

**AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN VERSAWORKS, INC., AND
NATIVIDAD MEDICAL CENTER
FOR
PROFESSIONAL INFORMATION TECHNOLOGY SERVICES**

This Amendment No. 4 to the Services Agreement ("Agreement"), dated November 1, 2010 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Versaworks, Inc., (hereinafter "CONTRACTOR"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for Professional Information Technology Services with a one year term of November 1, 2010 through June 30, 2011 and a total Agreement amount not to exceed \$832,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement via Renewal Amendment No. 1 to extend the term through June 30, 2012 and add \$2,400,900 for a revised total Agreement amount of \$3,232,900; and

WHEREAS, NMC and CONTRACTOR amended the Agreement via Amendment No. 2 to extend the term through June 30, 2013 and add \$1,845,750 for a revised total Agreement amount of \$5,078,650; and

WHEREAS, NMC and CONTRACTOR amended the Agreement via Amendment No. 3 to extend the term through June 30, 2015 and add an additional \$3,750,724 for a revised total agreement amount of \$8,829,374; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to include a current Business Associates Agreement and to extend it for an additional one year period through June 30, 2016 to allow for continued services associated with the Hospital VoIP Systems Management, IT Operations Project Management, Enterprise Data Analytics and Database Management, and Meaningful Use Security Assessment as per the attached "Amendment No. 4 to Exhibit A Scope of Services" attached hereto, with a \$1,074,500 increase for the added services for a total Agreement amount of \$9,903,874.

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Section 2, "PAYMENTS BY NMC" shall be amended to the following: *"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Amendment No. 4 to Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$9,903,874"*.
2. The first sentence of Section 3 "TERM OF AGREEMENT" shall be amended to the following: *"The term of this Agreement is November 1, 2010 to June 30, 2016 unless sooner terminated pursuant to this Agreement"*.
3. Section 4, "ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following: *"The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Amendment No. 4 to Exhibit A per Amendment No.4"*
4. **Section 15.** A new subsection 15.15.17 to Section 15 is hereby added to read in its entirety as

follows:

“15.15.17. Protection of County Data. As used in this subsection 15.15.17, the word "County Data" means all information acquired by CONTRACTOR from NMC. Contractor will maintain the County Data in accordance with generally accepted security standards applicable to protected health information and as required by law. For the avoidance of doubt, nothing contained in the Agreement or any amendment or other transaction document thereunder shall be construed as granting CONTRACTOR any right, title, or interest in or to any NMC intellectual property, including any specifications, Confidential Information, and County Data. Upon termination of this Agreement for any reason Contractor shall furnish all County Data to NMC as soon as reasonably practical in a mutually acceptable industry standard format within thirty (30) days of termination of this Agreement.”

5. Except as provided herein, all remaining terms, conditions and provisions of the Agreement remain in full force and effect from the Effective Date of the Agreement.
6. A copy of this Amendment No. 4 shall be attached to the Agreement.
7. This Amendment No. 4 is effective July 1, 2015.

Signature page to follow

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment No. 4 on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: _____
Gary R. Gray, DO, Interim CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: _____

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: _____

CONTRACTOR

Versaworks
CONTRACTOR's Business Name*** (see instructions)

Johnson
Signature of Chair, President, or Vice-President

Johnson Kit Sun, CEO
Name and Title

Date: 6/29/2015

By: Wil Wong
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Wil Wong, Secretary
Name and Title

Date: 6/29/2015

***Instructions
If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).
If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).
If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment No. 4 on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: _____
Gary R. Gray, DO, Interim CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 6/26/15

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 6/24/15

CONTRACTOR

CONTRACTOR's Business Name*** (see instructions)

Signature of Chair, President, or Vice-President

Name and Title

Date: _____

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Name and Title

Date: _____

*****Instructions**

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)



Amendment-4 to Exhibit A

Consulting Statement of Work

Created: February 24, 2015
Revised: June 24, 2015
Version: 3.1



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1 STATEMENT OF WORK

This Statement of Work (SOW) defines the services and deliverables that Versaworks shall provide to Natividad Medical Center (“Customer”) under the terms of the Professional Services Agreement (the “Agreement”) made between Natividad Medical Center (“Customer”) and Versaworks.

