**MASTER SERVICES AGREEMENT**

CLIENT COMPANY

**Contract Reference Number: [\_\_\_\_-\_\_\_\_]**

This MASTER SERVICES AGREEMENT (“Agreement”) is made as of the [\_ \_\_\_] day of [\_\_\_\_\_], 20[\_\_] (“Effective Date”) by and between CLIENT COMPANY, a Florida corporation having principal offices located at 4800 Deerwood Campus Parkway, Jacksonville, Florida 32246 acting on its behalf and that of its wholly owned subsidiary and affiliate companies (hereafter collectively referred to as “CLIENT COMPANY”) and [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] (“Vendor”), a [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] corporation with principal offices located at [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_].

**WITNESSETH**

WHEREAS, Vendor is in the business of providing certain consulting services (defined hereinafter as the "Services"); and

WHEREAS, CLIENT COMPANY has certain requirements and desires to acquire the Services to address the requirements of CLIENT COMPANY; and

WHEREAS, in reliance upon the expertise and experience of Vendor, CLIENT COMPANY desires to establish a relationship under which CLIENT COMPANY can engage the Services of Vendor from time to time as agreed between CLIENT COMPANY and Vendor.

NOW, THEREFORE, in consideration of the mutual benefits of the covenants and restrictions herein contained, Vendor and CLIENT COMPANY hereby agree as follows:

**RECITALS AND DEFINITIONS**

**Recitals:** The above recitals and identification of parties are true and correct.

**Definitions:** The following definitions will apply:

Affiliate: The term “Affiliate” will mean an entity which, directly or indirectly, owns or controls, is owned or is controlled by or is under common ownership or control with another entity. As used herein, “control” means the power to, directly or indirectly, direct the management or affairs of an entity, and “own” or “ownership” means the beneficial ownership, directly or indirectly, of a majority or minority of the voting equity securities or other equivalent voting interests of the entity.

Contract Reference Number: The term “Contract Reference Number” will mean that certain contract number provided to Vendor upon CLIENT COMPANY’s execution of this Agreement.

Deliverables: The term “Deliverables” will mean reports, documents, templates, studies, strategies, operating models, technical architectures, designware, software objects, software programs, source code, object code, specifications, documentation, abstracts and summaries thereof and other work product and materials originated and prepared for CLIENT COMPANY and to be delivered by Vendor pursuant to this Agreement (including, without limitation) all Deliverables to be provided by Vendor's subcontractors.

Effective Date: The term “Effective Date” will mean the date this Agreement is signed by both Vendor and CLIENT COMPANY.

Purchase Order Number: The term “Purchase Order Number” will identify the purchase order to acquire the asset and/or service in the form of a “PO” number provided to Vendor upon Client’s execution of each Statement of Work (“SOW”) under this Agreement.

Services: The term “Services” will mean consulting, development, implementation and other services performed by Vendor pursuant to a Statement of Work under this Agreement.

Specifications: The term “Specifications” will mean the specifications and requirements for development of the Deliverables as set forth in the SOW, or other documentation in printed or electronic form as agreed to by Vendor and CLIENT COMPANY, including (without limitation) user manuals or systems documentation.

Statement of Work: The term “Statement of Work” or “SOW” will mean a written request for Deliverables or Services, the form of which is set forth in Exhibit A and incorporated herein by this reference.

Term: The term “Term” will mean a period of time commencing on the Effective Date and continuing until this Agreement is terminated or canceled under Section 5 of this Agreement.

Third Party Technology: The term “Third Party Technology” will mean any third-party technology provided or made available by Vendor or a third party vendor as incorporated or imbedded in the Deliverables, including (without limitation) tools, database, operating systems, web server applications, utility functions, or sort functions.

**SCOPE OF SERVICES**

**Statements of Work:** This Agreement establishes the terms and conditions pursuant to which CLIENT COMPANY will obtain from Vendor, and Vendor will provide or cause to be provided to CLIENT COMPANY, such Deliverables and Services as may be set forth in one or more mutually agreed upon Statements of Work issued under this Agreement and signed by both parties, each of which will incorporate the terms and conditions of this Agreement. If CLIENT COMPANY desires Vendor to provide any long-term operations and maintenance support services for CLIENT COMPANY, such services would be provided pursuant to a separate agreement between the parties containing terms and conditions appropriate for such services. In the event of a conflict or ambiguity between any term of this Agreement and a SOW, the terms of the SOW will control with respect to that SOW only.

**Project Schedules:**  The project schedule for performance of Services and completion of Deliverables, and the remedies for any non-compliance with any scheduling requirements, will be as set forth in the applicable SOW.

**Change Orders:** Either party may request changes that affect the scope of Services or any Deliverables to be provided pursuant to any SOW, including changes in any Specifications for such Deliverables or any other details set forth in a SOW, by providing a written request of the desired changes to the other party (each such request, a “Change Request”). After either party delivers a Change Request to the other party, Vendor and CLIENT COMPANY will meet to discuss an appropriate course of conduct, including any adjustments in fees or schedule required to implement such Change Request, and how personnel changes necessitated by such Change Request would be addressed. If following such discussions the parties mutually agree to implement such Change Request (as it may have been modified as a result of such discussions), the parties will execute a written change order to the applicable SOW (“Change Order”). If a Change Order contains terms and conditions that are different than the terms and conditions set forth in this Agreement, the terms and conditions of the applicable Change Order will control with respect to that SOW only. The changes contained in any Change Request will be deemed part of this Agreement only upon execution of a written Change Order by authorized representatives of both parties, and neither party will be obligated to implement a Change Request until the parties agree in writing to such Change Order.

**Electronic Delivery:** This provision will apply to the extent that a Deliverable is comprised of software. Vendor will coordinate with CLIENT COMPANY’s asset management team to deliver all Deliverables by electronic means as directed by CLIENT COMPANY. Vendor acknowledges that all Deliverables that Vendor makes available to CLIENT COMPANY or its Affiliates under this Agreement, will be transmitted to CLIENT COMPANY via an electronic medium (file transfer protocol, download, electronic mail, etc.). Vendor acknowledges that delivery of Deliverables on any physical media will not be accepted. Vendor will notify CLIENT COMPANY in writing upon Vendor making a Deliverable available for delivery to CLIENT COMPANY. Vendor will not be responsible for any delay in delivery caused by CLIENT COMPANY’s failure to prepare an appropriate and reasonable electronic delivery method; however Vendor agrees to provide CLIENT COMPANY with reasonable assistance in the event that CLIENT COMPANY has difficulty successfully accessing or downloading the Deliverables during delivery. Delivery of all Software under this Agreement will reference the Contract Reference Number to facilitate delivery.

**Acceptance:** Unless otherwise set forth in a SOW,CLIENT COMPANY will have ninety (90) days to test, accept, or reject the Deliverables following delivery of the Deliverables. The Deliverables will be deemed accepted by CLIENT COMPANY upon expiration of the ninety (90) day period unless CLIENT COMPANY provides Vendor with a defect notice describing a substantial nonconformance with the Deliverables to the applicable Specifications for such Deliverables. Upon receiving defect notice from CLIENT COMPANY, Vendor will have a reasonable time, at no charge to CLIENT COMPANY, to remedy any failure of the Deliverables to substantially conform to the Specifications and resubmit the Deliverables for testing by CLIENT COMPANY in accordance with the procedures set forth above. In the event that Vendor is unable to remedy such defect, CLIENT COMPANY may accept the Deliverables “as is”, subject to a reasonable fee adjustment, or CLIENT COMPANY may terminate the applicable SOW and receive a full refund of all fees paid to Vendor (as determined in the sole discretion of CLIENT COMPANY) in connection with the unaccepted Deliverables. Following acceptance, Vendor will use Commercially reasonable efforts to correct any minor non-conformance identified during testing.

**CLIENT COMPANY Responsibilities:** In connection with Vendor's provision of the Services and development of Deliverables, CLIENT COMPANY will perform those tasks and fulfill those responsibilities assigned to it in the applicable SOW and will provide to Vendor, in a timely manner, reasonable cooperation and assistance, access to systems, documentation and CLIENT COMPANY personnel as reasonably requested by Vendor. Each SOW may also contain assumptions related to the Services, and the parties will address any assumptions which later prove incorrect through the change process described above in Section 2.3 CLIENT COMPANY acknowledges that Vendor's performance is dependent on CLIENT COMPANY's timely and effective performance of CLIENT COMPANY responsibilities under this Section and timely decisions and approvals by CLIENT COMPANY.

**CLIENT COMPANY Materials:** CLIENT COMPANY acknowledges and agrees that Vendor may, in performing its obligations pursuant to this Agreement, be using data, material, and other information furnished by CLIENT COMPANY without any independent investigation or verification thereof, and that Vendor will be entitled to rely upon the accuracy and completeness of such information in performing the Services. CLIENT COMPANY will obtain all consents necessary from third parties that are required for Vendor to perform its obligations under this Agreement or any SOW.

**CLIENT COMPANY Affiliates:** CLIENT COMPANY Affiliates may receive Services from Vendor under this Agreement by entering into a SOW with Vendor that incorporates by reference the terms and conditions of this Agreement. In such event, the defined term “CLIENT COMPANY” will include any such Affiliate.

**PERSONNEL**

**Facilities:** Vendor will provide the Deliverables at CLIENT COMPANY's facility or any other location set forth in the applicable SOW or agreed to in writing from time to time by the parties.

**CLIENT COMPANY Property:** If Services are to be performed at CLIENT COMPANY or its Affiliates facility, CLIENT COMPANY will provide suitable work space, desks, storage, furniture, telephone and facsimile service and copying services, each of which as may be necessary in connection with Vendor's performance of the Services. No interest or obligation will be conferred upon Vendor regarding CLIENT COMPANY’s property or the property of CLIENT COMPANY’s employees, agents, vendors, or other contractors, beyond the limited right to use such property in furtherance of this Agreement. All such property, regardless of its physical location or use, will be deemed to be in the care, custody and control of CLIENT COMPANY; provided however that Vendor is responsible for any damage of such property, other than ordinary wear and tear.

**On-Site Personnel:** Vendor personnel physically located at CLIENT COMPANY or its Affiliates’ facilities will comply with all reasonable work place standards and policies applicable to CLIENT COMPANY's employees, provided that Vendor has been given advance written notice thereof. Vendor will perform a background check on all Vendor personnel (including subcontractors) providing services under this Agreement and upon CLIENT COMPANY request provide a copy of results of the background check to CLIENT COMPANY. In the event that either (a) Vendor personnel or its subcontractors' personnel are physically located at CLIENT COMPANY's facilities for more than twenty (20) business days, or (b) CLIENT COMPANY requests in its sole and absolute discretion, Vendor will require its personnel (including subcontractor personnel) to individually sign and acknowledge compliance with CLIENT COMPANY’s work place standards and policies, including (without limitation) CLIENT COMPANY’s Compass ProgramTM, Harassment Policy, Standard of Conduct, Internet Usage Policy, Contractor Orientation Checklist, and other policies as requested by CLIENT COMPANY from time to time.

