

Ceridian

Status - Open

| Start Contract Date | Contract End Date |
|---------------------|-------------------|
| November 1, 2010 | October 31, 2015 |

Contact: Patrick Foggia
3201 34th Street, South
St. Petersburg, Florida 33711
(727) 395-1722
patrick.foggia@ceridian.com

Summary of Contract: Ceridian Exchange Services will act as the third party administrator for the Florida Health Choices program. These services will include:

- Maintaining books, records and documents in accordance with generally acceptable accounting principles.
- Operate an in state call center for participants of the Florida Health Choices program.
- Handle all correspondence to program participants.
- Maintain a secure website as the insurance marketplace.

Total Paid Prior Years: \$0.00

Total Paid in 2011: \$0.00

Total Paid Contract Term: \$0.00

Outstanding Obligations (if any): \$0.00

Notes:

October 5, 2011 - Contract Addendum #1 which corrects a typographical error in subsection C of Paragraph 5-1 as well as an update to an OMB Circular reference.

March 3, 2011 – Notice to Suspend Off Shore Activity

March 4, 2011 – Ceridian Response to Suspending Off Shore Activity

October 27, 2011 – Notice of New President John Hunter

November 15, 2011 – Notice of Lack of Performance

November 15, 2011 – Notice of Material Breach

November 21, 2011 – Ceridian Response to Notice to Cure

December 5, 2011 – Counter Offer to Acceleration Plan

December 27, 2011 – Continuation of Material Breach

January 5, 2012 – CES Response to December 27, 2011 Letter (if received)

There are 6,000 programming hours available to the corporation from Ceridian under the terms of this contract.

Due

April 1, 2012 – Annual report of all subcontractors or affiliates

July 1, 2012 – Continuing evidence of insurance coverage

July 1, 2012 – Annual audited financial statement of Ceridian and subcontractors

FLORIDA HEALTH CHOICES, INC.

THIRD PARTY ADMINISTRATION SERVICES CONTRACT

This Contract is entered into between Florida Health Choices, Inc. ("FHC"), a Florida not-for-profit corporation, and Ceridian Exchange Services, LLC, a Florida limited liability company ("ENTITY"), to provide Third Party Administration services. FHC and ENTITY are each referred to herein individually as a "Party" and collectively as the "Parties"

BACKGROUND

WHEREAS, the Florida Health Choices Program was created as a single, centralized market for the sale and purchase of products that enable individuals to pay for health care; and

WHEREAS, Information about each product available through the Florida Health Choices Program shall be made available through printed materials and an interactive internet website; and

WHEREAS, the Florida Health Choices Program seeks to establish a secure website to facilitate the purchase of such products by eligible participating individuals; and

WHEREAS, the Florida Health Choices Program issued an Invitation to Negotiate Third Party Administration services seeking a qualified provider of such services.

THEREFORE, in consideration of the services to be performed and payments to be made, together with the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

Section 1 Definitions

- 1-1 "Applicant" means eligible employers and eligible individuals as set forth in Section 409.910(4), Florida Statutes.
- 1-2 "Enrollee" means an individual who meets FHC standards of eligibility and has been enrolled in the Program.
- 1-3 "Florida Statutes" (F.S.) means the Florida Statutes as amended from time to time by the Florida Legislature during the term of this Contract.
- 1-4 "Liquidated Damages", for the purpose of Section 5-17 C and D, mean the amounts stipulated in this Contract or any Attachments, and agreed to by the Parties as a reasonable estimation of the actual losses if ENTITY breaches the terms of the Contract and fails to cure the breach as permitted under the Contract or fails to perform its obligations fully, correctly and on time, as determined in the sole discretion of FHC to the extent that FHC terminates the Contract. The Parties agree that the actual damages in such situations are uncertain and difficult to ascertain. The Parties' mutual intent in establishing the liquidated damages as set forth in this Contract is to make a good-faith



effort and estimation of damages, not to penalize ENTITY. In the event ENTITY is terminated pursuant to either Section 5-17 C or D the applicable amount of liquidated damages is one million, five hundred thousand dollars (\$1,500,000.00); or two and a half percent (2.5%) of the cost of the products offered and sold pursuant to the Program during the previous twelve month period preceding the termination, whichever is greater. Any other performance failures will be addressed in accordance with the requirements of Attachment G.

- 1-5 "Program" means the program administered by FHC as created by and governed under section 408.910, F.S. and related state and federal laws.

Section 2 Term of this Contract

The initial term of this Contract is for five years. The Effective Dates are:

This Contract shall begin on November 1, 2010.

This Contract shall end on October 31, 2015.

This Contract may be extended at FHC's option for two additional two (2) year periods beyond the initial term indicated above; provided, however, that FHC and ENTITY agree to negotiate in good faith the fees and costs for the performance of services under this Contract applicable during such additional terms, but if the Parties cannot reach such an agreement in good faith, then this Contract will not be extended. FHC agrees to notify ENTITY by January 1, 2015 if FHC does not intend to exercise the option to extend the Contract. Thereafter, this contract may be extended only by mutual consent of both parties.

Section 3 Fees and Costs

- 3-1 FHC agrees to pay ENTITY at the rate of specified in Attachment F for the performance of services under this Contract. However, all billing must be itemized with specificity as to time, date, purpose and specific number of hours.
- 3-2 For the purposes of fulfilling the obligations of this Contract within the scope of its terms, ENTITY may be entitled, in addition to the payment agreed to in subsection 3-1 above, to receive from the funds of FHC, reimbursement for per diem and travel expenses as provided by Section 112.061, F.S., in the same amounts and under the same procedures as Board Members of FHC are entitled to such reimbursements pursuant to Section 408.910, F.S. Per diem and travel expenses, as well as incidentals not specified in this Contract, for which reimbursement is sought must be approved by an authorized officer or employee of FHC before they are incurred for reimbursement to be considered. In addition, ENTITY may be entitled to receive reimbursement for necessary photocopy costs at the rate of twenty (20) cents per page. Reimbursement for postage, express mail and long distance phone calls will be for the expense actually incurred by ENTITY

and must be itemized with specificity in billings to FHC so as to identify the individual costs.

- 3-3 ENTITY agrees to bill FHC monthly for all time and charges incurred in meeting the obligations of this Contract. Such bills will include the specificity required by this section of the Contract.
- 3-4 FHC will make payment to ENTITY within thirty (30) calendar days of receiving an invoice from ENTITY provided such billing is in accordance with the terms of this Contract. If FHC requests detail or clarification regarding an invoice, payment shall be made within thirty (30) calendar days of receipt of the detail or clarification.
- 3-5 A. In the event FHC disagrees with or questions any amount due under an invoice, FHC agrees to pay the amount not in disagreement in accordance with the terms of this Contract, and communicate such disagreement to ENTITY in writing within thirty (30) calendar days of the invoice date. Any claim not made within that period shall be deemed waived.
- B. In the event of such disagreement, FHC and ENTITY will attempt to negotiate a resolution of the disagreement in good faith.
- C. In the event the amount in disagreement, pursuant to this paragraph 3-5, is \$50,000 or less, FHC and ENTITY agree that a mutually acceptable third party shall resolve the disagreement of the amount due under this paragraph 3-5. In the event no mutually acceptable third party can be appointed, then both parties agree that the Chief Judge of the Second Judicial Circuit in and for Leon County, Florida may appoint a third party to resolve the disagreement. The determination of the third party shall be final and both FHC and ENTITY agree to abide by such decision
- 3-6 The Parties agree that under no circumstances shall the charges to FHC for the performance of this Contract and all associated costs exceed the amounts listed in Attachment F.

Section 4 Duties of ENTITY

4-1 Deliverables

Deliverables are contained on Attachment E.

4-2 Records Retention and Accessibility

- A. ENTITY agrees to maintain books, records and documents in accordance with generally acceptable accounting principles which sufficiently and properly reflect all expenditures of funds provided by FHC under this Contract.
- B. ENTITY shall have all records used or produced in the course of the performance of this Contract available at all reasonable times for inspection, review, audit or



copying to FHC, any vendor contracted with FHC or any state or federal regulatory agency as authorized by law or FHC. Access to such records will be during normal business hours and will be either through on-site review of records or through the mail. These records shall be retained for a period of at least five (5) years following the term of this Contract, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all tasks are completed.

- C. ENTITY agrees to cooperate in any evaluative efforts conducted by FHC or an authorized subcontractor of FHC both during and for a period of at least five (5) years following the term of this Contract. These efforts may include a post-Contract audit.
- D. Additionally, ENTITY agrees to provide to FHC, by July 1st (first) each year, an audited financial statement for ENTITY'S preceding fiscal year. If such is not customarily available in the ordinary course of ENTITY'S business, then a written statement from an accountant verifying the financial stability of ENTITY shall be submitted and be subject to the approval of the Chief Executive Officer.
- E. ENTITY shall include all the requirements of this subsection in all approved subcontracts and assignments and ENTITY agrees to require subcontractors and assignees to meet these requirements.

4-3 Use of Subcontractors or Affiliates

ENTITY may contract with subcontractors or affiliates to deliver services under this Contract subject to the following conditions.

- A. ENTITY identified the subcontractor or affiliate in its response to the ITN covered by this Contract.
- B. ENTITY has provided FHC with a copy of the current contract or other written agreement and any amendments for services under this Contract between ENTITY and the subcontractor or affiliate. FHC shall have the right to withhold its approval of any such contracts, agreements and amendments.
- C. ENTITY'S Contract with the subcontractor or affiliate fully complies with all terms and conditions of this Contract between ENTITY and FHC.
- D. ENTITY agrees to notify FHC in advance of the termination of such agreements with any subcontractor or affiliate.
- E. ENTITY shall provide FHC with advance notice of ENTITY'S intent to contract with any new subcontractors or affiliates for services covered under this Contract. Prior to execution, ENTITY shall forward for FHC's review and approval any proposed agreement for services with subcontractors or affiliates.



- F. By April 1st (first) each year, ENTITY agrees to provide FHC with an annual report listing, for the previous calendar year, all subcontractors or affiliates that performed services under this Contract for ENTITY and attaching a copy of ENTITY'S executed contracts with such subcontractors and affiliates.

All agreements between ENTITY and its subcontractor or affiliates to provide services under this Contract shall be reduced to writing and shall be executed by both Parties. All such agreements shall also be available to FHC within seven (7) business days of request for production.

Failure of ENTITY to comply with the provisions of this section shall constitute a Material Breach and renders this Contract subject to termination by FHC under Section 5-17 D of this Contract.

4-4 Indemnification

ENTITY shall indemnify, defend and hold FHC, its officers, directors, agents and employees harmless from all third party claims, losses, suits, judgments or damages, including court costs and attorney's fees, arising out of:

- A. negligence, intentional torts or breach of contract by ENTITY;
- B. any claims or losses attributable to the acts of any negligence; intentional torts; or breach of contract by subcontractor, person or entity performing or furnishing services, materials, or supplies on behalf of ENTITY in connection with the performance of this Contract whether or not known to FHC; or
- C. any failure of ENTITY, its officers, employees or subcontractors to observe the requirements of applicable Florida or federal law, regardless of whether FHC knew or should have known of such failure.

4-5 Insurance

ENTITY shall not commit any work in connection with the Contract until it has obtained all types and levels of insurance required and approved by FHC. Such coverage may include but not be limited to worker's compensation, liability, fire insurance, and property insurance depending upon the types of services being provided and shall be attached as Attachment H to this Contract. FHC shall be provided proof of coverage of insurance by a certificate of insurance within ten (10) business days of contract execution. Continuing evidence of insurance coverage must be provided to FHC by July 1st of each year.

FHC shall be exempt from and in no way liable for any sums of money that may represent a deductible in any insurance policy. The payment of such a deductible shall be the sole responsibility of ENTITY and/or subcontractor holding such insurance. The same holds true of any premiums paid on any insurance policy pursuant to this Contract. Failure to provide proof of coverage when requested may result in the Contract being terminated.



Section 5 General Terms and Conditions

5-1 Amendment

This Contract may be amended by mutual written consent of the Parties at any time. This Contract shall be amended to the extent necessary from time to time to comply with state or federal laws upon notice by FHC to ENTITY to that effect.

