NOTICE OF AWARD OF CONTRACT

TO: ANASAZI SOFTWARE, INC.
    9831 S. 51st STREET
    SUITE C117
    PHOENIX, AZ 85044

DATE ISSUED: DECEMBER 2, 2010
CURRENT REFERENCE NO: 473-10
CONTRACT TITLE: DHS - ANASAZI SOFTWARE HOSTING
PRIOR REFERENCE NO: 466-09

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

Your firm is awarded the above referenced contract. The contract term covered by this Notice of Award is effective DECEMBER 10, 2010 and expires on DECEMBER 9, 2011.

The contract documents consist of the terms and conditions of the attached Application Hosting Services Agreement, including any exhibits, attachments or amendments thereto.

CONTRACT PRICING:

REFER TO ATTACHED AGREEMENT, AMENDMENT 10

ATTACHMENTS:

PRICING FOR HOSTING SERVICES
APPLICATION HOSTING SERVICES AGREEMENT, AMENDMENTS 1 THROUGH 10

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: MELANI JOLLY
VENDOR TEL. NO.: 480-593-8833
VENDOR PAYMENT TERMS: NET 30 DAYS
VENDOR FAX. NO.: 480-496-8089
TAX IDENTIFICATION NUMBER (EIN/SSN): 86-0970727
COUNTY CONTACT: HUE TRAN
COUNTY TEL. NO.: 703-228-5010

CONTRACT AUTHORIZATION

DATE

Pamela Hayes
Assistant Purchasing Agent

DISTRIBUTION

VENDOR: 1
BID FOLDER: 2
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 10

This Amendment Number 10 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001 (Main Agreement) made between (“Anasazi” or “Licenser”) and the County Board of Arlington County, Virginia (“County” or “Licensee”) and is effective on July 1, 2010.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE PARAGRAPH 6.5 TO READ AS FOLLOWS:

6.5 Approved Increase in Number of Named Users. The number of licensed Named Users, specified in Subsection 6.1 above is increased by Twenty (20), making the total number of licensed Named Users two hundred eighty-five (285). For these additional licenses, Licensee agrees to pay Anasazi an amount of $2,800 for the period from July 1, 2010 until the anniversary date (December 10, 2010). After this date Licensee agrees to pay Anasazi annually by the anniversary date $6,720 for these additional Twenty (20) licensed Named Users.

CHANGE THE PARAGRAPH 6.1 (“SERVICE PROVISION FEE”) TO READ AS FOLLOW:

6.1 Service Provision Fee. Licensee agrees to pay Licenser an annual amount of $95,760 for services provided by Licenser under this Agreement and for the License Rights for 285 Named Users of Licensed Software. Licensee agrees to pay to Licenser the annual amounts of the Service Provision Fee by the anniversary date of the Main Agreement. Licenser may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licenser), Licenser in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee's access to the Host Computer System; and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversary dates of the Main Agreement, Licenser may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Main Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.
WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: 
RICHARD D. WARREN, JR.
PURCHASING AGENT

DATE: 08/3/10

ANASAZI SOFTWARE, INC.
taxpayer id number: 86-0970727

SIGNED BY: 
MELANI JOLLY
EXECUTIVE VICE PRESIDENT

DATE: 04/7/10
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 9

This Amendment Number 9 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001, as amended by Amendments 1 through 8 (Main Agreement) made between ("Anasazi" or "Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") is made effective on December 10, 2007 and upon receipt of payment described below.

Whereas the County and Anasazi desire to amend the term and amounts to be paid under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

The County and Anasazi desire to extend the term under the Main Agreement for a period of one year, beginning on December 10, 2007 and terminating on December 9, 2010. In return for this extension, Anasazi shall be paid a Service Provision Fee for 265 Named Users of eighty-nine thousand forty dollars U.S. ($89,040.00).

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: RICHARD D. WARREN, JR. 
PURCHASING AGENT

DATE: 11/20/07

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED BY: MELANI JOLLY
EXECUTIVE VICE PRESIDENT

DATE: 11/14/10
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 8

This Amendment Number 8 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001 (Main Agreement) made between (“Anasazi” or “Licensor”) and the County Board of Arlington County, Virginia (“County” or “Licensee”) and is effective on September 1, 2007.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

CHANGE PARAGRAPH 6.5 TO READ AS FOLLOWS:

6.5 Approved Increase in Number of Named Users. The number of licensed Named Users, specified in Subsection 6.1 above is increased by Twenty-Five (25), making the total number of licensed Named Users two hundred sixty five (265). For these additional licenses, Licensee agrees to pay Anasazi an amount of $2,925 for the period from September 1, 2007 until the anniversary date (December 10, 2007). After this date Licensee agrees to pay Anasazi annually by the anniversary date $11,700 for these additional 25 licensed Named Users.

CHANGE THE PARAGRAPH 6.1 (“SERVICE PROVISION FEE”) TO READ AS FOLLOWS:

6.1 Service Provision Fee. Licensee agrees to pay Licensor an annual amount of $136,967 for services provided by Licensor under this Agreement and for the License Rights for 265 Named Users of Licensed Software. Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the Main Agreement. Licensor may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee’s access to the Host Computer System; and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversary dates of the Main Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

Terms and Conditions

The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Main Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.
WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: [Signature]
RICHARD D. WARREN, JR.
PURCHASING AGENT

DATE: 9/18/07

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED BY: [Signature]
MELANI JOLLY
EXECUTIVE VICE PRESIDENT

DATE: 11/20/07
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 7

This Amendment Number 7 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001, as amended by Amendments 1, 2, 3, 4, 5 and 6 (Main Agreement) made between ("Anasazi" or "Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") is made effective on December 10, 2006 and upon receipt of payment described below.

Whereas the County and Anasazi desire to amend the term and amounts to be paid under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

The County and Anasazi desire to extend the term under the Main Agreement for a period of one year, beginning on December 10, 2006 and terminating on December 9, 2007. In return for this extension, Anasazi shall be paid a Service Provision Fee for 240 Named Users of one hundred twenty five thousand two hundred sixty seven dollars U.S. ($125,267.00).

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED
BY: [Signature]
PRINT NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 10/10/06

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED
BY: [Signature]
PRINT NAME: MELANI JOLLY
TITLE: VICE PRESIDENT OF OPERATIONS
DATE: 01/24/07
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 5

This Amendment Number 5 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001, as amended by Amendments 1, 2, 3 and 4 (Main Agreement) made between (“Anasazi” or “Licensor”) and the County Board of Arlington County, Virginia (“County” or “Licensee”) is made effective on December 10, 2004 and upon receipt of payment described below.

Whereas the County and Anasazi desire to amend the term and amounts to be paid under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

The County and Anasazi desire to extend the term under the Main Agreement for a period of one year, beginning on December 10, 2004 and terminating on December 9, 2005. In return for this extension, Anasazi shall be paid a Service Provision Fee for 240 Named Users of one hundred sixteen thousand four hundred and eighty-seven dollars U.S. ($116,487.00).

Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED
BY:
PRINT NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT

DATE: 11/3/04

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED
BY:
PRINT NAME: MELANI JOLLY
TITLE: CHIEF OPERATING OFFICER

DATE: 11/9/04
Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY:
PRINT NAME RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT

DATE: ____________________________

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED BY: _______________________
PRINT NAME MELANI JOLLY
TITLE: CHIEF OPERATING OFFICER

DATE: 12/1/2022
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 4

This Amendment Number 4 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001 (Main Agreement) and made between ("Anasazi" or "Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") and is effective on the execution date or upon receipt of payment by Anasazi, whichever is later.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

ADD PARAGRAPH 6.5 TO READ AS FOLLOWS:

6.5 Approved Increase in Number of Named Users. The number of licensed Named Users, specified in Subsection 6.1 above is increased by Forty (40), making the total number of licensed Named Users two hundred forty (240). For these additional licenses Licensee agrees to pay Anasazi an amount of $18,720 for the period from December 10, 2003 until the anniversary date of the effective date of the Live Conversion (December 10, 2004). After this date Licensee agrees to pay Anasazi annually by the anniversary date of the effective date of the Live Conversion $18,720 for these additional 40 licensed Named Users.

