

HFS COST REPORT SOFTWARE END USER LICENSE AGREEMENT

IMPORTANT! PLEASE READ THIS LICENSE AGREEMENT CAREFULLY BEFORE INSTALLING THIS SOFTWARE PROGRAM. Health Financial Systems ("HFS") End-User License Agreement ("EULA" or "Agreement") is a legal agreement between you ("Customer") and HFS regarding the licensed use of HFS cost report software ("Software Product"). By downloading, installing, copying, or otherwise using the Software Product, you are confirming your acceptance of the Software Product, you warrant that you have paid the applicable license fees or promise to promptly pay them, and you agree to be bound by the terms of this EULA.

If you are a party to a negotiated software license agreement ("Negotiated License Agreement" or "NLA") between you and HFS, concerning the same Software Product you are now downloading, updating, or installing, and the NLA has not expired or been cancelled or superseded, the NLA remains in force and effect and is not modified by this EULA. If any of the provisions of the NLA are in conflict with the provisions of this EULA, the conflicting provisions of the NLA shall supersede the conflicting provisions of this EULA.

This EULA only applies to healthcare providers and consultants who prepare, submit and/or review cost reports and other state-mandated healthcare financial and compliance reports. This EULA does not apply to government entities, or organizations that contract or subcontract with government entities to accept, process, review or audit Medicare or Medicaid cost reports or other state-mandated healthcare financial or compliance reports.

IF YOU DO NOT AGREE TO THE TERMS OF THIS EULA, DO NOT DOWNLOAD, INSTALL OR USE THE SOFTWARE PRODUCT.

1. **SOFTWARE LICENSE GRANT.** The Software Product is licensed, not sold. HFS hereby grants to Customer a limited, nonexclusive, nontransferable, renewable license to use the Software Product for Customer's internal business purposes only in the United States, subject to the following terms and conditions.
 - 1.1. The license allows Customer to use Software Product to prepare and submit one report to the appropriate agency or agency designee. Additional license fees must be paid for each additional report before additional reports may be prepared or submitted by Customer. A review license does not entitle Customer to submit any reports to any entity. Please consult your sales representative for information about additional license fees. Customer may use the Software Product on multiple computers. Customer may make backup copies of the Software Product.
 - 1.2. The license includes software maintenance services provided by HFS, as described below (section 6). Customer may download, install, and use any updated versions of the Software Product produced and made available to Customer by HFS during the term of this Agreement.
 - 1.3. The license includes unlimited technical support services provided by HFS to Customer during the term of this Agreement. Support will be provided by telephone or email. Support office hours are generally 5:00 a.m. to 5:00 pm (PST), Monday through Friday, excluding holidays. Support services are limited to issues related to the Software Product and related reports and reporting requirements. Support does not include training on how to use the Software Product, nor how to prepare and submit cost reports and related matters.
 - 1.4. Training may be provided to Customer at the sole discretion of HFS and may be predicated upon Customer's payment of additional fees and costs associated therewith.
 - 1.5. This license applies to the current version of the Software Product and all future versions of the Software Product that are produced during the term of this Agreement.
2. **SOFTWARE LICENSE RESTRICTIONS.** The license granted under the terms of this Agreement shall terminate automatically and without notice if any of the following restrictions are violated.
 - 2.1. Customer shall not use the Software Product to prepare and/or submit reports in excess of the number of reports allowed by Customer's license.
 - 2.2. Customer shall not provide copies of the Software Product to any other entity without prior written consent from HFS.
 - 2.3. Customer shall not use the Software Product in a manner not permitted under the terms of this Agreement without prior written consent from HFS.
 - 2.4. Customer shall not transfer or assign this Agreement without prior written consent from HFS. This Agreement shall be binding on the heirs, successors and assigns of Customer regardless of whether the assignment or attempted assignment was made in accordance with this Agreement.
 - 2.5. Customer shall not and shall not permit its affiliates or any third party to translate, reverse engineer, decompile, recompile, update, or modify all or any part of the Software Product or merge the Software Product into any other software. Customer shall be liable for all resulting damages to HFS caused by breach of this provision.
3. **TERMINATION OF LICENSE.** The license granted under the terms of this Agreement shall terminate automatically and without notice upon expiration of the one-year term of this Agreement, unless the parties agree to renew the license in the manner described in section 5 of this Agreement. HFS may terminate the license without notice if Customer violates any of the license restrictions described in section 2 of this Agreement or if Customer violates the HFS Credit Policy (section 4).
4. **HFS CREDIT POLICY.**
 - 4.1. Software Product may be provided to Customer before Customer's payment of the license fee at the sole discretion of HFS.
 - 4.2. All license fees are due and payable upon Customer's receipt of an invoice from HFS. Payments for license fees that

are not received within sixty (60) days of the invoice date are considered past due.

- 4.3. Any past due payment shall be subject to costs of collection (including reasonable legal fees) and shall bear interest at the rate of one and one-half percent (1.5%) per month (prorated for partial periods) or at the maximum rate permitted by law, whichever is less.
- 4.4. HFS may terminate the license(s) and will not be obligated to provide technical/customer support or software updates to customers with past due account(s).
5. **TERM.** This Agreement is effective when all license fees are paid, or when the Software Product is downloaded and/or installed by Customer, whichever happens first, and remains in effect for one-year, unless terminated. Customer may renew this Agreement for an additional one-year term by timely payment of the annual license fee. The versions or iterations of the Software Product provided to Customer by HFS during the term of this license are the Customer's to keep. The Software Product need not be returned, deleted, uninstalled, or destroyed if the Customer elects not to renew this license. Customer may continue to use the Software Product. However, Customer may not use the Software Product to prepare or submit additional/new reports after this Agreement expires. HFS is not obligated to provide maintenance or technical support to Customer if this Agreement is terminated or expires.
6. **SOFTWARE AND DOCUMENTATION.** HFS is the sole owner of the Software Product and guarantees that it is operational on Microsoft Windows based personal computers and compatibles. HFS agrees to maintain the Software Product by fixing problems with, and making improvements to, the Software Product. HFS shall also make periodic changes and updates to the Software Product in order to comply with the requirements of certain governmental agencies, as may be necessary to obtain or maintain governmental approval of the Software Product. Such periodic changes and updates are limited to the governmental requirements for the data files and reports produced by the Software Product.
7. **INTELLECTUAL PROPERTY RIGHTS.** All rights, title, and interest, including but not limited to copyrights, in and to the Software Product and any copies thereof are owned by HFS. All title and intellectual property rights in and to the content which may be accessed through use of the Software Product is the property of the respective content owner and may be protected by applicable copyright or other intellectual property laws and treaties. This EULA grants you no rights to use such content. All rights not expressly granted are reserved by HFS.
8. **TRADEMARK.** HFS is the owner of certain valuable trademark rights. Use of these marks, logos, and designs by Customer in its advertising, or in any other manner is specifically prohibited without the prior written consent of HFS.
9. **WARRANTIES & DISCLAIMERS.** HFS warrants that the Software Product has been approved for its intended purpose by the appropriate governmental agency. HFS makes no other warranty as to the accuracy or operation of the Software Product. The above warranty is in lieu of all conditions or warranties expressed, implied or statutory, including, but not limited to, any implied conditions or warranties of merchantability and fitness for a particular purpose and for any other warranty obligations on the part of HFS. The price of this Software Product license paid by Customer reflects the scope of this warranty.
10. **DAMAGES.**
 - 10.1. HFS shall not be liable to Customer for any damages resulting from the use of Software Product. HFS licenses this Software Product to persons and organizations who use the Software Product in order to comply with certain Federal and/or state governmental reporting requirements. Customer assumes the responsibility for selecting the Software Product which will achieve the intended results. Customer also accepts full responsibility for the reports Customer creates using the Software Product, and for any consequences that result from submission or failure to submit reports to any government entity.
 - 10.2. In no event shall HFS be liable for any damages (including, without limitation, lost profits, business interruption, or lost information) arising out of Customer's use of, or inability to use, the Software Product, even if HFS has been advised of the possibility of such damages. In no event will HFS be liable for loss of data or for indirect, special, incidental, consequential (including lost profits), or other damages based in contract, tort or otherwise. HFS shall have no liability with respect to the content of the Software Product or any part thereof, including but not limited to errors or omissions contained therein, libel, infringements of rights of publicity, privacy, trademark rights, business interruption, personal injury, or the disclosure of confidential information.
 - 10.3. Customer is invited to inform HFS where it believes the Software Product may be inaccurate or incomplete. During the term of this Agreement, HFS will make every reasonable effort to correct any program defects. Customer's exclusive remedy shall be limited to the right to receive a replacement copy of the Software Product or recover the pro-rated amount of the license fee paid by Customer. HFS and the Customer have chosen to allocate the risk in regard to damages and remedies in the above manner.
11. **GOVERNING LAW AND VENUE.** The validity, construction, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of California except as to its principles of conflicts of laws.
12. **FORCE MAJEURE.** Except for monetary obligations hereunder, neither party shall be liable for any failure or delay in performance due in whole or in part to any cause beyond the reasonable control of such party or its contractors, agents or suppliers, including but not limited to utility or transmission failures, failure of phone lines or phone equipment, power outages, strikes or other labor disturbances, acts of war or terror, sabotage, riots, looting, acts of God, floods, fires, tornados, hurricanes, tsunamis, pandemics, earthquakes, and other natural or man-made disasters.

- 13. COMPLETE AGREEMENT.** This Agreement is the exclusive statement of the agreement between HFS and the Customer with respect to the license for the program contained herein and supersedes all prior agreements, negotiations, proposals, and representations, oral and/or written, relating to the license for this Software Product. This Agreement shall not supersede a NLA between the parties if the NLA is currently in effect, and the existing agreement conveys a license to Customer from HFS for the same Software Product that this EULA would otherwise convey. No provision of this Agreement may be changed, modified, or amended except by an agreement in writing, signed by the parties.
- 14. SEVERABILITY.** In the event any provision of this Agreement is rendered invalid or unenforceable by law or declared void by any court of any competent jurisdiction, the remainder of the provisions of this Agreement shall remain in full force and effect.
- 15. MISCELLANEOUS.**
- 15.1. **California Sales Tax.** Software Product may be downloaded from the HFS website (www.hfssoft.com). Updates to the Software Product are obtained from the website. The user manual is a PDF file that is also available on the website. Any customers that request the Software Product on CD or other electronic media or request a printed copy of the user manual will be charged sales tax if Customer resides in, or has its principal place of business in, California. HFS policy is not to provide software on tangible media to clients unless specifically requested by Customer. Sales tax will not be charged to California customers unless they request the Software Product on tangible media be shipped or mailed to them. This policy is not retroactive.
- 15.2. **How to Contact HFS.** If Customer has any questions about this Agreement, please contact HFS by writing to Becky Dolin, President, Health Financial Systems, 8109 Laguna Boulevard, Elk Grove, California 95758, or you may call her at (888) 216-6041 during normal working hours.
- 15.3. **HFS Data Collection Practices.** HFS will collect and track data regarding the cost report, the user account associated with the software license, the identity of the cost report preparer, and the date and time the ECR files were created. By using, installing, or updating the software Customer acknowledges and consents to HFS data collection practices. The data collected is considered confidential by HFS and will be used only by HFS for administrative purposes. No collected data will be shared with any external entities.