CONTRACT #1
RFS # NA
Edison # NA

University of Tennessee
Health Science Center

VENDOR:
B-Line Medical, LLC

THE UNIVERSITY of TENNESSEE
HEALTH SCIENCE CENTER

Finance and Operations
62 South Dunlap Street
Memphis, TN 38163

June 10, 2014

Mr. Lucian Geise
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

Dear Mr. Geise:

The University of Tennessee Health Science Center entered into a contract with B-Line Medical LLC for the provision of a Software License Agreement, equipment and annual support and maintenance for an Electronic Exam Room System located at the University of Tennessee Health Science Center. This system provides audio and video recording of standardized patient encounters, indexing and archiving of these recordings, statistical analysis and export of response and scoring data.

In December 2009, B-Line Medical LLC was awarded the bid through the University competitive bid process, University RFQ # 10031877. The service dates under this bid were from February 1, 2010 through May 31, 2015 at a cost of $526,710.32. Two amendments, totaling to $179,037.22, were processed in September 2011 and June 2012 for additional equipment. Under the guidelines at that time, these amendments were not presented to Fiscal Review. This increased the University's total maximum financial obligation to $705,747.54.

The contract being presented to the Committee for consideration amends the existing contract and subsequent amendments to acquire additional equipment required for the conversion of the simulation system upgrades. This requires an increase of the University's total maximum liability to $721,102.54. We are requesting to make this amendment effective August 15, 2014.

Please let me know if you or others have questions or need additional information for the attached contract.

Sincerely,

Anthony A. Ferrara
Vice Chancellor
Finance and Operations

Enclosures
cc: Leni Chick
Scott Grammar
Mark Paganelli
Sandra Pulliam
Blake Reagan

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Anthony A. Ferrara	*Contact Phone:	901-448-5523
*Presenter's name(s):	Anthony A. Ferrara		
Edison Contract Number: *(if applicable)*		RFS Number: *(if applicable)*	
*Original or Proposed Contract Begin Date:	02/01/10	*Current or Proposed End Date:	05/31/15
Current Request Amendment Number: *(if applicable)*			
Proposed Amendment Effective Date: *(if applicable)*		08/15/14	
*Department Submitting:		University of Tennessee	
*Division:		Health Science Center	
*Date Submitted:		06/12/14	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:			
*Contract Vendor Name:		B-Line Medical LLC	
*Current or Proposed Maximum Liability:		$705,747.54	
*Estimated Total Spend for Commodities:			

*Current or Proposed Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY: 2010	FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY: 2015
$398,901.32	$149,037.22	$61,950.00	$31,950.00	$31,950.00	$31,950.00

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from Edison)

FY: 2010	FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY: 2015
$193,883.09	$231,968.23	$166,095.71	$31,950.00	$	$

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Have not been billed yet by agency for annual support and maintenance for FY 2014 and 2015.
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Overage of expenditures over proposed contract allocations for FY 2011 and 2012 were due to the timing of receipt of billings from agency.

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:			
State:		Federal:	
Interdepartmental:		*Other*:	$705,747.54
If "*other*" please define:			
If "*interdepartmental*" please define:			

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)

Method of Original Award: (*if applicable*)	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.	

PAYMENTS MADE TO B-LINE MEDICAL LLC
02/10/10 - 05/31/5
CONTRACT # 8500025616/8500021821/8500012915

CHECK #	CHECK DATE	INV DATE	INVOICE #	SERVICES	INVOICE TOTAL
					$705,747.54
11631206	2/15/2010	1/29/2010	UTCS-001	Products/45%	$193,883.09
11695010	8/12/2010	7/9/2010	UTCS-002	Products/45%	$193,883.09
11702702	9/2/2010	8/7/2010	UTCS-003	Products/Balance	$11,135.14
11803718	6/27/2011	5/16/2011	UTM-001	Annual Maintenance	$26,950.00
11848320	11/3/2011	10/26/2011	UTCSR-001	Products/45%	$67,066.98
11882951	3/1/2012	12/14/2011	UTCSR-002	Products/45%	$67,066.98
11906828	5/14/2012	4/16/2012	UTCSR-003	Products/Balance	$14,903.76
11927514	7/5/2012	5/23/2012	C400196.A01	AV Change Order	$17,057.99
11982652	12/31/2012	6/12/2012	M400196.A02	Annual Maintenance	$31,950.00
					$81,850.51

THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE AMENDMENT
CONTRACT

1) NCJ Number:	9000016228	**Fund Number:**	R073202090
2) Campus/Institute Name:	Memphis	Admin-College of Medicine	

EXISTING CONTRACT INFORMATION

3) Short Description:	B-LINE ADDITION AND CHANGE TO CONTRACT
4) Proposed Vendor:	**Name:** B-LINE MEDICAL LLC **Vendor Number:** 1100897 **Vendor ID:**
5) Original CTS Number:	8500012915
6) Contract Start Date:	02/01/2010
7) Current Contract End Date IF allOptions to Extend the Contract are Exercised:	05/31/2015
8) Current Total Maximum Cost IF allOptions to Extend the Contract are Exercised:	$ 705,747.54

PROPOSED AMENDMENT INFORMATION

9) ProposedAmendment #	004
10) Proposed Amendment Effective Date:	08/15/2014
11) Proposed Contract End Date IF allOptions to Extend the Contract are Exercised:	05/31/2015
12) ProposedAmendment Amount	$ 15,355.00
13) Proposed Total Maximum Cost IF allOptions to Extend the Contract are Exercised:	$ 721,102.54
14) Approval Criteria:	Non-competitive negotiation is in universitys best interest

15) Description of the Proposed Amendment Effects & Any Additional Service:

From original contract- Req# 10031877: Camera and monitor installation and attachment to server and Control Room through Signature AV. The Upgrade Services product is needed in the amount of 13,875.00 and professional Services for 1,480.00 for a total increase of 15,355.00.

16) Explanation of Need for the Proposed Amendment:

The B-Line System is going through a major upgrade and they will soon stop supporting our current version.

17) Name & Address of Vendor/Contractor's Current Principal Owner(s): (not required if proposed contractor is a state education institution)

B-LINE MEDICAL LLC

1300 19TH STREET NW

WASHINGTON DC 20036

US USA

18) Documentation of Office for Information Resources Endorsement: **N/A**
(required only if the subject service involves information technology)

19) Documentation of Department of Personnel Endorsement: **N/A**
(required only if the subject service involves training for state employees)

20) Documentation of State Architect Endorsement: **N/A**
(required only if the subject service involves construction or real property related services)

21) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives:

We have existing Bline and Sugnature AV services. We have 18 rooms already in service

(bid on Req# 10031877) and upgrading to new version.

22) Justification for the Proposed Non-Competitive Amendment:

Bline won the bid Req# 10031877.

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
N/A	N/A
State Agency	**State Agency Division**
University of Tennessee	Health Science Center
Contractor Name	**Contractor ID # (FEIN or SSN)**
B-Line Medical LLC	[ ] C- or [X] V- 20-3009478

Service Description

Software license, equipment, annual support and maintenance for an Electronic Exam Room System

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
2/1/2010	5/31/2015	Vendor	N/A

Mark Each TRUE Statement

[N/A] Contractor is on STARS [X] Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
332.3	N/A	N/A	N/A	N/A	N/A

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2010				$ 526,710.32	$ 526,710.32
2011				$ 149,037.22	$ 149,037.22
2012-2014				$ 30,000.00	$ 30,000.00
2015				$ 15,355.00	$ 15,355.00
					$ -
					$ -
TOTAL:	$ -	$ -	$ -	$ 721,102.54	**$ 721,102.54**

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2010	$ 526,710.32	
2011		$ 149,037.22
2012-2014		$ 30,000.00
2015		$ 15,355.00
TOTAL:	$ 526,710.32	$ 194,392.22

State Agency Fiscal Contact & Telephone #

Mark Paganelli, 865-974-2302

State Agency Budget Officer Approval

Charles M. Peccolo, Treasurer

Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR) N/A

[ ] African American	[ ] Person w/ Disability	[ ] Hispanic	[ ] Small Business	[ ] NOT disadvantaged
[ ] Asian	[ ] Female	[ ] Native American	[ ] OTHER minority/disadvantaged—	

[ ] RFP	[ ] Competitive Negotiation	[ ] Alternative Competitive Method
[X] Non-Competitive Negotiation	[ ] Negotiation w/ Government(eg,ID,GG,GU)	[ ] Other

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

In December 2009, B-Line Medical was awarded the bid to provide software license, equipment, and annual support and maintenance for an Electronic Exam Room System for the Health Science Center's College of Medicine, Kaplan Clinic Skills Center. The two amendments processed in September 2011 and June 2012, were considered non-competitive since the additional services/equipment being provided were enhancements to the existing services. The proposed third amendment, also considered non-competitive, for additional equipment is needed for a systems upgrade.

THE UNIVERSITY OF TENNESSEE
CONTRACT AMENDMENT

This Amendment is to the Contract between the University of Tennessee (hereafter UNIVERSITY) and B-Line Medical (hereafter) CONTRACTOR, which Contract was entered into on 1/26/2010 (UT Contract #8500012915/8500021821/8500025616).

This Contract Amendment consists of this cover page and __0__additional pages.

By mutual agreement, the UNIVERSITY and CONTRACTOR agree to the following amendment:

1. University purchase of the EOL Upgrade Services product (Product Code EOLUS-10). This product provides University with the software, integration, and training needed for the conversion of the simulation system to SimCapture.
2. University purchase of professional services (Product Code PSS-1) in the amount of $1,480.
3. Increase the University's maximum financial obligation by $15,355 for additional purchases above to a total of $721,102.54.

All other terms remain unchanged.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract Amendment executed by their duly authorized representatives.

FOR CONTRACTOR:

ADDRESS:

PHONE:

FEDERAL ID #:

_____

Name:
Title:

_____

Date

FOR UNIVERSITY:

DEPARTMENT NAME:
UT COM Administration

RESPONSIBLE ACCOUNT:
R073202090

_____

Charles M. Peccolo
Treasurer / Chief Financial Officer

_____

Date

8500025610

THE UNIVERSITY OF TENNESSEE
CONTRACT AMENDMENT

This Amendment documents the agreements between the University of Tennessee (hereafter UNIVERSITY) and B-line Medical (hereafter) CONTRACTOR, which Contract was entered into on 1/26/2010 (UT Contract #8500012915/8500021821).

This Contract Amendment consists of this cover page and 0 additional pages.

By mutual agreement, the UNIVERSITY and CONTRACTOR agree to the following amendment effective 2/13/2012 for the purpose of additional goods for the electronic exam rooms system and made part of this Amendment.

1. Control room changes – adding three tilting wall mounts, an AMX touch panel for more flexibility to control and adjust cameras, also adding Fixed Dome Cameras and Speakers.
2. Increase by $30,000.00 for additional goods as stated above making the University's maximum financial obligation to a total of $705,747.54.

All other terms remain unchanged.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract Amendment executed by their duly authorize representatives.