CHANGE THE PARAGRAPH 6.1 ("SERVICE PROVISION FEE") TO READ AS FOLLOWS:

6.1 Service Provision Fee. Licensee agrees to pay Licensor during the Term of License Rights (see Section 10.1 below) Service Provision Fee in a total amount of $249,560. After the anniversary date of the effective date of the Live Conversion (December 10, 2004) the payments shall be made in annual amounts of $112,548 for each year of the term of this Agreement. Licensee agrees to pay Licensor this annual amount of $112,548 for services provided by Licensor under this Agreement and for the License Rights for 240 Named Users of Licensed Software. Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the effective date of the Live Conversion. In the event this Agreement is extended beyond the initial term, Licensee agrees to pay to Anasazi annually by the anniversary date $112,548 as the Service Provision Fee. Licensor may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee’s access to the Host Computer System; and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversaries of the effective date of this Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

CHANGE THE FIRST SENTENCE OF PARAGRAPH 6.2 ("LIQUIDATED DAMAGES") TO READ AS FOLLOWS:

If Licensee desires to terminate this Agreement after the payment of the balance of the first year amount of the Service Provision Fee, then Licensee may terminate this Agreement for any reason, effective upon both: a) providing one (1) month prior written notice to Licensor; and b) the payment of liquidated damages to Licensor, in the amount of sixty-five percent (65%) of the remaining Service Provision Fee payments due toward the total Service Provision Fee of $249,560.
Terms and Conditions

The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: 
PRINT NAME RICHARD D. WAHREN, JR. 
TITLE: PURCHASING AGENT

DATE: 6/13/03

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED BY: 
PRINT NAME MELANI JOLLY
TITLE: CHIEF OPERATING OFFICER

DATE: 6/13/03
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 3

This Amendment Number 3 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001 (Main Agreement) and made between ("Anasazi" or "Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") and is effective on the execution date or upon receipt of payment by Anasazi, whichever is later.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

ADD PARAGRAPH 6.5 TO READ AS FOLLOWS:

6.5 Approved Increase in Number of Named Users. The number of licensed Named Users, specified in Subsection 6.1 above is increased by Forty (40), making the total number of licensed Named Users two hundred (200). For these additional licenses Licensee agrees to pay Anasazi an amount of $7,862.00 for the period from July 10, 2003 until the anniversary date of the effective date of the Live Conversion (December 10, 2003). After this date Licensee agrees to pay Anasazi annually by the anniversary date of the effective date of the Live Conversion $18,720.00 for these additional 40 licensed Named Users.

CHANGE THE PARAGRAPH 6.1 ("SERVICE PROVISION FEE") TO READ AS FOLLOWS:

6.1 Service Provision Fee. Licensee agrees to pay Licensor during the Term of License Rights (see Section 10.1 below) Service Provision Fee in a total amount of $230,840. After the anniversary date of the effective date of the Live Conversion (December 10, 2003) the payments shall be made in annual amounts of $93,828 for each year of the term of this Agreement. Licensee agrees to pay Licensor this annual amount of $93,828 for services provided by Licensor under this Agreement and for the License Rights for 200 Named Users of Licensed Software. Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the effective date of the Live Conversion. In the event this Agreement is extended beyond the initial term, Licensee agrees to pay to Anasazi annually by the anniversary date $93,828 as the Service Provision Fee. Licensor may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee's access to the Host Computer System; and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversaries of the effective date of this Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

CHANGE THE FIRST SENTENCE OF PARAGRAPH 6.2 ("LIQUIDATED DAMAGES") TO READ AS FOLLOWS:

If Licensee desires to terminate this Agreement after the payment of the balance of the first year amount of the Service Provision Fee, then Licensee may terminate this Agreement for any reason, effective upon both: a) providing one (1) month prior written notice to Licensor; and b) the payment of liquidated damages to Licensor, in the amount of sixty-five percent (65%) of the remaining Service Provision Fee payments due toward the total Service Provision Fee of $230,840.
Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED _______________________
BY: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 7/30/02

ANASAZI SOFTWARE, INC.
TAXPAYER ID NUMBER: 86-0970727

SIGNED _______________________
BY: MELANI JOLLY
TITLE: CHIEF OPERATING OFFICER
DATE: 7/30/02
Terms and Conditions

The work and payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS THESE SIGNATURES:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

SIGNED BY: [Signature]
PRINT NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 07/12/02

ANASAZI SOFTWARE, INC.

TAXPAYER ID NUMBER: 86-0970727

SIGNED BY: [Signature]
PRINT NAME: MELANI JOLLY
TITLE: CHIEF OPERATING OFFICER
DATE: 01/5/02
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 2

This Amendment amends the Application Hosting Services Agreement dated May 15, 2001 and signed by Eastern Virginia Hospital Authority ("Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") and is effective on the execution date or upon receipt of payment by Licensee, whichever is later.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amends the Main Agreement as follows:

6.5 Approved Increase in Number of Named Users: The number of licensed Named Users, specified in Subsection 6.1 above is increased by Forty (40), making the total number of licensed Named Users One-hundred Sixty (160). For these additional licenses Licensee agrees to pay Anasazi an amount of $4,680.00 for the period from September 10, 2002 until the anniversary date of the effective date of the Live Conversion (December 10, 2002). After this date Licensee agrees to pay Anasazi annually by the anniversary date of the effective date of the Live Conversion.

CHANGE THE PARAGRAPH 6.1 ("SERVICE PROVISION FEE") TO READ AS FOLLOWS:

6.1 Service Provision Fee. Licensee agrees to pay Licensor during the Term of License Rights (see Exhibit B below) the Service Provision Fee in the amount of $180,858. After the anniversary date of the effective date of the Live Conversion (December 10, 2002), the payments shall be made in annual amounts of $75,108 for each year of the term of this Agreement. Licensor agrees to pay Licensor this annual amount of $75,108 for services provided by Licensor under this Agreement and for the License Rights for 160 Named Users of Licensed Software. Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the effective date of the Live Conversion. In the event this Agreement is extended beyond the initial term, Licensor agrees to pay in installments by the anniversary date $75,108 as the Service Provision Fee. Licensor may charge a late fee of eight percent (8%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee’s access to the New Computer System and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversary date of this Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

CHANGE THE FIRST SENTENCE OF PARAGRAPH 6.2 ("LIQUIDATED DAMAGES") TO READ AS FOLLOWS:

If Licensee desires to terminate this Agreement after the payment of the balance of the first year amount of the Service Provision Fee, then Licensee may terminate this Agreement for any reason, effective upon both: (a) providing one (1) month prior written notice to Licensor; and if the payment of liquidated damages to Licensor, in the amount of thirty-five percent (35%) of the remaining Service Provision Fee payments due toward the total Service Provision Fee of $180,858.
County will again make sure all users are logged off County system and will physically disable access to all normal users to the Anasazi applications. If the County does not disable their access, there is a strong potential some users might continue to use the wrong system.

County will again copy all data to CD-ROMs and express ship to Anasazi. Anasazi already has a production environment waiting for the new data.

Again the County shall verify the promotion version of each application with Anasazi to assure that promotions that have been installed since the start of the test are replicated on County's production environment. Anasazi will perform Promotions to the production environment to match County's current versions.

Anasazi will update both the production environment and the test environment with the live data.

County will perform a brief operational test to assure that the production environment is properly established.

