

HOSPITAL SERVICES AGREEMENT

This Hospital Services Agreement (“*Agreement*”) is dated _____ (the “*Effective Date*”) and is between the veterinary practice or other business (“*Customer*”) and Strategic Pharmaceutical Solutions Inc., dba Vetsource (“*Vetsource*”). Capitalized terms not defined in this Agreement are defined in the appendices. All appendices are incorporated by reference.

1. *Services and Support.*

- 1.1. **Services.** Vetsource agrees to provide, and Customer agrees to purchase, the Services subject to the terms and conditions of this Agreement. The Services and any corresponding Technical Requirements necessary for Customer to receive such Services are defined in the appendices. Customer must comply with the Technical Requirements before receiving the Services. If needed, Vetsource may assist Customer with compliance at an additional charge. Customer may purchase more Services at any time, subject to Vetsource’s then-current policies and prices.
- 1.2. **Support.** Vetsource will provide initial support, set-up, and ongoing assistance to extract, convert, and post information as reasonably needed to enable Vetsource to provide the Services. Vetsource will respond to Customer e-mails and phone calls regarding the Services during regular business hours (8:00 a.m. to 8:00 p.m. Eastern Standard Time) on weekdays (excluding holidays). Vetsource will attempt to timely: (i) correct any documented problems in the Services reported by Customer to Vetsource, and (ii) make any bug fixes available to Customer.
- 1.3. **Third-Party Services.** Vetsource will manage all Services that Customer selects, however if a third-party provides a Service (each a “*Service Provider*”), then that Service Provider is responsible for those Services. Vetsource shall not be liable to Customer or Customer’s Clients regarding the Services provided by a Service Provider. Vetsource will work with both the Customer and the Service Provider to ensure that the Services are delivered and operate as detailed in this Agreement.

2. *Customer’s Obligations and Acknowledgments.*

2.1. *Obligations.*

- 2.1.1. Customer agrees to cooperate with Vetsource and provide reasonable and timely assistance to permit Vetsource to fulfill its obligations under this Agreement;
- 2.1.2. Customer is responsible for any content, information, or specifications (collectively, the “*Customer Materials*”) it provides to Vetsource, and Vetsource may rely on the Customer Materials without independent verification;
- 2.1.3. Customer authorizes Vetsource to access its website, hosting provider, registrar account, practice management system (“*PM*”), and other computer systems as necessary to perform the Services; and
- 2.1.4. If Customer is a not for profit entity, then Customer agrees to provide Vetsource with (i) federal and state documentation designating Customer a 501(c)(3) entity, and (ii) any other necessary paperwork addressing Customer’s tax exemption status.

2.2. *Acknowledgements.* Customer acknowledges and agrees to the following:

- 2.2.1. Customer agrees to pay the fees detailed on the appendices for the Services they select. Vetsource may modify all prices and fees upon 60 days-notice to Customer. Customer is responsible for all applicable taxes in connection with this Agreement other than taxes based on Vetsource’s income.
- 2.2.2. Customer has met the Technical Requirements or it will obtain necessary equipment and services to meet the Technical Requirements, at Customer’s expense, within 60 days of the Effective Date, and if Vetsource modifies the Technical Requirements, then Customer will obtain, at its expense, any technology necessary to comply with changes to the Technical Requirements;
- 2.2.3. Customer will notify Vetsource before making any changes to its equipment or services, whether or not included in the Technical Requirements, that may affect Vetsource’s ability to provide, and Customer’s ability to receive the Services;

