


COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN \$100,000)

AMENDED AND CONSOLIDATED PROFESSIONAL SERVICES AGREEMENT

This Amended and Consolidated Professional Services Agreement (hereinafter the "Amended and Consolidated Agreement") dated for reference purposes only on September 1, 2013, is entered into by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California, and Truven Health Analytics Inc. (hereinafter "Contractor").

RECITALS

A. WHEREAS, NMC and Contractor have previously entered into that certain Professional Services Agreement on or about July 1, 2011, as amended by Amendment No. 1 (as amended, "Prior Agreement No. 1"), for Meaningful Use Quality Manager Services, as more particularly described on Exhibit A thereto, the term of which commenced on July 1, 2010 and is currently scheduled to expire on June 30, 2014.

B. WHEREAS, NMC and Contractor have previously entered into that certain Professional Services Agreement on or about September 1, 2009, as amended by Amendments No. 1 and 2 ("Prior Agreement No. 2") for Care Discovery Transform Tool Services, as more particularly described on Exhibit A thereto, the term of which commenced on September 1, 2009 and is currently scheduled to expire on August 31, 2013.

G. WHEREAS, NMC desires that Contractor continue to provide to NMC the various services provided pursuant to the terms of Prior Agreement No. 1, and Prior Agreement No. 2, (individually, an "Original Professional Services Agreement" and collectively, the "Original Professional Services Agreements"), and Contractor desires to continue to provide such services to NMC.

I. WHEREAS, in order to more effectively administer the Original Professional Services Agreements in a unified manner, the parties desire to amend and consolidate the Original Professional Services Agreements into a single agreement, extend the term of certain of the Original Professional Services Agreements in order to provide for a unified expiration date of June 30, 2016, in accordance with the terms and conditions set forth in this Amended and Consolidated Agreement, which fully consolidates, amends, supersedes and replaces the Original Professional Services Agreements as of the Effective Date (as defined below). The Original Professional Services Agreements, as amended and consolidated by this Amended and Consolidated Agreement, is referred to herein as the "Agreement."

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Amended and Consolidated Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. SERVICES TO BE PROVIDED. NMC hereby engages Contractor to perform, and Contractor hereby agrees to perform, each of the following services in conformity with the terms of the Agreement

(individually, a "Service" and collectively, the "Services") and the applicable scope of work and payment provision exhibit for the applicable Service (a "Service Exhibit") attached hereto :

1.1. Truven Cost Sheet described in **Exhibit A-3** hereto. (**Exhibit A-3**).

2. **PAYMENTS BY NMC.** NMC shall pay the Contractor in accordance with the payment provisions set forth in the applicable Service Exhibit, subject to the limitations set forth therein and in this Agreement, and in accordance with the Payment Conditions set forth in Section 6 below. The total amount payable by NMC to Contractor under the Agreement shall not exceed the sum of **\$648,201** for the full Term of the Agreement including amounts paid to date pursuant to the Original Professional Services Agreements.
3. **TERM OF AGREEMENT.** This Amended and Restated Agreement becomes effective on the Effective Date (as defined below); provided, however, that this Amended and Consolidated Agreement is a continuation of the Original Professional Services Agreements in an amended and consolidated form, with the term of the Agreement (the "Term") as to each applicable Service having commenced on the commencement date for such Service pursuant to the applicable Original Professional Services Agreement as set forth in the Recitals above, and the Term expiring for all Services on June 30, 2016 (the "Expiration Date") (which extends the term for those Services otherwise scheduled to expire prior to such date pursuant to the applicable Original Professional Service Agreement). The Agreement shall continue in full force and effect until the Expiration Date, unless sooner terminated pursuant to the terms hereof; provided, however, that nothing herein shall be deemed to release either party from their obligations under the Original Professional Services Agreements, and further provided that the Services are meant to cover all applicable appeals and reopening activity to completion, until there are no outstanding issues such that any Contractor Surviving Obligations (as defined in the applicable Service Exhibit(s)) shall survive the Expiration Date until completion as more specifically provided in the Service Exhibits. This Amended and Consolidated Agreement is of no force or effect until signed by both Contractor and NMC and with NMC signing last, the date on which this Amended and Consolidated Agreement is fully executed being referred to herein as the "Effective Date."
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following exhibits are incorporated herein by reference and constitute a part of this Amended and Consolidated Agreement:
 - 4.1. **Exhibit A-1: Subscription Agreement.**
5. **PERFORMANCE STANDARDS.**
 - 5.1. Contractor warrants that Contractor and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
 - 5.2. **CONTRACTOR**, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - 5.3. Contractor shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. Contractor

shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.1. Contractor shall submit to the Contract Administrator invoices on a form acceptable to NMC. If not otherwise specified, the Contractor may submit such invoices periodically or at the completion of the applicable Services, but in any event, not later than thirty (30) days after completion of the applicable Services. Contractor shall specifically identify on each invoice for payment the specific Service Exhibit for which payment is requested (by reference to the full title of the Service Exhibit for which work was performed). If payment is requested for more than one Service Exhibit, then separate invoices shall be provided. The invoices shall set forth the amounts claimed by Contractor for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.

6.2. Contractor shall not receive reimbursement for travel expenses, unless set forth in this Agreement.

7. TERMINATION.

7.1. During the Term, NMC may terminate the Agreement (or one or more Services under the Agreement) for any reason by giving written notice of termination to the Contractor at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under the Agreement for such terminated Service(s) shall be reduced in proportion to the applicable Service(s) provided prior to the date of termination.

7.2. NMC may cancel and terminate this Agreement (or one or more Services under the Agreement) for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of Contractor to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor for the terminated Service(s), and NMC may proceed with the work in any manner which NMC deems proper. The cost to NMC shall be deducted from any sum due the Contractor under this Agreement.

8. INDEMNIFICATION.

8.01 See Subscription Agreement for CONTRACTOR's Indemnification Obligations.

9. INSURANCE.

9.1. Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.2. Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.3. Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the Term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

9.3.1. Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations.

Exemption/Modification (Justification attached; subject to approval).

9.3.2. Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

9.3.3. Workers' Compensation Insurance, If Contractor employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

9.3.4. Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the Contractor shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.4. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date Contractor completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Amended and Consolidated Agreement by NMC, Contractor shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the Contractor has in effect the insurance required by this Amended and Consolidated Agreement. The Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor shall at all times during the Term of this Agreement (including any period for which Contractor Surviving Obligations remain outstanding) maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the initial certificate of Contractor's insurance is not received by the Effective Date, or thereafter within five (5) business days prior to the expiration of the then-current policy term, as applicable, NMC may notify Contractor and Contractor shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Notwithstanding the foregoing, failure by Contractor to maintain the required insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.1. Confidentiality, Contractor and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. Contractor shall not disclose any confidential records or other

confidential information received from NMC or prepared or derived in connection with the performance of this Agreement, unless NMC specifically permits Contractor to disclose such records or information. Contractor shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. Contractor shall not use any confidential information gained by Contractor in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.

- 10.2. NMC Records. When this Agreement expires or terminates, Contractor shall return to NMC any NMC records which Contractor used or received from NMC to perform services under this Agreement.
 - 10.3. Maintenance of Records. Contractor shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. Contractor shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then Contractor shall retain said records until such action is resolved.
 - 10.4. Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Contractor and its subcontractors related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
 - 10.5. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. Contractor shall not publish any such material without the prior written approval of NMC.
11. **NON-DISCRIMINATION**. During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Contractor and any subcontractors shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT**. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, Contractor will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, Contractor is at all times acting and performing as an independent Contractor and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and Contractor shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, Contractor shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail, or by recognized overnight delivery service, to NMC and Contractor's contract administrators at the addresses listed below.

FOR NATIVIDAD MEDICAL CENTER:

Sid Cato
Management Analyst, Contracts /Purchasing
Natividad Medical Center 1441
Constitution Blvd. Salinas, CA. 93906
Phone: 831.783.2620
Email: catosl@natividad.com

FOR CONTRACTOR:

Truven Health Analytics Inc.
ATTN: General Counsel
1 North Dearborn, 4th Floor
Chicago, IL 60602
Phone: 312.533.3190

Email: andra.heller@truvenhealth.com

15. MISCELLANEOUS PROVISIONS.

15.1. **Conflict of Interest.** Contractor represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the Services required to be rendered under this Agreement.

