LICENSE AGREEMENT

November 1 B.R. 11-15-04

This Agreement is entered into this 1st day of ~~October~~, 2004 between the Montana Department of Corrections, Youth Services Division ("Licensee") with its offices at 1539 Eleventh Ave., Helena, MT 59620-1301 and Multi-Health Systems Inc. ("MHS") with its offices at 3770 Victoria Park Avenue, Toronto, Ontario M2H 3M6, Canada, for statewide use and coverage in the State of Montana of certain components of the assessment test known as the Youth Level of Service/Case Management System ("YLS/CMI™").

1. GENERAL PROVISIONS

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

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

2. LICENSE

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

(a) install the Software Development Kit ("SDK") containing the YLS/CMI scoring algorithm;

(b) install the YLS/CMI test items, annexed to this Agreement as Schedule "A", on the Juvenile Justice Database (the "Licensee Database");

(c) administer the YLS/CMI to offenders under the jurisdiction of the State of Montana through the Licensee Database; and

(d) enter the resulting assessment scores into the Licensee Database.

2.2 As consideration for the rights granted herein, Licensee shall pay MHS, for each twelve (12) month period of the Term, an annual license fee of U.S. $910.00, which shall entitle Licensee to enter up to 700 YLS/CMI assessments scores into the Licensee Database for such twelve (12) month period (the "Maximum"). For each assessment score in excess of the Maximum, Licensee shall pay MHS a royalty of U.S. $1.35. Each initial assessment of an offender and each reassessment of the same offender shall constitute a separate assessment for the purposes of this paragraph. There shall be no refund, credit or offset of any annual license fee paid.

2.3 The annual license fee shall be due and payable at the beginning of each year of the Term, on October 1st of each year. Within thirty (30) days of the end of each fiscal year during the Term, Licensee shall provide to MHS the file on the SDK that verifies the number of assessments administered on the Licensee Database for the fiscal year just ended, together with payment of any royalties for assessment scores in excess of the Maximum that are due and owing for such fiscal year. The file shall be transmitted to MHS through electronic mail or saved on a floppy disk or CD and sent by registered delivery to MHS.

2.4 The Licensee shall pay a one-time fee of $2,000.00 (two thousand and 00/100 dollars) for the SDK software.

3. UPDATES

During the Term of this Agreement, MHS shall provide Licensee with any updates, new releases or revisions to the YLS/CMI as are generally released by MHS and Licensee shall have the right to utilize such updates, new releases or revisions pursuant to the licenses granted in this Agreement. These updates, new releases, or revisions shall be provided to Licensee at no additional cost.

4. COPYRIGHT NOTICES

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

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

5. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

Licensee represents and warrants that:

5.1 the Licensee Database is solely owned and directly administered and controlled by Licensee;

5.2 all uses of the YLS/CMI pursuant to the licenses granted in this Agreement shall be by authorized employees of Licensee only;

5.3 Licensee shall take all such security measures as are necessary, of a technological or administrative nature, to restrict access to and use of the YLS/CMI programs installed on the Licensee Database to authorized employees of Licensee and to maintain the confidentiality of confidential information in the YLS/CMI programs;

5.4 Licensee shall not transfer or export by any means whatsoever, either whole or part of the YLS/CMI from the Licensee Database; and

5.5 Licensee shall not use whole or part of the YLS/CMI in any manner except as permitted under this Agreement, and without limiting the generality of the foregoing, shall not use whole or part of the YLS/CMI as a basis for the development of another psychometric instrument.

6. INDEMNITY

MHS agrees to indemnify Licensee, its officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense, arising in favor of MHS' employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed, goods or rights to intellectual property provided or omissions of services or in any way resulting from the acts or omission of MHS and/or its agents, employees, subcontractors or its representatives under this Agreement, all to the extent of MHS' negligence, excluding any claims based on Licensee's willful misconduct or negligence or any acts or omissions under the Agreement of which Licensee shall be responsible.

