agrees to purchase forty (40) hours of support for the provision of Support Services and Training by Catalyst (the "Support Hours") for a flat fee of Seven Thousand Five Hundred Dollars (\$7,500). The Client may, in its sole discretion, utilize the Support Hours in any proportion for the provision by Catalyst of Support Services and/or Training, as the case may be.

(d) **Additional Hours and Pricing.** The Client may also purchase, from time to time, additional Support Hours in blocks of forty (40) hours each (collectively, the "Additional Hours"), at a price of Seven Thousand Five Hundred Dollars (\$7,500) for each forty (40) hour block. The Client may, in its discretion, utilize the Additional Hours in any proportion for the provision by Catalyst of Support Services and/or Training, as the case may be. In the last one hundred and eighty (180) days of the Term, Client may purchase Additional Hours in increments of one (1) hour at a price of \$200 per hour. Client will be promptly invoiced for any Additional Hours purchased, and such invoices shall be immediately due and payable. If

this Agreement is renewed, all unused Support Hours and Additional Hours will roll over into the Renewal Term. If this Agreement is not renewed, all unused Support Hours and Additional Hours at the end of Term are forfeited.

(e) **Management:** Each party shall appoint an employee to serve as the primary point of contact with the other party in connection with this Agreement. Catalyst will appoint a qualified person to act as a liaison to the Client regarding performance under this Agreement. The Client will identify and appoint a technical liaison to be the primary point of contact for the Catalyst project manager. Each party may change its designated point of contact upon ten (10) days prior written notice to the other party; provided, however, that in the event the designated employee is no longer employed by a party, no such advance notice is required.

(f) **Cooperation:** Client shall provide reasonable assistance to Catalyst and prompt responses to any inquiries by Catalyst, to assist Catalyst in the performance of its obligations hereunder, and Client acknowledges that Catalyst's performance hereunder is dependent upon such assistance. The parties acknowledge and agree that notwithstanding anything herein to the contrary, Catalyst shall not be liable for any delay that results from Catalyst's inability to perform where Client, or any of its affiliates, personnel, representatives, agents or contractors, has failed to respond to Catalyst's requests or inquiries hereunder.

7. Fees and Expenses.

(a) **Licensing Fee and Taxes.** As consideration for the grant of the License in Section 4(a), the Client shall pay to Catalyst the annual License Fee calculated in accordance with the table set forth in Appendix B based upon expected Membership Population and in accordance with the following payment schedule:

(i) Seventy Five Percent (75%) upon execution of the Agreement, and on October 1st of each subsequent year during the Term; and

(ii) Twenty Five Percent (25%) of the annual License Fee (subject to adjustment as provided below) on January 1st of each year during the Term.

On or before the date for payment provided for in Subsection 7(a)(ii) above, Client shall provide Catalyst with a certification of the actual Membership Population and, thus, the actual License Fee to be paid for that year based on Appendix B. The amounts due from Client to Catalyst in Subsection 7(a)(ii) shall be adjusted so that the total amount paid for the year accurately reflects the License Fee set forth in Appendix B for that year's actual Membership Population.

(b) **Catalyst Optional Services and Hosting Services.** Charges and fees for Optional Services and Hosting Services are payable as provided in Appendix C and Appendix D, respectively, and may be modified by Catalyst annually.

(c) **Support Hours and Additional Hours.** Catalyst shall invoice Client for the \$7,500 fee for the Support Hours upon the execution of this Agreement (which \$7,500 amount, anything to the contrary notwithstanding, shall be paid by Client contemporaneously with the execution of this Agreement), and shall invoice Client for Additional Hours purchased as soon as practicable after the parties agree that Additional Hours will be provided.

(d) **Reasonable Costs and Expenses.** The Client will reimburse Catalyst for reasonable costs and expenses incurred by Catalyst, including, without limitation, copying costs, postage and shipping, long distance telephone and facsimile charges, and meals, transportation and lodging. The Client understands that such costs and expenses include travel for both in-state and out-of-state personnel. Catalyst shall use reasonable efforts to minimize such costs and expenses. Catalyst will invoice Client for any applicable costs and expenses on a monthly or other reasonable basis as determined by Catalyst. The invoice shall reasonably itemize all costs and expenses billed at that time.

(e) **Taxes.** In addition to the fees and expenses set forth above, Client shall pay all sales, use and related taxes which Catalyst is legally obligated to collect in connection with the licensing or Client's use of the Product or receipt of the Optional Services, Hosting Services, Support Hours and Additional Hours (other than taxes based upon Catalyst's net income). All taxes payable by Client hereunder shall become due and payable when billed by Catalyst to Client, or when assessed, levied or billed by the appropriate taxing authority, even if such billing, levy or assessment shall occur subsequent to termination or expiration of this Agreement.

(f) **Payment.** All amounts reflected on an invoice are due within thirty (30) days after the date of the invoice. If payment of the invoice in full is not received within forty five (45) days of the date of such invoice, Catalyst shall be entitled to suspend all work under this Agreement until it receives full payment. If an invoice is outstanding more than sixty (60) days, Catalyst shall have the right to revoke any license granted to the Client until it receives full payment.

8. **Data Aggregation and Analysis.** Client represents that it has the authority to provide the data given to Catalyst hereunder and the use by Catalyst of such data under the terms hereof will not violate the rights of any third person or party in or to such data. The Client will provide Client data to Catalyst upon the request of Catalyst. Catalyst is granted the right to aggregate Client data with data from other Catalyst customers (the "Data Aggregations") for purposes including, but not limited to, normative rate calculations, advanced flowchart design, measure and product development and quality improvement initiatives. Catalyst will blind Client data in such a way as to not divulge patient identifying information. All Data Aggregations will be the sole and exclusive property of Catalyst.