15.2. **Amendment.** This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

15.3. **Waiver.** Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.4. **Contractor.** The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

15.5. **Disputes.** Contractor shall continue to perform under this Agreement during any dispute.

15.6. **Assignment and Subcontracting.** The Contractor shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the

services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, Contractor shall continue to be liable for the performance of all requirements of this Agreement.

- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and Contractor under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12. Non-exclusive Agreement. This Agreement is non-exclusive and each of NMC and Contractor expressly reserves the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement. NMC and Contractor agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that facsimile or electronic .PDF copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.
- 15.15. Integration. This Amended and Consolidated Agreement, including the exhibits, represents the entire Agreement between NMC and the Contractor with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between NMC and Contractor as of the Effective Date of this Amended and Consolidated Agreement.
- 15.16. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any Service Exhibit, the provisions of the Service Exhibit shall prevail and control. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any other exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

16. ADDITIONAL PROVISIONS.

- 16.1. Contractor's Proprietary Information. NMC agrees that at all times both during the term of the Agreement and after its termination, it will keep in confidence and trust any information of a confidential or secret nature applicable to the business of Contractor or learned by it during the term of this Agreement, which is specifically identified in writing by Contractor to NMC as being proprietary ("Proprietary Information"). Under no circumstances will NMC use or participate in the use of such Proprietary Information, for its own benefit, for the benefit of any competitor of Contractor, or to the detriment of Contractor.
- 16.2. Confidentiality. Except the extent required by applicable federal or state law, NMC agrees that it will not release to any third party other than the Medicare Intermediary, the Provider Reimbursement Review Board, and CMS, material which have been prepared by Contractor, in connection with the work performed under this Agreement; provided, however, nothing herein shall prohibit disclosure to employees, agents and other representatives, including but not limited to legal, accounting, financial and other advisors (collectively, "Representatives") of NMC and/or the County. Both parties agree that this Agreement shall be treated as confidential and copies thereof shall not be disclosed unless required under applicable federal or state law, except that disclosure to Representatives is not prohibited. The foregoing shall not limit Contractor's confidentiality obligations pursuant to Section 10 above.

16.3. Authorization. NMC shall indicate its acceptance of this Agreement through execution by an authorized representative from NMC in the indicated space on the following page. Contractor's obligation to begin performance pursuant to this Agreement commences when it receives (by mail, fax or e-mail) an executed copy of this Agreement from NMC; provided, however, that until such time as this Agreement is fully-executed and delivered, Contractor shall continue to provide Services pursuant to the Original Professional Services Agreements.

CONTRACTOR

TRUVEN HEALTH ANALYTICS INC.

Contractor's Business Name***

Jacques Villeneuve

Signature of Chair, President, or Vice-President

Jacques Villeneuve, Vice President, Finance
Name and Title

Date: 8/27/2013

NATIVIDAD MEDICAL CENTER

By: [Signature]
Sid Cato, NMC Contracts

Date: 7-30-13

By: [Signature] for
Department Head (if applicable) Harry Wei

Date: 8/28/13

By: [Signature]
Anne Brauer,
Deputy County Counsel

Date: Aug 27, 2013

By: [Signature]
Gary Giboney
Auditor/Controller Office

Date: 8-29-13

Exhibit A-1

Subscription Agreement

SUBSCRIPTION AGREEMENT

This Subscription Agreement (the "Agreement"), including the Supplements hereto (the "Supplements") is made by and between Natividad Medical Center with offices located at 1141 Constitution Boulevard, Salinas, CA 99905 (the "Subscriber"), and Thomson Reuters (Healthcare) Inc. ("Company"). As of the Effective Date set forth on the signature page to this Agreement, Subscriber and Company hereby agree as provided below and in the Supplements:

1. Input Data. (a) Data Provided to Company. To the extent applicable and throughout the Agreement Term (as defined in Section 5), Subscriber shall provide to Company certain patient, operational and financial data as more fully described in the applicable Supplements ("Input Data").