7. CONFIDENTIAL INFORMATION

Employees and Third Parties

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

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

8. TERM

8.1 This Agreement shall remain in effect for an initial twelve (12) month period unless earlier terminated by either party upon ninety (90) days' prior written notice of termination to the other party. Licensee may renew the Agreement for a subsequent term of twelve (12) months by way of an Amendment Agreement. No party is obliged to renew the Agreement. In no case shall this Agreement extend longer than ten (10) years. Upon termination or expiry the SDK will automatically cease to function and Licensee shall destroy and/or remove all YLS/CMI materials from its database.

8.2 This Agreement may be amended only by written agreement signed by the authorized employees of the parties. The contact person for Licensee is Karen Duncan and the contact person for MHS is Jerry Smith.

9. TERMINATION

9.1 Breach or non-performance of terms of Agreement term shall constitute cause upon which Licensee or MHS may immediately terminate this Agreement.

9.2 If MHS fails to perform the work in accordance with the provisions of this Agreement or if Licensee is in breach of the terms of the Agreement, and does not cure or does not correct such failure within a period of thirty (30) days after receipt of written notice thereof, either party may, by written notice, terminate the whole or any part of this Agreement.

9.3 The Licensee, at its sole discretion, may terminate or reduce the scope of this Agreement if available funding is reduced for any reason. Reference: 18-4-313, MCA.

9.4 The Licensee or MHS may cancel this Agreement without cause by giving ninety (90) days written notice.

9. GOVERNING LAW

This Agreement is governed by the laws of Montana. The parties agree that any litigation concerning this Agreement must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana. Reference: 18-1-401, MCA.

10. ACCESS AND RETENTION OF RECORDS

MHS agrees to provide Licensee, the Legislative Auditor or their authorized agents access to any records necessary to determine Agreement compliance.

MHS agrees to create and retain all records supporting the products and services rendered for a period of three (3) years after either the completion date of this Agreement or the conclusion of any claim, litigation or exception relating to this Agreement taken by the State of Montana or a third party. Reference: 18-1-118, MCA.

11. TAX EXEMPTION

The State of Montana is a government entity, and as such, is not subject to taxation.

12. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

MHS may not assign, transfer or subcontract any portion of this Agreement without the express written consent of the Licensee. Reference: 18-4-141, MCA.

13. COMPLIANCE WITH LAWS

MHS must comply with all applicable federal and state law including the prevailing wage laws.

MHS must comply with the *Montana Human Rights Act,* the *Civil Rights Act of 1964,* the *Age Discrimination Act of 1975,* the *Americans with Disabilities Act of 1990,* and Section 504 of the *Rehabilitation Act of 1973.*

If one or more provisions of this Agreement are deemed to be unlawful or unconstitutional or stricken by a court of law, all valid provisions that are severable from the invalid provisions remain in effect and are valid and binding on the parties. If any provision hereof is in conflict with any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed to be modified to conform to such statute, rule of law, court order, or judgment.

14. PATENTS AND COPYRIGHT PROTECTION

In the event of any claim by any third party against the Licensee that the products furnished under this Agreement infringe upon or violate any patent or copyright, the Licensee shall promptly notify MHS. MHS shall defend such claim, in the Licensee's name or its own, as appropriate, but at MHS' expense. MHS will indemnify the Licensee against all costs, damages, and attorney's fees that a Court finally awards as a result of such claim. If the Licensee reasonably concludes that tits interests are not being properly protected, it may enter any action. However, any settlement by the Licensee with the party alleging such infringement or violation shall not be binding upon MHS and MHS shall be under no obligation to pay or indemnify the Licensee. Further, if principles of governmental or public law are involved, the State of Montana may participate in the defense of any such action.

(a) If any product furnished is likely to or does become the subject of a claim of infringement of a patent or copyright, then MHS may, at its option, procure for the Licensee the right to continue using the alleged infringing product, or modify the product so that it becomes non-infringing or at MHS' request Licensee agrees to return the product; and

(b) This section shall not apply if the infringement, or claim thereof, is based upon the use of products supplied by MHS in combination with other software not made or supplied by MHS (Licensee or other vendor supplied), or the use of products by the Licensee with apparatus, data or programs not furnished or supplied by MHS (Licensee or other vendor supplied), or products not manufactured or supplied by MHS (Licensee or other vendor supplied).

