

CONTRACT BETWEEN

**IOWA DEPARTMENT OF HUMAN
SERVICES**

AND

Goold Health Systems, Inc.

FOR THE

**IOWA MEDICAID ENTERPRISE
POS System and POS Operations**

Contract # MED-12-001-B

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1 IDENTITY OF THE PARTIES

The State of Iowa, Department of Human Services, (referred to in this document as “the Department”, “Agency” or “DHS”) is the issuing agency for this Contract (“the Contract”). The Department’s address is:

Iowa Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315

Goold Health Systems, Inc., (GHS) (referred to in this document as “Contractor”) is the contracting entity and is entering into this Contract to provide the services as defined herein. The address of the Contractor is:

Goold Health Systems, Inc.
45 Commerce Drive
PO Box 1090
Augusta, Maine 04332-1090

2 NOTICES

Notices under the Contract shall be in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express or other similar and reliable carrier to the representative of the parties to receive notice identified below, at the address as it appears.

If to Department:

Mary Tavegia
Contract Administrator
Iowa Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315

and

Office of the Iowa Attorney General
Regents & Human Services Division
Hoover State Office Building, 2nd Floor
1305 East Walnut Street
Des Moines, Iowa 50319-0114

If to Contractor:

Jim Clair
Goold Health Systems, Inc.
45 Commerce Drive
PO Box 1090
Augusta, Maine 04332-1090

Each notice shall be deemed to have been provided at the time it is actually received, within one (1) day in the case of overnight hand delivery or services such as Federal Express with

guaranteed next day delivery, or within five (5) days after it is deposited in the U.S. Mail in the case of registered or certified mail.

From time to time, the parties may change the name and address of a party designated to receive notice. Such changes of the designated person shall be in writing to the other party and as provided herein.

3 INCORPORATION/PRIORITY

3.1 Incorporation of Documents

The Request for Proposal (RFP) MED-12-001 and all amendments thereto form the RFP and are hereinafter referred to as the "RFP." The Contractor agrees to all terms and conditions set forth in the RFP unless specifically noted in this Contract by reference to the RFP section and page numbers. The Contractor's Bid Proposal, any amendments, the Contractor's Best and Final Offer and Contractor's contract proposal, if applicable, collectively form the Bid Proposal and are hereinafter referred to as the "Bid Proposal." The Bid Proposal and the RFP are incorporated herein by reference. The parties are obligated to perform all services and to meet all of the performance standards described in the Contract.

3.2 Order of Priority

In the event of a conflict between the Contract, the RFP, and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: the Contract, the RFP, the Bid Proposal.

3.3 No Inconsistency

Proposed revisions or modifications made by Contractor to the sample contracts attached to the RFP or the RFP itself shall not be deemed to limit, modify or otherwise affect any of the contractual obligations of Contractor or the Department hereunder, unless expressly stated herein. The references to the parties' obligations, which are contained in this document are intended to change, modify, supplement or clarify the obligations as stated in the RFP and the Proposal. The failure of the parties to make reference to the terms of the RFP or Proposal in this document shall not be construed as creating a conflict and will not relieve Contractor of the contractual obligations imposed by the terms of the RFP and the Proposal. Terms offered in the Proposal, which exceed the requirements of the RFP, shall not be construed as creating an inconsistency or conflict with the RFP or this document. Notwithstanding anything herein to the contrary, the Department shall have only those obligations that are expressly stated in this document, and the Proposal does not create any express or implied obligations of the Department.

4 DEFINITIONS

In addition to any other terms that may be defined elsewhere in this Contract, the following terms shall have the following meanings:

"Acceptance" means that the Department has determined that one or more Deliverables satisfy the Department's Acceptance Tests. Final Acceptance means that the Department has determined that all Deliverables to be provided under a Statement of Work satisfy the

Department's Acceptance Tests. Non-acceptance means that the Department has determined that one or more Deliverables have not satisfied the Department's Acceptance Tests.

"Acceptance Criteria" means the Specifications, goals, performance measures, testing results and/or other criteria designated by the Department and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance thereof.

"Acceptance Tests" or "Acceptance Testing" mean the tests, reviews and other activities that are performed by or on behalf of Department to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the Department, as determined by the Department in its sole discretion. Acceptance Testing may include testing of individual or multiple units, modules or components, system or integration testing, user-acceptance testing, load/stress testing, system security testing, network testing, recovery/backup testing, data transfer, migration and conversion testing, and Documentation review.

"Authorized Contractors" means independent contractors, consultants or other Third Parties who are retained or hired by the State, the Department or any other Governmental Entity of the State to use, maintain, support, modify, or enhance the System or to otherwise assist Department with its use of the System for other purposes.

"Confidential Information" means, means, subject to any applicable State and federal laws and regulations, including but not limited to Iowa Code Chapter 22, any confidential or proprietary information or trade secrets disclosed by either party (a "disclosing party") to the other party (a "receiving party") that, at the time of disclosure, is designated as confidential (or like designation), is disclosed in circumstances of confidence, or would be understood by the parties, exercising reasonable business judgment, to be confidential. Confidential Information does not include any information that: (i) was rightfully in the possession of the receiving party from a source other than the disclosing party prior to the time of disclosure of the information by the disclosing party to the receiving party; (ii) was known to the receiving party prior to the disclosure of the information by the disclosing party; (iii) was disclosed to the receiving party without restriction by an independent third party having a legal right to disclose the information; (iv) is in the public domain or shall have become publicly available other than as a result of disclosure by the receiving party in violation of this Contract or in breach of any other agreement with the disclosing party; (v) is independently developed by the receiving party without any reliance on Confidential Information disclosed by the disclosing party; (vi) is disclosed or is required or authorized to be disclosed pursuant to law, rule, regulation, subpoena, summons, or the order of a court, lawful custodian, governmental agency or regulatory authority, or by applicable regulatory or professional standards; or (vii) is disclosed by the receiving party with the written consent of the disclosing party.

"Deficiency" means a defect, flaw, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to a Deliverable, including, without limitation, any failure of a Deliverable to conform to or meet an applicable Specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable.

"Deliverables" mean the System, Software, Source Code, Documentation, hardware, goods, services, work, work product, items, materials and property to be created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Contractor (or any agent, contractor or subcontractor of Contractor) in connection with this Contract, and all related legal rights to own or use the same. Except as otherwise provided in this Contract, Deliverables shall include any and all: inventions, ideas, concepts, discoveries, methodologies, processes, applications, programs, software, source code, object code, and any other code, language or programming in any stage of development, improvements, modifications, enhancements, upgrades, releases, works-in-progress, techniques, know-how, designs, creative works and original works of authorship, work product, derivative works, Specifications, data, databases, compositions of matter, drawings, notes, plans, papers, graphics, copy, artwork, images, templates, forms, reports, studies, screen designs, utilities, routines, tests,

devices, materials, documents, information, content, and all other tangible and intangible works, materials and property of any kind and nature that are related to the Deliverables or created, developed, produced, delivered, or provided by or on behalf of, or made available through, Contractor (or any agent, contractor, subcontractor, subsidiary or affiliate of Contractor) in connection with this Contract.

“Documentation” means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, code, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and materials related to or used in conjunction with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

“Enhancements” shall mean any and all updates, upgrades, patches, additions, modifications or other enhancements made by Contractor with respect to the Software, any new Contractor releases of Software, and all changes to the Documentation and Source Code made by Contractor as a result of such Enhancements.

“Project” means the project to develop and implement the System and all services and Deliverables to be performed and provided by Contractor as described in a Statement of Work.

“Project Completion Date” means the date by which Contractor must complete all work and provide all Deliverables pursuant to any Statement of Work. For purposes of this Contract, the Project Completion Date will be specified in a Statement of Work.

“Project Plan” means the Project Plan attached hereto as Schedule B, as modified from time to time upon written agreement of the parties. The Project Plan is incorporated into this Contract by this reference as if fully set forth in this Contract.

“Software” means all software, programs, applications and components which comprise the System including all Third Party Software and any other software, programs, applications and components listed in any and all Statements of Work, in all forms, including Source Code and object code, all related Documentation and Enhancements, and all copies of the foregoing.

“Source Code” means the human-readable source code, source program, scripts and/or programming language, including HTML, XML, XHTML, Visual Basic, and JAVA, for or related to any program, application or software (including the Software). Source Code includes all source code listings, instructions (including compile instructions), programmer’s notes, commentary and all related technical information and Documentation, including all such information and Documentation that is necessary or useful for purposes of maintaining, repairing or making modifications or enhancements to any source code, program, application or software (including the Software).

“Specifications” mean all specifications, requirements, technical standards, performance standards, representations and other criteria related to the Deliverables stated or expressed in this Contract, the Documentation, the RFP (as defined below), and the Proposal (as defined below). Specifications shall include any specifications, standards or criteria stated or set forth in any applicable state, federal, foreign and local laws, rules and regulations. Specifications shall include, without limitation, the existing and planned data model for the System, including all data elements, logical relationships and an entity relationship diagram, the functional requirements specifications and a functional design for the System, including descriptions of each System function and a functional hierarchy diagram, a definition of the existing and planned System modules, including a diagram showing the system design, interface design document including descriptions of all internal and external interfaces, final specifications of the System architecture, including hardware, software and operating system for all system components and interfaces, the detailed System security plan, detailed business and technical requirements, detailed system planning & design, functional hierarchy diagram, entity relationship diagram, data conversion and migration protocols, Software and hardware configuration plan. The Specifications are incorporated into this Contract by reference as if fully set forth in this Contract.

“Statement of Work” means the all documents outlining Contractors approach to meeting the Scope of Work set forth in this Contract. Each Statement of Work will describe the Deliverables and services to be provided by Contractor and final delivery dates associated therewith.

“System” means all Software installed by Contractor pursuant to the terms of this Contract.

“Third Party” means a person or entity (including, but not limited to any form of business organization, such as a corporation, partnership, limited liability corporation, association, etc.) that is not a party to this Contract.

“Third Party Software” means software, firmware and other programs licensed or acquired from Third Parties. Third Party Software shall be considered Software under this Contract.

Capitalized terms in this contract that are not defined above are defined in the RFP.

5 SCOPE OF WORK AND SERVICE REQUIREMENTS

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth in Sections 5, 6, 7 and 8 of RFP MED-12-001 and are incorporated herein by reference. Service requirements and performance standards applicable to the system services component contractors of the IME are set forth in Section 7 of RFP MED-12-001 and are incorporated herein by reference.

5.1 Delivery

Contractor shall deliver to the Department all Deliverables as set forth in a Statement of Work. Contractor acknowledges and agrees that it shall deliver and provide to the Department all Source Code and Documentation related to any Software or other Deliverables that are created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Contractor under each Statement of Work, unless otherwise agreed to in writing by the Department. Contractor shall provide all such Deliverables in both hard copy and electronic format (acceptable to the Department) and as otherwise required and noted herein or in the applicable Statement of Work.

5.2 Third Party Software

Contractor shall recommend to the Department all Third Party Software necessary or desirable to be acquired to complete work and provide all Deliverables under a Statement of Work. At the Department’s sole discretion, the Department will license such Third Party Software directly or require Contractor to license or sublicense the Third Party Software to or on behalf of the Department at the Department’s expense. In the latter case, Contractor shall ensure that all Third Party Software or other materials provided pursuant to this Contract shall be licensed to the Department pursuant to a license agreement, the terms and conditions of which must be acceptable to the Department.

5.3 Hardware

Contractor represents and warrants with respect to all Third Party hardware procured or made available by or through the Contractor that, upon delivery to the Department: such hardware will be new and unused; title to the hardware will be free and clear of all liens, security interests, charges and encumbrances or other restrictions; the Department’s use and possession of the hardware will not be interrupted or otherwise disturbed by any person or entity asserting a claim under or through Contractor; and the hardware will be free of any rightful claim of any Third

Person or entity based on patent or copyright infringement, trade secret misappropriation, unfair trade practice, or otherwise.

5.4 Department Not Required to Accept or Install Enhancements

Contractor shall not condition any of the Department's rights or Contractor's obligations under this Contract, or any other contract related to the System or the Software, on the Department accepting or installing any Enhancements or additional functionality provided by Contractor.

5.5 Manufacturers' Warranties

Contractor shall take all action necessary to ensure that the State and the Department shall be entitled to receive and enjoy all warranties, indemnities and other benefits associated with Third Party Software and Third Party hardware. At the Department's request, Contractor shall assign to the State and the Department all of the licensor's and manufacturer's warranties and indemnities pertaining to Third Party Software and Third Party hardware under any license or other agreement between Contractor and any Third Parties relating to any Third Party Software and Third Party hardware.

5.6 Error Correction

With respect to each notice from the Department to Contractor during the term of this Contract that notifies Contractor that any Deliverable delivered by Contractor (and previously accepted by the Department) contains or experiences a Deficiency, Contractor shall, at no cost to the Department, promptly (i) correct the Deficiency and repair the affected Deliverable, and (ii) provide the Department with all necessary materials with respect to such repaired or corrected Deliverable, including without limitation the provision of new Source Code, master program disks or other media acceptable to the Department and related Documentation.

6 TERM OF THE CONTRACT

The term of the Base Contract is the date of final execution of this contract through September 30, 2019 with operations effective July 01, 2013.

The Contract Renewal Option Years will consist of four (4), one (1) year options. Effective July 01, 2022 the Department may extend the contract on a month by month basis at a rate of \$209,228.83 not to go beyond September 30, 2022 to align the POS contract with the MMIS Core contract. The Department may choose to renew the Contract for one (1) or more of the Contract Renewal Option Years. The Department shall have the sole discretion to exercise each renewal option. The Department shall use best efforts to notify the Contractor of the renewal decision ninety (90) days prior to the effective date.

Nothing in this contract shall supercede the contract between the Iowa Department of Human Services and Goold Health Systems, Inc. for the Iowa Medicaid Enterprise (IME) Pharmacy Point-of-Sale (POS) referred to as MED-04-084, as amended.

7 PAYMENT TERMS AND COMPENSATION

7.1 Performance Based Contract

Contractor acknowledges that this is a fixed price performance based Contract and that the Contractor is obligated to perform all of the Contractor's Responsibilities and meet all of the Contractor Performance Standards in this Contract. DHS acknowledges that it is responsible for meeting all State Responsibilities in the RFP and this Contract.

Implementation Payment:

The price for Design, Development and Implementation (DDI) is \$2,589,332.67.

Design, Development and Implementation Payment Schedule		
DDI Phase	Payment Percent	Payment Amount
Contract Signing and Kick-off	5%	\$ 129,466.63
Draft Design Documentation and Requirement Validation	20%	\$ 517,866.53
Conversion Activities and Configuration Design	15%	\$ 388,399.90
Development Activities	15%	\$ 388,399.90
Pilot Testing	8%	\$ 194,199.95
Acceptance Testing	8%	\$ 194,199.95
POS and Rebate System Deployment Go-live	20%	\$ 517,866.53
MMIS Integration Go-live	5%	\$ 129,466.63
Certification Phase	5%	\$ 129,466.63
TOTAL	100%	\$ 2,589,332.67

The Contractor must submit a Letter of Completion (LOC) for the above specified phase to the State and receive a signed approved LOC before payment can be invoiced.

For DDI phases (i.e., Project Initiation, Analysis, Design), the LOC must contain certification that the release is installed, all system requirements in the Requirements Traceability Matrix (RTM) are identified with that release version and are verifiable in the release.

The Testing Phase LOC must contain evidence that all system requirements in the RFP have been met, thoroughly tested and perform as agreed.

In addition to the price identified herein, A) If the Contractor requested equipment and supplies in their Bid Proposal for the DDI the Department will provide the equipment and supplies if approved to the extent permitted under state procurement laws; B) During the DDI, Operations,

and Renewal Option Years, if applicable, the Department will provide the Contractor the equipment and supplies specified in Attachment B of the contract.

Without limiting any other provision of this Contract, payment of the Contractor's compensation may, in the sole discretion of DHS, be tied to contract performance as follows:

A 15% withhold will be applied to each milestone invoiced and payment of 85% of the value of the milestone will be paid to the Contractor. The remaining 15% will be held by the Department until CMS has notified the Department of the MMIS and POS systems certification at which time the Contractor may invoice the remaining amount to the Department.

Operations Payment: Contractor will invoice monthly during the operational phase of this contract. Each month's invoice will equal 1/12th of the Yearly price as indicated below.

Line Item Description	Total
First Year of Operations	\$ 1,945,721.67
Second Year of Operations	\$ 1,996,711.47
Third Year of Operations	\$ 2,042,123.96
Fourth Year of Operations	\$ 2,088,898.83
Fifth Year of Operations	\$ 2,269,603.54
First Optional Year	\$ 2,347,350.88
Second Optional Year	\$ 2,402,558.11
Third Optional Year	\$ 2,459,421.56
Forth Optional Year*	\$ 2,510,745.92
Option Month	\$ 209,228.83
Total	\$ 17,224,942.38

Final Payment: The Department may retain the final payment due Contractor pursuant to this Contract until Contractor has completed all Responsibilities as set forth in this Contract and the Department has fully closed out this Contract.

Reimbursable Expenses: There shall be no reimbursable expenses associated with this Contract separate from the compensation referred to in this section. Contractor shall be solely responsible for all costs, charges and expenses it incurs in connection with its performance under this Contract, including, but not limited to, travel, mileage, meals, lodging, equipment, supplies, personnel, salaries, benefits, insurance, training, conferences, telephone, utilities, start-up costs, and all other costs and expenses of Contractor.

7.2 Taxes

The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on Contractor's employee's wages. The State is exempt from State and local sales and use taxes on the contract deliverables.

7.3 Invoice and Payment

The Contractor shall submit an invoice monthly for deliverables rendered in accordance with this Contract. The invoice shall comply with all applicable rules concerning payment of such claims. The Department shall pay all approved invoices in arrears and in conformance with Iowa Law. The Department may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Law.

Unless otherwise agreed in writing by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the Department for any deliverables provided by or on behalf of the Contractor under this Contract. The Contractor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

7.4 Withholding Payments

In addition to pursuing any other remedy provided herein or by law, the Department may withhold compensation or payments to Contractor, in whole or in part, without penalty to the Department or work stoppage by Contractor, in the event the Department determines that: (1) Contractor has failed to perform any of its duties or obligations as set forth in the Contract; or (2) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. No interest shall accrue or be paid to Contractor or any compensation or other amounts withheld or retained by the Department under this Contract.

If the total amount withheld for failure to perform a requirement or meet a standard under this Contract is greater than one hundred dollars (\$100.00) for more than three (3) consecutive months during or after the term of the Contract, the Contractor shall forfeit five (5%) percent of the withheld amount to the Department.

In the event that Contractor owes the Department or the State any sum under the terms of this Contract, any other agreement, pursuant to a judgment, or pursuant to any law, the Department may set off such sum against any sum invoiced to the Department by Contractor in the Department's sole discretion unless otherwise required by law. Any amounts due to the Department as damages may be deducted by the Department from any money or sum payable by the Department to Contractor pursuant to this Contract or any other agreement between Contractor and the Department.

7.5 Overpayments to the Contractor

The Contractor shall pay to the Department the full amount of any erroneous payment or overpayment to the Contractor by the earlier of thirty (30) days after the Department's notification or the Contractor's discovery of the erroneous payment or overpayment.

8 TERMINATION

8.1 Termination for Cause by the Department

The Department may terminate this Contract upon written notice for the breach by Contractor of any material term, condition or provision of this Contract, if such breach is not cured within the time period specified in the Department's notice of breach or any subsequent notice or

correspondence delivered by the Department to Contractor, provided that cure is feasible. In addition, the Department may terminate this Contract effective immediately without penalty and without advance notice or opportunity to cure for any of the following reasons:

- a. Contractor furnished any statement, representation, warranty or certification in connection with this Contract, the RFP or the Bid Proposal that is false, deceptive, or materially incorrect or incomplete;
- b. Contractor or any of Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;
- c. Contractor or any parent or affiliate of Contractor owning a controlling interest in Contractor dissolves;
- d. Contractor terminates or suspends its business;
- e. Contractor's corporate existence or good standing in Iowa is suspended, terminated, revoked or forfeited, or any license or certification held by Contractor related to Contractor's performance under this Contract is suspended, terminated, revoked, or forfeited;
- f. Contractor has failed to comply with any applicable international, federal, state or local laws, rules, ordinances, regulations or orders when performing within the scope of this Contract;
- g. The Department determines or believes the Contractor has engaged in conduct that: (a) has or may expose the Department or the State to material liability, or (b) has caused or may cause a person's life, health or safety to be jeopardized;
- h. The Department determines that the Contractor has breached a material term of the Business Associate obligations contained in this Contract.
- i. Contractor infringes or allegedly infringes or violates any patent, trademark, copyright, trade dress or any other intellectual property right or proprietary right, or Contractor misappropriates or allegedly misappropriates a trade secret;
- j. Contractor fails to comply with any applicable confidentiality laws, privacy laws, or any provisions of this Contract pertaining to confidentiality or privacy; or
- k. Any of the following has been engaged in by or occurred with respect to the Contractor or any corporation, shareholder or entity having or owning a controlling interest in Contractor:
 1. Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
 2. Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;

3. Making an assignment for the benefit of creditors;
4. Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Contractor's performance of its obligations under this Contract.

