NOTICE OF RENEWAL OF CONTRACT

TO: ADS DATA SYSTEMS, INC.  DATE ISSUED:  MARCH 4, 2013
4 BRICKFORD LANE  CONTRACT NO:  569-12
BALTIMORE, MD 21208  DHS-ADHC MANAGEMENT
CONTRACT TITLE: SOFTWARE: WALTER
REED CENTER

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

This is your notice that the above referenced contract has been renewed. The contract
term covered by this Notice of Award is effective IMMEDIATELY and expires on JANUARY 31,
2014.

This is the SECOND year award notice of a possible FIVE year contract.

The contract documents consist of the terms and conditions of Agreement No. 569-12,
including any exhibits attached or amendments thereto.

CONTRACT PRICING:

1) REFER TO EXHIBIT B OF AGREEMENT 649-12

2) PRICING FIRM FOR CONTRACT TERM

ATTACHMENT:

AGREEMENT NO. 649-12

EMPLOYEES NOT TO BENEFIT:

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

VENDOR CONTACT: BETH SCOVILL  TELEPHONE NO.: 866-611-8859
EMAIL ADDRESS: bscovill@adsdatasystems.com
VENDOR PAYMENT TERMS: NET 30 DAYS  COUNTY CONTACT: MICHAEL DIGERONIMO
COUNTY EMAIL: mdigeronimo@arlingtonva.us

CONTRACT AUTHORIZATION  DISTRIBUTION
3/4/13  BID FOLDER:  1
IVETTE GONZALEZ  Date
Procurement Officer
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
SUITE 500, 2100 CLARENDON BOULEVARD
ARLINGTON, VA 22201

AGREEMENT NO. 569-12

THIS AGREEMENT is made, on the date of execution by the County, between ADS Data Systems, Inc., 4 Brickford Lane, Baltimore, MD 21208 ("Contractor") a Maryland Corporation authorized to do business in the Commonwealth of Virginia, and the County Board of Arlington County, Virginia ("County"). The County and the Contractor, for the consideration hereinafter specified, agree as follows:

1. CONTRACT DOCUMENTS
The contract documents consist of this Agreement, Exhibit A (Scope of Services), Exhibit B (Pricing), Exhibit C (End User License Agreement), Exhibit D (County Nondisclosure and Data Security Agreement), Exhibit E (Arlington County Business Associate Agreement), and Exhibit F (IBM International Program License Agreement).

Where the terms and provisions of this Agreement vary from the terms and provisions of the other Contract Documents, the terms and provisions of this Agreement shall prevail over the other Contract Documents and the remaining Contract Documents shall be complementary to each other and if there are any conflicts the most stringent terms or provisions shall prevail.

The Contract Documents set forth the entire agreement between the County and the Contractor. The County and the Contractor agree that no representative or agent of either of them has made any representation or promise with respect to the parties’ agreement which is not contained in the Contract Documents. The Contract Documents may be referred to herein below as the “Contract” or the “Agreement.”

2. SCOPE OF SERVICES
The Contractor agrees to perform the services described in the Contract Documents (alternatively “Work”). The primary purpose of the Work is to provide a software system that will allow the Walter Reed Adult Day Care Health Center to efficiently manage their participants’ attendance, meals, eligibility, billing, payments and other entities that contribute to their day-to-day operational procedures. The Contract Documents set forth the minimum work estimated by the County and the Contractor to be necessary to complete the Work. It shall be the Contractor’s responsibility, at the Contractor’s sole cost, to provide the specific services set forth in the Contract Documents and sufficient services to fulfill the purposes of the Work. Nothing in the Contract Documents shall be construed to limit the Contractor’s responsibility to manage the details and execution of the Work.

3. CONTRACT TERM
Time is of the essence. The Work shall commence upon execution by the County, and be completed no later than January 31, 2013 ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor the County may authorize continued operations of the Contractor at the pricing set forth in Exhibit B (Pricing) for not more than four (4)

569-12 Page 1
additional twelve (12) month periods from February 1, 2013 to January 31, 2017 (Each such period shall be referred to as a "Subsequent Contract Term").

4. **CONTRACT AMOUNT**
   The County will pay the Contractor in accordance with the terms of the Payment paragraph below, and Exhibit B for the Contractor's completion of the Work described and required in the Contract Documents. The Contractor agrees that it shall complete the Work for the total amount specified in this section ("Contract Amount") unless such amount is modified as provided in this Agreement.

5. **PAYMENT**
   A deposit of 50% or $5,000 (whichever is less) will be required prior to any server or software configuration work to begin. Payment will be made by the County to the Contractor within 15 days of receipt of an invoice for work done which is reasonable and allocable to the Contract and which has been performed to the satisfaction of the Project Officer. Amounts on invoices shall not include amounts allocated to tasks (as shown in Exhibit A) on which no work has been done. The Project Officer will either approve the invoice or require corrections. The number of the County Purchase Order pursuant to which authority goods or services have been performed or delivered shall appear on all invoices.

   Contractor shall submit invoices to the County, electronically, on the first of every month. If County does not pay before the first (1st) of the following month, Contractor may assess an interest fee of no more than one percentum (1%) per month.

6. **PROJECT OFFICER**
   The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency requesting the work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its work pursuant to the Contract Documents.

7. **ADJUSTMENTS FOR CHANGE IN SCOPE**
   The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor's services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor's notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefore and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with this paragraph has been submitted in the time specified above and a written contract amendment has been signed by the County and the
Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

8. ADDITIONAL SERVICES
The Contractor shall not be compensated for any goods or services provided except those included in Exhibit A and included in the Contract Amount unless those goods or services are covered by a written amendment to this Contract signed by the County and the Contractor, and a County Purchase Order is issued covering the expected cost of such services.

Additional services agreed upon by the parties will be billed at the rates set forth in Exhibit B unless otherwise agreed by the parties in writing.

9. ESCROW OF SOURCE CODE
The Contractor shall, within fifteen (15) days of its execution of this Contract, provide evidence that it has deposited a copy of the source code of the licensed program software with an escrow agent acceptable to the County. Documentation provided to the escrow agent must obligate the escrow agent to make a copy of the source code available to the County as described below. The source code held in escrow will be updated by the Contractor immediately upon each new release of the licensed program software.

In the event any proceeding in receivership, liquidation, bankruptcy, or insolvency is commenced against the Contractor or if the Contractor makes any assignment for the benefit of its creditors, becomes insolvent, ceases to do business as an ongoing concern, or seeks any arrangement of compromise within its creditors under any statute or otherwise, or is otherwise in breach of this Contract, the County will, upon payment of the duplication cost and other reasonable handling charges of the escrow agent, be entitled to receive a copy of the source code from the escrow agent. The County agrees that it will only use the copy of the source code internally to support the licensed program software. The escrow agent's only responsibility will be to use its good faith efforts to cause a copy of the source code, in a form delivered to it by the Contractor, to be delivered to the County within five (5) days when one or more of the events listed above occurs. If a copy of the source code is released by the escrow agent to the County, the County contemporaneously receives a perpetual paid-up license to the source code, with free and clear title, interest, ownership, and possession of all configurations and site specific source code.

10. SOFTWARE LICENSE TERMS
Any software license to be executed by the County with the Contractor shall contain the following terms:

A. LICENSE GRANT
In connection with the transfer of possession of the software package provided pursuant to this Contract, the Contractor hereby grants to Arlington County a non-exclusive perpetual license to use the software program(s) (Software) and user manuals,
technical manuals, and other information (Documentation) for the software package.

B. OWNERSHIP
The Contractor will provide the County with a software license, but title to the Software and Documentation, all copies thereof and all rights therein, including all rights in patents, copyrights, and trade secrets applicable thereto, shall remain vested in the Contractor, regardless of the form or media in or on which the original and other copies of the Software and Documentation may subsequently exist. Nothing contained herein shall be deemed to convey any title or ownership interest in the program module(s), Software or Documentation to the County.

The County agrees not to disclose, transfer, provide or otherwise make available in any form, except as otherwise provided in the Contract Documents, the software package or any portion thereof, to any person other than employees of the County without the prior written consent of the Contractor, and any such disclosure or transfer shall be consistent with the use in a single-user computer system.

The County agrees not to reverse compile or disassemble the Software.

The County agrees that it will not, in any form, export, re-export, resell, ship, or divert or cause to be exported, re-exported, resold, shipped, or diverted, directly or indirectly, the Software and Documentation or any direct product thereof without first obtaining the requisite license or approval from the Contractor.

C. TERM
The term of this license agreement is for as long as the County uses the Software for its intended purpose. This license may be terminated by the County without further liability upon thirty (30) days prior written notice. The Contractor may terminate this license if the County is in default of any of the terms and conditions of this Agreement, and termination is effective if the County fails to correct such default within thirty (30) days after written notice thereof by the Contractor.

