

**MASTER SERVICES AGREEMENT**  
**(EXHIBIT I)**

This Master Services Agreement (the “Agreement”) is made by and between HealthLogic Systems Corporation, a Georgia corporation (hereinafter referred to as “HLSC”), and XXXXX, a non-profit corporation (hereinafter referred to as “CUSTOMER”). In consideration of the mutual promises and undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HLSC and CUSTOMER hereby agree as follows:

**RECITALS**

Whereas, HLSC is in the business of providing Internet based data transfer services to healthcare entities; and

Whereas, CUSTOMER desires to retain HLSC to provide such services using HLSC’s Internet based software application, the Claims Attachment Document Exchange (hereinafter “CADX”); and

Whereas, HLSC is willing to provide the services, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, hereby agree as follows:

1. Definitions. The following terms, as used herein and in the exhibits hereto, shall have the following meanings:
  - 1.1. “HLSC Administrator” means the agent or employee of HLSC designated by HLSC to manage the relationship between CUSTOMER and HLSC under the terms of this Agreement.
  - 1.2. “Clearinghouse” means the central operations office utilized by HLSC where computer processing and document management operations related to delivery of the Services described herein are performed.
  - 1.3. “CUSTOMER” means each of the healthcare entities business units, or operated by others under contract to CUSTOMER, deemed necessary to conduct its business.
  - 1.4. “EDI” or “Electronic Data Interchange” means an exchange of data via electronic means.
  - 1.5. “EDI Resources” means and includes those Electronic Data Interchange resources, such as computer hardware, software, local area networking, internet connectivity, intranet connectivity, browsers, and Value Added Networks, that will enable external connectivity

between Providers' and Payer's computer system(s) and those of HLSC in order to implement EDI functions.

1.6. "Facility" means each physical location and/or facility of CUSTOMER.

1.7. "Insolvency Event" means, with respect to either party hereto, (a) any assignment made by such party for the benefit of creditors; (b) the commencement by or against such party of any proceeding in bankruptcy, insolvency or reorganization pursuant to any bankruptcy laws or laws of debtor's moratorium; (c) the appointment of a receiver or trustee for the business of such party; or (d) the declaration by such party of its insolvency or inability to pay its debts as they generally become due at any time (which assignment, proceeding, appointment or declaration is not dismissed, vacated, remanded or reversed within forty-five (45) days.

1.8. "Notice" shall have the meaning set forth in Section 9 hereof.

1.9. "Payer" means a governmental or private payer which receives health care claims, inquiries, and/or other transactions from Providers and processes payment and/or other transactions or notices related thereto, and who has entered into a CUSTOMER Master Service Agreement with HLSC.

1.10. "Provider" means a health care provider who renders covered health services to enrollees of Payers and who has entered into a CUSTOMER Master Service Agreement with HLSC.

1.11. "Service Administrator" means the agent and/or employee designated by CUSTOMER who has the ability, availability and responsibility for performing such tasks as coordinating development and implementation of EDI Resources and processing file transfers; facilitating audits and data integrity controls; researching lost, missing or corrupt files; and implementing procedures in conjunction with HLSC to assure correct processing of CUSTOMER's data.

1.12. "Service Policies" are documents available on HLSC's public web site ([www.AllHealthLogic.com](http://www.AllHealthLogic.com)) and/or upon written request, that represents the current business practices of HLSC. These Service Policies are subject to change from time to time as HLSC in its sole discretion deems necessary or appropriate. The standards set forth in these Service Policies will not be reduced or substantially weakened from their current state.

1.12.1. "Services" are those "Basic Services" that are to be provided by HLSC and those "Optional Services" provided by HLSC at the request of CUSTOMER pursuant to this Agreement and describes the service level objectives for availability of CADX, the maintenance of CADX, and upgrades to CADX as well as the procedures by which HLSC will work with the CUSTOMER to resolve any problems which may arise in the use of CADX

1.12.2. "Privacy Policy" describes the procedures HLSC will follow to protect the privacy and confidentiality of CUSTOMER data in CADX some of which may be

Protected Health Information as further defined in the Privacy and Confidentiality Addendum attached hereto and incorporated by reference herein.

1.12.3. "Security Policy" describes the security procedures HLSC will follow to provide physical and electronic security for the data transmitted or stored in CADX.

1.13. "TDI" or "Transaction Data Interchange" means an exchange of transactional data by electronic and/or other means and includes EDI.

1.14. "Value Added Network" means private intranet(s) that provide secure EDI and forms of Payor connectivity not available on the Internet for a monthly fee.

2. CUSTOMER's obligations:

2.1. CUSTOMER will be responsible for providing the necessary data and EDI Resources to enable HLSC to perform the Services.

2.2. If, and at such time as, all data is transmitted to or from HLSC through a central connection, CUSTOMER will appoint a Service Administrator.

2.3. CUSTOMER agrees that CUSTOMER will not knowingly use any of the Services provided under this Agreement for activities which are unlawful pursuant to any applicable federal, state or local laws or regulations.