(b) Data Requirements. All Input Data submitted to Company will be prepared and provided to Company in accordance with Company's standard policies, input data formats and specifications in effect from time to time (the "Submission Requirements"). Subscriber shall pay Company additional fees at Company's then current time and materials rates for any work or materials prepared by Company due to Subscriber's failure to comply with the Submission Requirements.

(c) Input Data Compliance. The parties hereby acknowledge that the Input Data may be subject to state and federal laws, rules and regulations relating to confidentiality or security of patient information and agree that the provisions of Section 12 of this Agreement and Subscriber's Business Associate Agreement will govern the Input Data.

(d) License by Subscriber. Subscriber grants Company a worldwide, nonexclusive, perpetual, royalty-free right and license to use, copy, distribute, display, modify, sub-license, sell, lease, assign and incorporate into other products and services:

(i) Subscriber's Input Data, masked to prevent identification of patients or Subscriber as the source of specific data (except to the extent Subscriber may in accordance with a Data Sharing Supplement be identified as among the organizations covered by such Supplement, if any such Supplement is executed by Subscriber hereunder); including the combining and aggregation with Input Data received from other subscribers of Company for the provision of data aggregation services; and

(ii) Any ideas, suggestions, improvements, or services Subscriber or its personnel may provide or disclose to Company in the course of operations under this Agreement.

2. Licensed Products. (a) Right and License. Provided that Subscriber remains in compliance with this Agreement Company hereby grants to Subscriber its non-exclusive, non-transferable, revocable right and license to access and use during the Agreement Term (as defined in Section 5 below), the products, reports, data, database and services more fully described in the Supplements (collectively, the "Licensed Products"). The Licensed Products will be delivered to Subscriber as set forth in the applicable Supplement. Except as required by law, Subscriber will use the Licensed Products for Subscriber's internal business operations and analysis only, and may not sublicense, distribute, sell or otherwise transfer the Licensed Products (including the data contained in the Licensed Products and reports or analyses developed using the Licensed Products) except that Subscriber may disclose to its third party consultants summaries, solely with respect to Subscriber's business, that are developed by Subscriber using the Licensed Products. Any consultant receiving such summaries will be subject to the restrictions contained in this Agreement, and Subscriber will be responsible for ensuring that each consultant who obtains a summary is aware of and complies with the terms of this

Agreement. Subscriber is prohibited from allowing access to the Licensed Products by anyone who is not an employee of Subscriber except as required by law.

(b) User IDs for Internet Access. With respect to any components of the Licensed Products that are accessed through the Internet, Company will provide Subscriber with the number of user identification references ("User IDs") specified in the applicable Supplement. Subscriber will assign the User IDs to specific individuals who are employees of Subscriber, and will not permit the sharing of User IDs with anyone who is not an employee of Subscriber. Subscriber will ensure that each individual who is assigned a User ID is aware of and complies with the terms of this Agreement.

(c) Company Right to Modify or Update. From time to time, Company may, and reserves the right to, modify the Licensed Products to make minor revisions, modifications and corrections, without charge to Subscriber (collectively, "Updates"). In Company's sole discretion, Updates may replace any component of the Licensed Products, including the nature, format, and extent of any reports to be delivered as part of the Licensed Products, in accordance with Company's standard policies from time to time and its experience with Subscriber hereunder, provided that any such Updates does not materially and adversely affect the fundamental nature or value of the Licensed Products. Updates exclude any new version of the Licensed Products that Company decides in its sole discretion to make available as a separately priced item, such as releases that include significant function or feature enhancements ("Upgrades"), provided that Company reserves the right, in its sole discretion, to replace a Licensed Product with an Upgrade without charge to Subscriber, as long as any such Upgrade does not materially and adversely affect the fundamental nature or value of the Licensed Product being replaced.