FOR CONTRACTOR:

ADDRESS: 1300 19th ST NW, STE 100
WASHINGTON, DC 20036

PHONE: 301-768-4465

FEDERAL ID #:

Name: SUNDEEP PATEL
Title: VP FINANCE & OPERATIONS

JUNE 26th, 2012
Date

FOR UNIVERSITY:

DEPARTMENT NAME:
UT COM Administration

RESPONSIBLE ACCOUNT:
R073202090

Charles M. Peccolo
Treasurer

March 30, 2012
Date

8500021821

THE UNIVERSITY OF TENNESSEE
CONTRACT AMENDMENT

This amendment is to the Contract between the University of Tennessee (hereafter UNIVERSITY) and B-Line Medical (hereafter) CONTRACTOR, which Contract was entered into on February 2010 (UT Contract # 8500012915).

This Contract Amendment consists of this cover page and 2 additional pages.

By mutual agreement, the UNIVERSITY and CONTRACTOR agree to the following amendment: Software license agreement, equipment, and annual support and maintenance for the Electronic Exam Room System as outlined in **Requisition # 10031877.** Additional product services as outlined in the attached "additional order form" is incorporated as part of this amendment.

The University will compensate the Contractor **$149,037.72** as invoiced by Contractor for the increase for additional services.

The University's maximum financial obligation is being increased to **$~~685,197.54~~** 675,747.54 over the term of this Agreement.

INITIAL

UNIV OF TN

All other terms remain unchanged.

In witness of their acceptance of the terms of this agreement, the parties have had this Contract Amendment executed by their duly authorize representatives.

FOR CONTRACTOR:

ADDRESS:

PHONE:

FEDERAL ID #:

Johanna Forg

Name: Johanna Forg
Title: Controller

9-2-11

Date

FOR UNIVERSITY:

DEPARTMENT NAME:

RESPONSIBLE ACCOUNT:

Charles M. Peccolo
Treasurer

AUG 18 2011

Date

B-LINE MEDICAL®

Additional Order Form

Order Date: 6.7.2011

This Order Form is subject to all of the terms set forth in the License and Support Services Agreement ("Agreement") between Client (identified below) and B-Line Medical, LLC ("B-Line Medical"), dated as of January 22, 2010, as well as the Statement of Work Agreement between Client and B-Line Medical dated as of December 3, 2009. Nothing in this Order Form will amend any terms of the either Agreement. In the event of any conflict between this Order Form and the Agreements, the terms in the original Agreements will control. All capitalized terms not defined in this Order Form will have the meanings set forth in the Agreements.

Client: University of Tennessee

Products to be supplied under this Order Form:

- 6 Clinical Skills Recorders
- Clinical Skills software system license (6 rooms)
- Subcontracted Audiovisual Equipment and Integration

Summary of Charges:

Products	$149,037.22
Services (if any)	Included
TOTAL due under this Order Form	$149,037.22

Payment Terms:

Initial Payment	45% of Total	Invoiced upon signature of this Order Form, payable net 15 days
Second Payment	45% of Total	Invoiced when Products have been delivered to Client's Premises, payable net 30 days
Final Payment	10% of Total	Invoiced on Completion Date, payable net 30 days
Required second year Annual Support and Maintenance	100% of Total	Invoiced 11 months from Completion Date, payable net 30 days
Optional third year Annual Support and Maintenance	100% of Total	Invoiced 23 months from Completion Date, payable net 30 days

Premises shall mean:
University of Tennessee, College of Health Sciences

Substantial Completion Date

1. Shall be one hundred twenty (120) days from the later of (a) execution by both parties of a detailed Statement of Work or (b) receipt of first payment, except for SimCapture-only sales.
2. For SimCapture-only sales, shall be forty-five (45) days from receipt of first payment.

The duly authorized representatives have executed this Order Form as of the Order Date above.

CLIENT: University of Tennessee	B-LINE MEDICAL, LLC
By:	By:
Name: Charles M Peccolo	Name: Johanna Fong
Title: Treasurer	Title: Controller
Date: Aug. 18, 2011	Date: 9-2-11
Address:	Address: 1300 19th Street NW, Suite 100 Washington, DC 20036 Fax: (202) 330-5267

850001291 5

THE UNIVERSITY OF TENNESSEE

CONTRACT

This contract, made and entered into on 2/1/2010, documents the agreement between The University of Tennessee (hereinafter University) and R-Line Medical (hereinafter Contractor). This Contract consists of this cover page and Forty-seven (47) additional pages. Terms contained on this cover page and in the University's standard terms and conditions shall prevail over those of any attachment unless otherwise stated under "Other terms" below

Contractor will provide the following: Software licence agreement, equipment, and annual support and maintenance for the Electronic Exam Room System as outlined in Requisition # 10031877

The period of performance under this contract is from 2/1/2010 through 5/31/2015. However, the University may terminate this Contract by giving the Contractor at least thirty (30) days written notice before the effective termination date, in which event the Contractor shall be entitled to receive equitable compensation for satisfactory authorized work completed as of the termination date

The University will compensate the Contractor $526,710.32 as invoiced by Contractor

Other payment terms: Costs for equipment and system is a one fee of $338,901.32; annual support and maintenance for first year is free; second year and forward is $31,000.00 per year for four (4) years

The University's maximum liability under this Contract is $526,710.32 Estimated costs for five years, four months.

Other terms (N/A if none): This agreement is for two (2) years with the option to automatically renew for up to three (3) years unless either party provides written notification thirty (30) days prior to the effective termination date. The start date for the License & Support Services agreement is the scheduled completion date for installation & training, dated in attachment B, Page 3 of 47. Funding for payment is subject to the appropriation and availability of State and/or Federal funds and/or Support funds. In the event that the funds are not appropriated or are otherwise unavailable the University reserves the right to terminate the contract upon written notice to the R-Line Medicine. Said termination shall not be deemed a breach of Contract by the University. Upon receipt of the written notice, the University shall cease all work associated with the funding support. Should such an event occur; the Contractor shall be entitled to compensation for all authorized services as of the termination date. Upon such termination, the Contractor shall have no right to recover from the Lessee any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount

In witness of their acceptance of the terms of this agreement, the parties have had this Contract executed by their duly authorized representatives

FOR CONTRACTOR:

Johanna Feng

Signature

Johanna Feng

Name (Printed)

Director of Operations

Title

Address

1300 19th Street NW
Suite 100
Washington DC 20036 T:301 7684458

Telephone

20-3009478

SSN or Federal ID Number

FOR UNIVERSITY:

Department Name

Responsible Account (If applicable)

Administrative Signature (Optional)

Authorized Official

Charles M. Peccolo
Treasurer

JAN 2 5 2010

STANDARD TERMS AND CONDITIONS

1. The University is not bound by this Contract until it is approved by the appropriate University official(s) indicated on the signature page of this Contract.

2. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.

3. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the University.

4. Unless otherwise indicated on the reverse, if this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with University travel policies.

5. The Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If the Contractor is an individual, the Contractor certifies that he/she is not presently employed by the University or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.

6. The Contractor shall maintain documentation for all charges against the University under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the University or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles.

7. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of nondiscrimination.

8. The Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The University shall have no liability except as specifically provided in this Contract.

9. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.

10. This Contract shall be governed by the laws of the State of Tennessee, which provide that the University has liability coverage solely under the terms and limits of the Tennessee Claims Commission Act.

11. The Contractor shall avoid at all times any conflict of interests between his/her duties and responsibilities as a Contractor and his/her interests outside the scope of any current or future Contracts. The following principles define the general parameters of a conflict of interests prohibited by the University:

    a. A Contractor's outside interests shall not interfere with or compromise his/her judgment and objectivity with respect to his/her duties and responsibilities to the University.

    b. A Contractor shall not make or influence University decisions or use University resources in a manner that results in:
        - Financial gain outside any current or future Contracts for either the Contractor or his/her relatives or
        - Unfair advantage to or favored treatment for a third party outside the University.

    c. A Contractor's outside financial interests shall not affect the design, conduct, or reporting of research.

    The Contractor certifies that he/she has no conflicts of interests and has disclosed in writing the following:

    a. Any partners or employees of the Contractor who are also employees of the University.

    b. Any relatives of the Contractor's partners or employees who work for the University.

    c. Any outside interest that may interfere with or compromise his/her judgment and objectivity with respect to his/he responsibilities to the University.

12. If the Contractor fails to perform properly its obligations under this Contract or violates any term of this Contract, the University shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the University for damages sustained by breach of this Contract by the Contractor.

13. For personal, professional, and consultant services, the Contractor shall submit brief, periodic progress reports to the University as requested.

14. In compliance with the requirements of Chapter 878, Public Acts of 2006 of the State of Tennessee, for any contract for goods or services purchased by the University, the Contractor hereby attests that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performances of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of the Contract

LICENSE AND SUPPORT SERVICES AGREEMENT

This License and Support Services Agreement is between B-Line Medical®, LLC, a Maryland limited liability company ("**B-Line Medical**") and the University of Tennessee ("**Client**") as of January 22, 2010 ("**Effective Date**").

This Agreement includes the terms and conditions set forth below and the attached Exhibits, including the Initial Order Form that is attached as Exhibit A. This Agreement (including the attached Initial Order Form) is not binding until duly executed by both parties. After the Effective Date, Client may order additional licenses, products or services by limited right to use the ordered products/services subject to all of the terms set forth in this Agreement.

1. Definitions.

"Agreement" means this License and Support Services Agreement, and all addenda, amendments and Order Forms thereto. **"Authorized Representative"** means a person with authority to act for and bind a party to this Agreement. **"Client's Agreement"** means that certain University of Tennessee Contract with attached Standard Terms and Conditions, dated of even date herewith. **"Completion Checklist"** means the checklist attached as Exhibit C. **"Completion Date"** means the date on which the Completion Checklist is completed by B-Line Medical and given to Client. **"Confidential Information"** means any information that a party treats as confidential, that is disclosed by such party to the other party in the course of performing the duties and obligations of this Agreement, whether such information is in oral, written, graphic or electronic form; provided that if such information (i) is in tangible form, such information is clearly marked as "proprietary" or "confidential" when disclosed to the receiving party; or (ii) is not in tangible form, such information is identified as proprietary or confidential when disclosed. All Products delivered to Client hereunder and pricing for such Products will be treated as the Confidential Information of B-Line Medical. **"Documentation"** means this Agreement, the Statement of Work and all other documentation provided to Client by B-Line Medical containing specifications of the Products and Software. **"Enhancements"** mean the subsequent versions of the Software that B-Line Medical has generally released to its customers purchasing support. **"Future Order Forms"** mean B-Line Medical's then-current applicable order forms, made subject to the terms of this Agreement, that are executed by both parties after the Effective Date. **"Initial Order Form"** means the order form attached as Exhibit A and effective as of the Effective Date. **"Losses"** means any liability to third parties for any settlement amount or final judgment award incurred by a Party. **"Order Form"** means the Initial Order Form and/or any Future Order Forms. **"Premises"** means Client's site listed on the Order Form. **"Products"** means the B-Line Medical software and, if applicable, hardware components to be supplied by B-Line Medical to Client as described in the Order Form, and may include Clinical Skills®, SimBridge® and/or SimCapture®, as well as future products. **"Program Error"** means a reproducible defect or combination of defects in the Software that results in a failure of the Software, when used in accordance with its Documentation, to function substantially in accordance with the technical specifications set forth in such Documentation. A reproducible defect means a defect that B-Line Medical can reproduce using that version of the Software as delivered by B-Line Medical to Client hereunder. Program Errors exclude those errors caused by the negligence of Client, operator error, use on any system other than the operating system specified in the applicable Documentation, accident, misuse, any modification or alteration of the Software, data which does not conform to B-Line Medical's specified data format, or any other cause that is not inherent in the Software. A Program Error does not include failure of the Software to continue to interoperate with third party products due to changes in such third party products. **"Scheduled Substantial Completion Date"** means the date set forth in the Order Form as the date on which B-Line Medical is scheduled to have substantially completed the Work. **"Software"** means B-Line Medical's proprietary software included in the Products (and any Enhancements and Updates thereto) in any format, as well as all related documentation and derivatives, that are delivered by B-Line Medical to Client pursuant to this Agreement. **"Statement of Work"** means a detailed description of the Work to be performed and the boundaries, assumptions and acceptance criteria associated therewith, to be signed by the parties concurrently with this Agreement or no later than five (5) business days thereafter. **"Support"** means the support and maintenance services provided by B-Line Medical pursuant to the terms set forth on Exhibit B. **"Unauthorized Software/Hardware"** means any software and/or hardware added to the dedicated network on which the Product resides, or to the Product itself, by anyone other than B-Line Medical without B-Line Medical's prior written approval. **"Updates"** mean the updates and maintenance releases of the Software

that B-Line Medical has generally released to its other customers purchasing support. **"Users"** means Client's employees, its faculty, and its students participating in internal training activities. **"Warranty Period"** means the one (1) year period commencing on the Completion Date. **"Work"** means the provision, installation and integration of fully functioning Products in accordance with the provisions of any Statement of Work.