**Vendor Personnel:**  Vendor reserves the right in its reasonable professional judgment to determine which of its personnel will be assigned to perform the Services; provided however, that: (i) such personnel will be qualified and reputable professionals who are employees or independent contractors of Vendor who have agreed in writing to maintain the confidentiality of the CLIENT COMPANY Confidential Information and to perform the Services as work made for hire; and (ii) Vendor will, subject to scheduling and staffing considerations, attempt to honor CLIENT COMPANY's request for specific individuals. Upon CLIENT COMPANY's request, Vendor will provide CLIENT COMPANY with the resumes of any Vendor personnel assigned to perform any Services. Vendor will not, in connection with any functions, activities or services related to the Agreement, directly or indirectly contract with any person or entity that undertakes any functions, activities or services, including, without limitation, storage of CLIENT COMPANY data outside of the United States of America without the prior written consent of CLIENT COMPANY. If for some reason, Vendor desires to utilize personnel not located in the United States to perform the Services, then in order to secure CLIENT COMPANY approval to utilize such personnel and prior to such services being rendered, Vendor will notify CLIENT COMPANY in writing of: (i) what Services will be performed by personnel not located in the United States; (ii) where such personnel will be located during the performance of such Services; (iii) the names (and all other contact and identification information reasonably requested by CLIENT COMPANY) of all personnel performing such Services; and (iv) what measures will be taken by Vendor to ensure that the rights conveyed to CLIENT COMPANY under this Agreement will be valid and legally enforceable in the jurisdiction where such Services are performed. Notwithstanding anything contained in this Section 3.4 to the contrary, the location of the performance of any Services will in no way limit or otherwise reduce the rights conveyed by Vendor to CLIENT COMPANY under this Agreement and Vendor will take any and all actions necessary to secure, protect and enforce such rights. If personnel not located in the United States will be used to perform Services, notwithstanding anything contained in this Section 3.4 to the contrary, CLIENT COMPANY will have the right to terminate this Agreement in a manner and in a time-frame deemed appropriate by CLIENT COMPANY in its sole discretion. Vendor will complete (and will require its employees and independent contractors to complete) such documents as are requested from CLIENT COMPANY and which are necessary from time to time to carry out the terms of this paragraph, including (without limitation) executing CLIENT COMPANY’s Acknowledgement of Temporary Assignment and Confidentiality Statement.

**Replacement Personnel:** CLIENT COMPANY will have the right to remove any Vendor personnel from performing Services or providing Deliverables to CLIENT COMPANY at any time for any reason, and upon CLIENT COMPANY’s request Vendor will replace any removed Vendor personnel. Vendor will have the right to replace any personnel at any time for any reason (including the termination of a person’s employment by Vendor) or to remove such personnel at such time as Vendor reasonably determines that the Services no longer require such personnel, provided that Vendor will be responsible for any orientation or training time required by such replacement personnel.

**Subcontractors:** Vendor must secure CLIENT COMPANY approval prior to subcontracting the performance of any of its obligations under any SOW. If CLIENT COMPANY approves such subcontracting, the Vendor will remain responsible for the performance of such subcontractors, and the subcontractor, and each individual personnel engaged by the subcontractor will execute CLIENT COMPANY’s Acknowledgement of Temporary Assignment and Confidentiality Statement prior to any work being performed by the subcontractor. The parties agree that the Services to be performed and the Deliverables to be provided under any SOW are the obligation of Vendor, notwithstanding any references therein with respect to which person, entity, subcontractor or team is to perform such Services or provide the Deliverables.

**PAYMENT**

**Fees:** In consideration for the Services provided hereunder (including, without limitation, all Deliverables) and all rights granted by or on behalf of Vendor hereunder, CLIENT COMPANY will pay Vendor the fees set forth in the applicable SOW, which fees may be determined on a time and materials basis or a firm fixed price basis, in accordance with the terms set forth therein. In the event of any estimated amounts, Vendor will notify CLIENT COMPANY in writing when Vendor reasonably expects the estimated amount may be exceeded and Vendor will undertake no additional expense without the prior written consent of CLIENT COMPANY. The fees will be due and payable only upon proper invoice by Vendor in accordance with Section 4.2 below.

**Invoicing:** Vendor will record all hours incurred by Vendor in providing all time and material Services in the applicable CLIENT COMPANY billing system as directed by CLIENT COMPANY, and will separately maintain accurate and complete records of all such hours incurred by Vendor.

Vendor will submit an invoice to CLIENT COMPANY within ten (10) days after the end of each calendar month detailing, as applicable, the dates of Service, the work performed, the number of hours worked, the rates charged and the person who performed the Service.

Invoices will be submitted electronically via PDF to [CPB@CLIENT COMPANYl.com](mailto:CPB@bcbsfl.com) and will be addressed to CLIENT COMPANY at

CLIENT COMPANY

Jacksonville, Florida 32222

Invoices must include the specific Purchase Order Number provided by CLIENT COMPANY for these Services. CLIENT COMPANY will pay the undisputed portion of such invoices within thirty (30) days of receipt of a valid invoice. Any and all invoices received without a proper Purchase Order Number will be deemed invalid and CLIENT COMPANY is not obligated to pay such invoices.

Vendor’s failure to submit an invoice in the manner outlined herein may result in delays in payment and will absolve CLIENT COMPANY of timely payment requirements as set forth here under.

**Direct Cost:** Vendor will pay all direct costs incurred by Vendor in connection with this Agreement. Direct costs will include (without limitation) postage, freight, telephone, material and reproduction costs.

**Expenses:** CLIENT COMPANY will reimburse Vendor up to a maximum of the GSA per diem expense rate for Jacksonville, Florida for actual, reasonable and allowable, documented, out of pocket travel expenses (including meals and lodging) incurred by Vendor in accordance with the following guidelines in the course of performing Services at CLIENT COMPANY or its Affiliates facilities as required under this Agreement:

A maximum of coach airfare, mid-market hotels and mid-size car rentals are reimbursable. Only one round trip business flight is reimbursable for each Vendor personnel per week.

Alcohol and entertainment expenses are not reimbursable by CLIENT COMPANY under any circumstances.

Special travel, housing, and expense reimbursement arrangements must be made for any engagement that exceeds 15 business days.

CLIENT COMPANY will not pay expenses for any Vendor staff that live within 60 miles of the CLIENT COMPANY work location.

All other expenses incurred by Vendor in the course of performing Services under this Agreement that are to be invoiced to CLIENT COMPANY must be approved in writing by CLIENT COMPANY prior to such expenses being incurred.

All travel expenses reimbursable under this Section are to be invoiced separately and accompanied by supporting documentation and submitted to the appropriate CLIENT COMPANY project manager for review and approval. CLIENT COMPANY will not reimburse Vendor for any expenses that do not meet the terms of this Section 4.4 or any expenses that are undocumented or contested by CLIENT COMPANY.

**Late Fee:** Any undisputed amount which is past due will be increased by a late charge equal to 1% of such unpaid amount for each month (12% per annum) in which such amount is due and not paid. Late fees will not be compounded.

**Taxes:** Subject to Sections 4.7 and 10.14, CLIENT COMPANY will pay all taxes due in connection with this Agreement including (without limitation) sales, use, excise, value-added taxes assessed on the goods and services provided hereunder, consumption, and other similar taxes or duties. Notwithstanding the foregoing, each party is responsible to pay any taxes based on its own income, taxes on property it owns or leases, or any business license fees required for its business.

**Electronic Delivery Taxes:** CLIENT COMPANY hereby notifies Vendor, and Vendor acknowledges that CLIENT COMPANY is not subject to state or local taxes in accordance with the Florida Department of Revenue Technical Assistance Advisement 02A052 with respect to the electronic delivery of the Deliverables, as required under this Agreement, and Vendor agrees not to charge CLIENT COMPANY for taxes, or similar charges or fees. Upon request, CLIENT COMPANY will provide Vendor with a copy of the Florida Department of Revenue Technical Assistance Advisement 02A052 supporting CLIENT COMPANY’s tax-exempt status. Upon request by CLIENT COMPANY, Vendor will assist CLIENT COMPANY in complying with state laws that exempt certain methods of software delivery from sales tax assessment. In the event it is determined by any governmental entity with proper authority that any taxes are assessable with respect to the electronic delivery of the Deliverables, upon notification to CLIENT COMPANY in writing by Vendor of such determination, CLIENT COMPANY will pay Vendor for any and all taxes, penalties, and interest assessed by such governmental entity against Vendor.

**Vendor Records:** Vendor will maintain accurate and complete books and records of all materials, hours and other expenses incurred by Vendor under this Agreement. During the Term and for a period of two (2) years thereafter, upon notice to Vendor by CLIENT COMPANY, CLIENT COMPANY will have the right to conduct an audit of Vendor’s relevant books and records. The notice will include a scope of the audit as well as a request for any specific information needed by CLIENT COMPANY. Within sixty (60) days following the notice from CLIENT COMPANY, Vendor will provide CLIENT COMPANY or its agents with access to relevant books, records and other documents reasonably necessary to verify the accuracy of CLIENT COMPANY’s audit at no charge and during normal Vendor business hours. Vendor may redact from the books, records and other documents provided to CLIENT COMPANY any information that reveals the identity or Confidential Information of Vendor, or its customers, or other Confidential Information that is not relevant to the purposes of the audit. If such an audit demonstrates that CLIENT COMPANY was overcharged by ten percent (10%) or more, then Vendor will pay all costs of the audit. Any amounts overpaid by CLIENT COMPANY or audit costs due under this provision will be invoiced by CLIENT COMPANY and paid by Vendor within thirty (30) days of receipt of invoice. Any disputes concerning the results of an audit will be referred to CLIENT COMPANY’s vice president of billing operations and Vendor’s appropriate executive officer, manager, or other executive entitled to act upon or make decisions for resolution.

**Audit:** CLIENT COMPANY will keep accurate books and records of invoices and payment. Vendor acknowledges that CLIENT COMPANY has reasonable and accurate internal audit controls and procedures to conduct an audit of such books and records. During the Term and for a period of two (2) years thereafter, upon notice to CLIENT COMPANY by Vendor, Vendor will have the right to request that CLIENT COMPANY audit its relevant books and records using its internal audit controls and procedures. The request will include a scope of the audit as well as a request for any specific information needed by Vendor. Within sixty (60) days following the notice from Vendor, CLIENT COMPANY will provide Vendor with a report of the results of the audit and a copy of the relevant books, records and other documents reasonably necessary to verify the accuracy of CLIENT COMPANY’s audit. CLIENT COMPANY may redact from the books, records and other documents provided to Vendor any information that reveals the identity or Confidential Information of CLIENT COMPANY or its Affiliates, or their customers, or other Confidential Information that is not relevant to the purposes of the audit. If such an audit demonstrates that Vendor was underpaid by ten percent (10%) or more, then CLIENT COMPANY will pay all costs of the audit. If such an audit demonstrates that Vendor was underpaid by less than ten percent (10%), Vendor will pay all such audit costs. Any amounts underpaid by CLIENT COMPANY or audit costs due under this provision will be invoiced by Vendor and paid by CLIENT COMPANY in accordance with this Agreement. Any disputes concerning the results of an audit will be referred to CLIENT COMPANY’s vice president of billing operations and Vendor’s appropriate executive officer, manager, or other executive entitled to act upon or make decisions for resolution. Vendor will have no right to conduct an audit of CLIENT COMPANY’s books and records on its or its auditor’s behalf.