(d) Data Sharing. Subscriber acknowledges that this Agreement may provide for the sharing of hospital-specific, confidential, operational, financial and statistical data ("Shared Data") with other health care organizations that are subscribers under a Company Subscription Agreement and are designated by Subscriber in an applicable Data Sharing Supplement, as may be amended from time to time ("Sharing Hospitals"). Subscriber acknowledges that the sharing of Shared Data may inherently present the potential for abuse if used in a manner not authorized under this Agreement or any applicable Company Data Sharing Supplement. Subscriber hereby represents and warrants that the Shared Data will not be used for any illegal or improper purpose and will be used only in accordance with this Agreement and any applicable Data Sharing Supplement. Subscriber acknowledges that Company is not obligated to determine whether Subscriber competes with other subscribers. Subscriber shall ensure that (i) no competing hospitals are included for data sharing, and (ii) Subscriber's use of the Shared Data complies with applicable laws and regulations. Subscriber shall defend, indemnify and hold harmless Company from and against any and all actions, claims, damages, disputes, costs and liabilities (including reasonable attorneys' fees) arising from or related to acts or omissions of Subscriber, its officers, employees, agents or subcontractors in connection with any Shared Data including, without limitation, uses which may violate antitrust laws, rules, or regulations. Company may, at its sole discretion, revoke Subscriber's data sharing privileges at any time.

3. Access. Company anticipates that the components of the Licensed Products that are made available to Subscriber through the Internet will be available to Subscriber on a 24-hour, 7-day per

week basis from its Website. However, Subscriber understands that Company may interrupt access for normal and customary maintenance, for Updates and Upgrades if any, and at other times as deemed necessary or desirable by Company. Access may also be interrupted due to Subscriber's inability to access the Website for reasons that are beyond the control of Company. Subscriber acknowledges that its inability to access the Licensed Products during these periods is to be expected, and shall not constitute a breach of this Agreement.

4. Fees, Expenses and Taxes. (a) Fees and Expenses. Subscriber will pay Company all fees required under the Supplements or otherwise in this Agreement (the "Fees"). Except as otherwise set forth in a Supplement, Subscriber will be responsible for all reasonable travel expenses incurred by Company or Subscriber personnel in connection with the provision of any Company products and services hereunder in accordance with the Monterey County Travel Policy.

(b) Taxes. Fees do not include sales, use, excise or other applicable taxes (other than taxes based on Company's net income), and Subscriber will pay or reimburse Company for all such taxes. If Subscriber is a tax-exempt entity, it will have no tax obligations under this Agreement for so long as Subscriber maintains such status, provided that it delivers to Company a copy of its certificate of tax-exempt status or other similar evidence that is reasonably satisfactory to Company.

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(c) Payment. Except as otherwise stated in a Supplement, payment is due and payable upon invoice, net 30 days. Subscriber will be liable for any and all costs associated with the recovery of such payment, including court costs and reasonable attorney fees.

5. Agreement Term and Product Terms. (a) Term. Certain of the Supplements with respect to the Licensed Products state a period during which Company's license to Subscriber of each Licensed Product will be applicable (the respective "Product Term"). Unless properly terminated sooner, the "Agreement Term" means the period from the Effective Date through the later of the expiration or termination of the last Product Term to remain in effect or the first anniversary of the Effective Date.

(b) Termination. Company may terminate the Agreement Term and all Product Terms: (i) if Subscriber breaches this Agreement and fails to cure such breach within 30 days after receipt of notice from the non-breaching party specifying the nature of such breach; (ii) immediately if Subscriber breaches any of Subscriber's duties or obligations under Section 6; or (iii) if Subscriber or any of the Covered Affiliates (as defined in Section 11) ceases to conduct business, files for bankruptcy, or becomes the subject of an insolvency proceeding.

(c) Return of Licensed Products. At the end of the applicable Product Term, Subscriber will promptly purge, return or destroy all copies of the corresponding Licensed Products, in any form (whether made by Subscriber or provided to it), including all archival or back-up copies and any copies on hard drives or other media, and certify to Company in writing to Company that Subscriber has done so.