5-2 Assignment

- A. This Contract may not be assigned by ENTITY without the prior written consent of FHC. Any purported assignment without such consent shall be deemed null and void.
- B. Notwithstanding A. above, assignment of monies that will become due may occur without prior written consent of FHC, but FHC shall receive prompt notice of such assignment of monies.

5-3 Attachments

Attachments A through H are all incorporated into this Contract by reference. Any conflict between these Attachments and this Contract, the Attachment shall control.

5-4 Attorney Fees

In the event of any legal action, dispute, litigation or other proceeding with relation to this Contract, FHC shall be entitled to recover from ENTITY its attorney fees and costs incurred, whether or not suit is filed, and if filed, at both trial and appellate levels. Legal actions are defined to include administrative proceedings.

5-5 Bankruptcy

ENTITY shall give FHC notice of the intent to petition for bankruptcy or reorganization or arrangement at the time of the filing and promptly provide a copy of such filing to FHC. FHC shall have the absolute right to elect to continue or terminate this Contract, at its sole discretion, in the event ENTITY or any of its approved subcontractors files a petition for bankruptcy or for approval of a plan of reorganization or arrangement under the Bankruptcy Act that has not been dismissed within 60 days of the filing. FHC shall have thirty (30) calendar days thereafter to elect to continue or terminate this Contract.

5-6 Change of Controlling Interest

FHC shall have the absolute right to elect to continue or terminate this Contract, at its sole discretion, in the event of a change in the ownership or controlling interest (fifty percent or more) of ENTITY or any of its approved subcontractors. ENTITY shall give FHC notice of regulatory agency approval, if applicable, within 30 days after any transfer or change in control of documentation of the change of regulatory agency approval is

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inapplicable. FHC shall have thirty (30) calendar days after receipt of such notice to elect continuation or termination of this Contract.

5-7 Confidentiality

ENTITY shall treat all information, particularly personal or identifying information relating to Applicants or Enrollees that is obtained through its performance under this Contract, as confidential information to the extent confidential treatment is provided under state and federal laws. ENTITY shall not use any information obtained in any manner except as necessary for the proper discharge of its obligations and to secure its rights under this Contract. Such information shall not be divulged without written consent of FHC, the Applicant or the Enrollee. This provision does not prohibit the disclosure of information in summary, statistical or other form which does not identify particular individuals.

ENTITY and FHC mutually agree to maintain the integrity of all proprietary information to the extent provided under the law. Neither Party will disclose or allow others to disclose proprietary information as determined by law by any means to any person without prior written approval of the other Party. All proprietary information will be so designated. This requirement does not extend to routine reports and membership disclosure that do not contain ENTITY confidential information, necessary for efficient management of the Program.

ENTITY understands that FHC is subject to the Florida Public Records Act, Section 119.07, F.S. and therefore all such information may be considered a public record and open to inspection. Thus, unless otherwise confidential or exempted by law, ENTITY shall allow public access to all documents, papers, letters, electronic correspondence or other material subject to the provisions of Chapter 119, F.S. and made or received by ENTITY in conjunction with this Contract.

If any legal challenge arises to the protection confidential or protected information of ENTITY, ENTITY must bear the full cost of defense including any legal fees or expenses incurred by the FHC by its participation in the defense.

However, FHC agrees to advise ENTITY prior to the release of any such information.

5-8 Conflicts of Interest

5-8-1 Conflicts of Interest

ENTITY confirms that to the best of its knowledge, the responsibilities and duties assumed pursuant to this Contract are not in conflict with any other interest to which ENTITY is obligated or from which ENTITY benefits. Further, ENTITY agrees to inform FHC immediately after becoming aware of any conflicts of interest which it may have with the interests of FHC, as set forth in this Contract and which may occur in the future.

Within ten (10) days of contract execution, ENTITY shall submit a disclosure form identifying any relationships, financial or otherwise with any FHC Board Member, or any employee of FHC.

5-8-2 Gift Prohibitions

In accordance with FHC Corporate Policies, ENTITY affirms its understanding that FHC Board Members and FHC Employees are prohibited from accepting any gifts, including but not limited to, any meal, service or item of value even de minimus from those entities that conduct or seek to conduct business with FHC.

5-8-3 Non-Solicitation

ENTITY recognizes and acknowledges that as a result of this Contract ENTITY will come into contact with employees of FHC and that these employees have received considerable training by FHC. ENTITY agrees not to solicit, recruit or hire any individual who is employed by FHC and with whom ENTITY has contact with relating to this Contract during the term of this Contract. This prohibition shall be in effect for both the term of this Contract, for any extensions thereof, and twelve (12) months immediately following Contract termination or expiration.

FHC recognizes that ENTITY has committed significant resources to providing services under this contract. FHC agrees not to solicit, recruit or hire any individual who is employed by ENTITY or its subcontractors and with whom FHC has contact with relation to the contract during the term of this contract without prior written consent of ENTITY. This prohibition shall be in effect for both the term of this Contract, for any extension thereof, and twelve (12) months immediately following contract termination or expiration.

5-9 Entire Understanding

This Contract with all Attachments incorporated by reference embodies the entire understanding of the Parties relating to the subject matter of this Contract, and supersedes all other agreements, negotiations, understanding, or representations, verbal or written, between the Parties relative to the subject matter hereof.

5-10 Force Majeure

Neither Party shall be responsible for delays of failure in performance of its obligations under this Contract resulting from acts beyond the control of the Party. Such acts shall include, but are not limited to, blackouts, riots, acts of war, terrorism, epidemics, government regulations on statutory amendments adopted following the date of execution of this Contract, fire communication line failure, computer hardware failure, computer executive software failure, power failure or shortage, fuel shortages, hurricanes or other natural disasters.

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5-11 Governing Law; Venue

This Contract shall be governed by applicable state and federal laws and regulations as such may be amended during the term of the Contract, whether or not expressly included or referenced in this Contract.

ENTITY agrees to comply with the following provisions as such may from time to time be amended during the term of this Contract:

- A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin.
- B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap.
- C. Title XI of the Education Amendments of 1972, as amended 29, U.S.C. 601 et seq., which prohibits discrimination on the basis of sex.
- D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age.
- E. Section 654 of the Omnibus Budget Reconciliation Act of 1981, as amended, 42 U.S.C. 9848, which prohibits discrimination on the basis of race, creed, color, national origin, sex, handicap, political affiliation or beliefs.
- F. The American Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires accommodation for persons with disabilities.
- G. Section 274A (e) of the Immigration and Nationalization Act, FHC shall consider the employment by any contractor of unauthorized aliens a violation of this Act.
- H. OMB Circular A-110 (Appendix A-4) which identifies procurement procedures which conform to applicable federal law and regulations with regard to debarment, suspension, ineligibility, and involuntary exclusion of contracts and subcontracts and as contained in Attachment A of this Contract. Covered transactions include procurement contracts for services equal to or in excess of one hundred thousand dollars (\$100,000.00) and all non-procurement transactions.
- I. All applicable state and federal laws and regulations governing the ENTITY services provided hereunder.
- J. All regulations, guidelines and standards, applicable to the ENTITY services provided hereunder as are now or may be lawfully be required under the above statutes. Should such future adopted regulation create a price increase or decrease, the parties agree to negotiate an equitable adjustment.

ENTITY agrees that compliance with this assurance constitutes a condition of continued receipt of or benefit from funds provided through this Contract and such compliance is binding upon ENTITY, its successors, transferees and assignees for the period during which services are provided. ENTITY further agrees that all contractors, subcontractors, subgrantees or others with whom it arranges to provide goods, services or benefits in connection with any of its programs and activities are not discriminating against either those whom they employ nor those to whom they provide goods, services or benefits in violation of the above statutes, regulations, guidelines and standards.

It is expressly understood that evidence of ENTITY'S refusal or failure to substantially comply with this section or such failure by ENTITY'S subcontractors or anyone with whom ENTITY affiliates in performing under this Contract shall constitute a breach and renders this Contract subject to unilateral cancellation by FHC. FHC reserves the right to terminate this Contract, or any part herein, at its discretion if such alleged failure is not cured to the reasonable satisfaction of FHC within thirty (30) calendar days after FHC has given written notice thereof to ENTITY. In the event that ENTITY does not perform the cure within the thirty (30) calendar days, such termination shall be effective at such time as is determined by FHC.

Any legal action with respect to the provisions of this Contract shall be brought in state court in Leon County, Florida.

5-12 Independent Contractor

The relationship of ENTITY to FHC shall be solely that of an independent contractor. The Parties acknowledge and agree that neither Party has the authority to make any representation, warranty or binding commitment on behalf of the other Party, except as expressly provided in this Contract or as otherwise agreed to in writing by the Parties, and nothing contained in this Contract shall be deemed or construed to (i) create a partnership or joint venture between the parties or any affiliate, employee or agent of a Party; or (ii) constitute any Party or any employee or agent of a Party as an employee or agent of the other Party.

5-13 Name and Address of Payee

The name and address of the official payee to whom the payment shall be made:

For ENTITY:

Name: Ceridian Exchanges Services, LLC
Address: 3201 34th Street, S., St. Petersburg, FL 33711-3828
Email: grant.newmyer@ceridian.com

5-14 Notice and Contact

All notices required under this section shall be in writing and may be delivered by certified mail with return receipt requested, by facsimile with proof of receipt, by electronic mail with proof of receipt or in person with proof of delivery.

Notice required or permitted under this Contract shall be directed as follows:

For FHC:

Lauren L. McCarthy, Administrative Services Manager
Florida Health Choices, Inc.
225 South Adams Street, Suite 250
Tallahassee, FL 32301
850-222-0933 (Phone)
850-222-8222 (Fax)
lmccarthy@myfloridachoice.org

For ENTITY:

Patrick Foggia, Program Manager
Ceridian Exchange Services, LLC
3201 34th Street S.
St. Petersburg, FL 33711
727-395-1722 (Phone/Fax)
Patrick.foggie@ceridian.com

In the event that different contact persons are designated by either Party after execution of this Contract, notice of the name and address of the new contact will be sent to the other Party and be attached to the originals of this Contract.

5-15 Severability

If any of the provisions of this Contract are held to be inoperative by a court of competent jurisdiction, such a provision shall be severed from the remaining provisions of the Contract which shall remain in full force and effect.

5-16 Survival

The provisions of the following sections: Records Retention and Accessibility; Indemnification; Attorney Fees; Confidentiality; Conflicts of Interest; Non-Solicitation and Governing Law; Venue; and Liquidated Damages shall survive any termination of this Contract.

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5-17 Termination of Contract

A. Termination for Lack of Funding

This Contract is subject to the continuation and approval of funding to FHC from state, federal and other sources. FHC shall have the absolute right, in its sole discretion, to terminate this Contract if funding for the Program is to be changed or terminated such that this Contract could not be sustained. FHC shall send ENTITY notice of termination and include a termination date of not less than thirty (30) calendar days from the date of the notice. ENTITY shall be paid for all work performed up to and including the date of termination.

B. Termination for Lack of Payment

If FHC fails to make payments in accordance with this Section 3-1 of this Contract, ENTITY may suspend work and pursue the appropriate remedies for FHC's breach of its payment obligations. ENTITY must provide FHC at least thirty (30) calendar days written notice of any suspension due to lack of payment and allow FHC an opportunity to correct the default prior to suspension of work. ENTITY shall be paid for all work performed up to and including the date of termination.

C. Termination for Lack of Performance

The continuation of this Contract is contingent upon the satisfactory performance of the ENTITY and corresponding evaluations by FHC. If ENTITY fails to make timely progress on the objectives of this Contract or fails to meet the deliverables described under this Contract in the time and manner prescribed, FHC reserves the right to terminate this Contract, or any part herein, at its discretion if such failure is not cured to the reasonable satisfaction of FHC within thirty (30) calendar days after FHC has given written notice thereof to ENTITY. In the event that ENTITY does not perform the cure within the thirty (30) calendar days, such termination shall be effective at such times as is determined by FHC.

Waiver of the failure to perform satisfactorily this Contract shall not be deemed to be a waiver of any other failure to perform and shall not be construed to be a modification of the terms of this Contract.