**TERM AND TERMINATION**

**Term:** This Agreement will be valid for the Term.

**Termination:** CLIENT COMPANY may terminate a SOW for convenience upon ten (10) days advance written notice to Vendor. Either party may terminate this Agreement for convenience upon thirty (30) days advance written notice to the other party.

**Cancellation:** If a party violates its obligations under this Agreement, the other party may cancel this Agreement by sending written cancellation notice describing the noncompliance to the non-complying party. Upon receiving the cancellation notice describing the noncompliance, the non-complying party will have thirty (30) days from the date of such notice to cure any such noncompliance. If such noncompliance is not cured within the required thirty (30) day period, the party providing cancellation notice will have the right to cancel this Agreement as of the thirty-first (31st) day after the date of the cancellation notice.

**Effect of Termination:** Termination of any SOW will not affect any other SOW then in effect, unless the parties otherwise specifically agree in writing, and this Agreement will continue to govern such other SOWs until each such SOW has terminated in accordance with its terms. Termination or cancellation of this Agreement will automatically terminate or cancel this Agreement and each SOW.

**Consequences of Termination:** With regard to any terminated SOW, CLIENT COMPANY will pay Vendor the actual fees for the Services rendered (i.e., actual hours expended for time and materials Services or a pro rata share of any fees due Vendor for fixed price Services as set forth in the applicable SOW) and expenses (as allowed under Section 4.4) incurred pursuant to such SOW through the date of termination and the parties will have no further obligation to each other with respect to such SOW (other than those provisions that survive expiration or termination).

**Refund:** If this Agreement is terminated or cancelled, Vendor will refund to CLIENT COMPANY any sums paid to Vendor hereunder in anticipation of services not yet performed, and the parties will have no further obligation to each other with respect to this Agreement (other than those provisions that survive expiration or termination). Such refund will be in addition to any and all remedies available to the parties under law or equity.

**Return of Materials:** Upon termination or cancellation of this Agreement or any SOW, and upon receipt of full payment of all fees due and payable as set forth in Sections 4 and 5, Vendor will promptly deliver to CLIENT COMPANY all copies of all Deliverables developed or created by or on behalf of Vendor as specified in the applicable SOWs, but not yet provided to CLIENT COMPANY, in whatever stage of completion, including without limitation any source code and programmer’s notes with regard to any Deliverables that are computer software. In addition, Vendor will return to CLIENT COMPANY any and all materials provided to Vendor by CLIENT COMPANY hereunder, including (without limitation) all CLIENT COMPANY Confidential Information and any materials owned by CLIENT COMPANY, and copies thereof. Upon request in writing by CLIENT COMPANY, Vendor will provide CLIENT COMPANY with a certificate of compliance with this Section.

**Non-Solicitation:**  Neither party will, during the term of this Agreement and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise, directly or indirectly, any of the other party's personnel who have had direct involvement with this Agreement and the provision of services hereunder, without the other party's prior express written consent. The foregoing will in no way apply to any employee of the party who responds to general solicitations for employment through the internet, radio, newspapers, search firms, etc.

**CONFIDENTIAL INFORMATION**

**CLIENT COMPANY Confidential Information:** Vendor agrees that all materials furnished to Vendor by or on behalf of CLIENT COMPANY pursuant to this Agreement: (i) that have been marked as confidential; (ii) whose confidential nature has been made known by CLIENT COMPANY to Vendor; or (iii) that due to their character and nature, a reasonable person under like circumstances would treat as confidential are confidential to CLIENT COMPANY (“CLIENT COMPANY Confidential Information”), Vendor will treat such materials as confidential and will not reveal or discuss such materials or any other information learned as a result of this Agreement, with any other person or entity, except as authorized or directed by CLIENT COMPANY or as provided in this Section 6. All such CLIENT COMPANY Confidential Information will remain the property of CLIENT COMPANY and will be returned to CLIENT COMPANY by Vendor in accordance with Section 6.5 or as otherwise set forth herein; provided, however, that Vendor may retain, subject to the terms of this Section 6, copies of CLIENT COMPANY Confidential Information required for compliance with its recordkeeping requirements.

**Vendor Confidential Information:** CLIENT COMPANY agrees that all materials furnished to CLIENT COMPANY by or on behalf of Vendor pursuant to this Agreement: (i) that have been marked as confidential; (ii) whose confidential nature has been made known by Vendor to CLIENT COMPANY; or (iii) that due to their character and nature, a reasonable person under like circumstances would treat as confidential, are confidential to Vendor (“Vendor Confidential Information”), and CLIENT COMPANY will treat such materials as confidential and will not reveal or discuss such materials or any other information learned as a result of this Agreement, with any other person or entity, except as authorized or directed in writing by Vendor and as provided in this Section 6. All such Vendor Confidential Information will remain the property of Vendor and will be returned to Vendor by CLIENT COMPANY in accordance with Section 6.5 or as otherwise set forth herein; provided, however, that CLIENT COMPANY may retain, subject to the terms of this Section 6, copies of Vendor Confidential Information required for compliance with its recordkeeping requirements.

**Use of Confidential Information:** CLIENT COMPANY Confidential Information and Vendor Confidential Information are collectively referred to as “Confidential Information.” Vendor and CLIENT COMPANY each agree to: (i) use Confidential Information of the other party only for the purposes of this Agreement and will use reasonable measures to prevent the disclosure of such Confidential Information to any third party, without the other party's prior written consent, other than to each other's authorized employees and officers, directors, contractors, and agents (collectively, the “Representatives”) on a need-to-know basis; (ii) take measures that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own comparable Confidential Information, but in no event will either party exercise less than reasonable care in protecting the disclosing party's Confidential Information; (iii) limit access to the other party's Confidential Information to their respective Representatives on a need-to-know basis, provided that any such contractor or agent enters into a confidentiality agreement with respect to the Confidential Information that is substantively similar to this Section 6; and (iv) keep the other party’s Confidential Information in a reasonably secure location.

**Exceptions:** Notwithstanding anything to the contrary contained in this Agreement, Vendor and CLIENT COMPANY will not be obligated to treat as confidential any information disclosed by the other party which the receiving party demonstrates: (i) is rightfully known to the recipient prior to its disclosure by the Disclosing Party; (ii) is generally known by nonparties of ordinary skill in computer or process design or programming or in the business of CLIENT COMPANY; (iii) is independently developed by the recipient without any reliance on Confidential Information of the disclosing party; or (iv) is or later becomes publicly available through no breach of this Agreement or may be lawfully obtained by recipient from any nonparty.

**Return of Confidential Information:** Upon written request from the other party, the party receiving such written request will return all of the requesting party's Confidential Information within thirty (30) days; provided, however, that such Confidential Information is no longer needed by the receiving party for the performance of its obligations under this Agreement. Notwithstanding the foregoing, each party may retain, subject to the terms of this Section 6, copies of the other party’s Confidential Information required for compliance with its recordkeeping requirements.

**Judicial Process:** If either party receives a subpoena or other validly issued administrative or judicial process demanding Confidential Information of the other party, it will promptly notify the other of such receipt and tender to it the defense of such demand. The party receiving the subpoena will thereafter be entitled to comply with such subpoena or other process to the extent required by law.

**Disclosure of this Agreement:** Both parties agree that they will not disclose or advertise that they have entered into this Agreement or the terms of this Agreement without the written consent of the other party; provided, however, that nothing herein will prohibit disclosure: (i) to either party's accountants, subcontractors, auditors, legal advisors and regulators of such party on a need-to-know basis; (ii) except as may be required to enforce the provisions of this Agreement and as may be required by law or rules of a regulatory body or governmental regulation; or (iii) in connection with any legal, governmental or regulatory proceeding so long as the recipient complies with Section 6.6 and this Section 6.7, as applicable.

**Remedies:** CLIENT COMPANY and Vendor each agree that any disclosure of Confidential Information of the other party in violation of this Agreement could cause irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. CLIENT COMPANY and Vendor each therefore agree that, notwithstanding other provisions of this Agreement, the other will be entitled to apply to the courts of Florida for any injunctive relief or other order restraining any breach or threatened breach of this Section 6, and for any other relief as such other party deems appropriate. This right will be in addition to any other remedy available in law or equity.

**Individually Identifiable Health or Financial Information:** CLIENT COMPANY and Vendor agree that Vendor provides certain services for CLIENT COMPANY which may involve the use and/or disclosure of Protected Health Information and Nonpublic Personal Financial Information (both as hereinafter defined) and Vendor is a “Business Associate” as defined in 45 CFR § 160.103 of the federal rules implementing the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA-AS”), including but not limited to the Privacy and Security Rules, and a “Non-Affiliated Third Party Service Provider” as described in § 4-128.014 of the Florida rules implementing Title V of the Gramm-Leach-Bliley Act. Further, Vendor is responsible for identifying and requesting the minimum information necessary to perform the Services necessary to fulfill the any SOW pursuant to this Agreement. Vendor accepts the obligation to verify that Vendor is requesting the minimum necessary information and will hold CLIENT COMPANY harmless for any consequences if Vendor fails its obligations under this Section.

Definitions - For purposes of this Agreement, the following terms will have the meanings set forth below:

*Breach* will mean the unauthorized acquisition, access, use or disclosure of PHI which compromises the security or privacy of the PHI.

*Electronic Protected Health Information* *or EPHI* will have the meaning set forth in 45 CFR 160.103.

*Nonpublic Personal Financial Information* will have the meaning set forth in Fla. Admin. Code 4-128.002 except Nonpublic Personal Financial Information will be limited to that information created or received by a Business Associate for or on behalf of CLIENT COMPANY pursuant to this Agreement.

*Protected Health Information or PHI* will have the meaning set forth in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of CLIENT COMPANY. For purposes of this Agreement, PHI encompasses CLIENT COMPANY's EPHI.

*Secure Computing Device* will mean computing equipment in which access is limited and requires authorization; and appropriate preventative and detective security mechanisms are implemented and maintained. In addition, computing devices that are portable must have safeguards that render Electronic Protected Health Information unusable, unreadable or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute. Portable computing devices include but are not limited to, portable computers; Personal Digital Assistants; Smart Phones; Blackberry or equivalent technologies; portable or removable storage devices; or other portable electronic equipment capable of storing electronic information; networking equipment either wired or wireless.

*Security Incident* will mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

*Unsecured PHI* will mean PHI that is not secured through the use of technology or methods approved by the Secretary of Health and Human Services to render the PHI unusable, unreadable or indecipherable to unauthorized individuals.

Other capitalized terms used throughout this Agreement, including Required by Law, Health Care Operations, Payment and Treatment, will have the meanings as are set forth in relevant HIPAA regulations.

Privacy and Security of Protected Health Information.

**Permitted Uses and Disclosures**. Except as otherwise limited in this Agreement, Vendor may use, disclose or request the minimum necessary Protected Health Information and Nonpublic Personal Financial Information to perform functions, activities, or services for, or on behalf of, CLIENT COMPANY as specified in the Agreement, provided that such use, disclosure or request would not violate the HIPAA-AS Privacy Rule if done by CLIENT COMPANY.

**Prohibition on Unauthorized Use or Disclosure**. Vendor will not use or disclose Protected Health Information or Nonpublic Personal Financial Information other than as permitted or required by this Addendum or as Required by Law.

Information Safeguards and Breach Reporting.