D. SOFTWARE WARRANTY AND MAINTENANCE
The Contractor warrants that the software will conform to the requirements and specifications as set forth herein. The Contractor warrants the operation of all Software for the term of this Contract and will provide all revisions, updates, upgrades, and minor releases to both the Software and supporting Documentation during that warranty term as long as this Contract remains effective and account is up to date.
11. **REIMBURSABLE EXPENSES**

No expenses except those identified in this Contract as project related expenses will be reimbursed if incurred without the prior written approval of the County and the issuance of a County purchase order detailing the specific expenses to be incurred by the Contractor and their estimated amount. Payment for approved reimbursable expenses will be made within thirty (30) days after receipt by the Project Officer of a correct invoice identifying the nature of the expense. Reimbursable expenses allowed shall be charged to the County on a unit price basis at the Contractor's cost. All amounts paid for reimbursable expenses shall be considered part of the Contract Amount.

The total amount paid for project related expenses shall not exceed the amount shown in Exhibit B.

12. **REIMBURSABLE TRAVEL-RELATED EXPENSES**

No reimbursable travel-related expenses shall be allowed for employees of firms located within the greater Baltimore-Washington Metropolitan Area, as defined by the United States Office of Management and Budget (OMB). If approved by the County for employees of firms outside this area, the County's policy for reimbursement of travel-related expenses will be as follows:

**Meals:** The County will reimburse a contractor for the actual out-of-pocket expenses for employee meals, excluding alcoholic beverages at the per diem rate not to exceed $41.00 or the individual meal rates not to exceed of $8.00 for breakfast, $11.00 for lunch, and $22.00 for dinner. Receipts are required.

**Lodging:** The County will reimburse lodging expenses incurred for lodging at a reasonably priced commercial facility in the immediate area of the work, where feasible. Complete and legible itemized receipts shall accompany any request for reimbursement. No reimbursement shall be made for ineligible expenses including room service, laundry, telephone and in-room movies. If a room is shared with another person not connected with the work being performed for the County, including a spouse, the County will reimburse a contractor for no more than the cost of a single room.

**Transportation:**

**General**

Reservations shall be made in advance whenever possible to take advantage of all available discounts.

**Ground Transportation**

Use of public transportation is encouraged. Receipts must be submitted for any inter-city public transportation used. Reimbursement for the use of personal or company vehicles, if allowed, shall not exceed the then current mileage rates paid by the County to its employees and personal use must be excluded from the request for reimbursement. Parking expenses are reimbursable up to $7.00 per day.
Rental of vehicles or use of taxicabs, in lieu of the use of a personal or company vehicle, may be approved if the Contractor can justify a cost savings by renting a car or using a taxicab, and obtains approval in advance from the Project Officer. For rental vehicles, the Contractor will be reimbursed for only those rental charges, insurance and/or fuel fees allocable to the Work. The Contractor will not be reimbursed for the purchase of liability insurance and/or collision/comprehensive insurance if their existing insurance coverage provides protection. Receipts are required for reimbursement.

Air Travel
Airfare will be reimbursed at the lowest cost available, typically coach rate, and must be purchased at least 7 days in advance, unless otherwise approved.

Time limit: Requests for travel reimbursement covering the above submitted more than sixty (60) days after completion of the travel shall not be honored.

Non-reimbursable Expenses: The following expenses are not allowable for reimbursement:

1. Alcoholic beverages
2. Personal phone calls
3. Self-entertainment activities (i.e. pay TV, movies, night clubs, health clubs, theaters, bowling)
4. Personal expenses (i.e. laundry, valet, haircuts)
5. Personal travel insurance (i.e. life, medical, or property insurance) for air fare or rental cars.
6. Auto repairs, maintenance and insurance costs for personal vehicles
7. Travel expenses incurred to obtain or maintain training and/or certificates that are not associated with an employee's job requirements.
8. If the County adopts different rates for its employees, the adopted rates shall prevail.

13. NON-APPROPRIATION
All funds for payments by the County under this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia. In the event of non-appropriation of funds by the County Board of Arlington County, Virginia for the goods or services provided under this Contract or substitutes for such goods or services which are as advanced or more advanced in their technology, the County will terminate the Contract, 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 Contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this Contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the County shall not be obligated under this Contract beyond the date of termination specified in the County's written notice.

14. REQUIREMENTS CONTRACT (ESTIMATED QUANTITIES)
During the Initial Contract Term or any Subsequent Contract Term, the Contractor will furnish all of the items or services described in the Contract Documents if so requested by the County. The Contractor understands and agrees that this is a requirements contract and the County will have no obligation to the Contractor if no, or fewer, items or services are required or requested by the County. Any quantities which are included in the Contract Documents are the present expectations of those who are planning for the County for the period of the Contract. The amount is only an estimate and the Contractor understands and agrees that the County is under no obligation to the Contractor to buy that amount, or any amount, as a result of having provided this estimate or of having had any normal or otherwise measurable requirement in the past.

15. COUNTY PURCHASE ORDER REQUIREMENT
County purchases are authorized only if a County Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Such a Purchase Order is to be provided to the Contractor by the ordering agency. The County will not be liable for payment for any purchases made by its employees without appropriate purchase authorization issued by the County Purchasing Agent. Contractors providing goods or services without a signed County Purchase Order do so at their own risk and expense.

16. PROJECT STAFF
The County will, throughout the Initial Contract Term and any Subsequent Contract Term, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If the County reasonably rejects staff or subcontractors pursuant to this section, the Contractor must provide replacement staff or subcontractors satisfactory to the County in a timely manner and at no additional cost to the County. The day-to-day supervision and control of the Contractor's employees, and employees of any of its subcontractors, shall be the sole responsibility of the Contractor.

17. SUPERVISION BY CONTRACTOR
The Contractor shall at all times enforce strict discipline and good order among the workers performing under this Contract, and shall not employ on the work any person not reasonably proficient in the work assigned.

18. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED
During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or any other basis prohibited by state law related to discrimination in employment except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
B. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an Equal Opportunity Employer.

C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

19. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED
In accordance with §2.2-4311.1 of the Virginia Code, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

20. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR
During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

21. TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT; CURE
The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However,
the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least thirty (30) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor’s failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Upon any termination pursuant to this section, the Contractor shall be liable to the County for all costs incurred by the County after the effective date of termination, including costs required to be expended by the County to complete the Work covered by the Contract, including costs of delay in completing the Work or the cost of repairing or correcting any unsatisfactory or non-compliant work performed or provided by the Contractor or its subcontractors. Such costs shall be either deducted from any amount due the Contractor or shall be promptly paid by the Contractor to the County upon demand by the County. Additionally, and notwithstanding any provision in this Contract to the contrary, the Contractor is liable to the County, and the County shall be entitled to recover, all damages to which the County is entitled by this Contract or by law, including, and without limitation, direct damages, indirect damages, consequential damages, delay damages, replacement costs, refund of all sums paid by the County to the Contractor under the Contract and all attorney fees and costs incurred by the County to enforce any provision of this Contract.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.
In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

22. **TERMINATION FOR THE CONVENIENCE OF THE COUNTY**

The performance of work under this Contract may be terminated by the County’s Purchasing Agent in whole or in part whenever the Purchasing Agent shall determine that such termination is in the County's best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least fifteen (15) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; immediately transfer all documentation and paperwork for terminated work to the County; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

23. **INDEMNIFICATION**

Contractor covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the County, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the “County” for purposes of this section) from and against any and all claims made by third parties or by the County for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor’s acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

24. **INTELLECTUAL PROPERTY INDEMNIFICATION**

The Contractor warrants and guarantees that no intellectual property rights (including, but not limited to, copyright, patent, mask rights
and trademark) of third parties are infringed or in any manner involved in or related to the services provided hereunder.

The Contractor further covenants for itself, its employees, and subcontractors to save, defend, hold harmless, and indemnify the County, and all of its officers, officials, departments, agencies, agents, and employees from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of this Contract, including its use by the County. If the Contractor, or any of its employees or subcontractors, uses any design, device, work, or materials covered by letters patent or copyright, it is mutually agreed and understood, without exception, that the Contract Amount includes all royalties, licensing fees, and any other costs arising from the use of such design, device, work, or materials in any way involved with the Work. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after Notice by the County, the Contractor fails or refuses to fulfill its obligations contained in this section, the Contractor shall be liable for and reimburse the County for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Contractor shall pay such expenses upon demand by the County and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

25. OWNERSHIP AND RETURN OF RECORDS
This Contract confers no ownership rights to the Contractor nor any rights or interests to use or disclose the County's data or inputs.

The Contractor agrees that all drawings, specifications, blueprints, data, information, findings, memoranda, correspondence, documents or records of any type, whether written or oral or electronic, and all documents generated by the Contractor or its subcontractors as a result of the County's request for services under this Contract, are the exclusive property of the County ("Record" or "Records"), and all such Records shall be provided to and/or returned to County upon completion, termination, or cancellation of this Contract. The Contractor shall not use, willingly allow, or cause such materials to be used for any other purpose other than performance of all obligations under the Contract without the written consent of the County. Additionally, the Contractor agrees that the Records are confidential records and neither the Records nor their contents shall be released by the Contractor, its subcontractors, or other third parties; nor shall their contents be disclosed to any person other than the Project Officer or his or her designee. The Contractor agrees that all oral or written inquiries from any person or entity regarding the status of any Record generated as a result of the existence of this Contract shall be referred to the Project Officer or his or her designee for response. At the County's request, the Contractor shall deliver all Records to the Project Officer, including "hard copies" of computer records, and at the County's request, shall destroy all computer records created as a result of the County's request for services pursuant to this Contract.
The Contractor agrees to include the provisions of this section as part of any contract or agreement the Contractor enters into with subcontractors or other third parties for work related to work pursuant to this Contract.