- D. FHC may terminate this Agreement in the event of a Material Breach of any material term or condition hereof, if such breach is not cured to the reasonable satisfaction of the non-breaching party within thirty (30) calendar days after the non-breaching party has given written notice thereof to the breaching party. In the event the ENTITY cannot perform the cure within Thirty (30) calendar days, after the receipt of notice from FHC, and FHC is satisfied, in its sole discretion, that the ability to cure is not the fault of the ENTITY, FHC may establish a timetable for cure and such decision by FHC shall be final. A "Material Breach"



shall mean the failure to perform any of the duties, requirements, terms or conditions set forth herein, and shall mean a violation of any duty, responsibility of the ENTITY required under this Contract, or any applicable state or federal laws or a rule or regulations.

It is expressly understood that evidence of ENTITY'S refusal to substantially comply with this Contract or such failure by ENTITY'S subcontractors, assignees or affiliates performing under this Contract shall constitute a Material Breach of this Contract.

E. Termination upon Revision of Applicable Law

FHC and ENTITY agree if federal or state revisions of any applicable laws or regulations restrict FHC's ability to comply with the Contract, make such compliance impracticable, frustrate the purpose of the Contract or place the Contract in conflict with FHC's ability to adhere to its statutory purpose, FHC may unilaterally terminate this Contract. FHC shall send ENTITY notice of termination and include a termination date of not less than thirty (30) calendar days from the date of notice. ENTITY shall be paid for all work performed up to and including the date of termination.

F. Termination upon Mutual Agreement

With mutual agreement of both parties, this Contract, or any part herein, may be terminated on an agreed date prior to the end of the Contract without penalty to either party. ENTITY shall be paid for all work performed up to and including the date of termination.

5-18 Transition Plan and Process

Upon the expiration or termination of this Contract for any reason, should FHC choose to use another vendor, ENTITY shall ensure a smooth transition. ENTITY shall provide a transition plan to FHC within forty five (45) business days of notice of the expiration or termination of this Contract. Acceptance of the transition plan shall be determined in the sole discretion of FHC. Failure for the ENTITY to provide a timely transition plan acceptable to FHC shall be cause to hold the ENTITY in default and for failure to perform; and in such event liquidated damages in an amount up to two thousand five hundred dollars (\$2,500.00) per day may be charged against the ENTITY. FHC also may withhold payment to ENTITY for nonperformance or unsatisfactory performance of the terms of this Contract.

ENTITY shall provide staff, services and other resources for consultation and the successful and complete transition after the expiration or termination of this Contract, as requested by FHC. The "Transition Period" required is estimated to be six (6) months after the expiration or termination of this Contract. In the event, the actual Transition Period extends longer than the estimated Transition Period; at additional cost to FHC, the ENTITY shall continue to perform the duties pursuant to

this Contract and to provide the necessary level of staff, services and other resources until the actual Transition Period is completed successfully, as determined in the sole discretion of FHC.

During the actual Transition Period, FHC agrees to continue payment to ENTITY, pursuant to Section 3 of this Contract. However such payment shall be prorated and limited to the actual duties performed by the ENTITY and the staff, services and other resources provided during the actual Transition Period, as requested and required by FHC. The ENTITY's billing shall be itemized with specificity as to time, date, purpose and specific number of hours and document the actual staff, services and other resources provided during the actual Transition Period.

[TWO (2) SIGNATURE PAGES FOLLOWS]

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IN WITNESS WHEREOF, the Parties have caused this Contract, to be executed by their undersigned officials as duly authorized.

FOR

ENTITY:

[Signature]

NAME: Bart Valdez

TITLE: President

DATE SIGNED: October 20, 2010

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing instrument was acknowledged to me before this 20th day of October, 2010, by Bart Valdez, as President on behalf of Cerdian Exchange Services LLC. He is personally known to me or has produced as identification.

Signature

Notary Public – State of Florida

[Signature]

Print, Type or Stamp Name of Notary Public

Linda S Jandernal



My Commission Expires

September 26, 2014

WITNESS #1 SIGNATURE

[Signature]

WITNESS #1 PRINT NAME

KENNETH P. KUNSMAN

WITNESS #2 SIGNATURE

[Signature]

WITNESS #2 PRINT NAME

Danick Roggia

[Signature]

FOR

FLORIDA HEALTH CHOICES, INC.:



NAME: Rose M. Naff

TITLE: Chief Executive Officer

DATE SIGNED: October 19, 2010

STATE OF FLORIDA)

COUNTY OF LEON)

The foregoing instrument was acknowledged to me before this ^{19th} 15th day of October, 2010, by Rose M. Naff, as Chief Executive Officer on behalf of the Florida Health Choices, Inc. She is personally known to me.

Signature

Notary Public – State of Florida



Print, Type or Stamp Name of Notary Public

ANN MILES COTRONEO



My Commission Expires

3-23-12

WITNESS #1 SIGNATURE



WITNESS #1 PRINT NAME

Lauren McCarthy

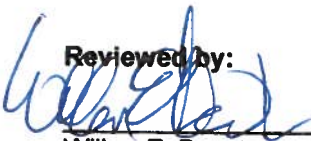
WITNESS #2 SIGNATURE



WITNESS #2 PRINT NAME

Laura K. Schaecher

Reviewed by:



Date: 10 / 19 /2010

Wilbur E. Brewton

Fla Bar Number: 110408

CONTRACT ATTACHMENT A
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY and VOLUNTARY
EXCLUSION
CONTRACTS AND SUBCONTRACTS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, signed February 18, 1986. The guidelines were published in the May 29, 1987, Federal Register (52 Fed. Reg., pages 20360-20369).

INSTRUCTIONS

- A. *Each entity whose contract\subcontract equals or exceeds twenty five thousand dollars (\$25,000) in federal monies must sign this certification prior to execution of each contract\subcontract. Additionally, entities who audit federal programs must also sign, regardless of the contract amount. The Florida Health Choices, Inc. chooses not to contract with these types of Entities if they are debarred or suspended by the federal government.*
- B. *This certification is a material representation of fact upon which reliance is placed when this contract\subcontract is entered into. If it is later determined that the signer knowingly rendered an erroneous certification, the Federal Government may pursue available remedies, including suspension and/or debarment.*
- C. *ENTITY shall provide immediate written notice to the contract manager at any time ENTITY learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.*
- D. *The terms "debarred," "suspended," "ineligible," "person," "principal," and "voluntarily excluded," as used in this certification, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the contract manager for assistance in obtaining a copy of those regulations.*
- E. *ENTITY agrees by submitting this certification that, it shall not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this contract/subcontract unless authorized by the Federal Government.*
- F. *ENTITY further agrees by submitting this certification that it will require each subcontractor of this contract/subcontract whose payment will equal or exceed twenty five thousand dollars (\$25,000) in federal monies, to submit a signed copy of this certification.*
- G. *The Florida Health Choices, Inc. may rely upon a certification of Entity that it is not debarred, suspended, ineligible, or voluntarily excluded from contracting\subcontracting unless it knows that the certification is erroneous.*
- H. *This signed certification must be kept in the contract manager's file. Subcontractor's certifications must be kept at the contractor's business location.*

CERTIFICATION

Entity certifies, by signing this certification, that neither Entity nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract/subcontract by any federal agency.

Where Entity is unable to certify to any of the statements in this certification, Entity shall attach an explanation to this certification.



Signature (Above)

Name and Title of Authorized Signatory:
Bart Valdez, President

October 20, 2010

Date of Signature

Name of Entity and Business Address:
Ceridian Exchange Services, LLC
3201 34th Street, S.
St. Petersburg, FL 33711




**CONTRACT ATTACHMENT B
CERTIFICATION REGARDING LOBBYING
CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE CONTRACTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress or an employee of a member of congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative Contract and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative Contract.
- (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress or an employee of a member of congress in connection with this federal contract, grant, loan or cooperative Contract, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative Contracts) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000.00) and not more than one hundred thousand dollars (\$100,000.00) for each such failure.



Signature (Above)

October 20, 2010
Date of Signature

Name and Title of Authorized Signatory:
Bart Valdez, President

Name of Entity and Business Address:
Ceridian Exchange Services, LLC
3201 34th Street, S.
St. Petersburg, FL 33711

**CONTRACT ATTACHMENT C
REGARDING HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
OF 1996 COMPLIANCE:
BUSINESS ASSOCIATE (BA) AGREEMENT**

THIS BA AGREEMENT (Attachment C), is entered into and made between Florida Health Choices, Inc., a Florida non-profit corporation, (FHC) (the "Covered Entity") and Ceridian Exchange Services, LLC (the "BA") and is incorporated in the Services Contract (Contract) between FHC and Ceridian Exchange Services, LLC.

1. HIPAA Compliance. FHC and BA agree to comply with the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, as amended from time to time ("HIPAA"). Pursuant to HIPAA, FHC meets the definition of a covered entity and BA meets the definition as a business associate. As a covered entity, FHC must obtain and document satisfactory assurances from business associates, such as BA, that BA shall appropriately safeguard the individually identifiable health information which is personal health information ("PHI") and/or electronic protected health information ("EPHI") through a written contract or other written agreement such as this Attachment.
2. Definitions For Use in This Attachment. Terms used, but not otherwise defined, in this Attachment and the Agreement shall have the same meaning as those terms in 45 C.F.R. Parts 160, 162 and 164.
3. Privacy Obligations and Activities of BA. BA shall ensure compliance with the HIPAA Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164 (the "Privacy Rule"). Without limiting the generality of the foregoing, BA agrees that it will, in accordance with HIPAA, comply with the following:
 - BA agrees to not use or disclose personal health information PHI other than as permitted or required by this Attachment, the Agreement or as Required By Law.
 - BA agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Attachment and the Agreement.
 - BA shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains or transmits on behalf of the Covered Entity.
 - BA agrees to mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Attachment, the Agreement and HIPAA.
 - BA agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Attachment and the Agreement of which it becomes aware, within twenty (20) business days.
 - BA shall promptly report to Covered Entity any "security incident" of which it becomes aware; as such term is defined in the HIPAA Security Rule. At the request of Covered Entity, BA shall identify: the date of the security incident, the scope of the security incident, the BA's response to the security incident and the identification of the party responsible for causing the security incident, if known.
 - BA agrees to ensure that any agent, including a subcontractor, to whom it provides PHI and/or EPHI received from, or created or received by BA on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Attachment and the Agreement to BA with respect to such information.
 - BA agrees to provide access, at the written request of Covered Entity, within ten (10) business days of the written request (five (5) additional business days are permitted if written

request provided by the U.S. Postal Service ("USPS")), to PHI in a Designated Record Set ("DRS"), to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524. In the event any Individual requests access to PHI directly from BA, BA shall forward written notice of such request, to Covered Entity within ten business (10) days (five (5) additional business days are permitted if written notice provided by U.S.P.S.). Any denials of access to the PHI requested shall be the responsibility of Covered Entity.

BA agrees to make any amendment(s) to PHI in a DRS that the Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the written request of Covered Entity or an Individual, within twenty (20) business days of the written request (five (5) additional business days are permitted if written request provided by U.S.P.S.).

BA agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by BA on behalf of, Covered Entity available to the Covered Entity and to the Secretary, within fifteen (15) business days notice of the Secretary's request (five (5) additional business days permitted if notice provided by U.S.P.S.) or in the time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's HIPAA compliance.

BA agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

BA agrees to provide to Covered Entity, or an Individual at the request of the Covered Entity, within fifteen (15) business days (five (5) additional business days are permitted if written notice provided by U.S.P.S.) of written notice by Covered Entity to BA that Covered Entity has received a request for an accounting of PHI disclosures regarding an Individual during the six (6) years prior to the date on which the accounting was requested, information collected in accordance with Section 2.i. of this Attachment, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures, pursuant to 45 CFR §164.528.

4. Security. BA shall ensure compliance with the HIPAA Security Standards for the Protection of Electronic Protected Health Information ("EPHI"), 45 C.F.R. Part 160 and Part 164, Subparts A and C (the "Security Rule"), with respect to Electronic Protected Health Information covered by this Agreement effective on the compliance date for initial implementation of the security standards set for in 45 C.F.R. §164.318. Without limiting the generality of the foregoing, BA agrees that it will, in accordance with HIPAA:

Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C.

