

PHARMACY AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT is entered in this 23 day of March, 2009, between Wise County, Texas 101 North Trinity, Suite 100, Decatur, Texas 76234 (hereinafter referred to as the "Client" and Maxor National Pharmacy Services, a Texas corporation, d.b.a. Maxor Correctional Pharmacy Services located at 416 Mary Lindsay Polk Dr., Suite 515, Franklin, Tennessee 37067 (hereinafter referred to as "MCPS").

WHEREAS, CLIENT, manages correctional institutions and in the course of operating correctional institutions provides medical services at certain locations; and

WHEREAS, MCPS contracts to provide pharmaceutical services to selected correctional facilities; and

WHEREAS, CLIENT wishes to engage MCPS to provide pharmaceutical services to the following correctional facility:

Wise County Jail
200 Rook Ramsey Drive
Decatur, Texas 76234

WHEREAS, CLIENT has been engaged to provide facility operations including medical services, and where client is not required to use a designated pharmacy provider, and MCPS wishes to provide such pharmaceutical services (hereinafter this/these facilities shall be referred to as "Facility" or "Facilities"); and

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS

CLIENT Inmate - "CLIENT Inmate" is defined as any individual incarcerated at Facilities for which CLIENT is responsible for delivering medical services, but specifically EXCLUDING any inmate who is incarcerated at the Wise County Jail because of a contract with another jail facility and/or charges pending only outside of Wise County, Texas.

Actual Acquisition Cost (AAC) – Actual Acquisition Cost is defined as the invoice cost to MCPS for medications as set forth on the actual invoice from the sellers of the medications to MCPS, including discounts and charge-backs shown on the face of the invoice.

Average Wholesale Price (AWP) - AWP is defined as the Average Wholesale Price as listed by MediSpan®, a nationally recognized information source.

Card – A “blister pack” cardboard container containing medications in a format which permits doses to be removed one dose at a time, while leaving all other doses in a sealed condition.

Clinical Intervention - “Clinical Intervention” is defined as MCPS pharmacy interaction with prescribers and other health care workers to optimize medication usage at Facility.

Clinical Pharmacist - “Clinical Pharmacist” is defined as a registered pharmacist with advanced training in clinical pharmacy.

Formulary - “Formulary” is defined as a list of federal legend medications and over-the-counter medications published by CLIENT.

Formulary Medication - “Formulary Medication” is defined as any federal legend medication or over-the-counter medication listed on the Formulary.

Material Breach - “Material Breach” is defined as the failure to perform the duties as described in this agreement for any reason.

Medication Order - “Medication Order” is defined as a written, verbal, electronic, facsimile or other communication from a physician or other health care practitioner (or their authorized agent) located at a Facility who is licensed to prescribe Formulary and Non-Formulary medications by applicable, State and/or Federal agencies.

Non-Formulary Medication - “Non-Formulary Medication” is defined as any federal legend medication or over-the-counter medication not listed on the Formulary.

Night Locker Medications - “Night Locker Medications” are defined as backup medications that are stored in a secure area at each Facility for emergency and first time “stat” doses.

Pharmacy and Therapeutics Committee - “Pharmacy and Therapeutics Committee” is defined as a committee, which meets to review medication utilization within the Facilities and to review new medications that have received approval of the United States Food and Drug Administration.

Preferred Pharmacy Provider – “Preferred Pharmacy Provider” is defined as the pharmacy that delivers all the Formulary and Non-Formulary Medications and related cognitive services in accordance with applicable State and Federal laws.

Prescription – “Prescription” is defined as an order, for the preparation and administration of a medicine to an individual patient. The amount of medication dispensed at any one time will not exceed 30 days of medication.

Registered Pharmacist - "Registered Pharmacist" is given that definition set forth in applicable law and regulations.

