Terms Of Use License Agreement

This defines the Terms Of Use License Agreement ("Agreement") by and between Quality Software Systems, Inc (hereafter "Vendor") currently with offices at 252 Old Nyack Turnpike, Spring Valley, NY 10977 and the End Users of the QSS Laboratory Information System's Modules and related data bases.

This Agreement sets forth the terms and conditions under which Vendor agrees to grant End User a non-transferable license to utilize Vendor's QSS Laboratory Information System's Modules and related data bases (hereafter "Vendor's Software") that will reside on a computer hardware system under hardware maintenance and operated by the End User.

Now therefore, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. SOFTWARE

Vendor will provide Vendor's Software known as LabHealth Laboratory Information System as specified. A copy of the code for the Vendor's Software with updates will be placed and maintained on the End User's system by the Vendor until the Agreement has been terminated under the Termination Provision discussed below. All software remains the proprietary right of Vendor.

2. HARDWARE

End User will maintain the required hardware to serve its functional needs and to maintain the proper operation of Vendor's Software.

3. TRAINING

Vendor will provide training of End User's designated or key employees for all phases of the project. Such training may be purchased, if required, by End User at Vendor's current published price for training.

4. SUPPORT AND MAINTENANCE

Vendor will provide telephone remote support for the maintenance and proper functioning of the Vendor's Software systems and their related features. Vendor considers all features of the systems that are installed at the End User's site to be covered by the maintenance service provided for under this Agreement. Any new functions, features, or options that will from time to time become available to End User will also be covered by the support and maintenance Agreement.

5. END USER ACTIVITIES

End User will at its own expense:

    5.1 Perform file definition

5.2   Perform file maintenance

5.3   Perform user testing

5.4   Perform internal training of employees

5.5   Provide service and maintenance of local related hardware and telephone line used for remote access for maintenance

5.6   Arrange for access to an Internet service connection, if necessary

5.7   Assume full responsibility for securing all systems in accordance with HIPAA standards

5.8   Provide instrument vendors' interface specifications

5.9   Provide an on site person to function as coordinator to insure successful and timely implementation

Security for the LabHealth Laboratory Information System software, the Database Management System, all patient information and the servers on which it resides is the sole responsibility of the End User. All workstations accessing the LabHealth software must be monitored and maintained for security from virus and other malware by the End User.

6. VENDOR PAYMENT

Compensation for Vendor's Software product including license/maintenance services will be provided by End User in a timely manner, as described in Schedule A/Quote. Failure to submit payment in a timely manner may result in an interruption of service.

7. TAXES

In addition to the charges due under this Agreement, End User agrees to pay amounts equal to any sales taxes resulting from this Agreement or activities hereunder.

8. CONFIDENTIAL INFORMATION

During the course of this Agreement, each party may be given access to information of the other party, and End User may be given access to information of Vendor and its clients that relates to past, present or future research, development, business activities, products, services, and technical knowledge. Any such information provided or made available or gained by one from the other shall be deemed "Confidential Information." For Vendor, the term Confidential Information shall also include the software customizations and other product and/or services described in Schedule A. This Agreement and its terms shall also be deemed to be Confidential Information.

9. NONDISCLOSURE

The receiving party agrees to (i) hold the Confidential Information of the other party in strict confidence, (ii) not to make the Confidential Information available for any purpose other than as specified in this Agreement, and (iii) to take reasonable steps to ensure that the disclosing party's Confidential Information is not disclosed or distributed by employees, agents, or consultants (who have access to the same only because of and on a need-to-know basis) to third parties in violation of the provisions of this Agreement. Nothing contained

herein shall preclude End User from operating the software in the ordinary course of End User's businesses for its intended purpose and for the use licensed hereunder.

10. GRANT OF LICENSE

Vendor hereby grants to End User, and End User hereby accepts to use the QSS Laboratory Systems specified in Schedule A subject to the provisions of this Agreement at the End User's location for so long as End User uses Vendor as its service and maintenance provider. The following actions without prior written permission from QSS violates and invalidates this Agreement:

Copying, reading or moving source code, data, object code or executables.
Installing 3rd party applications on the LIS server.
Attempts to reverse engineer Vendor's applications.
Facilitating connections to any other computer for the purpose of transferring data.
Removing this Agreement from the LIS server.

11. EXPRESS WARRANTIES

Vendor warrants that the Licensed Software as delivered to End User will be in good operating condition, free from defects in material and workmanship, and will perform in accordance with mutually agreed specifications for such product on the date of delivery under normal usage for a period of sixty (60) days from installation, and thereafter so long as End User uses Vendor as its service and maintenance provider.

