CONTRACT FOR TECHNOLOGY SERVICES PROVIDED TO THE FLORIDA HURRICANE CATASTROPHE FUND BETWEEN PARAGON STRATEGIC SOLUTIONS INC. AND THE STATE BOARD OF ADMINISTRATION OF FLORIDA SBA CONTRACT NO._____

This Contract is made as of ____ July 2023, by and between the State Board of Administration of Florida (the "Board" or "SBA") and Paragon Strategic Solutions, Inc. ("Paragon").

WHEREAS the SBA desires to retain the services of Paragon to complete a migration of the FHCF Online Claims System (OCS) from an on-premise application to a commercial cloud-hosted environment, and Paragon is willing and able to provide these services pursuant to the terms and conditions of this Contract;

NOW, THEREFORE, in consideration of the mutual promises herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

I. Term.

This Contract takes effect upon the execution and delivery hereof by the parties and terminates upon completion of services described in Schedule A, unless extended in writing by mutual agreement of the parties or unless terminated as provided in Article XIV.

II. Services

Paragon will provide the services set forth in Schedule A to this Contract and will carry out the terms and conditions of this Contract as set forth herein. These services will consist of a migration of the FHCF Online Claims System to a commercial cloud-hosted platform as set forth in Schedule A, which is attached hereto and incorporated into this Contract by reference. The tangible work product to be delivered by Paragon to the SBA as specified in Schedule A shall be referred to as the "Deliverables."

III. Other Special Services

Upon mutual agreement of the parties, Paragon may perform other services for the SBA as requested by the SBA in writing. The scope of the services and compensation shall be agreed upon between the parties before such other services are rendered.

IV. Compensation.

Paragon shall be paid the compensation specified in Schedule A for the services and Deliverables specified in Schedule A.

V. Organizational or Resource Changes.

Paragon must notify the SBA at least 30 days in advance of any organizational or resource changes that could affect Paragon's provision of the services or impact the staff or management resources committed to performing the services as set forth in this Contract. After reviewing the changes, the SBA may require a renegotiation of the fees or terms of this Contract if the SBA determines that a renegotiation is required to address potential adverse impacts on the quality of services.

VI. Contract Not Assignable or Divisible Without Consent; Use of Subcontractors and Non-Employees.

Paragon may not assign, subcontract, or otherwise transfer its rights and duties under this Contract without the prior written approval of the SBA. Paragon may not use any subcontractors in the performance of services under this Contract without the prior written approval of the SBA. The request for approval shall contain information regarding the subcontractor's capability and experience along with an attestation that Paragon has received confirmation of appropriate background checks revealing no history that would preclude the subcontractor from working with the SBA. Paragon is responsible for its approved subcontractors and non-employee's performance of the services and compliance with this Contract to the extent as it is responsible for its own performance and compliance.

VII. Use of E-Verify System.

Paragon shall register with and use and shall cause any of its subcontractors to register with and use, the E-Verify system to verify the employment eligibility of newly hired employees performing services within the United States in accordance with Section 448.095, Florida Statutes. Paragon acknowledges that SBA is subject to and Paragon

agrees to comply with Section 448.095, Florida Statutes, as amended from time to time, to the extent applicable.

VIII. Florida Public Records Law.

Notwithstanding any other provision of this Contract, Paragon acknowledges and agrees that the SBA is bound by the provisions of Chapter 119 (Public Records), Florida Statutes, and in the event of any conflict between Chapter 119, Florida Statutes, and the terms of this Contract, the provisions and procedures of Chapter 119, Florida Statutes, will prevail. To the extent applicable, Paragon shall comply with Chapter 119, Florida Statues. In particular, Paragon shall:

a. Keep and maintain public records required by the SBA in order to perform the services under this Contract.

b. Upon request from the SBA's custodian of public records, provide the SBA with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by Florida law.

c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Contract and if Paragon does not transfer the records to the SBA, following completion of the Contract.

d. Upon completion of the Contract, the SBA and Paragon shall determine the appropriate commercially accepted methodology to transfer, at no cost, to the SBA all public records in Paragon's possession or keep and maintain public records that were required by the SBA to perform the services. If Paragon transfers all public records to the SBA upon completion of the Contract, Paragon shall destroy duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Paragon keeps and maintains public records upon completion of the Contract, Paragon shall meet all applicable requirements for retaining public records. Paragon shall provide all records that are stored electronically to the SBA, upon request from the SBA's custodian of records. To the extent allowed under Florida public records law, this provision does not require Paragon to retrieve, destroy, provide or transfer records stored for disaster recovery purposes in encrypted files in a secure off-site facility, where retrieval would be difficult or impractical.