**Privacy of Protected Health Information**. Vendor will use appropriate safeguards to prevent use or disclosure of Protected Health Information and Nonpublic Personal Financial Information not provided for by this Agreement.

Vendor will report in writing to CLIENT COMPANY’s Corporate Compliance and Ethics Office any use or disclosure of Protected Health Information or Nonpublic Personal Financial Information not provided for by this Agreement, including a Breach of Unsecured PHI, as soon as practicable but no later than five (5) days after Vendor becomes aware of such unauthorized use or disclosure. Unless otherwise directed by CLIENT COMPANY’s Corporate Compliance and Ethics Office, Vendor will include in the report the following:

the date of the unauthorized use or disclosure;

the name and (if known) address of the person or entity which received Protected Health Information pursuant to the unauthorized disclosure;

a brief description of the Protected Health Information that was the subject of the unauthorized use or disclosure;

a brief statement of the nature of the unauthorized use or disclosure;

the name and date of birth of the individual(s) whose Protected Health Information was the subject of the unauthorized use or disclosure, and each such individual’s contract number;

the corrective action that Vendor has taken or will take to prevent further unauthorized uses or disclosures; and

the steps Vendor has taken or will take to mitigate any known harmful effects of the unauthorized use or disclosure.

Upon notification by Vendor, CLIENT COMPANY will be responsible for determining the need for and directing the implementation of any notification concerning any Breach of Unsecured PHI, and Vendor will, at CLIENT COMPANY's direction, cooperate with or perform any additional investigation and/or assessment necessary to determine and document whether a Breach of Unsecured PHI has occurred and will provide any and all related documentation to CLIENT COMPANY.

**Security of Electronic Protected Health Information**. Vendor will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information. Vendor will only store Electronic Protected Health Information on Secure Computing Devices, controlled and/or maintained by the Vendor.

Vendor will report in writing to CLIENT COMPANY’s Corporate Compliance and Ethics Office any successful Security Incidentas soon as practicable but no later than five (5) days after Vendor becomes aware of such Security Incident and will submit follow-up documentation pursuant to the direction of CLIENT COMPANY’s Corporate Compliance and Ethics Office. Upon CLIENT COMPANY’s request and pursuant to CLIENT COMPANY’s direction, Vendor will report in writing any attempted but unsuccessful Security Incident of which Vendor becomes aware.

**Mitigation**. Vendor will mitigate to the extent practicable any harmful effect of which Vendor is aware that is caused by any use or disclosure of Protected Health Information or Nonpublic Personal Financial Information not provided for by this Addendum.

**Agents and Subcontractors**. Vendor will ensure that its agents and subcontractors to whom it provides Protected Health Information agree in writing to the same privacy and security restrictions and conditions that apply through this Addendum to Vendor with respect to such information.

**Business Associate Guidance**. Vendor will comply with any policy, procedure or guidance with respect to Vendor’s responsibilities under this Addendum that CLIENT COMPANY may, from time to time, issue and communicate in writing to Vendor.

Management of Protected Health Information.

**Access**. Vendor will, within seven (7) days following CLIENT COMPANY’s request, make available to CLIENT COMPANY for inspection and copying Protected Health Information about an individual that is in Vendor’s custody or control, so that CLIENT COMPANY may meet its access obligations under the HIPAA-AS Privacy Rule.

**Amendment**. Vendor will, within fourteen (14) days following CLIENT COMPANY’s request, amend or permit CLIENT COMPANY to amend any portion of Protected Health Information that is in Vendor’s custody or control so that CLIENT COMPANY may meet its amendment obligations under the HIPAA-AS Privacy Rule.

**Disclosure Accounting**. Vendor will record the information specified below (“disclosure information”) for each disclosure of Protected Health Information that Vendor makes, excluding disclosures identified in 45 CFR § 164.528(a)(1) including but not limited to disclosures for Treatment, Payment, and Health Care Operations and disclosures pursuant to a HIPAA-AS compliant authorization, and will report the disclosure information to CLIENT COMPANY’s Corporate Compliance and Ethics Office in writing within five (5) days of Vendor making the accountable disclosure. Disclosure information will include:

the disclosure date;

the name and (if known) address of the person or entity to which Vendor made the disclosure;

a brief description of the Protected Health Information disclosed;

a brief statement of the purpose of the disclosure;

the name and date of birth of the individual whose Protected Health Information was disclosed; and

that individual’s contract number.

**Inspection of Internal Practices, Books and Records**. Vendor will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information and its protection of the confidentiality, integrity, and availability of Electronic Protected Health Information available to CLIENT COMPANY and the U.S. Department of Health and Human Services (“HHS”) as requested or required to determine CLIENT COMPANY’s compliance with the HIPAA-AS Privacy Rule and Security Rule.

Breach of Privacy and Security Obligations.

Termination of Addendum.

**Breach of Addendum**. CLIENT COMPANY and Vendor specifically acknowledge and agree that a breach of any term of this Addendum will be considered a breach of a material term of the Agreement and CLIENT COMPANY may terminate this Addendum and the Agreement in accordance with the Agreement’s termination provision.

Obligations on Termination.

**Return or Destruction of Protected Health Information**. Upon termination of the Agreement, Vendor will, if feasible, return to CLIENT COMPANY or destroy all Protected Health Information in its custody or control in whatever form or medium, including all copies and all derivative data, compilations, and other works that allow identification of any individual who is a subject of the Protected Health Information. Vendor will in writing identify to CLIENT COMPANY any Protected Health Information that cannot feasibly be returned to CLIENT COMPANY or destroyed and explain why return or destruction is infeasible. Vendor will limit further use or disclosure of such Protected Health Information to those purposes that make its return or destruction infeasible. Vendor will complete these obligations as promptly as possible, but not later than thirty (30) days following the effective date of the termination of the Agreement.

**Continuing Privacy and Security Obligations**. Vendor’s obligation to protect the privacy and confidentiality and safeguard the security of Protected Health Information as specified in this Agreement will be continuous and survive termination of the Agreement.

HITECH Compliance

Vendor will comply with all applicable requirements of Title XIII, Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), 42 U.S.C. Sections 17921-17954 and all applicable HITECH implementing regulations issued by the Department of Health and Human Services as of the date by which Vendor must comply with such statutory and regulatory requirements.

General Provisions.

**Amendment to Agreement**. This Agreement will automatically amend upon the compliance date of any final regulation or amendment to final regulation promulgated by HHS or a Florida regulatory agency concerning the subject matter of this Agreement such that Vendor’s obligations remain in compliance with the final regulation or amendment to final regulation, unless CLIENT COMPANY or Vendor elects to terminate this Agreement by giving the other party written notice of termination at least ninety (90) days before the compliance date of such final regulation or amendment to final regulation.

**No Third Party Beneficiaries.** No party will be deemed a third party beneficiary of this Addendum.

**Conflicts**. This Addendum will supersede any conflicting term or provision in the Agreement. In all other respects, the terms and conditions of the Agreement will remain unchanged and in full force and effect.

**WARRANTY**

**Performance Warranty:** Vendor represents and warrants that the Deliverables: (i) are free from material defects in materials and workmanship; (ii) will materially conform to the performance capabilities, functions, and other standards of the applicable Specifications; and (iii) complies with all applicable laws. Vendor represents and warrants that the Deliverables will be compatible with each module of the Deliverables and Third Party Technology. If CLIENT COMPANY notifies Vendor in writing of a breach of any of the foregoing warranties, Vendor will use Commercially reasonable efforts to repair or replace the defective Deliverables to cause it to materially conform to the Specifications at no additional cost to CLIENT COMPANY, within thirty (30) days of Vendor’s receipt of such notice. Any repaired or replaced Deliverables will also be subject to the warranties contained herein The foregoing warranties will not apply to the extent that the problem results from: (i) alterations or modifications made to the Deliverables by CLIENT COMPANY or its Affiliates without the written approval of Vendor; (ii) malfunctions of CLIENT COMPANY equipment occurring through no fault of Vendor; (iii) use of the Deliverables in combination with software not provided, authorized, or recommended by Vendor (excluding Third Party Technology); or (iv) storage, operation, or use of the Deliverables in a manner or an environment inconsistent with the Specifications. Notwithstanding the foregoing, if Vendor determines that it is not commercially feasible for it to repair or replace any such Deliverables, CLIENT COMPANY may retain the Deliverables “as is”, subject to a reasonable fee adjustment, or CLIENT COMPANY may terminate this Agreement and receive a full refund of all fees paid to Vendor (as determined in the sole discretion of CLIENT COMPANY).

**Services Warranty:** Vendor represents and warrants that: (i) all Services will be performed by or on behalf of Vendor in a timely, good, and workmanlike manner in accordance with applicable industry standards and practices; (ii) Vendor possesses the necessary equipment, personnel and other expertise necessary to provide the Services as set forth herein; and (iii) Vendor personnel rendering the Services and developing the Deliverables will have the appropriate technical skills, training, experience, and expertise to enable Vendor to perform its responsibilities hereunder. If CLIENT COMPANY notifies Vendor in writing of a breach of any of the foregoing warranties, Vendor will to reperform any Services to cause it to materially conform to the foregoing warranties at no additional cost to CLIENT COMPANY, within thirty (30) days of Vendor’s receipt of such notice.

**Original Warranty:** Vendor hereby represents and warrants that the Deliverables are original development work of Vendor or its employees or independent contractors who perform the Services as work made for hire and that use of the Deliverables by CLIENT COMPANY will not infringe upon or violate any patent, copyright, trade secret or other right of any third party.

**Integrity:** Vendor represents and warrants that: (i) the Deliverables will not have any system interface that would allow it or a user to bypass storage or fetch protection, password checking, system/application security, or obtain control in any authorized state; (ii) there will be nothing designed within the Deliverables that would allow it or a user to compromise the host system's operating system; (iii) the Deliverables will not have any back doors to the computer system; (iv) the directory structure of the Deliverables and its access can be controlled and maintained by an administrator of CLIENT COMPANY; and (v) the Deliverables will not contain any virus, time bombs, Trojan horses, and/or other intentionally disabling devices, including (without limitation) codes, commands, or instructions designed to access, alter, delete, damage or disable the Deliverables, any CLIENT COMPANY software, Data, or CLIENT COMPANY hardware.

**Third Party Technology:** CLIENT COMPANY hereby acknowledges and agrees that Third Party Technology may be required to operate the Deliverables. Vendor represents and warrants that: (i) Vendor will supply, provide, or deliver to CLIENT COMPANY any Third Party Technology incorporated, accessible, used, or made a part of the Deliverables; (ii) such Third Party Technology will not infringe upon or violate any patent, copyright, trade secrets or trademarks of any third party or violate any laws, authorizations, license, or rights provided by any third party; and (iii) Vendor has the authority to grant the licenses with regard to such Third Party Technology as provided herein.

**Violation of Law:** Each party represents and warrants to the other party that the performance of its obligations under this Agreement will not violate any applicable law, rule or regulation.

**Power and Authority:**  Each party represents and warrants to the other party that: (i) it is duly organized, validly existing and in good standing; (ii) it has full power and authority to execute, deliver and perform this Agreement; and (iii) this Agreement, once validly executed by both parties, is a valid and binding obligation of such party in accordance with its terms.