2. License Rights.

2.1 **Software License.** Subject to the terms and conditions set forth in this Agreement and upon delivery of the Completion Checklist and receipt of final payment, B-Line Medical grants to Client a non-exclusive, non-transferable license to install and use the Products at the Premises, solely to allow the Users to use the Products as permitted hereunder. This license permits Client and its Users to use the Products for training purposes only, with standardized patients or simulation technology, but not with live patients.

2.2 **Copies.** Client may reproduce the Clinical Skills Software (but not the Software of other Products) strictly as needed for archival or backup purposes. Client may reproduce the Documentation as reasonably necessary, provided that (i) such reproduction is made solely in connection with Client's permitted use of the Software or Documentation as described in this Agreement, (ii) all such reproductions include all copyright or similar proprietary notices contained in the items being reproduced and (iii) all copies will be confined to the Premises.

2.3 **Restrictions.** Client shall not (i) except as otherwise expressly set forth in this Agreement, use or copy the Products, (ii) create derivative works based on, modify, or translate the Products, (iii) sell, assign, distribute, lease, market, rent, sublicense, transfer, or otherwise grant rights to the Products in whole or in part to any third party, (iv) obfuscate, remove or alter any of the internet links or copyright or other proprietary legends that are in the Products or that are displayed on pages served by the Software or (v) reverse engineer, decompile, disassemble or translate the Software or Products or any part thereof or otherwise obtain or attempt to obtain the source code for the Software. Client shall not use the Products in connection with the operation of a service bureau, application service provider or other operation in which Client processes information for the benefit of a third party or operates or hosts a private-branded or other site for the benefit of a third party. Client shall not use the Products in live clinical settings.

3. Support. B-Line Medical will provide Support pursuant to the terms set forth on Exhibit B. The initial period of Support will be for the twelve (12) month Warranty Period and shall be free of charge. The first renewal term of Support is required and shall be charged at the rate indicated in the Order Form. Thereafter, Support will automatically renew as stipulated in "other terms" on the Client's Agreement unless Client provides B-Line Medical with a written notice of non-renewal at least thirty (30) days prior to the beginning date of the next annual Support period. B-Line Medical shall provide written notice of the cost of the next year's Support fee at least sixty (60) days prior to the beginning date of the next annual Support period.

4. Work.

4.1 B-Line Medical shall perform the Work set out in the Statement of Work. B-Line Medical shall promptly commence and diligently prosecute the Work. If no Work is being performed under this Agreement, this Section 4 shall not apply.

4.2 The Work cannot commence until the Statement of Work has been signed by both parties. Any changes to the Work shall be handled in accordance with the detailed change management process set out in the Statement of Work.

4.3 Services related to the Work may be rescheduled or canceled at no charge upon ten (10) business days' prior written notice. If Client reschedules or cancels such Work-related services without such prior notice, Client shall be liable for the standard per diem charge for each scheduled day of a service professional where the service professional(s) assigned to Client for such day(s) cannot be reassigned to another B-Line Medical client. In the case of any cancellation or rescheduling by Client, Client shall be liable for B-Line Medical's out-of-pocket costs including but not limited to travel cancellation penalties.

4.4 The Work shall be performed under the supervision of an Authorized Representative of Client. No Work shall be commenced on the Premises without such Authorized Representative's prior approval.

4.5 Client shall obtain all building permits and similar licenses required to be obtained by Client as the owner of the Premises that may be necessary to perform the Work.

4.6 Client shall have in place prior to commencement of the Work all equipment designated as Client-Furnished Equipment, CFE or the like in the Statement of Work. Any delay by Client in furnishing such equipment shall relieve B-Line Medical of its obligation to meet the Scheduled Substantial Completion Date but shall not relieve Client of its obligation to meet the agreed payment dates.

4.7 B-Line Medical shall remove from the Premises any B-Line Medical personnel or sub-contractor personnel as Client may direct, in Client's reasonable discretion.

4.8 If B-Line Medical believes that there is or may be any doubt as to any requirement of this Agreement, B-Line Medical may submit a written request for clarification to an Authorized Representative of Client together with any clarification proposed by B-Line Medical. Client shall respond to any such request promptly.

4.9 B-Line Medical shall attend periodic meetings by conference call upon reasonable notice from an Authorized Representative of Client and shall provide such information as may be reasonably requested by Client to determine the progress of the Work.

4.10 B-Line Medical shall bear all risk of any loss, destruction, damage or theft of all Products up until the time that such Products are delivered to the Premises. Upon delivery of any Products to the Premises, Client shall assume and bear all risk of loss, destruction, damage or theft of the Products; except that B-Line Medical shall remain liable to Client to the extent any such loss is caused by the negligence or intentional misconduct of B-Line Medical, its employees, subcontractors or agents. For the avoidance of doubt, Client is self-insured under the provisions of the Tennessee Claims Commission Act, T.C.A § 9-8-301, et seq., which provides for a limited waiver of the State's sovereign immunity in specified cases, up to $300,000 per claimant and $1,000,000 per occurrence. Any liability of the Client for damages, losses, or costs arising out of or related to acts performed by the Client under this Agreement is governed by the provisions of said Act.

4.11 Within ten (10) days after the Substantial Completion Date, Client shall provide written notice to B-Line Medical of any remaining work or deficiencies in previous work of which Client is aware. B-Line Medical shall complete such work and remedy all such deficiencies within sixty (60) days after the Substantial Completion Date.

4.12 Client shall provide and maintain a suitable installation site and operating environment at the Premises for the Products included in the Work, which shall mean at a minimum that the site shall be dust-free, construction-free, safe, secure and permit uninterrupted access by B-Line medical staff and subcontractors. Client shall be responsible for providing security for the Premises.

4.13 The Products shall reside on a private dedicated network, maintained by Client and/or B-Line Medical. Any work required of B-Line Medical to restore the network or the Products to operability as a result of the installation of Unauthorized Software/Hardware shall be charged to Client at B-Line Medical's standard daily rate, plus travel expenses if applicable at the current Conus (federal per diem) rates. The Work does not include wiring, delivery of an Internet connection via copper or fiber into the command or computer center; or responsibility for management of firewall protection, each of which shall be the sole responsibility of Client.

4.14 If Client directs B-Line Medical to connect to a third party's simulation system, Client recognizes that B-Line Medical is not responsible for any third party warranty implications. B-Line Medical advises that Client check with its third party simulation vendor regarding the terms of their warranty.

4.15 If B-Line Medical has installed the Product, upon completion of the Work, B-Line Medical shall demonstrate the operation of the Products to Client and their substantial conformity with the requirements of this Agreement and the Documentation by means of the Completion Checklist.

4.16 For SimCapture®, the Work includes up to two (2) hours of training, which will be provided by B-Line Medical at the Premises immediately following the Completion Date. For SimBridge® , the Work includes up to four (4) hours of training, which will be provided by B-Line Medical at the Premises immediately following the Completion Date. For Clinical Skills, the Work includes up to four (4) hours of training, which will be provided by B-Line Medical at the Premises immediately following the Completion Date. The four (4) hour training sessions for Clinical Skills & SimBridge® can occur on the same business day, or can be split up over two (2) consecutive business days. A separate training session from the installation or a repeat training session scheduled for a later date would be billable at B-Line Medical's standard training rates.

5. Special Provisions Relating to SimCapture®.

5.1 Client shall be responsible to provide a suitable installation site and operating environment, as well as equipment meeting the minimum system requirements, for the SimCapture®. If the SimCapture® will be used with audiovisual equipment not provided by B-Line Medical, Client shall install all cable necessary to ensure functionality of this equipment in accordance with specifications recommended by B-Line Medical. Such cable connections must be approved by B-Line Medical. Only certain models and version numbers of simulators are supported by the SimCapture®. Connections for only two (2) simulators per

SimCapture® unit are supported. Additional set-ups may be obtained for an additional charge.

5.2 Client shall not add any software to the SimCapture®.

5.3 The SimCapture® is shipped with a seal affixed to indicate that it has not been opened following quality assurance testing. If Client breaks that seal or adds software to the SimCapture®, all of the warranties set out in Subsections 9.1, 9.2 and 9.3 shall be voided, and B-Line Medical shall have no liability with respect to such warranties.

6. Fees, Payment, and Delivery.

6.1 Client agrees to pay to B-Line Medical the fees for the Products as set forth on the Order Form(s). Payment terms shall be as set out on an Order Form. Any invoiced amounts due that are not paid within thirty (30) days of receipt of invoice shall be subject to a 1.5% late charge, and shall be considered in default. In case of default, late payments will bear interest at the lesser of (i) the rate of one and one-half percent (1.5%) per month or (ii) at the maximum rate permitted by law. Unless otherwise indicated all fees set forth in this Agreement are in US Dollars.

6.2 The fees and other amounts set forth in the Order Forms do not include any taxes, duties, or levies (including interest and penalties) if applicable. Client shall provide B-Line Medical with written confirmation of any exemption from sales tax held by Client at the time it submits an Order Form. Client is tax exempt within the State of Tennessee from all local, sales, state and occupancy taxes except those taxes levied directly against it.

7. Ownership. All copyright, trademark, patent, trade secret, and other intellectual property rights in the Products are the property of B-Line Medical. All rights not expressly granted herein are reserved. Client shall take no position contrary to B-Line Medical's claim of right. Nothing in this Agreement shall be deemed to transfer any rights to Client or any third party except as may be expressly set forth in this Agreement.