Versaworks recognizes that NMC is conducting an ongoing recruitment process to fully staff its IT department with FTEs. We also recognize that NMC intends to issue a Request for Proposal (RFP) for IT applications and operations roles not yet filled by FTEs. If a Versaworks held position is filled by a new FTE hire or RFP awardee, Versaworks will deliver a clear transition plan to NMC IT administration. Once the transition plan is signed off by NMC IT administration, Versaworks will fully execute the agreed upon transition plan.

1.1 CONSULTING SERVICES PROJECT SCOPE AND PRICING

This section describes the scope of work for Consulting Services to support the projects listed below.

July 2015 to June 2016

ID	Project	Resource	Hourly Rate	Estimated Hours	Total
1	Hospital VoIP Systems Management	Sr. Network and VoIP Engineer	\$175	1,835	\$321,125
2	IT Operations Project Management	Principal Project Manager	\$175	1,835	\$321,125
3	Enterprise Data Analytics and Database Management	Sr. Database Administrator	\$175	1,800	\$315,000
4	Meaningful Use Security Assessment	Principal Security and Solutions Engineer	\$175	500	\$87,500
Consulting Services Subtotal:					\$1,044,750
5	Custom Report Maintenance Service	Annual Maintenance Fee			\$29,750
Total					\$1,074,500

1.1.1 HOSPITAL VOIP SYSTEMS MANAGEMENT

<u>Project ID</u>	1
<u>Project Name</u>	Hospital VoIP Systems Management
<u>Resource</u>	Sr. Network and VoIP Engineer

Project Description

NMC’s VoIP Systems and Network infrastructure are the critical backbone of the Hospital operation. As NMC continues to deploy more advanced clinical and enterprise systems, its VoIP systems and network infrastructure have grown further and become more complex and sophisticated. The “Sr. Network and VoIP Engineer” will be responsible for implementing and supporting the following network infrastructure and VoIP operations and projects.

Project Scope

- Manage and support Hospital-wide Cisco UC Voice-Over-IP (VoIP) network telephony computing systems
- Deploy Cisco Unified Communications Manager Option Package upgrade
- Upgrade Cisco Attendant Console
- Deploy Cisco Jabber to hospital
- Assist in maintaining the network environment
- Assist with new hardware deployments
- Interface with departments/staff to assist with developing solutions for technological needs which serve to increase efficiency in business processes
- Perform Microsoft Exchange storage upgrade
- Perform Symantec Endpoint Protection server upgrade
- Perform Citrix Netscaler migration
- Perform Exchange 2013 server upgrade

1.1.2 IT OPERATIONS PROJECT MANAGEMENT

<u>Project ID</u>	2
<u>Project Name</u>	IT Operations Project Management
<u>Resource</u>	Principle Project Manager

Project Description

Natividad Medical Center is currently on its path to upgrade and expand its Information Systems and capabilities in order to further improve the quality of patient care. There are number of new clinical and infrastructure systems planned to be deployed in the coming year. The “**Principle Project Manager**” will be responsible for managing the implementation and rollout of a number of mission critical applications and initiatives.

Project Scope

- Develop project plan and milestone deliverables for the assigned projects and initiatives
- Manage requirement gathering, identify system capabilities and document feature requirements and workflow changes.
- Manage vendor(s) to ensure accurate systems setup and configurations
- Manage and facilitate IT procurement to support new hardware and software implementation
- Manage production rollout schedule and coordinate end user training.
- Provide Daily Direction and management to Operations team
- Conduct hardware and software needs and assessments
- Manage Day-to-Day IT Operations workload and assignments

1.1.3 ENTERPRISE DATA ANALYTICS AND DATABASE MANAGEMENT

<u>Project ID</u>	3
<u>Project Name</u>	Enterprise Data Analytics and Database Management
<u>Resource</u>	Sr. Database Administrator

Project Description

Natividad is currently running a large number of mission critical SQL database instances among various clinical and enterprise applications. The “**Senior Database Administrator**” will be responsible for managing and supporting multiple SQL database instances among various clinical and enterprise applications.

Project Scope

- Perform all aspects of SQL database administration and management including: building database servers, applying necessary hot fixes and/or service packs, provisioning and upgrading the SQL servers, configuring server parameters, backing up and restoring system and user databases.