IF PARAGON HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA

STATUTES, TO PARAGON'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF THE PUBLIC RECORDS AT:

STATE BOARD OF ADMINISTRATION OF FLORIDA
POST OFFICE BOX 13300
TALLAHASSEE, FLORIDA 32317-3300
(850) 488-4406
SBAContracts_DL@sbafla.com

IX. Protection of Confidentiality; Data Security.

(1)(a) To the extent permitted by state and federal law, Paragon personnel shall keep all FHCF insurer-specific data confidential. Unless directed by the SBA, Paragon personnel shall not release any FHCF insurer-specific information not already in the public domain to any parties other than the designated FHCF Team or the SBA's dedicated FHCF staff. Unless directed by the SBA, Paragon personnel shall not release any FHCF insurer-specific information to any Aon plc ("Aon") personnel, including, but not limited to, reinsurance brokers, or to the personnel of any Aon subsidiary, other than those identified as part of the FHCF Team.

(b) As used in this Contract, the term "FHCF Team" means Paragon personnel, including employees of Paragon, any subcontractors, agents, or other persons acting at the direction of or on behalf of Paragon, involved in providing the services described in this Contract.

(2) FHCF systems shall be maintained in a manner that allows for restricted access rights, so that only the FHCF Team, and the SBA's FHCF staff as applicable, have access to electronic FHCF insurer-specific information. Paragon personnel shall secure the FHCF files and modify system access rights for the FHCF Team only as directed by a Paragon Director of the FHCF Team. All changes to SBA's FHCF Team access must be approved by the FHCF Chief Operating Officer or Director of Operations.

(3) This Section does not affect Paragon's ownership rights as to administrative records, pre-existing intellectual property, or intellectual property developed by Paragon unrelated to the scope of services under this Contract.

X. Records Retention and Destruction.

(1) Paragon shall retain all records it receives or creates under this Contract until the SBA approves the destruction of such records. Destruction of records shall be carried out in a manner that protects the confidentiality of the records and is acceptable to the SBA. Approval of the manner of destruction shall not be unreasonably withheld.

(2) This Section does not apply to records created by Paragon not related to or in furtherance of this Contract using publicly acquired data or to duplicate records, including those that may be contained in backup files created in the ordinary course of business that are recycled in the ordinary course of business.

XI. Conflicts of Interest.

(1) The parties acknowledge the existence of the potential for a conflict of interest between Paragon's duties under this Contract and Paragon's other business activities or those of Aon or its subsidiaries. Paragon shall exercise its obligations and responsibilities to the SBA with a continuing awareness of the possibility of a conflict of interest. Paragon shall promptly inform the SBA upon becoming aware of any potential conflict of interest between Paragon's duties under this Contract and Paragon's other business activities or those of Aon or its subsidiaries. Paragon shall promptly provide information, that is not confidential or trade secret, regarding any such situations as requested by the SBA.

(2) Paragon's role as FHCF Administrator and Actuarial Consultant under separate contract shall not be considered to create any conflicts of interest with its duties under this Contract.

(3) The fact that Aon and its subsidiaries may provide services to one or more FHCF participants shall not in and of itself require disclosure pursuant to this Section.

(4) The disclosures required pursuant to this Section shall be made in good faith and to the best of Paragon's ability.

XII. Indemnification; Limitations of Liability.

(1) Paragon shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify and hold harmless the SBA and its officers, agents, and employees, from third party suits, actions, damages, and costs

of every name and description, including reasonable attorneys' fees and costs, arising from or relating to personal injury alleged to be caused in whole or in part by the negligent act or omission of Paragon, its agents, employees, partners, or subcontractors, provided, however, that Paragon shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the SBA.

(2) Paragon shall fully indemnify and hold harmless the SBA from any third-party suits, actions, damages, and costs of every name and description, including reasonable attorneys' fees and costs, arising from or relating to Paragon's products provided under this Contract violating or infringing a trademark, copyright, patent, trade secret or intellectual property right of a third party, provided, however, that the foregoing obligation shall not apply to the SBA's misuse or modification of Paragon's products not contemplated by this Contract.

