



STATE OF MICHIGAN
ENTERPRISE PROCUREMENT
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **9**

to

Contract Number **071B9200015**

| | |
|-------------------|-----------------------------------|
| CONTRACTOR | Global Vision Technologies Inc. |
| | 6614 Clayton Road #346 |
| | St Louis, MO 63117 |
| | April Freund |
| | (314) 621-9111 |
| | april.freund@globalvisiontech.com |
| | *****4796 |

| | | | |
|--------------|-------------------------------|------------------------|-------|
| STATE | Program Manager | Duane Kerkstra | MDHHS |
| | | 517-599-4881 | |
| | | kerkstrad@michigan.gov | |
| | Contract Administrator | Simon Baldwin | DTMB |
| | | (517) 284-6997 | |
| | | baldwins@michigan.gov | |

CONTRACT SUMMARY

COMPUTER SOFTWARE CONSULTANT TO SUPPLY FAMCARE

| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
|------------------------|-------------------------|---------------------------|--|
| October 1, 2008 | September 30, 2011 | 2 - 1 Year | October 31, 2018 |

| PAYMENT TERMS | DELIVERY TIMEFRAME |
|---------------|--------------------|
| | |

| ALTERNATE PAYMENT OPTIONS | EXTENDED PURCHASING |
|---|---|
| <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

MINIMUM DELIVERY REQUIREMENTS

| |
|--|
| |
|--|

DESCRIPTION OF CHANGE NOTICE

| OPTION | LENGTH OF OPTION | EXTENSION | LENGTH OF EXTENSION | REVISED EXP. DATE |
|--------------------------|------------------|--------------------------|---------------------|-------------------|
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | N/A | October 31, 2018 |

| CURRENT VALUE | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE |
|----------------|------------------------|------------------------------------|
| \$9,949,339.49 | \$94,080.00 | \$10,043,419.49 |

DESCRIPTION

Effective 11/4/2016, this Contract is increased by \$94,080.00 to fund maintenance and support for the duration of the Contract. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement and DTMB Procurement approval.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 8
 to
 CONTRACT NO. 071B9200015
 between
 THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR | PRIMARY CONTACT | EMAIL |
|---|-----------------|--|
| Global Vision Technologies Inc. 6614 Clayton Road #346 St Louis MO, 63117 | April Freund | april.freund@globalvisiontech.com |
| | PHONE | CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY) |
| | (314) 621-9111 | ****4796 |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|------------------------|--------|----------------|----------------|------------------------|
| PROGRAM MANAGER / CCI | DTMB | Duane Kerkstra | (517) 599-4881 | kerkstrad@michigan.gov |
| CONTRACT ADMINISTRATOR | DTMB | Simon Baldwin | (517) 284-6997 | Baldwins@michigan.gov |

| CONTRACT SUMMARY | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Computer Software Consultant To Supply Famcare | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| October 1, 2008 | September 30, 2011 | 2 - 1 Year | September 30, 2016 |
| PAYMENT TERMS | | DELIVERY TIMEFRAME | |
| | | | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS | | | |
| | | | |

| DESCRIPTION OF CHANGE NOTICE | | | | |
|------------------------------|------------------|-------------------------------------|------------------------------------|-------------------|
| EXERCISE OPTION? | LENGTH OF OPTION | EXERCISE EXTENSION? | LENGTH OF EXTENSION | REVISED EXP. DATE |
| <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> | 2-Years, 1-Month | October 31, 2018 |
| CURRENT VALUE | | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE | |
| \$9,949,339.49 | | \$ 0.00 | \$9,949,339.49 | |

DESCRIPTION: Effective March 15, 2016, this Contract is hereby extended 2-Years, 1- Month. The revised Contract expiration date is October 31, 2018. Hosting and Maintenance costs have been revised beginning on April 1, 2016 to allow for up to 5 users in accordance with the Service Comparison table attached. The cost for limited hosting and maintenance will be broken into 2 payments; the first in the amount of \$903,345.00, using existing Contract funds, and due 04/01/2016, the second payment, in the amount of \$94,080.00, will be added to the Contract in fiscal year 2017 and the payment due 11/15/2016. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency Agreement, DTMB Procurement approval and State Administrative Board approval on March 15, 2016.

Service Comparison

The below table depicts the delta between services currently contracted with the State of Michigan (for the term ending 9/30/2016) and those proposed for the product offering to satisfy the OAG Retention Policy (04/01/2016 – 10/31/2018).

| Component | Current | Proposed |
|--|---------------------------|----------------------|
| Hardware / Servers | YES | YES |
| Server maintenance | YES | YES |
| Bandwidth to support application | Up to 14,000 users | Up to 5 users |
| Mirroring Services | YES | NO |
| Regularly Scheduled Disaster Recovery Tests | YES | NO |
| SLA response times guaranteeing immediate and continual support required for 99.9% availability* | YES | NO |
| GVT Security Updates | YES | YES |
| Internet Explorer bug fixes through Windows Updates | YES | YES |
| Software update releases | YES | NO |
| Product Support via email and Task Manager** | YES | NO |

**Existing SLA response time guarantee provides for a rebate in the event that availability dips below 99.9%. Removing this guarantee does not change GVT's commitment to work to resolve any issue that would impact availability, but only cancels the provision for any associated rebates. **Going forward, support will still be available via GVT Task Manager and/or email, however, as there will no longer be a support agreement in place, any such requests will require approval, and be billable at GVT's standard commercial labor rates.*

| Payment Date | Period | Total |
|---------------------|---|----------------------|
| 04/01/2016 | 04/01/2016 – 10/31/2018 – 1 st pmt. | \$ 903,345.00 |
| 11/15/2016 | 04/01/2016 – 10/31/2018 – 2 nd pmt. | \$ 94,080.00 |
| TOTAL: | | \$ 997,425.00 |

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B9200015
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR | PRIMARY CONTACT | EMAIL |
|--|-----------------|--|
| Global Vision technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 | April Freund | april.freund@globalvisiontech.com |
| | PHONE | VENDOR TAX ID # (LAST FOUR DIGITS ONLY) |
| | (314) 374-6709 | 4796 |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|---------------------------|--------|----------------|----------------|------------------------|
| PROGRAM MANAGER / CCI | DTMB | Duane Kerkstra | (517) 599-4881 | kerkstrad@michigan.gov |
| CONTRACT ADMINISTRATOR | DTMB | Simon Baldwin | (517) 284-6997 | baldwins@michigan.gov |

| CONTRACT SUMMARY | | | |
|---|-------------------------|------------------------------|---|
| DESCRIPTION: Computer Software Consultation to Supply FAMCare – Family Independence Agency | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| 10/01/2008 | 09/30/2011 | (2) 1-Year Options | 09/30/2016 |
| PAYMENT TERMS | F.O.B. | SHIPPED TO | |
| N/A | N/A | N/A | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE | | | | |
|---|-------------------------------------|---|--|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF EXTENSION/OPTION | EXPIRATION DATE AFTER CHANGE |
| <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | <input type="checkbox"/> | <input type="checkbox"/> | N/A | 09/30/2016 |
| CURRENT VALUE | VALUE/COST OF CHANGE NOTICE | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE | |
| \$9,949,339.49 | 0.00 | | \$9,949,339.49 | |

DESCRIPTION:
 Effective December 17, 2015, the Notice of Contract Cancellation letter, referenced below and issued on November 24, 2015 is amended to change the expiration date for this Contract back to September 30, 2016. Please note, the Contract Administrator has been changed to Simon Baldwin. The Hosting and Maintenance for this Contract will be prorated monthly going forward at a total fixed firm cost to the State of \$117,684.20 per month. All other terms, conditions, specifications and pricing remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

November 24, 2015

April Freund
Global Vision Technologies, Inc.
6614 Clayton Road, Suite 346
St. Louis, Missouri 63117

GVT Contract No. 071B9200015
Notice of Contract Cancellation

Dear Ms. Freund:

Please let this serve as a formal notice to Global Vision Technologies, Inc. (GVT) that the State of Michigan has chosen to exercise its right to cancel the entire Contract 071B9200015 for convenience. *See* Contract 071B9200015 § I-T(2) entitled “Cancellation”. All GVT services and deliverables must cease at 5:00 pm on **Wednesday, December 30, 2015**, 30 calendar days after GVT’s receipt of this Notice. Per the Contract, please forward any and all outstanding invoices to the State and we will see that GVT is promptly paid for all services rendered before the Contract’s cancellation date.

