DocuWare Cloud Services Agreement

This **DocuWare Cloud Services Agreement** ("**Agreement**") is made this_____date ("**Effective Date**") by and between City of Joplin, Missouri, a city in Missouri, having its principal place of business at _____("**Customer**") and DocuWare Corporation, a New York, corporation, with headquarters located at 4 Crotty Lane, Suite 200, New Windsor, NY 12553 ("**DocuWare**"), each of Customer and DocuWare is individually, a "Party," and together, the"Parties."

Introduction

DocuWare is in the business of providing proprietary document storage solutions to customers.

Customer wishes to purchase cloud based document storage services from DocuWare.

The Parties therefore agree as follows:

1. Scope of this Agreement and Cloud Services

1.1 This Agreement shall govern Customer´s use of cloud based document management, applications (including Local Application Programs as defined below), storage space, computing capacity and other cloud based services as the same may be made available by DocuWare from time to time (see www.docuware.com/cloud) to the extent agreed by the Parties in an Order (as defined below) (collectively, "**Services**"). DocuWare and Customer hereby agree to the commercial terms and other specifications of the Services (e.g., fees, term, type of Services, etc.) as shall be set forth in an Order executed by the Parties ("**Order**"). The scope and content of Services shall be, as applicable, further described at http://go.docuware.com/CloudFunctions or in DocuWare's most currently published whitepaper.

1.2 DocuWare reserves the right, in its sole discretion, to change, modify or alter the Services at any time (e.g., in relation to the user interface and functionalities of the applications); provided, however, DocuWare will not materially impair the overall functional scope with such modifications. DocuWare will implement changes to the Services through updates and upgrades, and to receive notification of same, Customer must register at least one or more email address(es) with DocuWare.

2. Authorized Users

2.1 During the configuration of the Services, Customer shall specifically identify its employees and contractors who shall be authorized to use the Services (hereinafter, "**Authorized User**") solely for Customer´s internal business purposes. Unless specifically authorized by DocuWare in advance and in writing, third parties (including, but not limited to, users employed by or working for companies that are affiliated with Customer) are not authorized to use the Services.

2.2 Authorized Users may access DocuWare-provided local software application programs as part of the Services ("**Local Application Programs**") solely for the purposes of accessing the Services. For the Term of this Agreement, Authorized Users shall have the revocable, non-exclusive, non-sublicensable, non-transferable right: (i) to install such Local Application Programs on hardware devices operated and controlled by Customer; and (ii) to access and display such Local Application Programs for the purpose of accessing the Services in compliance with the online-support-documentation available as part of the Services.

2.3 Neither Customer nor any Authorized User shall: (i) modify, copy, create derivative works decompile or reverse-engineer the Services or Local Application Programs other than as expressly permitted by applicable statute to permit interoperability and then only after notice to DocuWare; (ii) frame or mirror any content forming part of the Services; or (iii) access the Services in order to: (a) build a competitive product or service, or (b) copy any ideas, features, functions or graphics of the Services.

2.4 Neither the Customer nor any Authorized User shall: (i) license, sublicense, transfer, sell, resell, rent, lease, distribute, time share, assign, share or otherwise commercially exploit or make the Services available to any third party, other than to Authorized Users or as otherwise expressly

contemplated by this Agreement; (ii) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (iii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortious material, including material that is harmful to children or violates third party privacy rights; (iv) send or store viruses, worms, time bombs, trojan horses or other harmful or malicious code, files, scripts, agents or programs; (v) interfere with or disrupt the integrity or performance of the Services or the data contained therein; (vi) attempt to gain unauthorized access to the Services or related systems or networks; (vii) access the Services if Customer is a direct competitor of DocuWare; or (viii) access the Services for purposes of monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes.

2.5 DocuWare will exercise reasonable efforts to provide a 99.5% availability of the Services per calendar year, excluding any Downtime. "**Downtime**" shall mean unscheduled downtime of the Services caused by emergencies or Force Majeure Events (as defined below) and downtime due to scheduled maintenance activities of the Services ("**Scheduled Maintenance**"). DocuWare will use reasonable efforts to limit any downtime due to Scheduled Maintenance to four (4) times per year for up to eight (8) hours each, and to notify by way of e-mail or via the DocuWare website with a notice period of at least five (5) calendar days.