9. **Limitation of Liability; Warranties; Disclaimers; Contractual Limitations Period.**

(a) **Limitation of Liability.** THE ENTIRE RISK ARISING OUT OF THE USE OR PERFORMANCE OF THE PRODUCT, INTEGRATED AND CONVERTED DATA AND DOCUMENTATION IS AND SHALL REMAIN WITH THE CLIENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL CATALYST OR ITS AFFILIATES BE

LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR OTHER SIMILAR DAMAGES WHATSOEVER (INCLUDING BUT NOT LIMITED TO, ANY LOST PROFITS, LOST SAVINGS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, COSTS ASSOCIATED WITH RECREATING LOST DATA, THE COST OF ANY SUBSTITUTE PROGRAM, OR OTHER PECUNIARY LOSS) ARISING OUT OF THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE PRODUCT, WHETHER RESULTING FROM IMPAIRED OR LOST DATA, OR ANY OTHER CAUSE, EVEN IF CATALYST HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Except as provided in Section 1(c) the Client's sole, exclusive remedy for any breach by Catalyst of this Agreement, and Catalyst's aggregate liability hereunder, shall be limited to money damages equal to the lesser of (i) the Client's actual damages, or (ii) the sum of all amounts paid to Catalyst by the Client pursuant to this Agreement in the calendar year that the claim arose.

(b) **Disclaimers.** Catalyst shall in no case be liable to the Client for any damages caused by any deviations from HEDIS specifications contained in conclusions in the Measures or for erroneous information contained in such conclusions, nor shall Catalyst be required to recall or withdraw at its own expense any Measures that have already been distributed. The Client acknowledges that Catalyst shall not be liable for any disclosure or dissemination of the Measures under this Agreement with the exception of claims arising out of Catalyst's gross negligence or willful misconduct. CATALYST'S DEVELOPMENT OF THE MEASURES AND RELATED MATERIALS REGARDING THE CLIENT IN NO WAY CONSTITUTES A WARRANTY BY CATALYST TO CLIENT, CLIENT 'S ENROLLEES OR ANY OTHER THIRD PARTIES WITH RESPECT TO THE QUALITY OR NATURE OF HEALTH SERVICES PROVIDED TO ENROLLEES. EXCEPT AS MAY OTHERWISE BE SPECIFIED IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES AND THERE ARE NO IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT OR ACCURACY.

(c) **Contractual Limitations Period.** No legal proceedings, regardless of form, arising under or relating to this Agreement may be brought by Catalyst or the Client more than two (2) years after it first knew, or reasonably should have known, of the facts giving rise to the cause of action.

10. **Confidentiality.**

(a) **Confidentiality.** Unless otherwise provided herein and except to the extent otherwise required by law, Catalyst and Client shall keep confidential the information exchanged in accordance with this Agreement.

(b) **Client Confidential Information.** Catalyst shall, and shall cause its directors, officers, employees and agents to, keep confidential all of the information that the Client has provided or will provide to Catalyst and its directors, officers, employees, agents and affiliates, including, but not limited to, computer software, trade secrets, and the Client's policies and procedures (collectively, the "Client Confidential Information"). Catalyst agrees that the Client Confidential Information is proprietary and confidential and Catalyst shall, and shall cause its directors, officers, employees, agents and their respective affiliates to (i) hold the Client Confidential Information in strict confidence and in trust for the Client; (ii) use its reasonable

best efforts to protect the Client Confidential Information against unauthorized use or disclosure; (iii) restrict disclosure of the Client Confidential Information to its employees, agents, subcontractors or representatives who (1) have a need to know the Client Confidential Information; and (2) have agreed to keep all the Client Confidential Information confidential under terms no less restrictive than this Agreement. If Catalyst is requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any of the Client Confidential Information, Catalyst agrees that it will provide the Client with prompt notice of such request or requirement in order to enable the Client to seek an appropriate protective order or other remedy, to consult with the Client with respect to Catalyst taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this Agreement. In any such event, Catalyst will use its reasonable best efforts to ensure that all of the Client Confidential Information that is so disclosed will be accorded confidential treatment.

(c) **Catalyst Confidential Information.** The Client shall, and shall cause its directors, officers, employees and agents to, keep confidential all of the information that Catalyst has provided or will provide to the Client and its directors, officers, employees, agents and affiliates, including, but not limited to, Quality Spectrum features or the results of use or testing and all other trade secrets, computer software, policies and procedures and copies thereof (collectively, the "Catalyst Confidential Information"). The Client agrees that the Catalyst Confidential Information is proprietary and confidential and the Client shall cause its directors, officers, employees and agents and their respective affiliates to (i) hold the Catalyst Confidential Information in strict confidence and in trust for Catalyst; (ii) use its best efforts to protect the Catalyst Confidential Information against unauthorized use or disclosure; (iii) restrict disclosure of the Catalyst Confidential Information to its employees, subcontractors or representatives who (1) have a need to know the Catalyst Confidential Information; and (2) have agreed to keep all the Catalyst Confidential Information confidential under terms no less restrictive than this Agreement; and (iii) keep all Catalyst Confidential Information in a secure and locked location when not in use, except to the extent otherwise required by law. If Client is requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Catalyst Confidential Information, the Client agrees that it will provide Catalyst with prompt notice of such request or requirement in order to enable Catalyst to seek an appropriate protective order or other remedy, to consult with Catalyst with respect to the Client taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this Agreement. In any such event the Client will use its best efforts to ensure that all Catalyst Confidential Information that is so disclosed will be accorded confidential treatment.