Attached please find the State’s Transition Plan, which coincides with the already agreed upon obligations in our most recent Statement of Work. Per the Transition Plan, the Decommission Project requires that all data State data information and images be removed from the following: CCF, LMS and JJLOT systems, GVT servers, hard drives, websites, and all other storage media. Any and all hard copies of information must be destroyed with a written confirmation of destruction.

The State wishes to finalize this Plan as soon as reasonably possible to ensure a smooth transition of Contract responsibilities. Please confirm whether GVT will require any changes to the Plan as soon as possible, but by no later than 4:00 pm ET on **Tuesday, December 1, 2015**. GVT has agreed to “negotiate in good faith to determine appropriate amounts to be paid...prior to [Contract] cancellation.” In returning its final price quote for project decommission services and deliverables, we trust that GVT will honor its good faith legal obligation to avoid undue inflation or unreasonable price setting.

On or before 4:00 pm ET on **Tuesday, December 1, 2015**, please also confirm in writing whether GVT has made available, shared, or otherwise transmitted State data information and/or images with any other entity, Subcontractor, or agent. Please note that the term Subcontractor must be defined broadly to include any entity that forwards GVT’s business or in any way encounters State data. If GVT has shared State data with another entity, please forward a summary of how State data was transferred, the names and addresses of the entities, and a copy of GVT’s subcontracts with them. *See* Contract § I(F).

Thank you for your assistance in this matter.

Sincerely,

Sharon Walenga-Maynard
Sourcing Director
DTMB Office of Procurement

: Attachment as stated.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B9200015
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR | PRIMARY CONTACT | EMAIL |
|--|-----------------|--|
| Global Vision technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 | April Freund | april.freund@globalvisiontech.com |
| | PHONE | VENDOR TAX ID # (LAST FOUR DIGITS ONLY) |
| | (314) 374-6709 | 4796 |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|------------------------|--------|----------------|----------------|------------------------|
| PROGRAM MANAGER / CCI | DTMB | Duane Kerkstra | (517) 599-4881 | kerkstrad@michigan.gov |
| CONTRACT ADMINISTRATOR | DTMB | Jarrod Barron | (517) 284-7045 | barronj1@michigan.gov |

| CONTRACT SUMMARY | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Computer Software Consultation to Supply FAMCare – Family Independence Agency | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| 10/01/2008 | 09/30/2011 | (2) 1-Year Options | 09/30/2015 |
| PAYMENT TERMS | F.O.B. | SHIPPED TO | |
| N/A | N/A | N/A | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE | | | | |
|---|----------------------------------|--|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF EXTENSION/OPTION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 1-Year | 09/30/2016 |
| CURRENT VALUE | VALUE/COST OF CHANGE NOTICE | ESTIMATED REVISED AGGREGATE CONTRACT VALUE | | |
| \$8,886,132.00 | 1,063,207.49 | 9,949,339.49 | | |

DESCRIPTION:
 Effective September 10, 2015, this contract is extended one (1) year and is increased by \$1,063,207.49. The State will utilize \$349,002.88 existing contract funds and add \$1,063,207.49 to the contract for the \$1,412,210.37 hosting and maintenance costs listed in the table below. The new contract expiration date is September 30, 2016. The Contract Administrator has been changed to Jarrod Barron. All other terms, conditions, specifications and pricing remain the same, per Contractor and Agency agreement, DTMB Procurement approval, and State Administrative Board approval on September 10, 2015.

Pricing Table:

| | Unit Type | QTY | Unit Price | Total Cost |
|--|------------------|------------|-------------------|-------------------|
| Hosting | Quarterly | 4 | \$177,500.00 | \$710,000.00 |
| Software Maintenance | Quarterly | 4 | \$175,552.59 | \$702,210.37 |
| Service Request Support (optional) | Hours | 500 | \$200.00 | \$100,000.00 |
| On-site Support (optional) | Daily | 11 | \$2,500.00 | \$27,500.00 |
| Total Pricing for Hosting and Maintenance | | | | \$1,412,210.37 |

Please note that “Service Request Support” and “On-site Support” are optional services and any request for use of these services must be accompanied by an approved Statement of Work.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B9200015
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|--|-----------------|-----------------------------------|
| Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 | April Freund | april.freund@globalvisiontech.com |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (314) 374-6709 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|----------------|------------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Duane Kerkstra | (517) 599-4881 | Kerkstrad@michigan.gov |
| BUYER | DTMB | Barb Suska | (517) 284-7026 | Suskab2@michigan.gov |

| CONTRACT SUMMARY: | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Computer Software Consultant to Supply FAMCare – Family Independence Agency | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| 10/1/2008 | 9/30/2011 | Two One-Year | 9/31/2014 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MIDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|---|----------------------------------|---|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | One-Year | September 30, 2015 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$1,377,316.00 | | \$8,886,132.00 | | |

Effective July 15, 2014, this contract is INCREASED by \$1,377,316.00 and EXTENDED for one-year per the attached. The new end date is September 30, 2015.

All other terms, conditions, specifications and pricing remain the same. Per vendor agreement and, DTMB Procurement approval, and the approval of the State Administrative Board on July 15, 2014.



1 Year Extension Cost Summary

| | QTY | Unit Type | Unit Price | Total Cost |
|--------------------------------|------|-----------|---------------|-----------------|
| Hosting | 4 | Quarterly | \$ 137,500.00 | \$ 550,000.00 |
| Software Maintenance | 4 | Quarterly | \$ 168,329.00 | \$ 673,316.00 |
| Service Request Support | 1100 | Hours | \$ 120.00 | \$ 132,000.00 |
| On-site Support | 11 | Daily | \$ 2,000.00 | \$ 22,000.00 |
| | | | | \$ 1,377,316.00 |

The pricing provided above is also available to the State from the period of October 1, 2014 through September 30, 2015. This would require an additional extension and Administrative Approval for time and dollars.

Maintenance-

Existing Maintenance was priced at \$550,000 beginning in October of 2008. Additional license costs and additional customizations from October 2008 until present is \$587,220. (customizations-\$467,220/licenses-\$120,000). We calculate maintenance at 21% of that cost or \$123,316.20). That will result in a total cost for Annual Software Maintenance of \$673,316.00 per year for the next two years.

Hosting-

Current hosting pricing was based on a user base of approximately 1200 but allowed for up to 4000 users for the same pricing. The user community has grown by 5000 more than that maximum number. Due to economies of scale and cost savings that are spread over multiple servers we can offer a discount for the additional users. Our current rate equaled \$110 per user/per year or \$440,000 per year. We can offer a 50% discount for a total of up to 10,000 users for a yearly rate of \$550,000 for up to 10,000 users. This is based on decreasing the user price to \$55 per user/per year X 10,000 users. If you add more than 10,000 users we can provide a 75% discount to that group of additional users as needed i.e. 26.50 per user/per year for an additional 5000 users would add \$132,500 for a total annual hosting cost of \$682,500.00 for a total of 15,000 users.