(3) Paragon's obligation under subparagraph 1 with respect to any legal action is contingent upon the SBA giving Paragon written notice of any action or threatened action, the opportunity to take over and settle or defend any such action at Paragon's sole expense, and assistance in defending the action at Paragon's sole expense. Paragon shall not be liable for any cost, expense, or compromise incurred or made by the SBA in any legal action without Paragon's prior written consent, which shall not be reasonably withheld.

(4) No party shall be liable to another for special, indirect, punitive, or consequential damages. No party shall be liable for lost profits, lost revenue, or lost institutional operating savings. With respect to disputes between the parties, the SBA may, in addition to other remedies available at law or equity and upon notice to Paragon, retain such amounts otherwise due Paragon as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against them.

(5) Paragon's liability (whether in contract tort, negligence, strict liability, by statute, or otherwise) the SBA or to any third-party concerning performance or non-performance or otherwise related to this Contract will in the aggregate be limited to direct and actual damages not to exceed $1,000,000.

(6) This paragraph shall be enforced to the fullest extent permitted under Florida law.

XIII. Notices.

All notices required under this Contract, except notices of termination, may be made by e-mail, U.S. Mail or by a commercial delivery service such as United Parcel Service or Federal Express. Notices of Termination shall be in writing and sent by

certified mail to the other party. Notices to the SBA which are mailed are to be addressed as follows:

State Board of Administration of Florida
P.O. Box 13300
Tallahassee, FL 32317-3300

Notices to the SBA which are delivered by commercial delivery service are to be addressed as follows:

State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308

Notices to Paragon which are mailed or delivered by commercial delivery service are to be addressed as follows:

Martin Helgestad
Paragon Strategic Solutions Inc.
8200 Tower
5600 West 83rd Street, Suite 1100
Minneapolis, MN 55437

XIV. Termination of Contract.

(1) This Contract may be terminated, with or without cause, at the election of either party upon 30 days' advance written notice. Termination of this Contract does not affect the right of either party to bring an action against the other with respect to the Contract. In addition to any other provisions for termination of this Contract, the SBA may unilaterally and immediately terminate this Contract upon failure to obtain final budget approval for contracted funds or upon the insolvency or bankruptcy of Paragon; however, Paragon shall be entitled to payment of any work authorized by the SBA and completed prior to termination.

XV. Right to Audit.

(1) During the term of and for a period of 5 years after the expiration or termination of this Contract, the SBA shall have the right to have a public accounting

firm designated by the SBA or employees of the SBA inspect, review, or audit any books, records, or supporting documents relating to this Contract or the subject matter of this Contract (the "Records"). If such right is exercised and upon no less than 10 business days' prior written notice by the SBA, Paragon agrees to permit reasonable access to its premises and the Records during Paragon's normal business hours. The SBA has the right, in connection with any such inspection, review, or audit, to have one or more members of its staff present at all times. Paragon shall maintain and retain the Records, at its sole expense, during the term of and for a period of 5 years after the expiration or termination of this Contract, or for any longer period of time that may be required by applicable law relating to retention of records, except to the extent that Paragon is required by Section VIII of this Contract to transfer records as directed by the SBA. If the SBA or its designees are in the process of conducting such an inspection, review, or audit upon the expiration of the 5-year access and retention periods described herein, this Section survives in its entirety until the conclusion of such inspection, review, or audit, in the SBA's or the SBA designee's reasonable determination. For the avoidance of doubt, the scope of any inspection, review or audit under this Section may include, without limitation, Paragon's compliance with the terms of this Contract, compliance with any applicable law or regulation, an assessment of risks and controls, or the source and application of the SBA's funds.

(2) Paragon shall use all reasonable efforts to cooperate with the SBA and any person or entity designated by the SBA in connection with any inspection, review, or audit under this Section including, without limitation, causing its relevant and knowledgeable employees and representatives to be available to assist and to respond to reasonable inquiries and requests of the SBA or its designees. Paragon shall respond (including, if relevant and appropriate, with an action plan) within a reasonable time to any reports, findings, or assessments provided to Paragon by the SBA or its designees, and Paragon shall provide a copy of all such responses to the SBA. Paragon acknowledges and agrees that any such report, finding, or assessment is intended for the sole use and for the benefit of the SBA.