(d) **Information Not Confidential.** For purposes of this Agreement, the obligations set forth above with respect to Client Confidential Information and Catalyst Confidential Information shall not apply to information which (i) is or becomes generally available to the public other than as a result of disclosure by the receiving party, (ii) was available to the receiving party on a non-confidential basis prior to its disclosure by the disclosing party or its representatives or (iii) becomes available to the receiving party on a non-confidential basis from a person other than the disclosing party or its representatives who is rightfully in possession of such information and had the right to disclose it to the receiving party without an obligation of confidentiality.

(e) **Termination.** For purposes of this Agreement, "**Confidential Information**" means all Catalyst Confidential Information and the Client Confidential Information. If this Agreement is terminated for any reason, each party shall upon the reasonable request of the other party, return to the other party all Confidential Information of the other party. Notwithstanding the foregoing, if this Agreement is terminated for any reason, upon the reasonable request of Catalyst, the Client shall, and shall cause its directors, officers, employees, agents and their respective affiliates to, redeliver to Catalyst all Catalyst Confidential Information and other materials provided by Catalyst to the Client and its directors, officers, employees, agents and their respective affiliates, as appropriate, and all materials developed by the Client and its directors, officers, employees, agents and their respective affiliates, as appropriate, from such materials. If this Agreement is terminated for any reason, upon the reasonable request of the Client, Catalyst shall, and shall cause its directors, officers, employees, agents and their respective affiliates to, redeliver to the Client all the Client Confidential Information and other materials provided by the Client to Catalyst and its directors, officers, employees, agents and their respective affiliates, as appropriate, and all materials developed by Catalyst and its directors, officers, employees, agents and their respective affiliates, as appropriate, from such materials. Notwithstanding the foregoing, this Section shall not apply to Confidential Information that either party is required to retain solely to fulfill obligations under this Agreement that survive the termination or expiration of this Agreement.

(f) **Nondisclosure, Nonuse, etc.** Catalyst agrees not to reproduce, disclose or use the Client Confidential Information, except for the sole purpose of carrying out, or otherwise performing its obligations with respect to this Agreement, without the prior written consent of the Client. The Client agrees not to reproduce, disclose or use Catalyst Confidential Information, except for the sole purpose of carrying out, or otherwise performing its obligations with respect to this Agreement, without the prior written consent of Catalyst. Catalyst's and the Client's nondisclosure, nonuse and confidentiality obligations set forth herein shall remain in effect as follows: (i) regarding Trade Secrets (as defined below), for so long as the owner of the Trade Secrets is entitled to protection under applicable law; and (ii) regarding Confidential Information, for a period from and including the period that this Agreement remains in effect and for three (3) years after the effective date of the termination of this Agreement. "**Trade Secrets**", whether those of the Client or Catalyst, means any information that is considered trade secrets under applicable law which includes but is not limited to a formula, process, device, or item of information used by a business that has economic value because it is not generally known or easily discovered by observation or examination and for which reasonable efforts to maintain secrecy have been made.

11. **Export Restrictions.** Client acknowledges that the Product is being released and licensed to the Client in the United States and is therefore subject to United States export control laws. Client agrees to use the Product solely within the United States, and Client acknowledges its obligation to ensure that its exports are in compliance with applicable export control laws. Client shall defend, indemnify, and hold Catalyst and its licensors harmless from and against any and all claims, judgments, awards, and costs (including without limitation reasonable legal fees and court and arbitration costs) arising out of Client's noncompliance with applicable export laws with respect to the use or transfer of the Product outside the United States.

12. **Audit Rights.** Client will maintain books and records in connection with its installation and use of the Product. Catalyst shall have the right during the term of this Agreement and for up to one (1) year after

the termination of this Agreement or the licenses granted herein, upon reasonable written notice and during normal business hours, to audit and inspect the Client, its books and records and its utilization of the Product in order to verify compliance with the terms of this Agreement. Audits will be made no more than once in any six (6) month period, and no more than twice in any twelve (12) month period. If an audit reveals that the Client has underpaid for the Product based on the Client's actual use of the Product, then the Client will immediately pay Catalyst upon demand: the underpaid license fees therefore, which fees will equal Catalyst's then-current list rates; If an audit reveals the Client is utilizing the Product in a manner not permitted under this Agreement, the Client agrees to take, at the Client's expense, all reasonable corrective action requested by Catalyst.

13. **Non-Solicitation.** During the term of this Agreement, and for twelve (12) months thereafter, the Client shall not, directly or indirectly, knowingly solicit or employ any current or former Catalyst employees who have been actively involved in the provision of services to the Client or the performance of Catalyst's obligations under this Agreement, without Catalyst's prior written consent. The foregoing restriction shall not apply to former employees of Catalyst who have not provided services to the Client under this Agreement within twelve (12) months of their termination of employment with Catalyst or whose employment with Catalyst was terminated more than twelve (12) months prior to the Client's solicitation or employment. In the event the Client does employ any Catalyst employee described herein without Catalyst's prior written consent, the Client shall make payment to Catalyst, by way of liquidated damages, an amount equal to the annualized base compensation and benefits at which the Client hired such individual. Client shall make the payment described in the preceding sentence to Catalyst within thirty (30) days of the date of Catalyst's invoice for such payment.

14. **Governing Law and Forum Selection.** This Agreement and the legal relationship among the parties hereto shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict of laws principles.

15. **Severability.** If any provision of this Agreement is held invalid by a court with jurisdiction over the parties to this Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intent of the parties in accordance with applicable law, and the remainder of this Agreement shall continue in effect as if the Agreement has been entered into without the invalid portion.