2.6 The Customer will install and configure Services in a way which avoids any excessive utilization of DocuWare systems.

2.7 The Services require Internet access and computing facilities with the system requirements identified in the applicable technical documentation available at http://go.docuware.com/whitepaper-cloud. Customer acknowledges and agrees that such requirements may be changed from time to time, and DocuWare shall use reasonable efforts to provide at least four (4) weeks' notice of any such changes. Customer is responsible for all activities that occur in Authorized User accounts and for Authorized Users' compliance with this Agreement.

3. DocuWare´s Rights

3.1 To the limited extent necessary to perform the Services, Customer hereby grants to DocuWare and its subcontractors, on a royalty-free basis, the right to copy, distribute, perform, display, create derivative works and otherwise use any data and documents provided by Customer and any Authorized User in connection with the Services. Customer hereby represents, warrants and covenants to have been effectively granted all necessary rights by its customers, users and all affected third parties which are necessary for the foregoing license grant.

3.2 DocuWare shall process personal data (as defined in **Schedule 1**) within the Services in accordance with **Schedule 1**. The Customer shall ensure that the collection, forwarding and processing of personal data fully complies with all applicable data privacy and protection laws.

3.3 Customer shall be liable and responsible for any acts and omissions of the Authorized Users to the same extent Customer is liable and responsible for its own acts and omissions.

3.4 The Customer and the Authorized User shall immediately notify DocuWare of any loss of any access codes and/or of any use of the Services not in compliance with the terms of this Agreement.

3.5 Other than as expressly set forth in this Agreement, no other rights are granted to Customer. DocuWare reserves all rights, title and interest in and to the Services, including all related intellectual property rights.

4. Term and Termination

4.1 This Agreement commences on the Effective Date and continues until all Orders executed under this Agreement have expired or been terminated ("**Term**"). Upon expiration or termination of this Agreement or the applicable Order, DocuWare will delete data in accordance with Section 3.5 of **Schedule 1**.

4.2 Any Order executed under this Agreement shall have an initial minimum term of at least twelve (12) months (or such longer period as set forth in the applicable Order; the "**Initial Term**"). Thereafter, each Order shall automatically renew for consecutive twelve (12) month periods (each, a "**Renewal Term**") upon the expiration of the Initial Term and any Renewal Term; provided, however, either Party may elect not to renew an Order upon at least thirty (30) days' written notice prior to end of the Initial Term or any Renewal Term of such Order. Upon at least thirty (30) days' notice to DocuWare prior to the end of the Initial Term and/or Renewal Term of an Order, Customer may also elect to reduce or increase the scope under the applicable Order (i.e., volumes and/or capacities), which reduction or increase shall take effect upon the end of the applicable Initial Term and/or Renewal Term.

4.3 Either Party may terminate this Agreement and the applicable Order for cause. For purposes of this Agreement, "cause" shall exist: (i) in case of a material breach of the Agreement to the extent such breach remains uncured for more than thirty (30) days following receipt of a written notice of such material breach; or (ii) if the other Party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

4.4 Non-Appropriation. In the event funds are not appropriated and budgeted in any fiscal year for payments due under this Agreement, the Customer shall immediately notify DocuWare of such occurrence and this Agreement shall terminate on the last day of the fiscal year for which the appropriation was made without penalty or expense to the Customer of any kind whatsoever. Notwithstanding the foregoing, Customer shall pay to DocuWare for all Services provided prior to the effective date of such termination.

5. Payment Terms/Invoicing

5.1 Customer shall pay to DocuWare monthly (i.e., only available for on-line orders with a credit card account), yearly or multiyear fees for the relevant Services in advance as set forth in the applicable Order or as modified pursuant to Section 5.2.