In the event of termination under this Subsection, the Department shall have the right to procure similar Contract services on the open market. The Contractor shall be liable for the difference between the original Contract price of services and the cost of such services from another Contractor, and any other costs directly related to the Contractor's breach such as costs of competitive bidding, mailing, advertising, Department staff time and attorney's fees including reasonable time of the Attorney General's office. The Contractor shall have thirty (30) days after notice from the Department of the amount of such costs in which to submit payment unless an additional period of time is agreed to by the parties.

8.2 Notice of Default

If there is a default event caused by the Contractor, the Department shall provide written notice to the Contractor of the nature of the default. The Contractor shall have thirty (30) days, unless otherwise notified, after such notice to correct the problem(s) that resulted in the default notice. If the default is not corrected to the satisfaction of the Department within the specified time, the Department may immediately terminate the contract without additional written notice, or enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

8.3 Termination upon Notice

Following a ninety (90) day written notice, the Department may terminate this Contract in whole or in part without penalty and without incurring any further obligation to Contractor. Termination can be for any reason or no reason at all. The Department's right to terminate this Contract shall be in addition to and not exclusive of other remedies available to the Department, and the Department shall be entitled to exercise any other rights and pursue any remedies, in law, at equity, or otherwise.

8.4 Termination Due to Lack of Funds or Change in Law

Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, the Department shall have the right to terminate this Contract (in whole or in part) without penalty and without any advance notice as a result of any of the following:

- a. The legislature or governor fail in the sole opinion of the Department to appropriate funds sufficient to allow the Department to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract; or
- b. If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Department to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Department in its sole discretion; or
- c. If the Department's authorization to conduct its business or engage in activities or operations related to the subject matter of this Contract is withdrawn or materially altered or modified; or

- d. If the Department's duties, programs or responsibilities are modified or materially altered; or
- e. If there is a decision of any court, administrative law judge or an arbitration panel or any law, rule, regulation or order is enacted, promulgated or issued that materially or adversely affects the Department's ability to fulfill any of its obligations under this Contract.

The Department shall provide Contractor with written notice of termination pursuant to this section.

8.5 Limitation of the State's Payment Obligations

In the event of termination of this Contract for any reason by either party (except for termination by the Department pursuant to Section 8.1), the Department shall pay only those amounts, if any, due and owing to Contractor hereunder for deliverables actually and satisfactorily provided in accordance with the provisions of this Contract up to and including the date of termination of this Contract and for which the Department is obligated to pay pursuant to this Contract; provided however, that in the event the Department terminates this Contract pursuant to Section 8.4 the Department's obligation to pay Contractor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of invoices and proper proof of Contractor's claim. Notwithstanding the foregoing, this Section 8.5 in no way limits the rights or remedies available to the Department and shall not be construed to require the Department to pay any compensation or other amounts hereunder in the event of Contractor's breach of this Contract or any amounts withheld by the Department in accordance with the terms of this Contract. The Department shall not be liable, under any circumstances, for any of the following:

- a. The payment of unemployment compensation to Contractor's employees;
- b. The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;
- c. Any costs incurred by Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract;
- d. Any damages or other amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Contract; or
- e. Any taxes Contractor may owe in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

8.6 Contractor's Termination Duties

Upon receipt of notice of termination or upon request of the Department, Contractor shall:

- a. Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work performed under the Contract and such other matters as the Department may require.

- b. Immediately cease using and return to the Department any property or materials, whether tangible or intangible, provided by the Department to Contractor.
- c. Cooperate in good faith with the Department and its employees, agents and independent contractors during the DDI period between the notification of termination and the substitution of any replacement service provider.
- d. Immediately return to the Department any payments made by the Department for deliverables that were not rendered or provided by Contractor.
- e. Immediately deliver to the Department any and all deliverables for which the Department has made payment (in whole or in part) that are in the possession or under the control of the Contractor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied as that time.

The Contractor's obligations under this section shall survive termination or expiration of this Contract.

8.7 Contractor's Default Cured by the Department

If, in the reasonable judgment of the Department, a default by the Contractor is not so substantial as to require termination, reasonable efforts to induce the Contractor to cure the default are unsuccessful and the default is capable of being cured by the Department or another resource without unduly interfering with continued performance by the Contractor, the Department may:

- a. Provide or procure the service to cure the default, in which event, the Contractor shall reimburse the Department for the reasonable cost of the service,
- b. Immediately terminate the Contract without additional written notice; or,
- c. Enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

9 CONFIDENTIAL INFORMATION

9.1 Department's Confidential Information Relating to Members

The Contractor shall treat identifying information relating to Medicaid members that is obtained by it through performance under the Contract as confidential information to the extent that confidential information is protected under state and federal law and under the confidentiality requirements imposed by the Contract. The Contractor shall not use any confidential information in any manner except as necessary for the proper discharge of its obligation under the Contract. Identifying information shall include but not be limited to name, identifying number, symbol, or other identification particularly assigned to the member.

In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Department and cooperate with the Department in any lawful effort to protect the confidential information.

The Contractor shall immediately report to the Department any unauthorized disclosure of confidential information. The Contractor shall be liable for any breach of this Subsection by its principals, officers, employees, agents or subcontractors and shall indemnify, defend, and hold harmless the Department from any and all liability resulting from such violation.

The Contractor shall provide to the Department a written description of its policies and procedures to safeguard confidential information. Policies of confidentiality shall address as appropriate, information conveyed in verbal, written and electronic formats.

The provisions of Section 9 shall survive the termination or expiration of the Contract.

9.2 Business Associate Agreement

Business Associate Agreement. The Contractor, acting as the Agency's Business Associate, performs certain services on behalf of or for the Agency pursuant to this Contract that require the exchange of information that is protected by the Health Insurance Portability and Accountability Act of 1996, as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) and the federal regulations published at 45 CFR parts 160 and 164. The Business Associate agrees to comply with the Business Associate Agreement Addendum (BAA), and any amendments thereof, as posted to the Agency's website:
<http://www.dhs.state.ia.us/Consumers/Health/HIPAA/Home.html>.

By signing this Contract, the Business Associate consents to receive notice of future amendments to the BAA through electronic mail. The Business Associate shall file and maintain a current electronic mail address with the Agency for this purpose. The Agency may amend the BAA by posting an updated version of the BAA on the Agency's website at: <http://www.dhs.state.ia.us/Consumers/Health/HIPAA/Home.html>, and providing the Business Associate electronic notice of the amended BAA. The Business Associate shall be deemed to have accepted the amendment unless the Business Associate notifies the Agency of its non-acceptance in accordance with the Notice provisions of the Contract within 30 days of the Agency's notice referenced herein. Any agreed alteration of the then current Agency BAA shall have no force or effect until the agreed alteration is reduced to a Contract amendment that must be signed by the Business Associate, Agency Director, and the Agency Security and Privacy Officer.

9.3 Contractor's Confidential or Proprietary Information

The Contractor is urged not to bring confidential or proprietary information to the IME facility. If the Contractor does bring such information to the facility, the Contractor shall be the custodian of the information and shall establish its own procedures to protect the confidentiality of the information. Confidential and proprietary information shall be prominently identified. If during performance of the Contract the Department obtains information of the Contractor marked confidential or proprietary, the information shall be treated as confidential to the extent such information is determined confidential under Iowa Code Chapter 22 or other provision of law by a court of competent jurisdiction. In the event the Department receives a public request for such information, written notice shall be given to the Contractor seventy-two (72) hours prior to the release of the information to allow the Contractor to seek injunctive relief pursuant to Section 22.8 of the Iowa Code.

9.4 Use of Name or Intellectual Property

Contractor agrees it will not use the Department and/or State's name or any of their intellectual property, including but not limited to, any State, state Department, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Department and/or the State.

9.5 No Dissemination of Confidential Information

No confidential information collected, maintained, or used in the course of performance of the Contract shall be disseminated by Contractor except as authorized by law and only with the prior written consent of the Department, either during the period of the Contract or thereafter. Any data supplied by the Department to the Contractor or created by the Contractor in the course of the performance of this Contract shall be considered the property of the Department. The Contractor must return any and all data collected, maintained, created or used in the course of the performance of the Contract in whatever form it is maintained promptly at the request of the Department. The Contractor may be held civilly or criminally liable for improper disclosure of confidential information.

The Contractor's employees, agents and subcontractors may have access to confidential information maintained by the Department to the extent necessary to carry out its responsibilities under the Contract. The Contractor shall presume that all information received pursuant to this Contract is confidential unless otherwise designated by the Department. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential information shall remain the property of the Department at all times.

9.6 Subpoena

In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Department and cooperate with the Department in any lawful effort to protect the confidential information.

9.7 Reporting of Unauthorized Disclosure

The Contractor shall immediately report to the Department any unauthorized disclosure of confidential information.

9.8 Qualified Service Organization

Contractor may review data that is protected by 42 C.F.R. part 2 and will, therefore, be a "qualified service organization" as that term is defined in 42 C.F.R. § 2.11. Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any patient records from the Department, Contractor is fully bound by 42 C.F.R. part 2 and, if necessary, will resist in judicial proceedings any efforts to obtain access to patient records except as permitted by the regulations.

10 CHANGE OF SERVICE

10.1 Change Service Requests

The Department reserves the right to request from time to time changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract.

If the Department requests or directs the Contractor to perform any service or function that is consistent with and similar to the scope of services required to be performed by the Contractor under this Contract, the Contractor will proceed to make the change and will receive no additional compensation.

If the Department requests or directs the Contractor to perform any service or function that is a new service or function inconsistent with or dissimilar from the services required to be performed by the Contractor under the Contract, the Contractor will follow the procedure defined below.

If the Department requests or directs the Contractor to perform any service or function which the Contractor reasonably and in good faith believes is not included within the scope of services set forth in the Contract, then prior to performing such service or function, the Contractor shall promptly notify the Department in writing that it considers the service or function to be an "Additional Service" for which the Contractor should receive a Change Service Request. If the Contractor does not notify the Department, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing the service or function.

11 PROCEDURE

The Department shall submit a Change Service Request to the Contractor, which shall include a detailed description of the requested service, the priority of the service, a date the service is needed, and a date for submission of a proposal by the Contractor. In its proposal, the Contractor shall describe the procedure and schedule to be employed for the requested service and identify the number of hours necessary to complete the service by labor category and the associated cost to implement the change request. If necessary, the Contractor and the Department shall meet to discuss and clarify any issues related to the requested service. Upon written approval by the Department, the Contractor shall perform the requested service and receive payment according to the terms agreed to by the parties and based upon the rate specified in the Contractor's cost proposal.

If the Department does not accept the Contractor's proposal, the Department may withdraw or modify its Change Service Request. If the Department modifies its Change Service Request, the procedures set forth above shall apply.

11.1 No Agreement on Change Service Request

If the parties are unable to reach an agreement in writing within fifteen (15) days of receipt of the Contractor's proposal or modified proposal, the Contract Administrator shall make a determination of the compensation, procedure or schedule, and the Contractor shall proceed according to procedures set forth in the Contract Disputes Section of this Contract.

12 ASSESSMENT OF DAMAGES

The Department will notify the Contractor in writing of the proposed assessment of actual or liquidated damages. If the Contractor disputes the assessment, it must challenge the assessment in writing pursuant to -the Contract Disputes Section of this Contract..

13 INSURANCE

13.1 Coverage Requirements

The Contractor shall maintain in effect, with an authorized insurer, at its own expense, the following types and amounts of insurance covering its work:

Type of Insurance	Limit	Amount
General Liability (including contractual liability) written on an occurrence basis	General Aggregate	\$15 million
	Products –	
	Comp/Op Aggregate	\$15 million
	Personal injury Each Occurrence	\$15 million \$5 million
Excess Liability, umbrella form	Each Occurrence	\$5 million
	Aggregate	\$15 million
Errors and Omissions Insurance	Each Occurrence	\$2 million
Property Damage	Each Occurrence	\$2 million
	Aggregate	\$2 million
Workers Compensation and Employer Liability	As Required by Iowa law	

13.2 Coverage

All insurance policies required by the Contract shall be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor’s performance of this Contract regardless of the date the claim is filed or expiration of the policy.

The Contractor’s insurance shall insure against any loss or damage resulting from work performed under the Contract. All insurance policies shall remain in full force and effect for the entire term of the Contract. Each policy shall name the State of Iowa and the Department as an additional insured or loss payee, as applicable. The Contractor and any subcontractor performing work under the Contract shall provide certificates of the required insurance to the Department at the time of execution of the Contract or at a time mutually agreeable to the parties. The certificates shall be subject to approval by the Department. Acceptance of the certificates shall not relieve the Contractor of any obligation under the Contract.

The Contractor shall obtain a waiver of any subrogation rights the insurance carrier may have against the Department or the State of Iowa and the waiver shall be indicated on the certificate of coverage.

13.3 Subcontractors

The Contractor shall require any subcontractor to purchase and maintain similar policies of insurance as described in this section.

13.4 Notice of Cancellation

The insurer shall state in the certificate that no cancellation of the insurance will be made without at least a thirty (30) day prior written notice to the Department.

14 PERFORMANCE BOND

14.1 Implementation

The Contractor will not be required to post a performance bond or an irrevocable letter of credit to the Department during DDI.

14.2 Operations

For each quarter that extends beyond the 4th optional year.

The Contractor shall post a performance bond or an irrevocable letter of credit acceptable to the Department for the Operations phase. The amount shall be based on a declining graduated formula adjusted and posted with the Department on an annual basis. Beginning on July 1, 2013, the amount shall be equal to twenty percent (20%) of the total operations price for the five (5) Base Contract Years (as described in Section 6.0), without regard to the Contract Renewal Option Years [e.g. (20%) x (the sum of costs for four (4) years)]. Each year thereafter, the amount of the bond or irrevocable letter of credit shall be calculated by multiplying by the number of years remaining in the base contract times twenty percent (20%) of the total cost of the contract for the remaining years. [E.g. 4 x 20%; 3 x 20% etc.] Should the Department choose to extend the contract by exercising any or all of its four (4) one (1) year options, the bond or irrevocable letter of credit shall be calculated by multiplying twenty percent (20%) of the cost for that option year. Should the Department choose to extend the contract beyond the fourth option year, the bond or irrevocable letter of credit shall be calculated by multiplying twenty percent (20%) of a quarterly rate based on the fourth option year. [E.g. 3 months x 20%]. The surety shall be in force from the beginning of the Operations Phase until the Contract is terminated or expires and shall be delivered to the Department at the beginning of the Operations Phase.

A surety authorized to do business in Iowa that is acceptable to the Department shall issue the performance bond or irrevocable letter of credit. The performance bond or irrevocable letter of credit shall provide funds to the Department for any liability, loss, damage, or expense as a result of the Contractor's failure to perform fully and completely all requirements of the Contract. Such requirements include, but are not limited to, the Contractor's obligation to indemnify the Department under circumstances described in the Contract, and the Contractor's obligation to perform the services required by the Contract throughout the entire term of the Contract.

15 INDEMNIFICATION

15.1 General Indemnification

The Contractor shall defend, indemnify and hold harmless the State of Iowa, the Department, its employees and agents from any and all liabilities, damages, settlements, penalties, judgments, fines and claims, and all related costs and expenses, including expert fees, reasonable value of time incurred by the Attorney General's office, and the cost and expenses and reasonable

attorney's fees of other counsel required to defend the State of Iowa or Department, related to or arising from:

- a. Any material breach of this Contract; or
- b. Any negligent, intentional or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor; or
- c. The Contractor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Contractor; or
- d. Any failure by the Contractor to comply with the Compliance with the Law provision of this Contract; or
- e. Any infringement of any copyright, trademark, patent, tradedress, or other intellectual property right; or
- f. Any failure by the Contractor to adhere to the confidentiality provisions of this Contract.

15.2 Patent/Copyright Infringement Indemnification

The Contractor shall defend, indemnify and hold harmless the State of Iowa, the Department, its employees and agents from any and all liabilities, damages, settlements, penalties, judgments, fines and claims, and all related costs and expenses, including reasonable attorney's fees of the Attorney General's office, and the reasonable attorney's fees of other counsel required to defend the Department, incurred in connection with any action or proceeding based on a claim that any piece of equipment, software, commodity, or service infringes any United States or foreign patent, copyright, trademark, trade secret supplied or used by the Contractor or any subcontractor to perform this Contract, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service, or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or operation thereof, become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense and at the Department's sole discretion.

- a. Procure for the Department the right to continue using the equipment, software, commodity, or service, or, if such option is not reasonably available to the Contractor,
- b. Replace or modify the same with equipment, software, commodity, or service of equivalent function and performance so that it no longer infringes, or, if such option is not reasonably available to the Contractor or,
- c. Accept its return by the Department with appropriate credits to the Department against the Contractor's charges and reimburse the Department for any losses or costs incurred as a consequence of the Department ceasing its use and returning it.

The above remedies shall be in addition to and not exclusive of other remedies provided by this agreement or by law.

The indemnification obligations contained in Section 14 shall survive the termination of this Contract.

15.3 Limitation of Liability

Notwithstanding the foregoing, the Department agrees that Contractor's total liability to the Department for any and all damages whatsoever arising out of or in any way related to this Contract from any cause, including but not limited to negligence, errors, omissions, strict liability, breach of contract, or breach of warranty shall not, in the aggregate, exceed the total value of the Contract, including any value associated with extensions of the Contract. The foregoing limitation is not applicable to liability arising out of (i) any violation of HIPAA, the HITECH Act, or any other privacy obligation mandated by state or federal law, (ii) the gross negligence or willful misconduct of Contractor, or (iii) any claim of infringement of intellectual property interests of third parties related to goods or services provided by Contractor pursuant to the terms of this Contract.

16 OPERATING SYSTEMS AND SOFTWARE APPLICATIONS

16.1 Software and Ownership

The State and the United States Department of Health and Human Services shall have all rights required by 45 CFR 95.617.

16.2 Operating Systems, Applications Software and Utilities

Any Contractor-owned proprietary software installed by Contractor pursuant to this Contract shall be identified in writing to the Department before Contractor signs this Contract. Any such installed proprietary software shall be subject to the terms and conditions of the Software License Agreement and the Maintenance Agreement attached hereto as Attachments A and B.

The Contractor shall adhere to all escrow requirements. The Department reserves the right to review and approve alternate escrow language and contract details dependant on the final selection and approval of the Escrow Agent and their standard operating procedures.

16.3 Third Party Software

If the Contractor is using another party's software, upon final acceptance, the Contractor shall grant the Department a non-exclusive, perpetual license to use the third party software and its updated documentation for the Department's internal business purposes. The licenses will continue until the Department permanently discontinues the use of the third party software. The terms in any license for third party software shall be consistent with the requirements of this Subsection. In the event of a conflict between the terms of any such license and this Contract, this Contract shall take precedence and supersede such license terms.

Prior to utilizing any third party software product that may be included as part of a software deliverable to the Department, the Contractor shall provide to the Department copies of the license agreement from the licensor of the third party software to allow the Department to pre-approve the license agreement which must, at a minimum, provide the Department with necessary rights consistent with the IME needs.

16.4 No Payment for Modification to Proprietary Software (45 C.F.R. sec. 95.617(c))

No payment shall be made pursuant to this Contract for any modifications made to proprietary applications software.

17 EQUIPMENT & SOFTWARE INSTALLATION AND OPERATION

Installation for all equipment, software, applications and interfaces will occur as described in the contractor's work plan. Any installations done by the Contractor or its designated agent shall be conducted by experienced and trained staff and shall not invalidate or void any manufacturers' warranties. Installations shall not interfere with the execution of any other software component, application or interface.

The Contractor shall conduct its installation services so as to minimize interference with normal activities of the Department and shall keep the site safe and clean at all times. The Contractor will restore the site to a condition no less finished than prior to the initiation of the installation. Upon completion of installation Contractor will leave the site clean and free from all materials, tools and equipment not required after installation. The Contractor will be responsible for safety conditions in the areas of work performance that it controls.

The Contractor shall have access to the system, in whole and in part, to provide services under the Contract, subject to the security regulations existing at the site and regulations that may be required because of the nature of the system.

The Contractor shall continuously protect the system from damage, destruction, or loss caused by the acts or omissions of its staff, and shall protect the Department's real and personal property from damage arising from the acts or omissions of its staff in connection with installation and operation of the system. The Contractor shall be responsible for any loss, destruction, or damage to the Department's property, which results from or is caused by the Contractor's acts or omissions.