2.4. CUSTOMER shall notify HLSC in writing pursuant to Section 9 of the discovery of any error, defect or non-conformity in the Services as soon as reasonably possible; however, in any event not more than thirty (30) days following such discovery.

2.5. CUSTOMER is responsible, at its expense, for providing all those EDI Resources that are necessary to make the data to be used in providing the Services exchangeable either directly with each Facility, through central connectivity or through a Value Added Network. Such EDI Resources must satisfy HLSC's requirements for use with each applicable Service.

2.6. [Reserved]

2.7. CUSTOMER shall pay to HLSC the Basic Services fees set forth in Exhibit I2 which is attached hereto and incorporated by reference; Optional Services shall be rendered and paid upon CUSTOMER approval. Any unused image page allowance does not carry over to the next month. Installation Fees are due and payable at contract signing. Monthly maintenance and usage fees will be billed monthly, in advance, beginning in the first month that the system is operational at the CUSTOMER's site. In addition, CUSTOMER shall reimburse HLSC all reasonable out-of-pocket expenses incurred in providing the Services, including, but not limited to, expenses for travel approved in advance by CUSTOMER, as follows: airfare, lodging, meals and parking and other expenses incurred for visits to CUSTOMER's sites. Out-of-pocket expenses shall not be incurred without the prior written consent of CUSTOMER authorizing each visit and an approved expense budget for such visit. Failure by HLSC to obtain the necessary consent will result in non-payment of out-of-pocket expense by CUSTOMER. Except as otherwise set forth herein, CUSTOMER will pay

all approved fees and expenses within thirty (30) days of receipt of HLSC's invoice. Any undisputed payment not paid when due shall bear interest at the rate of one percent (1.0%) per month or the maximum amount permissible under applicable law, whichever is less

2.8. CUSTOMER shall be responsible for the payment of all applicable taxes, including, but not limited to, personal property, sales or use taxes, in connection with this Agreement, except for any income tax based upon HLSC's net income. HLSC shall promptly notify CUSTOMER in writing of any sales or use taxes arising from or in connection with this Agreement.

2.9. CUSTOMER shall maintain security standards for access to and use of healthcare data over the Internet in accordance with policies and practices established by CUSTOMER, which comply, at a minimum, the requirements established by the Centers for Medicare and Medicaid Services (CMS, formerly HCFA) as well as the security standards and implementation specifications established by the Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). In order to give effect to this Section 2.9, the parties agree to enter into a Privacy and Confidentiality Addendum to this Agreement in the form of that attached hereto as Exhibit II and incorporated herein by reference.

### 3. HLSC's Obligations:

3.1. HLSC shall provide the Services (Basic Services as well as those Optional Services designated in writing by CUSTOMER in Exhibit I2) in accordance with all applicable laws and regulations. HLSC agrees that all Services, when provided, will conform to their description in HLSC's Service Policies.

3.2. HLSC shall provide services through a Clearinghouse where it will perform the Services.

3.3. Except as set forth in Section 2.5 above, HLSC will, at its sole cost and expense, provide those EDI Resources at the Clearinghouse necessary for providing the Services, specifically including all necessary connections to the Internet and Value Added Networks but specifically excluding connections to CUSTOMER's wide area network and connections available therefrom.

3.4. HLSC will cooperate with CUSTOMER in accessing CUSTOMER's system in order to enable the exchange of data and in resolving any problems relating thereto. HLSC agrees to observe all security, safety, use and other work environment policies of CUSTOMER in this regard.

3.5. HLSC shall, within thirty (30) business days after Notice thereof and at its sole cost and expense, correct any material errors, defects or non-conformance with specifications that are attributable to: (a) HLSC personnel; (b) EDI Resources that HLSC provides at the Clearinghouse; or (c) TDI processes that HLSC operates at the Clearinghouse.

4. Express Warranties; Exclusion of Implied Warranties; Limitation of Liability and Remedies:

4.1. Express Warranties. HLSC warrants that it either owns or has the right to use all hardware and software to be used by it in providing the Services. HLSC further warrants that the Services will be performed in a professional and workmanlike manner in accordance with industry standards. HLSC further warrants that, during the term of this Agreement, it will not enter into any contract, agreement, arrangement or similar understanding which will prevent its timely performance of its obligations under this Agreement. The warranties hereinabove set forth are made to and for the exclusive benefit of CUSTOMER.

4.2. Exclusion of Implied Warranties. THE ONLY REPRESENTATIONS AND WARRANTIES ARE THOSE SET FORTH IN THIS AGREEMENT (INCLUDING, BUT NOT LIMITED TO, SECTION 4.1 HEREOF), AND HLSC EXPLICITLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

4.3. Limitation of Liability and Remedies:

4.3.1. HLSC's entire liability and CUSTOMER's sole and exclusive remedy for claims related to or arising out of this Agreement for any cause and regardless of the form of action, whether in contract or in tort, including negligence and strict liability, shall be (i) termination of this Agreement after HLSC's failure to cure within thirty (30) days after Notice of breach as provided in, and subject to the provisions of, Section 5.2 hereof, and (ii) CUSTOMER's actual, direct damages as would be provable in a court of law, but not to exceed an amount equal to three (3) times the fees incurred by CUSTOMER under this Agreement during the time in which such breach, continues after Notice thereof and is either cured by HLSC or the Agreement is terminated by CUSTOMER.