5.2 DocuWare may, at any time, adjust prices by issuing a new price list. Unless the price list expressly specifies a different start date for the price adjustment, such new price list shall apply with immediate effect for: (i) Orders placed after the issuance of the new price list and (ii) existing Orders entering into a Renewal Term more than thirty (30) days after the earlier to occur of either: (x) issuance of the new price list or (y) notification to Customer of the new price list.

5.3 In the event of any late payment by Customer to either (i) DocuWare or (ii) in connection with Customer's third party financing of Services procured under this Agreement, DocuWare may, at its option, terminate or suspend the provision of the Services to Customer, and such termination or suspension shall be effective upon ten (10) days' notice to Customer. In the event of any such suspension and/or termination of the Services, Customer shall remain responsible for the payment of any and all fees to DocuWare through the date of termination on a pro rata basis. DocuWare shall have no liability or responsibility for any termination or suspension pursuant to this Section 5.3. Any fees not paid when due to DocuWare shall incur interest at the rate of one and a half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is lower.

5.4 Unless otherwise expressly provided, DocuWare's fees do not include any direct or indirect local, state, federal or foreign taxes, levies, duties or similar governmental assessments of any nature, including value-added, use or withholding taxes (collectively, "**Taxes**"). Customer is responsible for paying all Taxes associated with Customer's purchases hereunder, excluding taxes based on DocuWare's net income or property. If DocuWare has the legal obligation to pay or collect Taxes for which Customer is responsible under this Section, the appropriate amount shall be invoiced to and paid by Customer, unless Customer provides DocuWare with a valid tax exemption certificate authorized by the appropriate taxing authority.

6. Cooperation duties of Authorized User

Customer and the Authorized User shall implement effective measures and processes enabling and safeguarding an additional backup archiving of all relevant documents and data outside of the IT system provided by the Services as protection against any temporarily or permanent failures of the Services.

7. DocuWare Warranty

7.1 Customer shall immediately notify DocuWare in writing of any Defects (as defined below) associated with the provision of the Services, which notification shall describe the Defect and root cause in detail. Subject to receipt of a proper notice as provided in this Section, DocuWare shall endeavor to remedy Defects within a reasonable time. DocuWare may, in its discretion, remedy Defects either by providing patches, workarounds, updates or upgrades or by providing or having provided remote support as available under http://support.docuware.com. In the event that the remediation of a warrantied Defect requires commercially unreasonable expenditures or efforts, DocuWare may terminate the affected Order without any further liability upon thirty (30) days' notice. For purposes of this Section 7, "**Defect**" shall mean a material deviation of the quality of the Services from the quality described in Section 1.1 provided (i) such defect must be reproducible or documented by automatically created output; (ii) the usability of the Services must be materially adversely affected; and (iii) written notice of the defect must be provided to DocuWare by Customer on a timely basis pursuant to this Section 7.1.

7.2 In no event shall DocuWare be responsible for defects, operational, performance issues or other events resulting from Customer's technology infrastructure, including, but not limited to, software applications, drivers, network hardware or software or broadband service, to the extent not provided by DocuWare. Customer shall not report issues associated with such Customer technology infrastructure to DocuWare as Defects in the Services. Customer shall compensate DocuWare for any efforts related to such non-warranty issues at DocuWare´s then current rates.

7.3 EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 7, DOCUWARE MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AVAILABILITY OF THE SERVICES, TITLE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

8. Copyright- Indemnification

8.1 Subject to Sections 8.2 to 8.4, DocuWare will indemnify the Customer against any third party claim that the Services infringes the copyrights of such third party.

8.2 The Customer shall: (i) give DocuWare prompt notice of any relevant claim; (ii) not admit any liability or attempt to settle the claim without DocuWare's prior consent; (iii) provide reasonable cooperation at its own expense to DocuWare in the defense and settlement of the claim; and (iv) give DocuWare sole authority to defend or settle the claim.

8.3 In the defense or settlement of any claim under Section 8.1, DocuWare may, in its sole discretion, procure the right for the Customer to: (i) continue using the Services; or (ii) replace or modify the Services to be non-infringing; or (iii) if these remedies are not reasonably available, terminate this Agreement and applicable Order on thirty (30) days' notice to the Customer without any additional liability or costs.