2. MCPS AGREES TO:

a. Act as the Preferred Pharmacy Provider for all facilities with respect to "Client Inmates" as defined above.

b. Provide Formulary and Non-Formulary Medications, in the prescribed dosages, to the Facilities, utilizing one of the following types of packaging; i) "blister" cards for all oral, solid dosage forms (tablets and capsules); ii) liquid, oral medications will be dispensed, not to exceed a thirty (30) day supply unless it is mandated by the appropriate Client medical staff and agreed upon between MCPS and CLIENT to dispense liquid, oral medications in a unit dose or other format; iii) injectable medications iv) special packaging as requested by the appropriate Client medical staff and agreed upon by MCPS.

c. Automatically substitute the lowest cost, generic medication, with at least a bioequivalent "A" rating where therapeutically appropriate;

d. At MCPS's sole cost and expense deliver to the Facilities all medications, ordered by 3:00p.m. CST by fax and 4:00 p.m. by web order entry Monday through Friday and by 1:00 pm CST Saturday, on the following business day. Business days shall include every day, Monday through Saturday but shall exclude Sundays and holidays officially observed by the State where facilities are located. MCPS shall also bear the shipping expenses for recovering all discontinued, unused or expired medications from the Facilities. Client and MCPS may alter delivery deadlines upon mutual agreement.

e. Provide medication administration records to all Facilities. The medication administration records shall be generated from the MCPS computer system and will contain a record of all continuing Medication Orders by Client inmate from the previous calendar month. Said records shall be provided monthly and Client shall have access to said records at all times via computer.

f. Make available to the Client health care staff of Facilities a Clinical Pharmacist for medication consultation and drug therapy recommendations via telephone, twenty-four (24) hours per day, each day of the year as well as a subcontracted, back up pharmacy near each Facility for emergency medication needs.

g. Maintain toll-free incoming facsimile line(s) and telephone lines for Facilities to communicate with MCPS;

h. Provide a minimum of one inspection of the Facility every quarter or more frequently if required by applicable State and Federal law and regulation(s).

i. Provide regular utilization reports via web or in hard copy or if requested on CD's (DBF or ASCI format), that contain i) prescription totals for the Facility; ii) complete prescription information of all scripts dispensed.

j. Provide monthly information via the web or in hard copy and CD's containing i) formulary management report; ii) HIV report; iii) Hepatitis C report; iv) Psychotropic report; v) top two hundred medications ordered by Client through MCPS by dollar and quantity.

k. Provide and maintain a supply of Night Locker Medications at Facility in conformity with applicable state laws, regulations and Facility requirements.

l. Maintain in good standing all necessary licenses, permits and registration under applicable State and Federal Law during the initial and any renewal term of this Agreement.

m. MCPS Indemnification. MCPS agrees to defend, indemnify, and hold harmless Client, its officers, directors, employees and agents from and against any and all losses, damages, claims or causes of action (including attorneys fees and expert witness fees) arising from the acts or omissions of MCPS or its officers, directors, employees' or agents.

n. MCPS will provide a medication cart(s), of a model and type standard for MCPS facilities.

o. Medication Carts, personal computers or other equipment provided by MCPS during the course of this agreement, remain the property of MCPS and will be returned to MCPS upon termination of this agreement unless otherwise agreed to in writing by both parties.

p. MCPS will arrange for the return of outdated, discontinued, excess, or unusable medications to MCPS's facility located at 416 Mary Lindsay Polk Drive, Suite 515, Franklin, Tennessee 37067. Credit will be issued on those returned medication items that are reusable under applicable federal and state laws and regulations in an amount equal to the actual acquisition cost of the medication. For those CLIENT facilities in Texas, MCPS can accept returned medications for redistribution so long the following criteria are met:

- ♦ Credit will be issued on full, unopened manufacturer's unit-dose packaged medications and full, unopened commercially pre-packaged bulk containers. If not otherwise prohibited by law, credit will also be issued for full and partial blister packs/Cards.
- ♦ Returned medication must be in compliance with all applicable State and Federal rules and regulations and, in the professional judgment of an MCPS pharmacist, it is permissible to re-dispense.