16. **Waiver.** No waiver will be effective unless it is in writing and signed by the party waiving its right. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof, shall not be deemed a waiver of such terms, covenants or conditions, nor shall any waiver or relinquishment of any right or power hereunder, at any one time or more times, be deemed a waiver or relinquishment of such right or power at any other time or times.

17. **Notices and Payments.** All payments, notices, requests, demands or other communications hereunder shall be in writing addressed as follows:

If to Catalyst: Catalyst Information Technologies, Inc.
1559 Janmar Road

Snellville, GA 30078
Attention: Scott M. Groussman
with a copy (which shall not constitute notice), to:
Greenberg Traurig, LLP
The Forum
3290 Northside Parkway, NW, Suite 400
Atlanta, GA 30327 Attention: Theodore I. Blum, Esq.

If to Ventura County Health Plan:

or to such other address as either party may from time to time designate by notice in writing to the other party and shall be delivered as follows: either (a) personally, (b) deposited in the U.S. mail, by registered or certified mail, return receipt requested, postage prepaid, or (c) delivered to a nationally recognized courier that provides next day service for next day delivery to be billed to the sender thereof. Any such communication delivered as provided in the previous sentence shall be deemed given and delivered by the other party (a) when delivered personally, (b) when deposited in the U.S. mail, or (c) when delivered to the courier; provided, however, the time period in which a response to any notice, demand or request must be given shall commence on the date of receipt by the addressee thereof. Rejection, failure or other refusal to accept or inability to deliver because of changed address of which no notice has been given shall constitute receipt of the notice, demand or request sent.

18. **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto relating to the subject matter hereof and supersedes all prior agreements and representations, whether written or oral, with respect to the subject matter of this Agreement.

19. **Amendment.** No amendment or modification of this Agreement shall be valid or binding upon any party unless made in writing and duly signed.

20. **Counterparts; Copies.** This Agreement may be executed in any number of counterparts and delivered by facsimile transmission or otherwise, each of which shall be deemed to be an original and all of which together shall comprise but a single document. One or more copies of this Agreement may be executed but it shall not be necessary, in making proof of the existence of this Agreement, to provide more than one original copy.

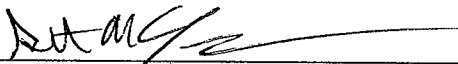
21. **Consents.** Except as expressly provided otherwise in this Agreement, if either party requires the consent or approval of the other party for the taking of any action under this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

22. **Assignment.** Client may not assign any of its rights or obligations under this Agreement, and any attempt at such assignment will be void without the prior written consent of Catalyst. For purposes of this Agreement, "assignment" shall include a merger, acquisition or other consolidation by, with or of the Client, including any new or surviving entity that results from such merger, acquisition or other consolidation. The fees hereunder have been agreed between the parties on the basis of the projected utilization of the Product as presently constituted to include growth of the Client's business other than by way of take over, merger or other like transaction. In the event of a material change in the constitution of Client in any way by way of (i) merger or take over of or by another body or corporation; (ii) by any acquisition by the Client of any business of a third party or (iii) the transfer by the Client of its business to a third party, then the Client shall notify Catalyst in writing of such material change prior to the change taking effect and Catalyst shall be entitled to charge additional fees resulting from such material change with additional utilization.
23. **Relationship of the Parties.** The relationship of the parties under this Agreement shall be that of independent contractors, and the employees of a party shall not be deemed to be the employees of the other party for any reason or purpose. Nothing in this Agreement may be construed to create any partnership, joint venture or agency relationship between the parties. Neither party has any authority to bind the other to any third party.
24. **Performance of Obligations.** Each party agrees to perform its obligations under this Agreement in a manner that complies with all applicable laws, regulations, ordinances and codes.
25. **Section Headings.** The section headings in this Agreement are intended to be for reference purposes only and shall in no way be construed to modify or restrict any of the terms or provisions of this Agreement.
26. **No Third Party Rights.** This Agreement is entered into solely between Catalyst and the Client and shall not be deemed to create any rights in any third parties or to create any obligations of either Catalyst or the Client to any third party.
27. **Force Majeure.** Neither party to this Agreement, will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, acts of God, labor disruption, war, power outage, terrorist threat or government action; provided that if either party is unable to perform its obligations under this Agreement for one of these reasons it shall give prompt written notice thereof to the other party and the time for performance, if any, shall be deemed to be extended for a period equal to the duration of the conditions preventing performance.
28. **Ongoing Obligations.** Any provisions of this Agreement which contemplate performance subsequent to any termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect.
29. **Publicity.** Notwithstanding anything herein to the contrary, each party may identify the other as a customer or provider (as applicable) within its marketing materials; provided however, neither party shall injure or lessen the public reputation of the other when identifying said party within its marketing materials. The material aspects of this Agreement (e.g., pricing terms) may not be disclosed without the prior written

consent of the other party. This provision is not a trademark license. Where a party desires to utilize the trademark or service mark of the other it must first obtain a written license from the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CATALYST INFORMATION TECHNOLOGIES, INC.