**Excluded Entity:**

As of the Effective Date, neither Vendor nor any of its owners, principals, agents, or employees performing the Services are excluded, debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in any federal procurement or federal health benefit program.

Vendor will promptly notify CLIENT COMPANY in the event that Vendor or any of its owners, principals, agents, or employees are excluded, debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in any federal procurement or federal health benefit program.

WARRANTY LIMITATION: EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 7, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, VENDOR AND CLIENT COMPANY MAKE NO OTHER WARRANTIES REGARDING THIS AGREEMENT OR THE DELIVERABLES, EXPRESS OR IMPLIED, OR WHETHER ARISING BY OPERATION OF LAW, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**INTELLECTUAL PROPERTY**

**Ownership of Deliverables:** Subject to CLIENT COMPANY’s confidentiality obligations set forth in Sections 6 and subject to Vendor’s knowledge capital set forth in Section 8.3, and except for Third Party Technology, CLIENT COMPANY will own all right, title, and interest, including (without limitation) all copyright, patent (including business method and software patents), trademark, trade secret and any other intellectual property and proprietary rights, to: (i) the Deliverables; and (ii) all ideas, know-how, approaches, methodologies, concepts, skills, tools, techniques, expressions and processes, developed by either Vendor (or its subcontractors) or jointly by Vendor (or its subcontractors) and CLIENT COMPANY in the course of performance of Services under any SOW. To the extent that the Deliverables are copyrightable, such Deliverables will be deemed to be “works made for hire” and owned by CLIENT COMPANY under the U.S. Copyright Act [17 U.S.C. § 101, et seq.]. To the extent that the Deliverables are not deemed a “work made for hire,” or if Vendor may be entitled to claim any other ownership interest in any Deliverables, Vendor hereby conveys, assigns and transfers to CLIENT COMPANY all worldwide rights, title and interests in and to the Deliverables that Vendor has or may accrue (and all rights incidental thereto), in perpetuity or for the longest period otherwise permitted by law, including (without limitation) any and all enhancements, revisions, updates and modifications thereto, along with all documentation, copyrights, trademarks, service marks, patents (including business method and software patents), moral rights and trade secrets associated therewith, including the right to apply for and register any copyrights, trademarks, service marks, patents (including business method and software patents), and trade secrets in the United States and any foreign countries in CLIENT COMPANY’s name. To the extent Vendor is otherwise entitled to claim any ownership interest in the Deliverables under applicable law, Vendor automatically transfers all such Deliverables in its entirety to CLIENT COMPANY, without further consideration or documentation, immediately at such time as the Deliverables comes into existence. Vendor will perform any acts that may be deemed necessary or desirable by CLIENT COMPANY to evidence more fully transfer of ownership of the Deliverables to CLIENT COMPANY.

**Right of First Refusal:** Vendor will provide CLIENT COMPANY with a right of first refusal to re-acquire any copyright transferred to CLIENT COMPANY hereunder if Vendor or its successors will hereafter exercise its or their statutory right of termination with respect to the written transfer of such copyright. Pursuant to such right of first refusal, prior to entering into any agreement to transfer or license such copyright to any third party, Vendor or its successors will provide CLIENT COMPANY with reasonable advance notice of and an opportunity to enter into an exclusive agreement with Vendor or its successors, on fair and reasonable terms no less favorable to CLIENT COMPANY than the terms and conditions agreed to with such third party.

**Vendor Knowledge Capital:**  Subject to confidentiality in Section 6 and CLIENT COMPANY’s knowledge capital in Section 8.4, Vendor will have and retain all right, title and interest in all of Vendor's ideas, know-how, approaches, methodologies, concepts, skills, tools, techniques, expressions, and processes (collectively referred to as “Vendor Knowledge Capital”), possessed by Vendor prior to, or independently acquired or refined by Vendor during the course of its performance pursuant to this Agreement. Vendor will obtain no rights in CLIENT COMPANY's Confidential Information, and under no circumstances will CLIENT COMPANY’s Confidential Information constitute part of Vendor Knowledge Capital.

**CLIENT COMPANY Knowledge Capital:** Subject to confidentiality in Section 6 and Vendor’s knowledge capital in Section 8.3, CLIENT COMPANY will have and retain all right, title and interest in all of CLIENT COMPANY’s ideas, know-how, approaches, methodologies, concepts, skills, tools, techniques, expressions, and processes (collectively referred to as “CLIENT COMPANY Knowledge Capital”), possessed by CLIENT COMPANY prior to, or acquired or refined by CLIENT COMPANY (either independently or in concert with Vendor) during the course of its performance pursuant to this Agreement. CLIENT COMPANY will obtain no rights in Vendor’s Confidential Information, and under no circumstances will Vendor’s Confidential Information constitute part of CLIENT COMPANY Knowledge Capital.

**Third Party Technology:**  CLIENT COMPANY acknowledges that Vendor may use or incorporate into the Deliverables certain tools or materials that Vendor owns or has properly licensed from third parties. Notwithstanding the foregoing, Vendor will not incorporate any Third Party Technology into the Deliverables unless Vendor has acquired the proper rights to license such Third Party Technology to CLIENT COMPANY. Vendor hereby grants CLIENT COMPANY and its Affiliates a non-exclusive, worldwide, irrevocable, royalty-free license to use, display, copy, publish, and reproduce the Third Party Technology in connection with use of the Deliverables at no additional cost to CLIENT COMPANY. Notwithstanding the foregoing, CLIENT COMPANY will not license, sublicense, or disclose to any third party any Third Party Technology except as incorporated into the Deliverables.

**Non-Exclusivity:**  Subject to Section 6 and this Section 8, nothing in this Agreement will preclude either party from independently developing for itself, or for others, materials which are competitive with the Deliverables, irrespective of their similarity to the Deliverables.

**Injury Indemnification:** Vendor agrees to indemnify, defend and hold harmless CLIENT COMPANY (including its Affiliates) and its officers, directors, agents and employees from and against any and all third party demands, claims, actions or causes of action, assessments, losses, liabilities, damages, fines, penalties, costs and expenses (including reasonable attorneys' fees and expenses) (collectively “Liabilities”) asserted against CLIENT COMPANY by a third party to the extent such Liabilities result from death or bodily injury or the damage to or loss or destruction of any real or tangible personal property to the extent directly arising out of acts of omissions of Vendor, or any person or entity acting on Vendor’s behalf, during the course of the performance of Services hereunder.

**Infringement Indemnification:** Vendor hereby agrees to indemnify, defend and hold harmless CLIENT COMPANY (including its Affiliates) and its officers, directors, agents and employees from and against any and all third party demands, claims, actions or causes of action, assessments, losses, liabilities, damages, fines, penalties, costs and expenses (including reasonable attorneys' fees and expenses) (collectively “Liabilities”) asserted against CLIENT COMPANY by a third party to the extent such Liabilities result from the infringement, misappropriation or violation by the Deliverables of any third party's trade secret, trademark, copyright, patent or other intellectual property or proprietary right. The foregoing provisions will not apply to the extent of any infringement arising out of: (i) CLIENT COMPANY's use of the Deliverables in a manner inconsistent with the Documentation; (ii) alterations or modifications made to the Deliverables by CLIENT COMPANY or its Affiliates without the written approval of Vendor; (iii) use of the Deliverables in combination with software not provided, authorized, or recommended by Vendor (excluding Third Party Technology); or (iv) CLIENT COMPANY’s failure to implement or use Upgrades.

**Infringement Options:**  If the Deliverables or any portion thereof is held, or in Vendor’s reasonable judgment is likely to be held, in any such suit to infringe, misappropriate or violate a third party’s intellectual property rights, Vendor may within a reasonable time, not to exceed sixty (60) days, at its option and sole expense, either: (i) secure for CLIENT COMPANY the right to continue the use of such item; or (ii) replace such item with a substantially equivalent item not subject to any such claim; or (iii) modify such item so that it becomes no longer subject to any such claim; provided, however, that after any such replacement or modification, such Deliverables or portion thereof must continue to substantially conform to the Documentation, and further provided, that any modified or replaced Deliverables will be subject to any Vendor warranty contained herein. If Vendor determines, in Vendor’s reasonable discretion, that it is not commercially feasible to either procure the right to continued use of the applicable item or to replace or modify the applicable item as provided in clauses (i), (ii) or (iii) of the immediately preceding sentence, the allegedly infringing item will be returned to Vendor, and Vendor’s sole liability under this Section 8.8 will be to refund CLIENT COMPANY all fees and expenses paid by CLIENT COMPANY for such item.

**Indemnification Procedures:** Promptly after receipt by CLIENT COMPANY of a notice of any third party claim or the commencement of any action, CLIENT COMPANY will: (i) notify Vendor in writing of any such claim; (ii) provide Vendor with reasonable assistance to settle or defend such claim, at CLIENT COMPANY’s own expense; and (iii) grant to Vendor the right to control the defense and/or settlement of such claim, at Vendor’s own expense; provided, however, that: (a) the failure to so notify, provide assistance and grant authority and control will only relieve Vendor of its obligation to CLIENT COMPANY to the extent that Vendor is prejudiced thereby; (b) Vendor will not, without CLIENT COMPANY’s consent (such consent not to be unreasonably withheld or delayed), agree to any settlement which makes any admission on behalf of CLIENT COMPANY or consents to any injunction against the CLIENT COMPANY (except an injunction relating solely to CLIENT COMPANY’s continued use of the Deliverables); and (c) CLIENT COMPANY will have the right, at its expense, to participate in any legal proceeding to contest and defend a claim and to be represented by legal counsel of its choosing, but will have no right to settle a claim without Vendor’s written consent.

**LIMITATION OF LIABILITY**

**Consequential Damages:**  EXCEPT FOR A PARTY’S LIABILITY IN CONNECTION WITH SECTIONS 6, OR 8, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY NOR ITS AFFILIATES WILL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE, OR SPECIAL DAMAGES OF ANY NATURE WHATSOEVER, regardless of the form of action, whether in contract or in tort, including negligence, and regardless of whether such party has been advised of the possibility of such damages in advance or whether such damages are reasonably foreseeable.

**Limitation of Liability:**  EXCEPT FOR A PARTY’S LIABILITY IN CONNECTION WITH SECTIONS 6, OR 8, EACH PARTY'S MAXIMUM LIABILITY TO THE OTHER RELATING TO THIS AGREEMENT AND EACH PARTY'S PERFORMANCE OR NONPERFORMANCE HEREUNDER WILL BE LIMITED IN THE AGGREGATE TO THE FEES RECEIVED BY VENDOR PURSUANT TO THIS AGREEMENT. ANY ACTION BY EITHER PARTY MUST BE BROUGHT WITHIN TWO (2) YEARS AFTER THE CAUSE OF ACTION AROSE.

**Bargained-For Provision:** The allocations of liability in this Section 9 represent the agreed and bargained-for understanding of the parties and Vendor's compensation for this Agreement reflects such allocations. The parties have agreed that the limitations specified in this Section 9 will apply even if any limited remedy specified in this Agreement is found to have failed of its essential purpose.

**Force Majeure:** Neither party will be liable for any failure to perform its obligations under this Agreement because of circumstances beyond the reasonable control of such party, which such circumstances will include (without limitation) natural disaster, terrorism, riot, sabotage, war, global or regional Internet outages, power failures, any acts or omissions of any government or governmental authority, declarations of government, or transportation delays.