8.4 DocuWare will not be liable under this Section 8 to the Customer if an alleged copyright infringement is based on: (i) any modification of the Services by anyone other than DocuWare; or (ii) the Customer's use of the Services contrary to the instructions or documentation provided by DocuWare; or (iii) the Customer's continued use of the Services after receiving notice of the alleged or actual infringement; or (iv) a combination of the Services with any other product or service which in the absence of such combination would not have resulted in any infringement.

9. Limitation of Liability

9.1 EXCEPT FOR PAYMENT OF THE FEES HEREUNDER, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY ORDER HEREUNDER, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, IN RELATION TO COSTS FOR ANY AND ALL CLAIMS EXCEED THE AMOUNTS ACTUALLY PAID BY CUSTOMER UNDER THE APPLICABLE ORDER IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE INCIDENT GIVING RISE TO THE CLAIM.

9.2 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, COMPENSATORY, PUNITIVE, OR CONSEQUENTIAL DAMAGES,

OR DAMAGES BASED ON DAMAGE TO OR LOSS OF, CUSTOMER DATA, REVENUE, PROFITS, GOODWILL OR ANTICIPATED SAVINGS, HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT CUSTOMER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.3 ALL CLAIMS AND CAUSES OF ACTION BROUGHT BY EITHER PARTY UNDER AN ORDER SHALL BE BROUGHT BY SUCH PARTY WITHIN ONE (1) YEAR OF THE TERMINATION OR EXPIRATION OF THIS AGREEMENT OR THE APPLICABLE ORDER AS THE CASE MAY BE OR WITHIN ONE (1) YEAR OF THE DATE THE EVENT GIVING RISE TO THE CLAIM OCCURRED.

10. Confidentiality

10.1 As used herein, "**Confidential Information**" means all confidential and proprietary information of a Party ("**Disclosing Party**") disclosed to the other Party ("**Receiving Party**"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure, including the terms and conditions of this Agreement or the applicable Order (including pricing), the Services, business and marketing plans, technology and technical information, product designs, and business processes. The Services are deemed DocuWare Confidential Information (as defined below). Each Party shall keep confidential and use any such Confidential Information only to the extent required for the purposes of this Agreement, and each Party shall impose similar obligations to persons who have a right and need to know such Confidential Information (e.g., Authorized Users).

10.2 Confidential Information does not include information which (and only to the extent that) the Receiving Party can establish through documentary evidence that such information: (i) was rightfully received without restrictions from third parties who owe no obligations of confidentiality to the Disclosing Party with respect to such information; (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party; (iii) was independently developed by the Receiving Party without breach of any obligation owed to the Disclosing Party; or (iv) was already publicly known at the time of disclosure or subsequently becomes publicly known through no breach by the Receiving Party of its obligations under this Section.

10.3 Each Party agrees to protect the confidentiality of the Confidential Information of the other Party in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind (but in no event using less than reasonable care).

10.4 If the Receiving Party is compelled by law to disclose Confidential Information of the Disclosing Party, it shall provide the Disclosing Party with prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure.

10.5 If the Receiving Party discloses or uses (or threatens to disclose or use) any Confidential Information of the Disclosing Party in breach of confidentiality protections hereunder, the Disclosing Party shall have the right, in addition to any other remedies available to it, to seek injunctive relief to enjoin such acts, it being specifically acknowledged by the Parties that any other available remedies are inadequate.

10.6 If Customer is a HIPAA Covered Entity or Business Associate under the rules and regulations of the Health Insurance Portability and Accountability Act of 1996, the Business Associate Agreement, attached hereto as **Schedule 2** (Business Associate Agreement), is deemed incorporated by reference herein. In the event of any conflict between the terms of this Section 10 and the terms of the Business Associate Agreement, the terms of the Business Associate Agreement shall govern.