County can begin operational use under the Application Hosting environment.

Approximately 48 hours after shipping the data to Anasazi County will be operational using live data. Anasazi will charge actual staff time invested in actually bringing live County's data and will charge actual time at the rates included in the current Annual Support and Maintenance Agreement between Anasazi and the County. As a contingency, County should keep the software and installation established at County site for a few weeks. If required, Anasazi shall reverse the process by backing up County data to CD-ROMs and send this data to the County to restore to County network and begin operations again on County network. Anasazi will work to resolve the problem that caused failure of the hosting and verify it is fixed again through the pilot/test environment, then begin the live conversion again.

Ongoing Support

Anasazi will continue to offer to the County any service available under the Anasazi Support Agreement under the Application Hosting environment. One consideration is that, since the application resides physically at Anasazi, it will be convenient and fast for Anasazi to take the responsibility of performing Promotions for the County. County need only notify Anasazi in writing that County wish Anasazi to take on this responsibility, then again notify Anasazi in writing and schedule for each promotion as they are ready. For this service, if elected by the County, Anasazi will charge the County at the rates and under the conditions of the Annual Support and Maintenance Agreement between Anasazi and the County.
APPLICATION HOSTING SERVICES AGREEMENT

AMENDMENT NUMBER 1

This Amendment Number 1 (Amendment) amends the Application Hosting Services Agreement dated May 15, 2001 (Main Agreement) and made between ("Anasazi" or "Licensor") and the County Board of Arlington County, Virginia ("County" or "Licensee") and is effective on the execution date or upon receipt of payment by Anasazi, whichever is later.

Whereas the County and Anasazi desire to amend the number of Named Users under the Main Agreement, Anasazi and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

ADD PARAGRAPH 6.5 TO READ AS FOLLOWS:

6.5 Approved Increase in Number of Named Users. The number of licensed Named Users, specified in Subsection 6.1 above is increased by thirty (30), making the total number of licensed Named Users one-hundred twenty (120). For these additional licenses Licensee agrees to pay Anasazi an amount of $7,026.00 for the period from June 10, 2002 until the anniversary date of the effective date of the Live Conversion (December 10, 2002). After this date Licensee agrees to pay Anasazi annually by the anniversary date of the effective date of the Live Conversion $14,052 for these additional 30 licensed Named Users.

CHANGE THE PARAGRAPH 6.1 ("SERVICE PROVISION FEE") TO READ AS FOLLOWS:

6.1 Service Provision Fee. Licensee agrees to pay Licensor during the Term of License Rights (see Section 10.1 below) Service Provision Fee in a total amount of $162,138. After the anniversary date of the effective date of the Live Conversion (December 10, 2002) the payments shall be made in annual amounts of $56,388 for each year of the term of this Agreement. Licensee agrees to pay Licensor this annual amount of $56,388 for services provided by Licensor under this Agreement and for the License Rights for 120 Named Users of Licensed Software. Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the effective date of the Live Conversion. In the event this Agreement is extended beyond the initial term, Licensee agrees to pay to Anasazi annually by the anniversary date $56,388 as the Service Provision Fee. Licensor may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee's access to the Host Computer System; and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversaries of the effective date of this Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

CHANGE THE FIRST SENTENCE OF PARAGRAPH 6.2 ("LIQUIDATED DAMAGES") TO READ AS FOLLOWS:

If Licensee desires to terminate this Agreement after the payment of the balance of the first year amount of the Service Provision Fee, then Licensee may terminate this Agreement for any reason, effective upon both: a) providing one (1) month prior written notice to Licensor; and b) the payment of liquidated damages to Licensor, in the amount of sixty-five percent (65%) of the remaining Service Provision Fee payments due toward the total Service Provision Fee of $162,138.
APPLICATION HOSTING SERVICES AGREEMENT

This Application Hosting Agreement ("Agreement") is made effective as of \textbf{May 15}, 2001 (the "Effective Date"). by and between the parties below, in consideration of the covenants, representations, and warranties set forth herein and other goods and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound, the parties agree as described in this Agreement.

Licensor: Anasazi Software, Inc.
9831 S. 51st Street, Suite C117
Phoenix, Arizona 85044

Licensee: The County Board of Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, VA 22201

1. BACKGROUND. Licensee currently has certain rights granted by License Agreements for the Anasazi Client Data System (executed May 21, 1998), the Anasazi Assessment System (executed May 21, 1998), and the Anasazi Treatment Plan System (executed May 21, 1998), (the "Licensed Software") and desires to receive certain application hosting services with respect to the Licensed Software, and Licensor desires to perform or have performed such services.

2. GENERAL DEFINITIONS.

2.1 Authorized Computer System means any computer system accessing the Host Computer System and owned or leased by or under the control of Licensee and a component of which is physically located on property which is leased or owned by or under the control of Licensee, or any other computer system such as a laptop or personal computer which would ordinarily be used by an Authorized User for remote access to an Authorized Computer System.

2.2 Authorized User means any Person or Persons in a direct or contractual employment of Licensee, any Person or Persons who is or are directly compensated for services provided to or for the benefit of Licensee, or any Person or Persons who provide services to or for the benefit of Licensee on a volunteer basis.

2.3 Computer Program means a set of statements or instructions, to be used directly or indirectly in a computer in order to bring about certain results. A Computer Program may comprise any or all of Source Code and Executable Code, but unless otherwise clear from the context, the term means Executable Code only.

2.4 Copy means a material object, in which a work is fixed or later developed, and from which the work can be communicated, either directly or with the aid of a machine or device.

2.5 Enhancement means a revision to the Licensed Software as requested by the User Group from time to time.

2.6 Executable Code means a series of one or more instructions executable after suitable processing by a computer or other programmable machine, without compilation or assembly.

2.7 Hard Copy means the printed, typed, or other visually readable copy of the User Documentation.

2.8 Host Computer System means the computer system, including without limitation those servers and other hardware and third party software identified in the Hosting Specifications that shall be used to host or service the Licensed Software, owned and operated by or on
5.3 Licensor shall prevent all unauthorized access to the Licensed Software and any and all Licensee Data, as well as any and all other databases and information generated from or used in conjunction with the Licensed Software or Licensee Data. Licensor shall notify Licensee of any and all security breaches or gaps in the security of the Host Computer System, the Licensed Software, or Licensee Data.

5.4 Licensor will be available to provide Hosting Support Services at the request of Licensee. Licensor will be available and accessible 24 hours per day, 7 days per week. All requests for Hosting Support Services will be responded to by Licensor within fifteen (15) minutes, for requests received between 8:00 a.m. to 5:00 p.m. P.S.T., Monday through Friday (excluding U.S. holidays) or within one (1) hour for requests received during all other times, and substantive Hosting Support Services will be provided at the time Licensor responds to the request for services. The services will be provided in the manner appropriate under the circumstances (whether in the form of Telephone Support or otherwise) and provided by the appropriate classifications of support personnel at their normal hourly rates. No payment shall be due or payable for Hosting Support Services except where the fault lies with the Licensee or Licensee's contracted telecommunications' provider(s) or ISP(s) or other related contractors. For purposes of payment, Hosting Support Services will be considered to be Support Services as defined and governed by the terms of the most recently executed Annual Support and Maintenance Agreement between Anasazi and the County.