8. Confidentiality. A party receiving any Confidential Information ("Recipient") from the other ("Discloser") will use the same care to prevent disclosure of such information as such party uses with respect to its own confidential and proprietary information of like importance under similar circumstances, which will not be less than reasonable care. Recipient will not disclose Confidential Information to any third parties, provided that Recipient may disclose the Confidential Information to its employees and contractors who need to know such information and who are bound in writing by restrictions regarding disclosure and use of such Confidential Information comparable to those set forth herein. Recipient will not use any Confidential Information for any purpose other than to exercise its rights and perform its obligations under this Agreement. The foregoing restrictions on disclosure and use will not apply with respect to any Confidential Information to the extent such Confidential Information: (i) was or becomes publicly known through no wrongful act or omission of Recipient; (ii) was rightfully known by Recipient before receipt from Discloser; (iii) is independently developed by Recipient (*i.e.*, without the use of the Confidential Information of the Discloser); or (iv) becomes rightfully known to Recipient without confidential or proprietary restriction from a source other than Discloser that does not owe a duty of confidentiality to Discloser with respect to such Confidential Information. Recipient may disclose Confidential Information to the extent Recipient is legally compelled to disclose such Confidential Information, provided, however, that prior to any such compelled disclosure, Recipient will give Discloser reasonable advance notice of any such disclosure and will cooperate with Discloser in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of such disclosure and/or use of the Confidential Information. Client's obligation to keep information confidential shall not apply if disclosure is required by the Tennessee Public Records Act. Tenn. Code Ann. § 10-7-503.

9. B-Line Medical Warranties.

9.1 During the Warranty Period, B-Line Medical warrants that the Software, as delivered by B-Line Medical and if properly installed in accordance with the Documentation, will be free of Program Errors. B-Line Medical does not warrant that the Software will be uninterrupted in its operation or error-free. With respect to Program Errors reported by Client to B-Line Medical during the Warranty Period, B-Line Medical will, as B-Line Medical's sole and exclusive obligation and Client's sole and exclusive remedy under the foregoing warranty, use all commercially reasonable efforts to correct such Program Errors.

9.2 B-Line Medical warrants that the Products shall conform to the requirements of this Agreement and the Documentation, provided that Client's equipment meets published minimum system requirements and/or the technical assumptions and audio-visual and networks standards set out in the Statement of Work if applicable. B-Line Medical does not warrant that the Products will meet Client's requirements. B-Line Medical's sole and exclusive obligation and Client's sole and exclusive remedy, for breach of this limited warranty shall be at B-Line Medical's option, to make corrections to the

Products or replace defective Product hardware components to bring them into conformance with their Documentation, or to refund license fees paid by Client and terminate Client's license. Any replacement hardware is warranted to the end of the original warranty period. The foregoing warranty applies to the Products as delivered by B-Line Medical. Any modifications to the Products made by anyone other than B-Line Medical, except at the express direction of B-Line Medical, shall void this warranty. Any addition of Unauthorized Software/Hardware shall void this warranty.

9.3 B-Line Medical further warrants that (i) the Software, as delivered by B-Line Medical and if properly installed in accordance with the Documentation, is capable of processing, recording, storing and presenting data containing dates after December 31, 1999 in substantially the same manner as before January 1, 2000, and (ii) B-Line Medical will use commercially reasonable means to detect and prevent all computer viruses or other malicious computer code designed to erase or damage the Products or other software or data (collectively, "Viruses") in the Products. With respect to any material breach of the warranty set forth in the preceding sentence, B-Line Medical will, as B-Line Medical's sole and exclusive obligation and Client's sole and exclusive remedy, use all commercially reasonable efforts to correct any material breaches of the year 2000 warranty set forth above and eliminate any Viruses.

9.4 B-Line Medical warrants that B-Line Medical is a Delaware LLC in good standing; that the person executing this Agreement on behalf of B-Line Medical is authorized to do so; and that it is unaware of any governmental action or pre-existing obligation to a third party that would prevent it from performing its obligations as set forth in this Agreement.

9.5 B-Line Medical warrants that any services provided to Client shall be performed in a professional manner in accordance with generally accepted industry standards. B-Line Medical's sole liability, and Client's sole remedy, for breach of this limited warranty shall be to re-perform the services in accordance with this limited warranty.

9.6 B-Line Medical warrants that B-Line Medical will perform the Work in compliance with applicable laws, regulations, rules, and ordinances of any applicable governmental authority.

9.7 B-Line Medical warrants that B-Line Medical will perform the Work personally and will not assign, transfer, or delegate the duty to perform the Work or any obligations under this Agreement without the express written approval of Client. Client hereby consents to B-Line Medical's use of any subcontractors identified in the Statement of Work.

9.8 B-Line Medical warrants that B-Line Medical shall not permit or allow any laborer, mechanic, or material supplier liens on Client property that may arise out of the Work or out of any labor, materials, or equipment furnished by any person under this Agreement.

9.9 B-Line Medical warrants that neither it nor any of its personnel (including employees and contractors) are currently excluded from participating in Medicare, Medicaid or other Federal health care programs. B-Line Medical shall notify Client promptly, and in no event more than five (5) business days after receiving notice that it or any of its employees, or more than fifteen (15) business days after receiving notice that any of its contractors, has been or may be excluded from participating in Medicare, Medicaid or other Federal health care programs. In the event that B-Line Medical is so excluded, this Agreement shall terminate upon the effective date of such exclusion, notwithstanding any other provision of this Agreement. In the event that any of B-Line Medical's personnel (including employees or contractors) is so excluded, B-Line Medical agrees to remove such person from performing its obligations under this Agreement (including any administrative or other services provided pursuant to this Agreement), and to inform Client of the steps it has taken to do so. If Client determines in its reasonable discretion that any such exclusion impairs B-Line Medical's ability to perform its obligations pursuant to this Agreement, or impairs Client's ability to bill for any services that it provides, then it may immediately terminate this Agreement by written notice to B-Line Medical. B-Line Medical shall screen all future employees (including employees or contractors) to determine whether any are excluded from participating in Medicare, Medicaid or other Federal health care programs and shall conduct such screening in a manner that is reasonable under applicable government laws, regulations and guidance, including by querying the Office of Inspector General List of Excluded Individuals/Entities (on the Internet at www.hhs.gov/oig), or any future replacement source.

9.10 Access to the Software may rely on network connectivity. B-Line Medical has no control over connections to and from the Internet and makes no warranty that access to the Software will be uninterrupted if, in Client's case, access is reliant on network connectivity.

9.11 The Products are not fault-tolerant and are not designed, manufactured or intended for the on-line control of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life

support machines or weapons systems, or similar activities in which the failure of the Products could lead directly to death, personal injury, or severe physical or environmental damage ("High Risk Activities"). B-LINE MEDICAL AND ITS LICENSORS SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR HIGH RISK ACTIVITIES.

9.12 Warranties for any third party hardware products supplied hereunder are provided by their manufacturers or the sub-contractor identified in the Statement of Work direct to Client. B-Line Medical provides no warranty for third party products.

9.13 THE EXPRESS WARRANTIES OF B-LINE MEDICAL STATED IN THIS SECTION 9 ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS OF ANY KIND OR NATURE BY B-LINE MEDICAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

10. Client Warranties.

10.1 Client warrants that that the person executing this Agreement on behalf of Client is authorized to do so; and that it is unaware of any governmental law or action or any pre-existing obligation that would prevent it from performing its obligations as set forth in this Agreement.

10.2 Client warrants that proper authority exists for Client to commit and spend the fees agreed to in this Agreement.

10.3 Client warrants that neither the execution of this Agreement nor the performance of the Work will violate the terms of any understanding, agreement, or order between Client and any third party.

10.4 Client warrants that the Premises shall be available and in suitable condition as set out in Section 4.12 for the Work to be performed according to the schedule agreed to by the parties.

10.5 Client warrants that all equipment designated as Client-Furnished Equipment or CFE in the Statement of Work shall be available on the Premises prior to the start of the Work.

11. Indemnity.

11.1 **Indemnity.** Subject to the terms of this Agreement, B-Line Medical will defend Client from and against any claim or action against Client to the extent such claim or action is based on an allegation that a Product infringes a copyright, trademark or patent or misappropriates a trade secret of a third party, and B-Line Medical shall indemnify and hold harmless Client from and against all Losses which are specifically attributable to such allegation; provided, that Client notifies B-Line Medical promptly in writing of such claim or action. Client gives B-Line Medical sole control of the defense thereof (and any negotiations for settlement or compromise thereof), and Client reasonably cooperates in the defense thereof at B-Line Medical's expense; provided that B-Line Medical shall not agree to any settlement or compromise that would require Client to make any payments or bear any obligations unless Client gives its prior written consent thereto. If the Product or any component thereof becomes, or in B-Line Medical's opinion is likely to become, the subject of such an allegation of infringement or misappropriation, then Client will permit B-Line Medical, at its option and expense, either to (i) procure the right to continue using that component of the Product, (ii) replace or modify that component of the Product so that it becomes non-infringing and does not include any misappropriated trade secrets, or (iii) terminate the license to such component of the Product alleged to be infringing or misappropriating and give Client a credit therefor, less depreciation for use, damage and obsolescence thereof (such depreciation to be calculated as an equal amount per year over the life of that component of the Product, which is agreed for purposes of this clause to be three (3) years from the Effective Date). Client will not incur any costs or expenses for the account of B-Line Medical pursuant to this Section without B-Line Medical's express prior written consent.

11.2 **Exceptions.** B-Line Medical will not be liable under Section 11.1 or otherwise for any claim or action alleging infringement or misappropriation based upon (i) any use of the Product in a manner other than as specified by B-Line Medical; (ii) any use of the Product in combination with other products, equipment, devices, software, systems or data not supplied by B-Line Medical to the extent such claim is directed against such combination; or (iii) any alteration, modification or customization of the Product by any person other than B-Line Medical.

12. Limitation of Liability. EXCEPT FOR ANY BREACH OF SECTION 8 ("CONFIDENTIALITY"), NEITHER PARTY, UNDER ANY CIRCUMSTANCES, SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, COVER, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR SIMILAR DAMAGES, INCLUDING LOST REVENUES, LOST DATA OR LOST TECHNOLOGY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

B-LINE MEDICAL'S CUMULATIVE LIABILITY TO THE CLIENT AND ALL OTHER PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT EXCEED IN AGGREGATE THE PRICE PAID BY THE CLIENT TO B-LINE MEDICAL HEREUNDER. THE FOREGOING LIMITATION SHALL NOT LIMIT B-LINE MEDICAL'S INDEMNIFICATION OBLIGATIONS HEREUNDER.

13. Exclusions from Limitations

Notwithstanding any other provisions in this Agreement to the contrary, in no event shall any limitation of liability or limitation of warranty reduce Client's potential recovery from B-Line Medical below two times the contract value or limit the contractor's liability to the Client for intentional torts, criminal acts, or fraudulent conduct.

14. Term and Termination.

14.1 **Term.** This Agreement will commence on the Effective Date and remain in full force and effect until the earlier of (i) expiration of all the licenses to the Products granted hereunder or (ii) termination pursuant to this Section 14. See terms as specified in the Client's Agreement.

14.2 **Termination for Breach.** Either party may terminate this Agreement (including all licenses granted pursuant to all Order Forms) if the other party materially breaches this Agreement and does not cure such breach within thirty (30) days following its receipt of written notice of such breach from the non-breaching party.