4.3.2. CUSTOMER's entire liability and HLSC's sole and exclusive remedy for claims related to or arising out of this Agreement for any cause and regardless of the form of action, whether in contract or in tort, including negligence and strict liability, shall be (i) termination of this Agreement after CUSTOMER's failure to cure within thirty (30) days after Notice of breach as provided in, and subject to the provisions of, Section 5.2 hereof, and (ii) HLSC's actual, direct damages as would be provable in a court of law, but not to exceed an amount equal to the fees incurred by CUSTOMER under this Agreement during the time in which such breach continues after Notice thereof and is either cured by CUSTOMER or the Agreement is terminated by HLSC.

4.3.3. Subject to Section 20 hereof, in no event shall either party hereto be liable for: (i) any indirect, incidental, special, consequential or punitive damages, including loss of profit, revenue, data or use, incurred by the other party or any third party, whether in contract or tort; or (ii) any indirect, incidental, special, consequential or punitive damages, including loss of revenue, data or use caused by the other party's failure to perform its obligations under this Agreement.

4.3.4. Nothing in this Section 4.3 shall limit the parties obligations under Section 20 hereof.

4.3.5. In the event of a breach hereunder, both parties hereto acknowledge that each party has a duty to exercise reasonable means to mitigate its damages hereunder.

## 5. Term and Termination.

5.1. The provisions of this Agreement shall become effective on the date (“Effective Date”) as set forth herein and shall remain in effect for one (1) year commencing from the Effective Date of this Agreement as indicated below on the signature page. This Agreement shall automatically renew for successive one (1) year periods under the same terms and conditions unless otherwise amended by written mutual agreement or terminated pursuant to the provisions of this Section 5, Term and Termination.

5.2. After the first year of this Agreement, either party may terminate this Agreement without cause upon 60 days Notice to the other. Either party may terminate this Agreement upon 15 days Notice if (a) the other party experiences an Insolvency Event, or (b) if the other party breaches any warranty or commits a material breach of any other term or condition of this Agreement, and fails to cure any such breach within thirty (30) days after Notice of such breach is given by the other party. CUSTOMER may terminate this Agreement immediately upon Notice to HLSC in the event that the performance by either party hereto of any term, covenant, condition or provision of this Agreement shall either (i) jeopardize any of the following: (A) the licensure of CUSTOMER, (B) CUSTOMER’s participation in the Medicare, Medi-Cal/Medicaid or other reimbursement or payment programs, (C) full accreditation of CUSTOMER by the Joint Commission of Accreditation of Healthcare Organizations (or any state or nationally recognized accreditation organization), or (D) CUSTOMER’s tax-exempt status; or (E) be in violation of any statute or ordinance or otherwise be deemed illegal or unethical by any recognized body.

5.3. In the event of any termination of this Agreement, CUSTOMER shall pay HLSC for Services provided prior to the effective date of termination.

6. Access to Books and Records. HLSC and CUSTOMER agree to make available upon the written request of the United States Secretary of Health and Human Services (“Secretary”) or the United States Comptroller General (“Comptroller General”), or their representatives, this Agreement and such books, documents and records as may be necessary to verify the nature and extent of the costs of the Services rendered hereunder to the full extent required by the Centers for Medicare and Medicaid (formerly the Health Care Financing Administration) implementing Section 952 of the Omnibus Reconciliation Act of 1980, codified at 42 U.S.C. Section 1395x(v)(1)(i) (the “Act”), or by any other applicable federal or state authority. Without limiting the generality of the foregoing, in accordance with giving effect to its obligations under the Act, HLSC agrees as follows:

6.1. Until four years after the furnishing of Services for which HLSC charges CUSTOMER pursuant to this Agreement, upon written request by the Secretary, the Comptroller General or any of their duly authorized representatives, HLSC will make

available this Agreement to the Secretary, the Comptroller General or any of their duly authorized representatives this Agreement and such books, documents and records of HLSC as are necessary to verify the nature and extent of charges that HLSC has billed to CUSTOMER for which CUSTOMER seeks reimbursement, in whole or in part, under the Act.

6.2. If HLSC carries out any of its duties under this Agreement through a subcontract with a value of ten thousand dollars (\$10,000) or more in any twelve-month period through an organization that is related to CUSTOMER (as “related organization” is defined with regard to a provider in 42 C.F.R. Section 413.17), HLSC will do so via a written contract that contains a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon request by the Secretary, the Comptroller General or any of their duly authorized representatives, the subcontract and such books, documents and records of such related organization as are necessary to verify the nature and extent of such costs.

6.3. This Section 6 is included pursuant to and is governed by the requirements of the Act and regulations in 42 C.F.R. Sections 420.300-420.304. No attorney-CUSTOMER, accountant-CUSTOMER or other legal privilege will be deemed to have been waived by CUSTOMER or HLSC by virtue of this Section 6.

