

**SEVOCITY® SERVICES AGREEMENT
BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (the "BAA") is made by and between the Licensee identified on the ACTIVATE SEVOCITY® Enrollment and Signature Form ("Healthcare Provider"), and Conceptual MindWorks, Inc. ("CMI"), as of the Effective Date of the SEVOCITY® Services Agreement by and between the parties hereto (the "Agreement").

Healthcare Provider is receiving and CMI is providing services in connection with the operation of Healthcare Provider, pursuant to the terms of the Agreement. This BAA sets forth certain terms that will apply to the relationship between Healthcare Provider and CMI including that relationship arising out of the Agreement, and which are required by the privacy regulations promulgated pursuant to the Health Insurance Portability and Accountability Act, as amended ("HIPAA"). The parties agree as follows:

1. Definitions. Unless otherwise specified in this BAA, all capitalized terms not otherwise defined shall have the meaning established for purposes of Title 45 Parts 160 and 164 of the United States Code of Federal Regulations, as amended from time to time. For purposes of clarification, the following terms shall have definition as set forth herein below:

- (a) "Privacy Rule" shall mean the HIPAA Regulations as codified in 45 CFR Parts 160 and 164, especially Subpart E of Part 164.
- (b) "Protected Health Information" or "PHI" shall mean any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment of the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term in the Privacy Rule, but shall be limited to information created, received, maintained or transmitted in connection with the Agreement.
- (c) "Security Rule" shall mean the HIPAA Regulations as codified in 45 CFR Parts 160 and 164, especially Subpart C of Part 164.
- (d) "HITECH" shall mean of the Health Information Technology for Economic and Clinical Health Act ("HITECH"), as included in the American Recovery and Reinvestment Act of 2009 ("ARRA").

2. Current Agreement. If any provisions of this BAA conflict with any of the terms of the Agreement or any other agreement between the parties, the terms of this BAA shall control. The current Agreement between the parties shall continue in full force and effect.

3. HIPAA Compliance.

3.1 This Section 3 applies only in the event that CMI is receiving from or creating or receiving on behalf of Healthcare Provider PHI, as defined in the Privacy Rule, pursuant to any Agreement or other relationship between the parties.

3.2 CMI understands and acknowledges that it may receive PHI from or create or receive PHI on behalf of Healthcare Provider during the performance of the Agreement. CMI may not use or disclose PHI except for the purpose of performing CMI's legal responsibilities and obligations under the Agreement and as permitted under the Agreement and BAA, or unless such use or disclosure of PHI would not violate the Privacy Rule if done by Healthcare Provider. Healthcare Provider shall notify CMI of, and CMI will comply with, any restriction requested by an individual which Healthcare Provider is required to comply with in accordance with the provisions of HITECH. CMI may (a) use and disclose the PHI in its possession for its proper management and administration, provided that disclosures are allowed or required by law, or CMI obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as allowed or required by law or for the purpose for which it was disclosed to the person, and the person notifies CMI of any instances of which it is aware in which the confidentiality of the information has been breached; (b) aggregate the PHI with the PHI of other Covered Entities obtained by CMI as a Business Associate of such Covered Entities, provided that such aggregation is for the purpose of the Health Care Operations of Healthcare Provider and/or such other Covered Entities; and (c) de-identify any and all PHI, provided that CMI de-identifies the PHI in accordance with the Privacy Rule.

3.3 With regard to its use and/or disclosure of PHI, CMI hereby agrees that CMI shall:

- (a) not use or disclose any PHI except as permitted by the Agreement, this BAA or applicable law;
- (b) not use or further disclose the PHI in a manner that would violate the requirements of applicable law, if done by Healthcare Provider;

- (c) at all times maintain and use appropriate safeguards (including administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of any PHI in electronic format) to prevent use or disclosure of any PHI other than as permitted or required by the Agreement, this BAA or applicable laws;
- (d) report to Healthcare Provider any use or disclosure of any PHI of which it becomes aware that is not permitted by the Agreement or this BAA including any Security Incident (as defined in the Security Rule) of which it becomes aware
- (e) ensure that any subcontractor or agent to whom it provides any PHI received from Healthcare Provider agrees to the same or substantially similar conditions and restrictions that apply to CMI with regard to the PHI, including, without limitation, all of the requirements of this section;
- (f) within ten (10) days of receiving a written request from Healthcare Provider, make available to Healthcare Provider the PHI necessary for Healthcare Provider to respond in accordance with the Privacy Rule to an individual's request for access to PHI;
- (g) within ten (10) days of receiving a written request from Healthcare Provider, incorporate any amendments or corrections to the PHI from Healthcare Provider, in accordance with the Privacy Rule;
- (h) within ten (10) days of receiving a written request from Healthcare Provider, make available the information in CMI's possession required for Healthcare Provider to provide an accounting of disclosures, in accordance with the Privacy Rule, provided that CMI shall rely on Healthcare Provider for the accounting of disclosures that are specifically ordered by Healthcare Provider; to the extent CMI maintains PHI in an electronic health record, CMI agrees to account for all disclosures of such PHI upon the request of an individual for a period of at least three (3) years prior to such request (but no earlier than the effective date of this Agreement), as required by HITECH, which accounting shall be directly to the individual if requested by Healthcare Provider;
- (i) document disclosures of PHI by CMI and information related to such disclosures as would be required for Healthcare Provider to respond to a request by an individual for an accounting of disclosures of PHI in accordance the Privacy Rule;
- (j) make CMI's internal practices, books, and records relating to the use and disclosure of PHI received from Covered Entity available to the Secretary of the United States Department of Health and Human Services for purposes of determining Healthcare Provider's compliance with applicable law (in all events, shall immediately notify Healthcare Provider upon receipt by CMI of any such request, and shall provide Healthcare Provider with copies of any such materials);
- (k) within ten (10) days of the completion of the parties' obligations under the Agreement, if feasible, return to Healthcare Provider or destroy all PHI related to that Agreement, and retain no copies in any form whatsoever. If return or destruction is not feasible, CMI agrees to extend any and all protection contained in this BAA to any PHI retained after termination and limit further uses and disclosures to those purposes that make the return or destruction infeasible.