5.5 Licensee has the option of performing Acceptance Testing of the Host Computer System within ninety (90) days of the date Host Computer System access is provided under the terms of this Agreement. Licensor will support the Acceptance Testing by providing necessary controls to assure Licensor has Hosting Support Services with total available bandwidth equal to exactly 24K bandwidth times the number of contracted Named Users according to the terms of Section 7.3 during the period of the Acceptance Testing. Licensor will provide any Support Services requested by Licensee to support the Acceptance Testing. Support Services will be defined and governed by the terms of the most recently executed Annual Support and Maintenance Agreement. The Host Computer System will be considered to have passed Acceptance Testing if, during the period of the Acceptance Testing, the Host Computer System performs according to the terms of this Agreement. If Licensee determines the Host Computer System failed Acceptance Testing, Licensee will provide Licensor written notice of such failure with documentation of the results of objective test or tests performed that demonstrate this failure and documentation of the specific Section or Sections of this Agreement in which the Host Computer System failed the Acceptance Testing. Licensor will have thirty (30) days to remedy the cause of the failure (Performance Remedy) and to provide written notification to Licensee of completion of the Performance Remedy. Licensor will perform all services to complete the Performance Remedy at no additional charge to Licensee. Licensee and Licensor will repeat the Acceptance Testing within fifteen (15) days of the remedy of the cause of failure. If the Host Computer System again fails Acceptance Testing, Licensee has the option of repeating the remedy and Acceptance Testing and Performance Remedy or provide to Licensor written notice of Final Acceptance Testing Failure, in accordance with Section 6.3 below. If Licensee does not perform the initial Acceptance Testing within ninety (90) days of the date Host Computer System access is provided under the terms of this Agreement, Licensee will have forfeited their right under this Agreement to perform Acceptance Testing and Licensee agrees to pay Licensor the balance of the first year amount of the Service Provision Fee. Any dispute arising under the terms of this section will be resolved under the terms of Section 15, Progressive Dispute Resolution.

6. SERVICE PROVISION FEES AND LIQUIDATED DAMAGES.

6.1 Service Provision Fee. Licensee agrees to pay Licensor during the Term of License Rights (see Section 10.1 below) Service Provision Fee in a total amount of one hundred twenty seven thousand and eight dollars U.S. ($127,008); the payments shall be made in annual amounts of forty two thousand three hundred and thirty six dollars U.S. ($42,336) for each year of the term of this Agreement. Upon Licensee's acceptance of the Licensor's work under Pilot Conversion (as described in Exhibit B) Licensee agrees to pay Licensor fourteen thousand one hundred and twelve dollars U.S.
behalf of Licensor on which Licensed Software are installed and to which Licensor provides Licensee authorized access to the Licensed Software via Authorized Computer Systems for Authorized Users.

2.9 Hosting Support Services means those services necessary or appropriate to ensure that the Licensee’s access to the Licensed Software at the point of access of a router or other similar equipment of the Host Computer System and the telecommunications provider contracted by Licensor to provide such access is uninterrupted.

2.10 Intellectual Property Rights means any and all rights existing from time to time under patent law, copyright law, trade-secret law, trademark law, unfair competition law, or other similar rights.

2.11 Internal Use means the use of one or more copies of the Licensed Software and Licensed Documentation by the Licensee or by Authorized Users or on Authorized Computer Systems in the ordinary course of the Licensee’s conduct of business. Internal Use does not include Service Bureau Use nor any other License Right for which the Licensee receives or anticipates receiving compensation.

2.12 License Right means the rights granted by this Agreement to engage in specified activities with regards to the use and the limits of the use of the Licensed Software.

2.13 Licensed Documentation means textual and/or graphic material, perceivable directly by humans and/or with the aid of a device or machine, relating to the Licensed Software. The Licensed Documentation is the User Documentation relating to the Licensed Software.

2.14 Licensed Software means the Licensed Software and Licensed Documentation.

2.15 Material, with respect to a particular matter means that the matter is shown to affect adversely (a) the rights and benefits of the other party under this Agreement; or (b) the ability of the other party to perform its obligations hereunder; in either case to such a degree that a reasonable Person in the management of his or her own affairs would be more likely than not to decline to enter in this Agreement in view of the matter in question.

2.16 Named User is an Authorized User who has been individually identified to have License Rights under this Agreement.

2.17 Owner, as to the Licensed Software, means the Person that can grant a License to use the Licensed Software.

2.18 Person means a natural person, a corporation (for profit or not-for-profit), an association, a partnership (general or limited), a joint venture, a trust, a government or political department, subdivision, or agency, or any other entity.

2.19 Service Bureau Use means the use of software to process input data that is supplied by one or more Persons other than the Licensee to and generate output data (in the form of reports, charts, graphs or other pictorial representations, or the like) that is sold, supplied, or licensed to such Person or Persons.

2.20 Source Code means a series of instructions or statements in an English-like high-level computer language such as DataFlex, FORTRAN, C, or PASCAL, or in a relatively low-level language such as the assembly language for a particular processor. Source Code is normally readily readable by humans trained in the particular computer language in question. It is normally transformed by an interpreter or compiler into machine-readable Executable Code for actual use on a computer.

2.21 User Documentation means the textual and/or graphic material, on magnetic media or in Hard Copy, describing the functions and use of the Licensed Software.

3. OWNERSHIP. Licensor is and shall remain the Owner of the Licensed Software and any and all Copies of the Licensed Software that are created by the Licensee. The Licensor is and shall remain the Owner of any and all enhancements and/or modifications to the Licensed Software that may
be provided to the Licensee by the Licensor from time to time. Licensor grants no rights of ownership to Licensee.

4. LICENSE GRANT.

4.1 License Rights Granted. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts, a right to engage in the following only with respect to the Licensed Software, including without limitation any and all Intellectual Property Rights owned or otherwise assertable by Licensor for the Internal Use of the Licensed Software for the number of Named Users specified in Subsection 6.1 via access to the Host Computer System over the Internet or other comparable communications methodologies.

4.2 Scope of License Grant. The License Rights are non-exclusive and non-transferable except as provided in this Agreement or in the case of the merger or acquisition of Licensee or otherwise derivative agency to the Licensee and extends to the United States and its territories only.

4.3 No Other Rights Granted. No other rights are granted under this Agreement nor do these License Rights include a grant to the Source Code, any ownership right, title, or interest, right to sell, trade or barter the Licensed Software or the use thereof, nor any security interest or other interest, in any Intellectual Property Rights relating to the Licensed Software, nor in any Copy of any part of the Licensed Software, other than those set forth in this Agreement.

(a) Licensee agrees that it will take appropriate action with its Authorized Users permitted access to the Licensed Software, to satisfy its obligations under this Agreement.

(b) Licensee agrees not to engage in, participate in, or permit any reproduction, distribution, or use of any of the Licensed Software, or creation of derivative works based on any of the Licensed Software, except as expressly permitted by this Agreement.

(c) Licensee agrees not to allow the use of or access to the Licensed Software contrary to the terms of this Agreement, to any Persons that are not Authorized Users as defined by this Agreement.

(d) Licensee agrees not to sell or provide services for compensation which involve the use of the Licensed Software to any Persons which are not Authorized Users as defined by this Agreement.

(e) Licensee agrees not to translate, reverse engineer, decompile, or disassemble any part of the Licensed Software.

5. HOSTING

5.1 Licensor shall deploy, host and maintain the Licensed Software and Host Computer System in accordance with the Hosting Specifications set forth in Exhibit A hereto (which Exhibit is incorporated herein by reference) and in accordance with the Arlington County Application Hosting Conversion Process set forth in Exhibit B (which Exhibit is incorporated herein by reference) and the other terms and conditions contained in this Agreement. Licensor agrees that the deployment, hosting, and maintenance of the Licensed Software as described under this Agreement (the "Hosting Services") shall be performed in a professional manner and shall be of a high grade, nature, and quality.

5.2 The parties contemplate that there may be additions, deletions or other changes that may affect the Hosting Specifications from time to time during the Term. Subject to the other Paragraphs in this Section, any such additions, deletions or other changes to the Hosting Specifications shall be mutually agreed to by Licensor and Licensee. Upon such mutual agreement Licensor shall alter the Hosting Services in order to accommodate the revised Hosting Specifications.