The Contractor shall deliver to the Department and maintain and replace documentation as described in the individual RFP component sections. This will include, as applicable, system documentation, user documentation, software development documentation and disaster recovery and back-up planning documentation. The documentation shall be provided in electronic and hardcopy form.

18 WARRANTIES

18.1 System Warranty

The Contractor represents and warrants that the system and software delivered under the Contract shall be free from defect and capable of performing the Contract services when operated by the Department. The Contractor agrees to correct errors discovered in the design and installation of the software not due to the fault or negligence of the Department. Any

enhancement or other changes that may be undertaken during the performance of the Contract will be covered by this warranty. The Contractor represents and warrants that no “anti-use” devices have been or will be installed in the software. The “anti-use” warranty shall survive termination of the Contract.

18.2 Deliverables

The Contractor represents and warrants that the deliverables (in whole and in part) shall:

- a. Be free from material deficiencies; and
- b. Meet, conform to and operate in accordance with all specifications and in accordance with this Contract during the term of this Contract. During the term of this Contract, the Contractor shall, at its expense, repair, correct or replace any deliverable that contains or experiences material deficiencies or fails to meet, conform to or operate in accordance with specifications within five (5) business days of receiving notice of such deficiencies or failures from the Department or within such other period as the Department specifies in the notice. In the event Contractor is unable to repair, correct or replace such deliverable to the Department’s satisfaction, Contractor shall refund the fees or other amounts paid for the deliverables and for any services related thereto. The foregoing shall not constitute an exclusive remedy under this Contract, and the Department shall be entitled to pursue any other available contractual, legal or equitable remedies. Contractor shall be available at all reasonable times to assist the Department with questions, problems and concerns about the deliverables, to inform the Department promptly of any known deficiencies in any deliverables, repair and correct any deliverables not performing in accordance with the warranties contained in this Contract, notwithstanding that such deliverable may have been accepted by the Department, and provide the Department with all necessary materials with respect to such repaired or corrected deliverable.
- c. **Professional and Workmanlike Manner.** The Contractor represents, warrants and covenants that all services to be performed under this Contract shall be performed in a professional, competent, diligent and workmanlike manner by knowledgeable, trained and qualified personnel, all in accordance with the terms and specifications of this Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard. So long as the Department notifies Contractor of any services performed in violation of this standard, Contractor shall re-perform the services at no cost to the Department, such that the services are rendered in the above-specified manner, or if the Contractor is unable to perform the services as warranted, Contractor shall reimburse the Department any fees or compensation paid to Contractor for the unsatisfactory services.
- d. **Compliance with Law Warranty.** The Contractor represents and warrants that the deliverables will comply with any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Contract, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

18.3 Intellectual Property Rights Warranty

Contractor represents and warrants that:

- a. All deliverables shall be wholly original with and prepared solely by Contractor; or it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses and authority necessary to provide the deliverables to the Department hereunder and to assign, grant and convey the rights, benefits, licenses and other rights assigned, granted or conveyed to the Department hereunder or under any license agreement related hereto without violating any rights of any third party;
- b. Contractor has not previously and will not grant any rights in any deliverables to any third party that are inconsistent with the rights granted to the Department herein;
- c. The Department shall peacefully and quietly have, hold, possess, use and enjoy the deliverables without suit, disruption or interruption;
- d. The deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such deliverables); and the Department's use of, and exercise of any rights with respect to, the deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such deliverables), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any third party. Contractor further represents and warrants there is no pending or threatened claim, litigation or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the deliverables. Contractor shall inform the Department in writing immediately upon becoming aware of any actual, potential or threatened claim of or cause of action for infringement or violation or an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, then Contractor shall, at the Department's request and at the Contractor's sole expense:
 - a. Procure for the Department the right or license to continue to use the deliverable at issue;
 - b. Replace such deliverable with a functionally equivalent or superior deliverable free of any such infringement, violation or misappropriation;
 - c. Modify or replace the affected portion of the deliverable with a functionally equivalent or superior deliverable free of any such infringement, violation or misappropriation; or
 - d. Accept the return of the deliverable at issue and refund to the Department all fees, charges and any other amounts paid by the Department with respect to such deliverable. In addition, Contractor agrees to indemnify, defend, protect and hold harmless the State and its officers, directors, employees, officials and agents as provided in the Indemnification section of this Contract, including for any breach of the representations and warranties made by Contractor in this section. The foregoing remedies shall be in addition to and not exclusive of other remedies available to the Department and shall survive termination of this Contract

18.4 Intellectual Property

- a. **Ownership and Assignment of Other Deliverables.** Contractor agrees that the State and Department shall become the sole and exclusive owners of all deliverables. Contractor hereby irrevocably assigns, transfers and conveys to the State and the Department all right, title and interest in and to all deliverables and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such deliverables, including copyrights, patents, trademarks, trade secrets, trade dress, mask work, utility design, derivative works, and all other rights and interests therein or related thereto. Contractor represents and warrants that the State and the Department shall acquire good and clear title to all deliverables, free from any claims, liens, security interests, encumbrances, intellectual property rights, proprietary rights, or other rights or interests of Contractor or of any third party, including any employee, agent, contractor, subcontractor, subsidiary or affiliate of Contractor. The Contractor (and Contractor's employees, agents, contractors, subcontractors, subsidiaries and affiliates) shall not retain any property interests or other rights in and to the deliverables and shall not use any deliverables, in whole or in part, for any purpose, without the prior written consent of the Department and the payment of such royalties or other compensation as the Department deems appropriate. Unless otherwise requested by Department, upon completion or termination of this Contract, Contractor will immediately turn over to Department all deliverables not previously delivered to Department, and no copies thereof shall be retained by Contractor or its employees, agents, subcontractors or affiliates, without the prior written consent of Department.
- b. **Waiver.** To the extent any of Contractor's rights in any deliverables are not subject to assignment or transfer hereunder, including any moral rights and any rights of attribution and of integrity, Contractor hereby irrevocably and unconditionally waives all such rights and enforcement thereof and agrees not to challenge the State's rights in and to the deliverables.
- c. **Further Assurances.** At the Department's request, Contractor will execute and deliver such instruments and take such other action as may be requested by the Department to establish, perfect or protect the State's rights in and to the deliverables and to carry out the assignments, transfers and conveyances set forth in Section 18.4 (a) and 18.4 (b).
- d. Notwithstanding anything to the contrary in this Subsection, the Contractor shall be free to use and employ its general skills, know-how and expertise and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing services under the Contract, so long as it acquires and applies such information without disclosure of any confidential or proprietary information of the Department and without any authorized use or disclosure of work product developed in connection with the Contract.
- e. Contractor acknowledges and agrees that the State and the Department, as owners and assignees of the State-Owned Deliverables, shall have all rights incident to complete ownership, and may, without limitation: (i) obtain, secure, file and apply for any legal protection necessary to secure or protect any rights in and to the State-Owned Deliverables, including the prosecution and issuance of letters patent, copyright registrations, and other analogous protection, and any extensions or renewals with respect thereto; (ii) adapt, change, modify, edit or use the State-Owned Deliverables as the Department or the State sees fit, including in combination with the works of others, prepare derivative works based on the State-Owned Deliverables, and publish, display, perform and distribute throughout the world any State-Owned Deliverable(s) in any

medium, whether now known or later devised, including, without limitation, any digital or optical medium; and (iii) make, use, sell, license, sublicense, lease, or distribute the State-Owned Deliverables (and any intellectual property rights therein or related thereto) without payment of additional compensation to Contractor or any Third Party.

- f. In the event that a Deliverable is intellectual property owned by a Third Party (“Third Party Intellectual Property”), Contractor shall secure on behalf of and in the name of the State and the Department, an irrevocable, nonexclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the Third Party Intellectual Property, and to authorize others to do the same on the Department’s and the State’s behalf. In the event that a Deliverable created by Contractor under this Contract is a derivative work based upon Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Contractor shall secure on behalf of and in the name of the State and the Department an irrevocable, nonexclusive, perpetual, royalty-free license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the pre-existing elements of such Third Party Intellectual Property, and to authorize others to do the same on the State’s and the Department’s behalf. All such Third Party Intellectual Property must be identified by Contractor before signing of this Contract, and all such rights to Third Party Intellectual Property must be secured using the State’s Software License Agreement and Maintenance Agreement (Attached hereto as Attachments A and B, respectively) or using a form acceptable to the Department. Alternate agreement forms must be identified and agreed to before this Contract is signed.
- g. The Department will retain all ownership rights of any custom coding paid for with federal funds, as required by 45 C.F.R. § 95.617. The Department shall to the extent permitted by law, provide the Contractor the same royalty free, perpetual license rights granted the federal government pursuant to 45 C.F.R. § 95.617.

18.5 Publications

Prior to completion of all services required by this Contract, Contractor shall not publish in any format any final or interim report, document, form or other material developed as a result of this Contract without the express written consent of the Department. Upon completion of all services required by this Contract, Contractor may publish or use materials developed as a result of this Contract, subject to confidentiality restrictions, and only after the Department has had an opportunity to review and comment upon the publication. Any such publication shall contain a statement that the work was done pursuant to a contract with the Department and that it does not necessarily reflect the opinions, findings and conclusions of the Department.

18.6 Authorization

Contractor represents and warrants that it has the right, power and authority to enter into and perform its obligations under this Contract and has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

18.7 Millennium and Leap Year Warranty

The Contractor represents and warrants that any systems hardware and software which is developed and delivered under the Contract shall accurately process date data, including, but not limited to, calculating, comparing and sequencing from, into between, and among the nineteenth, twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the documentation provided by the Contractor.

18.8 Compatibility Warranty

The Contractor represents and warrants that the system and software which is purchased or developed and delivered under the Contract shall perform as a system with hardware or software currently owned or used by the Department, and the system and software shall, at a minimum, process, transfer, sequence data, or otherwise interact with the other components or parts of the Department's system to exchange accurate data.

18.9 Remedies

The remedies available to the Department for a breach of warranty under this section includes: repair or replacement of non-compliant software at no to cost the Department and any other remedies available to the Department under the Contract.

18.10 Obligations Owed to Third Parties

The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Contract are or will be fully satisfied by the Contractor so that the Department will not have any obligations with respect thereto.

18.11 Warranties Implied by Law

Warranties made by the Contractor in this Contract, whether: (a) this Contract specifically denominates the Contractor's promise as a warranty; or (b) the warranty is created by the Contractor's affirmation or promise, by a description of the deliverables to be provided, or by provision of samples to the Department, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties that arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the deliverables provided by the Contractor.

The provisions of section 18 apply during the term of this Contract and any extensions or renewals thereof unless noted otherwise.

18.12 Business Requirements

Contractor represents and warrants that it is fully aware of the Department's business requirements and intended purposes and uses for the Deliverables as set forth herein and in the RFP, and the Deliverables shall satisfy such requirements in all material respects and are fit for such intended purposes and uses.

18.13 Security Standards

Contractor covenants that it will comply with and adhere to all Department and State information technology standards, including, without limitation, all technical and security standards, procedures and protocols, and that Contractor will take all precautions necessary to prevent unauthorized access to the Department's and the State's systems, networks, computers, property, records, data, and information. In addition, Contractor covenants and warrants that Contractor's personnel shall comply with the Department's and the State's security regulations including any procedure which the Department's personnel, contractors and consultants are normally asked to follow. Contractor agrees to cooperate fully and to provide any assistance necessary to the Department in the investigation of any security breaches that may involve Contractor or Contractor's personnel.

18.14 Maintenance of Documentation

Contractor represents, warrants and covenants that for the duration of the Contract, all Documentation will accurately reflect the operation of any Deliverable(s) to which the Documentation pertains and will enable the Department to use and maintain such Deliverable(s) for their intended purposes.

19 LIABILITIES

19.1 Other Department Contractors

The Contractor acknowledges and agrees that the Department shall not be responsible for or liable to the Contractor or its subcontractor(s) for any damages that may be suffered by the Contractor as a result of any act or omission of any other contractor of the Department.

20 PROJECT MANAGEMENT

20.1 Meetings with Department

Key staff of the Contractor and any subcontractor responsible for the administration of the Contract shall be accessible to Department staff and shall meet with Department staff and staff of other contractors as requested. Department staff shall be available to the Contractor during normal business hours.

20.2 State Staff

State staff will be available to the Contractor during regular business hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding State holidays.

IME business hours are 7:30 a.m. to 5:00 p.m., Monday through Friday. On-site contractor staff will observe the same IME business hours including State holidays.

20.3 Contract Compliance and Monitoring

The Contractor and any subcontractor shall meet with the Department and provide information as requested to review the Contractor's compliance with the terms of the Contract and level of performance. The Department or the Department's duly authorized and identified agents or representatives of the state and federal governments shall have the right to access any and all information pertaining to the Contract wherever the information is located and is not limited only to locations at which the Contractor is performing services under the Contract. In addition, the Department may conduct site visits, conduct quality control reviews, review Contract compliance, assess management controls, assess the Contract services and activities, and provide technical assistance. The Department agrees to reasonable security and confidentiality requirements of the Contractor that are consistent with any security and confidentiality requirements under the Contract.

20.4 Records Retention and Access

The Contractor shall maintain accurate, current, and complete records of the financial activity of this Contract which sufficiently and properly document and calculate all charges billed to the Department throughout the term of this Contract and for a period of at least seven (7) years following the date of final payment or completion of any required audit (whichever is later). If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the -seven (7 year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later. The Contractor shall retain all medical records for a period of six (6) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code § 614.1(9). Client records, which are non-medical, must be maintained for a period of seven (7) years.

The Contractor shall permit the Department, the Auditor of the State or any other authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. Based on the audit findings, the Department reserves the right to address the Contractor's board or other managing entity regarding performance and expenditures. When state or federal law or the terms of this Contract require compliance with OMB Circular A-87, A-110, or other similar provision addressing proper use of government funds, the Contractor shall comply with these additional records retention and access requirements:

- a. Records of financial activity shall include records that adequately identify the source and application of funds. When the terms of this Contract require matching funds, cash contributions made by the Contractor and third party in-kind (property or service) contributions must be verifiable from the Contractor's records. These records must contain information pertaining to contract amount, obligations, unobligated balances, assets, liabilities, expenditures, income and third-party reimbursements.

- b. The Contractor shall maintain accounting records supported by source documentation that may include but are not limited to cancelled checks, paid bills, payroll, time and attendance records, and contract award documents.
- c. The Contractor, in maintaining project expenditure accounts, records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from administrative or compliance reviews and audits. Such adjustments shall be set forth in the financial reports filed with the Department.
- d. The Contractor shall maintain a sufficient record keeping system to provide the necessary data for the purposes of planning, monitoring and evaluating its program.
- e. The Contractor shall retain all non-medical and medical client records for a period of seven (7) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code § 614.1(9).

Destruction of Confidential Information. At the conclusion of this Contract, the Agency may require the Contractor to return Confidential Information. If not required to return such information, and in accordance with any retention requirements in this Records Retention and Access Section or any applicable provision of law or regulation, the Contractor will destroy all Confidential Information in such a manner as to render the information incapable of being reconstructed or recovered. If return or destruction is not feasible, the Contractor will provide the Agency with the reason(s) in writing that make the return or destruction of such Confidential Information infeasible.

If the Agency provides written permission for the Contractor to retain the Confidential Information, the Contractor will extend the protections of this Contract to the Confidential Information and limit any further uses or disclosures.

21 AUDITS

Local governments and non-profit sub-recipient entities that expend \$500,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Circular A-133 "Audit of States, Local Governments, and Non-Profit Organizations." If Contractor is obligated by law to have such an audit conducted, a copy of the final audit report shall be submitted to the Department if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. If an audit report is not required to be submitted per the criteria above, the sub-recipient must provide written notification to the Department that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Department. See A-133 Section 21 for a discussion of sub-recipient versus vendor relationships. Contractor shall provide the Department with a copy of any written audit findings or reports, whether in draft or final form, within 24 hours following receipt by the Contractor. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

Reimbursement of Audit Costs. If the Auditor of the State of Iowa notifies the Agency of an issue or finding involving the Contractor's noncompliance with laws, rules, regulations, and/or contractual agreements governing the funds distributed under this Contract, the Contractor shall bear the cost of the Auditor's review and any subsequent assistance provided by the Auditor to

determine compliance. The Contractor shall reimburse the Agency for any costs the Agency pays to the Auditor for such review or audit.

22 STATUS OF CONTRACTOR

22.1 Independent Contractor

The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State or any Department, division or department of the State simply by virtue of work performed pursuant to this Contract. Neither the Contractor nor its employees shall be considered employees of the Department or the State for federal or state tax purposes simply by virtue of work performed pursuant to this Contract. The Department will not withhold taxes on behalf of the Contractor (unless required by law).

22.2 Subcontracts

Contractor must secure from the Department prior written approval for any subcontract entered into by the Contractor for requirements of the Contract. A subcontract shall not affect payment by the Department to the Contractor or the distribution of payments. All subcontracts shall be in writing and copies shall be provided to the Department upon request. The terms and conditions imposed on the Contractor under the Contract shall also apply to any subcontractor and shall be incorporated into any subcontract. The Contractor shall be responsible for all work performed under the Contract, whether or not subcontractors are used. A subcontract shall not relieve the Contractor of any responsibility for performance under the Contract.

The Contractor shall notify the Department of any planned use of subcontractors. This notice shall include, at a minimum, the name and address of each subcontractor, the scope of work to be performed by each subcontractor, the subcontractor's qualifications and the estimated dollar amount of each subcontract. Collectively, subcontractors are not to perform more than 40% of the work contracted by this Contractor. A representative of a subcontractor may be required to meet regularly with the Department. If during the course of the subcontract period the Contractor or subcontractor wishes to change or revise the subcontract, prior written approval from the Department shall be required. The Department shall respond to any request for approval or consent in a timely manner. The Department shall have the right to request the removal of a subcontractor for good cause.

23 GENERAL PROVISIONS

23.1 Assignment and Delegation

Contractor may not assign, transfer or convey in whole or in part this Contract without the prior written consent of the Department. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment. The Contractor may not delegate any of its obligations or duties under this Contract without the prior written consent of the Department. The Contractor may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber any payments that may or will be made to the Contractor under this Contract.

23.2 Compliance with the Law

The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when providing deliverables under this Contract, including without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Contractor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Contractor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 Iowa Administrative Code chapter 4.

23.3 Procurement

To the extent the contractor is required to by state or federal Contractor shall use procurement procedures that comply with all applicable state and federal procurement standards to extent required by law.

23.4 Non-Exclusive Rights

This Contract is not exclusive. The Department reserves the right to select other contractors to provide deliverables similar or identical to those described in the scope of work during the term of this Contract.

23.5 Amendments

This Contract may be amended in writing from time to time by mutual consent of the parties. Amendment are only permitted through a formal contract amendment and not by any form of letter agreement or language included on invoices or any other transactional documents.

23.6 Successors in Interest

All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

23.7 Third Party Beneficiaries

There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State and the Contractor.

23.8 Choice of Law and Forum

The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the conflict of law provisions of Iowa law. Any and all litigation commenced in connection with this Contract shall be brought and maintained

solely in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Department or the State of Iowa.

23.9 Immunity from Liability

Every person who is a party to the Contract is hereby notified and agrees that the State, the Department, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Contractor's and/or subcontractors' activities involving third parties and arising from the Contract.

23.10 Public Records

The laws of the State of Iowa require procurement records to be made public unless otherwise provided by law.

23.11 Knowledge of the Iowa Medicaid Program

The Contractor shall be knowledgeable in all aspects of the operations of the Iowa Medicaid program and applicable federal and state laws, regulations, rules and policies, including without limitation those relating to state and federal reporting and proposed changes to any of the aforesaid being considered at the state or federal level. The Contractor acknowledges that the Department relies on the Contractor's knowledge of Medicaid.

The State retains responsibility for interpretation of policy and regulations, pursuant to its own legal resources, to establish specifications and procedures to ensure State compliance with applicable laws and regulations."

23.12 Supersedes Former Contracts or Agreements

Nothing in this contract shall supercede the contract between the Iowa Department of Human Services and Goold Health Systems, Inc. for the Iowa Medicaid Enterprise (IME) Pharmacy Point-of-Sale (POS) referred to as MED-04-084, as amended.

23.13 Counterparts

The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

23.14 Certification Regarding Sales and Use Tax

By executing this Contract, the Contractor certifies it is either (a) registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa

Code chapter 423; or (b) not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in Iowa Code subsections 423.1(42) & (43). The Contractor also acknowledges that the Department may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Department or its representative filing for damages for breach of contract.

23.15 Right to Address the Board of Directors or Other Managing Entity

The Department reserves the right to address the Contractor’s board of directors or other managing entity of the Contractor regarding performance, expenditures and any other issue as appropriate. The Department determines appropriateness.

23.16 Repayment Obligation

In the event that any State and/or federal funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Contractor shall be liable to the Department for the full amount of any claim disallowed and for all related penalties incurred as a result of Contractor’s negligent performance under this Contract. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

23.17 Cumulative Rights

The various rights powers, options, elections, and remedies of either party provided in the Contract shall be construed as cumulative and not exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law.