6.4. If the Secretary or Comptroller General requests access as described in this Section 6, HLSC will promptly notify CUSTOMER of the request and HLSC’s response thereto and will make the same records available to CUSTOMER.

## 7. Confidentiality.

7.1. Except (i) as provided in the preceding Section 6, (ii) as required by law, (iii) as consented to in writing by the parties, (iv) as necessary to perform the Services in accordance with the provisions and standards hereof, or (v) as necessary to enforce a right, or defend a claim of violation of a right, created by this Agreement, each party agrees to treat Exhibits F and I2 to this Agreement, all information pertaining to the patients of CUSTOMER, and the Trade Secrets and Confidential Information (as such terms are hereinafter defined) of the other party as confidential, not to use any such information for any purpose other than those set forth in this Agreement, not to disclose any such information to any non-party to this Agreement except to subcontractors of CUSTOMER or HLSC who agree to keep such information confidential as provided herein, and to use the same degree of care in preventing a prohibited use or disclosure by its employees and contractors as it uses in the protection of its own Trade Secrets and Confidential Information.

7.2. For purposes of this Section 7, “Trade Secrets” shall mean and include, but not necessarily be limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, lists of actual or potential customers or suppliers, and any other information defined to be a trade secret by applicable state and federal laws. Without limitation upon the foregoing, “Trade Secrets” specifically include a party’s software products; other computer programs; compilations, collections, and derivatives of a party’s software products and other computer

programs; programming techniques; systems architectures; technical formulations, documentation, and bulletins; manuals; the names of, and other information concerning, a party's customers, prospective customers and suppliers; prices and pricing policies; financial information and plans; and marketing plans and strategies.

7.3. For purpose of this Section 7, "Confidential Information" shall mean and include all other information that one party provides to the other under this Agreement and that a party designates and treats as confidential or that given the circumstances a reasonable person would understand to be confidential or proprietary. In addition, if any of the items enumerated in subsection 7.2 are held not to constitute Trade Secrets, they shall, nevertheless, be construed and treated as "Confidential Information." However, Confidential Information shall not include information which (a) is or becomes publicly available by other than unauthorized disclosure by the receiving party; (b) is independently developed by the receiving party without violation of the terms of this Agreement as shown by its written records; and (c) is received by the receiving party from a third party who has lawfully obtained such information without a confidentiality restriction. If required by any court of competent jurisdiction or other governmental authority, the receiving party may disclose to such authority data, information or materials involving or pertaining to Confidential Information of the disclosing party to the extent required by such order; provided, however, that the receiving party shall first notify the disclosing party so that the disclosing party may have the reasonable opportunity to obtain a protective order or similar order to maintain the confidentiality of such data, information or materials.

7.4. Without limiting the foregoing, the parties shall comply with all applicable laws and regulations relating to the confidentiality of patient data and will maintain security controls for access to HLSC's systems as specified in HLSC's user documentation and Exhibit II.

7.5. If either party hereto contracts with a third party who may have access to this Agreement, or to the Confidential Information or Trade Secrets of the other party hereto, then such party shall obtain from their contractor similar covenants as set forth in this Section 7 to protect such information from disclosures and uses not allowed under this Agreement. Nothing herein shall be construed to expand the exceptions set forth in Section 7.1. The obligations of this Section shall survive the termination of this Agreement and shall remain in full force and effect at all times with respect to the limitations upon use and disclosure of a party's Trade Secrets and Confidential Information.

8. Non-Solicitation of Employees. Each party agrees that it will not solicit, hire or attempt to hire any employee of the other party. The obligations created by this Section 8 shall survive the termination of this Agreement and remain in effect for a period of one year after the termination of this Agreement. Each party hereby acknowledges, and covenants not to contest, that this Section is needed to protect its legitimate business interests.
9. Notices. Any notice, demand, claim or other communication required or permitted to be given under this Agreement (a "Notice") shall be in writing and may be personally served or delivered by courier (e.g., FedEx, etc.), provided a receipt is obtained therefore, or may be sent by fax, with acknowledgment of receipt requested, to the parties at the following addresses (or at such other address as one party may specify by Notice to the other party):

HLSC: HEALTHLOGIC SYSTEMS CORPORATION  
Attention: President  
6185 Buford Highway, Bldg D  
Norcross, GA 30071  
Fax: (770) 613-5021

CUSTOMER: XXXXX  
President  
Address  
Suite XXXX  
City, State Zip  
Telephone: (XXX) XXX-XXXX  
Facsimile: (\_\_\_\_) \_\_\_\_-\_\_\_\_

A Notice which is delivered personally, by certified mail or by courier shall be deemed given as of the date specified on the written receipt therefor. A Notice delivered by fax shall be deemed given upon the date it is transmitted only when supported by documented transmission confirmation Notice of a change of address may be given by either party to the other as provided in this Section.