Ensure that any agent, including a subcontractor, to whom it provides such information, agrees to implement reasonable and appropriate safeguards to protect it;

Report to the Covered Entity any security incident of which it becomes aware;

Ensure the confidentiality, integrity, and availability of all Electronic Protected Health it creates, receives, maintains, or transmits;

Protect against any reasonably anticipate threats or hazards to the security or integrity of such information;

Protect against any reasonably anticipated uses or disclosures of such information that are not permitted or required under HIPAA; and

Ensure compliance with 45 C.F.R. Part 164, Subpart C (Security Standards for the Protection of Electronic Protected health Information) by its workforce.

5. Electronic Transaction And Code Sets. BA shall comply with the HIPAA Standards for Electronic Transactions and Code Sets, 45 C.F.R. Parts 160 and 162, with respect to Electronic Protected Health Information covered by this Agreement. Without limiting the generality of the foregoing,

BA agrees that it will, in accordance with 45 C.F.R. § 162.923(c):
Comply with all applicable requirements of 45 C.F.R. Part 162; and
Require any agent or subcontractor to comply with all applicable requirements of 45 C.F.R. Part 162.

6. Permitted Uses and Disclosures by BA - General Use and Disclosure Provisions. Except as otherwise limited in this Attachment, BA may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement, provided that such use or disclosure would not violate HIPAA if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

7. Permitted Uses and Disclosures by BA - Specific Use and Disclosure Provisions.

Except as otherwise limited in this Attachment and the Agreement, BA may use PHI for the proper management and administration of BA or to carry out BA's legal responsibilities.

Except as otherwise limited in this Attachment and the Agreement, BA may disclose PHI for the BA's proper management and administration, provided that disclosures are Required By Law, or BA obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies BA of any instances of which it is aware in which the confidentiality of the information has been breached.

Except as otherwise limited in this Attachment and the Agreement, BA may use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. §164.504(e)(2)(i)(B).

BA may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 42 C.F.R. §164.502(j)(1).

8. Provisions for Covered Entity to Inform BA of Privacy Practices and Restrictions.

Covered Entity shall notify BA of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR §164.520, to the extent that such limitation may affect BA's use or disclosure of PHI.

Covered Entity shall notify BA of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure PHI.

Covered Entity shall notify BA of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect BA's use or disclosure of PHI.

9. Term and Termination.

Term. The Term of this Attachment shall be effective concurrent with the Agreement, and shall terminate when all of the PHI provided by Covered Entity to BA, or created or received by BA on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

Termination for Cause. Upon Covered Entity's knowledge of a breach by BA, Covered Entity shall either:

Provide an opportunity for BA to cure the breach or end the violation and terminate this Attachment and/or the Agreement if BA does not cure the breach or end the violation within thirty (30) calendar days (five (5) additional calendar days are permitted if written notice provided by U.S.P.S.) of Covered Entity's notice to BA of the Covered Entity knowledge of the BA's breach; or

Immediately terminate this Attachment and the Agreement if BA has breached a term of this Attachment and/or the Agreement and cure is not possible; as determined at the sole discretion of Covered Entity; or

If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

Effect of Termination.

Upon termination of this Attachment and the Agreement, for any reason, BA shall return or destroy all PHI received from Covered Entity, or created or received by BA on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of any subcontractors or agents of BA, and BA has the duty to insure that any of its subcontractors or agents comply with these termination provisions. Neither BA, nor any of its subcontractors or agents, shall retain any copies of PHI upon termination of this Attachment and the Agreement.

In the event that BA determines that returning or destroying the PHI is infeasible, BA shall provide to Covered Entity written notification of the conditions that make return or destruction infeasible thirty (30) calendar days (five (5) additional calendar days are permitted if written notice provided by U.S.P.S.) prior to the termination of the Agreement or within thirty (30) calendar days (five (5) additional calendar days are permitted if written notice provided by U.S.P.S.) of BA's notice of Covered Entity's knowledge of a breach of this Attachment and/or the Agreement. Upon mutual agreement of the parties that return or destruction of PHI is infeasible; BA shall extend the protections of this Attachment and the Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as BA maintains such PHI.

10. Miscellaneous.

Regulatory References. A reference in this Attachment and the Contract to a section in HIPAA means the section as in effect or as amended.

Amendment. The Parties agree to take such action as is necessary to amend this Attachment and the Agreement, from time to time, as is necessary for Covered Entity to comply with the requirements of HIPAA.

Survival. The respective rights and obligations of BA under Section 9, "Effect of Termination," of this Attachment shall survive the termination of this Attachment and the Contract.

Interpretation. Any ambiguity in this Attachment and the Contract shall be resolved to permit Covered Entity to comply with HIPAA.



Signature (Above)

October 20, 2010

Date of Signature

Name and Title of Authorized Signatory:
Bart Valdez, President

Name of Entity and Business Address:
Ceridian Exchange Services, LLC
3201 34th Street, S.
St. Petersburg, FL 33711



CONTRACT ATTACHMENT D
DISCLOSURE FORM

ENTITY NAME: Ceridian Exchange Services, LLC

The following are relationships, business and personal, that may create a conflict of interest that ENTITY is hereby disclosing:

| Type of Relationship (Business, Personal) | Name of Organization or Individual | Status of Organization or Individual (Current Contractor, Applicant, Enrollee, etc.) | Term of Relationship |
|--|---------------------------------------|--|----------------------|
| None | | | |
| | | | |
| | | | |
| | | | |

By my signature, I certify that the information contained in this report and any attachments to this document are true representations. INSURER understands that if any information is found to be false that the Contract between FHC and INSURER may be terminated at FHC's sole discretion.

Submitted By:



(Signature Above)

Name: Bart Valdez

Date of Submission:

October 20, 2010

Title: President

ATTACHMENT E

ENTITY'S RESPONSE TO FHC INVITATION TO NEGOTIATE

The items included as the Response are as follows:

1. Proposal submitted by ENTITY dated August 27, 2010
2. Oral Interview notes by the FHC and Supplemental Material submitted by ENTITY in response to the Oral Interview conducted on Friday, September 24, 2010.
3. ENTITY response to required Enhancements:
 - a. Document/Image Portal Upload to Workflow, and;
 - b. Provider Detail with sort capability.
4. FHC Enhancements Selected as of October 14, 2010
5. Final pricing response as submitted by ENTITY on October 15, 2010 and incorporated in Attachment F of this contract.

ATTACHMENT F

COMPENSATION

Base Compensation

1. **Employer Set Up Fee:**
\$___100.00_ This is a one-time fee for each enrolled employer.
2. **Participant Application Processing Fee:**
\$___10.00_ This is a one-time fee for each applicant employee or individual.
3. **Buyer's Representative Application Processing Fee:**
\$___150.00_ This is a one-time fee for each buyer's representative.
4. **Monthly Employer Maintenance Fee:**
\$___10.00_ This is a fee applied monthly for each actively enrolled employer.
5. **Monthly Participant Maintenance Fee:**
\$___4.92_ This is a monthly fee applied for each enrolled employee or individual participant.
6. **Monthly Buyer's Representative Maintenance Fee:**
\$___25.00_ This is a monthly fee applied to each participating buyer's representative.
7. **Excess Programming Fee (Hourly Rate):**
\$___125.00_ This hourly fee covers programming costs for changes required to the system during the contract period that are in excess of the 3,000-hour requirement in the base price of the contract.
8. **Required Enhancements**
\$___0.00_ Document/Image Portal Upload to Workflow, and Provider Detail with sort capability is included in the compensation listed in 1-7 above.

Other Fees and Services at the Option of FHC

1. **Outreach Management System:**

\$__5,000.00_ This is the monthly cost to store and maintain the Outreach Management System.

2. Hourly Consulting Fees (Other than programming):

\$__None__

3. Extend Hours of Operation:

Included in the Base Compensation when hours are extended 8:00 a.m. to 7:00 p.m. Eastern Standard Time.

Included in the Base Compensation when hours are extended 8:00 a.m. to 8:00 p.m. Eastern Standard Time.

4. Video Display/Use:

\$__0.02_ This is a monthly charge per participating employee per month to integrate video into the Choice Portal.

5. Video Production:

Included in Base Compensation if FHC selects content already built for a video catalog. \$__10,000.00_ if FHC requires total customization of existing content for video catalog.

6. Embedded Health Promotion Services:

\$__0.75_ This is a monthly fee per participating employee per month for an online health promotion library, health risk assessment and online coaching with phone support.

7. HTML Imbedded Email:

Included in the Base Compensation when the participating employee has the option to deliver their top three plans to their Email in box in HTML format.

8. Document/Image Web Service (Monthly Option):

\$__0.02_ This is a monthly fee per participating employee per month.

9. Document/Image Web Services (Usage Option):

\$__0.10_ Per incidence utilizing this service to find and retrieve electronic images/documents

10. Print on Demand Document Production and Publishing Services:

\$__0.075_ Per Page (Black and White)

\$__0.15_ Per Page (Color)

11. Outreach Program Design, Evaluation, and Support:

\$__5,000.00_ This is a onetime fee to design, evaluate and support Outreach

12. Outreach Management:

\$__5,000.00_ This is a monthly fee for conducting outreach activities to market the program

13. Walk-in Payments (Monthly option):

\$__0.01_ This is a monthly fee per participating employee per month

14. Walk-in Payments (Usage Option):

\$__0.25_ This is a usage fee per participating employee accessing payment options at walk-in locations

15. Human Resource compliance:

\$__41.25_ This is a monthly fee per employer per month when the employer chooses this service

16. Employer Section 125 Support:

This service is included in the Base Compensation.

17. FSA, HRA and HSA Services:

\$ __ 3.40_ This is a monthly fee per participating employee enrolled in FSA services

\$__3.40_ This is a monthly fee per participating employee enrolled in HRA services

\$__2.40_ This is a monthly fee per participating employee enrolled in HSA services

18. Risk Adjustment:

\$__None_____



19. Payment Distribution Services:

Included in the Base Compensation when FHC selects ENTITY to calculate adjusted premiums and fees, and facilitate payment to the bank account of each carrier, vendor, and the corporation.

20. Brokers Commission Payments:

\$___1.64_ This is a monthly fee per participating Buyer's Representative

21. Funds Distribution, Refunds, and Account Reconciliation Services:

This service is included in the Base Compensation at FHC option.

22. Message Center:

This is included in the Base Compensation.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive name.