(a) Licensor will deploy the capacity necessary to support the number of Named Users ("Capacity") requested by Licensee hereunder within the timeframe specified in the Hosting Specifications, or as otherwise may be agreed by Licensee and Licensor at such time.
Licensor will periodically test communication to Licensor’s Internet Service Provider to ensure contracted bandwidth is properly provided.

(b) Licensor will make best efforts to ensure 95% (ninety-five percent) Uptime as measured on an annual basis 24 hours a day 7 days a week. The 95% Uptime will be measured on an annual basis beginning on the execution date. Time required for Maintenance Services and Support Services will be considered as Uptime. Interruptions of service attributable to failure of Licensor computer systems alone will be considered for determination of Uptime. Compensation for interruption of service will be provided according to sub section 7.5.

(c) Licensor warrants that all licenses and other support utilities and software required to support the contracted Named Users will be made accessible to Licensee.

7.4 No Surreptitious Code Warranty. Licensor warrants to Licensee, that the Licensed Software do not contain or will not contain any back door, time bomb, drop dead device, or other software routine designed to disable the Licensed Software automatically with the passage of time or under the positive control of a Person other than Licensee nor contains any Unauthorized Code (defined below).

(a) As used in this Agreement, “Unauthorized Code” means any virus, Trojan horse, worm, or other software routines or hardware components designed to permit unauthorized access; to disable, erase, otherwise harm software, hardware, or data; or to perform any other such actions.

7.5 Warranty Limitations. LICENSOR’S WARRANTIES ARE LIMITED, AND APPLY ONLY AS FOLLOWS IN THIS SUBSECTION 7.6 AND SUBSECTION 7.7:

(a) Without limiting the generality of the limitations set forth in this Sub Section 7.5, Licensor’s Warranties do not include any warranty; (i) that the functions performed by the Licensed Software will meet Licensee’s requirements or will operate in the combinations that may be selected for use by Licensee, nor (ii) that the operation of the Licensed Software will be error free in all circumstances, nor (iii) that all defects in the Licensed Software that are not Material with respect to the functionality thereof as set forth in the Licensed Documentation will be corrected, nor (iv) that the operation of the Licensed Software will not be interrupted for a short period of time by reason of defect therein or by reason of fault on the part of Licensor.

(b) Licensor intends that Licensed Software will be available and operational 24 hours a day 7 days a week, but Licensor does not guarantee that. Interruptions of service attributable to failure of Licensor computer systems of under one day will not be compensated; longer interruptions will result in extension of service as Licensee’s sole compensation for interruption. Licensor may gratuitously compensate for shorter interruptions.

7.6 Warranty Exclusions. Without limiting the generality of exclusions set forth in this Sub Section 7.6, Licensee will be exclusively responsible as between the parties for, AND LICENSOR MAKES NO WARRANTY OR REPRESENTATION WITH RESPECT TO:

(a) determining whether the Licensed Software will achieve the results desired by Licensee;

(b) except related to or in connection with the Hosting Services or other obligations of Licensor under this Agreement, selecting, procuring, installing, operating, and maintaining computer hardware to run the Licensed Software;

(c) ensuring the accuracy of any input data used with the Licensed Software.

(d) establishing adequate data backup provisions for backup of Licensee’s data stored at Licensee’s site; and
($14,112) as an initial, nonrefundable payment for services provided by Licensor during the Acceptance Testing of the Host Computer System, the License Rights for 90 Named Users of Licensed Software shall be in effect, and the Live Conversion (as described in Exhibit B) shall begin. Upon Licensee's acceptance of the Host Computer System, Licensee agrees to pay Licensor the balance of the first year amount of the Service Provision Fee in the amount of twenty eight thousand two hundred twenty four dollars U.S. ($28,224). Licensee agrees to pay to Licensor the annual amounts of the Service Provision Fee by the anniversary date of the effective date of the Live Conversion. In the event this Agreement is extended beyond the initial term, Licenseee agrees to pay to Anasazi annually by the anniversary date forty two thousand three hundred and thirty six dollars U.S. ($42,336) as an additional Service Provision Fee. Licensor may charge a late fee of eighteen percent (18%) per annum compounded monthly for late payment of Service Provision Fees. If Licensee is more than sixty (60) days late on payment of any Service Provision Fees (or other amounts due Licensor), Licensor in its sole discretion may: (a) return all Licensee data to Licensee and disable Licensee's access to the Host Computer System, and/or (b) require pre-payment of Service Provision Fees of one year in advance. On the anniversaries of the effective date of this Agreement, Licensor may raise the amount of the Service Provision Fees based on the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending in the month two (2) months before such anniversary dates.

6.2 Liquidated Damages. If Licensee desires to terminate this Agreement after the payment of the balance of the first year amount of the Service Provision Fee, then Licensee may terminate this Agreement for any reason, effective upon both: a) providing one (1) month prior written notice to Licensor; and b) the payment of liquidated damages to Licensor, in the amount of sixty-five percent (65%) of the remaining Service Provision Fee payments due toward the total Service Provision Fee of one hundred twenty seven thousand and eight dollars U.S. ($127,008). It is expressly agreed that by virtue of the relationship and long-term commitment of the parties and the pre-existing policy of Licensor to charge the entire Service Provision Fee up-front, the liquidated damage provision set forth above is reasonable in amount, that actual damages would be extremely difficult or impractical to determine in the circumstances in which such amounts are payable, and that any dispute or potential dispute over actual damages would be disruptive to the businesses and relationship of the parties such that it is and will be in their best interests to set and agree upon such reasonable liquidated damages.

6.3 Liquidated Damages. If the Host Computer System has failed Acceptance Testing within one-hundred twenty (120) days of the effective date of Live Conversion, then Licensee may terminate this Agreement effective upon providing one (1) month prior written notice to Licensor. No portion of the initial, nonrefundable payment for services provided by Licensor during the Acceptance Testing of the Host Computer System paid at the time to Licensor will be refunded to Licensee, however, Licensee will have no further obligations to Licensor under this Agreement.

6.4 Increase in Number of Named Users. Licensee may request an increase in the number of Named Users licensed above that specified in Subsection 6.1. Such increases will be at then current rates of Licensor and will increase Service Provision Fees due to Licensor. In the event that liquidated damages under Subsection 6.2 become due from Licensee, liquidated damages will be calculated based on the increased Service Provision Fees due.

7. WARRANTY.

7.1 Warranty Period. The "Warranty Period" begins upon the date of execution of this Agreement and continues for the term of the License Rights set forth in Section10.1.

7.2 Data Backup Warranty. Licensor warrants that Licensee's data stored via the Licensed Software will be backed up at least five (5) days of each week, and that Licensor will periodically test its backup and restore procedures to ensure data recovery can be properly effected.

7.3 Performance Warranty.

(a) Licensor warrants that a minimum of 24K of bandwidth per contracted Named User will be made available through Licensor's Internet Service Provider and that
the specific information in question in connection with the Licensee's exercise of License Rights. All such Authorized Users will be instructed by the Licensee that the Confidential/Proprietary Information is subject to the obligation of confidence set forth by this Agreement.

(c) Notwithstanding anything to the contrary, the follow information shall not be considered Confidential/Proprietary Information Of Licensor: Any data or information which (i) was already known to Licensee at the time of disclosure to Licensee; (ii) was independently developed by Licensee without reference to Confidential/Proprietary Information; (iii) is in the public domain; (iv) was rightfully disclosed to Licensee by a third party without obligation of confidentiality; (v) is required to be disclosed pursuant to any statutory or regulatory authority or court order.

8.7 Reports of Misappropriation. Licensee shall immediately report to the Licensor any attempt by any Person of which the Licensee has knowledge to use or disclose Confidential/Proprietary Information without authorization from the Licensor.