- 2.2.4. The information available via the Software and the Services should not to be used as a substitute for professional veterinary advice and such information is not intended to be relied upon by any person or entity for purposes of veterinary diagnosis or treatment;
 - 2.2.5. Vetsource is not a veterinarian, or a veterinary practice, and does not provide veterinary advice, and Customer is solely responsible for the accuracy of any veterinary advice provided to Clients through the Software or Services;
 - 2.2.6. Vetsource will use commercially reasonable efforts to ensure the accuracy of any information made available via the Services and the Software, but it does not guarantee the sequence, accuracy, or completeness of such information and shall not be liable in any way to Customer, Customer's Clients, or anyone else to whom such information is furnished, for any delays, inaccuracies, unavailability, errors, or omissions;
- 2.3. ***E-merchant Services and ACH.***
- 2.3.1. ***E-merchant Services.*** Customer authorizes Vetsource to present credits and debits, wire transfers, and depository transfer checks to and from Customer's e-merchant account in connection with the Services. This authorization cannot be revoked until all Customer obligations under this Agreement are satisfied. Merchant account transaction processing fees may be adjusted from time to time to account for increased gateway and interchange fees. Customer will be notified at least 14 days in advance of any such adjustments.
 - 2.3.2. ***ACH.*** Transaction processing and settlement from Customer's e-merchant account is performed through an ACH on a monthly basis for no additional charge. Customer authorizes Vetsource to present ACH credits and debits, wire transfers, and depository transfer checks to and from Customer's designated checking account. If the Customer does not designate a checking account for the transfer of funds, or if an ACH fails due to inaccurate information, then Vetsource will assess a \$15 fee for the issue of paper checks.
 - 2.3.3. These authorizations cannot be revoked until all Customer obligations under this Agreement are satisfied. If Customer disputes any charges to its e-merchant account or designated checking account, then Customer must notify Vetsource within 45 days of receipt of the statement referencing the disputed charge.

3. ***Licenses.***

- 3.1. ***Software License.*** Upon payment in full, pursuant to the terms of this Agreement, Vetsource hereby grants Customer a limited, non-transferable, non-exclusive, revocable license to use the Software in connection with the Services ("*Software License*"). All other use is strictly prohibited, and the Software License terminates upon the expiration or termination of this Agreement.
- 3.2. ***Customer Data License.*** Vetsource will maintain a database for the benefit of Customer, populated with Specified Data from the Customer's PM. Customer hereby grants Vetsource, and Vetsource hereby accepts, a non-exclusive right to and a non-exclusive, perpetual, worldwide license in the Specified Data for the purposes of: (i) accumulating such data for the benefit of the Customer; (ii) displaying such data in connection with Customer's use of the Services; (iii) displaying such data and approved pet medical records in the Customer's Client portal; (iv) generating reports; and (v) any further services made available to the Customer (the "*Customer Data License*"). Vetsource will never share PII or Specified Data with any outside party unless otherwise authorized by Customer in writing.

4. ***Representations and Warranties.***

- 4.1. ***By Customer.*** Customer represents and warrants the following:
 - 4.1.1. Customer will not post, and will not allow posting, to or through the Software of: (i) any materials that infringe any third-party intellectual property rights; or (ii) any libelous or defamatory material;
 - 4.1.2. Customer is the sole owner of all Customer Materials, or it has the right to use (and grants Vetsource the right to use) such materials in the manner planned;
 - 4.1.3. The Customer Materials and Vetsource's use of those materials do not infringe any intellectual property rights of third parties;