6. Ownership; Protection of Confidential Information. (a) Ownership and Third Party Licenses. Certain portions of the Licensed Products may consist of data, services and other materials proprietary to third parties which have licensed to Company the right to redistribute or sublicense such materials. Such third party licenses shall be third party beneficiaries of this Agreement. As between Company and Subscriber, Company shall have and retain all title and ownership of, and intellectual property and other rights in and to, the Licensed Products, together with all copies, Updates, Upgrades, new versions, and any other manifestations thereof. Company reserves all rights not expressly licensed to

Subscriber under this Agreement. No intellectual property right (including without limitation all copyrights, program or database structure and organization, specific sets of information extracted therefrom, non-public data, and specifics about the means and standards of compilation of any Company database) shall vest in or be transferred to Subscriber.

(b) Confidentiality. Subscriber acknowledges that Company treats the components of the Licensed Products as Company's confidential information, whether or not particular portions or aspects thereof may also be available from other sources. Subscriber will likewise take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of Company's confidential information except as required by law. Such measures will be no less stringent than the measures that Subscriber takes to protect its own most highly confidential business information. Subscriber acknowledges that unauthorized disclosure or use of the Licensed Products could cause irreparable harm to Company for which monetary damages may be difficult to ascertain. Company will have the right, in addition to its other rights and remedies, to seek injunctive relief for or to prevent any unauthorized disclosure or use, and to limit or recover any improper benefits derived therefrom.

7. Disclaimer of Product Warranty. Subscriber acknowledges that Subscriber is relying on its own expertise to evaluate and use the Licensed Products and the related data. In recognition of this, and given the potential for varying materials, labor, insurance, transportation, and hospital facility conditions for any given user:

THE LICENSED PRODUCTS ARE PROVIDED "AS IS," COMPANY DOES NOT MAKE, AND HEREBY SPECIFICALLY EXCLUDES AND DISCLAIMS ALL WARRANTIES NOT EXPLICITLY STATED IN THIS AGREEMENT, INCLUDING ANY SUPPLEMENT, AS APPLICABLE, WHETHER EXPRESS, IMPLIED, OR ARISING BY TRADE USAGE OR COURSE OF DEALING, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND IMPLIED INDEMNITIES. SUBSCRIBER HEREBY EXPRESSLY WAIVES ALL SUCH WARRANTIES AND INDEMNITIES AND AGREES TO ASSUME AND TO BEAR ALL RISKS AS TO RESULTS OF ITS USE OF, OR ITS FAILURE TO BE ABLE TO USE, THE LICENSED PRODUCTS. THE USE AND RISK AS TO QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH SUBSCRIBER EXCLUSIVELY, WITHOUT LIMITING THE FOREGOING, COMPANY DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL SATISFY SUBSCRIBER'S REQUIREMENTS OR BE UNINTERRUPTED OR ERROR-FREE.

8. Exclusion of Damages and Remedies; Other Limitations. UNDER NO CIRCUMSTANCES WILL COMPANY OR ITS PERSONNEL, AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR ANY SPECIFIC PERFORMANCE OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, WHETHER FOR LOST GOODWILL OR PROFITS, LOSS OF DATA OR SOFTWARE, WORK STOPPAGE OR IMPAIRMENT OF OTHER GOODS, EVEN IF COMPANY KNOWS OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGE, AND WHETHER OR NOT ANY EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

EXCEPT AS EXPLICITLY PROVIDED IN SECTION 9 BELOW, COMPANY'S AGGREGATE LIABILITY UNDER OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE ACTUAL AMOUNT PAID TO COMPANY FOR THE LICENSED PRODUCTS GIVING RISE TO THE CLAIM. COMPANY SHALL NOT BE LIABLE FOR THE COSTS OF

PROCUREMENT OF SUBSTITUTE DATA, OR OTHER PRODUCTS OR SERVICES.