12. ACCEPTANCE OF SOFTWARE AND SYSTEM

12.1   In the event that one or more of the items of the software and/or the system as a whole does not function and perform in accordance with the specifications, End User shall notify Vendor of the non-conformance. Vendor shall have fifteen (15) business days after receiving a notice of specific non-conformance within which to modify or improve the software and/or interfaces, and/or the system, at its expense and to demonstrate compliance with the specifications.

13. LIMITATION OF REMEDIES

In all situations involving performance or non-performance of programming furnished under this Agreement, the End User's sole remedy is correction of programming errors such that the Vendor's Software will perform in accordance with the warranties set out in this Agreement.

No action, regardless of form, arising out of any claimed breach of the Agreement or transactions under the Agreement may be brought by either party more than one (1) years after the cause of action has occurred.

The user accepts full responsibility and liability resulting from usage of Vendor's Software including customizations and guarantees compliance with all laboratory regulations.

14. DISCLAIMER

EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

15. TERMINATION PROVISION

End User may terminate the license and/or the Agreement, except for obligations which specifically survive termination hereof, if Vendor materially breaches any of its obligations under this Agreement and fails to remedy, or make good-faith efforts to remedy, such breach within thirty days (30) days after written notice by End User of such breach. Vendor may terminate the license and/or this Agreement, except for obligations which specifically survive termination hereof, if (i) End User is delinquent in making payments due and continues to be delinquent for a period of thirty (30) days after written notice from Vendor that such payment is overdue, or (ii) End User commits a material violation of this Agreement and fails to remedy such material breach within thirty (30) days after written notice by Vendor of such breach. Either party may terminate this license and/or Agreement upon ninety (90) days written notice to the other party. Upon termination of this Agreement End User will ensure that all copies of the Vendor's software are removed and destroyed.

16. ENTIRE AGREEMENT

This Agreement sets forth the entire Agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them, and neither of the parties shall be bound by any conditions, or definitions, warranties, understandings, or representations with respect to such subject matter other than as expressly provided herein, or in any prior existing written Agreement between the parties, or as duly set forth on or subsequent to the effective date hereof in writing and signed by a proper and duly authorized representative of the party to be bound thereby. No provision appearing on any form originated by End User shall be applicable unless such provision is expressly accepted in writing by Vendor.

17. WAIVER

A waiver of a breach or default under this Agreement shall not be a waiver of any subsequent default. Failure of either party to enforce compliance with any term or condition of this Agreement shall not constitute a waiver of such term or condition.

18. NON-HIRE

Each party agrees that without the prior written consent of the other, it will not hire, or cause to be hired, or induce any of such party's employees or consultants who are assigned full-or part-time to any endeavor related to this Agreement, to leave their employment or engagement from the date of execution of this Agreement through a date twenty-four (24) months thereafter.

19. ASSIGNMENT

This Agreement shall be binding on the Parties and their successors and permitted assigns. Neither Party may assign this Agreement without the prior consent of the other, except that either Party may, without the other's prior consent, assign this entire Agreement to any entity that controls, is controlled by, or is under common control with the assigning Party.

20. FORCE MAJEURE

If either party shall be delayed or prevented from performing under this Agreement due to any cause beyond its reasonable control, such delay shall be excused during the continuance of such delay, and the period of performance shall be extended to such extent as may be necessary to enable the non-performing party to perform after the cause of delay has been removed. Provided, however, any such delay which exceeds forty-five days may be deemed to be grounds for termination of this Agreement.

21. INDEPENDENT CONTRACTORS

The parties hereto hereby agree that in the performance of their respective obligations hereunder, they are, and at all times shall be, independent contractors. Nothing in this Agreement shall be construed to constitute either party as the agent of the other party for any purpose whatsoever, and neither party shall bind, or attempt to bind, the other party to any contract or the performance of any other obligation, or represent to any third party that it has the right to enter into any binding obligation on the other party.

22. MODIFICATION

This Agreement may be modified only by a written Agreement duly signed by the persons authorized to sign Agreements on behalf of Vendor and of End User and variance from the terms and conditions of this Agreement will be of no effect.

23. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. The exclusive jurisdiction for any legal proceeding regarding this Agreement shall be the courts of the State of New York, and the parties hereto expressly submit to the jurisdiction of said courts.

24. SEVERABILITY OF PROVISIONS

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or be impaired thereby.