23.18 Headings or Captions

The paragraph headings or captions are for identification purposes only and do not limit or construe the contents of the paragraphs.

23.19 Integration

The Contract represents the entire Contract between the parties, and neither party is relying on any representation that may have been made which is not included in the Contract.

23.20 Delays or Impossibility of Performance

Neither party shall be in default under the Contract if performance is prevented, delayed or made impossible to the extent that such prevention, delay, or impossibility is caused by a “force majeure.” The term “force majeure” as used in this Contract includes an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar causes. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the parties. “Force majeure” does not include: financial difficulties of the Contractor or any parent, subsidiary, affiliated or associated company of Contractor; claims or

court orders that restrict Contractor's ability to deliver the deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Contract. If a "force majeure" delays or prevents the Contractor's performance, the Contractor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Department. The party seeking to exercise this provision and not perform or delay performance pursuant to a "force majeure" shall immediately notify the other party of the occurrence and reason for the delay. The parties shall make every effort to minimize the time of nonperformance and the scope of work not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

23.21 Turnover Responsibilities

The Turnover phase is the period between when the Department anticipates it will seek bids for a new contract and the termination or expiration date of this Contract. During this phase, the Contractor agrees to:

- a. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of work under the Contract as directed by the Department;
- b. Negotiate an extension of the Contract, if requested by the Department;
- c. Cooperate with the Department and any and all incoming subcontractor(s) to ensure a smooth turnover of services;
- d. Work with the Department and any and all incoming contractor(s) to create and implement a Turnover plan;
- e. Ensure that appropriate staff levels are maintained to manage daily responsibilities under the Contract, including cooperation with Turnover activities;
- f. Comply with the Department's instructions for the timely transfer of any work being performed by the Contractor under the Contract to the Department and any and all incoming contractor(s);
- g. Provide an updated and current listing of all files, software, applications, interfaces, documentation, Job Control Language (JCL), work flow and other information requested by the Department.
- h. To the extent that title or license has not already been transferred, transfer title or license to any work product, operating systems and software applications, including proprietary software used during the course of the Contract,

The Contractor will accomplish the above events or deliver requested materials to the Department within the timeframe specified by the Department. Payment will not be made for turnover services except as part of the fixed price for the Operational Phase of the Contract.

23.22 Conflict of Interest

Contractor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Contractor and the Department that is a conflict of interest. No employee, officer or agent of the Contractor or subcontractor shall participate in the selection or

in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. If a conflict of interest is proven to the Department, the Department may terminate this Contract, and the Contractor shall be liable for any excess costs to the Department as a result of the conflict of interest. The Contractor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties. The Contractor shall report any potential, real, or apparent conflict of interest to the Department.

23.23 Joint and Several Liability

If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

23.24 Obligations Beyond Contract Term

The Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to the Contract. All continuing obligations of the Department and Contractor incurred or existing under the Contract as of the date of termination or cancellation shall survive the termination or cancellation.

23.25 Severability

If any provision of the Contract is determined to be invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity or enforceability of any other part or provision of the Contract.

23.26 Solicitation

The Contractor represents and warrants that no person or selling agency has been employed or retained to solicit and secure the Contract for commission, percentage or contingency accepting bona fide employees or selling agents retained for the purpose of securing business.

23.27 Time is of the Essence

Time is of the essence with respect to the Contractor's performance of the terms of this Contract. Contractor shall ensure that all personnel providing deliverables to the Department are responsive to the Department's requirements and requests in all respects.

23.28 Utilization of Minority Business Enterprises

The Contractor acknowledges it is the policy of the State of Iowa that minority business enterprises shall have the maximum, practicable opportunity to participate in the performance of state contracts. Where feasible or applicable under the Contract, the Contractor agrees to make a reasonable effort to subcontract with minority business enterprises.

23.29 Utilization of Small Business

The Contractor acknowledges it is the policy of the State of Iowa that a fair portion of its purchases and contractors for supplies and services be placed with small businesses. Where feasible or applicable under the Contract, the Contractor agrees to make a reasonable effort to subcontract with small businesses.

23.30 Waiver

Except as specifically provided in a waiver signed by the Department and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right with respect thereto.

23.31 Certification of Compliance with Pro-Children Act of 1994

Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the deliverables are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed.

The Contractor further agrees that the above language will be included in any sub-awards that contain provisions for children's services and that all sub-grantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1000 per day.

23.32 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

By signing this Contract, the Contractor is providing the certification set out below:

- a. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

b. The Contractor shall provide immediate written notice to the person to whom this document is submitted if at any time the Contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

c. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this document is submitted for assistance in obtaining a copy of those regulations.

d. The Contractor agrees by submitting this document that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Agency or agency with which this transaction originated.

e. The Contractor further agrees by submitting this document that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

f. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

g. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

h. Except for transactions authorized under paragraph d of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Agency or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

1. The Contractor certifies, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

2. Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this document.

23.33 Certification Regarding Lobbying

Contractor certifies as follows:

- a. No federal appropriated funds have been paid or will be paid on behalf of the sub-grantee to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C.A. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

23.34 Certification Regarding Drug Free Workplace

- a. Requirements for Contractors Who are Not Individuals. If Contractor is not an individual, by signing below Contractor agrees to provide a drug-free workplace by:
 1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
 2. Establishing a drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The person's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations;
 3. Making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (a);
 4. Notifying the employee in the statement required by subparagraph (a), that as a condition of employment on such contract, the employee will:
 - i. Abide by the terms of the statement; and

- ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;
 - 5. Notifying the contracting agency within 10 days after receiving notice under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;
 - 6. Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. § 703; and
 - 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (i), (ii), (iii), (iv), (v), and (vi).
- b. Requirement for individuals. If Contractor is an individual, by signing below Contractor agrees to not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract.
- c. Notification Requirement. Contractor shall, within 30 days after receiving notice from an employee of a conviction pursuant to 41 U.S.C. § 701(a)(1)(D)(ii) or 41 U.S.C. § 702(a)(1)(D)(ii):
- 1. Take appropriate personnel action against such employee up to and including termination; or
 - 2. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.

23.35 Contract Disputes

Except as provided herein, the Contract is not subject to arbitration. The Contract Administrator will decide any dispute concerning performance of this Contract and put that decision in writing and serve a copy on the Contractor. If multiple contractors are involved in compounding a default, liability will be apportioned by the Department. The Contract Administrator's decision will be final unless within ten (10) days of the mailing of the decision the Contractor files with the Director of the Department a written request to review the decision, which identifies all issues being disputed. The Director, or his designee, who may be the Medicaid Director, shall review the Contractor's request to review the Contract Administrator's decision and issue a written decision within ten (10) days of receipt of the review request. The decision of the Director shall be final for purposes of Iowa Code Chapter 17A. Pending final determination of any dispute, the Contractor will proceed diligently with the performance of this Contract and in accordance with the Contract Administrator's direction. The Contractor's failure to follow the procedure set out above will be deemed waiver of the Contractor's claim.

23.36 Contingency

The Contract is subject to review and approval by the Centers for Medicare and Medicaid Services (CMS). The Department shall have the right to modify the Contract at any time to comply with CMS requirements.

23.37 Not a Joint Venture

Nothing in this Contract shall be construed as creating or constituting the relationship of the partnership, joint venture (or other association of any kind or agent/principal relationship)

between the parties hereto. No party, unless otherwise specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon, another party to this Contract.

23.38 Material Breaches

The references in this Contract to specific material breaches of this Contract shall not be construed as implying that other breaches of this Contract are not material.

23.39 Further Assurances and Corrective Instruments

The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

23.40 Right of Inspection

Contractor shall allow the Department, or anyone designated by the Department, to inspect its facilities and books and records at all reasonable times in order to monitor and evaluate performance of this Contract.

23.41 Title to Property

Title to all property (including Department Property) furnished by the Department and/or the State to Contractor to facilitate the performance of this Contract shall remain the sole property of the Department and/or the State. All such property shall only be used by Contractor for purposes of fulfilling its obligations under this Contract and shall be returned to the Department upon the earliest of completion, termination, or cancellation of this Contract or at the Department's request. Contractor acknowledges that it shall acquire no interest or rights in and to such property. Except as expressly provided in this Contract, Contractor shall not disclose or use such property for any purpose, including pledging or encumbering it, selling or using it for monetary gain, using it to compile mailing lists, solicit business or pursue other business activities, or otherwise. Title to all property purchased by Contractor, for which Contractor has been reimbursed or paid by the Department under this Contract, shall pass to and vest in the Department and/or State, except as otherwise provided in this Contract.

23.42 Award of Related Contracts

The Department may undertake or award supplemental or successor agreements for work related to this Contract. Contractor shall cooperate fully with other contractors, consultants and other persons who may be engaged by the Department or the State in connection with this Contract. Contractor will ensure that any of its contractors or subcontractors that have been approved by the Department will abide by this provision.

23.43 Sovereign Immunity

The Department and the State do not waive sovereign immunity by entering into this Contract and specifically retain and reserve the defense of sovereign immunity and all defenses available

to them under State and federal laws, rules and regulations for any claim arising out of or related to this Contract.

23.44 Assignment of Third Party Warranties

Contractor hereby assigns and shall assign to the Department any and all existing and future warranties, indemnities and other benefits obtained or available from the licensor of any Third Party software or the manufacturer of any equipment or replacement parts provided or otherwise furnished in connection with this Contract.

23.45 Attorney's Fees and Expenses

In the event Contractor defaults in any obligations under this Contract, Contractor shall pay to the Department all costs and expenses (including, without limitation, the reasonable value of time of the Attorney General's Office, expert fees, costs of the action, as well as expenses and attorney fees of other counsel retained by or on behalf of the Department) incurred by the Department in enforcing this Contract or any of its rights and remedies with respect thereto.

23.46 Care of Property

Contractor shall be responsible for the proper custody and care of any property, data, databases, software, interfaces, hardware, telecommunications lines and equipment, intellectual property and Department Property furnished by the Department for Contractor's use in connection with the performance of the Contract. Contractor shall exercise its best efforts to prevent damage to all such property and shall, at the Department request, restore damaged property to the extent possible to its condition prior to the damage at the sole expense of Contractor. Such restoration shall be complete when judged satisfactory by the Department. In addition, at the Department's request, Contractor will reimburse the Department for any loss or damage to such property caused by Contractor, or any agent, contractor or subcontractor employed or utilized by Contractor. Contractor shall not take any action that would impair the value of, or goodwill associated with, the name, property and intellectual property rights of the Department and the State. Contractor shall obtain the prior advance written approval from the Department prior to Contractor's use (in advertising, publicity, public contract bidding, or otherwise) of the name, marks or intellectual property rights of the Department or the State.

23.47 Obligations Beyond Contract Term

This Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to this Contract. Contractor's obligations under this Contract, which by their nature would continue beyond the termination of this Contract shall survive termination of this Contract and/or termination of any Maintenance/Support agreement associated with this Contract.

23.48 Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Contract and have caused their duly authorized representatives to execute this Contract.

Goold Health Systems, Inc.

By: _____ Date: _____

Name: _____

Title: _____

Federal Tax Identification Number: _____

State of Iowa, Department of Human Services

By: _____

Name: _____

Title: _____

Contract Attachment A

Software License Agreement

This Software License Agreement (the "Agreement") is effective as of _____ ("Effective Date"), and is made by and between Goold Health Systems, Inc., ("Licensor") and the State of Iowa ("State"), acting by and through the Iowa Department of Human Services ("Agency") (the State and the Agency shall be referred to individually and collectively as "Licensee").

SECTION 1. DEFINITIONS

In addition to any other terms that may be defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Authorized Contractors" mean independent contractors, consultants or other Third Parties who are retained or hired by Licensee or a Governmental Entity to maintain, modify, support or enhance the Software or to otherwise assist Licensee or Governmental Entities with their use of the Software consistent with the rights granted herein.

"Confidential Information" means, subject to any applicable State and federal laws and regulations, including but not limited to Iowa Code Chapter 22, any confidential or proprietary information or trade secrets disclosed by either party (a "disclosing party") to the other party (a "receiving party") that, at the time of disclosure, is designated as confidential (or like designation), is disclosed in circumstances of confidence, or would be understood by the parties, exercising reasonable business judgment, to be confidential. Confidential Information does not include any information that: (i) was rightfully in the possession of the receiving party from a source other than the disclosing party prior to the time of disclosure of the information by the disclosing party to the receiving party; (ii) was known to the receiving party prior to the disclosure of the information by the disclosing party; (iii) was disclosed to the receiving party without restriction by an independent third party having a legal right to disclose the information; (iv) is in the public domain or shall have become publicly available other than as a result of disclosure by the receiving party in violation of this Agreement or in breach of any other agreement with the disclosing party; (v) is independently developed by the receiving party without any reliance on Confidential Information disclosed by the disclosing party; (vi) is disclosed or is required or authorized to be disclosed pursuant to law, rule, regulation, subpoena, summons, or the order of a court, lawful custodian, governmental agency or regulatory authority, or by applicable regulatory or professional standards; or (vii) is disclosed by the receiving party with the written consent of the disclosing party.

"Deficiency" means a defect, flaw, anomaly, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to the Software, including, without limitation, any failure of the Software to conform to or meet an applicable Specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of the Software.

"Documentation" means any and all technical information, commentary, explanations, design and system architecture documents, database layouts, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and

materials related to or used in conjunction with the Software, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.

“Enhancements” means all updates, upgrades, patches, additions, modifications or other enhancements to the Software provided or made by Licensor or any Third Party, any new releases of Software, and all changes to the Documentation and Source Code as a result of such Enhancements.

“Governmental Entity” shall mean any Governmental Entity, as defined in Iowa Code Section 8A.101(4) (2009), or any successor provision to that section. The term Governmental Entity shall also include agencies, independent agencies, the Judicial Branch, courts, boards, authorities, institutions, establishments, divisions, bureaus, commissions, committees, councils, examining boards, offices of elective constitutional or statutory officers, and other units, branches, or entities of government.

“Public Code” means one or more of the following: (1) any software that contains or is derived in any manner (in whole or in part) from open source software or software subject to similar licensing or distribution requirements; and (2) any software that requires as a condition of its use, modification or distribution that such software (or other software incorporated into, derived from or distributed with such software) be either (a) disclosed or distributed in source code form; (b) licensed for the purpose of making derivative works; or (c) redistributable at no charge.

“Services Contract” means the Services Agreement by and between the Agency and [name of vendor] (“Vendor”) dated _____, and all schedules, exhibits, and other attachments to that agreement, including, without limitation, the Statement of Work.

“Software” means the proprietary software components installed as part of the Iowa Medicaid Management Information System and Pharmacy Point-of-Sale pursuant to the service contract that arose from RFP # MED-12-001 and all other software, programs, applications, modules and components listed in Schedule A, in object code form, all related Documentation and Enhancements, and all copies of the foregoing. In the event Licensee accesses or receives the Source Code in accordance with the terms of Section 2.2 of this Agreement, the term “Software” as used throughout this Agreement shall be deemed to include and apply to Source Code.

“Source Code” means the human-readable source code, source program, scripts and/or programming language, including HTML, XML, XHTML, Visual Basic, and JAVA, for or related to the Software. Source Code includes all source code listings, instructions (including compile instructions), programmer’s notes, commentary and all related technical information and Documentation, including all such information and Documentation that is necessary or useful for purposes of maintaining, repairing, or making modifications or enhancements to the Software and the Source Code.

“Specifications” mean all specifications, requirements, technical standards, performance standards, representations and other criteria related to the Software stated or expressed in this Agreement, the Services Contract, Documentation, the Licensee’s Request for Proposal No. MED-12-001 for the Iowa Medicaid Enterprise System Services Request for Proposal (“RFP”), and the Vendor’s proposal dated _____, in response to the RFP (“Proposal”). Specifications shall include the Acceptance Criteria and any specifications, standards or criteria stated or set forth in any applicable state, federal, foreign and local laws,

rules and regulations. The Specifications are incorporated into this Agreement by reference as if fully set forth in this Agreement.

“Statement of Work” shall have the meaning ascribed to it in the Services Contract.

“Third Party” means a person or entity (including, but not limited to any form of business organization, such as a corporation, partnership, limited liability corporation, association, etc.) that is not a party to this Agreement.

“Toolsets” means the business process modeling tool and any other programming, IDE, or business analysis tool or set of tools used by the Contractor for development or implementation of the requirements of RFP No. MED-12-001.

“User” means any Third Party that is authorized or permitted by the Licensee or a Governmental Entity to access or use the Software and its functions.

“Warranty Period” shall mean the period of time starting with the Agency’s acceptance of the Software and ending on the termination or expiration of the Services Contract.

All other capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Services Contract.

SECTION 2. SOFTWARE LICENSE

2.1 License. Licensor hereby grants to Licensee and to Governmental Entities a nonexclusive, irrevocable, perpetual, fully paid up, royalty-free, worldwide right and license to:

2.1.1 Use, install, host, access, execute, copy, modify, edit, format, translate, maintain, support, repair, enhance, test, demonstrate, and display the Software, and prepare derivative works based on the Software, in all media now known or hereafter created;

2.1.2 Combine and use the Software with other software, firmware, Public Code and hardware;

2.1.3 Grant any or all of the rights set forth/granted in Subsections 2.1.1 and 2.1.2 above to Authorized Contractors; and

2.1.4 Grant rights to access and use the Software and its functions to Users.

All Software subject to this Agreement may be used on any one or more of the Licensee’s or any Governmental Entity’s computers, data center locations, networks, Internet or intranet sites, servers or other systems (“Licensee Systems”). For purposes of this Agreement, the parties agree that if the Licensee or any Governmental Entity User makes any modifications or enhancements to the Software, the Licensee or Governmental Entity who makes such modification or enhancement owns such modifications or enhancements.

The foregoing license grants and rights include a license under any current or future patents owned or licensable by Licensor to the extent necessary: (i) to exercise any license right granted herein; and (ii) to combine the Software with any other Deliverables provided under the Services Contract, including with any hardware and software.

2.2 Escrow of Source Code and Documentation. Licensor shall deposit and maintain at all times during the term of this Agreement a complete copy of the Source Code (on a media and in an electronic format acceptable to Licensee) and all related Documentation for the most current version and immediately preceding version of the Software provided to Licensee hereunder (and under any agreement involving maintenance and/or support) in escrow with an escrow agent satisfactory to the Licensee. As Enhancements are produced or made available by Licensor (including pursuant to any agreement involving maintenance and/or support of the Software), Licensor shall immediately thereafter deposit a complete copy of the Source Code (on a media and in an electronic format acceptable to Licensee) and all updated Documentation in escrow with the escrow agent for Licensee's benefit. Licensee shall be entitled to receive all Source Code and Documentation in escrow from the escrow agent, after providing ten (10) days written notice to the escrow agent, upon the occurrence of any one or more of the following events: (i) Licensor violates or commits a breach of any term or condition of this Agreement or any agreement relating to maintenance and support of the Software, and Licensor fails to cure such breach within the time period established for curing such breach, if any; (ii) Licensor assigns, transfers, delegates, or subcontracts any of its maintenance or support obligations or duties under, or any interest in, any agreement it may have with Licensee relating to maintenance or support of the Software, without the prior written consent of Licensee; (iii) Licensor ceases to provide maintenance and support to Licensee, whether due to its ceasing to conduct business generally or otherwise, including, but not limited to Licensor's decision to no longer maintain or support the Software; (iv) Licensor terminates or suspends its business or ceases to do business; (v) Licensor becomes subject to any bankruptcy or insolvency proceeding under federal or state law; (vi) Licensor has become insolvent or unable to pay its obligations as they accrue or become due; (vii) Licensor makes an assignment for the benefit of Licensor's creditors; (viii) a receiver, trustee, liquidator, custodian or similar official has been appointed to act on behalf of the Licensor with respect to any of its operations or assets; (ix) Licensor merges, is sold or enters into an agreement to sell all or substantially all of its assets resulting in Licensor's failure to remain a party to, or otherwise retain all of its rights and obligations under, this Agreement or any agreement relating to maintenance and support of the Software, and the survivor or acquirer does not assume all of Licensor's rights and obligations under such agreements, whether by operation of law, written agreement or otherwise; or (x) Licensor violates or commits a breach of any term or condition of the source code escrow agreement, which breach has not been cured by Licensor within any applicable time period stated therein for curing such breach. Licensor, Licensee and an escrow agent acceptable to Licensee, shall execute and deliver a source code escrow agreement substantially in the form attached hereto as Schedule C (with such modifications as may be acceptable to Licensee) within fifteen (15) days after execution of this Agreement. Licensor shall pay all costs and fees payable to the escrow agent under the source code escrow agreement and shall not change the escrow agent or terminate, amend or modify the source code escrow agreement during the term of this Agreement, without Licensee's prior written consent.