Approved Development and Software Consulting-

We will continue to use the discounted rate of \$120 per hour for any requested professional service work such as approved development, report writing, project management or other projects that require billable hours from our team. All professional services work will continue to be billed on a monthly invoice basis while the hosting and maintenance will continue to be billed on a quarterly basis due before each quarter begins.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B9200015
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|--|-----------------|-----------------------------------|
| Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 | April Freund | april.freund@globalvisiontech.com |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (314) 374-6709 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|------------|----------------|---------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Barb Suska | (517) 335-4067 | SuskaB@michigan.gov |
| BUYER | DTMB | Steve Motz | (517) 241-3215 | MotzS@michigan.gov |

| CONTRACT SUMMARY: | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Computer Software Consultant to Supply FAMCare – Family Independence Agency | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| 10/1/2008 | 9/30/2011 | Two One-Year | 9/31/2013 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|--|----------------------------------|---|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | One-Year | 9/30/2014 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$1,377,316.00 | | \$7,508,816.00 | | |
| Effective immediately this contract is INCREASED by \$1,377,316.00 and EXTENDED for one-year per the attached. Per Administrative Board approval on 7/23/2013. | | | | |
| All other terms, conditions, specifications and pricing remain unchanged. | | | | |



1 Year Extension Cost Summary

| | QTY | Unit Type | Unit Price | Total Cost |
|--------------------------------|------|-----------|---------------|-----------------|
| Hosting | 4 | Quarterly | \$ 137,500.00 | \$ 550,000.00 |
| Software Maintenance | 4 | Quarterly | \$ 168,329.00 | \$ 673,316.00 |
| Service Request Support | 1100 | Hours | \$ 120.00 | \$ 132,000.00 |
| On-site Support | 11 | Daily | \$ 2,000.00 | \$ 22,000.00 |
| | | | | \$ 1,377,316.00 |

The pricing provided above is also available to the State from the period of October 1, 2014 through September 30, 2015. This would require an additional extension and Administrative Approval for time and dollars.

Maintenance-

Existing Maintenance was priced at \$550,000 beginning in October of 2008. Additional license costs and additional customizations from October 2008 until present is \$587,220. (customizations-\$467,220/licenses-\$120,000). We calculate maintenance at 21% of that cost or \$123,316.20). That will result in a total cost for Annual Software Maintenance of \$673,316.00 per year for the next two years.

Hosting-

Current hosting pricing was based on a user base of approximately 1200 but allowed for up to 4000 users for the same pricing. The user community has grown by 5000 more than that maximum number. Due to economies of scale and cost savings that are spread over multiple servers we can offer a discount for the additional users. Our current rate equaled \$110 per user/per year or \$440,000 per year. We can offer a 50% discount for a total of up to 10,000 users for a yearly rate of \$550,000 for up to 10,000 users. This is based on decreasing the user price to \$55 per user/per year X 10,000 users. If you add more than 10,000 users we can provide a 75% discount to that group of additional users as needed i.e. 26.50 per user/per year for an additional 5000 users would add \$132,500 for a total annual hosting cost of \$682,500.00 for a total of 15,000 users.

Approved Development and Software Consulting-

We will continue to use the discounted rate of \$120 per hour for any requested professional service work such as approved development, report writing, project management or other projects that require billable hours from our team. All professional services work will continue to be billed on a monthly invoice basis while the hosting and maintenance will continue to be billed on a quarterly basis due before each quarter begins.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909 OR 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B9200015
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|---|-----------------|-----------------------------------|
| Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 | April Freund | april.freund@globalvisiontech.com |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (314) 374-6709 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|--------------------------------|--------|------------|----------------|--|
| CONTRACT COMPLIANCE INSPECTOR: | DTMB | Barb Suska | (517) 335-4067 | SuskaB2@michigan.gov |
| BUYER: | DTMB | Steve Motz | (517) 241-3215 | motzs@michigan.gov |

| CONTRACT SUMMARY: | | | |
|---|--|--------------------------------|---|
| DESCRIPTION: Computer Software Consultant to Supply FAMCare – Family Independence Agency | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL OPTIONS INCLUDED | CURRENT EXPIRATION DATE |
| 10/1/2008 | 9/30/2011 | Two One-Year | 9/31/2013 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MI DEAL PARTICIPANTS |
| <input type="checkbox"/> P-card | <input type="checkbox"/> Direct Voucher (DV) | <input type="checkbox"/> Other | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

| DESCRIPTION OF CHANGE NOTICE: | | |
|---|--|--|
| OPTION EXERCISED: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES | EFFECTIVE DATE OF CHANGE: 10/2/2012 | |
| <p>Effective immediately, this contract is INCREASED by \$ 1,144,000.00 per the attached cost breakdown table and the second one-year options is exercised to provide funding for continued support of the system. All other pricing, terms and conditions remain the same. This change was approved by the State Administrative Board on September 27, 2012.</p> <p>Please note: the State Project Manager has been changed from Anthony Sessions to Duane Kerkstra (see contact info below) 235 S. Grand Avenue Lansing, MI 48933 (517) 241-1014 kerkstrad@michigan.gov</p> | | |
| VALUE/COST OF CHANGE NOTICE: | \$ 1,144,000.00 | |
| ESTIMATED AGGREGATE CONTRACT VALUE: | \$ 6,131,500.00 | |

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 1, 2011

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B9200015
between
THE STATE OF MICHIGAN
and

| | |
|--|--|
| NAME & ADDRESS OF VENDOR Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 Email: april.freund@globalvisiontech.com | TELEPHONE April Freund (314) 621-9111 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Barb Suska Computer Software Consultant to Supply FAMCare – Family Independence Agency | |
| CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2012 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |
| MISCELLANEOUS INFORMATION: This contract replaces 071B7200291 | |

NATURE OF CHANGE(S):

Effective immediately, Exhibit A – Governance Model has been incorporated into the Contract. All other terms, conditions, pricing and specifications remain the same.

AUTHORITY/REASON:

Per vendor and agency agreement and DTMB Procurement approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$4,987,500.00

Exhibit A - Governance Model

Background/Summary

Currently, the work being requested of GVT has been coming from multiple sources within the State of Michigan (SOM). It has posed issues for the SOM to understand where its assets and resources are being expended and consumed. We intend to rectify this challenge by modifying the process that encompasses how GVT will initiate, complete and invoice for new and existing work requests.

With the initiation of this new process, GVT is not to initiate work with over eight (8) hours of effort (a.k.a. Standard Work Request) without express authorization from the DTMB Agency Services for Department of Human Services (DHS) Client Services Director, Services Area Manager or their designee. Due to the need for responsiveness, program area specific DHS staff will be authorized to initiate work that does not exceed eight (8) hours of effort (a.k.a. Immediate Response Work Request). Unauthorized work will not be subject to payment.

A swim lane work flow diagram has been included to help graphically summarize the process. The diagram can be found on the last two pages of this document.

Standard Work Request

The process to request work begins with a form DHS-911, which is to be filled out by the requesting area of DHS and provided to the DHS Office of Technology and Information Management (OTIM). An OTIM staff member will enter the request into the SOM work request (WR) system and assign the WR to the DTMB Services Area Manager where it will be reviewed for completeness. Once any anomalies are addressed, the DTMB Services Area Manager will add the work to the area portfolio and initiate a work request to GVT to provide product and/or service.

It is assumed GVT has a predefined process for evaluating and estimating work requests. Before work will be authorized GVT must complete an evaluation and provide the following information back to the SOM:

Work Request Estimation:

- Key milestones/WBS (when appropriate)
- Start and finish dates
- Itemized cost
- Onsite requirements
- Key GVT Staff
- Presumed key DHS Subject Matter Expert Staff needed

The DTMB Services Area Manager will update the SOM WR and involved SOM stakeholders will evaluate the information and either approve or cancel the WR. In either case, GVT will be notified and updates to the SOM WR and Services Area portfolio will be done.