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

MULTI-HEALTH SYSTEMS INC.

By: _____
Gerry A. FitzGerald

Date: November 5, 2004

MONTANA DEPARTMENT OF CORRECTIONS
YOUTH SERVICES DIVISION

By: _____
Steve Gibson, Administrator

Date: 10-19-04

Reviewed for Legal Content by: _____
Legal Counsel
Department of Corrections

10-18-04
Date

FIRST AMENDMENT TO LICENSE AGREEMENT

This is a First Amendment, effective November 1, 2005 to the License Agreement, dated November 1, 2004 (the "Agreement"), by and between Multi-Health Systems Inc. ("MHS"), an Ontario corporation addressed at 3770 Victoria Park Avenue, Toronto, Ontario, Canada, M2H 3M6 and the Montana Department of Corrections, Youth Services Division ("Licensee") addressed at 1539 Eleventh Avenue, PO Box 201301, Helena, MT, 59620-1301.

Whereas MHS and Licensee entered into an Agreement dated November 1, 2004; and

Whereas MHS acknowledges that the Licensee has paid a license fee of $910 US during the November 1, 2004 to October 31, 2005 term ("Prior Term") that entitled Licensee to enter 700 YLS/CMI assessment scores and were not administered during the Prior Term.

Whereas the parties desire to amend the Agreement to provide a Term extension and renewal options and to provide the rates to permit Licensee continued use of the YLS/CMI™ in the Licensee Database and to provide a one time credit for any unused administrations.

For good and valuable consideration, and pursuant to S. 8 of the Agreement, MHS and the Licensee have agreed to amend the terms of the Agreement as set out below:

1. Section 2.2 of the Agreement shall be deleted and replaced in its entirety with the following:

   2.2 As consideration for the rights granted herein, Licensee shall pay MHS, for the twelve (12) month period of the Term, a license fee of U.S. $585.00, which shall entitle Licensee to enter up to 450 YLS/CMI assessment scores into the Licensee Database for the Term. MHS shall provide a one-time credit equal to 700 assessment scores issued during the Prior Term that may be entered into the Licensee Database during this Term. Given the foregoing, the Licensee may enter up to a total of 1,150 (700 + 450) YLS/CMI assessments scores (the "Maximum") into the Licensee Database during the Term. For each assessment score in excess of the Maximum, Licensee shall pay MHS a royalty of U.S. $1.35. Each initial assessment of an offender and each reassessment of the same offender shall constitute a separate assessment for the purposes of this paragraph. There shall be no further refund, credit or offset of any annual license fee paid.

2. Section 2.3 of the Agreement shall be amended as follows:

   2.3 The words "November 1st" shall replace the reference to "October 1st" in the first line thereof.

In the U.S...
P.O. Box 950
North Tonawanda, NY
14120-0950
Phone: 1-800-456-3003

Fax: 1-888-540-4484 or 1-416-492-3343
International Phone: +1-416-492-2627

In Canada...
3770 Victoria Park Ave.,
Toronto, ON
M2H 3M6
Phone: 1-800-268-6011

3. Section 8.1 shall be deleted and replaced in its entirety with the following:

   8.1 This Agreement shall remain in effect for a period of one (1) year commencing November 1, 2005 and ending October 31, 2006 (the "Term"), unless earlier terminated by either party upon ninety (90) days' prior written notice of termination to the other party. Licensee may renew the Agreement for subsequent terms of one (1) year periods by way of an Amendment Agreement. No party is obliged to renew the Agreement. Upon termination or expiry the SDK will automatically cease to function and Licensee shall destroy and/or remove all YLS/CMI materials from its database. Sections 5, 6, 7, 8, 9 shall survive termination of this Agreement.

4. In all other respects, the terms, covenants and conditions of the Agreement shall remain unchanged, continuous and in full force and effect between MHS and the Licensee.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement as set forth below:

MULTI-HEALTH SYSTEMS INC.