10. Governing Law and Interpretation. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed in the State of California.
11. Severability. The parties hereby agree that, if any provision of this Agreement should be adjudicated to be invalid or unenforceable, such provision shall be deemed deleted herefrom with respect, and only with respect, to the operation of such provision in the particular jurisdiction in which such adjudication was made, and only to the extent of the invalidity, and any such invalidity or unenforceability in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All other remaining provisions of this Agreement shall remain in full force and effect for the particular jurisdiction and all other jurisdictions.
12. Entire Agreement; Termination of Prior Agreements. This Agreement contains the entire agreement between the parties and supersedes all other agreements, proposals and communications, whether or not written, between the parties hereto, and all such prior agreements, proposals and communications concerning the subject matter of this Agreement are hereby canceled and any rights or obligations existing thereunder are hereby fully and finally settled without payment by any party thereto. No representation or promise hereafter made by a party, nor any modification or amendment of this Agreement, shall be binding upon either party unless in writing and signed by CUSTOMER and HLSC.
13. Assignment; Successors and Assigns. Except as otherwise provided herein, neither party may assign its rights or delegate its obligations in this Agreement without the prior written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, HLSC shall have the right to assign its rights hereunder to either of its owners, AllHealth or HealthLogic Systems Corporation, without

CUSTOMER's consent. Subject to the foregoing, this Agreement shall inure to the benefit of and will be binding upon the parties hereto and their respective successors and permitted assigns.

14. Force Majeure. Neither party shall be liable for any delay or failure by HLSC to perform its obligations under this agreement if such delay or failure is caused by an act of God (such as flood, fire, earthquake or other natural disaster), war or acts of terrorism or of the public enemy, or decrees of governmental bodies, or events beyond its reasonable control. Each party claiming the benefit of such an excuse agrees to notify the other party promptly in writing of any such delay or failure in performance and to resume performance as soon as practicable.
15. Informal Dispute Resolution Procedure; Arbitration. Any controversy, dispute or claim arising out of or relating to this Agreement, whether in contract, tort, equity or otherwise, and whether relating to the meaning, interpretation, effect, validity, performance, application or enforcement of any provision of this Agreement ("Dispute") shall be handled by the parties in accordance with the provisions of this Section 15.

15.1. Upon the occurrence of a Dispute, either party may submit a written request to the other party which shall set forth, in reasonable detail, the nature of the Dispute. Within five (5) business days following receipt of such notice, the parties' authorized representatives shall meet and, through interviews or such other means as they deem appropriate, determine the basis for the Dispute. The parties authorized representatives shall then attempt in good faith to resolve the Dispute through discussions and negotiations. If the parties' authorized representatives shall be unable to resolve the Dispute within five (5) business days (or such longer period as may be mutually agreed upon by them), then the Dispute shall be submitted to binding arbitration as set forth in Section 15.2. The negotiation process shall be considered settlement negotiations for the purpose of all state and federal rules protecting disclosures made during such negotiations from later discovery or use in evidence, and the parties agree that the provisions of California Evidence Code Section 1152.5 shall apply to any discussions or negotiations conducted hereunder.

15.2. If the parties are unable to resolve a Dispute after completion of the process contemplated by Section 15.1, then such Dispute shall be resolved pursuant to binding arbitration in accordance with the provisions of this Section 15.2. The Dispute shall be resolved by and through arbitration preceding in accordance with the Commercial Rules of the American Arbitration Association ("AAA") in effect at the time the arbitration is commenced. Such arbitration proceeding shall be conducted in as expedited a manner as is then permitted by the commercial arbitration rules (formal or informal) of AAA. Both the agreement to arbitrate any and all such Disputes and the results, determinations, findings, judgments and/or awards rendered through any such arbitration shall be final and binding on the parties hereto and may be specifically enforced by legal proceedings and entered by any court having competent jurisdiction. Neither party shall institute an arbitration proceeding unless at least ten (10) days prior thereto such party shall have furnished to the other written notice of its intent to do so, which such notice shall detail, with reasonable specificity, the nature of the Dispute to be arbitrated, the amount involved and the remedy sought. The parties agree that the statute of limitations of the State of California applicable to the

commencement of a lawsuit shall apply to the commencement of arbitration hereunder, and the arbitrator shall be authorized to determine whether the arbitration was timely commenced under such statute. Neither party shall be precluded from seeking provisional relief in any court of competent jurisdiction, including temporary restraining orders and preliminary or interlocutory injunctions, to protect its rights and interests.

16. Attorneys' Fees. In event a Dispute is not resolved informally as provided above and a legal proceeding is initiated, the prevailing party in that proceeding shall be entitled to recover from the other its costs and expenses of enforcing this Agreement, including but not limited to reasonable attorneys' fees, subject to the limitations set forth in Section 4.3 above

17. Miscellaneous.

17.1. The headings of the several sections and paragraphs of this Agreement are for convenience only and shall not be construed to be a part of this Agreement.

17.2. If there is a conflict between the body of this Agreement and an Exhibit(s), the terms and content of the body of this Agreement will prevail.