Once approval has been confirmed, GVT can execute tasks against the WR. In order for the SOM to monitor progress of the WRs, the SOM requires that GVT provide a

Exhibit A – Governance Model

weekly status report, which will include, at a minimum, the following for each active/incomplete WR:

Weekly Status Report Content:

- Work Request ID
- Milestone/WBS items
- Percentage Complete
 - 0% - Not Started
 - 20% - Requirement Gathering/In Design
 - 40% - Development in Progress
 - 60% - Testing In Progress
 - 80% - User Acceptance In Progress
 - 100% - Complete
- Status
 - On-target
 - Ahead of Schedule
 - Behind Schedule
- DHS Staff person signing off (user acceptance)
- Total Accumulated Hours
- Issues/Risks to completing the WR
- Corrective Action Plan (if behind schedule)

Upon completion of a WR, the SOM will verify the deliverable(s) and either accept or reject said deliverable(s). In the event that the deliverable(s) is rejected, the SOM will inform GVT of the issues, a dialogue will be opened and corrective action will be determined and documented. Otherwise, acceptance is granted; invoicing will occur; the Services Portfolio will be updated; and the GVT and SOM work requests will be closed.

Immediate Response Work Request

DHS must be responsive to the needs of their stakeholders such as legislature, court monitors, and other entities. In these instances, most often, requests are being made for data pulls and/or reports to satisfy an immediate but, not necessarily a long term need. The governance structure is allowing DHS to identify specific staff within program areas to authorize work that is not to exceed eight (8) hours of total effort.

GVT may proceed with servicing the needs of our client without the necessity of providing the Work Estimation information cited above. The DHS authorized staff will assist DTMB with reconciling during or immediately after the request. Besides providing the services to complete the request, GVT will report the status of these requests using the Weekly status report described above.

Maintenance

The governance process is not changing the current process for "Help Desk" work (anything considered maintenance/not invoiced). The SOM staff experiencing issues

Exhibit A – Governance Model

with the product will continue to report and receive resolution directly from GVT so as to quickly rectify incidents they encounter with the product.

GVT will provide a maintenance section in the first Weekly Status of each month to report maintenance statistics for the previous month's activities. The following will be included at a minimum:

Maintenance Status information

- Number of maintenance requests reported
- Number of maintenance requests resolved
- Number of maintenance requests outstanding
- List of maintenance requests being identified/recommended as New/Modification type requests

Work In-Progress

All work requests currently in progress will remain in progress; however, GVT will collaborate with the SOM to reconcile and document the information required to facilitate the governance of the in-progress work. Each in-progress request will be evaluated independently to determine the degree of information needed to properly monitor those items. Upon execution of governance all items that are identified as work in-progress will need to be included on the weekly status report.

Onsite Visits

In addition to the governance process, the SOM understands that onsite work may be necessary and not always planned up front; however, before onsite work is authorized, GVT is required to provide an agenda at least five (5) working days in advance of the planned arrival. The agenda must contain, at a minimum:

Agenda:

- The date and time of GVT arrival
- Name(s) of staff coming onsite
- The purpose of the onsite visit
- The Work Request(s) being covered during GVT's presence
- How much time is being spent on each Work Request
- For each Work Request, who are the key SOM participants

Conclusion

As with every process, exceptions occur and emergencies happen. The DTMB will assist to expedite processes when such events occur. This may require that steps of the process be adjusted or completed out of order. Events will be handled on a case-by-case basis in collaboration with DHS and GVT.

Please find below, the contact information for the managing DTMB and Authorized DHS staff. The names provided may be changed without the need for additional Contract Change Notices. The DTMB will provide written changes to GVT in such occurrences.

Exhibit A – Governance Model

DTMB Agency Services for DHS:

Richard DeMello
Client Services Director
(517) 335-3872
demellor@michigan.gov

Anthony Sessions
Services Area Manager
(517) 373-8054
sessionsa@michigan.gov

DHS Authorized Requestors:

John Evans,
Contacts and JJ
(517) 335-3489
EvansJ7@michigan.gov

Steve Lyon
Juvenile Justice
(517) 335-0161
LyonS@michigan.gov

Odette Gardner
JJOLT Administrator
(313) 456-2603
GardnerO@michigan.gov

Mike Rosenberg
Data Management Unit
(517) 373-3870
RosenbergM2@Michigan.gov

Janie Ross,
Child Care Fund
(517) 373-4876
RossC3@michigan.gov

Laura Schneider
CWTFI Manager
(313) 720-7263
SchneiderL@michigan.gov

Jeanette Scroggins
Grants
(517) 335-3541
ScrogginsJ@michigan.gov

Keith Young,
JJOLT Help Desk
(517) 373-0337
YoungK2@michigan.gov

Exhibit A - Governance Model

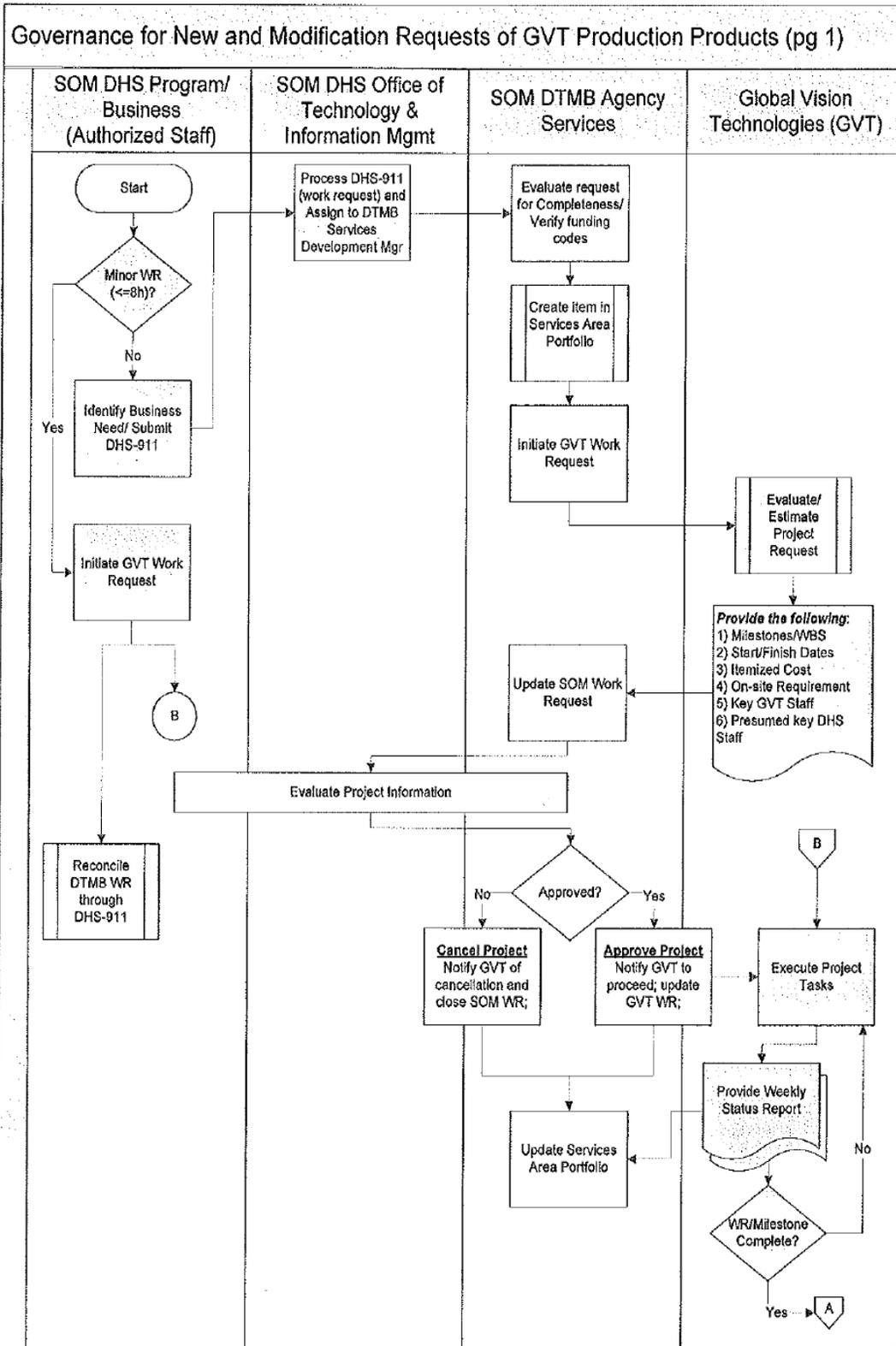
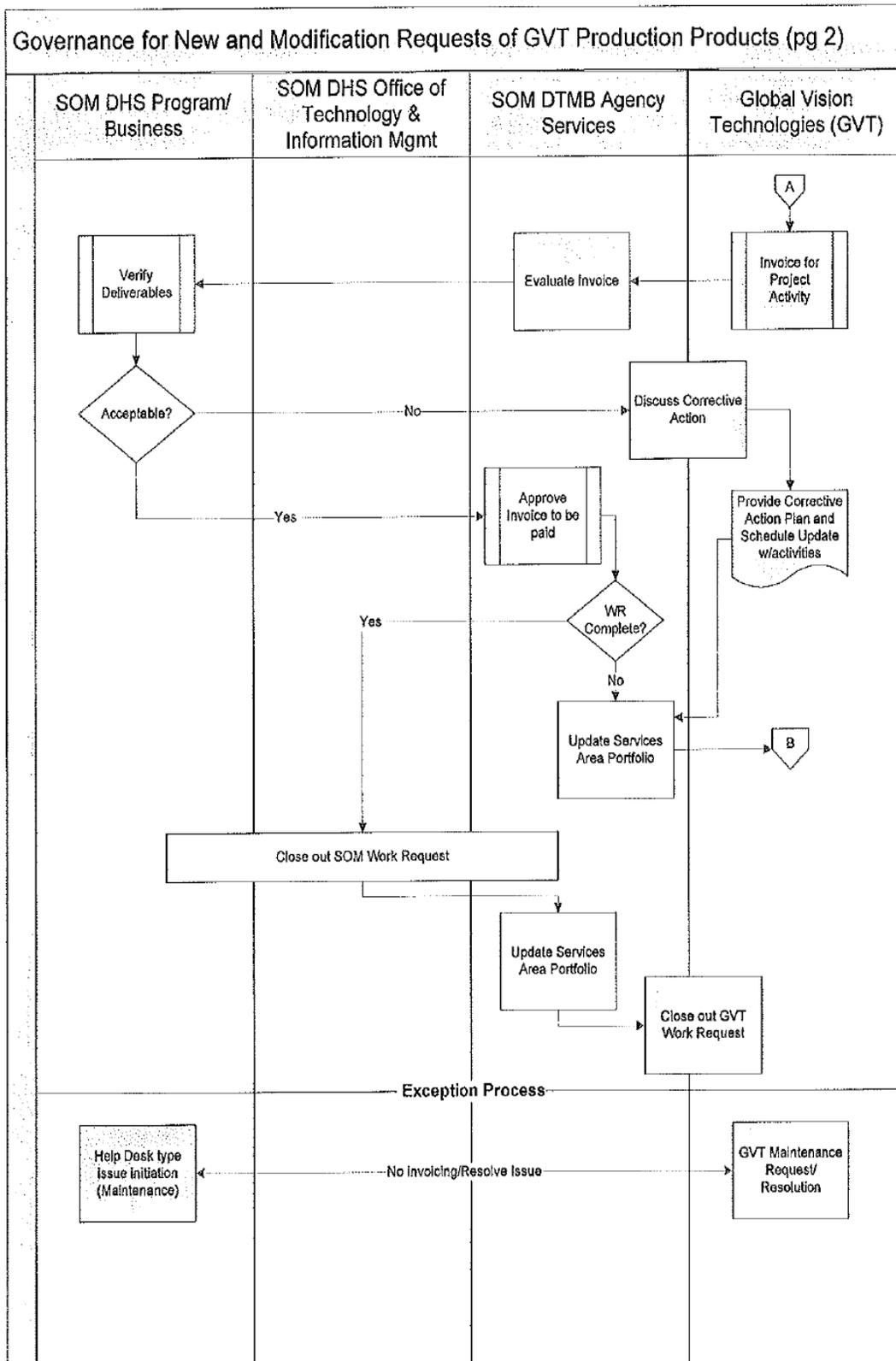


Exhibit A – Governance Model



Form No. DMB 234 (Rev. 1/96)
 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 15, 2011

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200015
between
THE STATE OF MICHIGAN
and

| | |
|---|--|
| NAME & ADDRESS OF VENDOR Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 Email: april.freund@globalvisiontech.com | TELEPHONE April Freund (314) 621-9111 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Barb Suska Computer Software Consultant to Supply FAMCare – Family Independence Agency | |
| CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2012 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |
| MISCELLANEOUS INFORMATION: This contract replaces 071B7200291 | |

NATURE OF CHANGE(S):

Effective immediately, this contract is extended for one year to September 30, 2012 and includes the addition of an additional option year from October 1, 2012 through September 30, 2013. See attached letter from Contractor. Contract is also hereby INCREASED by \$1,130,000.00. All other terms, conditions, pricing and specifications remain the same.

AUTHORITY/REASON:

Per Administrative Board approval on September 15, 2011.

INCREASE: \$1,130,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$4,987,500.00



6614 Clayton Road, #346
St. Louis, MO 63117

July 19, 2011

Mr. Anthony Sessions
230 S. Main St.
Lansing, MI 48909

RE: JJOLT Contract Nbr.071B9200015

Dear Mr. Sessions,

Thank you for calling today and explaining that the above referenced contract is going to be extended for 2 one year options. We are willing to continue the hosting, maintenance, support and approved development if those options are exercised. We are also willing to honor the terms and conditions in the original contract.

Unless otherwise stated, we will continue to operate under the current authorization structure using our task manager system to gain approval by state personnel prior to any billable work being performed.

We are proud and honored to continue to be a valued partner with Michigan's Dept of Human Services and Technology, Management and Budget and will work hard to provide the utmost in quality and customer service. We know the work your endusers do is incredibly important to help the children and people they serve and we look forward to working with you. Please feel free to contact me at 314-374-6709 if you have any questions or need anything else.

Sincerely,

A handwritten signature in black ink that reads "A Freund". The signature is written in a cursive, flowing style.

April Freund
President

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

October 9, 2008

NOTICE
OF
CONTRACT NO. 071B9200015
between
THE STATE OF MICHIGAN
and

| | |
|--|--|
| NAME & ADDRESS OF VENDOR Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 Email: april.freund@globalvisiontech.com | TELEPHONE April Freund (314) 621-9111 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-7233 Joann Klasko |
| Contract Compliance Inspector: Patty Bogard Computer Software Consultant to Supply FAMCare – Family Independence Agency | |
| CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2011 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |
| MISCELLANEOUS INFORMATION: This contract replaces 071B7200291 | |

TOTAL ESTIMATED CONTRACT VALUE: \$3,857,500.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B9200015
between
THE STATE OF MICHIGAN
and

| | |
|--|---|
| NAME & ADDRESS OF VENDOR Global Vision Technologies, INC 6614 Clayton Road #346 St. Louis, MO 63117 Email: april.freund@globalvisiontech.com | TELEPHONE April Freund (314) 621-9111 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-7233 Joann Klasko |
| Contract Compliance Inspector: Patty Bogard Computer Software Consultant to Supply FAMCare – Family Independence Agency | |
| CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2011 | |
| TERMS | SHIPMENT |
| N/A | N/A |
| F.O.B. | SHIPPED FROM |
| N/A | N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |
| MISCELLANEOUS INFORMATION: This contract replaces 071B7200291 Estimated Contract Value: \$3,857,500.00 | |

All terms and conditions of the invitation to bid are made a part hereof.

| | |
|--|---|
| FOR THE VENDOR: Global Vision Technologies, INC. Firm Name | FOR THE STATE: Signature Greg Faremouth, Director |
| Authorized Agent Signature | Name IT Division |
| Authorized Agent (Print or Type) | Title |
| Date | Date |

**SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS**

I-A PURPOSE

The purpose of this Contract is to obtain services for a Management Information System for the Bureau of Juvenile Justice within the Family Independence Agency.