**GENERAL**

Insurance:

**Minimum Levels.** During the Term of this Agreement, Vendor will maintain in effect the following minimum levels of insurance:

**Commercial General Liability.** Combined bodily injury and property damage limits of liability of at least $1,000,000 per occurrence, $2,000,000 general aggregate and $2,000,000 products and completed operations aggregate. The policy must be endorsed to add CLIENT COMPANY, its subsidiaries and Affiliates as additional insureds. The policy must provide primary coverage and be endorsed to provide waiver of subrogation in favor of CLIENT COMPANY, its subsidiaries and Affiliates.

**Automotive Liability.** Coverage for all owned, hired and non-owned vehicles used in the performance of the Services or brought onto the premises of CLIENT COMPANY or its Affiliates with a combined bodily injury and property damage limit of at least $1,000,000.

**Workers’ Compensation and Employers Liability.** Coverage as required by Florida Workers’ Compensation statutes or the Workers’ Compensation statutes where the work is being performed, where employees reside and in accordance with the laws of each state. The policy will be endorsed to provide a waiver of subrogation in favor of CLIENT COMPANY and its subsidiaries and Affiliates. The policy will include Employers Liability coverage with limits of liability not less than $100,000 Each Accident; $500,000 Disease - Policy Limit; $100,000 Disease - Each Employee.

**Commercial Umbrella Liability.** Umbrella Liability coverage over a schedule of underlying liability coverages as described above including Commercial General Liability, Automobile Liability and Employers Liability for a combined bodily injury and property damage limit of at least $2,000,000 each occurrence and $2,000,000 general aggregate.

**Employee Theft.** Coverage with limits of at least $100,000 per occurrence, including coverage for clients’ property.

**Professional Liability.** Professional or Errors & Omissions Liability with limits of at least $1,000,000 per claim and $3,000,000 aggregate.

**Cyber & Privacy Liability**. Cyber & Privacy Liability Insurance with limits of at least $5,000,000 per claim and aggregate.

**Notice of Cancellation.** All policies will provide that the insurance will not be cancelled, non-renewed or materially changed without at least thirty (30) days prior written notice to CLIENT COMPANY.

**Insurer Qualifications.** All insurers must be licensed or approved to do business in the State of Florida or in the state(s) where the work will be performed and maintain an A.M. Best rating of at least "A-”.

**Certificates.** Prior to commencing Services, certificates of insurance evidencing all the required coverages must be provided to:

CLIENT COMPANY

Corporate Procurement

Jacksonville, FL 32222

**Dispute Resolution:** Except as set forth in Section 6.8, in connection with a dispute arising out of or relating to this Agreement, the parties will attempt in good faith to resolve such dispute promptly by negotiation through a representative from each party. Negotiations will be commenced by written notice being delivered by a party to the other party that identifies the basis and details of such dispute. A representative from each party familiar with the circumstances surrounding the dispute will meet within ten (10) business days after receipt of such notice, or such other date as may be mutually agreed, at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If such representatives are unable to resolve a dispute within ten (10) business days after such meeting, the dispute will be promptly submitted to CLIENT COMPANY's Vice President of Human Resources Support Services and Vendor’s appropriate executive officer, manager, or other executive entitled to act upon and make decisions for resolution. If the dispute remains unresolved within five (5) days after submission to such persons, or remains unresolved within forty-five (45) business days after the receipt of the initial dispute notice, either party may resort to litigation or such other dispute resolution forum as mutually agreed in writing by authorized representatives of the parties. Notwithstanding the foregoing, either party may seek equitable remedies in any court of competent jurisdiction located in Florida to protect its intellectual property or Confidential Information.

**Notice:** Any notice, amendment, or consent required or permitted under this Agreement will be in writing and transmitted to the recipient by either: (i) courier delivery; (ii) Federal Express or similar overnight courier delivery; or (iii) U.S. certified mail, return receipt requested, postage prepaid. Notices or communications will be deemed given upon the date of courier or Federal Express delivery or in the case of transmittal by U.S. certified mail, return receipt requested, the date the return receipt is signed or delivery is rejected. Notices to CLIENT COMPANY will include the Contract Reference Number and will be sent to

CLIENT COMPANY

Corporate Procurement (DC104)

4800 Deerwood Campus Pkwy.

Jacksonville, FL 32246

with a courtesy copy (which will not constitute notice) to

CLIENT COMPANY

General Counsel

4800 Deerwood Campus Pkwy.

Jacksonville, FL 32246

Notices to Vendor will be sent to the address set forth in the first paragraph of this Agreement. Either party may designate a different address by notice to the other party given in accordance with this Section.

**Assignment:** No right or interest in this Agreement will be assigned by either party without the prior written permission of the other party. Notwithstanding the foregoing or anything to the contrary in this Agreement, either party may assign this Agreement to a subsidiary company, an Affiliate or a successor in interest resulting from a merger, acquisition, reorganization or sale of all or substantially all of its assets upon written notice to the other party. Any attempted assignment or delegation in contravention of this provision will be void and ineffective.

**Approval:** Where agreement, approval, acceptance, consent or similar action by CLIENT COMPANY or Vendor is required under this Agreement, such action will not be unreasonably delayed, conditioned or withheld.

**Non-Exclusive Rights:**  This Agreement does not grant to Vendor any exclusive privileges or rights to provide to CLIENT COMPANY services of any type which CLIENT COMPANY may require, nor does it require the purchase of such services by CLIENT COMPANY. CLIENT COMPANY may contract with other companies or individuals for the procurement of comparable services.

**Governing Law:** The construction, interpretation and performance of this Agreement and all transactions under it will be governed by the laws of the State of Florida, without giving effect to its conflict of law rules. The parties hereby irrevocably consent to the exclusive jurisdiction of the federal and state courts located in Duval County, Florida, for resolution of all disputes between the parties arising under this Agreement. The parties expressly agree to exclude: (i) the application of the U.N. Convention on Contracts for the International Sale of Goods to this Agreement and the performance of the parties contemplated herein, to the extent that such Convention might otherwise be applicable; and (ii) the Uniform Computer Information Transactions Act (as it may be adopted, titled and amended from time to time).

**Non-Waiver:**  Waiver of breach of this Agreement will not constitute waiver of another breach. No failure of either party to enforce any term, right or condition of this Agreement will be construed as a waiver of such term, right or condition. No waiver or discharge will be valid unless in writing signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

**Binding Nature:** This Agreement will be binding upon and inure solely to the benefit of the parties hereto and their successors and permitted assigns, and nothing in this Agreement will confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, except for the protections conferred upon: (i) Affiliates as stated in this Agreement; and (ii) each parties' affiliates as expressly provided in Sections 9.1 and 9.2.

**Cumulative Remedies:** Except as provided elsewhere in this Agreement, all remedies provided for in this Agreement will be cumulative and in addition to and not in lieu of any other remedies available to either party by law, in equity or otherwise.

**Equitable Remedies:** The parties hereby acknowledge that in certain cases damages at law may be an inadequate remedy. In addition to all other remedies that may be available at law or equity, each party will have the right of specific performance, injunction or other equitable remedy in the event of a breach or threatened breach of this Agreement.

**Severability:**  If any of the provisions of this Agreement will be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of each party will be construed and enforced accordingly.

**Entire Agreement:** This Agreement (including the Exhibits hereto) will constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and will not be altered, varied, revised or amended except in writing signed by both parties. The provisions of this Agreement supersede all prior oral or written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement. Neither this Agreement nor any Exhibit may be modified or amended except by the mutual written agreement of authorized representatives of each party. Any purchase order issued by CLIENT COMPANY will be for its administrative purposes only and none of its terms and conditions will be of any force or effect against Vendor.

**Relationship:** Nothing herein will be construed as creating a partnership, an employment relationship, or an agency relationship between the parties, or as authorizing either party to act as agent for the other. Each party will maintain its separate identity. Neither party nor any of its employees will hold themselves out as agents or employees of the other party in connection with this Agreement or any other matter. Each party will be responsible for its compliance with applicable federal and state laws and specifically assumes exclusive responsibility for payment of all taxes or contributions which, under such laws, may be payable based on the employment of such party's employees including, by way of illustration but not limitation, social security taxes, unemployment compensation taxes, worker's compensation assessments, and any other employee-related taxes or assessments. At no time will either party make any commitments or incur any charges or expenses for, or in the name of the other party. Vendor acknowledges that none of Vendor’s employees or contractors is entitled to participate in any of CLIENT COMPANY's benefit plans under any circumstances.

**Public Announcements:** All public announcements of the relationship of Vendor and CLIENT COMPANY under this Agreement will be subject to the prior written approval of CLIENT COMPANY.

**Names and Logos:** Nothing in this Agreement will permit Vendor to use, and Vendor will not acquire any right, title, or interest in or to the trademarks, service marks, trade or corporate names or logos of CLIENT COMPANY or its Affiliates. All use the trademarks, service marks, trade or corporate names or logos of CLIENT COMPANY or its Affiliates will be subject to the prior written approval of CLIENT COMPANY.

**[optional] Vendor Security Requirement:** Exhibit B attached hereto and by this reference incorporated into this Agreement, sets forth the Vendor Security requirements applicable to this Agreement. In the event of a conflict between the terms of this Agreement and Exhibit B, the terms of Exhibit B will prevail.

**[optional] CMS Flow-Down Clauses:** Exhibit C attached hereto and by this reference incorporated into this Agreement, sets forth the additional federal government and Medicare program requirements applicable to this Agreement. In the event of a conflict between the terms of this Agreement and Exhibit C, the terms of Exhibit C will prevail.

**[optional] FEP Flow-Down Clauses:** Exhibit D attached hereto and by this reference incorporated into this Agreement, sets forth the additional Federal Employee Program (FEP) requirements applicable to this Agreement. In the event of a conflict between the terms of this Agreement and Exhibit D, the terms of Exhibit D will prevail.

**Reference:** The headings and captions of this Agreement are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement, or any particular section, paragraph, or provision. Pronouns and nouns will refer to the masculine, feminine, neuter, singular or plural, as the context will require.

**Counterparts:** This Agreement may be executed in multiple counterparts, each of which will be an original, but which together will constitute one and the same instrument.

**Survivability:** Any provision of this Agreement that requires or reasonably contemplates the performance or existence of obligations by either party after termination or expiration of this Agreement will survive such termination or expiration, including (without limitation) Sections 4.8, 4.9, 5, 6, 8, 9, and 10.

**IN WITNESS WHEREOF,** as of the Effective Datethe parties have entered into this Master Services Agreement by their duly authorized representatives with full rights, power, and authority to enter into and perform this Master Services Agreement.

Vendor: **CLIENT COMPANY:** CLIENT COMPANY:

a Florida Corporation

By: By:

Print Name: Print Name:

Title: Title:

Date: Date:

EXHIBIT A

STATEMENT OF WORK

NO. [\_\_\_\_]

to the Master Services Agreement (“Agreement”)

by and between

CLIENT COMPANY (“CLIENT COMPANY”)

and

Vendor

This STATEMENT OF WORK NO. [\_\_\_] is made as of this [\_\_\_\_] day of [\_\_\_\_\_\_\_\_], 20[\_\_] (“SOW Effective Date”) by and between CLIENT COMPANY and Vendor and is hereby incorporated into and made a part of the Agreement as follows:

1. Project Overview:

[Brief description of the purpose and main objectives of the project. This section should address such issues as why you are contracting for the SOW effort, how the SOW effort fits into the "big picture", and the primary technical/management objectives of the SOW effort.]