11. Miscellaneous

11.1 Customer represents and warrants that it will comply with all applicable laws, statutes, regulations, rules, ordinances, codes, and standards, including, but not limited to, any export control laws of the EU and U.S. Without limiting the foregoing, (i) Customer represents that it and any Authorized User is not named on any U.S. government list of persons or entities prohibited from receiving exports, and (ii) Customer shall not permit Authorized Users to access or use Services in violation of any U.S. export embargo, prohibition or restriction. DocuWare is also not responsible for determining the requirements of laws applicable to Customer's business.

11.2 Where a Force Majeure Event gives rise to a failure or delay in either Party performing its obligations under this Agreement (other than obligations to make payment hereunder), those obligations will be suspended for the duration of the Force Majeure Event. A Party who becomes aware of a Force Majeure Event which gives rise to, or which is likely to give rise to, any failure or delay in performing its obligations under this Agreement, will: (i) forthwith notify the other; and (ii) inform the other of the period for which it is estimated that such failure or delay will continue. The affected Party will take reasonable steps to mitigate the effects of the Force Majeure Event. "**Force Majeure Event**" means an event, or a series of related events, that is outside the reasonable control of the Party affected (including, but not limited to, power failures, industrial disputes affecting any third party, changes in the law, natural disasters, epidemics, explosions, fires, floods, riots, terrorist attacks and wars).

11.3 This Agreement shall be governed by the laws of the State of Missouri, United States of America without regard to its conflicts of law rules, and all actions shall be brought in the appropriate state or federal district court located in or servicing Jasper County, Missouri, USA. The provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply.

11.4 Customer shall not assign its rights or delegate its obligations under this Agreement or Order without the prior written consent of DocuWare. DocuWare may, in its sole discretion, subcontract the provision of the Services to third parties (e.g., external data centers) without notice to or approval of Customer (subject to **Schedule 1**).

11.5 Changes to this Agreement must be made by a written agreement.

11.6 Should any provision of this Agreement or Order be held by a court to be invalid, the validity of the remaining provisions shall not be affected thereby.

11.7 The Parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the Parties.

11.8 No failure or delay by either Party in exercising any right under this Agreement or Order shall constitute a waiver of that right.

11.9 Any notice, request, demand, or other communication required or permitted hereunder shall be in writing, shall reference this Agreement and shall be deemed to be properly given: (i) when delivered personally; (ii) when sent by facsimile, with written confirmation of receipt by the sending facsimile machine; (iii) when sent by email, with written confirmation of receipt by email; (iv) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (v) two (2) business days after deposit with a private industry express courier, with written confirmation of receipt. All notices shall be sent to the address listed below (or to such other address or person as may be designated by a Party by giving written notice to the other Party pursuant to this Section).

If to DocuWare, to:	If to Customer, to:
DocuWare Corporation 35 Thorpe Avenue, Suite 201 Wallingford, CT 06492 Attention: Chief Financial Officer Fax: (203) 269-0322 Email: Paul.Remington@docuware.com	_____ _____ _____ Attention: _____ Fax: _____ Email: _____

Customer and DocuWare have executed this Agreement as of the Effective Date.

Customer	**DocuWare Corporation**
By_____	By_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

Schedule 1

This Schedule 1 specifies the obligations of the Parties regarding the Services described in the DocuWare Cloud Services Agreement ("Agreement").

§ 1 Data Processing

1. Subject-Matter, Nature and Term of the Data Processing

DocuWare processes personal data forwarded by the Customer or Authorized Users solely on behalf of the Customer. This Schedule 1 shall govern all issues between the Customer and DocuWare concerning such processing. As used herein, "personal data" means information that personally identifies a natural person, including without limitation name, personal address, personal telephone number, personal e-mail address, government identifiers (such as a Social Security number, passport number or driver's license number), unique biometric identifiers, financial account numbers or health or medical treatment or payment information, as well as any other personal information that is regulated under applicable U.S. state and federal data privacy or data protection laws ("Privacy Laws").

§ 2 Obligations of the Customer

1. The Customer shall have sole responsibility for the accuracy, quality, and legality of personal data and for the means by which the Customer or Authorized User has acquired personal data.