Contract awarded from this solicitation will be the following type:

- Part lump sum/fixed price, part unit price

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of this Contract by all parties. Initial setup work, the purchase of licenses, training and consulting are planned to be completed between March 30, 2001 and June 30, 2001, but no later than 12 weeks from the receipt of the first payment as per the proposal. GVT will host the system on behalf of the State beginning 12 weeks after the receipt of such payment and ending 12 months from the start date. The State fiscal year is October 1st through September 30th. The prospective Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. The term of this contract, 071B9200015 is from October 1, 2008 through September 30, 2011.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Office of Purchasing, hereafter known as the Office of Purchasing, for the State of Michigan, Family Independence Agency. Where actions are a combination of those of the Office of Purchasing and the Family Independence Agency, the authority will be known as the State.

The Office of Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. The Office of Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Request For Proposal and any Contract(s) awarded as a result of this Request. The OFFICE OF PURCHASING will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Purchasing shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Joann Klasko
Information Technology Division
DMB, Office of Purchasing
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
KlaskoJ@michigan.gov
(517)241-7233

I-D CONTRACT ADMINISTRATOR

Upon receipt at the Office of Purchasing of the properly executed Contract Agreement, it is anticipated that the Director of Purchasing will direct that the person named below or any other

person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any Contract resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by the Office of Purchasing. The Contract Administrator for this project is:

Patty Bogard
Department of Information Technology
Strategic Policy
525 W. Allegan Street
Lansing, MI 48913
BogardP@michigan.gov
(517)335-4051

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this Request. Total liability of the State is limited to the terms and conditions of any resulting Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the anticipated Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

Any news releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

Any news releases by the State pertaining to this document or the services or project to which it relates will not be made without prior written approval by Contractor. In particular, any description of the business of Contractor, the exact nature of the work to be performed and any payment or service terms must be approved by Contractor prior to release. This is meant to serve mainly as a review function and in no way is implied to violate the Freedom of Information Act as described in I-H below.

I-H DISCLOSURE

All information in a bidder's proposal and the Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Department of Auditor General at any time during the Contract period and any

extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION

A. General Indemnification

Upon receipt of written notice, as required herein, the CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (1) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents for any negligence or wrongful acts arising out of or resulting from (1) the services and products provided or (2) performance of the work, duties, responsibilities, actions or omissions of the CONTRACTOR or any of its subcontractors under this CONTRACT;
- (2) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or resulting from a material breach by the CONTRACTOR of any representation or warranty made by the CONTRACTOR in the CONTRACT;
- (3) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or related to occurrences that the CONTRACTOR is required to insure against as provided for in this CONTRACT;
- (4) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the CONTRACTOR, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the negligence or reckless or intentional wrongful conduct of the State;
- (5) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents which results from an act or omission of the CONTRACTOR or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

The CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State by a third party to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the CONTRACTOR or its subcontractors, or the operation of such

equipment, software, commodity or service, infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the CONTRACTOR shall at the Contractor's sole expense (I) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the CONTRACTOR, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to CONTRACTOR, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the CONTRACTOR or any of its subcontractors, the indemnification obligation under the CONTRACT shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the CONTRACTOR or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclauses.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the contract with respect to any claims based on facts or conditions which occurred prior to termination.

CONTRACTOR has no liability or claim of infringement resulting from:

- (1) CONTRACTOR's compliance with any designs, specifications, or instructions from the State;
- (2) Modification of the software by State or a third party without the prior knowledge and approval of CONTRACTOR; or
- (3) Use of the software in a way not specified by CONTRACTOR

I-K NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-L WARRANTIES AND REPRESENTATIONS

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

- 1. The Contractor will perform all services in accordance with high professional standards in the industry;
- 2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;

3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;
9. The Contractor will maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all repairs and preventive maintenance in accordance with applicable manufacturer's recommendations;
10. The Contractor will use its best efforts to ensure that no viruses or similar items are coded or introduced into the systems used to provide the services;
11. The Contractor will not insert or activate any disabling code into the systems used to provide the services without the State's prior written approval;
12. A ninety (90) day warranty on all purchased and developed software, data conversion programs, and data and customization to the product performed by the contractor.

I-M TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-N STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

I-O WORK PRODUCT AND OWNERSHIP

1. CONTRACTOR shall maintain all title, copyright, and other proprietary rights in the licensed software. The State does not acquire any rights, express or implied, in the licensed software, other than those specified in this agreement.

2. CONTRACTOR, as licensor, warrants to the State that CONTRACTOR is the owner of the software licensed (FAMCare) under this Contract or otherwise has the right to grant to the State the licensed rights to the software provided by CONTRACTOR through this Contract without violating any rights of any third party, and that there is currently no actual or threatened suit by any such third party based on an alleged violation of such right by CONTRACTOR.
3. CONTRACTOR warrants that the State, upon paying the amounts due under this Contract and performing all other covenants, terms and conditions it is to perform under the Contract, may and shall peacefully and quietly have, hold, possess, and enjoy the licensed software for the term provided without suit, molestation, or interruption.
4. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-P CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.
3. All financial, statistical, personnel, technical and other data and information relating to the CONTRACTOR's operation which are designated confidential by CONTRACTOR and made available to the State in order to carry out this Contract, or which become available to the State in carrying out this Contract, shall be protected by the State from unauthorized use and disclosure. The identification of all such confidential data shall be provided by the CONTRACTOR in writing to the State. If the methods and procedures employed by the State for the protection of the CONTRACTOR's data and information

are deemed by the CONTACTOR to be adequate for the protection of the CONTRACTOR's confidential information, such methods and procedures may be used, with the written consent of the CONTRACTOR, to carry out the intent of this section.

- 4. The State shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the CONTRACTOR generally, or to the State without restriction, (3) information idependently developed or acquired by the State or it's personnel without reliance in any way on otherwise protected information of the CONTRACTOR. Notwithstanding the foregoing restrictions, the State and it's personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the CONTRACTOR has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-Q REMEDIES FOR BREACH OF CONFIDENTIALITY

- 1. The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-P of this Contract, shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.
- 2. The State acknowledges that a breach of it's confidentiality obligations as set forth in Section I-P of this Contract, shall be considered a material breach of the Contract. Furthermore, the State acknowledges that in the event of such a breach the CONTRACTOR shall be irreparably harmed. Accordingly, if a court should find that the State has breached or attempted to breach any such obligations, the State will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other rememdy or damages provided by law.

I-R CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him/her from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself/herself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees.

Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees, subject to limits of liability of not less than \$300,000.00 each occurrence and, when applicable \$1,000,000.00 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.

- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000.00 each occurrence for non-automobile hazards and as required by law for automobile hazards.
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000.00 each occurrence and when applicable, \$1,000,000.00 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the Contract (Purchase Order).

BEFORE STARTING WORK THE CONTRACTOR'S INSURANCE AGENCY MUST FURNISH TO THE DIRECTOR OF THE OFFICE OF PURCHASING, ORIGINAL CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing.

I-S NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

I-T CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

- 1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for

all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. In certain cases, the State may need to cancel this contract for specific reasons. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. The State and CONTRACTOR agree to negotiate in good faith to determine appropriate amounts to be paid and services to be rendered prior to cancellation, and prepare a mutually agreed plan for transition, if applicable.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approval(s) Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6.

Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

I-U RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall,(a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor’s possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.