By: 

Scott M. Groussman, Chief Executive Officer

Date: 3/10/09

VENTURA COUNTY HEALTH PLAN 

By: 

Title: Ventura County Health Care Plan Administrator

Date: 7/5/09

APPENDIX A

HEDIS Measures Produced By Quality Spectrum

The following administrative data based measures are available within Quality Spectrum for HEDIS® 2009:

- Adolescent Well-Care Visits
- **Adult BMI Assessment**
- Adults' Access to Preventive/Ambulatory Health Services
- Ambulatory Care
- Annual Dental Visit
- Annual Monitoring for Patients on Persistent Medications
- Antibiotic Utilization
- Antidepressant Medication Management
- Appropriate Antibiotic Treatment for Children with Pharyngitis
- Appropriate Treatment of Children with Upper Respiratory Infection (URI)
- Breast Cancer Screening
- **Care for Older Adults**
- Cervical Cancer Screening
- Cesarean Section Rate
- Chemical Dependency Utilization – Percentage of Members Receiving Services
- Childhood Immunization Status
- Children's Access to Primary Care Practitioners
- Chlamydia Screening in Women
- Cholesterol Management After Acute Cardiovascular Events
- Colorectal Cancer Screening
- Comprehensive Diabetes Care
- Controlling High Blood Pressure
- Disease Modifying Anti-Rheumatic Drug Therapy in Rheumatoid Arthritis
- Drugs to be Avoided in the Elderly
- Enrollment by Product Line
- Enrollment by State
- Follow-Up After Hospitalization for Mental Illness
- Follow-Up Care for Children Prescribed ADHD Medication
- Frequency of Ongoing Prenatal Care
- Frequency of Selected Procedures
- Glaucoma Screening in Older Adults
- Identification of Alcohol and Other Drug (AOD) Services
- Inappropriate Antibiotic Treatment for Adults With Acute Bronchitis
- Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
- Inpatient Utilization – General Hospital/Acute Care
- Inpatient Utilization – Non-Acute Care
- Language Diversity of Membership
- Lead Screening in Children
- **Medication Reconciliation Post-Discharge**
- Mental Health Utilization – Percentage of Members Receiving Services
- Osteoporosis Management in Women Who Have Had a Fracture
- Outpatient Drug Utilization
- Persistence of Beta Blocker Treatment After a Heart Attack

- Pharmacotherapy Management of COPD Exacerbation (PCE)
- Potentially Harmful Drug-Disease Interactions in the Elderly
- Prenatal and Postpartum Care
- Race/Ethnicity Diversity of Membership
- Relative Resource Use for People With Acute Low Back Pain
- Relative Resource Use for People With Asthma
- Relative Resource Use for People With Diabetes
- **Relative Resource Use for People With Cardiovascular Conditions**
- **Relative Resource Use for People With Uncomplicated Hypertension**
- **Relative Resource Use for People With COPD**
- Use of Appropriate Medications for People with Asthma
- Use of Spirometry Testing For COPD
- Use of Imaging Studies for Low Back Pain
- Vaginal Birth After Cesarean Section Rate
- Weeks of Pregnancy at Time of Enrollment in the MCO
- **Weight Assessment and Counseling for Nutrition...for Children/Adolescents**
- Well-Child Visits in the First 15 Months of Life
- Well-Child Visits in the Third, Fourth, Fifth, and Sixth Year of Life
- Years in Business/Total Membership (membership component)

Quality Spectrum provides survey sample frame support for the following surveys:

- Adult CAHPS Survey
- Child CAHPS Survey
- Child With Chronic Conditions CAHPS Survey

APPENDIX B
Annual Quality Spectrum Software Licensing Fees

Pricing Changes Based Upon Membership Population

Membership			Discounted QSI Software License	Undiscounted QSI Software License	Discounted QFSI Software License	Undiscounted QFSI Software License	IHA P4P Measures Reporting	Healthy Families Reporting	Physician Quality Measurement
1	Through	15,000	\$ 22,500	\$ 30,000	\$ 17,500	\$ 25,000	\$ 2,000	\$ 2,000	\$ 5,000
15,001	Through	25,000	\$ 25,000	\$ 32,500	\$ 20,000	\$ 28,000	\$ 2,500	\$ 2,500	\$ 5,000
25,001	Through	50,000	\$ 27,500	\$ 37,500	\$ 22,500	\$ 32,500	\$ 2,500	\$ 2,000	\$ 5,000
50,001	Through	75,000	\$ 30,000	\$ 40,000	\$ 25,000	\$ 35,000	\$ 5,000	\$ 2,500	\$ 5,000
75,001	Through	100,000	\$ 32,500	\$ 43,225	\$ 27,500	\$ 40,000	\$ 7,500	\$ 2,500	\$ 7,500
100,001	Through	150,000	\$ 35,000	\$ 46,655	\$ 30,000	\$ 39,990	\$ 7,500	\$ 2,500	\$ 7,500
150,001	Through	200,000	\$ 40,000	\$ 53,320	\$ 35,000	\$ 46,655	\$ 7,500	\$ 2,500	\$ 7,500
200,001	Through	250,000	\$ 45,000	\$ 59,985	\$ 40,000	\$ 53,320	\$ 10,000	\$ 2,500	\$ 10,000
250,001	Through	300,000	\$ 50,000	\$ 66,650	\$ 45,000	\$ 59,985	\$ 10,000	\$ 2,500	\$ 10,000
300,001	Through	350,000	\$ 55,000	\$ 73,315	\$ 50,000	\$ 66,650	\$ 12,500	\$ 2,500	\$ 12,500
350,001	Through	400,000	\$ 60,000	\$ 79,980	\$ 55,000	\$ 73,315	\$ 12,500	\$ 2,500	\$ 12,500
400,001	Through	450,000	\$ 62,500	\$ 83,313	\$ 57,500	\$ 76,648	\$ 15,000	\$ 2,500	\$ 15,000
450,000	Through	500,000	\$ 65,000	\$ 86,645	\$ 60,000	\$ 79,980	\$ 15,000	\$ 2,500	\$ 15,000

The level highlighted above is the anticipated initial Membership Population for Client during the first year of this Agreement.

APPENDIX C

Optional Services

The following Optional Services may be requested by Client during the Term of this Agreement. Catalyst will bill Client in full for the Optional Services upon completion. Should Client request additional services not listed below, Catalyst and Client will mutually agree on the costs of the additional services or Catalyst shall have no obligation to perform the additional services.