2. The Customer may, not more than once in any calendar year, request from DocuWare reasonable written assurance of DocuWare´s compliance with this Schedule 1. DocuWare shall provide to Customer information to respond to such request (e.g., a summary of any applicable audit reports on DocuWare's controls applicable to personal data received from Customer). DocuWare shall be entitled to compensation for expenses resulting from instructions from the Customer that exceed the legal requirements related to an audit or exceeds commercially reasonable audit assistance on the basis of the then-current hourly rates of DocuWare.

3. The Customer shall inform DocuWare immediately, if errors/irregularities are encountered in the audit results.

§ 3 Obligations of DocuWare

1. DocuWare personnel engaged in the processing of personal data have received appropriate training on their responsibilities and are subject to obligations of confidentiality with DocuWare.

2. DocuWare shall only process personal data on behalf of and in accordance with Customer's instructions and shall treat personal data as Confidential Information. The Customer instructs DocuWare to process personal data for the following purposes: (i) processing in accordance with the Agreement and applicable orders placed by Customer under the Agreement, and (ii) processing to comply with other reasonable instructions provided by the Customer where such instructions are consistent with the terms of the Agreement. DocuWare shall not use the data provided for data processing for other purposes and shall not store this data for a period longer than that specified by the Customer or required by law.

3. The data shall be processed exclusively within the United States of America, except when Customer provides documents or data in a support case to DocuWare or as otherwise mutually agreed in writing by Customer and DocuWare. Any other forwarding of data to a third country requires the prior consent of the Customer and is subject to the Parties' compliance with the special requirements of applicable data protection laws.

4. DocuWare shall promptly notify the Customer if DocuWare becomes aware of any unlawful access to any Customer personal data stored on DocuWare's equipment or in DocuWare's facilities, or unauthorized access to such equipment or facilities resulting in loss, disclosure, or alteration of the Customer's personal data. DocuWare will investigate the incident and provide the Customer with information about the incident and take reasonable steps to mitigate the effects and to minimize any damage resulting from the incident. The Customer agrees that DocuWare's obligation under this Section is not and will not be constructed as an acknowledgement by DocuWare of any fault or liability with respect to the incident or an obligation on the part of DocuWare to provide legal advice or otherwise to advise Customer or monitor Customer's legal obligations with respect to Privacy Laws.

5. Upon termination of the Services, DocuWare will keep any data produced in connection with the Services at least for further 60 days and will delete them no later than 90 days after the end-date ofthe Agreement, and this Schedule 1 shall continue to apply within this period of time. The Customer shall have the right to request an earlier deletion in writing. The Customer hereby acknowledges and agrees to these cancellation rules. Notwithstanding the foregoing, the Customer is responsible for saving of all personal data provided to DocuWare during the Term of the Agreement. Documentation intended as proof of proper data processing shall be kept by DocuWare beyond the end of the Agreement as may be required under laws applicable to DocuWare and DocuWare's data retention policies.

§ 4 Subcontractors

1. The Customer acknowledges and agrees, that DocuWare's affiliates, as well as third-party sub-contractors engaged by an affiliate or DocuWare itself (including Microsoft Azure) are permitted have access to personal data in connection with the provision of the Services. Any of such sub-contractors will be permitted to obtain personal data only to deliver the service DocuWare has retained them to provide.

§ 5 Technical and Organizational Security Measures

1. DocuWare shall maintain administrative, physical and technical safeguards for protection of the security, confidentiality and integrity of personal data as it determines in its reasonable discretion.

Schedule 2 – Business Associate Agreement

This Schedule 2 is included as part of the DocuWare Cloud Services Agreement (the "Cloud Services Agreement") by and between DocuWare (as defined in the Cloud Services Agreement) and Customer (as defined in the Cloud Services Agreement). This Business Associate Agreement (this "Agreement") is made as of the Effective Date of the Cloud Services Agreement, by and between DocuWare and Customer, each individually a "Party" and together the "Parties."