(3) Except as set forth herein, the SBA shall bear the costs of any inspection, review, or audit described herein. However, if the SBA or its designees conclude that Paragon overcharged the SBA or that Paragon engaged in or committed any fraud, misrepresentation, or non-performance, including through acts or omissions, Paragon shall be obligated to reimburse the SBA for the total costs of inspection, review, or audit no later than 90 days after the SBA's request for reimbursement thereof. Paragon's reimbursement obligation herein shall be in addition to all other rights,

remedies, and damages available to the SBA at law or in equity, which shall not be deemed waived or relinquished in any way because of Paragon's additional reimbursement obligation hereunder.

XVI. SBA Fraud Hotline.

The SBA maintains a fraud hotline at (888) 876-7548 to encourage individuals to report suspected SBA-related fraud, theft, or financial misconduct on an anonymous basis. The hotline is operated Monday through Saturday from 8:00 a.m. to 10:00 p.m. and Sunday from 9:00 a.m. to 3:00 p.m., by an independent company and tips are anonymously referred to the Inspector General of the Board. Paragon agrees to report any suspected SBA-related fraud, theft, or financial misconduct on an anonymous basis to this hotline.

XVII. SBA Harassment Prevention Policy.

Paragon hereby affirms receipt of SBA Policy No. 10-254, Harassment Prevention Policy, from the Board and hereby agrees to avoid harassment, as that term is defined in Policy 10-254, or any individual whom Paragon comes into contact with while working on matters pursuant to this Contract.

XIX. SBA Communications and External Affairs Policy.

Paragon hereby affirms its receipt of SBA Policy No. 10-004, Communications and External Affairs Policy, from the Board. Paragon agrees that it shall comply with the Communications and External Affairs Policy, and such modifications to the policy as may be provided to Paragon from time to time, to the fullest extent that the Communications and External Affairs Policy applies to Paragon. The parties acknowledge that Paragon's duties under this Contract may include direct communication with RAP Insurers or certain vendors, and that these activities are not inconsistent with Communications and External Affairs Policy No. 10-004.

XX. Florida Transparency in Contracting Initiative.

Consistent with the Florida Transparency in Contracting Initiative, the SBA posts certain operational contracts on its website, and this Contract, as redacted and attached hereto as Exhibit A, will be one of the agreements posted. With the exception of any information Paragon has specifically identified and redacted from this Contract as set for in Exhibit A, Paragon hereby agrees that the SBA is authorized to post this Contract and a description of the contacts of this Contract on the SBA's website. In addition, the parties may from time to time during the term of the Contract enter into

one or more amendments or addenda to this Contract. With the exception of any information Paragon has specifically identified and redacted from any such amendment or addenda at the time Paragon, delivers an executed counterpart of such to the SBA, Paragon hereby agrees that the SBA is authorized to post any such amendment or addendum and a description of the contents thereof on the SBA's website. Paragon hereby understands, acknowledges, and agrees that the redaction of such information does not mean that such redacted information is protected from disclosure pursuant to a public records request under Chapter 119, Florida Statutes, or as otherwise required by law or a court or authority of competent jurisdiction.

XXI. Governing Law.

This Contract is governed by and shall be construed under and interpreted in accordance with, the laws of the State of Florida without regard to conflicts of laws principles. Any proceedings arising out of this Contract shall be conducted in the state courts located in Leon County, Florida, and the parties hereby consent to the jurisdiction and venue of those courts. Notwithstanding any provision to contrary, this Contract shall not be construed as a waiver (i) of the sovereign immunity of the State of Florida; (ii) a waiver of the State of Florida's rights under the 11th Amendment to the United States Constitution; or (iii) to a jury trial.

XXII. Counterparts.

This Contract may be executed in counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

XXIII. Entire Agreement; Severability; Construction.

(1) This Contract, including Schedule A, which are incorporated into the Contract by this reference, constitute and embody the entire agreement and understanding of the parties, supersedes any prior agreements or understandings with respect to the subject atter hereof, and cannot be altered, amended, supplemented, or abridged or any provisions waived except by written agreement of the parties.

(2) If any provisions of this Contract are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Contract shall be construed and enforced as if such provisions had not been included.

(3) All titles, headings or captions respecting this Contract, or the sections or paragraphs of this Contract are for convenience of reference only and shall not be construed as a part or limitation of these provisions to which they refer.