In the event Licensee accesses or receives the Source Code in accordance with the terms of this Section 2.2, all of the rights and privileges granted under this Agreement with respect to the Software shall apply to the Source Code, and Licensee, Governmental Entities, and their Authorized Contractors shall be entitled to exercise all of such rights and privileges with respect to the Source Code, including all rights to maintain, modify, enhance, and prepare derivative works based upon, the Software and/or the Source Code.

Should the IME desire to test the source code, it shall be conducted on-site at the vendor's primary facility under the supervision of an IME staff member of their designee. The vendor shall reimburse the IME for any required travel expenses to oversee the testing and coordinate

the escrow deposit to ensure that the compiled source code components as tested are deposited with the escrow agent. The vendor shall support up to one set of Deposit Material Testing (compile and usability tests) per contract year to validate the escrow materials upon request.

2.3 Licensee Not Required to Accept or Install Enhancements. Licensor shall not condition any of the Licensee's rights and remedies, or the Licensor's obligations, under this Agreement or any other agreement related to the Software, on the Licensee accepting or installing any Enhancements or additional functionality provided by Licensor.

SECTION 3. TERM

The term of this Agreement and the license granted hereunder shall be perpetual unless terminated by either party only in accordance with the express terms of this Agreement.

SECTION 4. DELIVERY AND INSTALLATION.

Licensor shall deliver the Software to Agency and setup and install the Software (either directly, or indirectly, through Vendor) for use on the Licensee Systems specified by Licensee in accordance with the Services Contract and the Statement of Work. Licensor shall bear all freight, shipping, handling and insurance costs for delivery of the Software and shall bear all risk of loss with respect to the Software, including any losses resulting from any damage to or destruction of the Software, in whole or in part, which may occur prior to Licensee's delivery of written notice of Acceptance to Licensor with respect to the Software.

SECTION 5. COMPENSATION.

5.1 License Fee. In consideration of the grant of the perpetual license and all other rights granted to Licensee and Governmental Entities under this Agreement, Licensor shall be entitled to receive the amount specified in or in Schedule A to license the Software, subject to all of the terms and conditions of this Agreement and the Services Contract. Such amount, when paid, shall be deemed a fully paid-up license fee, and Licensee and Governmental Entities shall not be required to pay any additional license fees, expenses, costs, charges or other amounts in connection with this Agreement and the rights granted hereunder, unless otherwise agreed by Licensee in writing.

5.2 Invoice and Payment. Licensor may invoice the Agency for the license fee following installation and upon Licensee's acceptance of the software. The Agency shall pay all approved invoices in accordance with and subject to the terms and conditions of the Services Contract. Notwithstanding anything herein to the contrary, the Agency shall have the right to dispute any invoice submitted for payment and withhold payment of any disputed amount if the Agency believes the invoice is inaccurate or incorrect in any way.

5.3 Set Off. In the event that Licensor owes the Agency or the State any sum under the terms of this Agreement, the Services Contract, any other agreement, pursuant to a judgment, or pursuant to any law, the Agency may set off such sum against any sum invoiced to the Agency in the Agency's sole discretion unless otherwise required by law. Amounts due to the Agency or State as liquidated damages or any other damages awarded by a court, an administrative law judge, or any other similar entity, may be deducted by the Agency from any money or sum payable by the Agency to Licensor pursuant to this Agreement or any other agreement between Licensor and the Agency or the State.

5.4 Withholding. In addition to pursuing any other remedy provided herein or by law, the Agency may withhold compensation or payments to Licensor, in whole or in part, without penalty or legal liability to Licensee or work stoppage by Licensor, in the event: (i) Licensor fails to provide Software or correct any Deficiencies with respect to any Software to Licensee's satisfaction; (ii) Licensor fails to perform any of its other obligations as set forth in this Agreement and/or the Services Contract; or (iii) the Software or any portion thereof fails to meet or conform to any applicable Specifications. No interest shall accrue or be paid to Licensor on any compensation or other amounts withheld or retained pursuant to the Section 5.4.

SECTION 6. REPRESENTATIONS, WARRANTIES AND COVENANTS.

6.1 Licensor represents and warrants that during the Warranty Period, the Software (in whole and in part) shall: (i) be free from material Deficiencies; (ii) conform to and operate in accordance with all Specifications; and (iii) be compatible with and interoperate fully and correctly with the Licensee Systems specified in Schedule B. Licensor warrants that all media containing or relating to the Software furnished hereunder shall be free from defects in material and workmanship. During the Warranty Period, Licensor shall, at Licensee's request and at Licensor's expense, repair, correct or replace any Software that fails to comply with the warranties and requirements of this Section 6.1 promptly upon receiving notice of such failure from Licensee, but in no event more than 3 days after the date of receipt of such notice. In the event Licensor is unable to repair, correct or replace such Software to Licensee's satisfaction, Licensor shall refund the fees or other amounts paid for such Software within ten (10) business days after Licensee's request for such refund. The foregoing shall not constitute an exclusive remedy under this Agreement, and Licensee shall be entitled to pursue any other available contractual, legal or equitable remedies.

6.2 Licensor represents and warrants that Licensor is fully aware of Licensee's business requirements and intended uses for the Software as set forth in the RFP, and the Software shall satisfy such requirements in all material respects and is fit for such intended uses.

6.3 Licensor represents and warrants that: (i) it is the owner of the Software and any and all intellectual property rights in and to such Software, including, but not limited to, copyrights, trademarks, trade secrets, trade dress, and/or patent rights; (ii) it owns, possesses, holds, and has received all rights, permits, permissions, licenses and authority necessary to provide all Software to Licensee hereunder and to grant and convey the benefits, licenses and other rights granted or conveyed to Licensee and Governmental Entities hereunder without violating any rights of any Third Party; (iii) the Software shall be wholly original with and prepared solely by Licensor; (iv) Licensor has not previously and will not grant any rights in the Software to any Third Party that are inconsistent with the rights granted herein; and (v) Licensee and Governmental Entities shall peacefully and quietly have, hold, possess, use and enjoy all Software without suit, disruption or interruption.

6.4 Licensor represents and warrants that: (i) the Software (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to, the Software); (ii) Licensee's (and any Governmental Entity's) use of the Software in accordance with the terms of this Agreement; and (iii) Licensee's (and any Governmental Entity's) exercise of the rights, licenses and benefits granted or conveyed hereunder, do not and will not misappropriate a trade secret or infringe upon any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any Third Party. Licensor further represents and warrants there is no pending or threatened claim, litigation or action that is based on a claim of

infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Software. Licensor shall immediately inform Licensee in writing upon becoming aware of any actual, potential or threatened claim of infringement or violation of any intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Software. If such a claim arises or is likely to arise, then Licensor shall, at the Licensee's request: (i) procure for the Licensee and Governmental Entities the right or license to continue to use the Software at issue; (ii) replace such Software with functionally equivalent or superior Software free of any such infringement, violation or misappropriation; or (iii) modify or replace the affected portion of the Software with functionally equivalent or superior Software free of any such infringement, violation or misappropriation. In the event Licensor is unable to fulfill its obligation under (i), (ii) or (iii) above as requested, Licensor shall accept the return of the Software and refund to the Licensee all fees, charges and any other amounts paid by the Licensee with respect to such Software. In addition, Licensor agrees to fully indemnify, defend, protect and hold harmless the Licensee, Governmental Entities and their officers, directors, employees, officials and agents as provided in the Indemnification section of this Agreement. The foregoing remedies shall be in addition to and not exclusive of other remedies available to the Licensee and shall survive termination of this Agreement.

6.5 The Licensor represents and warrants that all Software provided under this Agreement which uses date data shall accurately process data, including but not limited to, calculating, comparing and sequencing from, into, between and among the nineteenth, twentieth and twenty-first centuries, including leap year calculations, integral calculations, day-in-year calculations, day-of-week calculations and week-of-year calculations; and not experience abnormal ending and/or produce invalid or incorrect results in the operation of the Software or Licensee's System. If the Software is to perform as a system with other hardware and/or software, then this warranty shall apply to the Software as it processes, transfers, sequences data, or otherwise interacts with other software, hardware, components or other parts of the system, provided that such other software, hardware, components or parts do not fail to meet any applicable requirements of this Section 6.5. The remedies available to the Licensee for breach of this warranty include, but are not limited to, repair or replacement of non-compliant Software. Nothing in this warranty shall be construed to limit any rights or remedies of the Licensee under this Agreement with respect to Deficiencies in the Software other than data processing compliance.

6.6 The Licensor represents and warrants that all Software and Enhancements do not and shall not as delivered or provided by Licensor contain an anti-use device, a disabling device, lockup program, a so-called "time bomb" or "drop dead" device, "back door," instructions, contaminants, viruses, Trojan Horses, worms, cancelbots, or any other mechanism, code or computer programming routine that will disable, damage, impair or impede, lock-up, alter, halt, abnormally end, surreptitiously intercept, expropriate or interfere with the Software, Licensee Systems or any data or information of Licensee. Licensor further represents and warrants that all Software and Enhancements do not contain any other programming or device of any kind that would allow unauthorized access to the Software by Licensor or any other person or any Third Party. Licensor covenants that it will not under any circumstance, including enforcement of a valid contract right, (i) install or trigger a lockup program or disabling device, or (ii) take any step that would in any manner interfere with Licensee's use of the Software or Licensee Systems, or restrict Licensee from accessing its data files or in any way interfere with the transaction of Licensee's business. For any breach of this provision, Licensor shall, immediately after receipt of notification of the breach, cure the breach to Licensee's satisfaction,

including, without limitation, repairing, at Licensor's expense, any damage done to the Software or Licensee Systems or any other property.

6.7 Licensor represents, warrants and covenants that it has complied with, and shall comply with, all applicable federal, state, local and international laws, rules, regulations, codes, orders and ordinances in connection with its performance of this Agreement.

6.8 Licensor represents and warrants that it has no interest and shall not acquire any direct or indirect interest that would conflict in any manner or degree with the performance of its obligations under this Agreement.

6.9 Licensor represents and warrants that the Software and the license, use and other rights granted hereunder comply with, and shall comply with, all applicable federal, state, local and international laws, rules, regulations, codes, orders and ordinances in effect as of the date of this Agreement, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

6.10 Licensor has not incorporated and will not incorporate, without the prior written consent of Licensee, any Public Code, in whole or in part, into any part of the Software or any Enhancement, or use Public Code, in whole or in part, in the development of any part of the Software or any Enhancement in a manner that may subject the Software or any Enhancement, in whole or in part, to all or part of the license obligations of any Public Code.

6.11 Licensor represents and warrants that all Documentation will accurately reflect the operation of the Software or other Deliverables to which the Documentation pertains and will enable the Licensee to use, modify and maintain the Software fully and completely.

6.12 Licensor's warranties provided in this Section 6 are in addition to and not in lieu of any other warranties provided in this Agreement. All warranties provided for in this Agreement shall be cumulative, shall be deemed consistent and not in conflict, are intended to be given full force and effect and to be interpreted expansively to give the broadest warranty protection to the Licensee.

SECTION 7. TERMINATION.

7.1 Termination by Licensee for Cause. The Licensee may terminate this Agreement, without penalty or legal liability, upon written notice for the breach by Licensor of any material term, condition or provision of this Agreement, if such breach is not cured within any time period specified in the notice of breach or any subsequent notice delivered by Licensee to Licensor, assuming cure is feasible. The Licensee's right to terminate this Agreement shall be in addition to and not exclusive of other remedies available to the Licensee.

7.2 Termination by Licensee for Reasons Other Than Cause. Licensee may terminate this Agreement for any of the reasons for which the Agency may terminate the Services Contract upon providing any applicable written notice expressly required to be provided pursuant to the Services Contract. For purposes of this Section 7.2, all references in the Services Contract to the terms "State," "Agreement," "Deliverables," and "Vendor," shall be deemed to include and additionally refer to the terms "Licensee," "Agreement," "Software," and "Licensor," respectively,

as used herein. Licensee's right to terminate this Agreement for any of the reasons provided herein shall survive termination of the Services Contract.

7.3 Termination by Licensor for Cause. Licensor may only terminate this Agreement and revoke the license and other rights granted under this Agreement if Licensee has breached this Agreement by failing to pay in full the license fee specified in Section 5.1 in accordance with the terms of this Agreement and the Services Contract, or if Licensee commits a material breach of Section 9.2 of this Agreement, provided in either event that Licensor first gives Licensee written notice of the alleged breach and a 60-day period in which to cure the breach. Licensor may not terminate this Agreement and revoke the license and other rights granted hereunder if Licensee's failure to pay any portion or all of the license fee or other amounts arises from or relates to Licensee's withholding or retention of such amounts in accordance with this Agreement or the Services Contract. Upon termination of this Agreement by Licensor in accordance with this Section 7.3, Licensee will return the Software to Licensor or will certify in writing to Licensor that it has destroyed all copies of the Software. Except as expressly provided in this Section 7.3, Licensor shall not be entitled to terminate this Agreement or revoke the license and other rights granted herein.

7.4 Limitation of the Licensee's Payment Obligations. In no event shall Licensee be required to pay any amounts other than those expressly stated in Section 5.1 of this Agreement. The Licensee (and Governmental Entities) shall not be liable, under any circumstances and regardless of termination of this Agreement, for any of the following:

7.4.1 The payment of unemployment compensation to Licensor's employees;

7.4.2 The payment of workers' compensation claims, which occur during the Agreement or extend beyond the date on which the Agreement terminates;

7.4.3 Any costs incurred by Licensor in its performance of the Agreement, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Agreement and/or the Services Contract;

7.4.4 Any damages or other amounts for or relating to the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Agreement, the Services Contract or any agreement with Third Parties;

7.4.5 Any taxes Licensor may owe in connection with the performance of this Agreement or the Services Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

SECTION 8. INDEMNIFICATION.

8.1 Licensor and its successors and permitted assigns shall indemnify and hold harmless the Licensee and Governmental Entities and their employees, officers, directors, agents, and officials (individually and collectively "Indemnitees") from and against any and all claims, actions, suits, liabilities, damages, losses, settlements, demands, deficiencies, judgments, costs and expenses (including, without limitation, the reasonable value of time of the Attorney General's Office and the costs, expenses and attorney fees of other counsel retained by any Indemnitee) related to, resulting from or arising out of this Agreement, including, but not limited to, any claims related to, resulting from, or arising out of:

8.1.1 Any violation or breach of any term or condition of this Agreement by Licensor; or

8.1.2 Any negligent acts or omissions, intentional or willful misconduct, or unlawful acts of Licensor, its officers, employees, agents, directors, contractors or subcontractors; or

8.1.3 Failure by Licensor or its employees, agents, officers, or directors to comply with any applicable local, state, and federal laws, rules, ordinances or regulations; or

8.1.4 Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights or personal rights of any Third Party, including any claim that the Software or any use thereof (or the exercise of any rights with respect thereto) infringes, violates or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any Third Party.

8.2 Licensor's obligations under this Section 8 are not limited to third-party claims, but shall also apply to any claims that either party may assert against the other.

8.3 Licensor shall be liable for any personal injury or damage to property caused by the fault or negligence of Licensor, its officers, directors, employees, agents, contractors and subcontractors.

8.4 Licensor's duties as set forth in this Section 8 shall survive the termination of this Agreement and shall apply to all acts or omissions taken or made in connection with the performance of this Agreement regardless of the date any potential claim is made or discovered by the Licensee or any other Indemnitee.

SECTION 9. CONTRACT ADMINISTRATION.

9.1 Independent Contractor. The status of the Licensor shall be that of an independent contractor. Licensee shall not provide the Licensor with office space, support staff, equipment or tools, or supervision beyond the terms of this Agreement. Neither the Licensor nor its employees shall be considered employees of the State of Iowa. Neither the Licensor nor its employees are eligible for any State employee benefits, including but not limited to, retirement benefits, insurance coverage or the like. Neither the Licensor nor its employees shall be considered employees of the Licensee or the State of Iowa for federal or state tax purposes. Licensee shall not withhold taxes on behalf of the Licensor (unless required by law). The Licensor shall be responsible for payment of all taxes in connection with any income earned in connection with this Agreement.

9.2 Confidentiality. Except as provided or contemplated herein, and subject to applicable federal, state or international laws, rules or regulations (including Iowa Code Chapter 22 and [insert citation for the Agency's Fair Info. Practices rules) the Licensee shall not disclose to Third Parties (excluding Governmental Entities and Authorized Contractors) any information of Licensor that is marked or otherwise clearly identified by Licensor as Confidential Information without the prior written consent of Licensor. Licensor shall limit such identification to information it reasonably believes is entitled to confidential protection pursuant to such applicable laws, rules and regulations. Notwithstanding the foregoing, the Licensee may disclose Licensor's Confidential Information pursuant to: (i) any legal, judicial, or administrative proceedings, subpoena, summons, order, ruling or other legal or administrative processes;

and/or (ii) applicable laws, rules, or regulations. In such event, the Licensee shall provide prompt notice to Licensor of the circumstances giving rise to the Licensee's disclosure. Licensor acknowledges that the Licensee is subject to Iowa Code Chapter 22 and other laws, rules and regulations governing public records. If a request is made to view or otherwise access Licensor's Confidential Information pursuant to such laws, rules or regulations, the Licensee will promptly notify Licensor of the request. Subject to the foregoing, the Licensee will use reasonable efforts to protect Licensor's Confidential Information provided such information can reasonably be determined to constitute a confidential record under Iowa Code Section 22.7 or other applicable laws, rules or regulations. In the event the Licensee reasonably determines that such information is not a confidential record, the Licensee may release such information unless Licensor files an action in Polk County District Court to prevent the release of the requested information within ten (10) days of receiving notice from the Licensee.

9.3 Compliance with Laws. Licensor and its employees, agents, officers, directors, contractors and subcontractors shall comply with all applicable federal, state, international and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement, including, without limitation, all laws applicable to the prevention of discrimination in employment, the administrative rules of the Iowa Department of Management or the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action, laws relating to prevailing wages, occupational safety and health standards, prevention of discrimination in employment, payment of taxes, gift laws, lobbying laws and laws relating to the use of targeted small businesses as subcontractors or suppliers. Licensor shall comply with any applicable reporting and compliance standards of the Iowa Department of Management regarding equal employment. Licensor may be required to submit its affirmative action plan to the Iowa Department of Management to comply with the requirements of 541 Iowa Admin. Code 4. Licensor represents and warrants that it has complied with all federal, state, foreign and local laws, codes, rules, ordinances, orders and regulations applicable to the performance of its obligations under this Agreement.

9.4 Amendments. This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be fully executed by the parties.

9.5 Third-Party Rights. No person other than the parties hereto, their respective successors and permitted assigns, and Governmental Entities may rely on or derive any rights pursuant to or under this Agreement. This Agreement is intended to benefit only the Licensee, Governmental Entities, Users, and the Licensor.

9.6 Choice of Law and Forum. This Agreement shall be governed in all respects by, and construed in accordance with, the laws of the state of Iowa, without giving effect to the choice of law principles thereof. Any and all litigation or actions commenced in connection with this Agreement, including after expiration or termination of this Agreement, shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. However, if jurisdiction is not proper in the Iowa District Court for Polk County, but is proper only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division. Licensor hereby irrevocably: (i) consents and agrees that any legal or equitable action or proceeding arising under, in connection with or arising out of this Agreement shall be brought and maintained exclusively in the aforesaid courts; (ii) submits to and accepts, with respect to any such action or proceeding, for it and in respect of its properties and assets regardless of the physical or legal situs thereof, generally and unconditionally, the jurisdiction of the aforesaid courts; and (iii) waives any objection to such jurisdiction based on forum non conveniens or otherwise. This provision shall

not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the Licensee, including sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States, or otherwise. Licensor irrevocably consents to service of process by certified or registered mail addressed to the Licensor's designated agent. The Licensor appoints EscrowTech, as its agent to receive service of process. If for any reason the Licensor's agent for service is unable to act as such or the address of the agent changes, Licensor shall immediately appoint a new agent and provide the Agency with written notice of the change in agent or address. Any change in the appointment of the agent or address will be effective only upon actual receipt by the Licensee. Nothing in this provision will alter the right of the Licensee to serve process in any other manner permitted by law. This Section 9.6 shall survive termination of this Agreement.

9.7 Assignment and Delegation. This Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party, except that the Licensee may assign this Agreement to any State agency or unit of State government that succeeds the Agency's rights hereunder or otherwise assumes responsibility for functions or duties currently assumed by the Agency to which the Software relates. For purposes of construing this clause, a transfer of a controlling interest in the Licensor, a merger, sale or consolidation of Licensor, or a sale of substantially all of Licensor's assets shall be considered an assignment. Licensor agrees that it shall provide Licensee with the earliest possible advance notice of any proposed sale or transfer or any controlling interest in or substantial assets of Licensor and of any proposed merger, sale or consolidation of Licensor. Licensor agrees that it shall not use this Agreement, or any portion thereof, for collateral or to otherwise secure any financial obligation of Licensor or any affiliate thereof without the prior written consent of Licensee.