ATTACHMENT G

PERFORMANCE STANDARDS AND REDUCTIONS IN PAYMENT

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----------|--|--|--|----------------|
| X | General | | | |
| 1 | Complete research requests submitted by the Corporation | 99 percent of requests discussed with Corporation within two business days | Monthly average based on the business date of receipt of request – business date of follow up discussion attempted with the Corporation | Important |
| 2 | Respond to all communication from the Corporation | 99 percent response within one business day | Based on business date of receipt of communication – business date of acknowledgement (or resolution if available) | Important |
| 3 | Implementation | Implementation of contracted services per agreed schedule (100 percent) | Measured by readiness of specific major milestones/deliverables on date agreed to with Corporation. Agreed upon scope changes, whether Corporation requested or vendor necessitated, are re-evaluated and estimated without penalty. | Important |
| X | Customer Service | | | |
| 4 | Complaints – Days | Complaint resolution – within 15 days of complaint receipt | Monthly average of business days based on the business date of receipt – business date of resolution. | Critical |
| 5 | Complaints – Percent | Fewer than three percent complaints per month | Monthly average based on the number of complaints divided by the number of contacts | Critical |
| 6 | Data entry is accurate | Error rate of critical field characters is less than one percent per month. | Based on characters within fields identified as critical as agreed to with Corporation (Data entry errors committed by clients entering information into web-portal or by the vendor entering information into the system as documented in paper documentation from the client are not subject to accuracy measurement.) | Critical |
| 7 | Incoming calls will be answered by a customer service representative | Answer 80 percent of incoming calls within 30 seconds and 95 percent within 60 second. | Monthly measurement based on incoming calls answered by the Contact Center divided by number of incoming calls received. | Important |
| 8 | Maintain a reasonable abandoned call rate | No more than five percent of incoming calls are abandoned on a monthly basis | Monthly average of incoming calls which are abandoned by the caller hanging up once they reach the live agent queue divided by the number of incoming calls received in the queue. | Important |
| 9 | Maintain a reasonable blocked call rate | No more than one percent of incoming calls are blocked on a monthly basis | Monthly average of incoming calls which are blocked due to busy trunks divided by the number of incoming calls. | Important |
| 10 | Email responses will be timely. | 98 percent of incoming emails will be | Monthly average based on the number of emails where the email resolution date minus email receipt | Important |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|--|---|--|----------------|
| | | acknowledged within 4 hours and receive a resolution response within two business days | date is equal to two business days divided by the total number of emails received during that month | |
| 11 | Return voice mails | 98 percent of voice mails will receive response within one business day | Monthly average based on the number of voice mails where the voice mail acknowledgement date – voice mail receipt date is equal to one business day divided by the total number of emails received during that month | Critical |
| 12 | Respond to questions from participants that require additional research within one business day | 90 percent of questions will receive response within 1 business day and 95 percent within two business days | Monthly average measured based on the question response date – the question receipt date divided by the total number of questions received during the month. | Critical |
| 13 | The average monthly monitoring score for all customer service representatives | Exceed 85 percent monthly rating | Monthly average of all quality monitoring scores for customer services representatives | Important |
| 14 | Disseminate information to consumers | 98 percent of Correspondence (email, or hardcopy) accurately sent within two business days | Monthly average based on correspondence mail date – correspondence generation date divided by the total number of correspondence actions. | Important |
| 15 | Provide access to account information | User access available 98.5 percent of the time | Based on membership system availability through Contact Center divided by total business hours in the month. | Critical |
| 16 | Provide account payment and coverage verification | 99 percent accuracy of information provided to callers | Monthly average based on monitoring of customer contact center calls | Critical |
| 17 | Live call agent for all callers during agreed hours of regular operation with option to leave a voice mail | 99 percent availability of voice mail during agreed schedule for Contact Center business hours | Monthly average voice mail system availability | Important |
| 18 | Translation service available for languages not offered by the Center staff | 99 percent availability during agreed schedule | Monthly average based on filled requests to the translation service divided by the total number of requests for translation. | Critical |
| 19 | Meeting the needs of hearing-impaired callers | 99 percent availability during agreed schedule | Monthly average based on answered requests for hearing-impaired assistance divided by the total number of hearing impaired requests received. | Critical |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|--|---|--|----------------|
| 20 | Web-based chat functionality | 98.5 percent availability during agreed schedule | Monthly average based on requests for web chat assistance answered during normal business hours divided by total number of requests for web chat assistance. | Important |
| 21 | IVR system availability in English & Spanish 24 hours a day, 7 days a week, excluding scheduled downtime for routine maintenance | 99 percent availability | Based on IVR availability hours during the month divided by total hours in month less scheduled downtime. | Important |
| 22 | Accept payments through the IVR at the caller's request | 99 percent availability | Monthly hours of IVR payment system availability divided by total hours in month less scheduled downtime. | Important |
| 23 | Accurately process payments through the IVR at the caller's request | 99 percent accuracy | Monthly measurement of total number of payments processed through the IVR minus the number of inaccurate payments reported divided by total number of payments processed through the IVR. Inaccurate payments resulting from client committed errors will not be factored into this measurement. | Important |
| 24 | Open and available during the agreed upon days and hours of operation. | 99 percent availability during agreed schedule | Monthly measurement based on Contact Center availability to take calls divided by the total scheduled business hours during the month. | Important |
| 25 | Follow up attempts for missing information to process telephonic & on-line requests | Complete 95 percent within three business days | Monthly average based on the number of follow up attempts that occur within three business days from the identification of missing information divided by the total number of follow-up attempts. | Critical |
| 26 | Returned mail is processed | 99 percent processed within four business days following return | Monthly average based on the number of pieces of returned mail that are processed within four business days divided by the total pieces of returned mail during the month. | Important |
| 27 | Maintain accurate copies of all incoming and outgoing correspondence and furnish copies to the Corporation upon request | Archive in electronic form and produce within one business day following Corporation request in 99 percent of occurrences | Monthly average based on the number of Corporation requests received and fulfilled within one business day divided by the total number of Corporation requests received. | Important |
| X | Web Portal | | | |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|---|--|--|----------------|
| 28 | Data detail of program offerings is maintained timely | 99 percent of updates posted within two business days following receipt | Monthly average based on number of updates posted to the web portal within two business days of Corporation-approved data receipt divided by the total number of Corporation-approved data updates received. | Critical |
| 29 | Data detail of program offerings is maintained accurately | 99 percent accuracy of posted program offerings | Monthly average based on accuracy of score of quality monitoring as compared to data provided by carriers, Corporation, or other entity | Critical |
| 30 | Provide information to interested persons about available offerings and participating vendors | 99% accuracy posted within 2 business days following receipt | Based on Quality Assurance sampling | Important |
| 31 | Presentation of plan and service options shall be limited to those approved by the Corporation | 100 percent compliance with Corporate approval of plan options | Based on occurrence of non-approved plan or service posting to the web portal | Critical |
| 32 | Accept applications and documents-through an On-Line process | Process 98 percent of received applications and documents within three business days | Monthly average based on number of applications and documents received through the web portal which are processed within three business days of receipt divided by the total number of applications received through the web portal. | Important |
| 33 | Applications received through On-line process are processed accurately | 98 percent accuracy of application information received through the web | Monthly average based on Quality Assurance sampling | Critical |
| 34 | On-line application process will inform the user of the documents required and method of submission | Web portal accurately lists any additional documents required with 98 percent accuracy | Monthly average based on Quality Assurance sampling. | Important |
| 35 | Renewals received are processed timely | 98 percent processed within three business days following receipt | Monthly average based on number of renewals received which are processed within three business days of receipt divided by the total number of renewals received | Critical |
| 36 | Renewals received are processed accurately | 98 percent accuracy of renewal information received | Monthly average based on Quality Assurance sampling. | Critical |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|---|--|--|----------------|
| 37 | Web-based choice portal is available for user access | 98.5 percent availability | Monthly measurement of total hours system is available divided by the total number of hours in a month less the hours of scheduled system maintenance down time. | Critical |
| X | Eligibility Determination | | | |
| 38 | Rules for use in determining eligibility | Application of rules with 98 percent accuracy | Monthly average of quality monitoring scores based on Corporation-approved rules. | Critical |
| 39 | Timely and accurately process information submitted via on-line or paper using eligibility criteria | 98 percent processed within 3 business days | Monthly average based on number of instances of information received through the web portal or mail are processed within three business days of receipt divided by the total number of instances of information received through the web portal or mail. | Important |
| 40 | An electronic record is created from a paper application within three business days | 98 percent accurately created processed within three business days | Monthly average of electronic records which are created within three business days of receipt of paper application divided by the total number of paper applications received. | Important |
| 41 | Determination of eligibility will generate correspondence to the applicant confirming the outcome | 98 percent of outcome correspondence generated within two business days | Monthly average of the number of eligibility determinations which generate an outcome correspondence within two business days divided by the total number of eligibility outcomes. | Important |
| 42 | Documents transmitted by U.S. mail or electronic means copied, maintained and retrievable | Archive 100 percent of documents in electronic format for duration of contract | Based on monthly quality monitor scoring | Important |
| 43 | A method to inform the enrolled employer of eligibility outcomes for associated employees | 98 percent processed within two business days for employer reporting | Monthly average based on number of employee eligibility outcomes available for reporting within two business days divided by the total number of employee eligibility outcomes. | Important |
| 44 | Support additional screening for referral to state/federal agencies | 98 percent of referrals made within two business days following determination | Monthly average based on number of referrals made within two business days of screening determines likely eligibility for other state/federal program divided by total referrals made to other state/federal program. | Critical |
| 45 | Accept electronic referrals from state-administered programs for eligibility determination & enrollment | 98 percent processed within three business days | Monthly average of electronic referrals processed within three business days divided by total number of electronic referrals received during the month. | Critical |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|--|---|--|----------------|
| 46 | Ensure that file transmission are exported and imported within mutually agreed time frames | 99 percent processed within two business days | Monthly average of exported and imported files processed within two business days divided by the total number of file transmissions during the month. | Important |
| 47 | File transmission will be exported and imported accurately. | 99 percent accuracy | Based on quality assurance scoring, which excludes data designed to error out to preserve data integrity, as agreed to with the Corporation | Important |
| X | Enrollment Management | | | |
| 48 | Enrollment Processing | Process 98 percent of received enrollment requests within three business days | Monthly average of enrollment requests processed within three business days divided by the total number of enrollment requests received. | Important |
| 49 | Application, renewals and related documents are linked to the appropriate electronic record | 99 percent accuracy | Monthly average based on Quality Monitoring scores | Critical |
| 50 | Correspondence / documentation linked to the proper account and processed | 98 percent processed within three business days | Monthly average of correspondence / documentation processed within three business days divided by the total number of correspondence / documentation received during the month | Important |
| 51 | Security measures | 100 percent compliance with state and federal requirements | Annual security audit and quarterly internal security audit. | Critical |
| 52 | Cancellation/reinstatement function | 95 percent processed within two business days | Monthly average based on number of cancellation / reinstatement requests processed with two business days divided by the total number of cancellation / reinstatement requests received. | Critical |
| 53 | Transmission reconciliation | Daily reconciliation reported with 99% accuracy | Monthly average based on number of accurate transmissions divided by the total number of transmission. | Important |
| 54 | Transmissions of participant information to choice of insurer, health plan, or other service providers | 99 percent processed within two business days | Monthly average of enrollment choices transmitted to insurers within two business days of valid choice processed divided by the total number of valid enrollment choices processed. | Critical |
| 55 | Electronic transmission of enrollment data to the Corporation's evaluation and research subcontractor | Within five business days following the last day of the reporting period | Monthly transmission within five business days following the last day of the reporting period. | Important |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|---|--|--|----------------|
| 56 | Enrollment data accuracy | 99 percent accuracy of enrollment data | Monthly average based on quality monitoring scores. | Critical |
| 57 | Account terminations (due to death or disenrollment) | 95 percent processed within two business days | Monthly average based on number of account termination requests processed within two business days divided by the total number of termination requests received. | Important |
| 58 | Duplicate applications | Reconciled with 99 percent accuracy | Monthly average of quality score on identified duplicate Florida Health Choices applications | Important |
| X | Financial Services | | | |
| 59 | Calculate and facilitate the collection of participant and third party contributions | 99 percent accuracy | Monthly average based on quality assurance scoring | Critical |
| 60 | Maintain account payment history and account coverage history | 99 percent accuracy | Monthly average based on quality assurance scoring | Critical |
| 61 | Generate detailed reports the Corporation will use for remittance of premiums and other contributions | 99 percent accuracy | Monthly average based on quality assurance scoring | Critical |
| 62 | Process premium payments timely | 98 percent processed within three business days following receipt | Monthly average of premium payments processed within three business days divided by the total number of premium payments processed during the month. | Critical |
| 63 | Accurately process premium payments | 98 percent accuracy | Monthly average based on quality scoring | Critical |
| 64 | Process refunds accurately | 98 percent accuracy | Monthly average based on quality scoring | Critical |
| 65 | Process non-sufficient fund payments accurately | 98 percent accuracy | Monthly average based on quality scoring | Critical |
| 66 | Process non-sufficient fund payments timely | 98 percent processed within three days following receipt | Monthly average of non-sufficient fund payments processed within three days divided by total non-sufficient fund payments processed. | Critical |
| 67 | Process suspense items accurately | 98 percent accuracy | Monthly average based on quality scores | Critical |
| 68 | Process suspense items timely | 98 percent processed within three business days following suspension | Monthly average of suspense items processed within three business days divided by total number of suspense items processed during the month | Critical |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|--|--|---|----------------|
| 69 | Timely research for payments that are misapplied or for payments that are received with insufficient information to identify proper application of the payment | 98 percent processed within three business days following suspension | Monthly average of premium researches processed within three business days after research need identified divided by the total number of premium research needs identified. (Resolution may include item remaining in suspense if unidentified) | Critical |
| 70 | Accurate research for payments that are misapplied or for payments that are received with insufficient information to identify proper application of the payment | 98 percent accuracy | Monthly average based on quality scores | Critical |
| 71 | Financial balancing on a regular and frequent basis | 99 percent of monthly reports delivered by fifth business day of following month | Annual measurement based on number of accurate financial balancing reports delivered by the fifth business day of the following month, divided by the total number of financial balancing reports during the year. | Important |
| 72 | Accurate financial balancing on a regular and frequent basis | 99 percent accurate | Monthly average based on quality scores | Important |
| X | On Line Calculator | | | |
| 73 | Accurate on-line calculator | 98 percent accuracy | Monthly average based on quality scores | Critical |
| 74 | Make available an on-line calculator | 98.5 percent availability | Hours of on-line calculator availability during the month divided by the total number of hours in the month less scheduled system down time. | Important |
| X | Reporting | | | |
| 75 | Submit all required reports to the Corporation | 99 percent of reports submitted on the timeline agreed to with the Corporation | Based on Monthly measurement of all reports submitted to the Corporation on the schedule agreed to with the Corporation divided by the total number of reports submitted to the Corporation | Important |
| 76 | Reports are accurate | 99 percent accuracy | Monthly measurement based on quality monitoring and any errors found and reported by the corporation | Important |
| X | Enhancements (if requested) | | | |

