

50797-04

LICENSE AGREEMENT

This Agreement is entered into this November 10, 2011 between the State of Nebraska, Department of Health and Human Services with its offices at 301 Centennial Mall South, 3rd Floor, Lincoln, NE 68509 ("Licensee") and Multi-Health Systems Inc. with its offices at 3770 Victoria Park Avenue, Toronto, Ontario M2H 3M6, Canada ("MHS").

Intending to be legally bound, the parties agree to the following terms and conditions:

1. GENERAL PROVISIONS

In this Agreement "YLS/CMI™", the "Test", means all components of the assessment test owned and published by MHS as the Youth Level of Service/Case Management Inventory in any form or medium, including without limitation, test items, QuikScore™ forms, normative data, scoring algorithms, scoring patterns and directions, score conversion tables, scales, factors, rating criteria, printed profile and interpretative reports, training manuals, user manuals and numerical and graphic data relating to administration, scoring and interpretation of the LS/CMI, and includes all formats, versions, revisions, translations, standardizations, derivations and adaptations of the foregoing (also referred to as "Confidential Information").

Subject to the rights in this Agreement, Licensee acknowledges and agrees that all right, title and interest in and to the YLS/CMI shall remain vested in MHS. These rights are protected by Canadian intellectual property rights, international treaty provisions and other applicable national laws. During or after the term of this Agreement, Licensee shall not, in any manner, infringe such rights or contest or dispute the validity, enforceability or ownership thereof. The rights granted in this Agreement shall not constitute a sale of whole or part of the YLS/CMI.

2. LICENSE

2.1 In consideration of the payments set out in paragraph 2.2 and subject to the terms and conditions of this Agreement, MHS hereby grants Licensee a non-transferable, non-exclusive license within the State of Nebraska, to:

- (a) continue to use the currently installed Software Development Kit ("SDK") containing the YLS/CMI scoring algorithm. The Licensee shall ensure that the YLS/CMI scores are calculated using the SDK immediately upon execution of the Agreement. Licensee is not permitted to use any other method of scoring;
- (b) continue to use the currently installed YLS/CMI test items, on the Nebraska Family Online Client User System, or N-FOCUS (the "Licensee Database");
- (c) administer the YLS/CMI to offenders under the jurisdiction of the State of Nebraska through the Licensee Database; and
- (d) enter resulting assessment scores into the Licensee Database.

2.2 As consideration for the rights granted herein, Licensee shall pay MHS, for each twelve (12) month period of the Term, an annual license fee of USD \$1.50(one dollar and fifty cents) per each administration of one thousand (1,000) YLS/CMI assessment scores into the Licensee Database for such twelve(12) month period (the "Maximum). The Licensee shall pay MHS the initial license fee of USD

\$1,500.00 (one thousand five hundred dollars and zero cents) for one thousand (1,000) YLS/CMI assessment scores. For each administration of a YLS/CMI assessment score in excess of the Maximum, Licensee shall pay MHS a royalty of USD \$1.50(one dollar and fifty cents) per each administration of a YLS/CMI assessment score in excess of the Maximum for the Term just ended. Each initial assessment of an offender and each reassessment of the same offender shall constitute a separate assessment for the purposes of this paragraph. There shall be no refund, credit or offset of any annual license fee paid.

- 2.3 In accordance with Section 2.2, the license fee shall be due and payable at the beginning of each year of the Term, on November 10th of each year. Within thirty (30) days of the end of the Term, Licensee shall provide to MHS the audit file from the SDK, or from an MHS approved process, that verifies the number of assessments administered on the Licensee Database for the Term just ended, together with payment of any royalties for assessment scores in excess of the Maximum that are due and owing for the Term. The file shall be transmitted to MHS through electronic mail or saved on a floppy disk or CD and sent by registered delivery to MHS.

3. UPDATES

During the Term of this Agreement, MHS shall provide Licensee with any updates, new releases or revisions to the YLS/CMI as are generally released by MHS and Licensee shall have the right to utilize such updates, new releases or revisions pursuant to the licenses granted in this Agreement for additional consideration.

4. COPYRIGHT NOTICES

Any pages or screen displays that contain reproductions of YLS/CMI shall bear the appropriate copyright notice. This copyright notice is to appear as follows:

YLS/CMI

Youth Level of Service Inventory/Case Management Inventory by Robert Hoge, Ph.D. and D.A. Andrews, Ph.D. Copyright ©2002 Multi-Health Systems Inc. In the USA, P.O. Box 950, North Tonawanda, NY 14120-0950, 1-800-456-3003. In Canada, 3770 Victoria Park Avenue, Toronto, Ontario M2H 3M6, Canada; 1-416-492-2627. All rights reserved. Reproduced by permission.

5. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

Licensee represents and warrants that:

- 5.1 The Licensee Database is solely owned and directly administered and controlled by Licensee;
- 5.2 All uses of the YLS/CMI pursuant to the licenses granted in this Agreement shall be by authorized and qualified employees or agents of Licensee only;
- 5.3 Licensee shall take all such security measures as are necessary, of a technological or administrative nature, to restrict access to and use of the YLS/CMI programs installed on the Licensee Database to authorized employees of Licensee and to maintain the confidentiality of the Confidential Information in the YLS/CMI programs;
- 5.4 Licensee shall not transfer or export by any means whatsoever, either whole or part of the YLS/CMI from the Licensee Database; and

- 5.5 Licensee shall not use whole or part of the YLS/CMI in any manner except as permitted under this Agreement, and without limiting the generality of the foregoing, shall not use whole or part of the YLS/CMI as a basis for the development of another psychometric instrument.
- 5.6 Licensee is a qualified user of the YLS/CMI in accordance with MHS' qualifications policy or local equivalent.
- 5.7 MHS represents and warrants that it has all the rights necessary to grant the permission granted to the Licensee hereunder. MHS shall not be liable for any claims based on use of the Test and any third party claims resulting thereof.
- 5.8 EXCEPT AS PROVIDED IN SECTION 5.7, MHS MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES OR CONDITIONS OF ANY KIND IN RESPECT TO THE TEST, INCLUDING BUT NOT LIMITED TO, IMPLIED OR STATUTORY WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6. INDEMNITY

- 6.1 Licensee shall indemnify, defend and hold harmless MHS, its directors, officers, employees and agents from any and all claims, suits, damages, liability, losses, fees and expenses (including reasonable attorneys' fees) resulting from or arising out of any act or omission of Licensee under this Agreement. MHS shall not be liable for the use or misuse of the Test under the Agreement or any resulting third party claims. The Test should not be used as the sole basis for treatment, release, determination of recidivism etc.
- 6.2 MHS shall indemnify to the fullest extent allowed by law, defend and hold harmless Licensee from all claims, suits, damages, liability, losses, fees and expenses (including reasonable attorney fees) arising from an act or omission by MHS under this Agreement.

7. CONFIDENTIAL INFORMATION

Employees and Third Parties

Except as provided herein and only to the extent permitted by applicable federal and state laws, Licensee agrees not to disclose any Confidential information contained in the LS/CMI to any third party, except to those of its employees or agents who have a need to know such information, and then only to the extent necessary to exercise its rights under this Agreement. Licensee shall be responsible for the third party's use or misuse of the Confidential Information transferred under this Agreement.

Licensee shall maintain the confidentiality of the Confidential Information in its possession by exercising the same security measures it normally exercises with respect to its own confidential information. To this end, Licensee agrees to take appropriate action by way of instruction or agreement with its employees, consultants or other agents to ensure that such employees, consultants or other agents understand and are bound by Licensee's obligation of confidentiality and non-disclosure with respect to the Confidential Information.

Any offender information entered into the Licensee Database, including any special notes or circumstances entered by Licensee, shall remain the confidential information of Licensee. However, MHS shall have the authority to check the number of assessments used on a quarterly basis with Licensee. MHS agrees to take reasonable security measures to safeguard the confidentiality of any information received from Licensee in writing and marked as confidential.

8. TERM

8.1 This Agreement shall remain in effect for a period of twelve (12) months commencing November 10, 2011 and ending November 9, 2012 (the "Term"), unless earlier terminated by either party upon ninety (90) days' prior written notice of termination to the other party. Licensee shall have the option to further renew the Agreement for subsequent Terms of twelve (12) month periods under the same terms and conditions of the Agreement provided that the license fee shall be subject to an annual increase up to five percent (5%). Such options must be exercised by providing written notice to MHS together with an estimate of uses for the following twelve (12) month period, not less than sixty (60) days before the expiration of the Amendment or any renewal of the Agreement. Licensee shall complete Schedule "B" to effect further renewals. No party is obliged to renew the Agreement. Upon termination or expiry the SDK will automatically cease to function and Licensee shall destroy and/or remove all YLS/CMI materials from its database. Sections 5, 6, 7, 8, 9 shall survive termination of this Agreement.

8.2 This Agreement and Schedules attached hereto are incorporated herein and constitute the entire Agreement between the Licensee and MHS. If any provision of this Agreement is determined to be invalid or unenforceable that provision shall be deemed to be severed herefrom and the remaining provisions of this Agreement shall not be affected and shall remain valid and enforceable. This Agreement may be amended only by written agreement signed by the authorized employees of the parties.

9. GOVERNING LAW

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Ontario, Canada. Any and all litigation or actions commenced in connection with this Agreement shall be brought in the courts of Ontario, Canada, and each party hereby attorns to the jurisdiction of the courts of Ontario.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of the Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement. Signatures to this Agreement transmitted by fax, by electronic mail in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have entered into the above Agreement as of the date first written above.

MULTI-HEALTH SYSTEMS INC.

STATE OF NEBRASKA, DEPARTMENT OF HEALTH & HUMAN SERVICES

By: [Signature]
Authorized Signing Officer

By: [Signature]
Authorized Signing Officer

Print: Steven Steil

Print: Edward H. Matney

Date: 12/2/11

Date: 11/18/2011

Witness: [Signature]

Witness: [Signature], Sem. Assistant