14.3 **Effect of Termination.** If this Agreement is terminated, both parties will return the Confidential Information of the other (including any copies thereof) and Client will immediately discontinue use of all Software and destroy or return to B-Line Medical all copies of the Software and Documentation; and in either case Client will erase from all computer, electronic or other storage devices or otherwise destroy all images and copies of the Software and Documentation and all portions thereof. Sections 1, 2.3, 6.2, 7, 8, 11, and 12 will survive any termination of this Agreement.

15. Miscellaneous.

Entire Agreement. This Agreement, including the exhibits attached hereto and any Order Forms and Statements of Work, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements or representations, whether oral or written, relating to the subject matter contained herein. The terms set forth in this Agreement and any Order Form or Statement of Work will control in the event that there are any different or additional terms set forth on any other purchase order or other form submitted by Client. This Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable for any reason, the remaining provisions hereof will be unaffected and remain in full force and effect. Suppliers to B-Line Medical may be third party beneficiaries of this Agreement with rights to directly enforce the provisions of this Agreement. **Governing Law.** This Agreement will be governed by and interpreted in accordance with the laws of the State of Tennessee as those laws are applied to contracts entered into and to be performed entirely in Tennessee by Tennessee residents. Each party consents to the exclusive personal jurisdiction of the State courts located in the State of Tennessee for resolution of disputes arising out of or related to this Agreement. **Waiver.** No waiver of any provision or right will affect the right of the waiving party to enforce any other provision or right herein or the same provision or right in the future. **No Agency.** This Agreement does not create any agency, employment, partnership, joint venture, or other joint relationship. **Remedies.** To the extent permitted by applicable law, which may prohibit some or all of the following, the parties agree in the event of a material breach of this Agreement, the non-breaching party will be entitled to seek immediate injunctive relief, in addition to whatever remedies it might have at law or under this Agreement. All rights and remedies hereunder are cumulative, may be exercised singularly or concurrently and will not be deemed exclusive except as expressly provided herein **Notices.** Any notice or communication permitted or required hereunder will be in writing and delivered in person or by courier, sent by confirmed facsimile (fax), or mailed by certified or registered mail, postage prepaid, return receipt requested, and addressed as set forth after the signatures of this Agreement or to such other address as given in accordance with this Section. If notice is given in person, by courier or by fax, it will be effective upon receipt; and if notice is given by mail, it will be effective five (5) business days after deposit in the mail. **Export Control.** Client agrees (i) to comply fully with all relevant export laws and regulations of the United States, including the U.S. Export Administration Regulations, and (ii) not to export, or allow the export or re-export of, the Products or any components thereof or any Confidential Information of B- Line Medical in violation of such laws and or regulations, or without all required licenses and authorizations. **Counterparts.** This Agreement may be executed in several counterparts, all of which will constitute one agreement. **Signatures.** When the authorized representative of either party signs this Agreement, a copy, duplicate, electronic file or facsimile of such signed Agreement

shall have the same force and effect as one bearing an original signature. **Non-Assignable.** Client may not assign, delegate or otherwise transfer this Agreement or any right or obligation hereunder, without the express prior written consent of B-Line Medical. Subject to the foregoing, this Agreement will bind each party and its permitted successors and assigns. **Force Majeure.** Each party will be excused from performance for any period during which, and to the extent that, it is prevented from performing any obligation or service as a result of causes beyond its reasonable control, and without its fault or negligence, including acts of God, riots, epidemics, acts of war, communication line failures and power failures. **Government.** If Client is an agency or instrumentality of the United States Government, the Software and Documentation are "commercial computer software" and "commercial computer software documentation", and pursuant to FAR 12.212 or DFARS 227.7202, and their successors, as applicable, use, reproduction and disclosure of the Software and Documentation are governed by the terms of this Agreement. **Audit.** Pursuant to section 1395(X)(V)(1)(A) of Title 42 of the United States Code, until the expiration of four (4) years after the completion of the Work, B-Line Medical shall make available, upon written request of the Secretary of the United States Department of Health and Human Services, or upon request of the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided under this Agreement. **Non-Discrimination.** All services provided under this Agreement shall be provided without regard to the race, color, creed, sex, age, disability status, national origin of participants requiring such services. In addition to any other requirements of law, neither B-Line Medical or Client shall discriminate against any employee, applicant for employment, student, or applicant for registration because of age, race, religion, color, handicap, sex, or national origin in the performance of their obligations under this Agreement, including, but not limited to, the following: employment, upgrading, promotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training including apprenticeships. Notices will be posted in compliance with applicable state and federal laws in conspicuous places, available for employees and applicants for employment, setting forth the provisions of this nondiscrimination clause, as required by law. **Construction of Agreement.** This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

The duly authorized representatives have executed and delivered this Agreement as of the Effective Date above.

CLIENT: UNIVERSITY OF TENNESSEE	**B-LINE MEDICAL, LLC**
By: [signature]	By:
Name: Charles M. Peccolo	Name:
Title: Treasurer	Title:
Date: JAN 2 5 2010	Date:
Address:	Address: 1300 19th Street NW, Suite 100 Washington, DC 20036

Exhibit A
Initial Order Form

Order Date: January 22, 2010

This Initial Order Form is subject to all of the terms set forth in the License and Support Services Agreement ("Agreement") between Client (identified below) and B-Line Medical, LLC ("B-Line Medical"), dated as of December 3rd, 2009. Nothing in this Initial Order Form will amend any terms of the Agreement. In the event of any conflict between this Initial Order Form and the Agreement the terms in the Agreement will control. All capitalized terms not defined in this Initial Order Form will have the meanings set forth in the Agreement.

Client: University of Tennessee

Products to be supplied under this Order Form: Clinical Skills, Clinical Skills Dual Channel Encoders, and Subcontracted Audiovisual Equipment and Integration

Summary of Charges:

Products	$314,892.99
Services (if any)	$84,008.33
Annual Support and Maintenance • Option 1 (two years, first year free) • Option 2 (three years, first year free, second and third years discounted)	$31,950 Option 1
TOTAL due under this Order Form	$430,851.32

Payment Terms:

Initial Payment	45% of Total	Invoiced upon signature of License and Support Services Agreement and the Client's receipt of the Clinical Skills Software on CD, payable net 30 days
Second Payment	45% of Total	Invoiced when the remaining hardware Products have been delivered to Client's Premises, payable net 30 days
Final Payment	10% of Total	Invoiced on Completion Date, payable net 30 days
Required second year Annual Support and Maintenance	100% of Total	Invoiced 11 months from Completion Date, payable net 30 days
Optional third year Annual Support and Maintenance	100% of Total	Invoiced 23 months from Completion Date, payable net 30 days

Premises shall mean the University of Tennessee Kaplan Center in Memphis, TN 38163.

Substantial Completion Date

1. Shall be one hundred twenty (120) days from the later of (a) execution by both parties of a detailed Statement of Work or (b) receipt of first payment.

Exhibit B
Support and Maintenance Services

Support Services Provided for Clinical Skills

1. Single Point of Contact

   A. All Support issues related to the Product should be directed through B-Line Medical. B-Line Medical will attempt to remotely diagnose any issues.
   B. B-Line Medical has no direct responsibility for third party hardware including but not limited to Client furnished servers and PCs or Audio Visual Hardware ("Third Party Equipment"). If issues are reported that relate to Third Party Equipment, B-Line Medical will coordinate with the appropriate third parties as needed to execute repairs but does not have the capability to perform, and shall not be responsible for, such repairs.
   C. If third parties are required for repairs or additional diagnosis, they may require coordination with appropriate personnel at Client facility.

2. Phone Support

   Normal Business Hours Support: B-Line Medical's Support team is available by phone at 301-768-4460 Monday – Friday from 9 AM until 5 PM Eastern Time (excluding holidays).

3. General/ Email Support

   General questions should be emailed to support@blinemedical.com. Responses to critical issues will occur within 4 hours; responses to non-critical issues will occur within 24 hours. A critical issue is defined as an issue that impedes the system from functioning.

4. Maintenance

   A. B-Line Medical shall provide daily on-site back ups of Client's database.

   B. B-Line Medical shall provide weekly off-site back ups of Client's database at Client request and where the network permits. To the extent applicable, Client is responsible for maintenance of third party and Client furnished equipment and software. Client should use reasonable efforts to inform B-Line Medical of scheduled maintenance that could affect the Product's performance.

   C. Off-site backups retention will stop after three (3) months if Client does not renew this Agreement.

   D. In an effort to continually improve its product offerings and customer service, B-Line Medical examines aggregate feature usage data, including (but not limited to) usage patterns, access of features and pages, etc. B-Line Medical may include Client data with no personally identifiable information when it compiles and uses this data. Such feature usage data may be captured in the Product database and accessed by B-Line Medical periodically provided that such data capture and access will not adversely affect Product performance.

5. Upgrades and Updates

   B-Line Medical shall provide Client with any Updates or Enhancements to the Software and Documentation that are developed and released by B-Line Medical to B-Line Medical's customers generally, at no additional charge, at the time that the same are generally made available to B-Line Medical's other customers. Client shall accept such updates, enhancements, patches and fixes to the Software.

6. Error Corrections

   A. Upon written notification by Client (or oral notification with written confirmation) of a Program Error in the Software, B-Line Medical shall verify that a Program Error exists and, if so, B-Line Medical shall use all

reasonable diligence to promptly correct the Program Error and restore functionality of the Software in conformity with the Documentation for the Software. Any Program Error that prevents the Software from operating will be given top priority in B-Line Medical's efforts.

B. Some software capabilities are dependant upon network functionality and speed; if B-Line Medical determines that a reported problem results from Client's network functionality rather than a malfunction of B-Line Medical Software, it is the responsibility of Client's IT department to address the network issue. If B-Line Medical determines that the reported problem is the responsibility of Client then all travel expenses associated with diagnosing the reported problem will be billed to Client and standard B-Line Medical consulting rates will apply. However, prior to incurring such travel expenses, B-Line Medical shall use all resources available to determine the cause of the problem. If they determine travel is required, B-Line Medical shall obtain advance written approval from Client before such expenses are incurred.

7. Client Responsibilities and Best Practices

A. Client is responsible for assigning a single point of contact for all updates, upgrades, and issues with regards to the Software.

B. Client is responsible for maintaining support contracts with the appropriate third party vendors of audio/visual and other hardware.

C. Client shall set aside a few maintenance days per year to allow B-Line Medical to apply updates/upgrade to the Software. Before any such update/upgrade to Client's system B-Line Medical will contact Client to schedule the date and time of the update.

D. In order to provide support, B-Line Medical requires remote access via secure VPN to data contained in the Software. Such data will be used by B-Line Medical solely internally for purposes of providing support and designing Product improvements. If remote access is not available, additional service charges may apply.

E. Except in the case of SimCapture®, to which no software may be added, Client is responsible for the implementation and maintenance of antivirus software on computers in the center that are not servers and must notify B-Line Medical Support before the installation of such software.