2. In the event the State cancels this Contract prior to its expiration as per Section I-T(2), the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, as per good faith negotiations. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed work, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State’s property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State. However, the State recognizes that CONTRACTOR will be making significant investments to support the State through the remote hosting and mirrored server services. If the State cancels this Contract during the first three years, the parties agree to negotiate in good faith to determine fair compensation and a possible sale of the hardware by CONTRACTOR to the State.

3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.

4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-V EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or

negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

- 2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State’s functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State’s option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor’s default or delay in performance through the use of alternate sources, workaround plans or other means.

I-W ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Director. Such consents will not be unreasonably withheld, and will not form the basis for a re-negotiation of this Contract.

I-X DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Director has given written consent to the delegation.

I-Y NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual’s ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered

into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-Z MODIFICATION OF SERVICE

The Director of Purchasing reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

Any Contract resulting from this RFP may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.
2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
 - a) withdraw its change request; or
 - b) modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-AA NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

For the Contractor: *April Freund*
Global Vision Technologies, Inc.

For the State: *Joann Klasko, Buyer*
Office of Purchasing
530 W. Allegan St.
Lansing, MI 48933

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-BB ENTIRE AGREEMENT

The contents of this document and the vendor's proposal will become contractual obligations.. Failure of the Contractor to accept these obligations may result in cancellation of the award.

This Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-CC NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-DD SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-EE HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-FF RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-GG UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-HH SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-II GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-JJ YEAR 2000 SOFTWARE COMPLIANCE

The vendor warrants that all software for which the vendor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

I-KK CONTRACT DISTRIBUTION

The Office of Purchasing shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by the Office of Purchasing.

I-LL STATEWIDE CONTRACTS

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

I-MM TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-NN DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years proceeding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of **\$1,000,000** or which otherwise may affect the viability or financial stability of the Contractor , or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than **\$1,000,000** shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.
3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such.

Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.

4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

the Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

5. The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-00 STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and

- b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.

- 3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.

- 4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

- 5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.



6614 Clayton Road, #346
St. Louis, MO 63117

April 29, 2008

Ms. Joann Klasko
Stevens T. Mason Building
530 West Allegan Street, 2nd floor
P.O. Box 30026
Lansing, MI 48909

Sent VIA: Email

RE: Pricing for contract extension

Dear Ms. Klasko,

Thank you for the time you spent at the demonstration of the JJOLT software on April 3, 2008. We appreciate your interest in the current system and the future directions of our company and our software platform. We look forward to helping DHS and DIT continue to serve the public and private providers that care for the children in the Child Welfare and Juvenile Justice systems for the State of Michigan.

I'm writing to provide pricing for JJOLT for the next contract extension period. In our meeting you shared that the state would like to extend the current contract for a three year period. You requested that we work with DHS to determine the effort required to maintain, support and provide any additional functionality that is either required by policy or by request of the DHS executives and users of the system. I have provided the list and estimate of hours for the development and implementation in a separate schedule A that is attached. Any new development requested from DHS will be billed as time and materials at a rate of \$125 per hour for all 3 years of the contract period. These rates have remained unchanged for 3 years. These hours will be tracked in our Task Manager system and billed monthly in arrears.

On site support by a Sr. Programmer will be billed at \$2,000 per day and it is anticipated that DHS will require approximately 18-20 days per year for this service. Report Writing and second level support will be billed on a time and materials basis at \$125 per hour and is estimated at 75 hours per month or \$9,375 per month. All hourly work will be tracked in our Task Manager system and billed monthly in arrears. These rates also remain unchanged and apply to all 3 contract years.

As we mentioned in the demonstration, JJOLT is an Enterprise level system that represents over one million lines of code contained in 2,191 separate forms, many that inter-relate and 170 views and 900 tables in the database. These numbers continue to increase as changes in policy and regulation increase the scope of the system. The Annual Software Maintenance Agreement insures that your system is kept in full compliance with any third party updates including all security updates. A full explanation of the features and benefits of your Annual Software Maintenance Agreement is included with this pricing letter. Payments are due in advance either quarterly or yearly. Quarterly maintenance is \$137,500 per quarter or \$550,000 annually. GVT will offer the same pricing for 2nd and 3rd year options.

The hosting pricing reflects the same level of service from GVT that is currently provided including mirroring of the database and geographically separated hosting facilities. GVT is providing firm fixed pricing for hosting for up to 4,000 users per month for one flat rate of \$495,000 for the first year of the

contract extension. This will cover bi-annual SAS70 Audit and Reporting and hardware and third party software upgrades. This is payable either annually or quarterly. Year two and three hosting will be billed at \$440,000 per year and is also payable either annually or quarterly.

If additional application user licenses are required, over and above the current level of 1,800 owned, they can be purchased for \$100 per user up to 3,000 users. Once the state has purchased 3,000 user licenses the system will convert to a site license and no further user license fees will be owed.

This pricing reflects the lowest prices possible to provide the services you have requested. We look forward to continuing our partnership and providing the utmost in products and service levels possible.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Freund".

April Freund

**APPENDIX A
SOURCE CODE ESCROW AGREEMENT**

THIS SOURCE CODE ESCROW AGREEMENT, (the "Escrow Agreement") is made and entered into this _____ day of _____, 2001, by and between **GLOBAL VISION TECHNOLOGIES, LLC.** (the "Contractor"); the **STATE OF MICHIGAN** (the "State"), and **G. PHILIP ANDERSON**, (the "Escrow Agent").

Witnesseth:

WHEREAS, Contractor and State have entered into an agreement (the "Agreement") pursuant to which Contractor has provided to State certain proprietary computer programs in object code form, (the "Licensed Programs"); and

WHEREAS, Contractor and State have agreed to place the source code corresponding to the Licensed Programs in escrow to be released to State upon the occurrence of certain events requiring release;

NOW THEREFORE, in consideration of the foregoing, as well as the obligations made and undertaken in this Escrow Agreement, the parties agree as follows:

1. **DEFINITIONS.** For the purposes of this Escrow Agreement, the definitions set forth in this Section shall apply.

A) "Escrow Agreement." This Source Code Escrow Agreement, including any exhibits, addenda, amendments and modifications hereto.

B) "Source Code." Human-readable computer programming code, associated procedural code and related and supporting documentation, corresponding to the Licensed Programs and all subsequent versions furnished to the Escrow Agent or the State.

C) "Support Services." All installation, error correction, maintenance and other technical assistance respecting the Licensed Programs required to be performed by Contractor pursuant to the Agreement.

D) "Agreement." That separate agreement between Contractor and State under which State is granted a right of use of the Licensed Programs in object code form corresponding to the Source Code defined above, and setting forth various continuing obligations of Contractor respecting maintenance and support of the Licensed Programs.

2. **REPRESENTATIONS AND WARRANTIES OF CONTRACTOR.**
Contractor warrants and represents to State the following:

A) Ownership of Source Code. Contractor is the owner of and holder of all rights in the Source Code and that the Source Code embodies highly valuable trade secret information, the design and development of which has required significant expenditures of time and money and that Contractor has the right to grant to State the license rights to the Source Code and to deposit the Source Code with Escrow Agent pursuant to the terms hereof. Contractor further represents that it has not licensed, transferred or disclosed said Source Code to any party except under an agreement substantially similar to this Escrow Agreement.

B) Licensed Programs Correspond With Source Code. The Source Code to be deposited with Escrow Agent is the most current version of the Source Code of the Licensed Programs.

3. **DEPOSIT OF SOURCE CODE.** The deposit of Source Code and the license thereof to State is intended to provide assurance to State of access and right of use of the Source Code in the event that Contractor fails to provide Support Services under the License Agreement in accordance with the terms thereof. In connection therewith, Escrow Agent agrees to accept from Contractor and Contractor agrees to deposit with Escrow Agent within ten (10) days of the date of this Agreement, a copy of the Source Code on compact disk media, along with all supporting documentation and related materials. Contractor will furnish to Escrow Agent a list describing all Source Code and other materials so deposited. The Source Code will be supplemented and updated by Contractor with each subsequent deposit of Source Code. For each deposit, Escrow Agent will issue receipts to Contractor and State indicating the material deposited and the date of deposit.