- ♦ Returned medication must be one that MCPS carries in its inventory and not a special ordered item to fill your order.
- ♦ Returned medication must have 120 days remaining until expiration at time of receipt by MCPS.
- ♦ Upon expiration or termination of the contract, medications must be received by MCPS within 30 days of the expiration or termination to receive credit.
- ♦ A \$1.50 fee will be charged on each returned Card.
- ♦ Controlled substances, compounded medication, and medication requiring refrigeration cannot be returned.
- ♦ Comply with HIPPA and all other rules and regulations applicable to the provision of services by MCPS under this agreement.

q. Provide printouts of MediSpan pricing to Client upon written request.

This Agreement shall be construed in accordance with any and all state and federal laws, rules, regulations, and interpretations. In the event there is a change in state or federal laws, rules, regulations, and interpretations regarding the redistribution of returned medications, the parties agree that the provisions of this Section shall be construed in accordance with those changes and the Agreement amended accordingly.

3. CLIENT AGREES TO:

a. Cause the Facilities to utilize MCPS as their Preferred Pharmacy Provider for all inmates housed at CLIENT facilities, except for (1) those CLIENT inmates required to receive medical and pharmaceutical services from a designated provider, as mandated by CLIENT's contract with its customer; and (2) any inmate who is not a "CLIENT Inmate " as defined above. This provision shall not apply as to any medication that is available over-the-counter or if Client, in Client's sole discretion, determines medication is needed more expeditiously than normal for an inmate.

b. Furnish all legally required Medication Order information to MCPS on any Formulary and Non-Formulary Medications prescribed for inmates of the Facilities. Prescription information shall include the inmate's name, inmate number, prescriber's name, drug name, route of administration, strength, dosage, frequency, and the existence of any known inmate allergies to any medication(s). All prescriptions will bear the signature of an authorized prescriber and otherwise conform to the requirements of a valid drug prescription. Prescriptions shall be sent to MCPS in conformity with all applicable state and federal regulations.

c. Pay MCPS invoices according to the following schedule, exclusive of those CLIENT inmates housed for the United States Marshall Service and Immigration and Customs Enforcement, which will be billed directly by MCPS to those jurisdictions when reimbursable by those entities;

i) Remit amount(s) due for that month to MCPS within forty five (45) days of the end of the month that services were rendered. For this purpose, MCPS will submit the invoice within five (5) business days of the end of the month.

ii) Remit all actual expenses that MCPS has incurred pursuant to this Agreement for services rendered by subcontracted, back-up pharmacies that have provided medications or services to the Facilities. The price charged to CLIENT for medications purchased from a back-up pharmacy will be the actual amount charged to MCPS as indicated on the invoice from the back-up pharmacy, at no additional mark-up.

iii) The price charged to CLIENT by MCPS will be calculated as follows:

Brand name and Generic medications ordered as Prescriptions, stock or bulk will be billed per the following schedule.

Brand name drugs at 83% of AWP with no additional fee.

Generic Drugs at 30% of AWP with no additional fee.

In addition, any Over the Counter (OTC) medications ordered by Client from MCPS will be billed at MCPS acquisition cost plus a percentage markup of 15 %.

Any Medical/Surgical supplies ordered by Client from MCPS will be billed at MCPS acquisition cost plus a percentage markup of 18%.

- MCPS will, upon request, provide Client with documentation supporting the calculation of MCPS price, and Client shall have the right to audit that information.
- Both parties acknowledge and understand that AWP, currently used as the primary basis for ingredient cost pricing in this Agreement, is under review and is subject to discontinuation. In the event that, MediSpan® changes the methodology for calculating AWP in a fashion that materially changes the economics of this Agreement, MCPS will seek modification of the terms in the rate structure in a reasonable manner so as to preserve the parties' relative economic before such changed methodology, and either party may elect to terminate this agreement in writing with sixty days notice.

d. Pay all invoices and other payments due to MCPS via check delivered to MCPS at the mailing address listed:

1. MCPS
ATTN : Accounts Receivable
320 South Polk, Suite 200
Amarillo, TX 79101

e. Provide MCPS the credentials, both federal and state, of each member of Client's medical authorized to originate Medication Orders at the Facilities.

f. Client Indemnification. Client agrees to defend, indemnify, and hold harmless MCPS, its officers, directors, employees and agents from and against any and all losses, damages, causes of action, or attorney's fees arising from the wrongful acts or omissions of Client or its officers, directors, employees or agents.