- 4.1.4. Customer will comply with the terms of any licensing agreements governing any licensed material; and
 - 4.1.5. Customer will use the Services and Software in compliance with applicable laws.
- 4.2. **By Vetsource.** Vetsource warrants the following:
 - 4.2.1. Vetsource will perform the Services in a competent and timely manner, and in accordance with industry standards; and
 - 4.2.2. Vetsource's responsibilities under this Agreement will comply with applicable laws.
- 5. **Proprietary Rights.** Vetsource (including its agents and licensors) retains all right and title to: (i) the Software, the Services, and its materials and documentation; and (ii) all related know-how, methodologies, algorithms, processes, derivatives, and intellectual property rights. Customer agrees not to, directly or indirectly, reverse engineer, decompile, disassemble, derive source code, sell, lease, license, or sublicense, write or develop any derivative software, using the Software. Except as otherwise set forth in this Agreement, all other content and related intellectual property rights are the property of the Customer or its Clients (as applicable between them).
- 6. **Term and Termination.**
 - 6.1. **Term.** The term of this Agreement is one year from the Effective Date ("Term"). This Agreement will automatically renew for successive one-year terms on the anniversary of the Effective Date, unless otherwise terminated pursuant to this section.
 - 6.2. **Termination.** Either party may terminate this Agreement: (i) if the other party fails to cure a material breach of this Agreement within 30 days of receiving notice of the breach; (ii) for any reason upon 45 days written notice to the other party; or (iii) immediately, without liability and upon notice to the other party, in order to comply with any order issued by any governmental agency or with any provision of law.
- 7. **Disclaimers.** Except as represented in this Agreement, Vetsource's Services and Software are provided "AS IS" and Vetsource does not warrant uninterrupted operation of the Services. Vetsource specifically disclaims for itself, and its agents, all other warranties, express and implied, including the warranties of title, merchantability, and fitness for a particular purpose.
- 8. **Limitation of Liability.** Vetsource's maximum liability, and the maximum liability of its independent marketing and sales representatives, licensors, and suppliers, to Customer is limited to the amount of fees paid by Customer to Vetsource during the 12 months prior to the date such claim arose. Vetsource, its independent marketing and sales representatives, licensors, and suppliers are not liable, whether in contract or tort, for any loss of data, loss of profits, cost of cover, or other special, punitive, incidental, consequential, or indirect damages that may arise in connection with this Agreement.
- 9. **Indemnification.**
 - 9.1. **By Customer.** Customer agrees to indemnify Vetsource, its parent, subsidiaries, independent marketing and sales representatives, and licensors and the officers, directors, employees, agents, successors and assigns of these entities, against all damages, costs, expenses, and losses (including reasonable attorney fees and costs) (collectively, "Damages") incurred as a result of third-party claims that arise out of or relate to: (i) a breach of Customer's representations and covenants in this Agreement; (ii) the willful or negligent misconduct of Customer, its employees or agents; (iii) Customer's use of the Services and Software; or (iv) the actual or alleged infringement of third-party intellectual property rights.
 - 9.2. **By Vetsource.** Subject to Sections 7 and 8, Vetsource agrees to indemnify Customer against all Damages incurred by Customer as a result of third-party claims that arise out of a breach of Vetsource's representations and covenants in this Agreement.

10. **Supporting Agent.** Vetsource partners with multiple agents (each a “*Supporting Agent*”). When the Customer signs up for Services under this Agreement, the Customer may select a Supporting Agent for assignment to their account for the first 12 months of the Agreement. After the initial 12 months expire, Customer may, at any time, select a new Supporting Agent for the next 12 months by completing the Vetsource Supporting Agent Form.
11. **Privacy and Confidentiality.**
- 11.1. **Privacy.** Vetsource and its employees may have access to electronic records regarding Customer’s Clients, their pets, and PII. All PII will be encrypted or otherwise safeguarded when transferred to Vetsource. Vetsource will use PII solely for the purpose of providing the Services, supporting the Software, and for the limited purposes set forth in this Agreement, unless otherwise authorized by Customer in writing. Access by Vetsource personnel to PII will be on a need-to-know basis. Vetsource has, and will continue to implement, appropriate safeguards and data security protocols to prevent the unauthorized disclosure of PII.
- 11.2. **Confidentiality.** Customer and Vetsource acknowledge that they will have access to, and knowledge of each other’s Confidential Information. Each party acknowledges that (i) the Confidential Information of the other party is valuable, proprietary, and confidential to such party, and that such party has paid substantial consideration and incurred substantial costs to acquire or develop the Confidential Information; (ii) the Confidential Information shall be treated as valuable, proprietary, and confidential regardless of whether third parties would consider it valuable, proprietary, and confidential; and (iii) neither party will, at any time, disclose, divulge, or make known to any person or entity, use, or otherwise appropriate for their own benefit or the benefit of others any of the Confidential Information, or permit any person to examine or make copies of any documents that contain the Confidential Information, without the prior consent of the other party, except they may disclose Confidential Information: (a) on a need-to-know basis, to their employees, agents, and other representatives who are informed of the confidential nature of the Confidential Information and the obligations under this Agreement; or (b) in accordance with a judicial or other governmental order. At termination or expiration of this Agreement, the parties will promptly return, or destroy, all materials furnished by the other party that contain Confidential Information, together with all copies and summaries of Confidential Information, whether tangible or electronic.
12. **Electronic Communications.** VetSource conducts transactions by electronic means and creates, sends, accepts, generates, communicates, stores, processes, uses, and relies on electronic records of transactions regularly in its ordinary business. Customer agrees that writings, signatures, and other communications by electronic transmissions have the same effect as manual, original or traditional writings. All references to “signed writings” and “in writing” in this Agreement include communications by electronic transmission methods.
13. **General Provisions.**
- 13.1. **Independent Contractor.** The parties are independent contractors of one another. This Agreement does not create a partnership, joint venture, or other relationship between the parties. Each party’s employees and subcontractors are their own, and they will pay all salaries, taxes, insurance, and benefits with respect to their personnel.
- 13.2. **Assignment.** Customer may not assign rights or delegate duties under this Agreement without Vetsource’s prior written consent which will not be unreasonably withheld. A change in control of Customer constitutes an assignment requiring consent.
- 13.3. **Attorneys’ Fees.** The prevailing party in any dispute with respect to this Agreement, including in tort, is entitled to recover reasonable attorneys’ fees, costs and expenses incurred with respect to such dispute and in any appeal.
- 13.4. **Waiver.** A party waiving compliance with a provision in this Agreement may only do so by a signed writing. Unless otherwise specified in writing, such a waiver only relates to the provision being waived and the particular instance. Failure to enforce a provision of this Agreement does not constitute waiver.