1. **Medical Record Review Data Collection.**

a. **Quality Spectrum Hybrid Reporter.** Client may license the Quality Spectrum Hybrid Reporter component of Quality Spectrum for internal medical records data collection.

i. In connection with the licensing of the MRR Component, the Client shall have the software from Catalyst at an annual base cost of Twelve Thousand Dollars (\$12,000) for a single distinct sampled population and Two Thousand Dollars (\$2,000) for each additional distinct sampled population. Catalyst shall invoice the Client on January 1st of the year in which the software component is provided, unless otherwise agreed.

2. **Other Report Sets.** Quality Spectrum is capable of reporting various state, local and national reports sets. Client may request additional report sets beyond HEDIS reporting and will pay Catalyst for these additional sets as follows:

Physician Quality Measurement	\$ 5,000
IHA P4P Reporting	\$ 2,500
Healthy Families Reporting	\$ 2,500

Catalyst shall invoice Client on January 1st of the year in which the Other Report Set is requested.
***Prices are subject to annual change based on the current reporting requirements and membership.**

APPENDIX D

ASP Hosting and Support

(1) **Equipment Dedicated for Client Use:** Catalyst will dedicate the use of one (1) dual socket, dual core processor server (each, a "Hosted Server") for Client's use. Each Host Server will be configured with a minimum of four (4) gigabytes of RAM, and three (3) three hundred (300) gigabyte [Serial Attached SCSI] RAID 5 configured disks. Depending on Client's requirements, Catalyst may dedicate the use of External Serial Attached SCSI drive arrays ("Hosted Drive Arrays") which may be configured with several different storage capacities at an additional cost.

(2) **Routine Server Maintenance:** Catalyst will provide routine system maintenance for the Host Servers and Hosted Drive Arrays ("Hosted Equipment") including security maintenance, operating system upgrades, virus protection procedures, Catalyst Product upgrades, weekly full backups, nightly incremental backups, and offsite backup storage at no additional cost. All other time spent by Catalyst relating to ASP Hosting and Support shall be considered Support and Maintenance and billable as provided in Section 6 of the Agreement.

(3) **Server Availability and Connectivity:** Subject to Excusable Downtime, Catalyst will strive to maintain connectivity to the Host [Servers] and availability of the Host [Servers] sixteen hours a day (between the hours of 8:00 AM EST and 11:59 PM EST), seven days a week, with no more than 3% scheduled downtime, and no more than 1% unscheduled downtime in order to provide agreed to service levels as described in Section 10 of this Appendix. Methods and Downtime definitions and calculations are defined below. Whenever possible, Catalyst will perform routine maintenance during off-peak hours (after 11:59 PM EST and before 8:00 AM EST). Should downtime exceed the agreed to level Catalyst shall be required to provide the remedy as provided in this Appendix.

(4) **Secure Connectivity:** Catalyst will provide access to the Host Servers via Microsoft Remote Desktop Protocol by providing a secure IP address, or equivalent, whereby Client can access the Host Servers by using appropriate user ids and passwords using industry standard security protocols. Client may not share or disclose its user ids or passwords.

(5) **Secure Data Transfer:** Catalyst will provide means designed for secure data transfer. Catalyst may utilize WebDav over SSL encrypted Hypertext Transfer Protocol or other Catalyst chosen, industry accepted technologies to move data files, report files, data extracts and other data types between Client and Catalyst and Catalyst and Client.

(6) **Security Controls:** Catalyst shall, in the interest of providing a secure environment, provide and maintain access lists, user ids, and passwords designed for secure Host Servers and secure data transfer access for users approved by Client management. Catalyst shall terminate user accounts based on a Client request within **[twenty-four (24) hours]** following receipt of the Client's request. Alternatively, Catalyst may provide limited administrative rights for Host Servers and equipment to Client users and Client management.

(7) **Data Access and System Control:** Catalyst may access data and otherwise exercise system control for purposes of Client customer support, system upgrades and maintenance, software installation, data recovery and backup, data management requested by Client, and for services otherwise required or specified in this Agreement.

(8) **Catalyst Application Hosting Service Levels Specifications:** The System will be made available to End Users twenty-four hours a day, seven days a week except for periods during which the System is not available due to one or more of the following events (collectively, the "Excusable Downtime"):

(a) Routine Maintenance. Routine Maintenance means maintenance occurring between the hours of 12:00 AM EST and 8:00 AM EST. Catalyst will endeavor to notify Client at least 24 hours in advance when Routine Maintenance is to occur. Unavailability of the Host Servers or equipment due to acts of Customer, its agents or third parties, network unavailability outside of the Inflow Network or events of force majeure shall not be deemed unavailability for purposes of this Appendix;

(b) The acts or omissions of Client or Client's employees, agents, contractors, vendors, or any End User or any other party gaining access to the System by reason, directly or indirectly, of any act or omission of Client;

(c) A failure of the Internet and/or telecommunications networks;

(d) The occurrence of any event that is beyond Catalyst' reasonable control; or

(e) At Client's direction, Catalyst restricting access to the Host Servers, equipment or system.

(9) **Downtime:** Downtime percentage shall be defined as the number of downtime hours (other than Excusable Downtime) in a given calendar month in the agreed to 16 hour daily availability window (8:00 AM EST – 11:59 PM EST) divided by the total number of availability hours for the given calendar month (calculated as 16 times the number of days in the given calendar month). There are two categories to which downtime calculations and definitions apply:

(1) Scheduled downtime is defined as downtime required for software upgrades, server maintenance, general repairs, and system testing that has prior notification. Emergency maintenance and downtime is also considered scheduled downtime as long as there is not less than 1 hour prior notification of impending downtime.