No termination of this Contract shall have the effect of rescinding, terminating or otherwise invalidating this section of the Contract.

26. **DATA SECURITY**
The Contractor agrees that it shall hold all County information and data obtained as a result of its work under this Contract confidential in accordance with the Nondisclosure and Data Security Agreement attached hereto as Exhibit D. If individual employees or subcontractors of the Contractor are performing work under this Contract on County-owned property, then such individual employees or subcontractors shall be required to sign a separate Nondisclosure and Data Security Agreement, which shall be incorporated by reference into this Contract, prior to performing any work or being allowed access to County data.

27. **VIRGINIA FREEDOM OF INFORMATION ACT**
The parties understand and agree that the County is subject to the terms and provisions of Code of Virginia §§ 2.2-3700 et seq., the Virginia Freedom of Information Act ("VFOIA"). All public records in the County’s custody, possession or control shall be open to the public for inspection and copying to the extent such disclosure is required by law. Certain exemptions or exclusions may apply but it is the Contractor’s obligation to assert any applicable VFOIA exclusions or exemption, to the satisfaction of the County Project officer, within the statutory deadlines. Thereafter it is the obligation of the Contractor to defend and indemnify the County from any claim or suit that may arise as a result of the withholding of records. The County Project Officer shall make available to the Contractor any VFOIA request in which the Project Officer reasonably believes the Contractor may have an interest in.

28. **ETHICS IN PUBLIC CONTRACTING**
This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
29. **COUNTY EMPLOYEES**
No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise there from which is not available to the general public.

30. **FORCE MAJEURE**
The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor’s then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

31. **AUTHORITY TO TRANSACT BUSINESS**
The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this Contract. A contract entered into by a Contractor in violation of this requirement is voidable, without any cost or expense, at the option of the County.

32. **RELATION TO COUNTY**
The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

33. **ANTITRUST**
By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County under this Contract.

34. **REPORT STANDARDS**
Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in an electronic format approved in advance.
by the Project Officer, and shall be submitted for advance review and
comment by the Project Officer. The cost of correcting grammatical
errors, correcting report data, or other revisions required to bring
the report or written material into compliance with these requirements
shall be borne by the Contractor.

When submitting documents to the County, The Contractor shall comply
with the following guidelines:

- All submittals and copies shall be printed on at least thirty
  percent (30%) recycled-content and/or tree-free paper;
- All copies shall be double-sided;
- Report covers or binders shall be recyclable, made from recycled
  materials, and/or easily removable to allow for recycling of report
  pages (reports with glued bindings that meet all other requirements
  are acceptable);
- The use of plastic covers or dividers should be avoided; and
- Unnecessary attachments or documents not specifically asked for
  should not be submitted, and superfluous use of paper (e.g. separate
  title sheets or chapter dividers) should be avoided.

35. **AUDIT**

The Contractor agrees to retain all books, records and other documents
related to this Contract for at least five (5) years after final
payment. The County or its authorized agents shall have full access to
and the right to examine any of the above documents during this period
and during the Initial Contract Term and any Subsequent Contract Term.
If the Contractor wishes to destroy or dispose of records (including
confidential records to which the County does not have ready access)
within five (5) years after final payment, the Contractor shall notify
the County at least thirty (30) days prior to such disposal, and if the
County objects, shall not dispose of the records.

36. **ASSIGNMENT**

The Contractor shall not assign, transfer, convey, sublet, or otherwise
dispose of any award, or any or all of its rights, obligations, or
interests under this Contract, without the prior written consent of the
County.

37. **AMENDMENTS**

This Contract shall not be amended except by written amendment executed
by persons duly authorized to bind the Contractor and the County.

38. **ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES**

Notwithstanding any provision to the contrary herein, no provision of
the Arlington County Purchasing Resolution or any applicable County
policy is waived in whole or in part.

39. **DISPUTE RESOLUTION**

All disputes arising under this Agreement, or its interpretation,
whether involving law or fact, or extra work, or extra compensation or
time, and all claims for alleged breach of Contract shall be submitted
to the Project Officer for decision at the time of the occurrence or
beginning of the work upon which the claim is based, whichever occurs
first. Any such claims shall state the facts surrounding it in
sufficient detail to identify it together with its character and scope.
In accordance with the Arlington County Purchasing Resolution, claims
denied by the Project Officer may be submitted to the County Manager in
writing no later than sixty (60) days after final payment. The time
limit for final written decision by the County Manager in the event of
a contractual dispute, as that term is defined in the Arlington County
Purchasing Resolution, is fifteen (15) days. Procedures for
considering contractual claims, disputes, administrative appeals, and
protests are contained in the Purchasing Resolution, which is
incorporated herein by reference. A copy of the Arlington County
Purchasing Resolution is available upon request from the Office of the
Purchasing Agent. The Contractor shall not cause a delay in the Work
pending a decision of the Project Officer, County Manager, County
Board, or a court.

40. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**
This Contract and the work performed hereunder shall be governed in all
respects by the laws of the Commonwealth of Virginia and the
jurisdiction, forum, and venue for any litigation with respect thereto
shall be in the Circuit Court for Arlington County, Virginia, and in no
other court. In performing the Work under this Contract, the
Contractor shall comply with applicable federal, state, and local laws,
ordinances and regulations.

41. **ARBITRATION**
It is expressly agreed that nothing under the Contract shall be subject
to arbitration, and any references to arbitration are expressly deleted
from the Contract.

42. **NONEXCLUSIVITY OF REMEDIES**
All remedies available to the County under this Contract are
cumulative, and no such remedy shall be exclusive of any other remedy
available to the County at law or in equity.

43. **NO WAIVER**
The failure of either party to exercise in any respect a right provided
for in this Contract shall not be deemed to be a subsequent waiver of
the same right or any other right.

44. **SEVERABILITY**
The sections, paragraphs, sentences, clauses and phrases of this
Contract are severable, and if any phrase, clause, sentence, paragraph
or section of this Contract shall be declared invalid by a court of
competent jurisdiction, such invalidity shall not affect any of the
remaining phrases, clauses, sentences, paragraphs and sections of this
Contract.

45. **NO WAIVER OF SOVEREIGN IMMUNITY**
Notwithstanding any other provision of this Contract, nothing in this
Contract or any action taken by the County pursuant to this Contract
shall constitute or be construed as a waiver of either the sovereign or
governmental immunity of the County. The parties intend for this
provision to be read as broadly as possible.

46. **SURVIVAL OF TERMS**
In addition to any numbered section in this Agreement which
specifically state that the term or paragraph survives the expiration
of termination of this Contract, the following sections if included in
this Contract also survive: INDEMNIFICATION; RELATION TO COUNTY; OWNERSHIP AND RETURN OF RECORDS; AUDIT; COPYRIGHT; INTELLECTUAL PROPERTY INDEMNIFICATION; and DATA SECURITY.

47. HEADINGS
The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes.

48. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

ADS Data Systems, Inc.

PO Box 431

Stevenson, MD 21153

TO THE COUNTY:
The County Project Officer (refer to section headed Project Officer) under the Contract Terms and Conditions section (Contractor shall request address from Project Officer);

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

49. NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

50. INSURANCE REQUIREMENTS
The Contractor shall provide to the County Purchasing Agent a Certificate of Insurance indicating that the Contractor has in force the coverage below prior to the start of any Work under this Contract and upon any contract extension. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated in the Contract Documents. All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with a rating of "A-" or better and a financial size of "Class VII" or better in the latest edition of the A.M. Best Co. Guides, and acceptable to the County. The minimum insurance coverage shall be:
a. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD. Contractors employees are also shareholders and are therefore exempt from Workers Compensation.

b. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract. Evidence of Contractual Liability coverage shall be typed on the certificate.

c. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as an additional insureds on all policies except Workers Compensation and Auto and Professional Liability; and evidence of the Additional Insured endorsement shall be typed on the certificate.

d. Cancellation - All insurance policies required by this Contract shall be endorsed to include the following provision: "It is agreed that this policy is not subject to cancellation or non-renewal until thirty (30) days prior written notice has been given to the Purchasing Agent, Arlington County, Virginia." If there is a material change or reduction in coverage the Contractor shall notify the Purchasing Agent immediately upon Contractor's notification from the insurer. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be replaced with another policy consistent with the terms of this Contract, and the County notified of the replacement, in such a manner that there is no lapse in coverage. Not having the required insurance throughout the Contract Term is grounds for termination of the Contract.

e. Any insurance coverage that is placed as a "claims made" policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor's receipt of final payment.

f. Contract Identification - The insurance certificate shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of
self-insurance, collateral, or other mechanism in the amount of the deductible to ensure protection for the County.

The Contractor shall require all subcontractors to maintain during the term of this Contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' certificates of insurance to the County immediately upon request by the County.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the Work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.