- 13.5. **Governing Law and Jurisdiction.** Oregon law governs disputes arising out of this Agreement, including tort claims. The parties consent to personal jurisdiction in the state and federal courts located in Multnomah County, Oregon. The state and federal courts located in Multnomah County, Oregon are the exclusive venue for any dispute regarding the subject matter of this Agreement.
- 13.6. **Miscellaneous Clauses.** Amendments to this Agreement are only effective if in writing and signed by the parties. This Agreement is the entire understanding of the parties with respect to the Services and Software and it supersedes all prior understandings, whether written or oral. This Agreement may be executed in separate counterparts. There are no third party beneficiaries to this Agreement. Each party will bear its own expenses in connection with the preparation and performance of this Agreement. Electronically delivered signatures and approvals are the same as manual signatures.
- 13.7. **Representation.** CreateLegal, LLC prepared this Agreement on behalf of Vetsource. Customer has had the opportunity to consult counsel and other advisors with respect to its rights and obligations under this Agreement. The rule that an agreement is to be construed against the drafter does not apply to this Agreement.

The parties sign this Hospital Services Agreement as of the Effective Date.

[INSERT NAME]

STRATEGIC PHARMACEUTICAL
SOLUTIONS, INC., dba VETSOURCE

By: _____

Its: _____

By: Kurt D. Green _____

Its: President and CEO

Address: _____

Email: _____

Phone: _____

Appendix A DEFINED TERMS

1. **Client.** Customer's client.
2. **Confidential Information.** All information that the disclosing party discloses to the receiving party, including but not limited to business models, customer and supplier lists, marketing plans, financial and technical information, trade secrets, know-how, ideas, designs, drawings, specifications, techniques, programs, systems, processes, computer software, and other information, regardless of medium, that would, under the circumstances, appear to a reasonable person to be confidential or proprietary. As to the Customer, the term "Confidential Information" also includes PII and Specified Data.
3. **Pharmacy, Client, and Patient Data.** Includes Client information such as username, first and last name, address, and respective telephone numbers; and pet information such as pet name, species, breed, gender, age, weight, spayed or neutered status, and comments concerning the pet.
4. **PII.** An individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted: (i) social security number; (ii) driver license number or state identification number; (iii) account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account; (iv) email address; (v) medical information; or (vi) Client and patient. PII does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
5. **Services.** Includes the services in the below table, and any additional services the Customer selects on subsequent appendices.