8.8 Post-Termination Procedures. Upon any termination of the Licensee's right to possess and/or use Confidential/Proprietary Information (e.g., termination or expiration of the License Rights), the Licensee shall turn over to the Licensor (or, if agreed by the Licensor, destroy) any disks, tapes, documentation, drawings, specifications, or any other tangible embodiments of any Confidential/Proprietary Information.

8.9 Licensee Data. Licensor understands and acknowledges that all Licensee Data and other information and data disclosed to Licensor under or in connection with this Agreement, including, but not limited to, personally identifiable information, medical and mental health diagnoses and prognoses, health care provider information, medical and mental health care claim costs and payment information ("Confidential Data"), is sensitive and confidential and will take all necessary steps to ensure that the Confidential Data is not used for any purpose by any Person other than Licensee. Licensor will handle all Confidential Data in a manner that preserves and protects the confidentiality of the information, the identifiable persons' confidentiality expectations, and the requirements of law. Licensor will restrict access to the Confidential Data to only those employees of Licensor whose access is directly necessary to store and maintain the data as required under this Agreement, and represents and warrants that it has established sound and commercially appropriate procedures and practices to protect the confidentiality of the Confidential Data.

9. NOTICE OF BREACH; CURE PERIOD. In the event of a breach of any warranty, covenant, or other provision of this Agreement, the following notice and cure procedures shall apply.

9.1 The party not in breach ("Nonbreaching Party") shall give the party in breach (the "Breaching Party") written notice describing the breach, stating that it is considered a breach, and demanding a cure under Section 9.4 or stating that Section 9.2 or 9.3 applies.

9.2 If the breach is of an obligation to pay money more than sixty (60) days late, then Section 6.1 shall apply.

9.3 If the breach is a willful breach of an obligation of the Breaching Party relating to the Nonbreaching Party's Intellectual Property Rights or relating to the Breaching Party's compliance, then the Nonbreaching Party may, in its sole discretion, specify in the notice of breach that no cure period will be permitted.

9.4 If the breach is other than a breach of the kind described above in this Section 9, then the cure period will be one (1) month after the effective date of notice of the breach from the Nonbreaching Party.

10. TERM AND TERMINATION OF LICENSE RIGHTS.

10.1 Term of License Rights. The term of the License Rights will commence on the effective date of Live Conversion (as described in Exhibit B) and upon receipt of the initial payment of the Service Provision Fee (as specified in Subsection 6.1), whichever comes later, and will continue for a period of three (3) years, unless earlier terminated pursuant to this Section 10. The term may be
(e) establishing adequate backup provisions for Licensee's
operations (e.g., alternate computerized and/or manual operation plans) in the event of conditions or a
malfunction that impedes the anticipated operation of the Licensed Software or the Internet.

7.8 Disclaimer of All Other Warranties and Representations. The express
warranties and express representations set forth in this Agreement are in lieu of, and LICENSOR
DISCLAIMS, ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS
(EXPRESS OR IMPLIED, ORAL OR WRITTEN), WITH RESPECT TO THE LICENSED SOFTWARE OR
ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OF CONDITIONS OF TITLE,
NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY
PURPOSE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN
ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED
TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN TRADE, OR BY COURSE OF
DEALING. IN ADDITION, LICENSOR EXPRESSLY DISCLAIMS ANY WARRANTY OR
REPRESENTATION TO ANY PERSON OTHER THAN LICENSEE WITH RESPECT TO THE
LICENSED SOFTWARE OR ANY PART THEREOF.

8. CONFIDENTIAL/PROPRIETARY INFORMATION.

8.1 Licensed Software as Confidential/Proprietary Information. The parties
acknowledge that the Licensed Software and Licensed Documentation will be deemed
Confidential/Proprietary Information of which use and disclosure is restricted by this Section 8.

8.2 Definition of Confidential/Proprietary Information. As used herein, the term
"Confidential/Proprietary Information" means information that:

(a) is disclosed orally or in writing or other tangible form to the
Licensee by the Licensor, or a Person having an obligation of confidence to the Licensor and is
designated as proprietary by or on behalf of the Licensor, or

(b) is not generally known in the relevant industry or industry
segment, and

(c) affords possessors of the information a commercial or business
advantage over others who do not have the information.

8.3 Illustrative Types of Confidential/Proprietary Information. As used herein, the
term Confidential/Proprietary Information may include, by way of illustration;

(a) any and all information relating to products manufactured and/or
owned by the Licensor, processes thereof, maintenance thereof, research, computer software, program
files, flow charts, drawings, techniques, Source Code and Executable Code, standards, specifications,
customer information, statistical data, development and marketing plans, and the like.

8.4 Security Conditions. Confidential/Proprietary Information will be maintained
under secure conditions by Licensee, using reasonable security measures.

8.5 Non-Use Obligation. The Licensee shall not use any Confidential/Proprietary
Information, except for the benefit of the Licensee as an Authorized User or Coordinating User without the
express prior written consent of Licensor for a period ending three (3) years after the date of termination
of the Licensee's right to possess and/or use Confidential/Proprietary Information (e.g., termination or
expiration of the License Rights).

8.6 Non-Disclosure Obligation.

(a) Licensee shall not disclose any Confidential/Proprietary
Information to any Person or Persons who is not an Authorized User without the prior written consent of
the Licensor.

(b) Licensee may disclose appropriate portions of
Confidential/Proprietary Information to those of its Authorized Users who have a substantial need to know
liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the Licensor's intentional, negligent, or grossly negligent acts or omissions in performance or nonperformance of its work called for by this Agreement. This indemnification shall survive the termination of this Agreement.

13. ASSIGNMENT. Either party may assign some or all of its rights and/or delegate some or all of its obligations under this Agreement with the express prior written consent of the other party, which may be granted or withheld in the other party's sole discretion. However, Licensor may delegate the performance of certain services to be provided under this Agreement to a third party and may require Licensee to pay to such third party a certain portion of sums otherwise due to Licensor. Any such third party would be required to meet all appropriate duties under this Agreement, specifically including the data confidentiality requirements of Subsection 8.9.

14. ENTIRE AGREEMENT

14.1 Except as may be expressly provided otherwise herein, this Agreement constitutes the entire agreement between the parties concerning the subject matter thereof. No prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties with reference thereto will be of any force or effect.

14.2 Each party represents and warrants that, in entering into and performing its obligations under this Agreement, it does not and will not rely on any promise, inducement, or representation allegedly made by or on behalf of the other party with respect to the subject matter hereof, nor on any course of dealings or custom and usage in the trade, except as such promise, inducement, or representation may be expressly set forth herein.

14.3 No modification or amendment to this Agreement will be valid or binding unless reduced to writing and duly executed by the party or parties to be bound thereby.

15. PROGRESSIVE DISPUTE NEGOTIATION PROCEDURES

15.1 Prior to filing of any suit with respect to a dispute (other than a suit or action seeking injunctive relief with respect to Intellectual Property or Confidential Data), the party believing itself aggrieved (the "Invoking Party") will call for progressive management involvement in the dispute negotiation by notice to the other party. Such a notice will be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement.

15.2 The parties will use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places. The parties will have a period of allotted time as specified below in which to attempt to resolve the dispute.

15.3 The allotted time will begin on the effective date of the Invoking Party's notice and continue for a period of thirty (30) days.

16. ARBITRATION.

16.1 It is expressly agreed that nothing under this Agreement shall be subject to arbitration, and any references to arbitration are expressly deleted.

17. OTHER GENERAL PROVISIONS.

17.1 No Unauthorized Use of Trademarks. In order to preserve the value of each party's name and/or any trademarks, service marks, trade names, or trade dress adopted and/or used by that party from time to time, the other party shall not make any use of any of the same for any reasons (e.g., in advertising, press releases, or other publicity) except solely as may be expressly authorized by this Agreement or otherwise authorized in writing by that party; provided however, that either party may reference the other party in any list of clients/contractors prepared or used by the party.