Detailed Description of Services:

[Detailed description of all the services to be performed.]

Specifications of Deliverables:

[Specific specifications for the deliverables. The specification needs to be specific enough to let the contractor know what you expected of them, but general enough allow them to be creative in solving the problem.]

Project Schedule:

[Provide a schedule broken down either hourly or into to tasks or milestones. There are a number of software tools available today that help a vendor develop and manage a project schedule – list which one the vendor uses and how often the scheduled maybe supplied. Include where and how deliverables will be delivered or implemented.]

Fees :

[List time and materials or fixed fee payment, broken into hourly rates, estimated amounts, or for fixed fees for each deliverables.]

Payment Schedule:

[Add payment schedule based on dates or milestones.]

Third Party Technology:

[Add all technology of the vendor’s or a third party that will be used in performing the services or provided with the deliverables.]

CLIENT COMPANY Responsibilities:

[List items to be provided or actions to be performed by CLIENT COMPANY.]

**IN WITNESS WHEREOF,** as of the SOW Effective Datethe parties have entered into this Statement of Work by their duly authorized representatives with full rights, power, and authority to enter into and perform this Statement of Work.

Vendor: **CLIENT COMPANY:** CLIENT COMPANY: a Florida Corporation

By: By:

Print Name: Print Name:

Title: Title:

Date: Date:

**EXHIBIT B**

**VENDOR SECURITY REQUIREMENTS**

to the Master Services Agreement (“Agreement”)

by and between

CLIENT COMPANY (“CLIENT COMPANY”)

and

Vendor

This Exhibit B (the “Exhibit”) is made as of the Effective Date by and between CLIENT COMPANY and Vendor, as follows:

1. “Protected Information” (PI) includes all information protected under various legislative and state and federal regulatory requirements including, but not limited to, Gramm-Leach-Bliley (GLB) for financial information, HIPAA-AS for protected health information (PHI), the Privacy Act, agency requirements for federal and state health programs (Medicare, Medicaid, FEP, etc.), as well as any applicable state restrictions on sensitive health data. It also applies to information transmitted or maintained electronically, orally, on paper or other media. Examples of Protected Information includes, but is not limited to:
   1. Past, present or prospective members and employees of CLIENT COMPANY
   2. Past, present or future physical or mental health, or condition of an individual
   3. Past, present or future provision of health care or financial services
   4. Past, present or future payment for the provision of health care or financial services.
2. “Security Incident” is defined as the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system.
3. Vendor will implement the security measures set forth herein and maintain documentation confirming such implementation. Such documentation will be made available upon the request of CLIENT COMPANY. Failure of Vendor to materially comply with the provisions and requirements of this Exhibit will entitle CLIENT COMPANY to terminate immediately, upon notice to the Vendor, the Agreement between the parties**.**
4. **Security Compliance** 
   1. Within thirty (30) days of the date this Exhibit is executed (hereafter referred to as the “Effective Date”), the Vendor will provide CLIENT COMPANY with a detailed written notification of any and all instances of Vendor non-compliance with the requirements described in this Exhibit, as well as, a summary of corrective actions to achieve compliance with each outstanding requirement.
   2. Vendor will provide immediate notification should the Vendor become non-compliant during the period of the Agreement, as well as, a summary of corrective actions to achieve compliance with each outstanding requirement.
   3. The Vendor will implement the outstanding controls within the first year following the Effective Date.
   4. The Vendor will require that all third parties, including subcontractors, comply with the security requirements set forth herein.
5. **Certification** 
   1. Within one (1) year of the Effective Date, and at the Vendor’s expense, the Vendor will earn an information security certification from a firm that specializes in enterprise information security assessment and certification. The certification must be maintained by the Vendor for the entire duration of the Agreement with CLIENT COMPANY. The following certification programs are acceptable for the purposes of this Exhibit:
      1. CyberTrust (Verizon Business Services) Security Management Program and Certification,
      2. VeriSign’s Information Security Program,
      3. a properly scoped annual SAS70 Type 2 review that includes assessment of the entire IT infrastructure that supports the services provided by the Vendor and related security policies and practices, or
      4. an ISO 27001 Certification from a nationally recognized accrediting body.
   2. Upon request, Vendor will complete a CLIENT COMPANY-supplied Security Certification annually.
6. **Confidentiality** 
   1. Vendor will restrict access to CLIENT COMPANY’s information to only employees, contractors, and other third parties (hereafter referred to as “Vendor Personnel”) who are performing business functions specific to CLIENT COMPANY.
   2. Vendor will grant access to CLIENT COMPANY’s information only as part of a documented process to determine the appropriate “minimum necessary” access requirements.
   3. The Vendor will review access to CLIENT COMPANY’s information to ensure access has only been granted to authorized Vendor Personnel:
      1. at least once every twelve (12) months for CLIENT COMPANY information accessed, stored or processed on Vendor systems, and
      2. at least monthly for all Vendor Personnel that have been issued credentials to CLIENT COMPANY systems.
   4. Under no circumstances will user names or passwords associated with accounts that allow access to CLIENT COMPANY’s information be shared or transferred among Vendor Personnel.
7. **Information Sharing or Transfer**
   1. Related to any of CLIENT COMPANY’s information, the Vendor must obtain written authorization from CLIENT COMPANY at least 30 days prior to the first instance of any recurring information sharing or transfers to Vendor’s subcontractors or other third parties (including but not limited to CD, DVD, diskette, tape, USB drive or network-based information transfers). The Vendor will obtain written authorization from CLIENT COMPANY at least 30 days prior to all one-time or non-recurring information sharing or transfers of CLIENT COMPANY’s information by the Vendor to any other party.
   2. When sharing information with subcontractors or other third parties, the Vendor will maintain an instance specific accounting of all CLIENT COMPANY’s customer specific information to include the following:
      1. the date the information was shared,
      2. the recipient of the information,
      3. a description of the information,
      4. a member by member accounting, and
      5. the reason the information was shared.
   3. For all network-based information transfers between CLIENT COMPANY and the Vendor and involving CLIENT COMPANY’s information, the Vendor will use secure transmission methods (such as private circuits, frame relay connections, virtually private encrypted connections, or encrypted information transfer protocols), as agreed upon by CLIENT COMPANY and the Vendor.
   4. The Vendor will transfer network-based information between the Vendor and any subcontractor or other third party either:
      1. via a private network between the Vendor and the other third party (such as a private circuit or frame relay connection), or
      2. if sent over the open Internet, via a wholly encrypted communication tunnel (such as LAN to LAN VPN), or
      3. if sent using FTP, via an encrypted information transfer protocol.
   5. The Vendor will utilize secure protocols (such as Secure FTP and Secure Shell (SSH) in place of standard FTP and standard Telnet) to move or transfer CLIENT COMPANY’s information over internal networks owned/operated by the Vendor, subcontractors or other third parties**.**
   6. The Vendor, subcontractor, or other third party must use encrypted Email when transmitting confidential, proprietary, or protected information.
8. **Backups**
   1. The Vendor will backup CLIENT COMPANY’s information in accordance with a documented backup plan developed by the Vendor.
   2. For Vendor’s utilizing offsite backup facilities (including offsite vaulting services such as Iron Mountain), the Vendor will encrypt all CLIENT COMPANY’s information stored on backup media and the encryption key will be stored separately from the media at all times.
   3. All backup media will be stored in a secured area accessible only by authorized individuals**.**
   4. Vendors that maintain their own backup media will maintain a log of all parties entering/exiting the area where the backup media is kept. Additionally, the Vendor will implement a process and procedure for conducting monthly log reviews for persons entering the area.
   5. Vendors that outsource media storage services will require vaulting service to maintain a log of all parties entering/exiting the area where the backup media is kept.
9. **Disposal and Lingering Information**
   1. The Vendor will immediately remove electronic information from temporary locations controlled by the Vendor (such as, but not limited to laptops, workstations, web servers, FTP servers, database servers or test environments) after the information’s intended business purpose has passed.
   2. The Vendor will remove all of CLIENT COMPANY’s electronic information, prior to disposal, utilizing the methods described by the National Institute of Standards and Technology to clear, purge or destroy the storage media. The Vendor will document the disposal of any hardware or media (such as, but not limited to tape drives, thumb drives, diskettes, CD’s, DVD’s, laptop drives, workstation drives or server drives) storing CLIENT COMPANY’s information. At a minimum, documentation should include equipment description, serial numbers, dates of disposal, reason for disposal, method of disposal and individuals performing the disposal.
10. **Training** 
    1. Vendor Personnel (employees, independent contractors, subcontractors, consultants or other third parties) that handle CLIENT COMPANY’s information must complete a security awareness training course prior to accessing any sensitive information supplied by CLIENT COMPANY and periodically (at least once every twelve (12) months) thereafter complete update and refresher security training.
    2. Such training must include administrator and end user responsibilities related to the requirements herein, as well as administrative, technical, and physical information security controls.
    3. Such training must be documented, including the names and signatures of those individuals who received the training.
11. **Wireless (802.11)**
    1. If the Vendor utilizes wireless (802.11) in their environment, and CLIENT COMPANY’s information is accessible wirelessly by authorized Vendor Personnel, the following minimum security configuration standard must be implemented:
       1. the broadcast of the network name (SSID) must be disabled,
       2. strong encryption (WPA2 or the highest standard supported by the wireless infrastructure) must be utilized,
       3. MAC address filtering must be enabled to limit network access to authorized devices,
       4. the wireless LAN must be segmented from the wired network utilizing a firewall, and
       5. once wireless access is established, additional authentication of authorized Vendor Personnel must be performed prior to allowing access to wired LAN resources.
    2. Vendor desktop or laptop workstations that access, store or process CLIENT COMPANY’s information will not have wireless capabilities configured for automatic connection. Additionally, any built-in wireless technologies such as Intel’s Centrino technology must be set for manual connection.
    3. Wireless features on Vendor desktops and laptops must be disabled whenever they are connected to Vendor’s wired LAN.
    4. Vendor will notify CLIENT COMPANY in writing at least 30 days prior to allowing wireless access to or use of CLIENT COMPANY information.
12. **Logging and Monitoring** 
    1. In regards to systems accessing, storing or processing CLIENT COMPANY’s information, the Vendor will develop logging and log monitoring policies and procedures, and implement an ongoing log analysis process.
    2. The Vendor will also develop, implement, and adhere to a log retention policy requiring that system activity and user access logs be kept for a minimum of one year, and logs associated with Security Incidents be kept for six (6) years.
13. **Intrusion Prevention and Detection** 
    1. The Vendor will implement a network-based IDS or IPS solution on all network segments containing systems that house CLIENT COMPANY’s information.
    2. The Vendor will implement a host-based IDS or IPS solution on all hosts accessing, storing or processing CLIENT COMPANY’s information.
14. **Authentication and Passwords**
    1. The Vendor will develop, document and adhere to an identity verification process.
    2. The Vendor will adhere to the following account password policy for all systems (network devices and hosts) accessing, storing or processing CLIENT COMPANY’s information:
       1. requires password complexity where technically possible,
       2. requires frequent password changes (maximum of every ninety (90) calendar days between changes),
       3. requires that a password history be configured to prevent passwords from being reused within the prior twelve (12) months,
       4. invokes an account lock-out after five (5) consecutive failed attempts, and
       5. requires an administrator or automated challenge response system to verify the user’s identity prior to reinstating the account.
15. **Infrastructure Architecture**
    1. The Vendor must not store any CLIENT COMPANY information on a device located on a DMZ segment (the data must be stored on an internal segment and accessed by the application layer of the application providing said access).
    2. If the Vendor makes CLIENT COMPANY information available to public-facing entities (Internet, B2B, etc):
       1. a dedicated switch for DMZ hosts must be utilized (not shared with systems located on other segments),
       2. the switch must have all ports disabled that are not in use,
       3. the switch must have port level security enabled to disabled the port when the device is unplugged and also to prevent other systems from being plugged into this port by accident,
       4. each hosted application component (web, application and database) must reside on its own host system, totally isolated from one another via firewall interfaces (i.e. a separate firewall or separate ports in a single firewall),
       5. port level restrictions (access control lists) must be in place at each firewall interface allowing only required ports inbound/outbound to/from each layer (source/destination IP/ports where possible with all other traffic denied), and
       6. systems located on the outer most DMZ segment (web layer) must not be permitted to initiate outbound communications to non-trusted networks (Internet, etc.).
16. **Patch Management** 
    1. The Vendor will develop, document, and adhere to a patch management process for all aspects of the Vendor’s environment.
    2. The Vendor will apply applicable critical security patches within 72 hours.
    3. The Vendor will apply applicable non-critical security patches on at least a quarterly basis.
17. **Vulnerability Scanning and Penetration Testing** 
    1. The Vendor will develop, document, and adhere to vulnerability scanning policies and procedures.
    2. The Vendor will conduct vulnerability scans on at least a quarterly basis on:
       1. any equipment that stores and/or processes CLIENT COMPANY’s information, and
       2. non-CLIENT COMPANY devices that share common network resources with the equipment described above in 17(b)(i).
    3. Within the first year of the Agreement, and annually thereafter, the Vendor will engage a third party (approved by CLIENT COMPANY) to conduct penetration testing against the Vendor’s infrastructure.
18. **Web Hosting** 
    1. For hosting arrangements in which CLIENT COMPANY users (including, but not limited to, customers, employees, etc.) access Vendor’s website from CLIENT COMPANYL.com, Vendor will redirect that user to CLIENT COMPANYL.com upon completion or log-off of Vendor’s site.
    2. Vendor agrees to implement a one-way (CLIENT COMPANY to Vendor single sign-on interface within 12 months of CLIENT COMPANY request at no additional fee to CLIENT COMPANY. Vendor agrees to comply with one of two implementation standards for single-sign-on provided to the Vendor by CLIENT COMPANY.
    3. Vendor agrees to redirect any CLIENT COMPANY user to the CLIENT COMPANYL.com website for logon or site registration rather than allowing such logon or registration directly on the Vendor’s website.
    4. The Vendor will scan all Internet-facing applications that access CLIENT COMPANY information prior to production implementation to verify that all applicable Open Web Application Security Project (OWASP) Top 10 and SANS Top 20 vulnerabilities have been prevented.
    5. CLIENT COMPANY may scan Vendor’s Internet-facing applications, without notice to Vendor. Vendor agrees to remediate any OWASP Top 10 or SANS Top 20 vulnerabilities found as a result of these scans within 48 hours of notification from CLIENT COMPANY. Should CLIENT COMPANY identify what it, in its sole discretion, deems a serious exposure, Vendor will inactivate the Internet site until the exposure is removed.
19. **Software** 
    1. All Vendor Personnel will be prohibited from installing personal or downloaded software (or any software not pre-approved in writing by Vendor management) on any hardware that may access CLIENT COMPANY’s information.
    2. The Vendor will not implement keystroke monitoring software/hardware on systems processing and/or storing CLIENT COMPANY’s information.
20. **PC and Host Configuration Controls**
    1. The Vendor will implement Automatic Lockup as follows:
       1. electronic sessions on any hardware (i.e., laptops, workstations, PDAs, servers, etc.) that access, store, or process CLIENT COMPANY information will lock the screen and/or console after thirty (30) minutes of inactivity and require the user to re-authenticate, and
       2. the Vendor will require a valid logon (i.e., user ID and password) to re-authenticate and gain access to a locked device.
    2. The Vendor will implement Virus Protection as follows:
       1. All hardware used to conduct business for CLIENT COMPANY has current antivirus software protection installed, and
       2. All hardware used to conduct business for CLIENT COMPANY has up-to-date virus definitions.
    3. For the purpose of this Exhibit, “up-to-date” means that virus definition updates occur at least once per day in order to obtain and apply the latest virus signature files.
21. **Portable Media**
    1. The Vendor will limit the use of portable media (such as, but not limited to, USB Drives, mp3 players, CD’s, ZIP drives, Laptops, PDA’s, cameras, camera phones) by the Vendor or Vendor Personnel to only media owned/supplied by the Vendor.
    2. Vendor Personnel will not connect personally owned portable media to any hardware that is used to conduct business for or on behalf of CLIENT COMPANY.
    3. The Vendor will encrypt, using a corporate solution, any and all portable media used for storage of CLIENT COMPANY’s information. The encryption software used must encrypt the entire device (all partitions) and must not allow the option of individual folder and/or file level encryption.
    4. Any and all portable media used for storage of CLIENT COMPANY’s information must be transported as carry-on (hand) baggage when using public transportation and must be concealed and/or locked when in an unattended private vehicle (e.g. locked in the trunk of an automobile).
22. **Remote Access** 
    1. Remote access to the Vendor’s internal network:
       1. For all remote access to the Vendor’s internal network for any reason, traffic with the remote device must be encrypted and the remote user must utilize strong authentication (Authentication and Password requirements listed in item Fourteen (14) above apply).
       2. Remote access to or use of CLIENT COMPANY information may not occur from a public location (e.g., airports, coffee shops, etc.).
    2. Remote access to CLIENT COMPANY’s network:
       1. Vendor understands and agrees that remote users can only connect to CLIENT COMPANY Citrix MetaFrame XP servers over TCP/IP only on the Internet. Terminal Services in Windows® does not support remote connections over IPX/SPX, NetBIOS, or any other asynchronous transports.
       2. Vendor Personnel will not access the CLIENT COMPANY network from public spaces in which unauthorized persons are present (including, but not limited to, airports, coffee shops, etc.).
       3. Vendor agrees that users will maintain an active connection only for the required time and purpose and will disconnect when the user is no longer has this requirement. Vendor is responsible for all activity that occurs during the connected session.
       4. Vendor agrees to maintain the integrity of the data by not storing data in other than the designated user directory assigned to their CLIENT COMPANY account (H\: Drive) and only within the BCBCF network. This is the only drive where Vendor Personnel will store data.
       5. Vendor Personnel will not print, download, email, or otherwise copy CLIENT COMPANY information to destinations outside of the CLIENT COMPANY network. Destinations outside the CLIENT COMPANY network include, but are not limited to, personal email accounts, non-CLIENT COMPANY owned devices including printers, computers, personal digital assistants, cell phones, portable storage devices, etc.
       6. Vendor will comply with CLIENT COMPANY’s Vendor FOB Request Information Standard Operating Procedure, which defines procedures for requesting, using, controlling and deleting access to the CLIENT COMPANY network.
23. **Physical Security Plan**
    1. The Vendor will limit physical access to work areas and to systems that may access, contain or process CLIENT COMPANY’s information to only those Vendor Personnel that have a business need for such access.
    2. At no time will CLIENT COMPANY dedicated personnel perform the Services work on behalf of CLIENT COMPANY within the general population of the processing center.
    3. The Vendor will document all physical security controls at least annually, or following moves or building additions, and will supply said documentation to CLIENT COMPANY for review, upon CLIENT COMPANY’s request, or prior to such move or building addition.
    4. The Vendor will include the following physical security controls in locations where CLIENT COMPANY information is stored and/or accessed:
       1. Electronically controlled access, restricting access to only those with a business need,
       2. Provide a segregated, enclosed workspace, separate from other businesses, without windows,
       3. Establish a clean desk policy for staff, with no phones, paper, purses or cases,
       4. Cameras, with recording capability, at all entrances.
24. **Security Incidents** 
    1. The Vendor will report any Security Incident involving the confidentiality of information, including, without limitation, customer facing outages, loss of information, degradation of information integrity, identity theft, compromise of user account(s) or password(s), or virus outbreaks experienced by the Vendor within five (5) business days of such Security Incident, or sooner if reasonably necessary given the circumstances.
    2. Should the Vendor have a malicious code infection spreading via a worm mechanism, the Vendor will report the incident to CLIENT COMPANY immediately upon discovering the outbreak.
25. **Background Checks** 
    1. The Vendor will conduct complete background checks on all Personnel (including, but not limited to, independent contractors, subcontractors or consultants) prior to allowing said Personnel access to perform work for or on behalf of CLIENT COMPANY.
    2. As part of the background check, the Vendor will include Federal, state and local criminal history checks.
    3. The Vendor will provide to CLIENT COMPANY confirmation that the required background checks have been completed and that no personnel with criminal histories are assigned to perform CLIENT COMPANY work.
26. **Business Continuity** 
    1. The vendor will have business continuity plans in place to ensure that the goods and/or services contracted for by BCSBF will be delivered in accordance with schedules agreed to by both parties. These plans should address the performance failure of a vendor’s subcontractors.
    2. The vendor will follow a process that results in the development of plans for the prevention, mitigation, emergency operations/response, business continuity and recovery as specified in NFPA 1600 Standard on Disaster/Emergency Management and Business Continuity Programs.
    3. The vendor is subject to and will comply with an annual Vendor Business Continuity Assessment, at which time, a summary of the current-state Business Continuity program will be made be available upon request. CLIENT COMPANY has the right to make additional inquiries regarding the vendor’s Business Continuity program. Plans will be subject to regular maintenance throughout the currency of the contract.
27. **[Intentionally Left Blank]**
28. **Right to Audit** 
    1. CLIENT COMPANY retains the right to audit, with prior notice, the Vendor’s information security controls, CLIENT COMPANY information, or status of third party certifications.
29. **Annual Compliance Attestation** 
    1. Upon CLIENT COMPANY request, but no more than annually, the Vendor will complete and sign an Annual Compliance Attestation Form attesting to compliance with the items in the Exhibit, and return the Form to CLIENT COMPANY.

**EXHIBIT C**

**CMS Flow-Down Clauses**

to the Master Services Agreement (“Agreement”)

by and between

CLIENT COMPANY (“CLIENT COMPANY”)

and

Vendor

This Exhibit C (the “Exhibit”) is made as of the Effective Date by and between CLIENT COMPANY and Vendor, as follows:

**EXHIBIT D**

**Federal Employee Program (FEP)**

to the Master Services Agreement (“Agreement”)

by and between

CLIENT COMPANY (“CLIENT COMPANY”)

and

Vendor

This Exhibit D (the “Exhibit”) is made as of the Effective Date by and between CLIENT COMPANY and Vendor, as follows: