

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (this "Agreement") is made as of the ____ day of _____, 20__ (the "Effective Date"), by and between _____ ("Covered Entity") and Southridge Technology, with an address at 246 Federal Road Brookfield, Connecticut ("Business Associate"), 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. HIPAA requires Business Associate to provide reasonable assurances to Covered Entity that the Business Associate will appropriately safeguard Protected Health Information ("PHI").

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

AGREEMENT

The Parties agree as follows:

Section 1. Permitted Uses and Disclosures.

Business Associate may use and/or disclose PHI only as permitted or required by this Agreement or as otherwise Required by Law. Business Associate 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. Business Associate will request from Covered Entity no more than the minimum PHI necessary to perform the Services. Business Associate 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. Business Associate will not use or disclose PHI in a manner (i) inconsistent with Covered Entity's obligations under HIPAA, or (ii) that would violate HIPAA if disclosed or used in such a manner by Covered Entity. Business Associate will comply with the Privacy Rule requirements applicable to Covered Entity if and to the extent Business Associate's performance of the Services involves carrying out Covered Entity's Privacy Rule obligations.

Section 2. Safeguards for the Protection of PHI.

Business Associate will implement and maintain appropriate administrative, physical and technical security safeguards to ensure that PHI obtained by or on behalf of Covered Entity is not used or disclosed by Business Associate 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 Covered Entity. Business Associate will comply with the requirements of the Security Rule applicable to Business Associate.

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

Business Associate will promptly report, upon discovery, in writing and in accordance with Section 9.7 of this 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. Business Associate 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) Business Associate or (b) any employee, officer, or other agent of Business Associate other than the individual committing the Breach. Business Associate further will investigate the Breach and promptly provide to Covered Entity information Covered Entity may require to make notifications of the Breach to Individuals and/or other persons or entities

("Notifications"). Business Associate will cooperate with Covered Entity in addressing the Breach.

Business Associate 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.

Business Associate 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 Business Associate under this Agreement; and (2) comply with the applicable requirements of the Security Rule.

Section 5. Individual Rights.

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

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

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

5.3 Right to Accounting of Disclosures. Business Associate agrees to document any disclosures of PHI as would be required for Covered Entity 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 Covered Entity or to an Individual, as necessary to satisfy Covered Entity's obligations with regard to an Individual's right to an accounting of disclosures. Business Associate will otherwise comply with its obligations regarding an Individual's right to an accounting of disclosures under HIPAA.

Section 6. Use and Disclosure for Business Associate's Purposes.

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

6.2 Disclosure. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are Required by Law, or Business Associate 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 Business Associate 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. Covered Entity Obligations

7.1. Notice of Change in Privacy Practices. Covered Entity shall notify Business Associate of any limitations in Covered Entity's notice of privacy practices in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

7.2 Notice of Change of Permissions. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

7.3 Appropriate Requests. Covered Entity shall not request that Business Associate use or disclose PHI in any manner that would not be permissible under the Subpart E of 45 CFR Part 164 if done by Covered Entity.

7.4 Compliance. Covered Entity shall comply with its obligations under HIPAA, other federal law and state laws regarding the security of health and other personal information. Except to the extent HIPAA compliance services are expressly delineated in a written agreement between the Parties as a component of the Services to be provided by Business Associate, Business Associate expressly disclaims responsibility for Covered Entity's HIPAA compliance. Business Associate further

disclaims any liability arising from the acts or omissions of Covered Entity or its employees, contractors or representatives in connection with Covered Entity's privacy and security practices. Covered Entity fully understands and accepts that while Business Associate may make recommendations for the implementation of security safeguards in connection with the provision of the Services, the recommendations do not constitute HIPAA compliance advice; the decision to accept or reject such safeguards, and any regulatory or other liability arising from such decisions, rests solely with Covered Entity.

Section 8. Access to Records.

Business Associate 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 Business Associate on behalf of Covered Entity, 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 9. Indemnification and Limitation of Liability.

9.1 Business Associate's Indemnification Obligations. Business Associate will indemnify, defend and hold harmless Covered Entity and its employees, directors, officers, subcontractors, agents and affiliates from and against all claims, actions, damages, losses, liabilities, fines, penalties, costs or expenses (including, without limitation, reasonable attorneys' fees) suffered by Covered Entity to the extent arising from or in connection with any breach of this Agreement, or any negligent or wrongful acts or omissions in connection with this Agreement, by Business Associate or by its employees, directors, officers, subcontractors, agents or representatives.

9.2 Covered Entity's Indemnification Obligations. Covered Entity will indemnify, defend and hold harmless Business Associate and its employees, directors, officers, subcontractors, agents and affiliates from and against all claims, actions, damages, losses, liabilities, fines, penalties, costs or expenses (including, without limitation, reasonable attorneys' fees) suffered by Business Associate to the extent arising from or in connection with any breach of this Agreement, or any negligent or wrongful acts or omissions in connection with this Agreement, by Covered Entity or by its employees, directors, officers, subcontractors, agents or representatives.

9.3 Limitation of Liability. Neither Party shall have any liability to the other for indirect, special, consequential or punitive damages (even if the Party has been apprised of the likelihood thereof) arising from or in connection with any breach of this Agreement, or any negligent or wrongful acts or omissions in connection with this Agreement, by the other Party or by its employees, directors, officers, subcontractors, agents or representatives.

Section 10. Term and Termination.

10.1 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 Business Associate and for so long as Business Associate will remain in possession of any PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity.

10.2 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.

10.3 Effect of Termination. Upon termination of this Agreement, Business Associate will recover any PHI relating to this Agreement in the possession of its subcontractors, agents or representatives. Business Associate will return to Covered Entity or destroy all such PHI plus all other PHI relating to this Agreement in its possession, and will retain no copies. If Business Associate cannot feasibly return or destroy the PHI, Business Associate 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 11. Miscellaneous.

11.1 Survival. The respective rights and obligations of the Parties under Sections 6 (Use and Disclosure for Business Associate's Purposes), 7.4 (Compliance), 8 (Access to Records),

9 (Indemnification and Limitation of Liability), 10.3 (Effect of Termination) and 11 (Miscellaneous) will survive termination of this Agreement indefinitely.

11.2 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.

11.3 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.

11.4 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.

11.5 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.

11.6 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.

11.7 Notices. Any notice to be given under this Agreement to a Party will be made via U.S. Mail, commercial courier or hand delivery to such Party at its address given below, and/or via facsimile to the facsimile telephone number listed below, or to such other address or facsimile number as is hereafter specified by notice from the Party. Any such notice will be deemed given when so delivered to or received at the proper address.

If to Business Associate, to:
Southridge Technology
Attn: Jonathan Gibney
246 Federal Road
Brookfield CT 06804

If to Covered Entity, to:

Attention: _____

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in its name and on its behalf as of the Effective Date.

COVERED ENTITY

By: _____

Print Name: _____

Title: _____

Date: _____

SOUTHRIDGE TECHNOLOGY

By: *Jonathan Gibney*

Print Name: Jonathan Gibney

Title: CEO