The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity and the alternative coverage are submitted to and acceptable to the County. The Contractor must also provide its most recent actuarial report and provide a copy of its self insurance resolution to determine the adequacy of the insurance funding.

51. HIPAA COMPLIANCE
The Contractor shall comply with all applicable legislative and regulatory requirements of privacy, security, and electronic transaction components of the Health Insurance portability and Accountability Act of 1996, as amended ("HIPAA"). Pursuant to 45 C.F.R. §164.502(e) and §164.504(e, the Contractor shall be designated a Business Associate pursuant and will be required to execute an Arlington County Business Associate Agreement. If Contractor engages a subcontractor or subcontractors in the performance of Work under this Agreement, Contractor shall enter into an agreement with each of its subcontractors pursuant to 45 C.F.R. § 164.308(b)(1) and the Health Information Technology for Economic and Clinic Health (HITECH) Act § 13401 that is appropriate and sufficient to require each subcontractor to protect Protected Health Information to the same extent required of Contractor under Arlington County's Business Associate Agreement and in a form approved by the County. The Contractor shall ensure that its subcontractors notify the Contractor, immediately, of any breaches in security regarding Protected Health Information.
Contractor takes full responsibility for any failure to execute the appropriate agreements with its subcontractors and for the failure of its subcontractors to comply with the existing or future regulations of HIPAA and/or HITECH, and shall indemnify County for any and all loss, damages, liability, exposure, or costs resulting there from.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]
NAME: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 1-26-12

ADS DATA SYSTEMS, INC.

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: MaryBeth Scovill, President
DATE: 1-25-12

TAXPAYER ID (EIN) 27-1664257
AGREEMENT NO. 260-11
EXHIBIT A

SCOPE OF SERVICES

ADS Data Systems shall replace the current system used at the Walter Reed Adult Day Health Center (ADHC) with the ADS Software package. This software will provide the Center with all of the necessary features to efficiently track attendance, eligibility, billing, payments, multiple contacts, hospitalization, maintain physician’s orders, care plans and progress notes for the elderly population served at this location. Additional required features to be provided are:

1. A USDA Funds Tracking capability to ensure USDA-eligible component tracking is being met electronically, which is a federal requirement. The electronic collection of this data would assist in streamlining the reimbursement process and automatically determine reimbursement eligibility for this program based on components served.

2. A Transportation Component to coordinate participants’ transportation needs, such as drop off/pick up times, maps, mobility tracking and any special instructions.

3. Electronic Medicaid Billing and tracking of Medicaid billable days.
   a. Due to specific Medicaid requirements, the system will track daily attendance and make the necessary adjustments when participants do not meet the required participation guidelines.
   b. The system will produce a file that can bill Medicaid electronically for reimbursement.

4. A Daily Attendance function, which provides the capability to track not only daily attendance, but the following:
   a. All meals provided, including snacks
   b. Taxicab usage and any penalties associated with improper notification of cancellation to the cab companies.

5. ADHC allows credit days that the system will track. Credit days are:
   a. Based on a participant’s scheduled number of attendance days. For example, a participant attending 2 days/week would be credited with and allowed 4 unexcused days for the fiscal year. If more than 4 absences occur during the fiscal year there would be a charge for the missed days.

6. The local ADHC Pay Scale will be accommodated by the system. The pay scale includes:
   a. A Sliding scale-based format
   b. The ability to distinguish single/married eligibility levels

7. A Field Trip Roster that would provide emergency contact info.

8. The capability to track multiple contacts per participant.
9. The capability to maintain:
   a. Individual Service Plans
   b. Pay Scale
   c. Acuity Levels
   d. Progress Notes
   e. Monitoring of Physcials

10. Flexibility in the system will allow data extracts to meet departmental reporting requirements:
   f. The capability to populate program-related client information for the DHS Data Warehouse
   g. The capability to provide attendance/admission/discharge data for Area Agency on Aging state reporting.

In addition to meeting the above requirements, the vendor shall provide the following:

**Implementation**

1. Delivery and installation of the ADS Software package, which is IBM Lotus Notes-based.
2. Creation of Company Data Modules. Company Data Modules include the following:
   a. Users and their levels of authorization
   b. Client Data
   c. Attendance and Billing
   d. Progress Notes
   e. Care Plans with Needs Library
   f. Intake and Referral Marketing Tracking
   g. Service Providers
   h. Diagnosis or ICD-9
3. Set-up of Server and Application Configuration
4. Purchase of Lotus Notes Licenses (10 Users)
5. Setup and Installation
   a. Client software will be installed on each user workstation
   b. Connection and location documents will be created on each workstation
   c. Company Data Modules will be downloaded and local replicas of each module will be created on each workstation
6. Invoice Billing Set-up and Testing
7. Electronic Medicaid Billing Set-up and Testing
   a. Requirements for acceptance include
      i. 5 to 25 claims/file
      ii. 5 successful files submitted for reimbursement
8. Implementation shall begin upon the execution of this Agreement by the County and shall be completed no later than twelve (12) weeks after such execution.
9. Flexibility to accommodate Arlington-specific tables (i.e., Pay Scale, Acuity Levels)

**Hosting Requirements**

1. 24/7 data access via Internet
2. Web-based access to HIPAA-compliant secure servers
3. Audit trails which provide information on what processes were performed, when and by whom
4. Software upgrades, enhancements and fixes without user involvement, but with users approval and knowledge
5. Notifications to users prior to system changes

Training
1. Training of a minimum of 12 hours (3 sessions) plus 90 days support during implementation period will be conducted both on-site and on-line. Initial training of 4 hours will be conducted on-site and remaining 8 hours will be determined by users during training period. Cost of on-site -vs- on-line training is shown in Fee Schedule, Exhibit B.
2. On-going online training
3. Desktop Help Data Module which provides ‘How To’ assistance and answers to Frequently Asked Questions

Customization
There are no customization requirements that have been identified at this time. However, the County may request customizations at a later date, and Contractor shall provide such customizations at the rate specified in Exhibit B.

Customization will be billed at the rate specified in Exhibit B for any customization of specific forms & reports. After the initial installation and training period (90 days), it is expected that the County will have a responsible staff person sufficiently trained to conduct future installations and trainings. Installations and additional training after 90 days is subject to the current hourly billing rate for on-line and on-site support except for work related to upgrades and enhancements.

Contractor will continually provide updates to the software and those changes and updates belong to ADS Data Systems. The County does not own the copyright to the updates Contractor provides unless it is a specific customization for that organization.

Contingencies

Testing:
In the event there are obstacles encountered during testing, ADS shall resolve all issues until the Work is deemed acceptable by the County.

Data Ownership:
In the event the vendor is no longer able to provide the services specified, the data maintained on the vendor’s server belongs to the County. The County shall have reader access to the data on the server as long as the County keeps the installed Lotus Notes client.

Stakeholders:
Michael Young DiGeronimo
Walter Reed ADHC Director
Project Sponsor

Luisa Contreras
Subject Matter Expert

IT Support:
## Fee Schedule - Start-up Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>One time Set-Up Creation of company Data Modules- with new Referral and Intake Tracking Module.</td>
<td>$2350</td>
</tr>
<tr>
<td>One time Set-up Server and Application configuration</td>
<td>$250</td>
</tr>
<tr>
<td>One time Set-up of Electronic Medicaid billing &amp; Testing</td>
<td>$2500</td>
</tr>
<tr>
<td>Invoice Billing Set-up &amp; Testing</td>
<td>$250</td>
</tr>
<tr>
<td>One time Set-up for 10 User Ids-$160 each for IBM Lotus Notes Licenses</td>
<td>$1600</td>
</tr>
<tr>
<td>Workstation set-ups for 10 stations</td>
<td>$900</td>
</tr>
<tr>
<td>Initial Training - 12 hours - : 4 hours initial on-site $150 and remaining 8 on-line $90</td>
<td>$1320</td>
</tr>
<tr>
<td>Initial Training- 12 hours on-site training $150.</td>
<td>$1800</td>
</tr>
<tr>
<td>Initial Set-up Costs-with 4 on-site training hours and 8 on-line training hours</td>
<td>$9060</td>
</tr>
<tr>
<td>Initial Set up Costs with 12 hours of on-site training</td>
<td>$9540</td>
</tr>
</tbody>
</table>

## Set Unit Costs for next 5 years – Based on 10 Users

<table>
<thead>
<tr>
<th>Item</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly subscription $85 per user for the first 10 users (Includes telephonic support requiring less than 15 minutes per call)</td>
<td>$850</td>
</tr>
</tbody>
</table>

### Optional Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email &amp; Calendar - optional (2GB database max)</td>
<td>$15/user/month</td>
</tr>
<tr>
<td>Customized development post implementation</td>
<td>$150/hour</td>
</tr>
<tr>
<td>Ongoing training and support through online meetings (post initial training, exceeding more than 15 minutes and with prior approval)</td>
<td>$90/hour</td>
</tr>
<tr>
<td>Ongoing training and support - onsite (post initial training)</td>
<td>$150/hour onsite plus expenses</td>
</tr>
</tbody>
</table>

### Additional Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registering new staff with user IDs, deleting terminated users, creating 'denied access' for terminated users. *Three (3) user changes per year/facility are included w/ monthly lease fee</td>
<td>$75/user</td>
</tr>
</tbody>
</table>
ADS Data Systems, Inc.
End-User License Agreement
Exhibit C

NOTICE TO ALL USERS: PLEASE READ THIS CONTRACT CAREFULLY. BY INSTALLING THE ADS Data Systems SOFTWARE, YOU AGREE TO THE TERMS OF THIS AGREEMENT.