4. **UPDATE AND MAINTENANCE OF SOURCE CODE.** During the term of this Escrow Agreement, Contractor shall keep the Source Code in escrow fully current by depositing the listings and all supporting documentation and related materials for each and every update, correction or new release of the Licensed Programs. Such deposits will be completed no later than thirty (30) days after the date of such release to State of the Licensed Programs.

5. **TITLE TO SOURCE CODE.** Title to the Source Code and the copy deposited herewith shall remain at all times with the Contractor. In the event the Source Code is delivered to the State, subject to the terms herein, the State shall hold and use the Source Code subject to the terms of the License granted in this Escrow Agreement.

6. **RELEASE OF SOURCE CODE TO STATE.** The copy of the Source Code shall be released to State by Escrow Agent only in accordance with the terms of this Escrow Agreement and only upon the occurrence of an event requiring release as set forth herein.

7. **EVENTS REQUIRING RELEASE OF SOURCE CODE.** Contractor shall be deemed to be in breach of its obligations under the License Agreement and under this Escrow Agreement should any of the following events occur (a "Release Event"):

- A) Contractor admits in writing its inability to pay its debts generally as they become due;
- B) Contractor makes a general assignment for the benefit of creditors;
- C) Contractor voluntarily institutes proceedings to be adjudicated as bankrupt;
- D) Contractor consents to the filing of a petition of bankruptcy against it;
- E) A petition of bankruptcy is filed against Contractor and remains unstayed or is not dismissed within sixty (60) days after such filing;
- F) Contractor is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; or
- G) Contractor has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency covering all or substantially all of Contractor's property or providing for the liquidation of Contractor's property or business affairs.

8. **CONDITIONS PRECEDENT TO RELEASE.**

A) Upon the occurrence of a Release Event and provided the State, in its sole discretion, desires to obtain a copy of the source Code from the Escrow Agent, State shall notify (the "Notice") Escrow Agent in writing by certified mail, return receipt requested, and provide evidence of the occurrence of the Release Event.

B) Escrow Agent shall, upon receipt of a Notice from State, notify Contractor by certified mail, return receipt requested, of the receipt of Notice from State and submit to the Contractor a copy of the Notice and all supporting documents.

C) Contractor shall have ten (10) days from receipt of the Notice to advise Escrow Agent of its dispute with the Release Event.

D) If Contractor does not dispute the Notice, Escrow Agent shall release the Source Code and supporting documentation and materials to State.

E) In the event Contractor disputes the Notice, Contractor and State shall have twenty (20) calendar days from the date contractor disputes the Notice to agree upon instructions to the Escrow Agent with respect to disposition of the Source Code.

F) If no mutually agreed instructions are received by Escrow Agent within said twenty (20) day period, Escrow Agent shall file an interpleader action as herein provided.

9. **LICENSE OF SOURCE CODE.** In the event that the Source Code shall be delivered out of escrow to State, pursuant to the terms of this Agreement, State shall be licensed by Contractor, and Contractor does so hereby license State, subject to such condition, to use, modify, maintain and update the Source Code in all such respects as may be necessary for State to maintain and update the Licensed Programs in accordance with the description of such services in the License Agreement and for no other purpose. All updates and/or derivative programs shall belong to Contractor, and State shall have a non-expiring license to use the updates or derivative programs at no cost.

10. **RIGHT OF ESCROW AGENT TO FILE INTERPLEADER ACTION.** Notwithstanding any other provision of this Escrow Agreement, in the event Escrow Agent shall receive conflicting demands from Contractor and State respecting release of the Source Code to State, Escrow Agent may, in its sole discretion, file an interpleader action with respect thereto in the Chancery Court for Williamson County, Tennessee, and deposit the Source Code with the clerk of the court or withhold release of the Source Code until instructed otherwise by court order.

11. **FEES OF ESCROW AGENT.** Contractor and State shall each pay to Escrow Agent one half of the fees of the Escrow Agent as from time to time incurred and invoiced by Escrow Agent.

12. **LIMITATION ON OBLIGATION OF ESCROW AGENT.** Escrow Agent shall not be required to inquire into the truth of any statements or representations contained in any notices, certificates or other documents required or otherwise provided hereunder, and it shall be entitled to assume that signatures on such documents are genuine, that the persons signing on behalf of any party thereto are duly authorized to execute the same, and that all actions necessary to render any such documents binding on the party purporting to be executing the same have been duly undertaken. Without limiting the foregoing, Escrow Agent may in its discretion require from Contractor or State additional documents that it deems to be necessary or desirable to aid it in the course of performing its obligations hereunder.

13. **RELEASE AND INDEMNIFICATION OF ESCROW AGENT.** Contractor and State, severally, hereby do release Escrow Agent from any and all liability for losses, damages and expenses (including attorney fees) that may be incurred on account of any action taken by Escrow Agent in good faith pursuant to this Escrow Agreement, and such parties do hereby severally indemnify Escrow Agent and undertake to hold harmless Escrow Agent from and against any and all claims, demands or actions arising out of or resulting from such performance by Escrow Agent under this Escrow Agreement.

14. **CONFIDENTIALITY UNDERTAKING.** The Source Code released to State pursuant to this Agreement shall be used by State for the purposes permitted by this Escrow Agreement. State shall treat and preserve the Source Code as a trade secret of Contractor in accordance with the same practices employed by State to safeguard its own confidential information against unauthorized use and disclosure.

15. **SURVIVAL OF OBLIGATIONS.** The obligations of this paragraph 15 shall survive the termination of this Agreement for any reason and shall continue for as long as the Source Code continues to embody trade secrets of Contractor.

16. **INDEPENDENT CONTRACTOR STATUS.** The parties hereto are and shall be independent contractors under this Agreement, and nothing herein shall be construed to create a partnership, joint venture or agency relationship between the parties hereto. No party shall have the authority to enter into agreements of any kind on behalf of the other parties in any manner.

17. **TERM OF AGREEMENT.** The term of this Agreement shall commence on the effective date hereof and shall continue until the Source Code shall be transferred to State pursuant to the terms hereof, or, if such transfer shall not have so occurred, the Agreement shall terminate and the Source Code shall be returned to Contractor at the end of the term of the Agreement.

18. **COMPLIANCE WITH LAWS.** The parties hereto agree that they shall comply with all applicable laws and regulations of governmental bodies or agencies in their respective performance of obligations under this Escrow Agreement.

19. **NOTICES.** All notices and other communications required or permitted to be given under this Escrow Agreement shall be in writing addressed to the respective party at the address noted herein, unless by such notice a different address shall have been designated, and sent by certified mail, return receipt requested, or overnight courier providing proof of delivery. Addresses of the parties are as follows:

Global Vision Technologies, LLC.
9325 Atherton Drive
Brentwood, TN 37027

BUYER _____

G. Philip Anderson
155 Franklin Road
Suite 270
Brentwood, TN 37027

20. **GOVERNING LAW.** All questions concerning the validity, operation, interpretation and construction of this Agreement shall be governed by and determined in accordance with the laws of the State of Tennessee.

21. **PARTIAL INVALIDITY.** If any part, term or provision of this Agreement shall be held illegal, unenforceable or in conflict with any law of a federal, state or local

government having jurisdiction over this Agreement, the validity of the remaining portions or provisions hereof shall not be affected thereby.

22. COMPLETE STATEMENT OF AGREEMENT. The parties hereto acknowledge that each has read this Agreement, understands it and agrees to be bound by its terms. The parties further agree that this Agreement is the complete and exclusive state of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the parties relating hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives as set forth below on the date set forth above.

CONTRACTOR:
GLOBAL VISION TECHNOLOGIES,LLC.

By: _____

STATE:

By: _____

ESCROW AGENT:

G. PHILIP ANDERSON