8. Special Provisions for High Stakes Events Using Standardized Patients

A. Support During Prescheduled High Stakes Events: If Client wishes B-Line Medical to be available to provide live phone support during a high stakes event (such as an exam) involving standardized patients (a "High Stakes Event"), Client must notify the B-Line Medical Support Team no less than two (2) weeks in advance of such High Stakes Event, but preferably as early as possible, to permit appropriate staff scheduling. Client should send an email to support@blinemedical.com with a schedule of Client's High Stakes Events, and B-Line Medical will use commercially reasonable efforts to ensure that support staff is immediately accessible to provide live support and monitoring as needed during the hours of the High Stakes Event.

B. Urgent Issues, Outside of Normal Business Hours and Prescheduled High Stakes Events: B-Line Medical will use commercially reasonable efforts to be available for after hours support during a live exam if problems arise with the audio video recording or the exam system while the live exam is occurring. Calls placed outside of normal business hours or a prescheduled High Stakes Event for any other reason will be charged at B-Line Medical's standard consulting rates. B-Line Medical will not be liable for any lack of live support for an unscheduled High Stakes Event.

C. Client is responsible for running a practice exam or thorough system checks before every High Stakes Event and after any updates/upgrades to Client's system

SimCapture® & SimBridge® Support Provisions

1. **No technical support will be provided if Client adds software to the SimCapture®, modifies the SimCapture® or breaks the protective seal but technical support will be provided if B-Line Medical modifies the SimCapture® at Client's request.** Obvious tampering, breaking the protective seal, abuse or water damage will void all warranties and support obligations hereunder and Client will be solely responsible for the cost of time, materials and shipping to repair or replace the SimCapture®. Technical support will be provided for the currently shipping version of SimCapture® and for 12 months after a release has been superseded or a product or version is discontinued. Support for superseded versions of SimCapture® may be discontinued on 2 months' notice, which shall be sufficient if posted on B-Line Medical's web site.

2. Client shall designate a single point of contact for technical support issues. The designated contact may send an e-mail to receive technical support, and must have the serial numbers of the SimCapture® and related equipment available. Email responses shall occur within 24 hoursB-Line Medical Technical Support Analysts are available from 9:00 AM to 5:00 PM Eastern Time Monday through Friday, exclusive of B-Line Medical holidays.

3. Third party hardware and/or peripheral devices may be included with the SimCapture® delivered to Client. Support questions relating to these third party products may be initially addressed with B-Line Medical, but B-Line Medical reserves the right to refer Client to the manufacturer for detailed technical support. Client is responsible for entering into technical support and maintenance contracts with the supplier or manufacturer of all such equipment.

4. In order to provide support, B-Line Medical will require remote access to data contained in the SimCapture®. Such data will be used by B-Line Medical solely internally for purposes of providing support and designing product improvements. If remote access is not available, additional service charges may apply.

5. Upon receipt of a Return Materials Authorization number from B-Line Medical, Client may return the SimCapture® for repair and B-Line Medical shall initially bear the shipping costs. Shipping costs will be billed to Client if B-Line Medical determines that no fault exists with the returned SimCapture®. If a support issue cannot be resolved remotely and Client requests that B-Line Medical travel to Client's premises to effect repairs, Client shall initially bear the travel costs. Travel costs will be reimbursed to Client if B-Line Medical determines that the sole fault lies with the SimCapture®.

6. B-Line Medical's technical support extends to the operation of its software, and does not extend to lost data (Client is solely responsible for ensuring that back-ups are made), failure of simulation equipment or other third party equipment with which the SimCapture® interoperates, or acts of God or natural disaster including without limitation fire, flood, wind damage, explosion, earthquake, riots, war or terrorism.

7. Client will be entitled to software updates, enhancements and fixes ("Maintenance Releases") generally made available to B-Line Medical customers free of charge and such Maintenance Releases shall be considered "SimCapture®" for the purposes of the limited warranty contained in Section 9.2 of the License and Support Agreement. B-Line Medical will charge its then-standard rates for services required to install Maintenance Releases. A SimCapture® which has been modified in any way may not be compatible with maintenance updates, enhancements or fixes, and B-Line Medical shall have no obligation to make such maintenance updates, enhancements or fixes compatible with modified SimCapture®. Maintenance for superseded versions of SimCapture® may be discontinued on 2 months' notice, which shall be sufficient if posted on B-Line Medical's web site.

Term and Fees

1. Term of Support

   B-Line Medical shall provide the Support described herein at a reduced charge (as specified in the Order Form) during the Warranty Period and thereafter, upon payment of the maintenance fee, for a term of one (1) year, beginning upon expiration of the Warranty Period. Support shall continue from year to year thereafter as long as

Client continues to use the Software and pays the annual fee invoiced by B-Line Medical. B-Line Medical may at its option suspend support if support payments are not made on time. B-Line Medical's support obligation shall terminate upon any termination of Client's right to use the Software pursuant to the License and Support Services Agreement.

2. Fee and Payment

The initial maintenance fee shall be payable prior to commencement of the term hereof. Fees for each successive maintenance term shall be payable prior to the start thereof. Payment will be made by Client within thirty (30) days upon receipt of invoice.

Exhibit C
Completion Checklists

This Completion Checklist is applicable if the Clinical Skills product was purchased.

Clinical Skills Completion Checklist

1. Tested and confirmed the following functionality
    a. Created/modified system users
    b. Created/modified a case with associated checklists and uploaded assets
    c. Ran an exam using all rooms
    d. Observed exam from control station via Control Interface
    e. Observed exam from monitor station via Monitor Interface (if applicable)
    f. Completed checklists at each SP and Student station
    g. Verified successful recording (if applicable)
    h. Demonstrated video playback (if applicable)
    i. Reviewed checklist via System Admin
    j. Ran a report
    k. Accessed data via Public Admin server (if applicable)
    l. Scheduled database backups (if applicable)
2. Verified integrated audio-visual system functionality (if applicable)
    a. Controlled cameras from within the monitor station via the Monitor Interface (if applicable)
    b. Paged into configured areas from appropriate paging stations (if applicable)

ADDENDUM TO THE STATEMENT OF WORK BETWEEN THE UNIVERSITY OF TENNESSEE AND B-LINE MEDICAL

Confidentiality

The University of Tennessee's obligation to keep information confidential provides that the obligation shall not apply if disclosure is required by the Tennessee Public Records Act, Tenn. Code Ann. § 10-7-503.

In the event of conflict between the State of Work and the Contract, the Contract shall control.

B-Line Medical

Authorizing Signature

University of Tennessee

1·27·10

Anthony A. Ferrara
Vice Chancellor Finance and Operations

B-Line Medical®
Statement of Work

Version: 1.00
Date: 12/3/09
Presented By: David Ramsay

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I. Contacts, Rates, Terms, and Definitions

A. Client Contacts

	University of Tennessee
	Dianne Holmes
	Kaplan Center - Clinical Skills
	Pending
	up to 120 days
	1/1/10
	4/30/10

B. Schedule of Rates

Integration Labor	$175 / Hour
Project Management Labor	$225 / Hour

C. Payment Terms

Down Payment	Signing of Purchase Agreement	45%
Phase 1	Delivery of Product to Client	45%
Phase 2	Final Completion	10%
		%

D. Statement of Work Definitions

1. "We" "Us" and "Our" is defined as B-Line Medical®, LLC
2. "Client" and "You" is defined as University of Tennessee
3. "AV Vendor" is defined as Signature AV
4. "AV" is defined as audio and visual
5. "Contract" is defined as the License and Support Services Agreement between B-Line Medical®, LLC ("B-Line Medical®") and the Client signed dated as of the Effective Date in the Contract
6. "Prime" is defined as B-Line Medical® being responsible for AV Equipment and B-Line Medical® equipment functioning properly regardless of B-Line Medical® purchasing and installing AV Equipment or subcontracting out AV to an AV Vendor
7. "Independent" is defined as B-Line Medical® being responsible only for B-Line Medical® equipment functioning properly

E. Special Notes/Exceptions

No special notes/exceptions.

II. Statement of Work

This Statement of Work is to be utilized in the sale of the Clinical Skills product by B-Line Medical®.

A. Project Objectives, Assumptions, Constraints

1. Objective

a) The objective is to provide a functioning Clinical Skills Assessment System

2. Assumptions

a) Client has competent personnel to run the system
b) Client will create their content before attempting to run the system
c) Client will be comfortable using the system before scheduling a high-stakes event

3. Constraints

a) Project will be dependent on completion of any Client construction prior to our engagement
b) Project will be dependent on receipt of first payment and signing of Statement of Work
c) Project will be dependent on our resource availability during desired installation timeframe

4. Status

a) B-Line Medical® is PRIME on this project.
b) All communications regarding this project should be made directly with B-Line Medical® and not through any third party, including any subcontractor of B-Line Medical®

B. Client Scope, B-Line Medical® Scope, Boundaries, and Acceptance Criteria

1. Client Scope

a) Client has reviewed and understands the Contract and Statement of Work
b) Client ensures that Client Furnished Equipment (CFE) is set up at proper locations prior to our installation (Exhibit A)
c) Client complies with recommended specifications of CFE (Exhibit A, B, C)
d) Client confirms the technical assumptions in Exhibit D
e) Client sets up network drops and installs patch panel for network cable termination in server room

(1) HVAC: Please make sure your server room can adequately cool the equipment listed in the Contract
(2) Ideally the room that houses the equipment will have its own temperature control
(3) Temperature in the server room should stay around 65 degrees and never exceed 75 degrees
(4) Humidity should be between 20% and 60%, never to exceed 80%

f) Is Client providing the firewall and switch configuration? YES

g) If Client is providing firewall and switch, Client must provide IP schema to us two (2) weeks prior to our on site installation

h) If Client is providing firewall and switch with the assumed responsibility of their management, in order for B-Line Medical® to provide support, Client must provide a secure VPN connection that allows remote access via Remote Desktop to all B-Line Medical® supported devices including PCs and/or Servers dedicated to running the software of B-Line Medical® two (2) weeks prior to our on site installation. We also require VNC Viewer capability for all PCs running a version of B-Line Medical® Exam Interface including SP PCs, Student PCs, and Monitoring PCs. If remote access is not available, additional service charges may apply for any support provided.

i) Client provides a minimum 1 GB uplink made of Fiber from Client network to the B-Line Medical® network

2. **B-Line Medical® Scope**

a) We will provide:

(1) 12 Standardized Patient Exam Rooms (Exhibit E)
(2) 12 Monitoring Stations (Exhibit E)
(3) 01 Control Stations (Exhibit E)
(4) 00 Proctor Stations (Exhibit E)
(5) LDAP Integration? NO (Exhibit F)
(6) Firewall and switch configuration? NO
(7) If we are providing the firewall and switch configuration, then we will provide the IP schema to the Client 2 weeks prior to our on site installation
(8) AV Equipment (Exhibit K)
(9) Configure and test our Clinical Skills software on CFE (Exhibit A, B, C)
(10) On site training at the end of the installation period

3. **General Work Standards**

a) Standard Project Management Work of B-Line Medical® includes 1 Project Manager on-site for up to one (1) day

b) Standard Systems Integration Work of B-Line Medical® includes 1 Integrator on-site for up to eight (8) days & 1 Project Manager on-site for up to three (3) days

c) Standard Systems Training Work of B-Line Medical® includes 1 Trainer on-site for up to four (4) hours of training. A separate training session from the installation or a repeat training session scheduled for a later date would be billable at the standard training rates of B-Line Medical®.

d) All days are assumed to be 8-hour work days during normal business hours, defined as Monday through Friday, 9:00AM to 5:00PM, unless otherwise arranged in advance

e) On the days of scheduled installation, B-Line Medical® and/or subcontracted parties shall have exclusive use of the rooms in which installation shall occur during the business hours defined above, unless otherwise arranged in advance

f) Additional service time beyond the allotted amount will be considered changes, per the Change Management Process of B-Line Medical®.

g) Service time is charged to the Client at the following approximate rates when additional travel is required:

(1) $1440 per day Training + Relevant Travel Expenses
(2) $1800 per day Project Management work + Relevant Travel Expenses

NOTE: Rates above are per full day. Please inquire for hourly standard training rates. Rates are subject to change without notice.