This End-User License Agreement ("EULA") is a legal agreement between the County Board of Arlington County, Virginia ("Facility" or "You") and ADS Data Systems, Inc., ("ADS") which governs your use of ADS Data Systems' software ("SOFTWARE") that will be installed on your computer hardware. If you agree to be legally bound by the terms of this EULA, you may install the available software in accordance with the terms of this EULA. If you do not agree to the terms of this EULA, ADS Data Systems shall not be deemed to have licensed the SOFTWARE to you. In such case, you are not authorized by ADS Data Systems to use the SOFTWARE.

Definitions.

a. "Software" means (a) all of the modules, (including electronic media) with which this Agreement is provided or such contents as are hosted by ADS Data Systems or its distributors, resellers, OEM/MSP partners, or other business partners (collectively "Authorized Partner(s)"); including but not limited to (i) ADS Data Systems or third party computer information or software; (ii) related explanatory materials in printed, electronic, or online form ("Documentation"); and (b) upgrades, modified or subsequent versions and updates (collectively "Updates"), and Software, if any, licensed to you by ADS Data Systems or an Authorized Partner as part of a maintenance contract or service subscription.

b. "Use" or "Using" means to access, install, download, copy or otherwise benefit from using the Software.

c. "Users" means one (1) user or ID per license as granted by ADS Data Systems.

d. "Computer" means a device that accepts information in digital or similar form and manipulates it for a specific result based upon a sequence of instructions.

e. "Updates" means changes to the software to enhance performance or comply with regulatory changes.

f. "Subscription" means ADS Partnership licensing model. All our customers lease the software. The lease is based on the number of users (minimum 5) and is renewed annually.

g. Perpetual licenses are not currently available.

g. "ADS Data Systems" means ADS Data Systems, Inc., a Maryland Corporation, with mailing address of PO Box 431 Stevenson, Maryland 21153-0431, USA.

Terms and Conditions.

1. Ownership.

All rights, titles and interest in and to the SOFTWARE are owned by ADS Data Systems or its suppliers. The foregoing rights to the SOFTWARE are licensed to you on a limited basis as prescribed in the following Section 2 - Grant of License. In any event, this provision should not be construed in any way, as an expression to assign or sell any copyrights of, or any other intellectual property rights to, the SOFTWARE from ADS Data Systems to you. Possession, installation, or use of the Software does not
transfer any title to the intellectual property in the Software, and you
will not acquire any rights to the Software except as expressly set forth
in this Agreement.

2. Grant of License.

2.1 Installation
ADS Data Systems grants your organization a non-exclusive, non-
transferable license to install and use the SOFTWARE subject to any
restrictions or usage terms specified on the applicable Fee Schedule,
located at Exhibit B, and made part of this Agreement hereof. The
SOFTWARE PRODUCT is licensed, not sold. Each license granted hereunder
is specific to the organization for which the license was obtained and
to any subsequent location to which Facility may transfer its principal
business operations, and is otherwise non-transferable.
ADS Data Systems grants you the right to install and use the SOFTWARE
PRODUCT running a validly licensed copy of the operating system for
which the SOFTWARE PRODUCT was designed [PCs running Windows XP
Professional and Lotus Notes Client version 7].

2.2 Use
ADS Data Systems further grants your organization a license, subject to
the payment of the applicable fees, and subject to the terms and
conditions of this EULA, to use the Software subject to any
restrictions or usage terms specified on the applicable Fee Schedule.

2.3 Distribution
Except to the extent expressly permitted by applicable law, you may not:
(i) make any copies of the SOFTWARE except as expressly permitted in
accordance with Sections 2.1 and 2.2 of this EULA,
(ii) modify the SOFTWARE,
(iii) reverse engineer, disassemble, decompile or use the SOFTWARE to
create any derivative software,
(iv) exceed the total number of users as indicated by your monthly
subscription of user IDs and Licenses in the per user per month
subscription statement,
(v) rent or lease the SOFTWARE,
(vi) make available to download the SOFTWARE to the public, or
(vii) transfer the SOFTWARE to any third person or parties by wire or any
other means

2.4 Annual Subscription
Your subscription is annual and includes the licensed software and any
applicable updates and any other services and support as described in
this Agreement for the period of one year. Up to 30 hours of support
are provided during the first 90 days after initial installation.

2.5 Maintenance of Copyright Notices.
You must not remove or alter any copyright notices on any and all
copies of the SOFTWARE.

2.6 Prohibition on Reverse Engineering, Decompilation, and Disassembly.
You may not reverse engineer, decompile, or disassemble or use the
SOFTWARE to create any derivative software, except and only to the
extent that such activity is expressly permitted by applicable law
notwithstanding this limitation.

2.7 Compliance with Applicable Laws.

You must comply with all applicable laws regarding use of the SOFTWARE product.

3. Privacy

3.1 By entering into this EULA, you agree that ADS Data Systems may collect, retain and use your company information, including company name, address, e-mail address, and payment details. Your company information will be used to provide services and software functionality to you. ADS Data Systems may also use your company information for additional communication with you, subject to your decision not to accept such communications from ADS Data Systems and subject to applicable laws.

3.2 ADS Data Systems may engage other companies and individuals ("subcontractors") to perform functions on its behalf, such as software programming, installation, payment processing, order fulfillment, marketing programs and customer service and support. ADS Data Systems may share your information with such subcontractors in order to perform these and other functions, but such subcontractors may not use your company information for other purposes, without your written consent.

3.3 ADS Data Systems complies with the Health Insurance Portability and Accountability Act (HIPAA) and Health and Human Services Regulation codified at Title 45 of the Code of Federal Regulations 164.501. ADS Data Systems has implemented appropriate safeguards to prevent any use or disclosure of Personal Health Information (PHI), including obtaining Business Associate Agreements with all its subcontractors. In the event there is a breach of disclosure of PHI, ADS Data Systems will report such breach to your company within five business days of learning of such use or disclosure.


Source Code Agreement. ADS Data Systems, Inc. shall place with its third party external programmers, WorkAround Software, Inc. located at 47 International Blvd. Toronto ON Canada M9W 6H3, Source Code of the Licensed Program used by the Walter Reed Adult Day Healthcare center to be held in escrow ("Escrowed Material").

In the event of a Source Code Delivery Event, including the application for appointment of a trustee or receiver for any part of its assets, an assignment for the benefit of creditors, the commencement of any proceedings under any Chapter 7 bankruptcy, dissolution or other liquidating law, County Board of Arlington County, Virginia shall have the right, exercisable upon such delivery, which such delivery shall not be unreasonably withheld, to use such materials for purposes of Walter Reed Adult Day Healthcare center's providing internally, or procuring from contractors, such maintenance and support as Walter Reed Adult Day Healthcare center may require with respect to the Licensed Program and, as incident thereto, to copy and modify the Licensed Program in support of the authorized uses.

5. Subscription Terms.
6.1 This EULA is effective for one year from the date of execution of this Agreement.
6.2 Fees will be as specified in the Fee Schedule located in Exhibit B of this Agreement.
6.3 This EULA will terminate automatically if you fail to comply with any of the limitations or other requirements described herein. Upon any termination or expiration of this EULA, you will be granted permission to store your data in the existing version of the software for viewing purposes only. User privileges will be limited to one administrative user ID with read only capability. It is the facilities responsibility to maintain records (electronically or in hard copy) according to federal, state and local regulations. Data may also be exported to other software at the user’s expense.
6.4 This EULA provides up to 12 hours of on-line training and up to 30 hours of support for 3 months from the date of initial installation. After the initial 3 months, training and support requiring 15 minutes or more via phone or on-line meeting will be at the billable rate specified in the Fee Schedule in addition to the ongoing monthly subscription fee.
6.5 The subscription period will be billed monthly according to the current per user per month rate. Amounts billed are due within fifteen (15) days of receipt of invoice.
6.6 After the specified service subscription period has expired, or if your account is not in good standing (i.e. timely payment), you have no further rights to receive any Updates without purchase of a new license to the Software and your subscription service will be suspended.

7. Updates
This license is limited to the version of the Software delivered by ADS Data Systems and includes periodic Updates. You have purchased a service subscription that entitles you to Updates as they are made available to all licensed users. After the specified service subscription period has expired, you have no further rights to receive any Updates without purchase of a new license to the Software. A separate maintenance contract or customization contract may be purchased for facilities with special customization needs.

This Agreement shall be construed in accordance with the laws and regulations of the Commonwealth of Virginia regardless of any conflict of law provisions.

a. Each provision of the Agreement stands by itself. The fact that one or several provisions might become invalid or unenforceable in no way affects the validity and enforceability of other provisions. If any law or administrative rule or regulation makes it impossible or illegal to perform any service listed herein, the parties agree that the parties shall continue, as much as possible, to fulfill their respective obligations consistent with the law, rule, obligation, and this Agreement.