17.2 Independent Parties. The parties are independent contractors. Except as may be expressly and unambiguously provided in this Agreement, no partnership or joint venture is intended to be created by this Agreement, nor any principal-agent or employer-employee relationship.
extended in one-year increments by payment of additional Service Provision Fees pursuant to Section 6.1.

10.2 Termination by Mutual Consent. The parties may terminate the License Rights by mutual consent upon such terms as they may agree in writing.

10.3 Termination for Breach. If a breach has not been cured at the end of its cure period if any, then the License Rights shall terminate immediately upon expiration of that cure period without the need for further action on the part of the Nonbreaching Party.

10.4 Other Terminations. The License Rights shall terminate automatically, to the extent permitted by applicable law in the jurisdiction or jurisdictions in question (e.g., bankruptcy law), in any of the following events:

(a) If Licensee files a petition in bankruptcy (or is the subject of an involuntary petition in bankruptcy that is not dismissed within sixty days after the effective filing date thereof); or is or becomes insolvent; or admits of a general inability to pay its debts as they become due; then the License Rights shall immediately terminate automatically and without notice.

(b) Either party may terminate the License Rights immediately upon the discovery by that party of any Material false statement or other Material misrepresentation made or submitted to that party by the other party.

10.5 Nonappropriation. All funds for payments by the Licensee under this Agreement, including any payment of liquidated damages, are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County. In the event of nonappropriation of funds by the County Board of Arlington County for the goods or services provided under this Agreement or substitutes for such goods or services which are as advanced or more advanced in their technology, the Licensee will terminate the Agreement, without termination charge or other liability to the County, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this Agreement is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Agreement, cancellation will be accepted by the Licensor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County Board of Arlington County shall not be obligated under this Agreement beyond the date of termination.

11. POST-TERMINATION PROCEDURES. Upon termination for any reason of the License Rights:

11.1 The parties shall comply with their respective post-termination obligations, if any, as set forth herein.

11.2 All such use by Licensee shall cease within five (5) business days after the effective date of such termination.

11.3 Each party shall pay the other party any amounts that as of that effective date were due and owed thereto pursuant to this Agreement within ten (10) business days after the effective date of termination of the License Rights.

11.4 If payment of all liquidated damages due pursuant to Section 6.2 has been made by Licensee, Licensor shall ensure that all data of Licensee is given to Licensee in an appropriate electronic format and media within ten (10) business days of termination of the License Right and shall, on Licensee’s request, remove such data from Licensor’s computer systems. However, Licensor shall not be required to destroy backup copies of such data.

12. INDEMNITY. The Licensor covenants to save, defend, hold harmless, and indemnify the Licensee, and all of its elected and appointed officials, officers, employees, agents, departments, agencies, boards, and commissions (collectively the "Licensee") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges,
unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

17.13 **Force Majeure.** Any failure by either party to carry out any of its obligations under this Agreement shall not be deemed a breach of contract or default if such failure is caused by force majeure. If there is a force majeure, the time for carrying out the activity affected shall be extended for a period equal to the total of the period during which such causes or their effects of the force majeure were operative. For purposes of this Agreement, force majeure shall include wars, insurrections, civil disturbances, blockades, embargoes, strikes and other labor conflicts, riots, epidemics, earthquakes, storms, floods, or other adverse weather conditions, explosions, fires, lightning, orders or directions of any government and acts of God. The party whose ability to perform its obligations is affected by force majeure shall, as soon as possible after the occurrence, notify the other party thereof in writing, stating the cause, and the parties shall endeavor to do all reasonably within their power to remove such cause and resume activities.

17.14 **Compliance with Laws.** At all times, Licensor will comply with all international, U.S., state, and local laws, regulations, statutes, and requirements applicable to performance of its responsibilities and duties hereunder, including, but not limited to, those related to the maintaining and handling of confidential or sensitive information.

17.15 **Taxes.** All amounts to be paid by Licensee to Licensor hereunder are exclusive of any federal, state, local, municipal or other governmental taxes, including, without limitations, taxes based on, imposed on or measured by net or gross income or receipts, franchise taxes, taxes on doing business, capital stock taxes, (including any minimum taxes and taxes measured by any item of tax preference), sales, use, excise, property, withholding or similar taxes, duties, levies, fees, excises or tariffs (all such taxes and other charges collectively "Taxes") now or hereafter imposed on Licensor under applicable law except for any state sales taxes, gross receipts taxes, or like taxes that may be due on the transaction(s) stated by this Agreement. Licensee is not liable to Licensor for any Taxes incurred in connection with this Agreement except for any state sales taxes, gross receipts taxes, or like taxes that may be due on the transaction(s) stated by this Agreement.

17.16 **Transition.** Notwithstanding anything else in this Agreement to the contrary, Licensee may select a Person other than Licensor to provide the Hosting Services set forth herein upon termination of this Agreement on terms and under conditions as set forth for the Liquidation Damages in Sub Section 6.2. In such event, Licensee will notify Licensor in writing that it desires such an alternate Hosting Service provider and provide payment for the Liquidation Damages. On receipt of such payment, Licensor will cooperate fully and use best commercial efforts to facilitate Licensee's transition of Hosting Services to the other provider, including, but not limited to, by providing sufficient training, personnel and other resources to affect the transition. Licensee agrees to compensate Licensor for its reasonable costs and expenses in cooperating with and facilitating the transition.
17.3 Notices. Notices hereunder will be delivered and effective as follows:

(a) Every notice required or contemplated by this Agreement to be given by either party may be delivered in person, with receipt obtained, or may be sent by registered mail or recognized courier service, addressed to the party for whom it is intended, at the address specified in this Agreement. Either party may change its address for notice by giving notice to the other party of the change.

(b) Any written notice will be effective no later than the date actually received.

(c) Unless otherwise provided in this Agreement, notice by registered mail or recognized courier service will be effective on the date it is officially recorded as delivered by return receipt or equivalent and in the absence of such record of delivery it will be rebuttably presumed to have been delivered on the fifth business day after it was deposited for delivery.

(d) Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the party to whom it was given.

17.4 Choice of Law. This Agreement will be interpreted and enforced in accordance with the laws of the Commonwealth of Virginia applicable to agreements made and performed entirely in that state by Persons domiciled therein.

17.5 Jurisdiction and Venue. Suit to enforce this Agreement or any provision thereof will be brought exclusively in the Circuit Court for Arlington County, Virginia.

17.6 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any right under this Agreement.

17.7 Injunctive Relief. Each party acknowledges that any violation by that party of its covenants in this Agreement (if any) relating to Intellectual Property Rights or competition would result in damage to the other party that is largely intangible but nonetheless real, and that is incapable of complete remedy by an award of damages. Accordingly, any such violation shall give the other party the right to a court-ordered injunction or other appropriate order to specifically enforce those covenants. The party against whom any such injunction is entered agrees to pay to the other party any reasonable expenses, including but not limited to attorney fees, incurred in obtaining such specific enforcement (in addition to any other relief to which the other party may be entitled).

17.8 Survival of Restrictive Covenants. The covenants herein concerning Intellectual Property Rights (and competition covenants if any) will be construed as independent of any other provision hereof. The existence of any claim or cause of action by a party against the other party, whether predicated on this Agreement or otherwise, shall not constitute a defense to enforcement by the other party of such covenants.

17.9 Binding on Successors. This Agreement will be binding upon and inure to the benefit of the parties and their successors and assigns permitted by this Agreement.

17.10 Section Headings. The article, section, paragraph, and exhibit headings contained in this Agreement are for reference purposes only and shall not in any way control the meaning or interpretation of this Agreement.