By: _____
Authorized Signing Representative

Print Name: STEVEN J. STEIN

Date: November 7, 2005

STATE OF MONTANA DEPARTMENT OF CORRECTIONS, JUVENILE DIVISION

By: _____
Steve Gibson, Administrator

Print Name: Steve Gibson

Date: 11-1-05

Reviewed for Legal Content By:

Colleen A White
Legal Counsel Department of Corrections

Print Name: Colleen A. White

Date: 10/31/05

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International Phone: +1-416-492-2627

In Canada...
3770 Victoria Park Ave.,
Toronto, ON
M2H 3M6
Phone: 1-800-268-6011

SECOND AMENDMENT TO LICENSE AGREEMENT

This is an amendment effective November 1st, 2006 to the License Agreement, dated November 1st, 2005 (the "Second Amendment"), by and between Multi-Health Systems Inc., an Ontario corporation addressed at 3770 Victoria Park Avenue, Toronto, Ontario, Canada, M2H 3M6 ("MHS") and the Montana Department of Corrections, Youth Services addressed at 1539 Eleventh Avenue, P.O. Box 201301, Helena, MT , 59620-1301 ("Licensee").

Whereas MHS and Licensee entered into an License Agreement dated November 1, 2004 and amended by way of an Amendment Agreement dated November 1, 2005 (collectively the "Agreement");

Whereas the parties desire to further amend the Agreement to provide a Term extension and renewal options, and to provide the rates to permit Licensee continued use of the YLS/CMI™ in the Licensee Database.

For good and valuable consideration and pursuant to S. 8.2 of the Agreement, MHS and the Licensee have agreed to amend the terms of the Agreement as set out below:

1. Capitalized terms in this Second Amendment not defined herein shall have the definition ascribed to it in the Agreement.

2. Section 2.2 shall be deleted and replaced with the following:

   2.2 As consideration for the rights granted herein, Licensee shall pay MHS, for the twelve (12) month period of the Term, a license fee of U.S. $945.00 [U.S. $1.35 per assessment], which shall entitle Licensee to enter up to 700 YLS/CMI™ assessments scores into the Licensee Database for such twelve (12) month period (the "Maximum"). For each assessment score in excess of the Maximum, Licensee shall pay MHS a royalty of U.S. $1.35. Each initial assessment of an offender and each reassessment of the same offender shall constitute a separate assessment for the purposes of this paragraph. There shall be no refund, credit or offset of any annual license fee paid.

3. Section 8.1 shall be deleted and replaced with the following:

   8.1 This Agreement shall remain in effect for a period of twelve (12) months commencing November 1, 2006 and ending October, 2007, unless earlier terminated by either party upon ninety (90) days' prior written notice of termination to the other party. Licensee shall have the option to further renew the Agreement for subsequent Terms of twelve (12) month periods under the same terms and conditions of the Agreement provided that the license fee shall be subject to an annual increase up to five percent (5%). Such options must be exercised by providing written notice to MHS together with an estimate of uses for the following twelve (12) month period, not less than sixty (60) days before the expiration of the Second Amendment or any renewal of the Agreement. Licensee shall complete Schedule "A" to effect further renewals. No party is obliged to renew the Agreement. Upon termination or expiry the SDK will automatically cease to function and Licensee shall destroy and/or remove all YLS/CMI materials from its database.

4. Except as specifically deleted, amended or modified by this Second Amendment, all of the terms and provisions of the Agreement shall remain unchanged, continuous, and in full force and effect. To the

extent of any conflict between the terms of this Second Amendment and the Agreement, this Second Amendment shall govern.

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

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Agreement as set forth below:

MULTI-HEALTH SYSTEMS INC.

By: _____
Authorized Signing Representative

Print Name: Steven Stein

Date: Sept 28/06

MONTANA DEPARTMENT OF CORRECTIONS, YOUTH SERVICES

By: _____
Authorized Signing Representative

Print Name: Steve Gibson

Date: 9-25-06