9. Independent Contractor Relationship
ADS Data Systems agrees to perform services hereunder solely as an
Independent Contractor ("Independent Contractor"). The parties to this Agreement recognize that this Agreement does not create any actual or apparent agency, partnership, franchise, or relationship of employer and employee between the parties. The Independent Contractor is not authorized to enter into or commit Facility to any agreements, and the Independent Contractor shall not represent itself as the agent or legal representative of Facility. Further, the Independent Contractor shall not be entitled to participate in any of Facility’s benefits, including without limitation any health or retirement plans. The Independent Contractor shall not be entitled to any remuneration, benefits, or expenses other than as specifically provided for in the Fee Schedule. Facility shall not be liable for taxes, Worker's Compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of the Independent Contractor or any other person consulted or employed by the Independent Contractor in performing services under this Agreement. All such costs shall be Independent Contractor's responsibility.

**ADS Data Systems Customer Contact**

For questions concerning these terms and conditions contact ADS Data Systems at (443) 889-9328 or (866) 611-8859, FAX to (866) 472-0811, or write: ADS Data Systems, Inc., Attention: Customer Service, PO Box 431, Stevenson, MD 21153-0431, or through our website at [www.adssystems.com](http://www.adssystems.com).

In witness whereof, the parties have caused this Agreement to be executed this 25th day of January, 2012.

Marybeth P. Scovill, President
Marybeth P. Scovill, President
ADS Data Systems, Inc.
1-866-611-8859

(Print Name)

WALTER REED ADULT DAY HEALTH CENTER

(Facility Name)

(Mailing Address)

City/State/Zip

(Phone)
AGREEMENT NO. 569-12
EXHIBIT D

NONDISCLOSURE AND DATA SECURITY AGREEMENT
(CONTRACTOR)

ADS Data Systems, Inc. (Contractor) hereby agrees that it will hold County information, documents, data, images, records and the like (hereafter "information") confidential and secure and to protect it against accidental loss, misuse, alteration, destruction or disclosure. This includes but is not limited to the information of the County, its employees, contractors, residents, taxpayers, and property and includes but is not limited to, data that the County shares with Contractor for testing, support, conversion or for support services.

Contractor agree that it will maintain the security of the information and it will not divulge this information or allow or facilitate access to it by any unauthorized person, for any purpose, or any information obtained directly, or indirectly, as a result of its performance of the Work for Contract No. 260-11. This includes but is not limited to information that in any manner that describes, locates or indexes anything about an individual including, but not limited to, his/her (hereinafter "his") real or personal property holdings, and his education, financial transactions, medical history, ancestry, religion, political ideology, criminal or employment record, social security number, tax status or payments, date of birth, address, phone number or that affords a basis of inferring personal characteristics, such as finger and voice prints, photographs, or things done by or to such individual, and the record of his presence, registration, or membership in an organization or activity, or admission to an institution.

Contractor also agree that it will not directly or indirectly use or facilitate the use or dissemination of information (whether intentionally or by inadvertence, negligence or omission verbally, electronically, through paper transmission or otherwise), for any purpose other than that directly associated with its officially assigned duties pursuant to Contract No. 260-11. Contractor is aware that any unauthorized use or disclosure of information is prohibited and, in addition, may also constitute a violation of Virginia law. (e.g., the Government Data Collection and Dissemination Practices Act, formerly called the Privacy Protection Act, Va. Code § 2.2-3800 et seq., and the Secrecy of Information Act, Va. Code § 58.1-3, which may be punishable by a jail sentence of up to six months and/or a fine of up to $1,000.00.)

Contractor also agrees that it will not divulge or facilitate the divulgence to or access by any unauthorized person, for any purpose, of any confidential or proprietary information not related to the Work obtained directly, or indirectly, as a result of the performance of Work under Contract No. 260-11.

Contractor also agree that it will take strict security measures to ensure that information is not improperly stored, that if stored that it is encrypted and stored securely, and cannot be retrieved or accessed by non-authorized persons, and that any device or media on which data is stored, even temporarily, will have strict security and
access control, and that it will not cause any such information to leave its work site or the County's physical facility, if working onsite. Contractor agrees to not remove any information from its worksite or the County’s physical facility without express written authorization of the County Project Officer. If so authorized, Contractor agrees and understands that it is responsible for the security of the electronic equipment or paper files on which the information is stored.

Contractor will ensure that any Contractor laptop, other equipment or media connected to the County network shall be free of all of all computer viruses and/or running the latest version of an industry standard virus protection program.

Contractor agrees that it will notify the County Project Officer immediately upon discovery or becoming aware or suspicious of any breach of this Agreement, County policy, Contractor’s security system, or any unauthorized use or disclosure of the information, or any other breach of this Nondisclosure and Data Security Agreement, and Contractor will cooperate with the County in every way to help the County regain possession of any information and prevent its further unauthorized disclosure, use, or dissemination.

Contractor agrees that all duties and obligations enumerated in this agreement also extend to any and all employees, agents or subcontractors who are given access to County information. Breach of any of the above conditions by Contractor’s employees, agents or subcontractors shall be treated as a breach by Contractor.

Contractor agrees that it shall take all reasonable measures to ensure its employees, agents and subcontractors are aware of and abide by the terms and conditions of this Agreement.

At the conclusion of the term of Contract No. 260-11, Contractor agrees to return all non-Contractor information to the County Project Officer.

This Agreement remains in full force and effect throughout the Contractor’s Work on Contract No. 260-11 and shall survive termination of Contract No. 260-11.

Signed:__________________________________________

Date: 1-25-12
EXHIBIT E

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into on, by and among the County Board of Arlington County, Virginia (herein "Covered Entity") and ADS Data Systems, Inc. (herein "Business Associate") in order to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing protected health information ("PHI") and business associates under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191) ("HIPAA"), 42 U.S.C. Section 1320d, et. seq., the Health Information Technology for Economic and Clinical Health Act (P.L. 111-005) ("HITECH ACT") and any regulations promulgated thereunder, as amended from time to time. Further, this Agreement is entered into to protect the confidentiality and integrity of Protected Health Information (PHI) required by law, policy, professional ethics, and accreditation requirements. Parties to this Agreement shall fully comply with the provisions of the regulations implementing HIPAA......

RECITALS

WHEREAS the parties must comply with provisions of HIPAA, the Privacy Rule and Security Rule requirements and applicable provisions of the "HITECH standards" (defined below);

WHEREAS the parties agree and understand that the Covered Entity must receive satisfactory written assurance from the Business Associate that the Business Associate will safeguard all Protected Health Information, as defined by HIPAA;

WHEREAS the parties intend to protect the privacy and provide for the security of PHI disclosed to the BA pursuant to its contract with the Covered Entity in compliance with HIPAA and the HITECH Act and the regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws;

WHEREAS the Business Associate agrees to take all reasonable and accepted efforts to ensure that PHI is rendered unusable, unreadable or indecipherable to unauthorized individuals (e.g. encrypted, destroyed) whenever appropriate;

WHEREAS the Business Associate hereby provides such assurances;

In consideration of mutual promises and covenants below, the parties intending to be legally bound, agree as follows:

1. Definitions.

As used in this Agreement, the terms below will have the following meanings intended to be consistent with HIPAA and the HITECH Act:

1.1 Agreement.
"Agreement" shall mean this Business Associate Agreement.

1.2 Affected Individuals.
"Affected individuals" shall mean person who were affected by a Breach, as defined below, or whose unsecured protected health information has been, or is reasonably believed to have been, breached.

1.3 Breach. "Breach" shall mean the unauthorized acquisition, access, use or disclosure of PHI in a manner not permitted by the HIPAA Privacy Rule which compromises the security or privacy of such information except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. And any other such exceptions to this definition as set forth at 42 USC 17921 section 13400 (1) and any guidance related thereto.

1.4 Business Associate. "Business Associate" shall mean ADS Data Systems, Inc.

1.5 Covered Entity. "Covered Entity" shall mean the County Board of Arlington County, Virginia.

1.6 Designated Record Set. "Designated Record Set" shall mean a group of records maintained by or for a covered entity that is:

(a) The medical records and billing records about individuals maintained by or for a covered health care provider;

(b) The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or

(c) Used, in whole or in part, by or for the covered entity to make decisions about individuals

1.7 Discovered. "Discovered" shall mean the first day the Breach is known or reasonably should have been known by the Business Associate, including any person, other than the person committing the breach, that is an employee, officer or other agent of the Business Associate.
1.8 HITECH Standards.
"HITECH Standards" shall mean the privacy, security and security Breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act ("HITEC") which is Title XIII of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and any regulations promulgated thereunder.

1.9 Individual.
"Individual" shall have the same meaning as the term "individual" in 45 C.F.R. 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. 164.502(g)(1). This term includes "Covered Individual" and "Covered Person/s as used herein."

