

1099 Pro® Master Software License Agreement (MSLA)

This MASTER SOFTWARE LICENSE AGREEMENT, ("MSLA"), executed in and dated the 11th day of November, 2015 is by and between The Texas A&M University System, ("LICENSEE"), whose mailing address is 301 Tarrow, Suite 361, College Station, TX 77840-7896 and 1099 Pro Inc., ("1099 Pro" or "LICENSOR"), whose mailing address is 23901 Calabasas Road, Suite 2080 Calabasas, CA 91302

In consideration of the mutual premises set forth herein, the parties agree as follows:

IMPORTANT-READ CAREFULLY: The Master Software License Agreement ("MSLA") applies to all versions of 1099 Pro Software including but not limited to Client/Server, ASP, Network, Prior Years and Multi-user versions of 1099 Pro Software.

This Master Software License Agreement ("MSLA") is a legal agreement between LICENSEE (either an individual person or a single legal entity, who will be referred to in this MSLA as "LICENSEE") and the LICENSOR for the 1099 Pro Software technology that displays this MSLA, including any associated media, printed materials and electronic documentation (the "SOFTWARE"). The SOFTWARE may also include SOFTWARE updates, add-on components, web services and/or supplements that the LICENSOR may provide to LICENSEE or make available to LICENSEE after the date LICENSEE obtains the initial copy of the SOFTWARE.

SOFTWARE LICENSE

The SOFTWARE is protected by intellectual property laws and treaties. The SOFTWARE is licensed, not sold.

1. GRANT OF LICENSE. This MSLA grants LICENSEE a perpetual license to use the SOFTWARE, including, the following rights:

Corporate Suite Multi User Version. If the SOFTWARE was purchased for "multi-user" use, and said "multi-user" designation is stated in the Purchase Order, then the purchaser may install this SOFTWARE'S Web Update Workstation (Server) on a SINGLE Window's computer at:

- a) a SINGLE location for Production data.
- b) a SINGLE location for Test data (data which will not be filed with Government Agencies).
- c) a SINGLE location for Disaster Recovery to be utilized for filing only in the event that the Production data is corrupt or not available.

The Server may be accessed by as many "Client" workstations by the LICENSEE, at this same location as the SOFTWARE was licensed to be used by. LICENSEE may not install or permit any other party to install the SOFTWARE on any computers which have not been specifically licensed for installation and use of the SOFTWARE. The right to use the SOFTWARE, subject to the other terms and conditions herein is contingent on the full payment of all sums due to the LICENSOR.

- o 1099 PRO.NET Web Module usage via internet or intranet may also be accessed by as many users as licensed by the LICENSEE.

2. DESCRIPTION OF OTHER RIGHTS AND LIMITATIONS.

- **Limitations on Reverse Engineering, Decompilation, and Disassembly.** LICENSEE may not reverse engineer, decompile, or disassemble the SOFTWARE, except and only to the extent that such activity is expressly permitted by applicable law notwithstanding this limitation.
- **Trademarks.** This MSLA does not grant LICENSEE any rights in connection with any trademarks or service marks of LICENSOR or its suppliers.
- **No rental, leasing or commercial hosting.** LICENSEE may not rent, lease, lend or provide commercial hosting services to third parties with the SOFTWARE.
- **Support Services.** LICENSOR will provide LICENSEE with support services related to the SOFTWARE ("Support Services"). Use of Support Services is governed by the policies and programs described in the user manual, in "online" documentation, or in other materials from the support services provider. Any supplemental SOFTWARE codes provided to LICENSEE as part of the Support Services are considered part of the SOFTWARE and subject to the terms and conditions of this MSLA. LICENSEE acknowledges and agrees that LICENSOR may use technical information LICENSEE provides to LICENSOR as part of the Support Services for its business purposes, including for product support and development.
- **WINDOWS 3.XX, 95, 98, ME, Microsoft Server 2003 and below ARE NOT SUPPORTED.**
- **Termination.** Without prejudice to any other rights, LICENSOR or its suppliers may terminate this MSLA if LICENSEE fails to comply with any material terms and conditions of this MSLA. Should LICENSEE breach the CONFIDENTIALITY CLAUSE below then LICENSEE must destroy all copies of the SOFTWARE and all of its component parts and disclose to LICENSOR all details of said breach.

3. INTELLECTUAL PROPERTY RIGHTS. All title and intellectual property rights in and to the SOFTWARE (including but not limited to any images, photographs, animations, video, audio, music, text, and "applets" incorporated into the SOFTWARE), the accompanying printed materials, and any copies of the SOFTWARE are owned by LICENSOR or its suppliers. All title and intellectual property rights in and to the content that is not contained in the SOFTWARE, but may be accessed through use of the SOFTWARE, is the property of the respective content owners and may be protected by applicable copyright or other intellectual property laws and treaties. This MSLA grants LICENSEE no rights to use such content. If this SOFTWARE contains documentation that is provided only in electronic form, LICENSEE may print one copy of such electronic documentation. LICENSEE may not copy the printed materials accompanying the SOFTWARE. All rights not specifically granted under this MSLA are reserved by LICENSOR and its suppliers.

4. U.S. GOVERNMENT LICENSE RIGHTS. All SOFTWARE provided to any U.S. Government entity pursuant to solicitations issued on or after December 1, 1995 is provided with the commercial license rights and restrictions described elsewhere herein. All SOFTWARE provided to any U.S. Government entity pursuant to solicitations issued prior to December 1, 1995 is provided with RESTRICTED RIGHTS as provided for in FAR, 48 CFR 52.227-14 (JUNE 1987) or DFAR, 48 CFR 252.227-7013 (OCT 1988), as applicable.