9.8 Integration. This Agreement represents the entire agreement between the parties concerning the grant of the perpetual license, distribution rights and other rights granted to Licensee and Governmental Entities under this Agreement, and neither party is relying on any representation that may have been made with respect thereto which is not included in this Agreement. This Agreement shall not supersede the Services Contract. Licensee shall not be bound by any "shrink-wrap" agreement, "click-wrap" agreement, "sneakwrap" agreement, or any other similar agreement that may accompany or relate to the Software. Licensor acknowledges that it has thoroughly read this Agreement and all related schedules, exhibits and other documents and has had the opportunity to receive competent advice and counsel necessary for it to form a complete understanding of all rights and obligations herein and to accept same freely and without coercion of any kind. Accordingly, this Agreement shall not be construed or interpreted against the Licensee on the basis of draftsmanship or preparation hereof.

9.9 Headings or Captions and Terms. The paragraph headings or captions are for identification purposes only and do not limit or construe the contents of the paragraphs. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, references to the singular include the plural, and the word "or" has the inclusive meaning represented by the phrase "and/or." The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The words "thereof," "herein," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

9.10 Not a Joint Venture. Nothing in this Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. No party, unless otherwise

specifically provided for herein, has the authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Agreement.

9.11 Obligations Beyond Agreement Term. This Agreement shall remain in full force and effect perpetually unless terminated pursuant to Section 7 of this Agreement. Licensor's obligations under this Agreement which by their nature would continue beyond the termination of this Agreement, including, by way of illustration and not by limitation, those obligations set forth in Sections 2.1-2.3, 5.2-5.4, 6-8, 9.4, 9.2, 9.3, 9.5, 9.6, 9.8, 9.11-9.16, 9.18, 9.19, 9.22, 9.24, 9.26, and 9.29-9.32 shall survive termination of this Agreement.

9.12 Use of Third Parties. None of the services to be provided by Licensor pursuant to this Agreement shall be subcontracted or delegated to any Third Party without the prior written consent of Licensee. Licensee's consent shall not be deemed in any way to provide for the incurrance of any additional obligation of Licensee, whether financial or otherwise. Any subcontract to which the Licensee has consented shall be in writing and shall in no way alter the terms and conditions of this Agreement. All subcontracts shall be subject to the terms and conditions of this Agreement and to any conditions of approval that Licensee may deem necessary. Licensor is solely liable for any and all payments that may be due to the subcontractor pursuant to its subcontract agreement with Licensor. Licensor shall indemnify, defend and hold harmless the Licensee from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever arising as a result of Licensor's breach of any subcontract into which it enters, including Licensor's failure to pay any and all amounts due by Licensor to any subcontractor. No subcontract or delegation of work shall relieve or discharge Licensor from any obligation, provision, or liability under this Agreement. Licensor shall remain responsible for such performance and shall be fully responsible and liable for all acts or omissions of any such contractor or subcontractor. Any action of a subcontractor, which, if done by Licensor, would constitute a breach of this Agreement, shall be deemed a breach by Licensor and have the same legal effect.

9.13 Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of Licensee and the Licensor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

9.14 Notices. Notices under this Agreement shall be in writing and delivered to the representative of the party to receive notice (identified below) at the address of the party to receive notice as it appears below or as otherwise provided for by proper notice hereunder. The effective date for any notice under this Agreement shall be the date of delivery of such notice (not the date of mailing) which may be effected by certified U.S. Mail return receipt requested with postage prepaid thereon or by recognized overnight delivery service, such as Federal Express or UPS:

If to Licensee:

If to Licensor:

Any notice or communication sent by certified U.S. Mail under this Agreement shall be deemed given upon receipt as evidenced by the U.S. Postal Service return receipt card, or if sent by overnight delivery service, upon receipt as evidenced by the signature attained by the carrier. From time to time, either party may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

9.15 Cumulative Rights. The various rights, powers, options, elections and remedies of Licensee provided in this Agreement shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed Licensee by law, and shall in no way affect or impair the right of Licensee to pursue any other contractual, equitable or legal remedy to which Licensee may be entitled. Licensee's election of any one or more remedies shall not constitute a waiver of the right to pursue any other available remedies.

9.16 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

9.17 Authorization. Licensor represents and warrants to Licensee that:

9.17.1 It has the right, power and authority to enter into and perform its obligations under this Agreement;

9.17.2 It has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation upon itself enforceable in accordance with its terms.

9.18 Successors in Interest. All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives

9.19 Record Retention And Access. The Licensor shall maintain books, records, and documents which sufficiently and properly document all services and deliverables provided under this Agreement and calculate all charges billed to the Licensee throughout the term of this Agreement for a period of at least five (5) years following the later of the date of final payment, termination or expiration of this Agreement, or completion of any required audit. The Licensor shall permit the Licensee, the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Licensor relating to orders, invoices, or payments or any other documentation or materials pertaining to this Agreement. The Licensor shall not impose or seek payment for any charge, fee or expense associated with any audit or examination of the Licensor's books and records conducted in accordance with this provision.

9.20 Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one contract binding on all parties, notwithstanding that all

parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

9.21 Additional Provisions. The parties agree that if an Addendum, Schedule, Rider or Exhibit is attached and referred to in this Agreement then the same shall be deemed incorporated herein by reference.

9.22 Further Assurances and Corrective Instruments. Licensor agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

9.23 Award of Related Agreements. The Licensee may undertake or award supplemental or successor agreements for work related to this Agreement, the Services Contract or with respect to the Software. Licensor shall cooperate fully with other contractors, consultants and other persons who may be engaged by Licensee in connection with this Agreement, the Services Contract or with respect to any of the Software. Licensor will ensure that its subcontractors, if any, will abide by this provision.

9.24 Sovereign Immunity. The Agency, Governmental Entities and the State do not waive sovereign immunity by entering into this Agreement and specifically retain and reserve the defense of sovereign immunity and all defenses available to them under State and federal laws, rules and regulations, including, without limitation, Iowa Code Chapter 669 and the Constitution of the State of Iowa.

9.25 Reserved for any special provisions or unique requirements of Agency.

9.26 Care of Property. Licensor shall be responsible for the proper custody and care of any licensee property furnished for Licensor's use in connection with the performance of the Agreement, and Licensor will reimburse the Licensee for any loss or damage to such property caused by Licensor, or any person, agent or subcontractor employed or utilized by Licensor, normal wear and tear excepted.

9.27 Licensor shall notify Licensee in writing if any of the following has been engaged in by or occurred with respect to Licensor or any corporation, shareholder or entity having or owning a controlling interest in Licensor:

9.27.1 Licensor files or permits the filing against it of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;

9.27.2 Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;

9.27.3 Making an assignment for the benefit of creditors;

9.27.4 Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Licensor's performance of its obligations under this Agreement;

9.27.5 An order is entered approving an involuntary petition to reorganize the business of Licensor for all or part of its property;

9.27.6 If a writ or warrant of attachment, execution, distraint, levy, possession or any similar process that may materially affect the operation of Licensor is issued by any court or administrative agency against all or any material portion of Licensor's property; or

9.27.7 Taking any action to authorize any of the foregoing.

9.28 Material Breaches. The references in this Agreement to specific material breaches of this Agreement shall not be construed as implying that other breaches of this Agreement are not material.

9.29 Taxes. Licensor shall be responsible for paying any taxes incurred by Licensor in the performance of this Agreement. The State and the Agency are exempt from the payment of Iowa sales and other taxes.

9.30 Obligations of Joint Entities. If Licensor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this agreement, and for any default of such activities and obligations.

9.31 Attorney's Fees and Expenses. Subject to the other terms and conditions of this Agreement, in the event Licensor defaults in any obligations under this Agreement, Licensor shall pay to Licensee all costs and expenses (including, without limitation, the reasonable value of time of the Attorney General's Office, expert fees, costs of the action, as well as expenses and attorney fees of other counsel retained by or on behalf of Licensee) incurred by Licensee in enforcing this Agreement or any of its rights and remedies with respect thereto.

9.32 Time is of the Essence. Time is of the essence with respect to Licensor's performance of its obligations under this Agreement. Licensor shall ensure that all personnel providing services to Licensee are responsive to Licensee's requirements and requests in all respects.

SECTION 10. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

Licensor

Goold Health Systems, Inc.

By: _____

Date: _____

Title: _____

Licensee

State of Iowa, acting by and through
the Department of Human Services

By: _____

Date: _____

Title: _____

**SCHEDULE A
DESCRIPTION OF SOFTWARE AND LICENSE FEES**

Software Product	Number of Licenses	General Description
GHS COTS Software Package PBSA and Rebate	1	This is the full suite of GHS product software as described in the GHS Technical and Cost Proposal. This material will be placed under the escrow agreement.
Drug Reference File ***	1	The drug file will be provided by GHS for pharmacy claims processing and will be included in the GHS costs as part of the fixed price contract. GHS will use MediSpan as the vendor to provide the third-party reference file, which is required to pay claims.
Intersystems Cache Elite Licenses	50	Required expansion to primarily support the POS and related operating systems in the GHS hosted and updated environment.
TS/RDP Licenses	25	Software required to support the hosting infrastructure.
Citrix XenApp 5.0 Licenses	25	Access to the GHS hosted environment will be provided using Citrix (or technical equivalent).

SCHEDULE B DESCRIPTION OF LICENSEE SYSTEMS

DHS CURRENT ENVIRONMENT

OVERVIEW

DHS is the largest department in Iowa state government, with approximately 5,200 full-time employees. Fewer than 500 of those employees are located at its primary location in the Hoover Building. In addition to its primary location, DHS has remote office operations in all 99 counties in Iowa. This includes about 167 remote sites. These sites house field, case management and child-support staff. This number also represents eight institutional facilities under DHS, including mental health institutes at Cherokee, Clarinda, Independence, and Mt. Pleasant; two juvenile homes at Eldora and Toledo, and two resource centers at Glenwood and Woodward.

INFRASTRUCTURE

DHS has a large infrastructure in place in order to support the applications required by its users. Below are highlights of key infrastructures supported by the Bureau of Network Support (BNS).

SERVERS

DHS' server environment is based on Microsoft's Windows 2003 operating system. DHS employs a single Active Directory domain (IADHSR3) for management of user authentication and access to server-based data.

BNS currently administers and manages a total of 424 Servers on its Enterprise Network. There are 248 Servers in the Hoover Data Center. This number consists of 220 physical servers, 20 of which host 89 Virtual Machines using VM Ware and running Microsoft Windows 2003 & 2008 Operating Systems.. DHS has 186 servers in remote locations throughout the State. Of those 186 servers, about 85 percent of them are Domain Controllers used to facilitate local authentication as well as file print services. All DHS full time offices have Domain Controllers at their site.

DHS uses a Microsoft WINS environment to associate server names with TCP/IP addresses, and it has six WINS servers (five in regional settings and one in the DHS Hoover Building Data Center). DHS also has a Microsoft SCCM server in the Hoover Data Center that is used to handle software deployment, inventory and remote control to all desktops.

DHS Remote Offices

The DHS model for server deployment has been placement of a single Microsoft Windows 2003 Domain Controller server for file-and-print services wherever there is a DHS office. This model has been modified to support the Agency reorganization to less than full time offices (LTFT). We currently have 61 less than full time offices that do not have a server at their location.

DHS' remote office network environment is represented by a client / server network made up of one file-and-print server (per full time office) based on DELL / Intel technology and running Microsoft's Windows 2003 operating system; Dell or Cisco Systems 100BaseTX Ethernet switches; and an Iowa Communications Network-supplied router and CSU/DSU. Each remote server generally has a single processor and dual power supplies.

The ICN router and CSU/DSU serve to connect 91 offices to the ICN's frame-relay network through a T-1 data circuit supplied by Qwest or another provider. The ICN sets a 1,024Kb committed information rate (CIR) on each DHS frame-relay connection. The ICN has established a logical point-to-point wide area network for DHS, with all data connections logically home-running from each remote location to ICN routers at the Lucas Building in Des Moines. BNS has begun the process of converting high cost T1 connections to either Fiber or Frame over Ethernet connections. This enables us to increase speeds at a lower cost. Each remote office has a single connection to the wide area network, and there is no meshing of the DHS wide area network sites.

DHS utilizes networking protocol TCP/IP for all network communications; Printing is also managed via a TCP/IP address. In addition, DHS has several host-addressable printers throughout its enterprise network, and they are reached via TCP/IP from the ITE mainframe. DHS utilizes 1500 printers from various vendors for network printing.

Users in a typical remote office use Intel-based personal computers running Windows 7 or Windows XP desktop operating system software. PCs, printers and the local Domain Servers are connected to an Ethernet switch, with the local server supplying network login authentication, file and print services. In addition, users rely on WAN connectivity for access to the Internet as well as DHS Hoover-based services such as Email, SQL databases, IIS Applications, Imaging, and Central Office server-based file storage. Users in DHS' remote offices also utilize the WAN to communicate with the ITE mainframe.

In addition, users rely on both the local LAN and the WAN to access key client server - mainframe applications such as FACS Plus, ICAR, Formgen and Guidelines. In all offices, users rely on the LAN and WAN for access to DHS' imaging solution, which centrally locates archived images on an EMC Centera storage device in the DHS Data Center. This data is also replicated to a second Centera located at the Iowa Medicaid Office.

DHS has 167 remote locations. Most DHS Field Office Circuits connect at T1 speeds. Larger offices range from 2 MB to 30 MB. Iowa Medicaid connects at 50 MB. *Specific addresses and connectivity can be furnished upon request.*

DHS HOOVER BUILDING DATA CENTER AND CORE NETWORK

The current DHS environment in the Hoover Building is represented by a client server network made up of a switched Ethernet backbone utilizing a Cisco Catalyst 6509 chassis-style enterprise switch. This switch supports internal routing between four primary virtual LANs and six TCP/IP subnets.

There are stacks of Cisco Ethernet switches in eight wiring closets located on two floors in the Hoover Building to support user connections to the switched backbone. Personal computers running Microsoft's Windows 7 or Windows XP desktop operating system are attached to the closet switch stacks, generally at 100Mb, full duplex, and the switch stacks communicate with the core Cisco 6509 switch via Gigabit Ethernet multimode fiber uplinks.

In the Data Center, the Cisco 6509 switch accepts connections from the eight switch closet stacks, as well as locally attached servers that make up the DHS Data Center.

The DHS Data Center includes 248 servers, storage devices and networking gear, including:

Four Primary File Servers;

Four Print Servers

SQL 2000 supporting production, development and test;

SQL 2005 supporting production, development and test;

SQL 2008 supporting production, development and test;

Six Exchange E-mail servers;

Two Tumbleweed Servers for Encryption and Filtering services;

Five Vault Servers attaching to EMC Centera for Email Archiving and Search Capabilities;

Seventeen Web Servers including IIS 5 & IIS 6 platforms. Servers provide production, development and test environments for all DHS users.

Several stand-alone application and Infrastructure Management Systems.

The SQL & Exchange Servers use fiber channel technology to communicate with a HP EVA SAN Storage Device. All servers in the DHS Data Center connect directly to the Cisco 6509 Ethernet switch at 1 GB, full duplex.

All servers and networking equipment in DHS' Data Center are protected by a large, enterprise-capable UPS system. This system is directly connected to the Hoover Building backup generator. Also attached to the DHS backbone switch is the ICN's main Capitol Complex router located in the Lucas Building. The ICN has two primary routers in the Lucas Building, a Bay Networks BCN and a Cabletron SSR. The SSR is connected to the DHS Cisco 6509 switch on a 100Mb, full-duplex link across multimode fiber that runs between the Lucas Building and the Hoover Building. This link supports all data traffic flowing between DHS' Hoover Building and DHS' remote locations.

The ICN's second Lucas router, the BCN, is attached to the Capitol Complex Ethernet network, and this link is used by the ICN to communicate with ITE's network in the Hoover Building. DHS' Hoover-based data network communicates with ITE's Hoover Building data network via a 100Mb, full-duplex multimode fiber Ethernet connection between the DHS Cisco 6509 switch and an ITE Cisco 5500 switch.

DHS also supports dial-in modem connections for DHS employees on a Cisco AS5300 access server, and remote-user VPN connections on a Cisco 3030 VPN concentrator.

Key servers placed in the DHS Data Center in the Hoover Building are covered under a Dell hardware maintenance contract that calls for 24-hour daily support, with two-hour response time. As noted above, DHS support personnel also use Dell for support issues related to Microsoft products.

DHS uses HP'S Open View Network Node Manager Product to monitor node-up / node-down status of its servers and key network devices statewide. In addition, DHS uses HP Open View

ManageX to monitor specific performance elements of its Windows servers, while ManageX sends alerts to select BNS support personnel via cell phone and E-mail. The HP Open View environment is run on multiple Windows 2003 servers in the DHS Data Center. DHS also utilizes the Multi Router Traffic Grapher (MRTG) to monitor traffic load on selected network devices as well as NTOP and Wireshark.

DHS USE OF THE ICN WIDE AREA NETWORK

Data traffic flows from LAN-attached devices in a remote office, through the ICN's frame-relay network, and eventually to the ICN's routers at the Lucas Building. From there, traffic bound for the DHS Data Center travels across the aforementioned DHS fiber connection between Lucas and DHS in the Hoover Building.

DHS relies on the ICN for all-wide area network routing. DHS does employ its own routing solutions in the Hoover Building and all institutional facilities

DHS PATHS OF DATA

The following describes paths that data from DHS user personal computers take when accessing basic DHS-supplied services:

DHS users in a remote office using Exchange E-mail, accessing SQL Servers, or using shared directories on servers in Hoover Building Data Center:

Client PC to remote-office switch;

Remote-office switch to remote-office ICN router;

ICN office router to ICN router at Lucas Building in Des Moines;

ICN Lucas router to DHS Cisco 6509 switch in DHS Hoover Building computer room;

Cisco 6509 to appropriate server in Data Center;

Return traffic follows same route in reverse.

The ICN supplies data-communication services to DHS via its frame-relay network. The ICN supplies edge devices to DHS' remote offices, including a router and CSU/DSU. The CSU/DSU is attached at one point to the router, and is attached at another point to a local data circuit supplied by Qwest or another phone company.

Mainframe users (DHS) in remote office using Passport and TN3270:

Client PC to remote-office switch;

Remote-office switch to remote-office ICN router;

ICN office router to ICN router at Lucas Building in Des Moines;

DHS Passport Web Server in Hoover Building

ICN Lucas router to ITE campus Ethernet switch in Lucas Building;

ITE Ethernet switch at Lucas to ITE ATM backbone on campus;

DHS Cisco 6509 switch/router

DHS Intranet Server for Passport

DHS Cisco 6509 switch/router

ITE campus ATM backbone to Cisco 5500 switch in ITE Hoover Building computer room;

ITE Cisco 5500 switch to ITE Cisco 7507 router and Cisco Channel Interface Processor (CIP);

ITE Cisco CIP to ITE mainframe;

Return traffic follows same route in reverse.

DHS users in Hoover Building using Exchange E-mail, accessing SQL Servers, or using shared directories on servers in Hoover Building Data Center:

Client PC to wiring-closet Cisco switch in Hoover Building;

Closet switch to Cisco 6509 switch in DHS Hoover Building computer room;

Cisco 6509 to appropriate server in Data Center;

Return traffic follows same route in reverse.

Mainframe users (DHS) in Hoover Building using Passport and TN3270:

Client PC to wiring-closet Cisco switch in Hoover Building;

Closet switch to Cisco 6509 switch/router in DHS Data Center;

DHS Intranet Server for Passport

DHS Cisco 6509 to ITE Cisco 5500 switch in ITE Hoover Building computer room;

ITE Cisco 5500 switch to ITE Cisco 7507 router and Cisco Channel Interface Processor (CIP);

ITE Cisco CIP to ITE mainframe;

Return traffic follows same route in reverse.

STORAGE

DHS servers utilize direct-attached, local disk systems for data storage at remote locations. There has been a shift in the above model toward fiber attached SAN storage for many Hoover Servers. A majority of servers placed in DHS field locations are set up with dual 4GB mirrored operating system and 73GB hard drives in a RAID 5 configuration.

E-MAIL

The DHS Data Center includes Six Exchange 2007 E-mail servers. Internet E-mail connectivity for DHS is filtered by two DHS Email SPAM/Firewall Gateways, and then distributed across four DHS Exchange servers: EXCHANGECH1, EXCHANGECH2, EXCHANGECH3, and EXCHANGECH4. E-mail is then routed by Exchange to the appropriate mailbox server.

E-mail access is provided primarily via Outlook MAPI connectivity over TCP/IP. All users in the Hoover Building and remote locations connect to the servers located in the DHS Data Center in the Hoover Building. DHS also provides dial-in and VPN access services for its E-mail users. DHS requires that dial-in and VPN connectivity be established from state owned PCs. DHS does not allow personal PCs to be used.