1.10 Plan.
"Plan" shall have the same meaning as set forth in HIPAA and HITECH Act.

1.11 Privacy Rule.
"Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

1.12 Protected Health Information.
"Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. §160.103. PHI is limited to information created or received by Business Associate from or on behalf of Covered Entity. PHI means individually identifiable information created or received by a health care provider, health plan, employer or health care clearinghouse, that: (i) relates to the past, present, or future physical or mental health or condition of an individual, provision of health care to the individual, or the past, present or future payment for provision of health care to the individual; (ii) identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and (iii) is transmitted or maintained in an electronic medium, or in any other form or medium. PHI includes protected information provided by Covered Entity to Business Associate or created or received by Business Associate on Covered Entity's behalf.

1.13 Required by Law.
"Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. §164.103.

1.14 Secretary.
"Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

1.15 Summary Health Information.
"Summary Health Information" shall mean information, which may be Protected Health Information, (1) that summarizes the claims history, claims expenses, or types of claims and (2) from which the identifiers specified in 45 C.F.R. §164.514(b)(2)(i) have been deleted (except that
the zip code information described in 45 C.F.R. §164.514(b)(2)(i)(B) may be aggregated to the level of a five (5) digit zip code).

1.16 Underlying Agreement.  "Underlying Agreement" refers to the County contract necessitating this Business Associate Agreement.

1.17 Unsecured Protected Health Information.  "Unsecured Protected Health Information" or "Unsecured PHI" shall mean Protected Health Information (PHI) that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of technology or a methodology specified by the Secretary in guidance.

2. STATEMENT OF AGREEMENT.

2.1 HIPAA Compliance and Agents.

Business Associate hereby agrees to fully comply with the "Business Associate" requirements under HIPAA, throughout the term of this Agreement. Further, Business Associate agrees that to the extent it has access to PHI, Business Associate will fully comply with the requirements of HIPAA and this Agreement with respect to such PHI; and, further, that every agent, sub-Business Associate, employee, subsidiary, and affiliate of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will be required to fully comply with HIPAA, and will be bound by written agreement to the same or substantially similar restrictions and terms and conditions as set forth in this Agreement. Covered Entity shall have the option to review and approve all such written agreements between Business Associate and its agents and sub-Business Associates prior to their effectiveness.

2.2 Uses and Disclosures of PHI.

Business Associate shall not use PHI otherwise than as expressly permitted by this Agreement, or as required by law. However, Business Associate may use PHI for purposes of managing its internal business processes relating to its functions under this Agreement. Business Associate shall not disclose PHI to any member of its workforce except to those persons who have authorized access to the information, who have received privacy training in PHI, and who have signed an agreement to hold the information in confidence.

2.3 Required or Permitted Uses & Disclosures.

Business Associate agrees that it is permitted to use or disclose PHI only: (a) upon obtaining the authorization of the patient to whom such information pertains in accordance with 45 C.F.R. §164.502(a)(1)(iv) and §164.508, (b) upon obtaining the consent of a patient to whom such information pertains, if the use or disclosure is for purposes of treatment, payment, or health care operations, in accordance with 45 C.F.R. §164.502(a)(1)(ii) and §164.506, or (c) without an authorization or consent, if in accordance with 45 C.F.R. §164.506, §164.510, §164.512, §164.514(e), §164.514(f), §164.514(g), or as otherwise permitted or required by agreement or law.
2.3.1 Disclosure Tracking.

Business Associate will record each disclosure and Breach of Covered Persons’ Protected Health Information, which is not exempt from disclosure accounting that Business Associate makes to the Plan or to a third party.

The information about each disclosure that Business Associate must record (“Disclosure Information”) is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the Protected Health Information disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Covered Persons’ Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including the Plan), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

2.3.2 Exceptions from Disclosure Tracking.

Business Associate is not required to record disclosure information or otherwise account for disclosures of PHI that this Agreement or the Plan in writing permits or requires: (i) for the purpose of the Business Associate’s payment activities or health care operations, (ii) to the individual who is the subject of the PHI disclosed, or to that individual’s personal representative; (iii) to persons involved in that individual’s health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; and (x) for disclosures prior to April 14, 2003.

2.3.3 Disclosure Tracking Time Periods.

Business Associate will have available the disclosure Information required for the six (6) years immediately preceding the date of the Covered Entity’s request for the Disclosure Information.

2.3.4 Use and Disclosure; Rights.

Business Associate acknowledges that this Agreement does not in any manner grant Business Associate any greater rights than Covered Entity enjoys, nor shall it be deemed to permit or authorize Business Associate to use or further disclose PHI in a manner that would otherwise violate the requirements of HIPAA if done by Covered Entity.

2.4 Accounting for Disclosures.

Accounting of Disclosures. Business Associate shall maintain an ongoing log of the details relating to any disclosures of PHI it makes (including, but not limited to, the date made, the name of the person or organization receiving the PHI, the recipient’s address, if known, a description of the PHI disclosed, and the reason for the disclosure). Business Associate shall, within thirty (30) days of Covered Entity’s
request, make such log available to Covered Entity, as needed for
Covered Entity to provide a proper accounting of disclosures to its
patients.

Disclosure to U.S. Department of Health and Human Services (DHHS).
Business Associate shall make its internal practices, books, and
records relating to the use and disclosure of PHI received from Covered
Entity (or created or received by Business Associate on behalf of
Covered Entity) available to the Secretary of DHHS or its designee for
purposes of determining Covered Entity’s compliance with HIPAA and with
the Privacy Regulations issued pursuant thereto. Business Associate
shall provide Covered Entity with copies of any information it has made
available to DHHS under this section of this Contract.

2.4.1 Report of Improper Use or Disclosure.
Business Associate shall report to Covered Entity within thirty (30)
days of discovery any information of which it becomes aware concerning
any use or disclosure of PHI that is not provided for by this
Agreement. See also section 2.8 herein.

2.5 Administrative Obligations.

2.5.1 Safeguards.
Business Associate agrees to develop implement and maintain appropriate
procedural, physical, and electronic safeguards to prevent the use,
disclosure or misuse of PHI otherwise than as provided by this
Agreement including but not limited to administrative, physical and
technical safeguards that reasonably and appropriately protect the
confidentiality and integrity and availability of the PHI, in
accordance with 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and
164.315. Business Associate agrees to comply with policies and
procedures and documentation requirement of the HIPAA Security Rule.
Business Associate agrees to notify Covered Entity of the location of
any PHI disclosed by Covered Entity or created by Business Associate on
behalf of Covered Entity and held by or under the control of Business
Associate or those to whom Business Associate has disclosed such PHI.

2.5.2 Minimum Necessary.
Business Associate must limit any use, disclosure, or request for use
or disclosure to the minimum amount necessary to accomplish the
intended purpose of the use, disclosure, or request in accordance with
the requirements of HIPAA. Business Associate represents that all
uses, disclosures, and requests it will make shall be the minimum
necessary in accordance with HIPAA requirements. Covered Entity may,
pursuant to HIPAA, reasonably rely on any requested disclosure as the
minimum necessary for the stated purpose when the information is
requested by Business Associate. Business Associate acknowledges that
if Business Associate is also a covered entity, as defined by HIPAA,
Business Associate is required, independent of Business Associate’s
obligations under this Agreement, to comply with the HIPAA minimum
necessary requirements when making any request for PHI from Covered
Entity.

2.5.3 Designated Record Set.
Business Associate shall maintain a designated record set, as defined
by HIPAA, for each individual patient for which it has PHI. In
accordance with an individual’s right to access to their own PHI under
HIPAA, Business Associate shall make available all PHI in that designated record set to the individual to whom that information pertains, or such individual's representative, all PHI in that designated record set, upon a request by such individual or such individual's representative.

2.5.4 Records; Covered Entity Access.

Business Associate shall maintain such records of PHI received from, or created or received on behalf of, Covered Entity and shall document subsequent uses and disclosures of such information by Business Associate as may be deemed necessary and appropriate in the sole discretion of Covered Entity. Upon reasonable request Business Associate shall provide the Covered Entity with reasonable access to examine and copy such records and documents of Business Associate during normal business hours within 30 days of a request for such information. Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of HIPAA and any investigation of Covered Entity regarding compliance with HIPAA conducted by the U.S. Department of Health and Human Services ("DHHS"), Office of Civil Rights, or any other administrative or judicial body with jurisdiction.

Accounting.

2.5.5 Access to Protected Information.

Business Associate shall make PHI maintained by the Business Associate or its agents or subcontractors in Designated Record Sets available to the Covered Entity for inspection and copying within ten (10) days of the request by Covered Entity to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.524. If Business Associate maintains an electronic health record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including but not limited to, 42 USC §17935(e).

2.5.6 Accounting of Disclosures.

Within twenty (20) days of a request by the Covered Entity or individual, Business Associate shall provide information to the Covered Entity to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under the Privacy Rule, including but not limited to, 45 C.F.R. §164.528, and the HITECH Act, including but not limited to 42 USC §17935(C), as determined by the Covered Entity. Business Associate agrees to implement a process that allows for such an accounting to be collected and maintained by Business Associate and its agents or subcontractors for at least six (6) years prior to the request. Additional time may be extended so long as the Covered Entity remains in compliance with and the time periods outlined at 45 C.F.R. 164.5280(1)(ii).