NEITHER PARTY MAY BRING ANY ACTION OR CLAIM HEREBUNDER MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

9. Company's Infringement Indemnity. Company will, as Subscriber's sole remedy, indemnify, defend and hold harmless Subscriber from and against any third party claim that the Licensed Products constitute any infringement of any United States copyright or trade secret misappropriation, as long as Subscriber notifies Company promptly upon learning of such claim and gives Company authority, information and assistance to defend or settle the claim. If any such claim arises, Subscriber will permit Company, at Company's option and expense, to (i) procure the right for Subscriber to continue using the Licensed Products, (ii) replace or modify the Licensed Products to eliminate the infringement while providing functionally equivalent performance, or (iii) pay to Subscriber the amount that Subscriber has actually paid for the Licensed Product for the period that the Licensed Product was not usable in exchange for the right to terminate Subscriber's right to use the Licensed Product and this Agreement. This Section 9 sets forth Company's exclusive liability to Subscriber and Subscriber's exclusive remedy against Company, with respect to any infringement claims. Company will not be liable to Subscriber and will not indemnify Subscriber for any claim to the extent it is caused by Subscriber's failure to act in accordance with the terms of this Agreement or otherwise by Subscriber's improper actions or omissions.

10. Subscriber Indemnity. Subscriber, and not Company, will be fully responsible for any uses made of the Licensed Products by Subscriber or anyone obtaining access thereto from or through Subscriber, and for the consequences of any decisions made or actions taken or not taken based in whole or in part thereon, whether by Subscriber, Covered Affiliates, or their personnel, professionals, patients or other third parties. Subscriber will, during and after the Agreement Term, at Company's request, defend and indemnify Company from and against any claims, damages and expenses arising therefrom or related thereto (including, without limitation, reasonable attorneys' fees and costs of defense), except to the extent of Company's improper actions or omissions.

11. Affiliated Entities. Subscriber may not extend its rights under this Agreement to any of its subsidiaries or other affiliated entities (the "Covered Affiliates") unless: (i) all such Covered Affiliates are listed in an "Affiliates Supplement" to this Agreement which is approved and executed by Company (which approval may be withheld or granted in Company's discretion); (ii) Subscriber pays to Company such additional fees or reimbursements as may be required of Subscriber or the Covered Affiliate as provided in the Affiliates Supplement; and (iii) each Covered Affiliate is bound in writing to perform, with respect to itself and its own data and operations, all of the obligations of the Subscriber under this Agreement.

12. Compliance and Use Restrictions (a) Regulatory. Subscriber and Company acknowledge that the Licensed Products may be subject to federal and state laws, rules and regulations relating to, among other subjects, the confidentiality or security of patient information, including but not limited to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the applicable regulations promulgated thereunder. The parties will at all times comply with the applicable provisions of such laws, regulations and policies and hereby agree to execute any supplemental agreement regarding the confidentiality or security of Protected Health Information ("PHI") as required to comply or support Subscriber's compliance with applicable state or federal

law(s), rule(s) and/or regulation(s). For purposes of this Agreement, PHI shall mean individually identifiable information as defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Parts 160 and 164.

(b) Data Use. Before Company grants Subscriber access to the Licensed Products, Subscriber will execute all data use agreements and obtain all third party approvals, from regulatory agencies and other third parties, required to permit such access. Company will use reasonable efforts to assist Subscriber in its efforts to obtain the necessary approvals. If federal or state laws, regulations or policies change so as to prevent Company or make it impractical for Company in its sole discretion to continue to provide the Licensed Products hereunder, then Company may terminate this Agreement and refund to Subscriber any portion of the fees attributable to the remaining portion of the Term in full satisfaction of all obligations of Company pursuant to this Agreement.

(c) Availability. In the event that any third party source of data included in the Licensed Products terminates the release of such data, or modifies the terms of disclosure or nature of such data, in either event such that the fundamental nature or value of the products and services provided by Company under this Agreement are materially and adversely affected as determined by Company in its discretion, then Company may terminate this Agreement and refund to Client any portion of the fees which are attributable to the remaining portion of the Agreement Term as full payment of all obligations of Company pursuant to this Agreement.

13. Force Majeure. Neither party will be deemed in default of this Agreement if its performance of obligations under this Agreement is delayed or becomes impossible or impractical by reason of any act of God, war, fire, earthquake, labor dispute, civil commotion, terrorism, epidemic, third party service provider, act of government or government agency or officers or any similar cause beyond the control of such party.

14. Miscellaneous. (a) Assignment. Subscriber will not sublicense or assign this Agreement or any right or interest hereunder without Company's prior written consent, and any attempted sublicense or assignment without such consent will be void. Subject to the foregoing restriction, this Agreement will bind and benefit the parties and their respective successors and assigns.