Service	Description	Technical Requirements
Vetsource Application	Access dashboard for various Vetsource services	Broadband (DSL / cable modem) strongly recommended and Microsoft Windows 2000 and later; MAC OSX 10.4 and later.
Hospital Portal	Administrative dashboard for various Vetsource services	Broadband (DSL / cable modem) strongly recommended and Microsoft Windows 2000 and later; MAC OSX 10.4 and later.
Customer eMerchant Account	eCommerce merchant account provisioning and services for payment acceptance meeting PCI Security Standards and adhering to Visa and Mastercard operating regulations	ACH supported bank account required
Data Integration	Extraction of data to fully integrate practice management systems with various Vetsource services	End User License Agreement with Service Provider. See latest list of supported practice management systems.

6. **Software.** All of Vetsource's proprietary software provided with the Services, including but not limited to Vetsource Application, ScriptRight™, Hospital Portal, Vetsource website, and Vetsource eCommerce Platform.
7. **Specified Data.** Includes, but is not limited to, Client, patient and transactional information required for Home Delivery Orders on behalf of Customer; pet medical records; pet vaccination history; and Pharmacy, Client and Patient Data.
8. **Technical Requirements.** The requirements set out for each Service (in the above table and for any Services detailed on appendices).

Appendix B PHARMACY SERVICES

1. Pharmacy Services

Service	Description	Technical Requirements
eCommerce Platform	eCommerce shopping platform specific to Customer's home delivery catalog for Customer's Clients	Subject to additional terms and conditions set forth in the Site Terms
Script Right and Script Right Lite	In-hospital, online and mobile phone ePrescription tool	Broadband (DSL / cable modem) <i>strongly recommended</i> and Microsoft Windows 2000 and later; MAC OSX 10.4 and later.
Email Marketing Campaign	Automated email marketing campaign to Clients on behalf of Customer	See latest list of supported practice management systems.
Compounding	Access to drug compounding catalog and services	Subject to additional terms and conditions set forth by Service Provider
Hospital Website	Basic website template with link to Vetsource Home Delivery shopping site.	Subject to additional terms and conditions set forth in the Site Terms*

* If Customer does not maintain a website that has the capability to support the Services and Software, then during the first year of this Agreement, and at no cost to the Customer, Vetsource will procure and pay for a domain name for Customer (the "Domain Name"). For subsequent years, the renewal cost for the Domain Name is \$20 per year. Customer is solely responsible for their website content.

2. Fees and Payment Terms

- 2.1. Customer shall pay activation fees at execution of this Agreement. Monthly subscription fees are automatically deducted from the Customer's ledger on the first day of each month. Should Customer's ledger not contain sufficient funds for any monthly subscription fees, Vetsource will invoice Customer for the balance. Invoices are due upon receipt.
- 2.2. Customer will pay an activation fee in the amount of \$199 – Waived if enrolling after February 5th 2017 until the end of the promotional period.
- 2.3. Customer will pay a monthly subscription fee in the amount of \$19.95 – Waived for the first 12 months.
- 2.4. Customer will pay additional wholesale and fulfillment fees for the products processed through the Pharmacy Services.

3. Acknowledgements. Customer acknowledges and agrees to the following:

- 3.1. For any Home Delivery Orders processed by Vetsource, all orders placed by the Customer or its Clients will be fulfilled by Vetsource, and Vetsource is regulated by state boards of pharmacy and federal agencies. Home Delivery Orders are the processing of prescription, over the counter product, and pet nutrition orders processed by Vetsource Home Delivery Pharmacy;
- 3.2. There is no payment for referrals under this Agreement as for any Home Delivery Orders (i) Customer purchases and sells the drugs and products; (ii) Clients buy the drugs and products directly from Customer; and (iii) Vetsource facilitates the transaction as a paid service for Customer; and
- 3.3. The parties acknowledge that there is no obligation for the Customer or the Customer's Client to use the Vetsource Home Delivery pharmacy.