2.6 Workforce Provisions.

2.6.1 Confidentiality Agreement.

Business Associate must have a confidentiality agreement in place with individuals of its workforce who have access to PHI. Issuing and maintaining these confidentiality agreements will be the responsibility
of the Business Associate. Covered Entity shall have the option to inspect the maintenance of said confidentiality agreements.

2.6.2 Employee Sanctions.

Business Associate shall implement and maintain sanctions for any employee, sub-Business Associate, or agent who violates the requirements in this Contract or the HIPAA privacy regulations. Business Associate shall, as requested by Covered Entity, take steps to mitigate any harmful effect of any such violation of this Contract.

2.7 Amendment of and Access to PHI; Notification.

Business Associate shall make an individual's PHI available to Covered Entity within thirty (30) days of an individual's request for such information as notified by Covered Entity.

Business Associate shall make available PHI for amendment and shall incorporate any amendments to PHI within thirty (30) days of notification by Covered Entity. Business Associate shall make reasonable efforts to notify persons, organizations, or other entities, including other business associates, known by Business Associate to have received the erroneous or incomplete information and who may have relied, or could foreseeably rely, on such information to the detriment of the individual patient. Business Associate must update this information when notified by Covered Entity.

Business Associate shall make available PHI or any other information required to provide, or assist in preparing, an accounting of disclosures in accordance with HIPAA. Right of Access.

2.8 Compliance with HITECH Standards.

2.8.1 Breach Notification to Covered Entity.

To ensure proper and timely notification by Covered Entity following a breach of unsecured protected health information, the Business Associate shall in writing provided initial Notice of any Breach following Discovery of the Breach. Such initial Notice to the Covered Entity must be given immediately or without delay, as applicable. Thereafter, no later than thirty (30) days after Discovery by the Business Associate, additional written Notice must be provided to Covered Entity, to the extent possible, to include the following information in the format and order provided below. If additional information becomes available later, it shall be promptly provided to the Covered Entity:

1. Total number of Affected Individuals per Breach;
2. A brief description of what happened, including the date of the breach, the date of the discovery of the breach and who impermissibly used or to whom the information was impermissibly disclosed;
3. A detailed description of the type of Unsecured PHI that was involved in the Breach (e.g. name, social security number, date of birth, health information etc.);
4. Any steps Affected Individuals should take to protect themselves from potential harm resulting from the Breach;
5. A description of the Business Associate's investigation into the Breach, efforts to mitigate of harm to affected individuals, and to protect against future breaches;
6. Contact procedure for follow-up, which must include a toll-free number, an email address and a website or postal address;
7. The identify of each Affected Individual whose unsecured protected health information has been, or is reasonably believed to have been, breached; and,
8. Any further information known to the Business Associate, which it determines in its discretion could assist the Covered Entity to comply with the HITECH Standards.

2.8.2 Other HITECH Standards.
The Business Associate shall also comply with the following HITECH Standards, including, but not limited to:

1. compliance with the requirements regarding minimum necessary under HITECH §13405(b);
2. requests for restrictions on use or disclosure to health plans for payment or health care operations purposes when the provider has been paid out of pocket in full confident with HITECH §13405(d)
3. the prohibition of sale of PHI unless an exception under HITECH §13405(d) applies;
4. the prohibition on receiving remuneration for certain communications that fall within the exceptions to the definition of marketing under 45 C.F.R. §164.501 unless permitted by this Agreement and Section 13406 of HITECH;
5. the requirements relating to the provision of access to certain information in electronic access under HITECH §13405(e);
6. compliance with each of the Standards and Implementation Specifications of 45 C.F.R. §§164.308 (Administrative Safeguards), 164.310 (Physical Safeguards); 164.312 (Technical Safeguards) and 164.316 (Policies and Procedures and Documentation Requirements); and,
7. the requirements regarding accounting of certain disclosures of PHI maintain in an Electronic Health Records under HITECH §13405(c).
8. If an impermissible disclosure of PHI has occurred and is not subject to the notification requirements at section 2.8.1 above, Business Associate shall promptly notify Covered Entity of the disclosure and if the Business Associate determines that a disclosure is not a Breach under HITECH Standards, the Business Associate shall provide a brief explanation as to why the disclosure does not "pose significant risk of financial, reputational or other harm to the individual/s" as provided in the Interim Final Rule at 45 C.F.R. Parts 160 and 164.

2.9 Termination Rights.
This Agreement authorizes Covered Entity to terminate the Agreement, if Covered Entity determines, in its sole discretion, that Business
Associate has violated a material term of the Agreement required by HIPAA, the HITECH Act or the regulations promulgated there under. This Agreement shall remain in effect throughout the Contract Term and any Subsequent Contract Term of the Underlying Agreement unless terminated for cause by Covered Entity with immediate effect, or until terminated by either party with not less than thirty (30) days prior written notice to the other party, which notice shall specify the effective date of the termination; provided, however, that any termination shall not affect the respective obligations or rights of the parties arising under any Documents or otherwise under this Agreement before the effective date of termination.

Within thirty (30) days of expiration or earlier termination of this Contract, Business Associate shall return or destroy all PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) that Business Associate still maintains in any form and retain no copies of such PHI. Business Associate shall provide a written certification that all such PHI has been returned or destroyed, whichever is deemed appropriate. If such return or destruction is infeasible, Business Associate shall use such PHI only for purposes that make such return or destruction infeasible and the provisions of this Contract shall survive with respect to such PHI.

2.10 Breach or Violation: Knowledge.

If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate’s obligations under this Agreement, Covered Entity shall take any steps reasonably necessary to cure such breach or end such violation, and, if such steps are unsuccessful, shall either (a) terminate this Agreement, if feasible, pursuant to §12, or (b) if termination is not feasible, report the breach or violation to DHHS. If Business Associate as a covered entity, defined by HIPAA, violates the terms and conditions of this Agreement in its capacity as a business associate of another covered entity, Business Associate will be in noncompliance with the standards, implementation specifications, and requirements of HIPAA.

2.11 Breach or Violation: Knowledge.

In compliance with 42 USC 17934 (b), if the Business Associate knows of a pattern of activity or practice of Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement, Business Entity shall take any steps reasonably necessary to cure the breach or end the violation. If the steps are unsuccessful, Business Associate must terminate the Contract or if termination is not feasible, report the problem to the Secretary. Business Associate shall provide written notice to Covered Entity of any pattern of activity or practice of the Covered Entity that Business Associate believes constitutes a material breach or violation of the Covered Entity’s obligations under the Contract within five (5) days of discovery and shall meet with the Covered Entity to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.
3 MISCELLANEOUS.

3.1 Regulatory References.
A reference in this Business Associate Agreement to a section in the Privacy Rule, Security Rule, HIPAA or the HITECH Act means the section as in effect or as amended.

3.2 Amendment.
The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, HIPAA and the HITECH Act. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or of Virginia relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to the Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation. If Business Associate disagrees with any such amendment, it shall so notify Covered Entity in writing within thirty (30) days of Covered Entity’s notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this Agreement by written notice to the other.

3.3 Survival.
The respective rights and obligations of Business Associate under Section 2 of this Agreement shall survive the termination of this Agreement.

3.4 Interpretation.
This Business Associate Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule and to ensure compliance by the Covered Entity. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the above.

3.5 Data Ownership.
Business Associate acknowledges that business Associate has no ownership rights with respect to PHI.

3.6 Party Notices.
All notices and other communications under this Agreement to any Party shall be in writing and the following contact information shall be used:

For Business Associate
Beth Scovil, ADS Systems
4 Brickford Lane
Baltimore, MD 21208
Phone: 866/611-8859 x103

For Covered Entity (3)
Ashley Barnes
2100 Clarendon Blvd. Suite 500
Arlington, VA 22201
Phone: 703/228-3405
3.7 Severability; Governing Law.

With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

3.8 Further Assurances.

Each Party shall execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other Party to carry out the purpose and intent of this Agreement.

3.9 Entire Agreement.

This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement.

3.10 Conforming Amendment.

This Agreement incorporates by reference the provisions of HIPAA, the Privacy Rule, Security Rule and the applicable provisions of HITECH, all regulations promulgated thereunder and other applicable laws relating to the security and confidentiality of PHI. To the extent that the law/s or governing regulations are amended thereto, those amendments are incorporated herein as if set forth in full text. The parties thereafter shall negotiate an amendment to this Agreement.

3.11 Disclaimer.

Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, the HITECH Act or
regulations promulgated thereunder will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding safeguarding of PHI.

3.12 Indemnification, Defense and Save Harmless.

The indemnification provision in the Underlying Agreement applies to the breach, negligent or otherwise, of the terms of this Agreement, HIPAA or the HITECH Act and any regulations promulgated thereunder. Any limitation of liability provision contained in the Underlying Agreement does not apply to this Business Associate Agreement.

IN WITNESS thereof this Business Associate Agreement acknowledged and agreed to by:

for the Covered Entity
Arlington County Privacy Officer

County Department Privacy Representative

for the Business Associate
Authorized Representative

(print name)  [Signature]

Date

1-25-12