17.3. Continuing Rights and Obligations. The rights and obligations of the parties under Sections 2.7 and 2.8 and Exhibit I2 (with respect to accrued payments then due), Section 3.3 and 3.5 (with respect to costs born solely by HLSC), and under Sections 4, 5.3, 6, 7, 8, 9, 10, 15, 16, 18, 20 and 21 shall survive the termination of this Agreement.

18. Insurance. The parties shall, at all times during the term of this Agreement maintain insurance coverage as follows:

18.1. Commercial General Liability for bodily injury and property damage (including loss of use thereof) with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.

18.2. Workers' Compensation as required by all applicable laws.

18.3. The parties agree that parties may maintain the foregoing insurance coverages through a self-insurance retention program.

19. Subcontract. HLSC may provide to CUSTOMER all or a portion of the Services through one or more subcontractors, including, but not limited to HealthLogic Systems Corporation, Norcross, GA.

20. Indemnification. HLSC shall indemnify, defend and hold harmless CUSTOMER and CUSTOMER shall indemnify, defend and hold harmless HLSC, and each shall hold harmless each others parent and subsidiaries and their officers, directors, employees and agents from and against any and all damages, liabilities, losses, claims, proceedings, suits, and expenses (including, but not limited to, settlement costs and reasonable attorneys' fees and costs, whether or not suit is filed) (collectively, "Claims") arising out this Agreement. Each party, however, shall not be liable for that portion of a Claim resulting from the gross negligence or intentional misconduct of the other party.

21. Marketing. Unless specifically prohibited in writing, CUSTOMER agrees to allow HLSC to (i) use CUSTOMER's name in press releases initially announcing the relationship between CUSTOMER and HLSC, and (ii) use CUSTOMER's name and logo on HLSC's web site in presentations, customer lists and, with permission granted on a case-by-case basis, to include Customer's name and/logo in marketing collateral that may include case studies, media kits, multi-media presentations and brochures.
22. Compliance. Upon request, CUSTOMER shall provide HLSC with CUSTOMER's policies and procedures for its "Corporate Responsibility Program" (intended to prevent compliance concerns such as fraud, abuse, false claims, excess private benefit and inappropriate referrals), if any, as it applies to the services and obligations described herein. By executing this Agreement, HLSC represents and warrants to CUSTOMER that (a) neither HLSC nor any of its employees or agents assigned to provide Services to CUSTOMER have, in the past ten (10) years, been debarred, excluded or otherwise made ineligible by any federal governmental agency from participating in federally reimbursed healthcare programs; (b) neither HLSC nor any such employees or agents have, in the past ten (10) years, been sanctioned or convicted by any federal governmental agency, and (c) neither HLSC nor any such employees or agents are listed in any federal governmental agency's list of sanctioned, debarred, excluded or ineligible contractors. HLSC hereby covenants that it will notify CUSTOMER (through an appropriate CUSTOMER manager or through a CUSTOMER hotline (if any)) within two (2) business days of any breach of any of the representations and warranties contained in this Section 22, and agrees that any debarment, exclusion, ineligibility, sanction or listing as described in clauses (a), (b) or (c) above is grounds for immediate termination of this Agreement by CUSTOMER.
23. Regulatory and Accreditation Requirements. In order to comply with "California Title 22, XXII 70713, CMS Conditions of Participation" and "JCAHO Standards For Use of Outside Resources," the CUSTOMER and HLSC are required to enter into this Agreement to evidence the service to be provided by HLSC hereunder, for and on behalf of CUSTOMER. HLSC shall coordinate with the CUSTOMER regarding reporting and other information necessary to comply with the applicable requirements.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and do each hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate actions to execute this Agreement.

The Effective Date of this Agreement shall be \_\_\_\_\_, 2006.

**HLSC: HEALTHLOGIC SYSTEMS CORPORATION**

By \_\_\_\_\_  
Title: President

Date \_\_\_\_\_

**CUSTOMER: XXXXX**

By \_\_\_\_\_

Title: \_\_\_\_\_

Date \_\_\_\_\_

## EXHIBIT 11

### **PRIVACY AND CONFIDENTIALITY ADDENDUM**

(HIPAA COMPLIANCE AND RELATED LANGUAGE)

#### **TO**

#### **MASTER SERVICE AGREEMENT**

THIS PRIVACY AND CONFIDENTIALITY ADDENDUM TO THE MASTER SERVICES AGREEMENT (the “Addendum”) is entered into between HealthLogic Systems Corporation, a Georgia Corporation (hereinafter referred to as “HLSC”), and XXXXXXXXXX, a California non-profit public benefit corporation (hereinafter referred to as “CUSTOMER”), with reference to the following:

WHEREAS, HLSC and CUSTOMER have entered into that certain Master Services Agreement, whereby the Addendum and the Agreement are coterminous with respect to Effective Date and Date of Termination, and each have agreed that the parties must take certain actions to comply with applicable federal and state privacy, security and confidentiality laws; and

WHEREAS, pursuant to HIPAA, HHS has issued the Security Standards (“the Security Standards”), at 45 C.F.R. Parts 160, 162 and 164, for the protection of electronic protected health information (“EPHI”); and

WHEREAS, in order to protect the privacy and security of PHI, including EPHI, created or maintained by or on behalf of the Covered Entity, the Privacy Standards and Security Standards require a Covered Entity to enter into a “business associate agreement” with certain individuals and entities providing services for or on behalf of the Covered Entity if such services require the use or disclosure of PHI or EPHI; and

WHEREAS, capitalized terms used in this Addendum but not otherwise defined herein shall have the meanings ascribed to them in the Master Services Agreement.