BACKGROUND STATEMENTS

A. **Purpose.** The purpose of this Agreement is to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 and the associated regulations, 45 C.F.R. parts 160-164, as may be amended (including the "Privacy Rule" and the "Security Rule") ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act and the associated regulations, as may be amended ("HITECH"). "HIPAA" and "HITECH" are hereafter collectively referred to in this Agreement as "HIPAA." Unless otherwise defined in this Agreement, capitalized terms have the meanings given in HIPAA. This Agreement is only effective when Required by Law, when Customer is either a HIPAA Covered Entity or Business Associate, and when HIPAA requires DocuWare to provide reasonable assurances to Customer that DocuWare will appropriately safeguard Protected Health Information ("PHI").

B. **Relationship.** DocuWare and Customer have entered into a relationship under which DocuWare may receive, use, obtain, access, maintain, transmit, or create PHI from or on behalf of Customer in the course of performing services for Customer (the "Services").

AGREEMENT

The Parties agree as follows:

Section 1. Permitted Uses and Disclosures.

DocuWare may use and/or disclose PHI only as permitted or required by this Agreement or as otherwise Required by Law. DocuWare may disclose PHI to, and permit the use of PHI by, its employees, contractors, agents, or other representatives to the extent directly related to and necessary for the performance of the Services. DocuWare will request from Customer no more than the minimum PHI necessary to perform the Services. DocuWare will request, use and disclose only PHI that constitutes a Limited Data Set, if practicable, and will otherwise limit any request, use or disclosure of PHI to the minimum necessary for the intended purpose of the request, use or disclosure. DocuWare will not use or disclose PHI in a manner (i) inconsistent with Customer's obligations under HIPAA, or (ii) that would violate HIPAA if disclosed or used in such a manner by Customer if and to the extent DocuWare's performance of the Services involves carrying out Customer's Privacy Rule obligations.

Section 2. Safeguards for the Protection of PHI.

DocuWare will implement and maintain appropriate administrative, physical and technical security safeguards to ensure that PHI obtained by or on behalf of Customer is not used or disclosed by DocuWare in violation of this Agreement. Such safeguards will be designed to protect the confidentiality and integrity of such PHI obtained, accessed, created, maintained, or transmitted from or on behalf of Customer. DocuWare will comply with the applicable requirements of the Security Rule.

Section 3. Reporting and Mitigating the Effect of Unauthorized Uses and Disclosures.

DocuWare will promptly report, upon discovery, in writing and in accordance with Section 11.9 of the Cloud Services Agreement, any Security Incident or Breach (as defined below) by it or any of its employees, directors, officers, agents, subcontractors or representatives concerning the use or disclosure of PHI. For purposes of this Agreement, "Breach" means any acquisition, access, use or disclosure of PHI under this Agreement that is (a) in violation of the Privacy Rule or (b) not permitted under this Agreement. DocuWare will be deemed to have discovered a Breach as of the first day on which the Breach is, or should reasonably have been, known to (a) DocuWare or (b) any employee, officer, or other agent of DocuWare other than the individual committing the Breach. DocuWare further will investigate the Breach and promptly provide to Customer information Customer may require to make notifications of the Breach to Individuals and/or other persons or entities ("Notifications"). DocuWare will cooperate with Customer in addressing the Breach.

DocuWare will establish and implement procedures and other reasonable efforts for mitigating any harmful effects arising from any improper use and/or disclosure of PHI.

Section 4. Use and Disclosure of PHI by Subcontractors, Agents, and Representatives.

DocuWare will require any subcontractor, agent, or other representative that is authorized to receive, use, maintain, transmit, or have access to PHI obtained or created under the Agreement, to agree, in writing, to: (1) adhere to the same restrictions, conditions and requirements regarding the use and/or disclosure of PHI and safeguarding of PHI that apply to DocuWare under this Agreement; and (2) comply with the applicable requirements of the Security Rule.

Section 5. Individual Rights.

DocuWare will comply with the following individual rights requirements as applicable to PHI used or maintained by DocuWare:

5.1 Right of Access. DocuWare agrees to provide access to PHI, at the request of Customer, as necessary to satisfy Customer's obligations with regard to the individual access requirements under HIPAA. DocuWare will otherwise comply with its obligations regarding an Individual's right of access to PHI under HIPAA.