| | Performance Measure | Negotiated Standard | Negotiated Method of Measurement | Assigned Value |
|----|---|--|--|----------------|
| 77 | Establishment and administration of cafeteria plans | Assist employers to file Section 125 applications within 10 days following employer request for assistance for 100 percent of requests | Monthly average based on assistance follow-up date minus assistance request date divided by the total number of assistance requests received. (Assumes that employer is able to provide all information to submit a complete application.) | Important |
| 78 | Process refunds timely | 98 percent processed within 10 days | Monthly average of refunds processed within 10 business days divided by the total number of refunds processed during the month | Critical |
| 79 | TBD | TBD | TBD | TBD |

The Corporation requires the performance standards found in this attachment. The ENTITY's failure to complete work tasks, both correctly and on time will result in significant injury to the FHC and its mission but the amount of damages resulting from such injury cannot be calculated with certainty. The failure to complete a work task, both correctly and on time, shall be deemed a default. For each such default, the ENTITY may be liable to the FHC for damages, in addition to the other remedies available under the contract.

The FHC deemed those tasks which are "critical" and "important". This attachment provides for assessment of damages as follows:

- A. Damages in the amount of \$5,000.00 for failure to meet a performance criteria deemed "critical" task by the FHC.
- B. Damages in the amount of \$2,500.00 for failure to meet a performance criteria deemed an "important" task by the FHC.
- C. At the Corporation's discretion, defaults on tasks deemed "important" can be waived in the interest of the good of the Contract.
- D. Aggregated damages for failure to meet performance criteria shall not exceed a monthly maximum of \$50,000.00 or 10% of monthly billings, whichever is greater.

At its option the FHC may collect damages by deducting from contract payments to the ENTITY, by demand to the ENTITY for payment, by making claims against the performance bond from time to time until the bond has been exhausted, or by any combination of the same.

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| PRODUCER Marsh USA Inc. ("Marsh") | | | COMPANIES AFFORDING COVERAGE | | | |
| INSURED Ceridian Corporation/Comdata Network, Inc. 3311 East Old Shakopee Road HQE04A Minneapolis, Minnesota 55425-1640 United States | | | Co.A Sentry Insurance A Mutual Company | | | |
| | | | Co.B St Paul Fire & Marine Insurance Company | | | |
| | | | Co.C | | | |
| | | | | Co.D | | |
| COVERAGES | | | | | | |
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| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE | POLICY EXPIRATION DATE | LIMITS LIMITS IN USD UNLESS OTHERWISE INDICATED | |
| A | GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY OCCURRENCE | 90-17331-03 | 01-Oct-2010 | 01-Oct-2011 | GENERAL AGGREGATE | 3,000,000 |
| | | | | | PRODUCTS - COMP/OP AGG | 3,000,000 |
| | | | | | PERSONAL AND ADV INJURY | 1,000,000 |
| | | | | | EACH OCCURRENCE | 1,000,000 |
| | | | | | FIRE DAMAGE (ANY ONE FIRE) | 1,000,000 |
| | | | | | MED EXP (ANY ONE PERSON) | 5,000 |
| A | AUTOMOBILE LIABILITY ANY AUTO | 90-17331-04 | 01-Oct-2010 | 01-Oct-2011 | COMBINED SINGLE LIMIT | 1,000,000 |
| | | | | | BODILY INJURY (PER PERSON) | |
| | | | | | BODILY INJURY (PER ACCIDENT) | |
| | | | | | PROPERTY DAMAGE | |
| B | EXCESS LIABILITY UMBRELLA FORM | QK05501679 | 01-Oct-2010 | 01-Oct-2011 | EACH OCCURRENCE | 3,000,000 |
| | | | | | AGGREGATE | 3,000,000 |
| | GARAGE LIABILITY | | | | AUTO ONLY (PER ACCIDENT) | |
| | | | | | OTHER THAN AUTO ONLY: | |
| | | | | | EACH ACCIDENT | |
| | | | | | AGGREGATE | |
| A A | WORKERS COMPENSATION / EMPLOYERS LIABILITY | 90-17331-01 (AOS) 90-17331-02 (Retro) | 01-Oct-2010 01-Oct-2010 | 01-Oct-2011 01-Oct-2011 | WORKERS COMP LIMITS | Statutory |
| | | | | | EL EACH ACCIDENT | 1,000,000 |
| | | | | | EL DISEASE - POLICY LIMIT | 1,000,000 |

| | | | | | | |
|--|--|--|--|--|-------------------------------|-----------|
| | | | | | EL DISEASE - EACH EMPLOYEE | 1,000,000 |
| | | | | | | |
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| PRODUCER Marsh USA Inc. ("Marsh") | INSURED Ceridian Corporation/Comdata Network, Inc. 3311 East Old Shakopee Road HQE04A Minneapolis, Minnesota 55425-1640 United States | |
| ADDITIONAL INFORMATION | | |
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| PRODUCER Marsh USA Inc. ("Marsh") | | | COMPANIES AFFORDING COVERAGE | | | |
| INSURED Ceridian Corporation 3311 East Old Shakopee Road Minneapolis, Minnesota 55425 United States | | | Co.A Continental Insurance Company | | | |
| | | | Co.B Great American Insurance Group | | | |
| | | | Co.C Zurich American Insurance Company | | | |
| | | | Co.D St. Paul Mercury Insurance Company | | | |
| COVERAGES | | | | | | |
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| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE | POLICY EXPIRATION DATE | LIMITS LIMITS IN USD UNLESS OTHERWISE INDICATED | |
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE | |
| | | | | | PRODUCTS - COMP/OP AGG | |
| | | | | | PERSONAL AND ADV INJURY | |
| | | | | | EACH OCCURRENCE | |
| | | | | | FIRE DAMAGE (ANY ONE FIRE) | |
| | | | | | MED EXP (ANY ONE PERSON) | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT | |
| | | | | | BODILY INJURY (PER PERSON) | |
| | | | | | BODILY INJURY (PER ACCIDENT) | |
| | | | | | PROPERTY DAMAGE | |
| | EXCESS LIABILITY | | | | EACH OCCURRENCE | |
| | | | | | AGGREGATE | |
| | GARAGE LIABILITY | | | | AUTO ONLY (PER ACCIDENT) | |
| | | | | | OTHER THAN AUTO ONLY: | |
| | | | | | EACH ACCIDENT | |
| | | | | | AGGREGATE | |
| | WORKERS COMPENSATION / EMPLOYERS LIABILITY | | | | WORKERS COMP LIMITS | |
| | | | | | EL EACH ACCIDENT | |
| | | | | | EL DISEASE - POLICY LIMIT | |
| | | | | | EL DISEASE - EACH EMPLOYEE | |

4 of 6

| | | | | | | |
|---|----------------|--------------|-------------|-------------|---------------|----------------|
| A | CRIME/FIDELITY | 268128338 | 01-Aug-2010 | 09-Nov-2011 | PRIMARY CRIME | \$15MM |
| B | CRIME/FIDELITY | CRP2171476 | 01-Aug-2010 | 09-Nov-2011 | EXCESS CRIME | \$15MMXS\$15MM |
| C | CRIME/FIDELITY | FID903828608 | 01-Aug-2010 | 09-Nov-2011 | EXCESS CRIME | \$15MMXS\$30MM |

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| PRODUCER Marsh USA Inc. ("Marsh") | INSURED Ceridian Corporation 3311 East Old Shakopee Road Minneapolis, Minnesota 55425 United States | |
| ADDITIONAL INFORMATION D. St. Paul Mercury Insurance Company Policy #: 412CF0824 Eff. Date: 01-Aug-2010 Exp. Date: 09-Nov-2011 Excess Crime Limit: \$5MMxs\$45MM | | |
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| INSURED Ceridian Corporation 3311 Old Shakopee Road HQE04A Minneapolis, Minnesota 55425-1640 United States | | | Co.A Continental Casualty Company | | | |
| | | | Co.B | | | |
| | | | Co.C | | | |
| | | | Co.D | | | |
| COVERAGES | | | | | | |
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| CO LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE | POLICY EXPIRATION DATE | LIMITS LIMITS IN USD UNLESS OTHERWISE INDICATED | |
| | GENERAL LIABILITY | | | | GENERAL AGGREGATE | |
| | | | | | PRODUCTS - COMP/OP AGG | |
| | | | | | PERSONAL AND ADV INJURY | |
| | | | | | EACH OCCURRENCE | |
| | | | | | FIRE DAMAGE (ANY ONE FIRE) | |
| | | | | | MED EXP (ANY ONE PERSON) | |
| | | | | | COMBINED SINGLE LIMIT | |
| | AUTOMOBILE LIABILITY | | | | BODILY INJURY (PER PERSON) | |
| | | | | | BODILY INJURY (PER ACCIDENT) | |
| | | | | | PROPERTY DAMAGE | |
| | | | | | EACH OCCURRENCE | |
| | EXCESS LIABILITY | | | | AGGREGATE | |
| | GARAGE LIABILITY | | | | AUTO ONLY (PER ACCIDENT) | |
| | | | | | OTHER THAN AUTO ONLY: | |
| | | | | | EACH ACCIDENT | |
| | | | | | AGGREGATE | |
| | WORKERS COMPENSATION / EMPLOYERS LIABILITY | | | | WORKERS COMP LIMITS | |
| | | | | | EL EACH ACCIDENT | |
| | | | | | EL DISEASE - POLICY LIMIT | |
| | | | | | EL DISEASE - | |

6046

| | | | | | | |
|--|-------------------------------|-----------|-------------|-------------|---------------|--|
| A | ERRORS & OMISSIONS | 287066243 | 01-Oct-2009 | 09-Nov-2010 | EACH EMPLOYEE | \$5,000,000 PER WRONGFUL ACT AND AGGREGATE |
| | | | | | | |
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ADDENDUM 1

TO THIRD PARTY ADMINISTRATION SERVICES CONTRACT

This Addendum 1 amends the Third Party Administration Services Contract entered into between Florida Health Choices, Inc. ("FHC") and Ceridian Exchange Services, LLC ("ENTITY") on October 20, 2010 (the "Contract") as follows:

1. To correct a typographical error in subsection C of Paragraph 5-11 of the Contract, and to update an OMB Circular reference in subsection H of Paragraph 5-11 of the Contract regarding accounting procedures required in certain circumstances by federal law, Paragraph 5-11 of the Contract is amended as follows:

5-11 Governing Law; Venue

This Contract shall be governed by applicable state and federal laws and regulations as such may be amended during the term of the Contract, whether or not expressly included or referenced in this Contract.