DHS has configured its Exchange server environment within its own Active Directory structure. DHS provides single sign-on capabilities to their Exchange customers by associating mailboxes to user accounts in the Windows domain.

Six DHS servers, EXCHANGECH1, EXCHANGECH2, EXCHANGECH3, EXCHANGECH4, EXCHANGEMB1 and EXCHANGEMB2, are dedicated to the production Exchange environment. Two of those servers, EXCHANGEMB1, and EXCHANGEMB2, provide mailbox message store capability for about 6,500 mailboxes. Four servers, EXCHANGECH1, EXCHANGECH2, EXCHANGECH3 and EXCHANGECH4, provide SMTP, Outlook Web Access, Routing, Address Lookup, and Internet connectivity. Two servers, EXCHANGEMB1 and EXCHANGEMB2, provide public folder access. The primary Exchange servers are based on Dell hardware, with two to four Intel Xeon Multi Core 2.0 GHz processors on each unit. Each server has 8GB to 32GB of RAM and two 76GB drives mirrored, running Windows 2003. There are additional drives configured as SAN disk space totaling 5TB of storage.

Two Tumbleweed servers provide email security. This system enables secure (encrypted) email delivery. Antispam and antivirus filtering are also included through this environment.

Five Enterprise Vault servers provide email archiving. This enables DDM to archive all mail, old and new to a central repository for searches and legal holds. Official retention policies will determine how long archived email is retained

SQL

There are currently 24 primary SQL servers. There is a mix of Enterprise and Standard Editions of SQL. Fourteen of the SQL servers are running SQL 2005. Ten are SQL 2008. BNS supports Production, Test and Development environments in both versions of SQL.

OTHER KEY APPLICATIONS/SYSTEMS HOSTED AT HOOVER

Global 360

Global 360's Process360 enables organizations to create, execute, and optimize business processes, powering the management of processes through their entire lifecycle; shortening process lifecycles and automatically managing process exceptions so you can quickly adapt to changing market needs or fine tune processes to optimize your competitive advantage.

Process360 provides organizations the ability to solve complex process problems, including sophisticated capabilities for supporting high volume, distributed processes that are comprised of hundreds of activities and steps and tens of thousands of users.

There are currently 24 servers running this system as well as usage of the EMC Centera disk system for storage.

BHIS

Behavioral Health Information System. All Institutions use this system for electronic medical records. When fully implemented this system will facilitate the processing and dispensing of medications, billing and orders. There are currently twelve servers included in this suite of applications.

Sigmund Software

Sigmund Software provides intake tracking, patient demographic storage, clinical documentation, scheduling, billing ledger, quality assurance. This system is used by all Targeted Case Management Staff.

Right Fax

Provides statewide faxing capabilities.

VPN Concentrator

Connectivity for LAN to LAN VPN sites
Connectivity for VPN access

Application Development Systems Used By DHS

BizTalk
Control – M
Corticon Rules Engine
Multi-View

Outside of the Hoover Building, some key systems include:

Collection Services

The VIPRS system running on an NT server that supports child support remittance processing. The Collection Services Office will soon go live with a new system called Protech. There are four servers housed at this location to support this new environment. These servers are managed remotely by DDM.

Facilities

Bull Systems located in select facilities supporting support business applications and access to the ITE mainframe.

Several application servers are also located at the Institutions in order to handle their specific business needs.

Various firewalls.

- State Facilities
- Hoover DMZ
- Central Office
- Iowa Medicaid Enterprise

Iowa Medicaid Enterprise

There are 40 application servers at the IME location providing various services such as file & print, authentication, faxing, SQL IIS as well as the On-Base Workflow system. The Iowa Medicaid Enterprise located on Army Post Road is also the replication site for Statewide Backups and Imaging. Medicaid backups and imaging are replicated to Hoover.

Data Warehouse

The state-supported Data Warehouse and Decision Support (DW/DS) system provides data analysis and decision-making capabilities and access to information, including online access to flexible, user-friendly reporting, analysis and modeling functions. IME staff from the Department and contractors use the DW/DS system. The Department's Division of Data Management (DDM) provides technical support and assistance in developing queries and reports to fulfill the analytical needs for the IME. The DW/DS system provides IME users with the flexibility to produce reporting without MMIS reprogramming in acceptable formats that do not require manual intervention or data manipulation. The DW/DS system maintains the most recent 10 years of claims data from the MMIS. The DW/DS system's relational database includes the full claim record for adjudicated claims and other member, provider, reference and prior authorization data from the MMIS.

The DW team is currently planning to upgrade the environment to SQL Server 2008 and this environment will be in place to support the design, development and implementation phase of the new eligibility system. This environment is supported by the Department's Division of Data Management (DDM). The DW/DS team includes staff who design, develop and implement the ETL processes, data warehouse analysts who use the data to perform ad-hoc data requests, and report development. In addition to DW/DS staff having access to the data, various DHS and non-DHS staff have access to data marts via query building tools (e.g. DBXtra, Query Analyzer) based on their business need and authorization to the data. This access is managed via a terminal services server, database security and view security. The majority of users access information via role-based security to Reporting Services parameterized reports.

HPdc5800mt Product features:

Features	Description	
	Microtower	Small Form Factor
Chipset	Intel Q33 Express chipset	
Processor 2.4Ghz	Intel Core 2 Duo Processors, Intel Core 2 Quad Processors, Intel Pentium Dual-Core Processors , Intel Celeron D	

Features	Description	
	Processors	
Memory 2.98Gb	PC2-6400 (DDR2-800 MHz) Non-ECC DIMM Memory NOTE: Dual channel memory configurations supported for enhanced performance (requires both slots populated with same type and size memory).	
Hard drive(s) 1- 76.316Gb	80-,160-, 250-, 500--GB SATA NCQ Smart IV 3.0GB/s hard drive (7200 rpm); 3.5" Removable 80-,160-, 250-GB SATA NCQ Smart IV 3.0GB/s hard drive (7200 rpm); 80-, 160-GB SATA NCQ Smart III 3.0-GB/s hard drive (10,000 rpm)	
Expansion bays	2 internal 3.5" bays,2 external 5.25" bays, and 1 external 3.5" bay	1 internal 3.5" bay, 1 external 5.25" bays, and 1 external 3.5" bay
Memory slots	4 DIMMs	
Graphics	Integrated Intel Graphics Media Accelerator 3100	
Audio	Integrated High Definition 4-channel audio	
Communications	Integrated Intel Gigabit Ethernet NIC	
Input device	Standard keyboard and 2-button optical scroll mouse available as USB or PS/2, or USB 2-button laser mouse	
Power	300-watt passive PFC Power Supply (user selectable 115V/230V); Optional 80% High Efficiency 300W Active PFC	240-watt active PFC Power Supply (user selectable 115V/230V); Optional 80% High Efficiency 240W Active PFC
Security	Integrated TPM 1.2 (standard); HP Desktop Security lock kit (lock and cable); Security cable with Kensington lock Protect Tools Software (optional)	

Our largest office connected at T1 speed has 50 people. T1 is the lowest connection to any Full Time Office.

SCHEDULE C

SOURCE CODE ESCROW AGREEMENT

Deposit Account Number: _____

1. Introduction.

This Source Code Escrow Agreement (the "**Agreement**") is entered into by and between Goold Health Systems, Inc.] (the "**Depositor**"), and by the State of Iowa, acting by and through the Iowa Department of Human Services (the "**Beneficiary**") and by [_____] ("**Escrow Agent**") on this _____ day of _____ (the "**Effective Date**"). Depositor, Beneficiary, and Escrow Agent may be referred to individually as a "Party" or collectively as the "Parties" throughout this Agreement.

- (a) The use of the term services in this Agreement shall refer to Escrow Agent services that facilitate the creation, management, and enforcement of software or other technology escrow accounts as described in Exhibit A attached hereto ("**Services**"). A Party shall request Services under this Agreement by submitting a work request to the Escrow Agent for certain Escrow Agent Services ("**Work Request**") via written instruction, with a copy of such request submitted to all parties.
- (b) The Beneficiary and Depositor have, or will have, entered into a license agreement or other agreement (the "Software License Agreement") conveying intellectual property rights to the Beneficiary, and the Parties intend this Agreement to be considered as supplementary to the Software License Agreement, pursuant to Title 11 United States Bankruptcy Code, Section 365(n). Terms not defined herein shall have the meaning or definition ascribed to them in the Software License Agreement, a copy of which is attached hereto.

2. Depositor Responsibilities and Representations.

- (a) Depositor shall make an initial deposit that is complete and functional of all proprietary technology and other materials covered under this Agreement, including the Source Code and Documentation, as defined and described in the Software License Agreement (collectively "**Deposit Material**") to Escrow Agent within thirty (30) days of the Effective Date. Depositor shall deposit and maintain at all times during the term of the Software License Agreement a complete copy of the Source Code (on a media and in an electronic format acceptable to Beneficiary) and all related Documentation for the most current version and immediately preceding version of the Software provided to Beneficiary under the Software License Agreement (and under any agreement involving maintenance and/or support of the Software) in escrow with Escrow Agent. As Enhancements are produced or made available by Depositor (including pursuant to any agreement involving maintenance and/or support of the Software), Depositor shall immediately thereafter deposit a complete copy of the Source Code (on a media and in an electronic format acceptable to Beneficiary) and all updated Documentation in escrow with Escrow Agent for Beneficiary's benefit. At the time of each deposit or update, Depositor will provide an accurate and complete description of all Deposit Material sent to Escrow Agent using the form attached hereto as Exhibit B.
- (b) Depositor represents and warrants that it lawfully possesses all Deposit Material provided to Escrow Agent under this Agreement free of any liens, pledges, security interests or other encumbrances as of the date of their deposit. Depositor represents, warrants and covenants that any Deposit Material liens or encumbrances made after their deposit will not prohibit, limit, or alter the rights and obligations of Escrow Agent under this Agreement. In the event the Beneficiary receives the Deposit Material in accordance with Exhibit C,

Beneficiary's use of the Deposit Material shall not be limited or otherwise adversely affected by any liens, pledges, security interests or other encumbrances granted or established by or on behalf of Depositor with respect to the Deposit Material. Depositor represents and warrants that with respect to the Deposit Material, Escrow Agent's proper administration of this Agreement will not violate the rights of any third parties.

- (c) Depositor represents that all Deposit Material is readable and useable in its then current form; if any portion of such Deposit Material is encrypted, the necessary decryption tools and keys to read such material are deposited contemporaneously. Depositor represents and warrants that the Deposit Material is in a form suitable for reproduction by computer equipment, and the Deposit Material includes all necessary materials to permit a programmer to recreate executable versions of the Software from the Source Code and to maintain and support the Software.
- (d) Depositor agrees, upon request by Escrow Agent, in support of Beneficiary's request for verification Services, to promptly complete and return the Escrow Deposit Questionnaire attached hereto as Exhibit D. Depositor consents to Escrow Agent's performance of any level(s) of verification Services described in Exhibit A attached hereto and Depositor further consents to Escrow Agent's use of a subcontractor to perform verification Services. Any such subcontractor shall be bound by the same confidentiality obligations as Escrow Agent and shall not be a direct competitor to either Depositor or Beneficiary. Escrow Agent shall be responsible for the delivery of Services of any such subcontractor as if Escrow Agent had performed the Services. Depositor represents that all Deposit Material is provided with all rights necessary for Escrow Agent to verify such proprietary technology and materials upon receipt of a Work Request for such Services or agrees to use commercially reasonable efforts to provide Escrow Agent with any necessary use rights or permissions to use materials necessary to perform verification of the Deposit Material. Depositor agrees to cooperate with Escrow Agent by providing reasonable access to its technical personnel for verification Services whenever reasonably necessary.
- (e) Depositor agrees to deposit with the Escrow Agent a new copy of the Deposit Material in the event that all or any material part of the Deposit Material then on deposit with the Escrow Agent is destroyed or so corrupted as to not be compilable into machine-readable form.

3. Beneficiary Request for Verification Services.

Beneficiary may submit a verification Work Request to Escrow Agent for one or more of the Services defined in Exhibit A attached hereto and further consents to Escrow Agent's use of a subcontractor if needed to provide such Services. Beneficiary warrants that Escrow Agent's use of any materials supplied by Beneficiary to perform the verification Services described in Exhibit A is lawful and does not violate the rights of any third parties.

4. Escrow Agent Responsibilities and Representations.

- (a) Escrow Agent agrees to provide the Services requested by Authorized Person(s) (as identified in the "Authorized Person(s)/Notices Table" below) representing the Depositor or Beneficiary in a Work Request. Escrow Agent may reject a Work Request (in whole or in part), except for any Work Request by Beneficiary to Release Deposit Material, that does not contain all required information at any time upon notification to the Party originating the Work Request.
- (b) Escrow Agent will conduct a visual inspection upon receipt of any Deposit Material and associated Exhibit B. If Escrow Agent determines that the Deposit Material does not match the description provided by Depositor represented in Exhibit B attached hereto, Escrow Agent will notify Depositor and Beneficiary of such discrepancies and notate such discrepancy on the Exhibit B.

- (c) Escrow Agent will provide notice to the Beneficiary of all Deposit Material that is accepted and deposited into the escrow account under this Agreement.
- (e) Escrow Agent will hold and protect Deposit Material in physical or electronic vaults that are either owned or under the control of Escrow Agent, unless otherwise agreed to by the Parties. Escrow Agent shall provide and exercise the same degree of care as is generally accepted to constitute industry best practices for commercial providers of source code escrow agent services
- (f) Upon receipt of written instructions by both Depositor and Beneficiary, Escrow Agent will permit the replacement or removal of previously submitted Deposit Material. The Party making such request shall be responsible for getting the other Party to approve the joint instructions.

5. Payment.

The Party responsible for payment designated in Exhibit A ("**Paying Party**") shall pay to Escrow Agent all fees as set forth in the Work Request ("**Service Fees**"). All Service Fees payable by Depositor are due within thirty (30) calendar days from the date the invoice is received by the Depositor. Escrow Agent shall submit an invoice to the Paying Party requesting payment of the Service Fees specified in Exhibit A. Any invoice submitted to the Beneficiary shall comply with any applicable State of Iowa rules or procedures concerning payment of such fees, charges or other claims and shall contain appropriate documentation as necessary to support the fees or charges included on the invoice and all information reasonably requested by the Beneficiary. The Beneficiary shall pay all approved invoices in arrears and in conformance with Iowa Code section 8A.514 and 11 Iowa Admin. Code 41.1(2). The Beneficiary may pay in less than sixty (60) days, as provided in Iowa Code section 8A.514. However, an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code section 8A.514. The Beneficiary shall have the right to dispute any invoice submitted for payment and withhold payment of any disputed amount if the Beneficiary believes the invoice is inaccurate or incorrect. Any Service Fees not timely paid by the Depositor when due shall bear interest until paid at a rate of one percent (1%) per month (12% per annum) or the maximum rate permitted by law, whichever is less.

6. Term and Termination.

- (a) The "**Term**" of this Agreement is for a period of one (1) year from the Effective Date ("**Initial Term**") and will automatically renew for additional one (1) year terms ("**Renewal Term**") and continue in full force and effect until one of the following events occur: (i) Depositor and Beneficiary provide Escrow Agent with sixty (60) days' prior written joint notice of their intent to terminate this Agreement; (ii) Beneficiary provides Escrow Agent and Depositor with sixty (60) days' prior written notice of its intent to terminate this Agreement; or (iii) the Agreement terminates under another provision of this Agreement. If the Effective Date is not specified in the Introduction section, then the last date noted on the signature blocks of this Agreement shall be the Effective Date.
- (b) Unless the express terms of this Agreement provide otherwise, upon termination of this Agreement. Except in the event of a termination of this Agreement due to the fault of or breach by Depositor, in which case Escrow Agent shall release the Deposit Material to the Beneficiary, Escrow Agent shall return the Deposit Material to the Depositor. If reasonable attempts to return the Deposit Material to Depositor are unsuccessful, Escrow Agent shall destroy the Deposit Material.
- (c) Agent shall be permitted to terminate this Agreement and return the Deposit Material to Depositor for the failure of the Beneficiary to timely pay any undisputed Service Fees for which Beneficiary is expressly responsible under Exhibit A; provided, however, that no termination may occur for non-payment of fees by Beneficiary unless and until the Escrow

Agent has provided Beneficiary with sixty (60) days notice and Beneficiary fails to pay such undisputed fees within such sixty day period. Escrow Agent also may terminate this Agreement for any failure by Depositor to pay any Service Fees for which Depositor is expressly responsible under this Agreement if the Escrow Agent provides written notice to the Parties of such failure or material breach and intention to terminate and Depositor fails to cure such failure or material breach within thirty (30) days after receipt of such notice; provided, however, that prior to any such termination becoming effective the Escrow Agent shall first deliver to the Depositor above all of the Deposit Material.

7. General Indemnity.

Subject to Section 10 and 11, Depositor shall defend, indemnify and hold harmless the other Parties, their corporate affiliates and their respective officers, directors, employees, and agents and their respective successors and assigns from and against any and all claims, losses, liabilities, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising under this Agreement from the negligent or intentional acts or omissions of the Depositor or its subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them.

8. Warranties.

- (a) ESCROW AGENT REPRESENTS AND WARRANTS ANY AND ALL SERVICES PROVIDED HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL AND WORKMANLIKE MANNER.
- (b) Depositor represents and warrants that all Depositor information provided hereunder is accurate and reliable and undertakes to promptly correct and update such Depositor information during the Term of this Agreement.
- (c) Beneficiary warrants that all Beneficiary information provided hereunder is accurate and reliable and undertakes to promptly correct and update such Beneficiary information during the Term of this Agreement.
- (d) Ownership Warranty. Depositor warrants that it is the owner or legal custodian of the Deposit Material and has full authority to store the Deposit Material and direct their disposition in accordance with the terms of this Agreement. Depositor shall reimburse Escrow Agent for any expenses reasonably incurred by Escrow Agent (including reasonable legal fees) by reason of Escrow Agent's compliance with the instructions of Depositor in the event of a dispute concerning the ownership, custody or disposition of Deposit Material stored by Depositor with Escrow Agent.

9. Confidential Information.

Escrow Agent shall have the obligation to protect the confidentiality of the Deposit Material. Except as provided in this Agreement Escrow Agent shall not disclose, transfer, make available or use the Deposit Material. Escrow Agent shall not disclose the terms of this Agreement to any third Party. If Escrow Agent receives a subpoena or any other order from a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Material, Escrow Agent will notify the Parties to this Agreement unless prohibited by law. After notifying the Parties, Escrow Agent may comply in good faith with such order. It shall be the responsibility of Depositor or Beneficiary to challenge any such order; provided, however, that Escrow Agent does not waive its rights to present its position with respect to any such order. Escrow Agent will cooperate with the Depositor or Beneficiary, as applicable, to support efforts to quash or limit any subpoena, at such party's expense. Any party requesting additional assistance shall pay Escrow Agent's standard charges or as quoted upon submission of a detailed request.