3.4 Upon Healthcare Provider's knowledge of a material breach of this BAA by CMI, Healthcare Provider shall provide CMI notice of such breach and afford CMI an opportunity to cure such breach, provided, however, that if CMI fails to cure the breach within the time specified by Healthcare Provider based upon the extent and seriousness of the breach, Healthcare Provider may immediately terminate the Agreement. Upon CMI's knowledge of a material breach of this BAA by Healthcare Provider, CMI shall provide Healthcare Provider notice of such breach and afford Healthcare Provider an opportunity to cure such breach; provided however, that if Healthcare Provider fails to cure the breach within the time specified by CMI based upon the extent and seriousness of the breach, CMI may immediately terminate the Agreement.

3.5 CMI will promptly (within 5 business days) report in writing to Healthcare Provider any use or disclosure of the Healthcare Provider's PHI that has been disclosed by or on behalf of CMI not provided for in this BAA of which CMI becomes aware. Such report shall contain:

- A brief description of what happened, including the date of the unauthorized access or use of PHI and the date of the discovery of the unauthorized access or use of PHI;
- A description of the types of unsecured PHI that were involved in the unauthorized access or use of PHI;
- Any recommended steps the individual whose PHI was inappropriately disclosed should take to protect themselves from the potential harm; and
- A brief description of what CMI is doing to investigate the unauthorized access or use of PHI.

In the event the Healthcare Provider or CMI believe a breach has occurred, as defined by HITECH and its related regulations, the parties shall consult with each other to determine whether a breach has occurred and what, if any, notice is required to be made. No breach notification shall be sent to a patient without first providing the other party with an opportunity to review and comment on the notification. The parties acknowledge that unsuccessful "Security Incidents," such as port scans, firewall pings and other incidents that do not result in unauthorized access, are likely to occur and be continuing, and this BAA shall constitute notice of same. Unless the context of the relationship specifically requires otherwise, the parties disclaim any agency relationship between CMI and Healthcare Provider.

3.6 CMI acknowledges that it is subject to the security and data breach provisions of HIPAA and agrees to abide thereby. CMI also agrees to abide by all of the privacy provisions set forth in HITECH, particularly Title XIII, Subtitle D of ARRA, including without limitation restrictions on marketing and requirements relating to limited data sets and minimum necessary disclosures. To the extent CMI is to carry out an obligation of Healthcare Provider under the Privacy Rule, CMI will comply with the requirements of the Privacy Rule applicable to the performance of that obligation.

4. Construction. The terms and conditions of this BAA required by the Privacy Rule or Security Rule shall be construed in light of any applicable interpretation of and/or guidance on such Rule issued by HHS or the Office of Civil Rights ("OCR") from time to time. To the extent the Privacy Rule or Security Rule is amended, the terms and conditions of this BAA required by such Rule shall be automatically similarly amended.

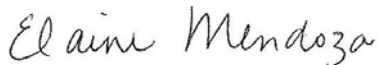
5. Effective Date. Each term and condition of this BAA required by Privacy Rule or Security Rule shall be effective on the compliance date applicable to Healthcare Provider under such Rule. All other provisions of this BAA shall be effective upon the Effective Date, as defined above. This BAA shall survive any termination of the Agreement.

6. Amendment. This BAA shall be available on-line at www.sevocity.com/serviceagreements and may be changed and updated at any time by CMI by posting an updated version of this BAA on-line and providing Healthcare Provider with ten (10) days prior written notice.

CMI:

Conceptual MindWorks, Inc., a Texas corporation

By:



Elaine Mendoza, President & CEO

13409 NW Military Hwy., Suite 201
San Antonio, Texas 78231
Phone: (877) 777-2298
Facsimile: (210) 737-6677

Healthcare Provider:

The Healthcare Provider executes this BAA by signing and dating the Activate SEVOCITY® Enrollment & Signature Form and delivering it to CMI.