ENTITY agrees to comply with the following provisions as such may from time to time be amended during the term of this Contract:

- A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin.**
- B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap.**
- C. Title IX of the Education Amendments of 1972, as amended 29, U.S.C. 601 et seq., which prohibits discrimination on the basis of sex.**
- D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age.**

- E. Section 654 of the Omnibus Budget Reconciliation Act of 1981, as amended, 42 U.S.C. 9848, which prohibits discrimination on the basis of race, creed, color, national origin, sex, handicap, political affiliation or beliefs.**
- F. The American Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires accommodation for persons with disabilities.**
- G. Section 274A (e) of the Immigration and Nationalization Act, FHC shall consider the employment by any contractor of unauthorized aliens a violation of this Act.**
- H. OMB Circular A-102, A-87, 45 CFR-92, and Attachment A of this Contract. Covered transactions include procurement contracts for services equal to or in excess of one hundred thousand dollars (\$100,000.00) and all non-procurement transactions.**
- I. All applicable state and federal laws and regulations governing the ENTITY services provided hereunder.**
- J. All regulations, guidelines and standards, applicable to the ENTITY services provided hereunder as are now or may be lawfully be required under the above statutes. Should such future adopted regulation create a price increase or decrease, the parties agree to negotiate an equitable adjustment.**

ENTITY agrees that compliance with this assurance constitutes a condition of continued receipt of or benefit from funds provided through this Contract and such compliance is binding upon ENTITY, its successors, transferees and assignees for the period during which services are provided. ENTITY further agrees that all contractors, subcontractors, subgrantees or others with whom it arranges to provide goods, services or benefits in connection with any of its programs and activities are not discriminating against either those whom they employ nor those to whom they provide goods, services or benefits in violation of the above statutes, regulations, guidelines and standards.

It is expressly understood that evidence of ENTITY'S refusal or failure to substantially comply with this section or such failure by ENTITY'S subcontractors or anyone with whom ENTITY affiliates in performing under this Contract shall constitute a breach and renders this Contract subject to unilateral cancellation by FHC. FHC reserves the right to terminate this Contract, or any part herein, at its discretion if such alleged failure is not cured to the reasonable satisfaction of FHC within thirty (30) calendar days after FHC has given written notice thereof to ENTITY. In the event that ENTITY does not perform the cure within the thirty (30) calendar days, such termination shall be effective at such time as is determined by FHC.

Any legal action with respect to the provisions of this Contract shall be brought in state court in Leon County, Florida.

2. All other provisions of the Contract remain unchanged and in full force and effect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Contract, to be executed by their undersigned officials as duly authorized.

FOR ENTITY:

CERIDIAN EXCHANGE SERVICES, LLC

John F. Hunter

NAME John Hunter, President

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing instrument was acknowledged to me before this 5th day of OCTOBER, 2011, by JOHN HUNTER as President on behalf of Ceridian Exchange Services, LLC. He is personally known to me or has produced _____ as identification.

Mary S. V. Berg
Signature
Notary Public - State of Florida



Mary S. V. Berg
NOTARY PUBLIC
State of Minnesota
My Commission Expires 1-31-2014

Print, Type or Stamp Name of Notary Public

1-31-2014
My Commission Expires

WITNESS #1 SIGNATURE

Betty Belohlavek Brokaw

WITNESS #1 PRINT NAME

BETTY BELOHLAVEK BROKAW

WITNESS #2 SIGNATURE

WITNESS #2 PRINT NAME



March 3, 2011

Mr. Bart Valdez, President
Ceridian Exchange Services, LLC
3201 34th Street South
St. Petersburg, Florida 33711

Dear Mr. Valdez:

As I am sure you are aware, I have been speaking with Ken Kunsman in reference to eHealth China, a wholly owned subsidiary of eHealth, Inc., a subcontractor of Ceridian in the development of the web based portal provided for in the contract between Florida Health Choices, Inc. and Ceridian.

I have expressed our concerns to Mr. Kunsman, that offshore activity, in China or any other offshore location, is not appropriate, nor authorized under this project.

According to Mr. Kunsman, the amount of work directed to China, is incidental and nominal. Therefore, it would appear to me that it would not be detrimental to the continued development of the web based portal if offshore activity in China, or any other offshore location were discontinued immediately. I hereby respectfully request that you suspend all offshore activity.

The corporation's Administrative Committee will convene on Thursday, March 10, 2011 at 10:00 am to review all information relating to offshore activity on the project to date and to develop recommendations for consideration by the board. Your assistance in securing a timely response to my requests for information as detailed in an email to Mr. Kunsman this past Tuesday would be appreciated.

During the suspension of offshore activity, you are encouraged to continue all other efforts to further our mutual goal to successfully launch the marketplace. Based on representations of the nominal and incidental scope of the work directed to eHealth's offshore subsidiaries, I do not believe the suspension of this activity will impair Ceridian's ability to deliver the services as promised. If representations made in this regard are incorrect, please let me know immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rose M. Naff".

Rose M. Naff
Chief Executive Officer

/rmn

cc: Kenneth Kunsman, Senior Vice President



March 4, 2011

Rose M. Naff
Chief Executive Officer
Florida HealthChoices
225 South Adams Street, Suite 250
Tallahassee, Florida 32301

Dear Ms. Naff:

We are in receipt of your letter dated March 3, 2011 with respect to the web portal development activities. Thank you for reaching out to me and for your continued patience as we work through this issue.

Our team is in the process of preparing information responsive to your inquiries and for discussion with you and the Board at next Thursday's meeting. In the meantime, we are honoring your request to suspend the non-U.S. development activities.

Thank you again and I look forward to our continued partnership. Should you have any questions, please feel free to contact Ken or me.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. Valdez", with a long, sweeping horizontal line extending to the right.

Bart Valdez
President, Ceridian Exchange Services, LLC

Cc: Ken Kunsman



Ceridian Exchange Services, LLC
3201 34th Street South
St. Petersburg, FL 33711

October 27, 2011

Rose Naff, CEO
Florida Health Choices
200 W. College Ave.
Suite 203
Tallahassee, FL 32301

Dear Rose:

Pursuant to our discussion today, this letter confirms that John F. Hunter is president of Ceridian Exchange Services, LLC, replacing Bart Valdez in this role. Mr. Valdez has been promoted in the Ceridian US organization to the role of Chief Commercial Officer.

Let me know if you have any questions or require further information.

Best regards,

A handwritten signature in black ink, appearing to read 'KPK', with a long horizontal flourish extending to the right.

Kenneth P. Kunsman
Senior Vice President

CC: J. Hunter



3201 34th Street South
St. Petersburg, FL 33711

November 21, 2011

Rose Naff, CEO
Florida Health Choices, Inc.
200 W. College Ave., Suite 203
Tallahassee, FL 32301

Re: Response to Florida Health Choices ("FHC") notice to cure letter of November 15, 2011

Dear Ms. Naff:

Ceridian Exchange Services, LLC ("Ceridian") is in receipt of your letter of November 15, 2011. Ceridian disagrees with every assertion and purported grounds for breach. Ceridian cannot launch the solution defined in FHC's ITN 2010 and described in our proposal of August 27, 2010 (hereafter collectively, "ITN"), because FHC is not planning to launch the ITN solution. FHC's letter is especially disappointing because Ceridian has spent vast resources on the ITN, on FHC's recent decision to advance a revised solution, and on attempts to get carriers interested in the FHC marketplace – an integral requirement for a launch that FHC has not succeeded in completing. Regardless, Ceridian herein responds with evidence of timely progress against the objectives of the contract. We request a conference in person or via teleconference with you and your chairman, prior to the December 2, 2011 board meeting to discuss these items.

I. Corrective action regarding security scans

Five of the six items identified in the scan tests are corrected and the sixth will be corrected after we support your external user acceptance testing, as communicated in our November 14, 2011 meeting. As discussed, these items are common, well understood in the software industry, and were easily and quickly remediated. The system will be retested in December 2011, before public use of the website and before any carrier completes the on-boarding process as discussed at our November 14 meeting.

In our phone conversation of November 15, 2011 to discuss this notice, you indicated it would be easy for Ceridian to deliver these cures, based on work already delivered, being delivered or in process. We agree, and found your need to send this notice troubling as we have previously chosen collaboration over confrontation. Ceridian is prepared to prioritize items related to the ITN proposal and contract – and only those items – and to schedule development and release of the Small Group Pilot ("SGP") changes to the FHC program on timetable commensurate with the return Ceridian has seen on its investment—items we should discuss as soon as possible.

II. Corrective action regarding delivery of solution for external user acceptance testing

As previously agreed to by FHC at our meeting on November 14, delivery of the base solution for external user acceptance testing was to begin on November 21, 2011. Ceridian accelerated this date and began such delivery on November 18, 2011.

Ceridian and FHC mutually developed a formal Change Control process and used it to agree to the scope and effort necessary to develop and schedule system gaps identified in May and June 2011 for development and release. In the same way, Ceridian and FHC have begun to scope the requirements of the SGP, to schedule those for development and release.

III. Comment on delivery of SGP approved by board in July 2011

Ceridian did not begin receiving delivery system solution requirements for the Small Group Pilot until September, 2011, and is still awaiting delivery of a policy to satisfy the open enrollment change in SGP [CC#173].

update: received 4pm 1/21/11
(JC)

IV. Going forward

Ceridian has made substantial investments to support FHC and its changing priorities, to achieve the objective of assisting Floridians with the purchase of insurance and other health services. Since the ITN contract award, Ceridian has invested more than \$2.4 million in development and more than \$400,000 in North Highland fees. Those investments are now being rewarded with claims of lack of performance and material breach, which we trust you and FHC would now agree have been fully addressed. A fair review of the facts would include the following FHC program deficiencies:


- No carrier contracts or commitments of any kind for the ITN solution
- No launch date for the ITN solution
- No banking contract or account established by FHC for the program
- No final review and signature to finish the FiServ agreement
- No carrier contracts for SGP, and now asking Ceridian to start work without them
- Incomplete open enrollment policy for SGP CC#173 causing delay

Ceridian entered into the contract with FHC based on representations by FHC that carrier commitments would be secured in November 2010 for the ITN, and that launch would occur by January 2011, generating revenues under the contract. [ITN page 5] Further, Ceridian agreed to an independent project management professional to oversee the progress of implementation, at a cost of \$8,000 per month, as communicated by Ceridian during FHC's board meeting of December 10, 2010.

To date, FHC secured no carrier commitments for the ITN program and has not articulated a launch date for that program, at great financial harm to Ceridian. Further, FHC has expanded the duties of the independent project manager to serve as adjunct staff of FHC, increasing the cost to Ceridian for this item alone to over \$30,000 per month. Ceridian was prepared to continue working through these troubling developments directly with FHC; however the receipt of FHC's notice requires these issues to instead be articulated here for a full review of relevant facts. Ceridian's attitude has been and will continue to be that respect and collaboration create a better path to attaining program goals.

We look forward to a conference call with you and your chairman as soon as possible.

Sincerely,



Kenneth P. Kunsman
Senior Vice President

cc: Lauren McCarthy
Aaron Bean
Wilbur Brewton
Patrick Foggia
John F. Hunter

A point-by-point response to your letter follows:

To date, your company has failed to make timely progress on the objectives of the contract or deliver any the following:

- Services described in your proposal dated August 27, 2010
- High level business requirements as documented May 4, 2011
- System gaps identified in May and June of 2011
- Small Group Pilot Project as approved by the board July 29, 2011

Response:

- *FHC has not articulated a launch date for the solution covered in your ITN 2010*
- *FHC has replaced the ITN solution with a Small Group Pilot that eliminates the guaranteed-issue and employee choice foundational elements of the ITN solution*
- *Timely progress is evident in that Ceridian has developed, tested and is migrating to a "production environment" the services of the August 27, 2010 proposal, which support 307 business requirements as documented May 4, 2011.*
- *FHC agreed on November 14, 2011 to proceed to external User Acceptance Testing of these requirements beginning November 21, 2011.*
- *Small Group Pilot is being actively managed by both FHC and Ceridian in change control; FHC has not yet delivered policy to satisfy a critical SGP change control item*
- *Ceridian has committed resources to the design, development and deployment of SGP, acting in good faith.*

Lack of performance on the part of Ceridian Exchange Services, LLC and its subcontractors, prevent Florida Health Choices from implementing a program to assist Floridians with the purchase of insurance and other health services.