10. Limitation of Liability.

ESCROW AGENT'S LIABILITY TO DEPOSITOR, IF ANY, WHETHER ARISING IN CONTRACT OR TORT, SHALL BE LIMITED TO THE AMOUNT EQUAL TO ONE YEAR OF ALL FEES PAID OR OWED TO ESCROW AGENT UNDER THIS AGREEMENT. IF ANY CLAIM OR LOSS IS MADE IN RELATION TO A SPECIFIC DEPOSIT OR DEPOSITS, SUCH LIABILITY SHALL BE LIMITED TO THE FEES RELATED SPECIFICALLY TO SUCH DEPOSITS. THIS LIMIT SHALL NOT APPLY TO LIMIT ESCROW AGENT'S LIABILITY FOR: (I) ANY CLAIMS OF INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHT; (II) LIABILITY FOR DEATH OR BODILY INJURY; (III) DAMAGE TO TANGIBLE PROPERTY ; (IV) THEFT; (V) NEGLIGENCE OR WILLFUL MISCONDUCT; OR (VI) ESCROW AGENT'S FAILURE TO DELIVER THE DEPOSIT MATERIALS TO BENEFICIARY UPON BENEFICIARY'S WRITTEN WORK REQUEST AS PROVIDED IN EXHIBIT C. THIS PROVISION AND THE LIMITATIONS ON LIABILITY SHALL NOT APPLY TO BENEFICIARY

11. Consequential Damages Waiver.

IN NO EVENT SHALL ESCROW AGENT BE LIABLE TO DEPOSITOR FOR ANY INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOST DATA OR INFORMATION, ANY COSTS OR EXPENSES FOR THE PROCUREMENT OF SUBSTITUTE SERVICES, OR ANY OTHER INDIRECT DAMAGES, WHETHER ARISING IN CONTRACT OR TORT. THIS SECTION 11 SHALL NOT APPLY TO LIMIT ESCROW AGENT'S LIABILITY FOR: (I) ANY CLAIMS OF INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHT; (II) LIABILITY FOR DEATH OR BODILY INJURY; (III) DAMAGE TO TANGIBLE PROPERTY; (IV) THEFT; (V) NEGLIGENCE OR WILLFUL MISCONDUCT; OR (VI) ESCROW AGENT'S FAILURE TO DELIVER THE DEPOSIT MATERIALS TO BENEFICIARY UPON BENEFICIARY'S WRITTEN WORK REQUEST AS PROVIDED IN EXHIBIT C. THIS PROVISION AND THE LIMITATIONS ON LIABILITY SHALL NOT APPLY TO BENEFICIARY

12. General.

- (a) Incorporation of Work Requests. All valid Depositor and Beneficiary Work Requests are incorporated into this Agreement.
- (b) Right to Make Copies. Escrow Agent shall have the right to make copies of all Deposit Material as reasonably necessary to perform the Services. Escrow Agent shall copy all copyright, nondisclosure, and other proprietary notices and titles contained on Deposit Material onto any copies made by Escrow Agent. Any copying expenses incurred by Escrow Agent as a result of a Work Request to copy will be borne by the Party requesting the copies. Escrow Agent may request Depositor's reasonable cooperation in promptly copying Deposit Material in order for Escrow Agent to perform this Agreement.
- (c) Choice of Law. The validity, interpretation, and performance of this Agreement shall be controlled and governed by and construed under the laws of the State of Iowa, as if performed wholly within the state and without giving effect to the principles of conflicts of laws.
- (d) Authorized Person(s). Depositor and Beneficiary must each authorize and designate one person whose actions will legally bind such party ("Authorized Person" who shall be identified in the Authorized Persons (s) Notices Table of this Agreement) and who may manage the Escrow Agent escrow account through the Escrow Agent website or written instruction. The Authorized Person for each the Depositor and Beneficiary will maintain the accuracy of their name and contact information provided to Escrow Agent during the term of this Agreement.
- (e) Right to Rely on Instructions. Escrow Agent may act in reliance upon any instruction, instrument, or signature reasonably believed by Escrow Agent to be genuine and from an

Authorized Person(s), officer, or other employee of a Party. Escrow Agent may assume that such representative of a Party to this Agreement who gives any written notice, request, or instruction has the authority to do so.

- (f) Force Majeure. No Party shall be liable for any delay or failure in performance due to events outside the defaulting Party's reasonable control, including without limitation acts of God, earthquake, labor disputes, shortages of supplies, riots, war, acts of terrorism, fire, epidemics, or delays of common carriers or other circumstances beyond its reasonable control. The obligations and rights of the excused Party shall be extended on a day-to-day basis for the time period equal to the period of the excusable delay.
- (g) Notices. All notices regarding Exhibit C (release) shall be sent by commercial express mail or other commercially appropriate means that provide prompt delivery and require proof of delivery. All other correspondence, including invoices, payments, and other documents and communications, may be sent electronically or via regular mail. The Parties shall have the right to rely on the last known address of the other Parties. Any correctly addressed notice to last known address of the other Parties that is relied on herein and that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified as provided herein shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by electronic mail, the postal authorities by mail, through messenger or commercial express delivery services.
- (h) No Waiver. No waiver of rights under this Agreement by any Party shall constitute a subsequent waiver of this or any other right under this Agreement.
- (i) Assignment. No assignment of this Agreement by Depositor or any rights or obligations of Depositor under this Agreement is permitted without the written consent of Escrow Agent, which shall not be unreasonably withheld or delayed. Escrow Agent shall have no obligation in performing this Agreement to recognize any successor or assign of Depositor unless Escrow Agent receives clear, authoritative and conclusive written evidence of the change of parties.
- (j) Severability. In the event any of the terms of this Agreement become or are declared to be illegal or otherwise unenforceable by any court of competent jurisdiction, such term(s) shall be null and void and shall be deemed deleted from this Agreement. All remaining terms of this Agreement shall remain in full force and effect. If this paragraph becomes applicable and, as a result, the value of this Agreement is materially impaired for any Party, as determined by such Party in its sole discretion, then the affected Party may terminate this Agreement by written notice to the others.
- (k) Independent Contractor Relationship. Depositor and Beneficiary understand, acknowledge, and agree that Escrow Agent's relationship with Depositor and Beneficiary will be that of an independent contractor and that nothing in this Agreement is intended to or should be construed to create a partnership, joint venture, or employment relationship.
- (l) No Agency. No Party has the right or authority to, and shall not, assume or create any obligation of any nature whatsoever on behalf of the other Parties or bind the other Parties in any respect whatsoever.
- (m) Disputes. Any and all litigation or actions commenced in connection with this Agreement, including after expiration or termination of this Agreement, shall be brought or commenced only in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. However, if jurisdiction is not proper in the Iowa District Court for Polk County, but is proper only in a United States District Court, the matter shall be commenced only in the United States District Court for the Southern District of Iowa, Central Division.
- (n) Regulations. All Parties are responsible for and warrant, to the extent of their individual actions or omissions, compliance with all applicable laws, rules and regulations, including but not limited to: customs laws; import; export and re-export laws; and government

regulations of any country from or to which the Deposit Material may be delivered in accordance with the provisions of this Agreement.

- (o) No Third Party Rights. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise agreed to by all the parties hereto.
- (p) Entire Agreement. The Parties agree that this Agreement, which includes all the Exhibits attached hereto and all valid Work Requests submitted by the Parties, is the complete agreement between the Parties hereto concerning the subject matter of this Agreement and replaces any prior or contemporaneous oral or written communications between the Parties. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. Each of the Parties herein represents and warrants that the execution, delivery, and performance of this Agreement has been duly authorized and signed by a person who meets statutory or other binding approval to sign on behalf of its business organization as named in this Agreement. This Agreement may only be modified by mutual written agreement of the Parties.
- (q) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
- (r) Survival. Sections 6 (Term and Termination), 7 (General Indemnity), 8 (Warranties), 9 (Confidential Information), 10 (Limitation of Liability) 11(Consequential Damages Waiver), and 12 (General) of this Agreement shall survive termination of this Agreement or any Exhibit attached hereto.
- (s) All of the terms, provisions and condition so this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
- (t) The Escrow Agent shall maintain books, records, and documents which sufficiently and properly document the Escrow Agent's compliance with the terms of this Agreement and show all charges billed to or paid by the Beneficiary named above throughout the term of this Agreement for a period of at least five (5) years following the termination or expiration of this Agreement, or completion of any required audit. The Escrow Agent shall permit the Beneficiary, the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Escrow Agent relating to this Agreement. The Escrow Agent shall not impose or seek payment for any charge, fee or expense associated with any audit or examination of its books and records conducted in accordance with this provision.
- (u) Time is of the essence with respect to performance by the Escrow Agent and Depositor of their respective obligations under this Agreement.

DEPOSITOR

Company Name:	
Signature:	
Print Name:	
Title:	
Date:	
Email Address	

BENEFICIARY

Company Name:	State of Iowa, Iowa Department of Human Services
Signature:	
Print Name:	Jennifer Vermeer
Title:	Iowa Medicaid Director
Date:	
Email Address:	jvermee@dhs.state.ia.us

ESCROW AGENT

Signature:	
Print Name:	
Title:	
Date:	
Email Address:	

DEPOSITOR – AUTHORIZED PERSON(S)/NOTICES TABLE

Provide the name(s) and contact information of the Authorized Person(s) under this Agreement. All notices will be sent to the person(s) at the address(es) set forth below. This is required information.

Company:	
Administrative Contact Print Name:	
Title:	
Email Address	
Address 1	
Address 2	
City/State/Province	
Postal/Zip Code	
Phone Number	
Fax Number	

BENEFICIARY -- AUTHORIZED PERSON(S)/NOTICES TABLE

Provide the name(s) and contact information of the Authorized Person(s) under this Agreement. All notices will be sent to the person(s) at the address(es) set forth below. This is required information.

Company:	State of Iowa, Iowa Department of Human Services
Administrative Contact Print Name:	Mary Tavegia
Title:	Contract Administrator
Email Address	mtavegi@dhs.state.ia.us
Address 1	100 Army Post Rd.
Address 2	
City/State/Province	Des Moines, IA
Postal/Zip Code	50315
Phone Number	515-256-4645
Fax Number	n/a

ESCROW AGENT

Title:	
Email Address	
Address 1	
Address 2	
City/State/Province	
Postal/Zip Code	
Phone Number	
Fax Number	

BILLING CONTACT INFORMATION TABLE

Please provide the name and contact information of the Billing Contact under this Agreement. All Invoices will be sent to this individual at the address set forth below.

BENEFICIARY:

DEPOSITOR:

Print Name:	Mary Tavegia
Title:	Contract Administrator
Email Address	mtavegi@dhs.state.ia.us
Street Address	100 Army Post Rd.
Province/City/State	Des Moines, IA
Postal/Zip Code	50315

Print Name:	
Title:	
Email Address	
Street Address	
Province/City/State	
Postal/Zip Code	

Phone Number	515-256-4645
Fax Number	n/a
Purchase order #	

Phone Number	
Fax Number	
Purchase order #	

[MUST BE COMPLETED]

EXHIBIT A - Escrow Service Work Request - Deposit

Account Number: _____

Service Check box(es) to order service	Service Description – Three Party Escrow Agreement All services are listed below. Services in shaded tables are required for every new escrow account set up. Some services may not be available under the Agreement.	One-Time Fees	Annual Fees	Paying Party Check box to identify the Paying Party for each service below.
<input checked="" type="checkbox"/> Setup Fee <input checked="" type="checkbox"/> Deposit Account Fee- <input checked="" type="checkbox"/> Beneficiary Fee <input checked="" type="checkbox"/> Additional Deposit Fees	<p>Escrow Agent will setup a new escrow deposit account.</p> <p>Escrow Agent will set up one deposit account to manage and administrate access to Deposit Material that will be securely stored in controlled media vaults. Furthermore, Escrow Agent will provide account services that include unlimited deposits, with 4 planned deposits per year. A Client Manager will be assigned to each deposit account.</p> <p>Additional out of sequence deposits of unlimited amount to the Escrow Agent must be possible.</p> <p>Escrow Agent will fulfill a Work Request to add a Beneficiary to an escrow deposit account and manage access rights associated with the account. Beneficiary. A Client Manager will be assigned to each deposit account and to Beneficiary and will ensure fulfillment of Work Requests.</p>			<input checked="" type="checkbox"/> Depositor - <input checked="" type="checkbox"/> Depositor - <input checked="" type="checkbox"/> Depositor - OR – <input type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Beneficiary
<input checked="" type="checkbox"/> Add Deposit Tracking Notification	<p>At least semi-annually, Escrow Agent will send an update reminder to Depositor. Thereafter, Beneficiary will be notified of last deposit.</p>			<input checked="" type="checkbox"/> Depositor -
<input checked="" type="checkbox"/> Add File Comparison and Analysis Test	<p>Escrow Agent will fulfill a Work Request to perform a File Comparison and Analysis Test, which includes analyzing deposit media readability, file listing, creation of file classification table, virus scan, assurance of completed deposit</p>		N/A	<input checked="" type="checkbox"/> Depositor - OR – <input type="checkbox"/> Beneficiary

	questionnaire, and analysis of completed deposit questionnaire. A final report will be sent to the Parties regarding the Deposit Material to ensure consistency between Depositor's representations (i.e., Exhibit B and Supplementary Questionnaire) and stored Deposit Material.			
<input type="checkbox"/> Add Dual/Remote Vaulting	Escrow Agent will fulfill a Work Request to store deposit materials in one additional location as defined within the Service Agreement. Duplicate storage request may be in the form of either physical media or electronic storage.			<input type="checkbox"/> Depositor -
<input type="checkbox"/> Release Deposit Material	Escrow Agent will process Beneficiary's Work Request to release Deposit Material by following the specific procedures defined in Exhibit C "Release of Deposit Materials" the Escrow Service Agreement.	No Fee for Release	N/A	N/A
<input type="checkbox"/> Add Custom Services	Escrow Agent will provide its Escrow Expert consulting based on a custom SOW mutually agreed to by all Parties.	Based on SOW	N/A	<input type="checkbox"/> Depositor - OR - <input type="checkbox"/> Beneficiary

**EXHIBIT B
DEPOSIT MATERIAL DESCRIPTION**

COMPANY NAME: _____ ESCROW ACCOUNT NUMBER: _____

DEPOSIT NAME _____ AND DEPOSIT VERSION _____ V 8.0 _____

(Deposit Name will appear in account history reports)

DEPOSIT MEDIA (PLEASE LABEL ALL MEDIA WITH THE DEPOSIT NAME PROVIDED ABOVE)

Media Type	Quantity	Media Type	Quantity
<input checked="" type="checkbox"/> CD-ROM / DVD		<input type="checkbox"/> 3.5" Floppy Disk	
<input type="checkbox"/> DLT Tape		<input type="checkbox"/> Documentation	
<input type="checkbox"/> DAT Tape		<input type="checkbox"/> Hard Drive / CPU	
		<input type="checkbox"/> Circuit Board	

	Total Size of Transmission (specify in bytes)	# of Files	# of Folders
<input type="checkbox"/> Internet File Transfer			
<input type="checkbox"/> Other (please describe below):			

DEPOSIT ENCRYPTION (Please check either "Yes" or "No" below and complete as appropriate)

Is the media or are any of the files encrypted? Yes or No

If yes, please include any passwords and decryption tools description below. Please also deposit all necessary encryption software with this deposit.

Encryption tool name _____ Version _____

Hardware required _____

Software required _____

Other required information _____

DEPOSIT CERTIFICATION (Please check the box below to Certify and Provide your Contact Information)

<input checked="" type="checkbox"/> I certify for Depositor that the above described Deposit Material has been transmitted electronically or sent via commercial express mail carrier to Escrow Agent at the address below.	<input checked="" type="checkbox"/> Escrow Agent has inspected and accepted the above described Deposit Material either electronically or physically. Escrow Agent will notify Depositor of any discrepancies.
Name:	Name:
Print Name:	Print Name:
Date:	Date:
Email Address:	
Telephone Number:	
Fax Number:	

Note: If Depositor is physically sending Deposit Material to Escrow Agent, please label all media and mail all Deposit Material with the appropriate Exhibit B via commercial express carrier to the following address:

FOR ESCROW AGENT USE ONLY: (NOTED DISCREPANCIES ON VISUAL INSPECTION)

EXHIBIT C

RELEASE OF DEPOSIT MATERIAL

Deposit Account Number: _____

Escrow Agent will use the following procedures to process any Beneficiary Work Request to release Deposit Material. All notices under this Exhibit C shall be sent pursuant to the terms of Section 12(g) Notices.

1. **Release Conditions**. Beneficiary may submit a Work Request for the release of the Deposit Material, and the Escrow Agent will release and deliver the Deposit Material to Beneficiary, based on one or more of the following conditions (defined as “**Release Conditions**”):
 - (i) Depositor violates or commits a breach of any material term or condition of the Software License Agreement or any agreement relating to maintenance and support of the Software, and Depositor fails to cure such breach within any time period established for curing such breach, provided cure is feasible;
 - (ii) Depositor assigns, transfers, delegates or subcontracts any of its maintenance or support obligations under, or any interest in, any agreement it may have with Beneficiary relating to maintenance and support of the Software, without the prior written consent of Beneficiary;
 - (iii) Depositor ceases to provide maintenance and support to Beneficiary, whether due to its ceasing to conduct business generally or otherwise, including, but not limited to Depositor’s decision to no longer maintain or support the Software provided to Depositor under the Software License Agreement;
 - (iv) Depositor terminates or suspends its business or ceases to do business;
 - (v) Depositor becomes subject to any bankruptcy or insolvency proceeding under federal or state law;
 - (vi) Depositor has become insolvent or unable to pay its obligations as they accrue or become due;
 - (vii) Depositor makes an assignment for the benefit of Depositor’s creditors;
 - (viii) A receiver, trustee, liquidator, custodian or similar official has been appointed to act on behalf of the Depositor with respect to any of its operations or assets;
 - (ix) Depositor merges, is sold, or enters into an agreement to sell all or substantially all of its assets, resulting in Depositor’s failure to remain a party to, or otherwise retain

all of its rights and obligations under, the Software License Agreement or any agreement relating to maintenance and support of the Software, and the survivor or acquirer does not assume all of Depositor's rights and obligations under such agreements, whether by operation of law, written agreement or otherwise; or

- (x) Depositor violates or commits a breach of any term or condition of this Agreement, which breach has not been cured by Depositor within any applicable time period stated herein for curing such breach.
- 2. Release Work Request. Beneficiary may submit a written Work Request to Escrow Agent to release the Deposit Material covered under this Agreement. In such Work Request, Beneficiary must specify the Release Condition(s) that has/have occurred. Beneficiary will transmit a copy of the Work Request to Depositor on the same day it transmits such request to Escrow Agent.
- 3. Release of Deposit Material. Within ten (10) days of Escrow Agent's receipt of Beneficiary's Work Request to release the Deposit Material, Escrow Agent will release and deliver the Deposit Material to Beneficiary.
- 4. Termination of Agreement Upon Release. This Agreement will terminate upon the Escrow Agent's actual delivery of all Deposit Material to Beneficiary in accordance with the terms of this Agreement.
- 5. Right to Use Following Release. Upon release of the Deposit Materials, Beneficiary shall have all rights and privileges set forth in the Software License Agreement with respect to the Software and Deposit Material. Beneficiary shall be obligated to adhere to any applicable confidentiality obligations set forth in Section 9.2 of the Software License Agreement with respect to the released Deposit Material.

EXHIBIT D ESCROW DEPOSIT QUESTIONNAIRE

Introduction

From time to time, Beneficiary may exercise its right to perform verification services. This is a service that Escrow Agent provides for the purpose of validating relevance, completeness, currency, accuracy and functionality of deposit materials.

Purpose of Questionnaire

In order for Escrow Agent to determine the deposit material requirements, a completed deposit questionnaire is requested. It is the responsibility of the Depositor to complete the questionnaire.

Instructions

Please complete the questionnaire in its entirety by answering every question with accurate data. Upon completion, please return the completed questionnaire to the beneficiary asking for its completion, or e-mail it to Escrow Agent.

General Description

1. What is the general function of the software to be placed into escrow?
2. On what media will the source code be delivered?
3. What is the size of the deposit in megabytes?

Requirements for the Execution of the Software Protected by the Deposit

1. What are the system hardware requirements to successfully execute the software? (memory, disk space, etc.)
2. How many machines are required to completely set up the software?
3. What are the software and system software requirements, to execute the software and verify correct operation?

Requirements for the Assembly of the Deposit

1. Describe the nature of the source code in the deposit. (Does the deposit include interpreted code, compiled source, or a mixture? How do the different parts of the deposit relate to each other?)
2. How many build processes are there?
3. How many unique build environments are required to assemble the material in the escrow deposit into the deliverables?
4. What hardware is required for each build environment to compile the software? (including memory, disk space, etc.)
5. What operating systems (including versions) are used during compilation? Is the software executed on any other operating systems/version?
6. How many separate deliverable components (executables, share libraries, etc.) are built?
7. What compilers/linkers/other tools (brand and version) are necessary to build the application?
8. What, if any, third-party libraries are used to build the software?
9. How long does a complete build of the software take? How much of that time requires some form of human interaction and how much is automated?
10. Do you have a formal build document describing the necessary steps for system configuration and compilation?

11. Do you have an internal QA process? If so, please give a brief description of the testing process.
12. Please list the appropriate technical person(s) Escrow Agent may contact regarding this set of escrow deposit materials.

Please provide your technical verification contact information below:

COMPANY:	
SIGNATURE:	
PRINT NAME:	
ADDRESS 1:	
ADDRESS 2:	
CITY, STATE, ZIP	
TELEPHONE:	
EMAIL ADDRESS:	

Attachment B

As part of the contract agreement the Department will provide the following to the named Contractor for DDI, Implementation and Operations Phase for resident Contractor staff.

POS Contractor

- Cubicles with shelving/storage/desk lighting/desk tops/chairs
- Telephones and telephone service
- Automated Call Distribution Telephone System
- Call Tracking software
- Visio updated as needed
- Standard DHS Desktop PC
 - Pentium 4 Processor
 - 512MB Ram
 - 40 GB Hard Drive
 - 17" CRT Monitor
 - CD-RW
 - Windows XP
 - Office 2007
 - Keyboard and mouse
- DHS Stationery and DHS Envelopes for IME correspondence
- Access to copiers including copy supplies, network printers, and Fax
- Postage and printing directly related to the Iowa Medicaid Program
- LAN/Internet Access
- DHS Standard Forms
- Access to storage
- Shredder Access
- Access to IME training equipment
- Access to IME laptops for occasional use
- Access to IME LCD Projector
- Access to break rooms and conference rooms