4. **Boundaries**
   a) The scope does not cover costs associated with delays caused by schedule changes of applicable services provided by third parties who are hired by Client, such as general contractors, electricians, facilities management, AV Vendors (if not subcontractor), or Client
   b) The scope does not cover software or hardware functionality not explicitly described in this Statement of Work
   c) B-Line Medical® will not be responsible for system interruption/failure beyond the last day of the B-Line Medical® software installation if there are any changes made to the B-Line Medical® software environment other than those changes made by B-Line Medical® and/or its subcontractor

5. **Acceptance Criteria**
   a) Project is complete when B-Line Medical® demonstrates to Client during Standard Systems Training that the system conforms to the completion checklist (Exhibit H)
   b) Client is responsible for testing the system within five (5) business days after Standard Systems Training has been completed and informing B-Line Medical® of any system issues related to the functionality outlined in the completion checklist (Exhibit H)

C. Change Management Process

1. Our Project Management process depends on careful resource allocation and planning in order to satisfy Client objectives in a timely fashion
2. Any changes to the project scope as listed in the previous sections, may require changes in resource allocation that can affect the timetables and costs of this project as well as other B-Line Medical® projects
3. Any incorrect information that we may receive on the Pre-Install Checklist may require us to implement changes and may result in additional costs to Client
4. Out of fairness to all clients, B-Line Medical® has a defined change management process in order to handle these types of situations

   a) Discuss change with B-Line Medical® Project Manager
   b) Project Manager will consult with 3rd parties as needed and perform an Impact Analysis including related costs
   c) Any changes, if any, to Client's project cost and/or timetable will be discussed with Client
   d) If necessary, a Change Order and Addendum to the Statement of Work will be issued to the Client
   e) Client will determine whether to go forward with the change and sign the Change Order and Addendum to the Statement of Work
   f) If change is authorized, any additional costs will be invoiced, an addendum to the Statement of Work attached, and a new project schedule will be given to the Client

5. We are not responsible for delays caused by 3rd party service providers not authorized or directed by us
6. We work in "Good Faith" with these providers to satisfy Client objectives, but

are not involved in marketing or revenue sharing with said providers.

7. Cost and timetable changes caused by 3rd party delay or mis-performance will be treated according to our Change Management Process and may result in additional cost to Client.

III. Acceptance and Authorization

The terms and conditions of the License and Support Services Agreement between the parties shall apply in full to the services and/or products provided under this Statement of Work. When the authorized representatives of each party sign this Statement of Work, a copy, duplicate, electronic file or facsimile of such signed Statement of Work shall have the same force and effect as one bearing the original signature.

IN WITNESS WHEREOF, the parties hereto each acting with proper authority have executed this Statement of Work together with Exhibits A through O, under seal.

University of Tennessee	B-Line Medical®, LLC
By: [signature]	By: Johanne Fong
Name: Anthony A. Ferrara	Name: Johanne Fong
Title: Vice Chancellor Finance & Operations	Title: Director of Operations
Date: 1.27.10	Date: 1.28.10

This version of this Statement of Work DOES NOT supersede an earlier version.

IV. Exhibits A – I

A. Exhibit A – Client Furnished Equipment

1. Clinical Skills

a) Workstation Computers

(1) Client must furnish all computers to run B-Line Medical® software. This includes computers located at:

(a) Control stations
(b) Monitoring stations
(c) SP stations
(d) Student Stations

(2) Client must furnish computers meeting the hardware specifications outlined in Exhibit B
(3) Client must install required software on computers outlined in Exhibit B
(4) Client must install or mount said computers into workstations and rooms

b) Servers

(1) Client must furnish servers meeting the hardware specifications outlined in Exhibit C
(2) Client must install required software on servers outlined in Exhibit C
(3) Client must send us the Clinical Skills Servers that comply with specifications outlined in Exhibit C for installation
(4) If Client cannot send us the Clinical Skills Servers, then Client must provide VPN or remote desktop functionality to us in order to configure the servers remotely

B. Exhibit B – Clinical Skills Workstation Recommended Specifications

1. Student/Standardized Patient Hardware Specifications

a) Processor: Pentium 4, 3.0 GHz or faster
b) Operating System: Windows XP Professional SP2 32-bit or Vista Business SP1 32-bit
c) Memory: 2 GB of available RAM
d) Hard Drive: 5 GB of available storage
e) Monitor: monitor displaying a minimum of thousands of colors with resolution set to at least 1024x768 pixels
f) Network: RJ45 Ethernet port

2. Student/Standardized Patient Station Configuration*

a) Install Windows XP Professional SP2 32-bit or Vista Business SP1 32-bit w/ latest security patches
b) Must be a "clean" machine without any security policies
c) Enable Remote Desktop
d) Install Internet Explorer 7
e) Install Microsoft .NET Framework 3.5

f) Install Flash Player 9 or later
g) Install Adobe Acrobat Reader 7 or later
h) Install QuickTime Player 7.4.5 or later then disable automatic updates and remove desktop icon
i) Install Real VNC Server 4.1.3, configure it for Service-Mode, set a password and provide it to B-Line Medical®
j) Disable Windows Firewall or enable but allow for VNC traffic and QuickTime traffic
k) Disable Automatic Updates
l) Disable the Security Center alerts for Automatic Updates and Virus Protection
m) Disable Fast User Switching
n) Create "blineadmin" account with administrative rights and send password to B-Line Medical®
o) Create 'user' account with limited access and send password to B-Line Medical®
p) Configure 'user' account to automatically log on when the computer is turned on (This is recommended but optional)
q) The password for these accounts should not expire
r) Power settings should be set to 'Always On' for all accounts with the exception of the monitor turning off in no less than 1 hour
s) Install Exam Interface (will be provided by B-Line Medical® integration team)
t) Daily reboots: Create a folder named scripts on the C drive in the scripts folder, create a batch file named reboot.bat with the command shutdown -f -r -t 01 in it. Schedule the batch file to run daily at 3:00am using the local blineadmin account
u) *Assuming machines are dedicated to Clinical Skills Applications

3. **Control/Monitor Station Hardware Specifications**
a) Processor: Pentium 4, 3.0 GHz or faster
b) Operating System: Windows XP Professional SP2 32-bit or Vista Business SP1 32-bit
c) Memory: 2 GB of available RAM
d) Hard Drive: 5 GB of available storage
e) Monitor: monitor displaying a minimum of thousands of colors with resolution set to at least 1280x1024 pixels
f) Network: RJ45 Ethernet port

4. **Control/Monitor Station Configuration***
a) Install Windows XP Professional SP2 32-bit or Vista Business SP1 32-bit w/ latest security patches
b) Enable Remote Desktop
c) Install Microsoft .NET Framework 2.0
d) Install Internet Explorer 7
e) Install Flash Player 9 or later
f) Install Adobe Acrobat Reader 7 or later
g) Install QuickTime Player 7.4.5 and disable automatic updates
h) Install Real VNC Server 4.1.3, configure it for Service-Mode, set a password and provide it to B-Line Medical®
i) Disable Windows Firewall or enable but allow for VNC traffic and QuickTime Traffic
j) Disable Automatic Updates
k) Disable the Security Center alerts for Automatic Updates and Virus Protection
l) Disable Fast User Switching

m) Create "blineadmin" account with administrative rights and send password to B-Line Medical®
n) Create 'user' account with limited access and send password to B-Line Medical®
o) The password for these accounts should not expire
p) Install Excel Viewer
q) Install VBrick StreamPlayer (B-Line Medical® can provide a version of this to install if necessary)
r) Power settings should be set to 'Always On' for all accounts with the exception of the monitor turning off in no less than 1 hour
s) Disable the screensaver for the 'user' account
t) Set the network connection icon to be show in the notification area when connected
u) Install Monitor Interface, (will be provided B-Line Medical® integration)
v) Daily reboots: Create a folder named scripts on the C drive in the scripts folder; create a batch file named reboot.bat with the command shutdown -f -r -t 01 in it. Schedule the batch file to run daily at 3:00am using the local blineadmin account
w) *Assuming machines are dedicated to Clinical Skills Applications

C. Exhibit C – Clinical Skills Server Recommended Specifications

1. **Required Servers**
   a) Admin (x1)
   b) Cache (x2)
   c) Video on Demand (VOD) with attached storage solution (x1)

2. **Optional Servers for Public Access**
   a) Public Admin and Streaming (x1)

3. **Server Hardware Specifications**
   a) Overview of Specifications

      (1) Processor: Quad Core 3.00 GHz Intel® Xeon
      (2) Operating System: Windows Server ® 2003 R2, 32-bit
      (3) Memory: 4GB of available memory of more
      (4) Hard Drive: 250 GB of available storage, RAID 1
      (5) Support: 3Yr 7x24 HW/SW, 7x24 4-hr Onsite
      (6) Video on Demand Server: Attached storage solution

   b) Detailed Specifications for All Servers

      (1) Processor: Quad Core Intel® Xeon E5450, 2x6MB Cache, 3.00GHz, 1333MHz FSB
      (2) Additional Processor: Single Processor only
      (3) Memory: 4GB 667MHz (8x512MB), Single Ranked DIMMs
      (4) Operating System: Windows Server® 2003 R2, Standard Edition, Includes 5 CALs
      (5) Backplane: 1x2 Backplane for 3.5-inch Hard Drives
      (6) Primary Controller: Integrated SAS/SATA RAID 1, PERC 6/I Integrated/SAS6/IR
      (7) Primary Hard Drive: 250GB 7.2K RPM Serial ATA 3Gbps 3.5-inch HotPlug

firewall configurations necessary
(3) Any issues with streaming on the Client's network are the responsibility of the Client's information technology department
(4) The Workstation Recommended Specifications apply for off site viewing

b) Software Performance

(1) Software performance on Client workstations is directly related to the specifications of a Client machine
(2) If the Client machine does not comply with the recommended specifications, we cannot ensure reliable operation

E. Exhibit E – Clinical Skills Details

1. Standardized Patient Exam Rooms

a) If we are Prime on this project with an AV Vendor, we will provide the following per Standardized Patient Exam Room:

(1) 2 Cameras
(2) 1 Microphone
(3) 1 Ceiling speaker
(4) Clinical Skills exam software for the Standardized Patient Computer
(5) Clinical Skills exam software for the Student Computer
(6) Confirm correct integration of AV hardware with Clinical Skills Software
(7) The configuration above is the typical set up for Standardized Patient Exam Rooms and may not be what you have purchased
(8) As such, please review the exact details and quantities of the above equipment in the Contract

b) If we are Independent on this project, we will provide the following per Standardized Patient Exam Room:

(1) Clinical Skills exam software for the Standardized Patient Computer
(2) Clinical Skills exam software for the Student Computer
(3) Ensure the software is working correctly
(4) If the AV hardware is not working, we cannot make any changes to 3rd party equipment and therefore are not responsible for a working system as it is dependent upon a 3rd party
(5) If the AV vendor does not fix the issue during our on-site installation, we may need to come on-site at a late time at the Client's expense to ensure proper integration

2. Monitor Stations

a) If we are Prime on this project with an AV Vendor, we will provide the following per Monitor Station:

(1) 1 Headset with microphone for paging purposes
(2) Clinical Skills monitoring software for the monitoring station computer
(3) Confirm correct integration of AV hardware with Clinical Skills Software
(4) The configuration above is the typical set up for monitoring stations and may not be what you have purchased
(5) As such, please review the exact details and quantities of the above

Hard Drive
(8) 2nd Hard Drive: 250GB 7.2K RPM Serial ATA 3Gbps 3.5-inch HotPlug Hard Drive
(9) PCI Riser: Riser with 2 PCIe Slots
(10) Chassis Configuration: Rack Chassis w/Sliding Rapid/Versa Rails and Cable Management Arm, Universal
(11) Power Supply: Redundant Power Supply with Dual Cords
(12) Bezel: Rack Bezel
(13) Network Adaptor: Dual Embedded Broadcom® NetXtreme II 5708 Gigabit Ethernet NIC
(14) CD/DVD Drive: DVD-ROM, SATA, Internal
(15) Hardware Support: 3Yr 7x24 HW/SW, 7x24 4-hr Onsite

c) Additional Specifications

(1) Admin Server

(a) Microsoft SQL Server 2005 Standard Edition or higher with five (5) Client Access Licenses (CALs)
(b) Adobe Flash Media Interactive Server 3.0 or higher

(2) Video on Demand Server

(a) External Storage Interconnect: Qlogic 2462 Dual Channel 4 GB Optical Fiber Channel HBA, PCIe

(i) External Storage Interconnect may change based on Client or AV Vendor supplied long term storage solution
(ii) We recommend direct attached storage solutions using fiber channel connectivity

(b) Recommended specifications for attached storage solution

(i) A starting storage space of 4TB or more
(ii) 1TB equals approximately 1,400 Clinical Skills session hours (based on 2 camera streams)
(iii) RAID level 6
(iv) Hot-swapping and expansion capabilities
(v) When storage expansion is necessary, the client will be solely responsible for such expansion and any related data transfer
(vi) Rorke Data Galaxy HDX2 is recommended but not required

D. Exhibit D – Technical Assumptions

1. General Assumptions

a) Public Access

(1) In order for the Client to have public access to video and data, their network infrastructure needs to have sufficient bandwidth
(2) In addition, the Client's networking team needs to understand the appropriate

equipment in the Contract

b) If we are Independent on this project, we will install the following per Monitor Station:

(1) Clinical Skills monitoring software for the monitoring station computer
(2) Ensure the software is working correctly
(3) If the AV hardware is not working, we cannot make any changes to 3rd party equipment and therefore are not responsible for a working system as it is dependent upon a 3rd party
(4) If the AV vendor does not fix the issue during our on-site installation, we may need to come on-site at a late time at the Client's expense to ensure proper integration

3. **Control Stations**

a) If we are Prime on this project with an AV Vendor, we will provide the following per Control Station:

(1) 2 Displays
(2) 1 Camera control station
(3) 1 Microphone
(4) 1 Overhead speaker
(5) Clinical Skills monitoring software for the Client furnished control station computer
(6) Confirm correct integration of AV hardware with Clinical Skills Software
(7) The configuration above is the typical set up for the control station and may not be what you have purchased
(8) As such, please review the exact details and quantities of the above equipment in the Contract

b) If we are Independent on this project, we will install the following per Control Station:

(1) Clinical Skills monitoring software for the Client furnished control station computer
(2) Ensure the software is working correctly
(3) If the AV hardware is not working, we cannot make any changes to 3rd party equipment and therefore are not responsible for a working system as it is dependent upon a 3rd party
(4) If the AV vendor does not fix the issue during our on-site installation, we may need to come on-site at a late time at the Client's expense to ensure proper integration

4. **Proctor Stations**

a) If we are Prime on this project with an AV Vendor, we will provide the following per Proctor Station:

(1) 1 Display
(2) 1 Microphone
(3) Clinical Skills monitoring software for the Client furnished Proctor Station computer

(4) Confirm correct integration of AV hardware with Clinical Skills Software
(5) The configuration above is the typical set up for the proctor station and may not be what you have purchased
(6) As such, please review the exact details and quantities of the above equipment in the Contract

b) If we are independent on this project, we will install the following per Proctor Station:

(1) Clinical Skills monitoring software for the Client furnished Proctor Station computer
(2) Ensure the software is working correctly
(3) If the AV hardware is not working, we cannot make any changes to 3rd party equipment and therefore are not responsible for a working system as it is dependent upon a 3rd party
(4) If the AV vendor does not fix the issue during our on-site installation, we may need to come on-site at a late time at the Client's expense to ensure proper integration

F. Exhibit F – LDAP Integration

1. In order for B-Line Medical® to complete LDAP integration, an upfront discussion of requirements is needed to ensure that the Client's technology and infrastructure are compatible with our system. The Client will be provided with a set of questions related to the LDAP integration at the start of the project.
2. Please note that although these questions attempt to provide B-Line Medical® with the information necessary for the integration, completion of the questions does not guarantee that integration is possible. If it is found at any time during the project that LDAP integration cannot be completed, the Client will be entitled to a refund up to the amount paid for the LDAP module.

G. Exhibit G – AV Equipment

1. If we are Prime on this project with an AV Vendor, we will install all necessary AV Equipment listed below into the Server Room:
   a) Video Component(s)
   b) Audio Component(s)
   c) Confirm correct integration of AV hardware

2. If we are independent on this project, we are not responsible for AV equipment other than those described in the Basic AV Package (Exhibit M), if purchased
   a) If the AV hardware is not working, we cannot make any changes to 3rd party equipment and therefore are not responsible for a working system as it is dependent upon a 3rd party
   b) If the AV vendor does not fix the issue during our on-site installation, we may need to come on-site at a late time at the Client's expense to ensure proper integration

H. Exhibit H – Clinical Skills Completion Checklist

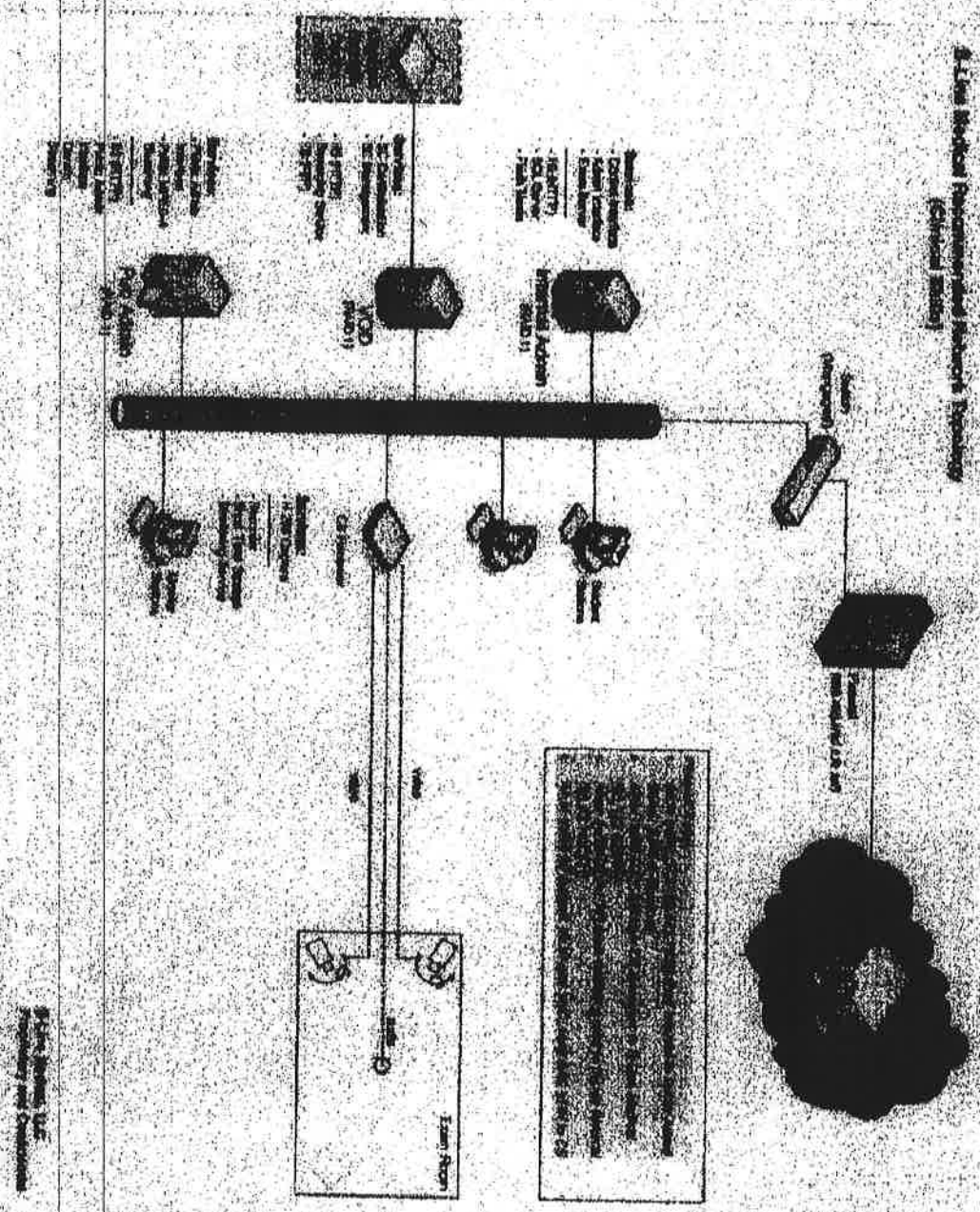
1. **Tested and confirmed the following functionality**
   a) Created/modified system users
   b) Created/modified a case with associated checklists and uploaded assets
   c) Ran an exam using all rooms
   d) Observed exam from control station via Control Interface
   e) Observed exam from monitor station via Monitor Interface (if applicable)
   f) Completed checklists at a SP and Student station in at least one (1) exam room
   g) Verified successful recording (if applicable)
   h) Demonstrated video playback (if applicable)
   i) Reviewed checklist via System Admin
   j) Ran a report
   k) Accessed data via Public Admin server (if applicable)
   l) Demonstrated video playback via Public Admin server (if applicable)

2. **Verified integrated audio-visual system functionality (if applicable)**
   a) Controlled cameras from within the monitor station via the Monitor Interface (if applicable)
   b) Paged into configured areas from appropriate paging stations (if applicable)

3. **Verified continued functionality following a total system shutdown and power up**

I. Exhibit I – Standard Network Diagram

1. Clinical Skills Standard Network Diagram


B-Line Medical Recommended Network Providers
(Clinical Skills)
Exam Room