Response:

- *Lack of a binding carrier commitment prevents Florida Health Choices from implementing a program because FHC have no insurance services to offer*
- *Ceridian agreed to initiate a 7-week on-boarding process immediately upon FHC securing a carrier commitment to enter the program*

Additionally, a system solution that does not meet the specifications of the corporation but that is intended by Ceridian Exchange Services, LLC to serve as the base solution on which all customization will be implemented, has not been delivered for external user acceptance testing.

Response:

- *FHC agreed on November 14, 2011 to take delivery of the base solution for external user acceptance testing to begin on November 21, 2011.*

This base solution has failed security scans in two separate tests conducted by your company. The first scan produced significant security failures in May 2011 and your staff engaged in a five month effort to repair the failures, perform internal testing and rescan the solution. Other development activities to bring the base solution into compliance with Florida Health Choices expectations were suspended by your company during this time. More recently, on Monday, November 7, I was notified by phone that the security repair effort was unsuccessful as the second security scan has also produced security failures. The identified failures were described to me as being serious enough to prohibit external users to have access to the system.

Response:

- *Ceridian treats all security items as serious.*
- *Ceridian communicated on November 14, 2011 that five of the six items identified in the security scan were already corrected and that the sixth would be corrected after FHC completed external user acceptance testing.*
- *These items will be retested in the Production environment before allowing public use of the website, which will occur before any carrier completes the on-boarding process, a fact also communicated on November 14, 2011.*

Other development activities to bring the base solution into compliance with Florida Health Choices expectations were suspended by your company during this time [period between May and October security scans].

Response:

- *A driver of resourcing May-October was FHC's disclosure that the ITN solution was unacceptable to carriers and that a Small Group Pilot program was being conceived.*
- *FHC put Ceridian into a position of wasted effort and resources due to the change in fundamental requirements of the ITN solution (guaranteed issue, employee choice) and the Small Group Pilot (non-guaranteed issuance of insurance, employer choice, medical underwriting per employer).*

Prohibiting access by external users may be appropriate at this time given the security failures identified this week. However, such prohibition prevents Florida Health Choices, Inc. from launching the program, is more likely than not to further delay progress on the objectives of the contract, and is of significant concern given the importance of data security and the potential for violation of state and federal laws.

Response:

- *FHC has no plans to launch the ITN program and has not yet provided all information needed to determine a launch schedule for the SGP, so this claim is unfounded.*
- *Access to the base ITN system will be permitted before December 31, 2011, as was communicated on November 14, 2011.*
- *FHC has not yet provided a commitment from a carrier to enter a plan in the program and start the 7-week on-boarding process, so FHC will not have a plan to launch the program until at least January 10, 2011. Clearly it is more likely than not that FHC, and not Ceridian, will be the cause of any delay in launching a program.*



November 15, 2011

Mr. Patrick Foggia, Program Manager
Ceridian Exchange Services, LLC
3201 34th Street South
St. Petersburg, FL 33711

Re: Notice to Cure for Lack of Performance
Notice to Cure for Material Breach

Dear Mr. Foggia:

Florida Health Choices, Inc. awarded and executed a contract for Third Party Administration Services with Ceridian Exchange Services, LLC approximately one year ago. To date, your company has failed to make timely progress on the objectives of the contract or deliver any the following:

- Services described in your proposal dated August 27, 2010
- High level business requirements as documented May 4, 2011
- System gaps identified in May and June of 2011
- Small Group Pilot Project as approved by the board July 29, 2011

Lack of performance on the part of Ceridian Exchange Services, LLC and its subcontractors, prevent Florida Health Choices from implementing a program to assist Floridians with the purchase of insurance and other health services. Pursuant to Section 5-17C of the contract, this letter serves as notice to Ceridian Exchange Services, LLC to cure the demonstrated lack of performance within thirty calendar days.

Additionally, a system solution that does not meet the specifications of the corporation but that is intended by Ceridian Exchange Services, LLC to serve as the base solution on which all customization will be implemented, has not been delivered for external user acceptance testing. This base solution has failed security scans in two separate tests conducted by your company. The first scan produced significant security failures in May 2011 and your staff engaged in a five month effort to repair the failures, perform internal testing and rescan the solution. Other development activities to bring the base solution into compliance with Florida Health Choices expectations were suspended by your company during this time. More recently, on Monday, November 7, I was notified by phone that the security repair effort was unsuccessful as the second security scan has also produced security failures. The identified failures were described to me as being serious enough to prohibit external users to have access to the system.

Ceridian Exchange Services, LLC has a duty under the contract to protect personal identifying and health information. Prohibiting access by external users may be appropriate at this time given the security failures identified this week. However, such

November 15, 2011
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prohibition prevents Florida Health Choices, Inc. from launching the program, is more likely than not to further delay progress on the objectives of the contract, and is of significant concern given the importance of data security and the potential for violation of state and federal laws. Therefore, pursuant to Section 5-17D of the contract, this letter also serves as notice to Ceridian Exchange Services, LLC, to cure this material breach within thirty calendar days. Florida Health Choices, Inc. will be reasonably satisfied of a cure that provides independent certification of web security and protection of data.

I appreciate your prompt attention to these matters,



Rose M. Naff
Chief Executive Officer
Florida Health Choices, Inc.

RMN/web

CC: Aaron Bean, Chairman of the Board
Wilbur Brewton, General Counsel
John Hunter, Ceridian
Ken Kunsman, Ceridian



December 5, 2011

Mr. Ken Kunsman, Sr. V.P.
Ceridian
3201 34th Street South
St. Petersburg, FL 33711

Dear Mr. Kunsman,

Thank you for proposing the “Quick Start & SGP Acceleration Plan” and the “CASS Remediation Plan for Base ITN Solution” (collectively the “Plans”) during the most recent meeting of the Florida Health Choices board of directors.

The Board has asked that I respond to your proposal and conditions.

Quick Start & SGP Acceleration Plan

The Plan you propose would permit the offering of small group plans to eligible employers and their employees within a time frame that can be accepted by the corporation. We consider your offer as evidence of intent to perform under the contract for third party administration services.

However, the proposal was received shortly before the board meeting and a comprehensive review of the assumption and risks articulated in the plan could not be reasonably conducted prior to commencement of the meeting. Discussion on these items is warranted and should be conducted as soon as possible between our organizations. Further, a detailed plan to measure progress against the proposed objectives and resulting schedule is indicated. Development of a mutually agreeable methodology to monitor the progress toward successful performance is requested.

Upon successful resolution of the assumptions, risks contained in the plan and, upon submission of a satisfactory monitoring tool to measure progress toward reaching our stated goal to offer small group plans to eligible Floridians, the corporation will permit Ceridian additional time to cure for lack of performance provided benchmarks are achieved. Such additional time, when granted by the corporation is informally referred to as “stop the clock”. If, at any time, your company fails to achieve the goals of the submitted Plan, the 30 day period to cure for lack of performance will resume.

December 5, 2011

Page Two

Your company's ability to make measureable progress to the satisfaction of the corporation will ensure that no other Notice to Cure for lack of performance toward delivery of the Small Group Pilot Project is necessary, but the corporation cannot agree that failure to carry out the Plan will not generate future cure notices.

We appreciate your agreement to that has 6,000 programming hours (3,000 from 2011 and 3,000 for 2012) credited and that those hours will be available to the corporation for programming/development work.

Any other conditions placed upon your offering of the Quick Start & SGP Accelerated Plan are not acceptable to the corporation, including, but not limited to:

The independent project management services provided by North Highlands are required by the contract between Ceridian and the corporation. The Plan you propose will require continued monitoring.

CASS Remediation Plan

The remediation plan to correct security deficiencies indicates your intent to satisfy the cure within the required timeframe and retest the system. I understand security testing will be conducted by an independent vendor and the results will be presented on or before December 14, 2011. Satisfactory test results delivered on or before the proposed date will resolve the issue within the required thirty calendar days. Upon receiving appropriate documentation of satisfactory security test results, the corporation will consider the current security deficiencies corrected.

Sincerely,



Rose M. Naff
Chief Executive Officer
/rmn

cc: Aaron Bean, Chairman of the Board
Wilbur Brewton, General Counsel
John Hunter, Ceridian
Patrick Foggia, Ceridian



December 27, 2011

Mr. Ken Kunsman, Sr., V.P.
Ceridian
3201 34th Street South
St. Petersburg, FL 33711

RE: Material Breach and Technical Security Test Results

Dear Mr. Kunsman,

Florida Health Choices (FHC) has received the executive level scan reports and Mr. Kaeder's narrative dated December 19, 2011. After reviewing the reports and narrative, the FHC is not satisfied that a cure has been achieved.

In order to better understand the status of the security issues, please respond to the following questions related to the scope of the scan recently performed:

1. What system environment(s) was the scan executed against?
2. What level/version of the application code was scanned?
3. Did the security scan cover all functional areas represented in the front end/back end system of the solution? If not, why, and further, what subset systems are within the scope of these scans?
4. What is the plan for any excluded systems to be scanned or tested for vulnerability/penetration?

Our letter of Material Breach dated November 15, 2011 requested independent certification of web security. Based on the December 7 and December 16 reports we are assuming that the scan tool used was IBM Rational AppScan; however, the independent third party is not identified in the reports or narrative provided thus far. Please confirm the tool that was used and answer the following additional questions related to the tool and the independent third party performing the scan:

5. Who/which independent 3rd party performed the security scan utilizing the scan tool?
6. Was the scan tool installed on Ceridian/eHealth computers or on the third party vendor computer? If on a third party computer, please identify the third party.
7. Are there other scan tools that are also appropriate for the FHC solutions?
8. What, if any, configuration is done to the scan tool to specify:
 - a. The kind of issues that are searched and identified
 - b. Limitations used in the search
 - c. Parameters used for reporting results
9. How are the finding categorizations of High, Medium, Low and Informational assigned? Is this done by the scan tool or by a person? Describe in detail.

The three recent security reports are at a high-level and contain very little detail. Please furnish the following additional information the FHC is requesting:

10. The specific web page or URL affected, identify the type of vulnerability, and the specific data at risk on each.
11. Why were 21 additional URLs discovered in the Employee component during the scan not included in the scan report?

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December 27, 2011

To the extent that any of the information is confidential or proprietary and considered exempt from disclosure under Florida's sunshine law, please mark the documents appropriately.

In addition, Mr. Kaeder's narrative was helpful in understanding the two high severity vulnerabilities reported in the Employer and Employee modules; and the nature of a "false positive" finding. Mr. Kaeder also states that Ceridian policy requires appropriate risk treatment of validated vulnerabilities based on severity and in accordance with an established schedule (Within 30 days for high severity items and within 120 days for medium severity items.) Last Spring, the first security scan reportedly resulted in identification of other high and medium vulnerabilities, and a re-mediation effort was launched. However, the duration of that first remediation effort substantially exceeded the stated Ceridian policy.

12. Please explain the difference in Ceridian's stated policy and our recent observation that the first security remediation was quite slow.

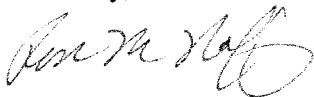
While FHC does not employ a web security expert, we have spoken with others who have expertise in the area and they have cautioned us against any deployment of the solution while security defects categorized as medium remain uncured. Please respond to the following:

13. What is the plan for further analysis/validation of the scan issues identified?
14. What is the proposed timeline for this further analysis/validation?
15. What remediation is needed?
16. Who is assigned to perform remediation? Please list the team members responsible.
17. What is the timeframe for development, testing and rescan of the modules?

Finally, please help us understand how the proposal by Mr. Kaeder to cure the medium defects within 120 days of validation may affect the schedule proposed in the Acceleration Plan. (The 120 days would expire on or after May 1, 2012 while your Acceleration Plan proposes a go live date for agent enrollment much earlier in the year.)

Having outlined above, the questions that FHC still has, you must be reminded that the Material Breach cited in our letter dated November 15, 2011 has not been cured, The FHC board meets January 18, 2012 in Orlando and we must have, with finality, an agreement to cure in hand by January 5, 2012

Sincerely,



Rose M. Naff
Chief Executive Officer

/rmn

cc: Randy E. Kaeder, Ceridian
Patrick Foggia, Ceridian