5. CONFIDENTIALITY CLAUSE. Confidential Information shall include as examples, without limitation: (a) all information of a disclosing party which has been maintained as confidential, including but not limited to processes, techniques, know-how, computer source code, diagrams, electronic files, trade secrets, invention disclosures, patent applications, screens, and database designs; (b) all existing and future plans of the disclosing Party, which have been maintained as confidential, including plans relating to existing and planned products, research, and development; or (c) information that has generally been considered and treated by the disclosing party as confidential prior to the time of disclosure and is clearly identified as "Confidential" or "Proprietary" when disclosed to the other party. Confidential Information shall not be deemed to include information that

the receiving Party can demonstrate by competent written proof: (w) is now, or hereafter becomes, publicly known or available through no act or failure to act on the part of the receiving party; (x) was known by the receiving party at the time of receipt of such information as evidenced by its records; (y) is hereafter furnished to the receiving party by a third party as a matter of right and without violating any confidentiality obligation to the disclosing party; or (z) was independently developed by employees of the receiving party without use or knowledge of the Confidential Information of the disclosing party. Each party agrees that it will use the Confidential Information of the other solely for the performing this MSLA and for no other purpose whatsoever. The obligations of the parties regarding nonpublic, personally identifiable financial or health information ("NPI") as further defined by federal or state law, regarding employees, former employees, and/or their beneficiaries is described in Attachment IV to the Purchase Order associated with this MSLA. This provision shall survive any termination of this MSLA. LICENSEE understands that LICENSOR's screens and database design are a competitive advantage for LICENSOR and as such are confidential and shall not be disclosed to competitors of LICENSOR. Such unauthorized disclosure is basis for Termination and damages as decided in a court of law.

6. SOFTWARE MEDIA

LICENSEE may receive the SOFTWARE from the Internet, on-line network connection, or in disk media or on a CD-ROM or installed on the hard disk drive or ROM of your computer, or in multiple forms of media. Regardless of the number or type(s) of media LICENSEE receives, LICENSEE may use only the media appropriate for the terms set forth in your contract or Purchase Order at a single location for use by a single LICENSEE. LICENSEE may not use the other media on another computer or loan, rent, lease, or transfer them to another user for any purpose whatsoever.

7. APPLICABLE LAW.

This MSLA is governed by the laws of the **State of Texas**. If this SOFTWARE was acquired outside the United States, then local law may apply.

8. LIMITED WARRANTY

LIMITED WARRANTY FOR SOFTWARE ACQUIRED IN THE US AND CANADA. 1099 Pro, Inc. warrants that the SOFTWARE will perform substantially in accordance with the accompanying materials for a period of ninety (90) days from the date of receipt of the software if installing the system internally. In a 1099 Pro operated hosted environment, LICENSOR warrants that the software will be kept current, is up to date and working as described throughout the term of this MSLA .

If an implied warranty or condition is created by your state/jurisdiction and federal or state/provincial law prohibits disclaimer of it, LICENSEE shall also have an implied warranty or condition, BUT ONLY AS TO DEFECTS DISCOVERED DURING THE PERIOD OF THIS LIMITED WARRANTY (NINETY DAYS). AS TO ANY DEFECTS DISCOVERED AFTER THE NINETY (90) DAY PERIOD, THERE IS NO WARRANTY OR CONDITION OF ANY KIND. Some states / jurisdictions do not allow limitations on how long an implied warranty or condition lasts, so the above limitation may not apply to LICENSEE.

Any supplements or updates to the SOFTWARE, including without limitation, any (if any) web updates, service packs or hot fixes provided to LICENSEE after the expiration of the ninety (90) day Limited Warranty period are not covered by any warranty or condition, express, implied or statutory.

LIMITATION ON REMEDIES; NO CONSEQUENTIAL OR OTHER DAMAGES. LICENSEE's exclusive remedy for any breach of this Limited Warranty is as set forth below. Except for any

refund provided by LICENSOR. LICENSEE is NOT ENTITLED TO ANY DAMAGES, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL DAMAGES, if the SOFTWARE does not meet LICENSOR's Limited Warranty, and, to the maximum extent allowed by applicable law, even if any remedy fails of its essential purpose. The terms of Section 9 below ("Exclusion of Incidental, Consequential and Certain Other Damages") are also incorporated into this Limited Warranty. Some states/jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. This Limited Warranty gives you specific legal rights. LICENSEE may have others which vary from state / jurisdiction to state/jurisdiction.

LICENSEE EXCLUSIVE REMEDY. LICENSOR and its suppliers' entire liability and LICENSEE's exclusive remedy shall be, at LICENSOR's option from time to time exercised subject to applicable law, (a) return of the price paid (if any) for the SOFTWARE under this MSLA and termination of this MSLA, or (b) repair or replacement of the SOFTWARE, that does not meet this Limited Warranty and that is returned to LICENSOR with a copy of LICENSEE's receipt. If the software is installed internally by LICENSEE, LICENSEE will receive the remedy elected by LICENSOR without charge, except that LICENSEE is responsible for any expenses it may incur (e.g. cost of shipping the SOFTWARE to LICENSOR). This Limited Warranty is void if failure of the SOFTWARE has resulted from accident, abuse, misapplication, abnormal use or a virus. Any replacement SOFTWARE will be warranted for the remainder of the original warranty period or thirty (30) days, whichever is longer. Outside the United States or Canada, neither these remedies nor any product support services offered by LICENSOR are available without proof of purchase from an authorized international source. To exercise your remedy, contact: 1099 Pro, Attn. 1099 Pro Sales Information Center / 23901 Calabasas Rd, Suite 2080 / Calabasas, CA 91302, or the 1099 Pro subsidiary serving you.

9. DISCLAIMER OF WARRANTIES. THE LIMITED WARRANTY THAT APPEARS ABOVE IS THE ONLY EXPRESS WARRANTY MADE TO LICENSEE AND IS PROVIDED IN LIEU OF ANY OTHER EXPRESS WARRANTIES (IF ANY) CREATED BY ANY DOCUMENTATION OR PACKAGING. EXCEPT FOR THE LIMITED WARRANTY AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LICENSOR AND ITS SUPPLIERS PROVIDE THE SOFTWARE AND SUPPORT SERVICES (IF ANY) *AS IS AND WITH ALL FAULTS*, AND HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, EITHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY (IF ANY) IMPLIED WARRANTIES, DUTIES OR CONDITIONS OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OF ACCURACY OR COMPLETENESS OR RESPONSES, OF RESULTS, OF WORKMANLIKE EFFORT, OF LACK OF VIRUSES AND OF LACK OF GROSS NEGLIGENCE, ALL WITH REGARD TO THE SOFTWARE, AND THE PROVISION OF OR FAILURE TO PROVIDE SUPPORT SERVICES. ALSO, THERE IS NO WARRANTY OR CONDITION OF TITLE, QUIET ENJOYMENT, QUIET POSSESSION, CORRESPONDENCE TO DESCRIPTION OR NON-INFRINGEMENT WITH REGARD TO THE SOFTWARE. THIS MSLA IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS ORAL AND WRITTEN AGREEMENTS AND DISCUSSIONS. NO EMPLOYEE OF LICENSOR HAS THE POWER OR AUTHORITY TO MODIFY THIS MSLA EXCEPT BY AN AGREEMENT IN WRITING WHICH BEARS THE SIGNATURE OF AN OFFICER OF LICENSOR.

10. EXCLUSION OF INCIDENTAL, CONSEQUENTIAL AND CERTAIN OTHER DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL LICENSOR OR ITS SUPPLIERS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING,

BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS OR CONFIDENTIAL OR OTHER INFORMATION, FOR BUSINESS INTERRUPTION, FOR PERSONAL INJURY, FOR LOSS OF PRIVACY (EXCEPT AS STATED IN SECTION 11.B, BELOW), FOR FAILURE TO MEET ANY DUTY INCLUDING OF GOOD FAITH OR OF REASONABLE CARE, FOR NEGLIGENCE, AND FOR ANY OTHER PECUNIARY OR OTHER LOSS WHATSOEVER) ARISING OUT OF OR IN ANY WAY RELATED TO THE USE OF OR INABILITY TO USE THE SOFTWARE, THE PROVISION OF OR FAILURE TO PROVIDE SUPPORT SERVICES, OR OTHERWISE UNDER OR IN CONNECTION WITH ANY PROVISION OF THIS MSLA, EVEN IN THE EVENT OF THE FAULT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, BREACH OF CONTRACT OR BREACH OF WARRANTY OF LICENSOR OR ANY SUPPLIER, AND EVEN IF LICENSOR OR ANY SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. LIMITATION OF LIABILITY AND REMEDIES.

(A) NOTWITHSTANDING ANY DAMAGES THAT LICENSEE MIGHT INCUR FOR ANY REASON WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ALL DAMAGES REFERENCED ABOVE AND ALL DIRECT OR GENERAL DAMAGES), THE ENTIRE LIABILITY OF LICENSOR AND ANY OF ITS SUPPLIERS UNDER ANY PROVISION OF THIS MSLA AND LICENSEE'S EXCLUSIVE REMEDY FOR ALL OF THE FOREGOING (EXCEPT FOR ANY REMEDY OF REPAIR OR REPLACEMENT BY LICENSOR. WITH RESPECT TO ANY BREACH OF THE LIMITED WARRANTY) SHALL BE LIMITED TO THE GREATER OF THE AMOUNT ACTUALLY PAID BY LICENSEE FOR THE SOFTWARE OR U.S. \$5.00. THE FOREGOING LIMITATIONS, EXCLUSIONS AND DISCLAIMERS (INCLUDING SECTIONS 8, 9, AND 10 ABOVE) SHALL APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EVEN IF ANY REMEDY FAILS ITS ESSENTIAL PURPOSE.

(B) The limitations of liability contained in Sections above shall not apply in the following instances: (i) where such limitations are prohibited by law; (ii) for liabilities incurred by LICENSEE resulting from an infringement by 1099 Pro of a third party's copyright, patent, trademark or similar proprietary rights; (iii) liabilities resulting from breach of the confidentiality provisions set forth in Section 5 and throughout this MSLA; (iv) liabilities resulting from breach of the privacy obligations described in Attachment IV of the Purchase Order and for any other breach of federal or state privacy or data security laws that apply to the personal information provided by LICENSEE to 1099 Pro; (v) for liabilities incurred by LICENSEE due to gross negligence or willful misconduct by 1099 Pro or its agents, including but not limited to third parties; or (vi) for any indemnifications in this MSLA.

(C) Except as may be prohibited by law, the absolute maximum liability of LICENSOR and LICENSEE for any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits (including legal fees) for any cause whatsoever including indemnification and regardless of the form of action will be limited, in the case of LICENSOR, to the amounts actually paid from the liability policies maintained by the LICENSOR, under the terms of this MSLA or otherwise, and in the case of LICENSEE to the amounts actually paid by any liability policies maintained by LICENSEE. This clause shall override any other wording in this MSLA.

12. INSURANCE. Insurance requirements are stated in Appendix A, which is attached hereto and

incorporated by reference.

13. INDEMNIFICATION. LICENSOR shall defend, indemnify and hold harmless LICENSEE and LICENSEE's officers, directors, employees, agents, servants and shareholders ("Indemnitees") from: i) any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, disbursements and expenses (including legal fees, costs and related expenses, the "Expenses") of every kind and nature which may be incurred by an Indemnitee arising from or relating to any title, intellectual property, trademark, service mark, patent or other such claim regarding LICENSEE'S use of LICENSOR'S product hereunder, and/or ii) any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, disbursements and Expenses of every kind and nature which may be incurred by an Indemnitee arising from or relating to any breach of the confidentiality provisions set forth in Section 5 and throughout this MSLA. This provision shall survive any termination of this MSLA.

14. ENTIRE AGREEMENT. This MSLA (including any Purchase Order or Order Letter to this MSLA which is included with the SOFTWARE) is the entire agreement between LICENSEE and LICENSOR relating to the SOFTWARE and the support services (if any) and they supersede all prior or contemporaneous oral or written communications, proposals and representations with respect to the SOFTWARE or any other subject matter covered by this MSLA. To the extent the terms of any LICENSOR policies or programs for support services conflict with the terms of this MSLA, the terms of this MSLA shall control.

15. This MSLA shall be binding upon and inure to the benefit of the respective successors, assigns, and personal representatives of the parties, except to the extent of any contrary provision in this agreement. If any term, provision, covenant, or condition of this MSLA is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of the MSLA shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. Section, paragraph, and other headings contained in this MSLA are for reference purposes only and are in no way intended to describe, interpret, define, amplify, or limit the scope, extent, or intent of this MSLA or any provision of it.

16. GENERAL PROVISIONS. General provision requirements are stated in Appendix B, which is attached hereto and incorporated by reference.

WITNESS:

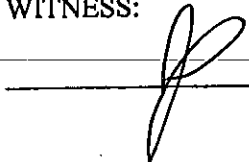


The Texas A&M University System "LICENSEE"


By: Jeff Zimmermann

Title: Director of Procurement

WITNESS:



1099 Pro, Inc. "LICENSOR"

By: 

Title: CEO

APPENDIX A

Insurance Requirements

LICENSOR shall obtain and maintain, for the duration of this MSLA, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to LICENSEE. By requiring such minimum insurance, LICENSEE shall not be deemed or construed to have assessed the risk that may be applicable to LICENSOR under this MSLA. LICENSOR shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. LICENSOR is not relieved of any liability or other obligations assumed pursuant to this MSLA by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to LICENSEE by LICENSOR at least ten days before the effective date of the cancellation.

Insurance:

Coverage

Limit

A. Worker's Compensation

Coverage waived with Hold Harmless Agreement signed by LICENSOR.

B. Automobile Liability

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Combined Single Limit of liability per accident for Bodily Injury and Property Damage;

If a separate Business Auto Liability policy is not available, coverage for hired and non-owned auto liability may be endorsed on the Commercial General Liability policy.

Additional Endorsements

The Commercial General Liability Policies shall include The Texas A&M University System and its Board of Regents as additional insured's.

C. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$100,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures LICENSOR's liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this MSLA.

D. Technology Services Errors & Omissions Liability

Each Occurrence Limit	\$ 2,000,000
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General Aggregate Limit \$ 2,000,000

E. Excess/Umbrella Liability

Excess over each of the foregoing policies (except Workers Comp)
Each Occurrence Limit \$ 5,000,000
Aggregate Limit \$ 5,000,000

F. LICENSOR will deliver to LICENSEE:

Evidence of insurance on a current version ACORD© certificate form, except for Errors & Omissions which can be provided on official State Farm documentation, verifying the existence and required limits of all insurance upon request. Evidence of insurance will be provided verifying the continued existence of all required insurance upon request.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability will be endorsed to include The Texas A&M University System and its Board of Regents as Additional Insureds up to the actual liability limits of the policies maintained by LICENSOR.

No policy will be canceled by LICENSOR without unconditional written notice to LICENSEE by LICENSOR at least ten days before the effective date of the cancellation.

LICENSOR is responsible to pay any deductible or self-insured retention for any loss on LICENSOR's policies. Certificates of Insurance and Additional Insured Endorsements as required by this MSLA will be mailed or emailed upon request.

The insurance coverage required by this MSLA will be kept in force until all services have been fully performed and accepted by LICENSEE in writing, except as may be noted.

APPENDIX B

General Provisions Addendum

All terms used herein and not otherwise defined shall have the meaning as in the MSLA. In the event of any conflict in the terms of the MSLA and the terms of this Appendix B, the terms of this Appendix B shall in all aspects govern and control.

1. Under Section 231.006, Texas Family Code, LICENSOR certifies that it is not ineligible to receive the payment specified in the MSLA and acknowledges that this MSLA may be terminated and payment may be withheld if this certification is inaccurate.
2. Pursuant to Section 2252.903, Texas Government Code, LICENSOR agrees that any payments owing to LICENSOR under this MSLA may be applied directly toward certain debts or delinquencies that LICENSOR owes the State of Texas or any agency of the State of Texas regardless of when they arise, until such debts or delinquencies are paid in full.
3. If LICENSOR is a taxable entity subject to the Texas Franchise Tax (Chapter 171, Texas Tax Code), then LICENSOR certifies that it is not currently delinquent in the payment of any franchise (margin) taxes or that LICENSOR is exempt from the payment of franchise (margin) taxes.
4. LICENSOR understands that acceptance of funds under this MSLA constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), Texas Education Code. LICENSOR agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested. Such audit shall not include the calculations of: (a) actual cost of work performed and paid for on a fixed-price basis; (b) composition of any such fixed-price amounts; and (c) the percentage(s) used as mark up(s) or multiplier(s) applied to costs.
5. LICENSOR expressly acknowledges that LICENSEE is an agency of the State of Texas and nothing in this MSLA will be construed as a waiver or relinquishment by LICENSEE of its right to claim such exemptions, privileges, and immunities as may be provided by law.
6. LICENSOR must use the dispute resolution process provided in Chapter 2260 of the Texas Government Code to attempt to resolve a dispute arising under this MSLA and is a required prerequisite to suit in accordance with Chapter 107, Texas Civil Practices and Remedies Code. LICENSOR must submit written notice of a claim of breach of contract to the LICENSEE Vice Chancellor for Business Affairs.
7. LICENSOR acknowledges that LICENSEE is subject to constitutional and statutory limitations on its ability to enter into certain terms and conditions of the MSLA, which may include those terms and conditions relating to: liens on LICENSEE property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers, and limitations on legal rights, remedies, requirements, and processes; limitations of time in which to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorney's fees; dispute resolution; indemnities; and confidential information. Terms and conditions relating to these limitations will only be binding on LICENSEE to the extent permitted by the Constitution and the laws of the State of Texas.

9. As an agency of the State of Texas, LICENSEE is subject to and must strictly comply with the Texas Public Information Act, Chapter 552, Texas Government Code and any other disclosure of information required by applicable Texas law. LICENSEE's compliance with the terms of the Public Information Act or other Texas law (such as Texas Government Code Section 2261.253 requiring the posting of a contract for the purchase of goods or services) shall not constitute a default under this MSLA. Upon LICENSEE's written request, LICENSOR shall provide specified public information exchanged or created under this MSLA that is not otherwise excepted from disclosure under Chapter 552, Texas Government Code, to LICENSEE in a non-proprietary format acceptable to LICENSEE. As used in this provision, "public information" has the meaning assigned Section 552.002, Texas Government Code, but only includes information to which LICENSEE has a right of access (See Texas Government Code Sec. 2252.907). Upon LICENSEE's written request, LICENSOR shall provide specified public information exchanged or created under this MSLA that is not otherwise excepted from disclosure under Chapter 552, Texas Government Code, to LICENSEE in a non-proprietary format acceptable to LICENSEE. As used in this provision, "public information" has the meaning assigned Section 552.002, Texas Government Code, but only includes information to which LICENSEE has a right of access (See Texas Govt Code Sec. 2252.907).

1099 Pro® Corporate Suite Software Solution (Purchase Order)

This PURCHASE ORDER executed by 1099 Pro, Inc., (LICENSOR) and The Texas A&M University System (hereinafter referred to as LICENSEE) on this 11th day of November, 2015 who have previously entered into a MASTER SOFTWARE LICENSE AGREEMENT; herein referred to as MSLA, 1099 PROCESSING AND REPORTING SOFTWARE.

This PURCHASE ORDER and the SOFTWARE being licensed and ordered herein is subject to all the provisions, terms and conditions of the aforementioned MSLA and this PURCHASE ORDER is incorporated by reference into the aforementioned AGREEMENT and all the provisions, terms and conditions of this PURCHASE ORDER shall be considered as provisions, terms and conditions of the aforementioned MSLA. Attachments I, II, III, IV, and V referenced in this Purchase Order are attached and incorporated into this Purchase Order.

- A. SOFTWARE being ordered by and being licensed to LICENSEE via this PURCHASE ORDER is: 1099 Pro Corporate Suite Solution (See ATTACHMENT I which forms part of this purchase order and provides a description of the SOFTWARE).
- B. The Current Tax Year for processing is 2015 until a year subsequent is filed with the State or Federal government.
- C. LICENSOR shall supply the following to LICENSEE:
 - a. Corporate Suite with ASP Solution & Prior Years SOFTWARE Module and Database (Executable Code only).
 - b. SOFTWARE Documentation (contained within the SOFTWARE)
 - c. Training - see Attachment II
- D. Pricing of Corporate Suite Software, Features, Components & Services:
 - a. Term. The contract is for the term of 1 year commencing on the date this contract is executed. LICENSEE shall pay LICENSOR, for the license granted in the MSLA to which this PURCHASE ORDER is subject to and a part of a yearly License Fee of:
 1. Year 1 is \$14,800.00
The above figures are subject to a price increase with each renewal of 5% or the prior term average increase in the CPI-U, whichever is higher.
 - b. Renewal. This contract shall be automatically renewed at the end of the current term for a successive term, as defined above, with up to 4 additional one-year terms, unless LICENSEE gives at least 90 days' written notice of its intention not to renew prior to expiration of the current term. If LICENSEE notifies LICENSOR, in writing, at least ninety (90) days prior to the renewal date, that it does not wish to renew its license, LICENSEE's license will terminate at the end of the current term. If LICENSEE does not provide LICENSOR with such notice, LICENSEE's license will be renewed for another term and LICENSEE will be invoiced for the applicable license fee.
 - c. Should LICENSEE not renew the License, LICENSEE may continue to run the software for the years purchased so long as LICENSEE has not and does not breach any of the provisions of license and agreement.
 - d. Additional Charges - an annual review will be performed on or about **June 1st** of every year to determine if an upward fee adjustment predicated upon a change in one or more of the following:
 - i. Account Volume is the number forms in the MS SQL Database whether those forms will or will not be filed using the 1099 Pro Software or another product annually. Account Volume is 50,000 records per year.

1. Should LICENSEE exceed the Account Volume for any tax year, an additional charge of (\$0.10) cents per record over the Account Volume is due.
 2. The Number of Payer Codes is the number of separate Filers (issuers of forms) in the system and is licensed for five (5) or less in the system.
 - a. Should LICENSEE exceed the Number of Payer Codes in the system for any tax year, an additional charge of twenty five (25) dollars per Payer Code is due.
 3. ASP Users are defined as the greater of the maximum number of users concurrently logged on to the system during the year or the number of Individual Users as found under Security & Administration in the software. ASP Users are limited to five (5).
 - a. Should LICENSEE exceed the maximum number of ASP users for any tax year, an additional charge of twenty five (25) dollars per ASP User is due.
 4. The Number of Admin Users is the number of separate Administrators in the system and is licensed for five (5) or less in the system.
 - a. Should LICENSEE exceed the Number of Administrators in the system for any tax year, an additional charge of one hundred (100) dollars per Administrator is due.
 5. Features:
 - a. 1099 Pro Web Presentment API for the publishing of tax forms on web portals **IS** included.
 - b. 1095 & 1094 forms **ARE** included.
 - c. Hosting Services at our DP Solutions as described in Attachment IV **ARE** included for \$8,400 per year.
 - d. 8966 FATCA Report **IS NOT** included.
 - e. Puerto Rico Forms **ARE NOT** included.
 - f. IRS Compliance, Inc. compliance services as described in Attachment III **ARE NOT** included.
 - g. Conversion Services as described in Attachment V **ARE NOT** included.
 - h. TINCheck validations **ARE NOT** included.
 - i. Onsite Training **IS NOT** included.
- e. Customer Service / Support is available to LICENSEE at no additional cost via toll free number (866-444-3559) from 7am PST – 5pm PST Monday-Friday. Saturday hours from 8am-12pm PST are available during January.
- f. Additional Installations - should LICENSEE wish to install additional separate sites in addition to the one Production Server licensed, then LICENSEE will notify LICENSOR in writing immediately at the “Correspondence” address and LICENSOR will be billed an additional License fee for each additional site as an annual fee equal to 50% of the current License fee issued to LICENSEE. Note: LICENSEE may at no additional charge add a Test Server and a Backup Server. These servers are used by the LICENSEE to create a backup environment and/or a test environment based off of the same or similar data found on the Production Server and they are not for separate filings.
- g. Subject to the requirements of the Texas Prompt Payment Act, all Fees shall be paid by LICENSEE TO LICENSOR by the later of 31 days of becoming due or 31 days from

the invoice date. To the extent permitted by Texas law, late payments are subject to 1.0 % interest per month.

- i. The License Fee is due upon execution of this agreement. Subsequent years License Fees are due on the anniversary date of this contract.
 - ii. Additional Charges indicated by the Annual Review are due within 31 days of billing.
- h. Should LICENSEE request or desire additional on-site training by LICENSOR over a period above those stated in Attachment II, such additional assistance shall be provided by LICENSOR at the then current in effect rate being charged by LICENSOR for such training plus all reasonable out-of-pocket expenses which shall include, but not be limited to all lodging, travel and meals.
- E. LICENSOR shall provide the following services to LICENSEE and LICENSEE shall reimburse LICENSOR for reasonable travel expenses (such as airfare, meals and lodging) incurred by LICENSOR in the performance of said services:
- a. SOFTWARE Installation typically consists of downloads and installation by LICENSEE's IT staff. Should LICENSEE request on-site installation then installation and charges will be handled as outlined in Attachment II.
 - b. The scheduling of Installation Services and/or Training Services at LICENSEE's site should be set up at least thirty (30) business days in advance so as to be mutually convenient to LICENSEE and to LICENSOR.
- F. The SOFTWARE being ordered by LICENSEE via this PURCHASE ORDER is being licensed to LICENSEE as a single License which entitles LICENSEE to use the SOFTWARE at the site location listed in this agreement and/or on the computers and operating systems listed below. The SOFTWARE being licensed may be used only to process data for LICENSEE and its member institutions and agencies (*i.e. Software & Components are not for a Service Bureau*).
- a) LICENSEE is responsible for all Microsoft™ licenses used by LICENSEE including but not limited to:
 - a. MS SQL Server 2008 or higher & license(s)
 - b. MS IIS Server 6+ & license(s) (required for ASP1 4.0 functionality)
 - c. Any Windows™ or Windows Office™ programs
 - d. ASP requires Internet Explorer™ 7.0 or higher
 - e. MS .NET Framework 4.0 or higher
 - b) Note we recommend that your Web Server be a minimum of an Intel Xeon, i7 or equivalent with a minimum Processor Speed of 2 GHZ and minimum Memory of 6 GB or higher
- G. This agreement entered into by LICENSOR and LICENSEE is in force and applicable for the SOFTWARE being licensed to and being ordered by LICENSEE as stated herein for maintenance at only the respective LICENSEE site location(s) and for the particular client mentioned as LICENSEE herein. ~~Site Location(s) for Maintenance:~~
- a. At the client's Corporate Headquarters unless otherwise noted.
- H. Warranty period on software components is ninety (90) days from the earlier of the date of delivery and installation or date of this Purchase Order being signed.
- I. INVOICES - Invoices to LICENSEE shall be mailed to:

LICENSEE NAME: _____
ADDRESS: _____
(No PO Boxes)
CITY, STATE ZIP: _____
CONTACT: _____
TITLE: _____
TELEPHONE NO.: _____
EMAIL ADDRESS: _____

LICENSEE shall remit payments and correspondence to:

1099 Pro, Inc.
Attention: Corporate Suite Licensing
23901 Calabasas Road, Suite 2080
Calabasas, CA 91302

L. LICENSEE Project Authorization - LICENSEE hereby designates the following person listed as having the authority for LICENSEE, regarding requesting of on-site assistance, contracting for system customizations, contracting additional services, confirming corrections of problems, and acceptance of Package. LICENSEE from time to time may change/add the person authorized and the description of the authority by written notification to LICENSOR. All shipments will be sent to this location:

LICENSEE NAME: _____
ADDRESS: _____
CITY, STATE ZIP: _____
CONTACT: _____
TITLE: _____
TELEPHONE NO.: _____
EMAIL ADDRESS: _____

N. LICENSOR shall deliver the related documentation and other materials to

LICENSEE at the following delivery location (if different from above):

LICENSEE NAME: _____
ADDRESS: _____
CITY, STATE ZIP: _____

CONTACT: _____

TITLE: _____

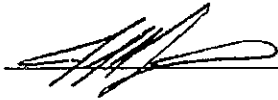
TELEPHONE NO.: _____

EMAIL ADDRESS: _____

All modifications, amendments and new releases of the SOFTWARE and related documentation shall be delivered to this delivery location unless and until changed by written notice of LICENSEE.

In witness WHEREOF, the said parties hereto have hereunder set their hands and seals and executed this PURCHASE ORDER on the day and year first written above:

WITNESS:

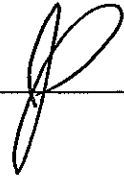


The Texas A&M University System "LICENSEE"

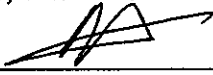
By: Jeff Zimmermann

Title: Director of Procurement

WITNESS:



1099 Pro, Inc. "LICENSOR"

By: 

Title: CEO

Attachment I

1099 Pro Corporate Suite Software and Components Description

The 1099 Pro system is used to streamline the process for year-end information reporting and ensure compliance with the continuing modification of the federal and state information reporting tax regulations. The system generates media that meets Internal Revenue Service and State specific Form 1098, 1099, 1042S and 5498 specifications. In addition the system also generates the media required by both the Social Security Administration, State Agencies and the BLS for Form W-2 reporting.

The system enables information return filers to send a Form W2, 1042S, 1098, 1099, and 5498 statement that consolidate reportable accounting application systems. The system supports the following Year-round Federal and State Information Reporting for:

Form W-2 & W-2C	Form W-2G
Form W-9	B & C Notices
Form 1099 and 1098 Series	Form 5498
Form 1042-S	Form W-8

The system provides tracking and reporting capabilities to help you comply with federal and state requirements, including:

- Master name and address files for TIN/Name reporting to reduce B-Notice and TIN Penalty Listings
- Transaction updates to payee summary information to minimize the costs of keeping current and in balance—and to avoid the December and January reporting crises
- On-line transaction history for reviewing information to resolve discrepancies and track activity
- TIN certification and withholding status tracking to support the “2/3” B-Notice ruling
- Annual reporting activity for establishing “reasonable cause” to avoid costly penalties and interest
- Custom interfaces to electronic channels for printing and filing information e.g. RR Donnelley Blue Book Format
- *Multi-Tax Year Processing with 1099 Pro ASP and Multi-year Corporate Suite application—Immediate access to multiple years of payee and payment tax history. You have to ability to directly access current and prior year payment data, add new payees and payment information or make corrections to previously filed returns.*
- TIN Compliance Management – Centralized processing to track and store all activity related to TIN Solicitations, Certifications, B-Notice, TIN Penalty activity, Backup Withholding Status and Abatement Justifications. This Module also imports and matches the B-Notice (CP2100) and TIN Penalty (972CG) to your internal Payee and TIN History files to accurately identify any Payees that must be sent a 1st or 2nd B-Notice or Form W9 and Form W-4P for re-certification. Functions include the generation and tracking of Form W-8 series related to Non Resident Aliens
- Filing:
 - State Reporting
 - IRS CFS Annual Returns including CFS exclusion rules
 - Direct State Annual Returns
 - Current Year Independent Contractor Reports
 - Current Year Quarterly to ME, CA, MA and NY

The system accepts information from standard payment system applications including fixed width or delimited formats and YTD, Transactional or Cumulative imports providing a flexible process for importing payee and payment information from your mainframe or PC applications for processing and reporting.

Below are the formats and media that are available:

- Magnetic media and/or paper required for original, quarterly, and correction filings with the federal (eFiling), state, and United States territorial agencies
- Efile Viewer™ for 1099 & 1042-S files
- Individual paper payee statements for originals and corrections
- Forms and instructions on plain paper, eliminating the need to purchase forms
- Customizable Print files for processing by an outside vendor(s)
- Files of singular or multi-group statements for printing or imaging on high-volume printers and standard business printers
- Custom reports including query exports to Excel™

Take full advantage of the federal and state correction capabilities of the system, including:

- Wizard Based processes e.g. corrections, printing
- Point and click federal and state transmittals
- Corrected payee statements and government media
- Prior year data access, processing, and reporting
- Multi-year form lookup via Internet Explorer™, Chrome, FireFox, and Safari
-Prior Year Module allows for processing the Current Tax Year and up to 9 prior years

Optional – if included, then each additional charge must be included in the Purchase Order:

- API for Web Presentment
- 480.6A: Income NOT subject to withholding
- 480.6B: Income Subject to Withholding
- 480.7: Individual Retirement Accounts
- 480.7C: Retirement Plans And Annuities
- 499R-2: W2-PR Withholding Statement
- 1095-B/C: Health Coverage
- 1094-B/C: Health Coverage Transmittals (XML filing thru the AIR UI)

Attachment II

User and System Training Description

The 1099 Pro Services Training Program is included with the service license and will be performed annually on-line. On-line training is usually conducted within a 3 hour time frame and can be repeated or function specific.

LICENSEE may request that this on-line training be recorded in a Flash™ format for later use by LICENSEE. There is no charge for this. LICENSOR also provides several canned tutorials in Flash™ format covering different subjects at no charge. Additional Flash™ tutorials requested by LICENSEE can be created at an additional charge agreed to between the parties.

Additional on-site training can be purchased by the CLIENT at any time after license at current rates of 1099 Pro. Normal on-site training is conducted within 1 - 2 days.

On-site training is scheduled at the mutual convenience of the CLIENT and the 1099 Pro. Held over a one to two day period, the program, subject matter, material, and presentation ranges from informal consultation to formal classes, maximizing the benefit to the individual CLIENT. The training is tailored to the organization and its needs. Formal classes are limited to six hours of classroom time per day, with no more than ten students.

The charge for additional on-site training is the current daily pre-approved/reasonable rate at the time the training is requested, times the number of days of training, plus the trainer's travel expenses. Each extra student, over ten, is charged \$40 additional/day for the training.

Attachment III Optional Services Description



IRS Compliance, Inc. www.irscompliance.org provides the compliance foundation for the 1099 Pro Corporate Suite. Many of the software innovations found in Pro are the direct result of IRS Compliance suggestions. IRSC has experienced professionals with both corporate and government experience that can help protect your business from costly penalties & audits.

Experienced Professionals

- Jerry Michael – President & former Chief of Information Returns for the IRS
- Lynda Foertschbeck – experience with RR Donnelly, Checkfree/Disc, Convey.
- Doug Rogers – former National IRS Director of Penalties & Interest
- Charlie Smith – former head of Corporate Tax for John Hancock
- And others ...

Yearly Compliance Conferences & manuals

Services Available

Services such as 1099 / 1042-S data screening services are available at **\$110.00 per hour** by IRSCompliance, Inc.

Other Services available include:

- Penalty Abatement B Notices
- Bulk TIN
- 945/941 tracking & exports
- Customization e.g. W-2 SUTA module
- Importing
- Federal, State & Locality Filing
- Procedures
- Auditing
- Replacement of employees on leave
- Print, Mail & e-file Service

**All Service Bureau transactions require a 50% deposit before services will be rendered*

Attachment IV

Hosting Description

Our hosted environment provides optimum uptime, security, and bandwidth, ensuring peace of mind. The DP Solutions Data Center facilities are strategically located along the area's rich fiber routes, offering robust connectivity within and between the data centers via cross connects, Any2 Internet peering exchange, fiber and DWDM service. The DP Solutions Data Center has passed (and will continue to maintain throughout the term of this Purchase Order) stringent security certifications including a SSAE 16 SOC I Type II audit - the highest level of certification and security. 1099 Pro software is run directly from DP Solutions Data Centers, so nothing needs to be installed on user computers, saving your company time and money.

Infrastructure/Environment

Whether running multimedia, corporate intranet/extranet or e-commerce applications, DP Solutions facilities provide a secure, reliable and scalable foundation for your success. Specifically designed to provide state-of-the-art hosting for mission-critical Web sites and enterprise applications, CoreSite DP Solutions provide a compelling alternative to developing, deploying and staffing your own Internet data center.

Benefits

- Flexible and scalable hosting options (cages, racks and cabinets)
- Consistent and reliable environmental support during common and extreme scenarios
- Predictable, reliable security of your critical systems
- Constant monitoring of all critical areas
- Round-the-clock availability, even under extreme conditions
- High availability, scalability and reliability
- Availability of power during extreme power outages
- Availability of power during scheduled maintenance activities
- 24/7 monitoring, management and trouble resolution

AUDIT RIGHTS

LICENSEE or its duly authorized independent auditors have the right under this MSLA to perform remote or on-site audits directly pertaining to the Services performed at DPS's Facilities in accordance with reasonable procedures and at reasonable frequencies. At the request of LICENSEE, DPS will make available to LICENSEE's auditors and representatives of the appropriate regulatory agencies all requested records and data. In no event shall CLIENT or any of its auditors be entitled to review any of the financial books and records of DPS. LICENSEE will be responsible to pay DPS' then prevailing hourly rate (minimum \$135/hour) for time and materials DPS expends on any audit procedures performed by LICENSEE or its assigns. Refer to Appendix B, Section 4.

Hosting Price Increase: Hosting prices are subject to a price increase with each renewal of 5% or the prior term average increase in the CPI-U, whichever is higher.

DATA PRIVACY, SECURITY, OWNERSHIP, AND TRANSFER OBLIGATIONS

For purposes of this Attachment IV, "Personal Data" shall mean any personally identifiable information of LICENSEE related personnel (or the beneficiaries of such personnel) as

defined in the regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, and the Gramm-Leach-Bliley Act of 1999 (“GLBA”), as well as other personal information such as driver’s license numbers, credit or debit card numbers, practitioner license numbers, National Provider Identifier (“NPI”) numbers, or any other unique identifiers, regardless of the media in which it is contained, that may be disclosed to, processed by, or handled by LICENSOR in connection with the performance of services under the Agreement.

1. **Security Standards.** LICENSOR shall store and encrypt transaction information encompassing all Personal Data on secure computers located in a physically secure data center. LICENSOR shall employ technology that is consistent with industry standards for firewalls and other security technology to help prevent LICENSOR’s computers from being accessed by unauthorized persons. In order to protect data integrity during transfers, LICENSOR shall enforce the use of the HTTPS protocol. In addition, LICENSOR shall provide the following security measures: SSL 256-bit AES encryption of all data transmitted through the Service; the ability to transfer files via secure FTP, encrypted email, or HTTPS; and magnetic media destruction reformats information or purges information from media according to DOD standards. The software and all LICENSOR’s equipment shall be continuously monitored (24 hours per day; 7 days per week) by LICENSOR for health and performance.

2. **Backup and Disaster Recovery.** LICENSOR shall perform backups, on a weekly basis, of all data or materials of any type whatsoever produced and stored within 1099 Pro software (“the Service”) utilized for performance of the services described in the MSLA. LICENSOR warrants that it has, and will maintain in effect at all times during the term of this MSLA, a complete disaster recovery plan that will allow LICENSOR to resume full performance of the services within 24 to 48 hours after an interruption due to a disaster or other catastrophic event.

3. **Breaches and Notifications.** LICENSOR shall comply with all applicable state and federal laws and regulations regarding the notification of individuals in the event of unauthorized release of Personal Data. In the event of a breach of any of LICENSOR’s security obligations under this MSLA or other event requiring notification under applicable law, LICENSOR shall be responsible for the cost of any and all such notifications to individuals; provided that LICENSOR shall not be obligated to pay for any notification in cases where the breach of security arises from LICENSEE’s actions, gross negligence or willful misconduct, including, without limitation, LICENSEE’s employees or contractors disclosing passwords or conspiring with any a third party in securing unauthorized access to Personal Data. In the event of a breach of security, LICENSOR shall maintain responsibility for initiating remedial actions and shall immediately notify LICENSEE of the breach and steps LICENSOR is taking to: (a) investigate the extent and cause of the security breach; (b) mitigate the effects of and remedy such breach; and (c) prevent such breaches in the future.

4. **Risk Assessment.** LICENSOR will perform ongoing risk assessments to identify, assess, and mitigate reasonably foreseeable internal and external risks to the security, confidentiality and/or integrity of Personal Data.

5. Access Controls.

a. LICENSOR shall limit access to Personal Data to its personnel and any subcontractors who have a need to access the Personal Data as a condition to LICENSOR's performance of services under the MSLA.

b. LICENSOR shall utilize the principle of "least privilege" and concept of "minimum necessary" when determining the level of access for all users to Personal Data.

c. LICENSOR shall implement policies, procedures and access control mechanisms to protect all Personal Data from being accessed by non-authorized users.

d. LICENSOR will require end-user passwords of at least eight (8) characters in length and meet appropriate complexity requirements in accordance with industry standards. Additionally, accounts will lock out after a maximum of 5 unsuccessful login attempts.

e. LICENSOR will enable LICENSEE to force users to change their passwords after a pre-determined numbers of days.

6. Logging and Monitoring

a. LICENSOR will log transactions that affect the security of applications (including but not limited to administrative actions and failed logins.)

b. Audit logs shall be maintained for one year and will be reviewed by LICENSOR on a regular basis.

c. The audit logs shall have mechanisms in place to prevent deletion, tampering or substitution.

7. Network Security. All of LICENSOR's network connections to include wireless connections shall be hardened against intrusion and include firewall protection and intrusion detection in accordance with industry best practices. LICENSOR shall have monitoring capabilities to ensure that: (i) system weaknesses are detected, (ii) anomalous user activity is recognized, and (iii) LICENSOR is informed of newly discovered vulnerabilities. LICENSOR shall perform regular vulnerability scanning, and third party penetration testing.

8. Data Storage on Removable or Portable Media. LICENSOR agrees that no LICENSEE Personal Data will be processed on or transferred to any unencrypted removable or portable media, including but not limited to laptops, PDAs, mobile phones, back-up tapes, or other portable computing device. To be considered encrypted a storage medium must have a minimum of one hundred twenty-eight (128) bit encryption.

9. System Availability ("SLA"). LICENSOR will provide the Service 24 hours per day, 365 days per year basis with an availability uptime of 99.9%, excluding scheduled maintenance which will not be performed during LICENSEE's normal business hours of operation from Monday through Friday 7:00 AM to 6:00 PM (EST) when possible. LICENSOR will provide LICENSEE with its maintenance schedule and will endeavor to pre-notify LICENSEE of any non-scheduled maintenance.

10. Privacy. LICENSOR must use Personal Data only for the purpose of fulfilling its duties under this MSLA and for LICENSEE's and its related personnel's sole benefit, and will not share such Personal Data with or disclose it to any third party without the prior

written consent of LICENSEE or as otherwise required by law. By way of illustration and not of limitation, LICENSOR will not use Personal Data for LICENSOR's own benefit and, in particular, will not engage in "data mining" of Personal Data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by LICENSEE.

11. Data Ownership, Retention and Disposal

a. All rights in and to Personal Data shall remain the exclusive property of LICENSEE, and LICENSOR only has a limited, nonexclusive license to access and use Personal Data as provided in this MSLA solely for the purpose of performing its obligations hereunder. LICENSOR shall not have any rights in or to the Personal Data.

b. At LICENSEE's election, LICENSOR will either securely destroy or transmit to LICENSEE any backup copies of Personal Data. LICENSOR will supply LICENSEE a certificate indicating the records disposed of, the date disposed of, and the method of disposition used.

c. Upon termination or expiration of this MSLA, LICENSEE will provide cooperation and reasonable assistance to ensure that all Personal Data are securely transferred to LICENSEE, or a third party designated by LICENSEE, within thirty (30) calendar days. LICENSEE shall implement its contingency and/or exit plans and take all necessary actions to provide for an effective and efficient transition of service with minimal disruption to LICENSEE. Personal Data will be transferred in as follows:

Format: _____;
Media/Vehicle: ____ [disk, hard drive, tape, etc.] ____

Attachment V

Prior Year Conversion of Data Description

Data can be migrated from one system to another. Typically the following avenues are used.

- Corporate Suite users start a new year but their prior year(s) data is still available. Each year the current year becomes a prior year and so on until X number of years is maintained on the Database. Inquiries for data from years not on the database are handled by PDF or the prior source system.
- Data is migrated from other applications to 1099 Pro using scripts
- Data is imported from other applications to the correct year
- 1220 files are deconstructed and imported into the correct year