(2) Unscheduled downtime is defined as any outage and resultant break in connectivity or availability of the Host Servers caused by hardware, operating system, internal infrastructure, database, software licensed by Client, or third party products, services or systems that negatively affects Host Server availability or connectivity. Downtime caused by Client's infrastructure or by telecommunications providers shall not be used in availability or downtime calculations. Issues with the application software (i.e. "bugs" or "errors") that do not prevent Client from performing daily functions will not be considered downtime for purposes of this Appendix.

(10) **Service Level Agreement:** During the term that Catalyst provides ASP Hosting and Support pursuant to this Appendix, Catalyst will provide Client with the agreed level of service set forth below (the "Service Level Agreement"). Catalyst agrees to provide services that do not exceed a

scheduled downtime percentage of 3% for Host Servers. Subject to Section 9 of this Appendix, Catalyst also agrees to provide services that do not exceed an unscheduled downtime percentage of 1%. In the event downtime exceeds the foregoing agreed service levels in a given month, Catalyst agrees to credit Client in the amount of \$100.00 for each whole percentage point for which downtime exceeds such agreed to service levels. Credit or reimbursement shall be made in the month following the given month in which downtime exceeds the agreed Service Level and shall be Client's sole and exclusive remedy for such event(s). For example, should unscheduled downtime reach 2% as defined in a given calendar month, Catalyst shall credit Client in the amount of \$100.00 during the next calendar month; provided, however, at no time will the credits in any calendar year exceed the amount of monies paid in such calendar year by Client to Catalyst for the Host Servers and Hosted Drive Arrays under this Appendix.

(11) **Service Level Agreement Modification:** The terms, conditions and fees for the Service Level Agreement that Catalyst agrees to provide in accordance with this Agreement may be amended from time to time at the sole discretion of Catalyst.

(12) **ASP Hosting Fees.** In connection with providing ASP Hosting and Support under this Appendix, Client shall pay to Catalyst an annual fee of \$8,500.00 per Hosted Server. Should Client opt to utilize a Hosted Drive Array, Client shall pay to Catalyst an annual fee of \$2,400 for the initial [TB] and \$900 per 500GB thereafter annually up to a maximum of 4TB. Catalyst shall invoice Client for applicable hosting fees ("Hosting Fees") as of January 1st of each calendar year during the Term (prorated as appropriate for any partial year) for which Hosting Services are provided. All hosting fees under this Appendix are payable and in accordance with the terms and conditions of Section 7 of the Agreement. Client acknowledges that certain Microsoft products may be required to operate the Product and to support ongoing operational Client activities. Client agrees to be bound by the Customer License Terms defined in Appendix E of the Agreement and will pay applicable monthly Microsoft Subscriber License (SAL) fees for the use of these Microsoft products. SAL license fees will be billed on a timely basis as Reasonable Costs and Expense in accordance with Section 7 of the Agreement. Current Microsoft SAL pricing (effective January 1st, 2008 as may be amended from time to time at the sole discretion of Microsoft) is as follows:

Windows Standard Edition Server*	\$3.60 per user per month
Windows Enterprise Edition Server	\$6.18 per user per month
Windows Terminal Services*	\$3.29 per user per month
SQL Server Standard Edition*	\$7.19 per user per month
SQL Server Enterprise Edition	\$13.74 per user per month
Office Professional Plus	\$13.24 per user per month

*denotes products required to run Catalyst Product

(13) **Additional Hardware, Software and Connectivity.** Client may request that additional hardware or software be added to the Host Servers and Catalyst will provide additional hardware or software if mutually agreed in writing. Certain hardware upgrades may require the use of Enterprise Edition software as detailed above. Additionally, should Client require faster connectivity, alternate

connectivity options may be provided as mutually agreed in writing. Client acknowledges that all expenses, including the time and material services of implementing additional hardware, software and connectivity, will be the responsibility of Client. Catalyst will separately invoice Client for these expenses as they are incurred in accordance with terms and conditions of Sections 6 and 7 of the Agreement.

APPENDIX E

MICROSOFT CUSTOMER LICENSE TERMS

This appendix concerns your use of Microsoft software, which includes computer software provided to you by Catalyst as described below, and may include associated media, printed materials, and "online" or electronic documentation (individually and collectively "SOFTWARE PRODUCTS"). Catalyst does not own the SOFTWARE PRODUCTS and the use thereof is subject to certain rights and limitations of which Catalyst needs to inform you. Your right to use the SOFTWARE PRODUCTS is subject to your agreement with Catalyst, and to your understanding of, compliance with and consent to the following terms and conditions, which Catalyst does not have authority to vary, alter or amend.

1. DEFINITIONS.

"Client Software" means software that allows a Device to access or utilize the services or functionality provided by the Server Software.

"Device" means each of a computer, workstation, terminal, handheld PC, pager, telephone, personal digital assistant, "smart phone," or other electronic device.

"Server Software" means software that provides services or functionality on a computer acting as a server.

"Redistribution Software" means the software described in Paragraph 4 ("Use of Redistribution Software") below.

2. OWNERSHIP OF SOFTWARE PRODUCTS. The SOFTWARE PRODUCTS are licensed to Catalyst from an affiliate of the Microsoft Corporation ("Microsoft"). All title and intellectual property rights in and to the SOFTWARE PRODUCTS (and the constituent elements thereof, including but not limited to any images, photographs, animations, video, audio, music, text and "applets" incorporated into the SOFTWARE PRODUCTS) are owned by Microsoft or its suppliers. The SOFTWARE PRODUCTS are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. Your possession, access, or use of the SOFTWARE PRODUCTS does not transfer any ownership of the SOFTWARE PRODUCTS or any intellectual property rights to you.