5.2 Right of Amendment. DocuWare agrees to make any amendment(s) to PHI as necessary to meet the amendment requirements under HIPAA.

5.3 Right to Accounting of Disclosures. DocuWare agrees to document any disclosures of PHI as would be required for Customer to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with HIPAA, and to provide all such documentation to Customer or to an Individual, as necessary to satisfy Customer's obligations with regard to an Individual's right to an accounting of disclosures. DocuWare will otherwise comply with its obligations regarding an Individual's right to an accounting of disclosures under HIPAA.

Section 6. Use and Disclosure for DocuWare's Purposes.

6.1 Use. Except as otherwise limited in this Agreement, DocuWare may use PHI for the proper management and administration of DocuWare or to carry out the legal responsibilities of DocuWare.

6.2 Disclosure. Except as otherwise limited in this Agreement, DocuWare may disclose PHI for the proper management and administration of DocuWare or to carry out the legal responsibilities of DocuWare, provided the disclosures are Required by Law, or DocuWare obtains reasonable assurances from the person to whom the PHI is disclosed that the PHI will remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies DocuWare immediately upon discovery of any instances in which the confidentiality of the PHI has been Breached, as defined and described in Section 3 of this Agreement.

Section 7. Access to Records.

DocuWare will make its internal practices, books, records, and policies and procedures relating to the use and disclosure of PHI received from, or created or received by DocuWare on behalf of Customer, available to the federal Department of Health and Human Services ("HHS"), the Office for Civil Rights ("OCR"), or their agents for purposes of monitoring compliance with HIPAA.

Section 8. Term and Termination.

8.1 Term. This Agreement will become effective on the Effective Date. Unless terminated sooner pursuant to Section 8.2, this Agreement will remain in effect for the duration of all Services provided by DocuWare and for so long as DocuWare will remain in possession of any PHI received from Customer, or created or received by DocuWare on behalf of Customer.

8.2 Termination. In the event of a material breach of this Agreement, the non-breaching Party may immediately terminate this Agreement. Alternatively, in the non-breaching Party's sole discretion, the non-breaching Party may provide the breaching Party with written notice of the existence of the material breach and afford the breaching party thirty (30) days to cure the

material breach. In the event the breaching Party fails to cure the material breach within such time period, the non-breaching Party may immediately terminate this Agreement.

8.3 Effect of Termination. Upon termination of this Agreement, DocuWare will recover any PHI relating to this Agreement in the possession of its subcontractors, agents or representatives. DocuWare will return to Customer or destroy all such PHI plus all other PHI relating to this Agreement in its possession, and will retain no copies. If DocuWare cannot feasibly return or destroy the PHI, DocuWare will ensure that any and all protections, requirements and restrictions contained in this Agreement will be extended to any PHI retained after the termination of this Agreement, and that any further uses and/or disclosures will be limited to the purposes that make the return or destruction of the PHI infeasible.

Section 9. Miscellaneous.

9.1 Survival. The respective rights and obligations of the Parties under Sections 7 (Access to Records), 8.3 (Effect of Termination) and 9 (Miscellaneous) will survive termination of this Agreement indefinitely.

9.2 Amendments. This Agreement constitutes the entire agreement between the Parties with respect to its subject matter. It may not be modified, nor will any provision be waived or amended, except in a writing duly signed by authorized representatives of the Parties. The Parties agree to amend this Agreement from time to time as necessary for the Parties to comply with their respective obligations under HIPAA.

9.3 Waiver. A waiver with respect to one event will not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

9.4 Compliance with HIPAA. Any ambiguity in this Agreement will be resolved in favor of a meaning that permits the Parties to comply with their respective obligations under HIPAA.

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

9.6 Inconsistencies. If any of the terms of this Agreement conflict with or are inconsistent with the terms of the Services agreement, the terms of this Agreement will prevail.

9.7 Notices. Any notice to be given under this Agreement to a Party will be made in accordance with Section 11.9 of the Cloud Services Agreement.