4. Business Model. The sale of any item for Home Delivery is between the Customer and the Client, including eConnect originated transactions. This sales transaction includes collecting money for each sale directly from the Client, along with applicable sales tax and shipping costs. All revenue from the sale to the Client is deposited into the Customer's e-merchant account. The parties agree that the general business model for transactions under this Agreement is as follows:

- 4.1.1. A prescription is requested by a Client through the Software, at Customer's hospital, the Vetsource call center, or via an eConnect partner as a Home Delivery Order;

- 4.1.2. Vetsource routes the Client request to the Customer's ScriptRight platform for verification of a Valid Veterinarian-Client-Patient Relationship pursuant to Section 5 and for therapeutic assessment;
- 4.1.3. If appropriate, a licensed veterinarian, authorized by the Customer, having a relationship with the Client and patient, approves prescription request;
- 4.1.4. The Customer then purchases the Home Delivery Order requested by the Client, including assessment of wholesale tax, via debit to Customer's e-merchant account and takes title, but not physical possession of the Home Delivery Order. This action consequentially initiates consignment by Customer of Home Delivery Order to the Vetsource pharmacy for fulfillment;
- 4.1.5. Vetsource processes the Home Delivery Order on behalf of the Customer including charging fees to the Customer for fulfillment via debit to the Customer's e-merchant account and ships the product directly to the Client through Vetsource's Home Delivery Order service;
- 4.1.6. Vetsource collects, on the Customer's behalf, payment and as applicable shipping and taxes from the Client. Vetsource credits the Customer's e-merchant account; and
- 4.1.7. Vetsource transfers funds via an automated clearing house ("ACH") monthly from the Customer's e-merchant account into a checking account designated by the Customer for the e-merchant account balance and taxes.

4.2. **Return Policy.** Under this Agreement, Customer purchases drugs and products from Vetsource, and then Customer proceeds to sell said drugs and products to Clients. For prescription drugs and products, the Customer is the seller of the drugs and products and the Customer will, at their sole discretion, choose to authorize a Client refund request. If the Customer chooses to authorize a Client's return request, then Vetsource, on the Customer's behalf, will refund the Client for the price of the drugs or products; however, Vetsource will not provide reimbursement to the Customer for the wholesale cost of the product or fees. Pharmacies are not permitted by state and federal laws to resell medications that have previously been dispensed to a Client.

5. **Valid Veterinarian-Client-Patient Relationship.** The below terms govern all prescriptions submitted for fulfillment under this Agreement:

- 5.1. Only a licensed veterinarian can submit prescriptions. All electronic prescriptions are approved by the prescribing veterinarian via their own unique electronic signature (PIN number);
- 5.2. The Doctor of Record is responsible for ensuring that all veterinarians on staff who have the ability to write prescriptions are legally qualified to write and approve a particular prescription item requested. The Doctor of Record is the owner or veterinary director of hospital responsible for overseeing other hospital veterinarians and corresponding veterinary practices and protocols; and
- 5.3. The prescribing veterinarian, by providing their signature (electronic or otherwise), is attesting that they have a pre-existing veterinarian-client-patient relationship as defined below by the Code of Federal Regulations, Title 21, Volume 1, Section 530.3 (i) (cited as 21 CFR 530.3 (i)):
 - 5.3.1. A veterinarian has assumed the responsibility for making medical judgments regarding the health of (an) animal(s) and the need for medical treatment, and the client (the owner of the animal or animals or other caretaker) has agreed to follow the instructions of the veterinarian;
 - 5.3.2. There is sufficient knowledge of the animal(s) by the veterinarian to initiate at least a general or preliminary diagnosis of the medical condition of the animal(s); and
 - 5.3.3. The practicing veterinarian is readily available for follow-up in case of adverse reactions or failure of the regimen of therapy. Such a relationship can exist only when the veterinarian has recently seen and is personally acquainted with the keeping and care of the animal(s) by virtue of examination of the animal(s), and/or by medically appropriate and timely visits to the premises where the animal(s) are kept.