17.11 Modifications in Writing. Except as specifically provided elsewhere in this Agreement, addition to or modification of any provision of this Agreement shall not be binding upon either party unless made in writing and signed by both parties.

17.12 Severability. In case any one or more of the provisions of this Agreement for any reason shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or
EXHIBIT A
Hosting Specifications

Terms:

1. Monthly uptime of 95%, to include both uptime of servers and software, network components and routers, and all other Host Computer Systems.

2. Windows NT Terminal Servers running Citrix Metaframe will each support no more than 50 Licensed users regardless of the average number of concurrent connections observed during typical usage, and will be equipped with a minimum of 32 megabytes of RAM per user session. Licensor may amend these specifications as warranted by improvements in technology such that performance is maintained at comparable levels.

3. Location of Host Computer System ("Data Center") will maintain a controlled environment, holding temperature and humidity to constant acceptable levels. At all times, Licensor shall have in place a commercially appropriate and effective disaster recovery plan to protect the Licensed Software and Licensee Data.

4. Data Center will be equipped with electrical power filtering and conditioning equipment and backup power supplies including, but not limited to, battery powered uninterruptible power supplies.

5. Hosting Computer System will provide 24K of bandwidth per contracted Named User supported by DSL or comparable communications to Licensor's ISP(s) or other related contractors. Licensor will provide a redundant communication support equal to 6K of bandwidth per contracted Named User supported by T1 or comparable communications to Licensor's ISP(s) or other related contractors available in case of failure to Licensor's DSL communications. Licensor may amend these specifications as warranted by improvements in technology such that performance is maintained at comparable levels.
Each Person signing below represents that he or she has read this Agreement in its entirety; understands its terms; is duly authorized to execute this Agreement on behalf of the party indicated below by his or her name; and agrees on behalf of such party that such party will be bound by those terms.

EXECUTED this 15th day of __________, 2001.

ANASAZI SOFTWARE, INC.

By: ____________________________
   Melani Jolly
   Chief Operating Officer

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

By: ____________________________
   Richard D. Warren, Jr.
   Purchasing Agent
Anasazi will perform a site visit to your site to finalize installation. During this trip Anasazi will make sure that all components of the Hosting support are in place and working effectively. Anasazi will perform bandwidth testing between all physical sites and the ISP that supports that site to assure that the contracted bandwidth is being provided, as well as assure that the bandwidth available will support the projected number of users at each site. Anasazi recommends a minimum of 24K of bandwidth for each concurrent user. If this bandwidth is not available, operating in a Hosting environment will be frustratingly slow. If the contracted bandwidth to the ISP is not being provided, Anasazi will provide as an additional service to work with the County and County's ISP, communication vendors, etc. to troubleshoot, isolate and resolve this problem. It is possible another trip will be required to perform this due to the need to coordinate with multiple companies. Resolution of bandwidth problems is a requirement for production use in a Hosting environment.

Anasazi will also demonstrate to County support staff the use of the installation script. Anasazi will also demonstrate how to access the Anasazi applications. Anasazi will also setup access to the pilot conversion test applications for the users and on the workstations identified by the County. Anasazi will also demonstrate how to select printers.

If County staff have not been trained on Anasazi Windows applications, Anasazi will also schedule to provide this training. This training normally takes about a day or less, as the Windows versions of Anasazi applications very much reflect the DOS versions. Anasazi would expect to train a core set of staff as well as "train the trainers" to allow County staff to train most users, although Anasazi will train as many users as are required. A training specialist staff as opposed to a Network Engineer will perform Windows applications training.

Testing. Anasazi will test to assure all installation and operational controls are correctly established prior to leaving County’s facility. Anasazi encourage the County to perform its own tests as well as perform structured load and stress tests using as many concurrent users as desired (up to the limit supported by bandwidth considerations). Anasazi expect this test process to span about a two to three week period. Any issues identified during the test phase should be directed to Anasazi for support and resolution.

Additional user training. During the test period Anasazi also encourage County to train as many additional staff as are required on Anasazi Windows applications.

Begin process of ongoing notification to Anasazi of changes to user login security rights. Anasazi will only administer operating system level login rights. It will continue to be County’s responsibility to manage all other security as is done now. Anasazi will not add security rights without written (faxed) documentation and requests the same documentation to remove security rights.

Once the County is satisfied that the testing environment is ready for production, County will schedule the actual conversion with Anasazi.

The Pilot Conversion will require about a day of staff time to copy County test data and establish users and printers. If a large number of users are required to be established, more time will be required. Anasazi will charge actual time as required to establish the test environment. Anasazi will also expect to spend about two (2) total days testing bandwidth and workstations and performing the small amount of training required to administer the Anasazi applications under a hosting environment. If Anasazi Windows Applications training is also required, this will take another day and another trip as other staff performs application training. Once the Pilot Conversion is completed, Anasazi shall be available to return to install each Workstation. Anasazi will perform the initial workstation installation to assure a fully viable operational environment. Anasazi can normally install and test 25 to 40 workstations in a day, and will charge for the actual days onsite at the rates included in the current Annual Support and Maintenance Agreement between Anasazi and the County.

Live Conversion

Once testing is performed to County’s satisfaction, Windows training is performed and all workstation installations are complete, Anasazi will perform a live data conversion.

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Arlington County Application Hosting Conversion Process

Anasazi will provide to Arlington County the Application Hosting services offered under the Application Services Provider (ASP). Anasazi will provide the services required to convert Arlington County from operating under the existing County network to operating on Anasazi's hosting network.

Pilot Conversion

A Pilot Conversion shall be performed prior to payment of any portion of the initial Service Provision Fee to assure that the converted applications work effectively. This process will follow several steps:

- The County shall verify with Anasazi the current releases of all applications. Anasazi will physically connect to County's current server and inspect the current applications to verify the current release numbers of each application. It is very important to the testing process for the data and test applications to be in sync.

- Anasazi will create a test environment. Anasazi will create a test environment with all applications to be converted reflecting the current releases of all your applications.

- The County shall copy current data to CDROM. The County will assure that all users are logged off their system and make a copy of all data (.DAT and .VLD files) onto one or more CDs. This can be a process performed over the weekend immediately after a normal comprehensive data backup, or can be performed at any other time convenient to you.

- The County shall provide to Anasazi a list of all users that should have access to either the test or production environment. This is intended to be a comprehensive list of all users that will have physical access to the applications. These users must all have been established with security rights to the applications as appropriate prior to making the CDROM copy. Anasazi will use this list of users to setup operating system login rights for each user. Anasazi will provide forms that should be completed for each user.

- The County shall also provide to Anasazi a list of printers scheduled for test. This list should contain a description of each printer appropriate for a user to select from plus the IP address of each printer and the printer type as currently defined in the applications. Anasazi will provide forms that should be completed for each printer.

- The user lists and printer lists should have been developed prior to copying the data to CDROM to minimize the turnaround time on the process. Backing up to CD will likely take several hours to perform.

- The County will then express ship the CD-ROMs, user lists, and printer lists to Anasazi. The CDs need to be appropriately labeled to assure correct loading on Anasazi's network.

- Anasazi will copy the test data to your test area on Anasazi's network, as well as establish security rights for the test users and setup printers according to the information provided by the County to support access to the test applications. Anasazi will also install Scripts specific to County needs to support rapid installation of current and new workstations at County site. These scripts will be accessible through the Internet using industry standard browsers or can be manually initiated by the County if there is a desire to not provide browser access to the Internet. The scripts will automatically setup workstations, install icons on the desktop, and perform all other installation steps.

- Anasazi will also provide a complete installation of the application in a full production mode with all users, printers, and scripts established for full production. The production area will be updated appropriately with data and users at the completion of the pilot.