NOW, THEREFORE, for adequate consideration contained in the Agreement and this Addendum, the receipt and sufficiency of which are hereby acknowledged by each party, HLSC and CUSTOMER, intending to be legally bound, mutually agree to the following terms and conditions:

1. Intent of the Parties. CUSTOMER wishes to disclose certain information to HLSC pursuant to the terms of the Master Services Agreement and this Addendum (collectively, this “Agreement”), some of which may constitute Protected Health Information (“PHI”) or Electronic PHI (“EPHI”). Both parties intend to protect the privacy and provide for the security of PHI disclosed to HLSC pursuant to this Agreement in compliance with (a) HIPAA, and the regulations promulgated hereunder by the U.S. Department of Health and Human Services (“HIPAA Regulations”) and (b) other applicable laws including, but not limited to, (i) Title 45, Parts 160, 162 and 164 of the Code of Federal Regulations (“C.F.R.”), (ii) Confidentiality of Medical Information Act of 1981, California Civil

Code Sections 56 et seq. (General Patient Medical Records); (iii) California Welfare & Institutions Code Sections 5328.6 and 5328.7 (Mental Health Records); and (iv) 42 U.S.C. Sections 290dd-2; 42 C.F.R., Part 2, Section 2.31 (Alcohol and Drug Abuse Records), all as the same may be amended from time to time.

2. Definition of PHI and EPHI. PHI or EPHI shall be defined as any information created or received by HLSC from or on behalf of CUSTOMER and shall include the same meaning given to “protected health information” or “electronic protected health information” under HIPAA and the HIPAA Regulations (including, but not limited to, 45 C.F.R. Section 164.501) as well as the following patient identifiable information: (1) name; (2) address, including street address, city, county, zip code and equivalent geocodes; (3) names of relatives; (4) names of employers; (5) date of birth; (6) telephone numbers; (7) facsimile numbers; (8) electronic mail address(es); (9) social security number; (10) medical record number; (11) health plan beneficiary number; (12) account number; (13) certificate/license number(s); (14) any vehicle or other device serial number; (15) World Wide Web Universal Resource Number (WURL); (16) Internet Protocol (IP) address number; (17) finger or voice prints; (18) photographic images; and (19) any other unique identifying number, characteristic, or code that may be available to us (and our employees and agents) which could be used, alone or in combination with other information, to identify an individual.
3. Definition of Required by Law. The term “Required by Law” shall have the same meaning given to the term “required by law” under HIPAA and the HIPAA Regulations, including, but not limited to, 45 C.F.R. Section 164.501.
4. Security and Confidentiality of PHI. HLSC shall maintain the security and confidentiality of PHI as required by applicable laws and regulations, including HIPAA and the HIPAA Regulations. HLSC shall, relative to the Services, use PHI solely to perform the Services and as permitted by applicable law; provided that in no event shall HLSC be required to perform any work that would require HLSC to obtain unauthorized access to any PHI in violation of applicable federal or state laws governing such information. See Annex 1 for the Information Security Requirements of HLSC and CUSTOMER.

Without limiting the generality of the foregoing:

- a. Use of PHI. HLSC shall not use or further disclose PHI otherwise than as “Required by Law” or as expressly permitted or required by this Agreement in accordance with the specifications set forth in the Master Services Agreement. HLSC may use PHI for purposes of managing or administering its internal business processes related to its provision of the Services.
- b. EPHI. Electronic Protected Health Information (EPHI) means individually identifiable information that is transmitted by or maintained in electronic media. HLSC will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI that HLSC creates, receives, maintains or transmits on behalf of CUSTOMER (the Covered Entity).

- c. Disclosure of PHI. Except as permitted under this Addendum, HLSC shall not disclose PHI to any other person or entity other than members of HLSC's workforce as reasonably necessary to perform the Services. HLSC shall advise members of its workforce who have access to PHI of HLSC's obligations under the terms of this Agreement, including those relating to HIPAA and the HIPAA Regulations. HLSC shall take appropriate disciplinary action against any member of its workforce who uses or discloses PHI/EPHI in violation of this Addendum.
- d. Safeguards. HLSC shall use appropriate safeguards to prevent use or disclosure of PHI/EPHI other than as provided for by this Addendum. HLSC shall maintain a written information security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the HLSC's operations and the nature and scope of its activities.
- e. Reporting of Disclosures. HLSC will promptly report to CUSTOMER any Security Incident of which it becomes aware. HLSC shall maintain a record of all disclosures of PHI made otherwise than for the purposes of this Agreement, including the related name, date of the disclosure, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure. HLSC shall make such record available to CUSTOMER upon request.
- f. Subcontractors. HLSC shall ensure that any agents, including subcontractors, to whom it provides PHI received from (or created or received by HLSC on behalf of) CUSTOMER agree to the same restrictions and conditions that apply to HLSC with respect to such PHI/EPHI in this Addendum.
- g. Disclosure to U.S. Department of Health and Human Services. HLSC shall make its internal practices, books, and records relating to the use and disclosure of PHI received from CUSTOMER (or created, received, and/or transferred by HLSC on behalf of CUSTOMER) available to the Secretary upon request, for purposes of determining CUSTOMER'S compliance with HIPAA and the HIPAA Regulations.
- h. Availability of Information to CUSTOMER. HLSC shall make available to CUSTOMER such information as CUSTOMER may require to fulfill CUSTOMER'S obligations to provide access to, provide a copy of, and account for disclosures with respect to PHI/EPHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 C.F.R. Sections 164.524 and 164.528.
- i. Amendment to PHI. HLSC shall make CUSTOMER'S PHI available to CUSTOMER as CUSTOMER may require to fulfill CUSTOMER'S obligations to amend PHI pursuant to HIPAA and the HIPAA Regulations, including but not limited to 45 C.F.R. Section 164.526 and HLSC shall, as directed by CUSTOMER, incorporate any amendments to CUSTOMER'S PHI into copies of such PHI maintained by HLSC.
5. Report of Unauthorized Disclosures. HLSC shall promptly notify CUSTOMER of any suspected or actual breach of security, intrusion or unauthorized disclosure of PHI and/or any actual or suspected disclosure of Data in violation of any applicable federal or state

laws or regulations. HLSC shall take prompt corrective action to cure any such deficiencies and any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

6. Procedure upon Termination. Within sixty (60) days of termination of this Agreement, HLSC shall return or destroy all PHI received from, or created or received by HLSC on behalf of CUSTOMER that HLSC still maintains in any form and retain no copies of such information or, if such return or destruction is not feasible, extend the provisions of this Section to such information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible. This paragraph shall survive termination of the Master Services Agreement.
7. Interpretation. This Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA Regulations and applicable state laws.
8. Applicability; Conflicts. Except as specifically required to implement the purposes of this Addendum or to the extent inconsistent with this Addendum, all terms of the Master Services Agreement shall remain in force and effect. Any and all references in the Master Services Agreement to “this Agreement”, “herein”, “hereof” or words of like import shall refer and mean to the Master Services Agreement, as modified and supplemented by this Addendum. In the event of a conflict between a provision of this Addendum and a provision of the Master Services Agreement, the provisions of this Addendum shall govern and control.

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## EXHIBIT I2

### Fee Schedule

#### Basic Services

<b>CADX Fees</b>	<b>User logons included</b>	<b>Installation Fee (one time fee)</b>	<b>Flat Monthly Fee</b>	<b>Monthly Image Page allowance included</b>	<b>Per Image Page beyond allowance</b>
XXXXXX	Unlimited	\$5,000	TBD	2000	\$0.30
<b>CADX – Additional Users</b>	Unlimited	NA			

Notes to the above schedule:

1. Any unused image page allowance does not carry over to the next month. (Master Services Agreement, Section 2.7)
2. Installation Fees are due and payable at contract signing. Installation fee is based on remote installation and training over the web. Monthly maintenance and usage fees will be billed monthly beginning in the first month that the system is operational at the CUSTOMER's site. (Master Services Agreement, Section 2.7)
3. HLSC will be reimbursed for reasonable out-of-pocket expenses incurred in providing the installation and Services. (Master Services Agreement, Section 2.7)
4. See Master Services Agreement and Exhibits for all terms and conditions.
5. Monthly maintenance and usage fees will be reviewed by HLSC quarterly and adjusted, if appropriate, after consultation and approval of Customer.

## EXHIBIT I2

### Optional Services

<b>Additional Services for all CUSTOMER types</b>		
<b>Fee Schedule</b>	<b>Quantity</b>	<b>Unit Cost</b>
On-Site Training after initial implementation	<b>Daily plus travel expenses</b>	<b>\$1,500</b>
Extended On-line Claims Archiving Service	<b>Per Image Page per Year</b>	<b>\$0.01</b>
Electronic Medical Records or document management system interface programming	<b>Hourly</b>	<b>\$150</b>
Batch document scanning at clearinghouse	<b>Per Image Page</b>	<b>\$0.15</b>
Automated Notes Posting programming	<b>Hourly</b>	<b>\$150</b>
Capture of requests from direct Payer interface programming	<b>Hourly</b>	<b>\$150</b>
Additional Security Procedures programming	<b>Hourly</b>	<b>\$150</b>
Appeals and Notices programming	<b>Hourly</b>	<b>\$150</b>
Advance Document Capture Services	<b>Per Image Page Implementation</b>	<b>\$0.15 \$2,500</b>
Additional Programming as Requested	<b>Hourly</b>	<b>\$150</b>