(b) Governing Law; Severability. This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of California, without giving effect to its principles of conflict of laws. If any provision of this Agreement is determined to be invalid to any extent or in any context, such provision will be enforced to the extent and in the contexts in which it is valid, and the remaining provisions are severable and will not be affected by any such determination of invalidity.

(c) Equal Employment Opportunity. It is the policy of Company to employ, train, compensate, promote and provide other terms and conditions of employment, without regard to, a person's race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status, or other characteristics protected by law.

(d) Entire Agreement. This Agreement and all exhibits and attachments hereto set forth the entire agreement, and supersede any and all prior agreements, of Company and Subscriber with respect to the subject matter hereof. No amendment of this Agreement will be valid unless set forth in a writing signed by both Parties. No waiver shall be binding unless signed by the party to be bound. In the event and to the extent that any provision of this Agreement conflicts with a provision of a Supplement, the provision contained in the Supplement will control.

(e) Survival. The provisions of this Agreement that may reasonably be interpreted or construed as surviving termination of

The Agreement Term or any Product Term (including without limitation Sections 6, 8, 9, and 10) will so survive.

SUBSCRIBER: <u>Natividad Medical Center</u>	Thomson Reuters (Healthcare) Inc.
By: <u>[Signature]</u>	By: <u>[Signature]</u>
Printed Name: <u>James B. Tatum</u>	Printed Name: <u>Terry Cameron</u>
Title: <u>Director of Purchasing</u>	Title: <u>Executive Vice President</u>
Date Signed: <u>9/14/09</u>	Date Signed: <u>6/19/09</u>
CMS ID: _____	Address for notices hereunder (notices must be in writing):
Address for notices hereunder (notices must be in writing):	1007 Church Street
<u>1441 COWARTON BLVD</u>	Evanston, Illinois 60201
<u>SALINAS, CA 93906</u>	Fax: 847-832-1768
Fax: _____	Attn: General Counsel
Attn: <u>SIO LATO</u>	

Exhibit A-3

Truven Cost Sheet

**Exhibit A-3
Truven Cost Sheet**

Natividad Medical Center: 1141 Constitution Blvd., Salinas, CA 93905				Jane Finney, Quality - PI Sid Cato, Mgr Analyst/Contracts		
Net Patient Revenue		\$135,010,666				
Current Platform	Content / Module	Purpose	3-Year Package			Comment
			Year 1	Year 2	Year 3	
			2013-14	2014-15	2015-16	Renewal by 08/31/13
CareDiscovery Clinical Suite Transform+ Solution	Quality Discovery	Monitor critical data indicators	\$49,612	\$52,093	\$ 54,697	Evaluation of critical performance and quality metrics; Solution includes data submission support, training, and a basic level of intial and ongoing performance Improvement support services.
	Physician Insights	Physician Specific Reporting				
	Executive Insights	Overall Performance Summary				
	*Report Architect	Ad Hoc Reporting				
Core Measure Insights Module	Access To Specific CM CDQM	Support CM AMI HF PN SCIP STK VTE	No Charge	No Charge	No Charge	Optional
Data Sources (Up to 2 Data Sources)	Facility Level & Public State Data	Access to State Data Sources	Included	Included	Included	Optional
*MedPar Data Source		Access to MedPar Data From Rpt Architect	No Charge	No Charge	No Charge	Optional
User Accounts	Subscription License	10 Users	Included	Included	Included	
TOTAL			\$49,612	\$52,093	\$54,697	
CareDiscovery Quality Measures	Core Measure Set	Purpose	3-Year Package			
			Year 1	Year 2	Year 3	
			2013-14	2014-15	2015-16	
*CDQM Subscription Agr	AMI, HF, PN, PRC, SCIP, OP	Submit TJM and/or CMS	\$31,526	\$32,472	\$33,445	
	STK, VTE, PICM & ED					
MUQM			\$20,000	\$20,000	\$20,000	
*Synced Contract Renewal						
TOTAL			\$51,526	\$52,472	\$53,445	

Annual Totals \$101,138 \$104,565 \$108,142
Grand Total \$313,845