IN WITNESS WHEREOF, the parties have caused this contract to be executed by their respective authorized officers on the dates set forth below:

STATE BOARD OF ADMINISTRATION OF FLORIDA	**PARAGON STRATEGIC SOLUTIONS INC.**
[redacted]	

CONTRACT FOR TECHNOLOGY SERVICES
PROVIDED TO THE FLORIDA HURRICANE CATASTROPHE FUND
BETWEEN
PARAGON STRATEGIC SOLUTIONS INC.
AND THE STATE BOARD OF ADMINISTRATION OF FLORIDA
SCHEDULE A
SCOPE OF SERVICES AND COMPENSATION

Paragon Strategic Solutions, Inc. (Paragon) provides a dedicated Online Claims System (OCS) solely for the Florida Hurricane Catastrophe Fund (FHCF) as part of its existing contract for administrative and actuarial Services to the FHCF. Paragon currently hosts the OCS on-premises and this Scope of Services is for a migration of the on-premises application to a cloud hosted application hereinafter called "Cloud Migration." Paragon will use subcontractors; however, Paragon will retain all responsibility for the project management and completion.

Objectives:

Improve Security

Improve the application's security by:

- updating the application's architecture to enhance security controls, reducing the application's attack surface and susceptibility to account compromise attacks.
- updating the application's identity and access management architecture and controls to enable multi-factor authentication

[redacted]

Performance Outcomes

Improve system performance and page load times by:

[redacted]

Resilience and Recovery Outcomes

Reduce potential downtime and improve the application's resiliency and recovery capabilities by:

1. **Paragon Assurances**

Implementation of the Cloud Migration will be performed while the existing OCS hosted on-premises remains available with all existing functions until cut over approval from the SBA is received. Data migration from the on-premises hosted solution to the cloud must be completed without interruption of any services to the SBA. As there will need to be a switchover period when the existing OCS is shut down and the migrated OCS is brought online, Paragon will coordinate with the SBA to perform the switchover after business hours or over a weekend. All historical data shall be accurately migrated to the cloud hosted OCS without data loss.

Paragon shall ensure that subject matter experts for the OCS legacy system will remain available until completion of the project.

Paragon shall make every effort to provide similar features and functionality when re-writing the application in the new environment. If features and functionality relating to the SBA FHCF interface cannot be maintained, SBA will be notified immediately, presented with a demonstration of the issue(s) and proposed solution(s), and given an opportunity to evaluate the impact of such change on its business processes. The SBA will also be granted adequate time commiserate with the level of change involved to evaluate and respond with their approval to proceed.

Paragon shall make every effort to design a user interface that meets the needs of SBA as used in the existing application hosted by Paragon. As the hosting vendor and programmer, Paragon is free to make improvements based on their understanding and

expertise with this business unit, but SBA reserves the right to reject, change, and otherwise maintain final approval on all user interfaces.

2. Project Management

Paragon will assign a qualified IT Project Manager to document project-related matters, including schedule, timeline development, maintenance, issue tracking and resolution, resource management, change management for change in output of work and for anything that extends the project past 38 weeks and overall vendor team leadership. The Project Manager will schedule and conduct a project kick-off meeting, conduct regular (no less than every two weeks) project team meetings, maintain an issue and resolution log that includes action items and decisions and manage SBA expectations throughout the project. The Project Manager will create a project work plan including tasks, resource assignments, key milestones, user acceptance testing and project timeline, and shall serve from the initial kickoff meeting to live production and closeout.

The SBA has expectations to review and provide feedback on any user interfaces primarily used by SBA staff in the normal use of the application.

3. Project phases

Kickoff

Paragon will hold an initial project kickoff meeting within 30 days of execution of the contract covering, but not limited to, the following items related to cloud set up and preparation:

- Review scope and project expectations
- Identification of stakeholders
- Identification of any required workgroups for the project
- Project work plan and delivery timeline
- Establishing dates and times for biweekly status meetings to review progress

Cloud set up and data preparation

Paragon will create required repositories, necessary accounts, tables, infrastructure and prepare FHCF dataset. Work will include:

[redacted]

[redacted]

Code Re-Write & Data Migration

Prior to Paragon's subcontractor performing specific services, Paragon shall seek written SBA approval for the subcontractor to begin work in accordance with Article VI. Once approved, Paragon will hold a subsequent kick off meeting with the SBA to update the project workplan referenced in paragraph 2 with the subcontractor's assignments and timelines.

The subcontractor will perform code re-write, development, and IT testing after migration is complete. Technical support for SBA UAT testing will also be provided. The following is the projected Sprint schedule which outlines the initial plan for the Cloud Migration. Individual Sprint timing (as well as specific work items within a Sprint) are subject to change and are not considered key milestones unless specifically referenced as such in the project work plan provided for under paragraph 2.