3. USE OF CLIENT SOFTWARE. You may use the Client Software installed on your Devices by Catalyst only in accordance with the instructions, and only in connection with the services, provided to you by Catalyst. The terms of this document permanently and irrevocably supersede the terms of any Microsoft End User License Agreement which may be presented in electronic form during your use of the Client Software.

4. USE OF REDISTRIBUTION SOFTWARE. In connection with the services provided to you by Catalyst, you may have access to certain "sample," "redistributable" and/or software development

("SDK") software code and tools (individually and collectively "Redistribution Software"). YOU MAY NOT USE, MODIFY, COPY, AND/OR DISTRIBUTE ANY REDISTRIBUTION SOFTWARE UNLESS YOU EXPRESSLY AGREE TO AND COMPLY WITH CERTAIN ADDITIONAL TERMS CONTAINED IN THE SERVICES PROVIDER USE RIGHTS ("SPUR") APPLICABLE TO Catalyst, WHICH TERMS MUST BE PROVIDED TO YOU BY Catalyst. Microsoft does not permit you to use any Redistribution Software unless you expressly agree to and comply with such additional terms, as provided to you by Catalyst.

5. COPIES. You may not make any copies of the SOFTWARE PRODUCTS; provided, however, that you may (a) make one (1) copy of Client Software on your Device as expressly authorized by Catalyst; and (b) you may make copies of certain Redistribution Software in accordance with Paragraph 4 (Use of Redistribution Software). You must erase or destroy all such Client Software and/or Redistribution Software upon termination or cancellation of your agreement with Catalyst, upon notice from Catalyst or upon transfer of your Device to another person or entity, whichever first occurs. You may not copy any printed materials accompanying the SOFTWARE PRODUCTS.

6. LIMITATIONS ON REVERSE ENGINEERING, DECOMPILE AND DISASSEMBLY. You may not reverse engineer, decompile, or disassemble the SOFTWARE PRODUCTS, except and only to the extent that applicable law, notwithstanding this limitation expressly permits such activity.

7. NO RENTAL. You may not rent, lease, lend, pledge, or directly or indirectly transfer or distribute the SOFTWARE PRODUCTS to any third party, and you may not permit any third party to have access to and/or use the functionality of the SOFTWARE PRODUCTS.

8. TERMINATION. Without prejudice to any other rights, Catalyst may terminate your rights to use the SOFTWARE PRODUCTS if you fail to comply with these terms and conditions. In the event of termination or cancellation, you must stop using and/or accessing the SOFTWARE PRODUCTS, and destroy all copies of the SOFTWARE PRODUCTS and all of its component parts.

9. NO WARRANTIES, LIABILITIES OR REMEDIES BY MICROSOFT. ANY WARRANTIES, LIABILITY FOR DAMAGES AND REMEDIES, IF ANY, ARE PROVIDED SOLELY BY Catalyst AND NOT BY MICROSOFT OR ITS AFFILIATES OR SUBSIDIARIES.

10. PRODUCT SUPPORT. Any product support for the SOFTWARE PRODUCTS is provided to you by Catalyst and is not provided by Microsoft or its affiliates or subsidiaries.

11. NOT FAULT TOLERANT. THE SOFTWARE PRODUCTS MAY CONTAIN TECHNOLOGY THAT IS NOT FAULT TOLERANT AND IS NOT DESIGNED, MANUFACTURED, OR INTENDED FOR USE IN ENVIRONMENTS OR APPLICATIONS IN WHICH THE FAILURE OF THE SOFTWARE PRODUCTS COULD LEAD TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL, PROPERTY OR ENVIRONMENTAL DAMAGE.

12. EXPORT RESTRICTIONS. The SOFTWARE PRODUCTS are of U.S. origin for purposes of U.S. export control laws. You agree to comply with all applicable international and national laws that apply to the SOFTWARE PRODUCTS, including the U.S. Export Administration Regulations, as well as end-user, end-use and destination restrictions issued by U.S. and other governments. For additional information, see <http://www.microsoft.com/exporting/>.

13. LIABILITY FOR BREACH. In addition to any liability you may have to Catalyst, you agree that you will also be legally responsible directly to Microsoft for any breach of these terms and conditions.

HCA DPA CHECKLIST for ADMINISTRATIVE SERVICES

PD NO. _____

DATE: 09/14/09

VENDOR NAME: Catalyst Information Technologies

\$AMOUNT: \$60,000

N/A

HR Approval – Complete a Checklist for Determination of Worker Status form) forward to your agency HR analyst, he/she will sign. This is required for all independent contractors, programmers and IT related services.

N/A

ISD APPROVAL- required for non-standard computer hardware, software, software maintenance, and programming services. Email ISD (Mike Reed) with PD # and description. He will review and approve via email once review is complete.

N/A

INSURANCE – required for all vendors performing services on County property and other vendors if their work requires it. See insurance Matrix.

N/A

BIDDING THRESHOLDS- Procurement policy requires that competitive quotes/bids be obtained for commodities over \$10K and services over \$25K. Please see Procurement Guide for more details.

N/A

BOARD OF SUPERVISORS APPROVAL- required for services over \$100,000.

N/A

SOLE SOURCE- Complete sole source form when requesting an exemption to the standard bidding requirements.

be attached

CONTRACT- A formal contract is preferred for services over \$25,000. Procurement uses a standard form. The vendor's form may be used with review by County Counsel, as needed.

Reviewed and Approved by

Catherine Bokun
Deputized Purchasing Agent