- Provide technical analysis of existing database design and performance
- Perform SQL tuning analysis, implement performance enhancements and conduct database capacity monitoring and planning
- Configure log shipping, database mirroring and replication; optimize, update, and maintain existing software and reporting applications
- Implement SQL database disaster recovery and fail-over capability
- Advise, implement and maintain change control procedures for database and applications interface in both the production and test environments
- Develop Ad-hoc reports for hospital business units to meet the needs of compliance, financial performance and operational management

1.1.4 MEANINGFUL USE SECURITY ASSESSMENT

<u>Project ID</u>	4
<u>Project Name</u>	Meaningful Use Security Assessment
<u>Resource</u>	Principal Security and Solutions Engineer

Project Description

As Natividad Medical Center continues to pursue and maintain its Meaningful Use (MU) attestation with Centers for Medicare & Medicaid Services (CMS), it is a requirement for the hospital to conduct on-going Risk Assessment to ensure compliancy. The **“Principal Security and Solutions Engineer”** shall deliver the following services defined in the project scope.

Project Scope

- Perform on-going Risk Analysis to ensure Meaningful Use compliance with CMS
- Perform Information Security system and network hardening pertaining to needs of the hospital and Meaningful Use requirements
- Conduct Vulnerability Testing as deemed necessary
- Conduct Risk Analysis and develop Remediation plan as needed
- Provide maintenance and support for the NMC HR Personnel Action Requests (PAR) application

1.1.5 CUSTOM REPORT MAINTENANCE SERVICE

<u>Project ID</u>	5
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Project Name	Custom Report Maintenance Service
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Project Description

Provide maintenance and support service for the existing custom reports developed for NMC

- Administration Dashboard
 - NMC Census
 - NMC Census Trend
 - Physician Productivity Charts
 - Physician Productivity Details
 - Physician Productivity Pivot
- Admission Dashboard
 - Adm Admitting & Discharge
 - Adm Patient Detail
 - Adm PSR Worklist
 - Adm PSR Worklist Summary
- Business Office Dashboard
 - ATB AR Aging
- Contract Management
 - Contract Dashboard
 - Contract List
- Security Dashboard
 - Login Activity
- CQM Archive (Read Only)

1.2 PRICING SUMMARY

DESCRIPTION	TERM	ANNUAL PRICE	EXTENDED PRICE
Consulting Services	July 2015 to June 2016	\$1,044,750	\$1,044,750
		SUB TOTAL	\$1,044,750

DESCRIPTION	TERM	ANNUAL PRICE	EXTENDED PRICE
Custom Report Maintenance Service	July 2015 to June 2016	\$29,750	\$29,750
		SUB TOTAL	\$29,750

TOTAL	\$1,074,500
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Exhibit #1

BAA for NMC Approved by BOS August 2014 attached hereto

Appendix A

REFERENCES



Mitchell County Hospital, Beloit, KS
Nate Richards
IT Director
(785) 738-9588
nrichards@mchks.com



Clifton Springs Hospital, Clifton Springs, NY
Eric Jansen
Assistant Vice President for Clinical Services
(315) 462-1070
eric.jansen@cshosp.com

Partial Client List



BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”), effective July 1, 2015 (“Effective Date”), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center (“Covered Entity”) and Versaworks, Inc. (“Business Associate”) (each a “Party” and collectively the “Parties”).

Business Associate provides certain services for Covered Entity (“Services”) that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity (“PHI”). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the “Privacy Rule”), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the “Security Rule”), under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (“HITECH”). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* (“CMIA”), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“Red Flag Rules”). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information (“EPHI”), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

BAA Approved by County BOS 09/16/14. Revised on 09/30/14.

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents

agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R. § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

Versaworks, Inc.

2560 Mission College Blvd., Suite 140

Santa Clara, CA 95054

Attn: Kit Sun

Phone: 408-780-0233

Fax: _____

If to Covered Entity, to:

County of Monterey, Natividad Medical Center

1441 Constitution Blvd.

Salinas, CA 93906

Attn: NMC Contracts Division

Phone: 831-755-4111

Fax: 831-757-2592

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

BAA Approved by County BOS 09/16/14. Revised on 09/30/14.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

[BUSINESS ASSOCIATE]

***COUNTY OF MONTEREY, ON BEHALF OF
NATIVIDAD MEDICAL CENTER***

By: Wilbur Wong

By: _____

Print Name: Wilbur Wong

Print Name: _____

Print Title: Secretary

Print Title: _____

Date: 6/29/2015

Date: _____