Sprint Schedule

Sprint 0	weeks 13 & 14	Business Analysis Work & Story Mapping
		[redacted]
Sprint 1	weeks 15 & 16	
Sprint 2	weeks 17 &18	

Sprint 3	weeks 19 & 20	[redacted]	
Sprint 4	weeks 21 & 22		
Sprint 5	weeks 23 & 24		
Sprint 6	weeks 25 & 26		
Sprint 7	weeks 27 & 28		
Sprint 8	weeks 29 & 30		
Sprint 9	weeks 31 & 32		
Sprint 10	weeks 33 & 34		
Sprint 11	weeks 35 & 36	Support SBA UAT	Support SBA UAT
Sprint 12	weeks 37 & 38	Support SBA UAT	Support SBA UAT

User Acceptance Testing

Paragon, its subcontractor, and the SBA shall conduct user acceptance testing until the OCS functionality has been accepted by all parties as substantially similar to the legacy OCS. It is expected that testing will be completed no later than the completion of Sprint 12.

Production

Cut over to cloud-based OCS with confirmation that all functionality is working and accurate.

4. Project Service and Deliverables

Once Paragon delivers a service or deliverable to the SBA, if the SBA determines that such service or deliverable does not substantially conform to the requirements in the Scope of Services, then SBA must provide Paragon with written notice adequately detailing such non-conformance no later than 7 business days following the date such service or deliverable was provided to SBA. If SBA fails to provide notice within this 7-day period, the Service and Deliverable will be deemed accepted. The following are specific deliverables to be submitted

- Initial project plan including timeframes and key milestones within two weeks of the initial project kickoff meeting
- Cloud based OCS with functionality substantially similar to the legacy OCS, unless otherwise agreed to by Paragon and the SBA
- Use of multi-factor authentication
- Project management documents shall be updated and provided no less than every two weeks reflecting status reports that include completed tasks, upcoming tasks, assessment of overall timeline and any necessary reforecasting, and any open/closed action items
- Plan for user acceptance testing
- Schematic overview of the architecture of the OCS including entry points for other systems/applications and flow of information
- Provide a written plan going forward for:
    1. Overview of services Paragon will receive from Azure, including service incident response/remediation times.
    2. Quarterly report of system up time.
    3. Quarterly report of user-identified system problems and resolution times

5. Change Request Procedure

If either party identifies necessary changes to the Scope of Services, including additional deliverables or enhancements not contemplated in this Scope of Services, it shall submit a Change Request Form as provided in Schedule B to the other party to specify the change requested. A written explanation including price and/or project schedule adjustment shall be provided for consideration and evaluated within 7 business days or as otherwise mutually agreed. If both parties mutually agree to the implementation, the Change Request will be incorporated into the Scope of Services as an addendum when signed by authorized representatives of both parties.

6. Compensation

A fixed fee price of $1,000,370 shall be payable in installments upon the completion and acceptance criteria of the following key milestones as set forth in the project work plan referenced in paragraph 2:

- $163,670 shall be payable by the SBA upon affirmation of successful completion by Paragon of the development cloud environment set up and data preparation phase.
- $418,350 shall be payable after successful demonstration and acceptance of a reimbursement approval using the FHCF reimbursement checklist.
- $418,350 payable upon successful completion of user acceptance testing and SBA final sign off for production, anticipated to be completed at Sprint 12.

7. Financial Consequences

Financial consequences will be imposed on key milestones identified in paragraph 6, Compensation, that fail to meet the agreed upon due dates. The due date(s) can be extended up to three times before the SBA shall be entitled to impose financial consequences, and failure to meet such due dates cannot be the result of delays caused by the SBA. Financial consequences will be an assessment by the SBA in the amount of $500 per day after the specified due date until it is completed. Paragon shall deduct the amount of the assessed financial consequence from the amount due in the next invoice submitted for payment.

Schedule B

State Board of Administration
Change Request Form

Chang Request #_____

Online Claims System Migration

Contract # XXXXXX **Change Request Date_____**

Requestor Name	
Reason for Change	
Description of Change Requested	
Impact to Project Schedule	
Change Pricing	
Deliverables	
Staff Required	

_____ _____

Authorized SBA Signature **Authorized Paragon Signature**