4. TERM

The initial term of this Agreement shall commence on April 1, 2009 and continue until September 30, 2009. A subsequent term of one (1) year shall immediately follow and renew annually unless either Party gives the other Party written notice of its intention to not renew this Agreement at least sixty (60) days prior to the end of the initial term or any renewal term of this Agreement.

Additionally, either Party may terminate this Agreement at any time for Material Breach of the terms and conditions of this Agreement by the other Party by using the following procedure; the non-breaching Party claiming a Material Breach of this Agreement by the other Party shall deliver a detailed, written notice of such Material Breach to the alleged breaching Party. If the Material Breach is not cured to the reasonable satisfaction of the non-breaching Party that delivered such notice, within thirty (30) days of delivery of such notice, this Agreement shall terminate upon delivery, by the non-breaching Party, of a final notice that the Material Breach has not been cured to the reasonable satisfaction of the non-breaching Party. Notwithstanding the above, this Agreement may be cancelled without cause by either party upon sixty (60) days prior written notice.

The Client is not responsible for payment to MCPS for any services rendered by MCPS to a CLIENT facility, subsequent to the termination date of CLIENT's contract with that facility, provided, however, that CLIENT gives written notice to MCPS of the date of termination upon CLIENT's knowledge of such termination and further provided that such written notice is provided to MCPS at least three (3) days prior to the termination date. This provision shall not apply in the event this contract's term expires by its own terms.

5. INSURANCE

MCPS agrees to carry professional liability insurance naming Client as an additional insured on the certificate of insurance, in the amount of at least one million

dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, and general liability insurance naming Client as an additional insured on the certificate of insurance, in the amount of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate, both policies with a carrier in good standing and properly licensed. This insurance will be fully applicable to all services rendered by MCPS pursuant to this Agreement. MCPS will provide Client with certificates evidencing such insurance coverage upon execution of this Agreement and, if this Agreement continues, each year thereafter on the anniversary date of execution.

6. NOTICE

All notices, designations, consents, offers, acceptance or any other communication provided for herein required to be in writing will be given by registered, certified mail, return receipt requested, overnight courier addressed to the parties as shown below:

MCPS:

MCPS
Attn: Ryan Ahern, Vice-President
416 Mary Lindsay Polk Dr., Suite 515
Franklin, TN 37067

Copy to:
General Counsel
Maxor National Pharmacy Services
320 S. Polk
Amarillo, TX 79101

CLIENT:

WISE COUNTY, TEXAS
Attn: Judge Bill McElhaney
Wise County Courthouse
101 North Trinity, Suite 100
Decatur, Texas 76234

Copy to:
Christopher N. Forbis
Sewell & Forbis
102 West Walnut
P. O. Box 534
Decatur, Texas 76234

7. GOVERNING LAW

The laws of the State of Texas as to interpretation, construction and performance will govern this Agreement. Venue for any dispute that should arise

between the parties as out of this Agreement, or in any way relating to this Agreement, shall lie exclusively in Wise County, Texas.

8. AMENDMENTS

This Agreement may only be amended, changed or modified in writing, with the same formality as this Agreement, containing signatures of the Parties hereto.

9. REPRESENTATIONS AND WARRANTIES

MCPS represents and warrants that it will provide the services set forth herein in compliance with all applicable State, Federal, and local pharmaceutical licensing requirements and that this licensing compliance shall continue in full force and effect during the term of this agreement.

If at any time license held by MCPS is terminated, qualified or suspended or in any other way detrimentally affected, MCPS will immediately notify Client.

MCPS further represents and warrants that its dispensing of prescription items shall be in compliance at all times with all state, Federal, and Local Pharmaceutical Laws and regulations.

10. ASSIGNMENT

Neither Client nor MCPS may assign, sub-contract or transfer any interest in this Agreement to a third party without the prior written approval of the other party hereto.

11. INVALIDITY AND SEVERABILITY

In the event that any provision of this Agreement is held to be invalid, such provision will be null and void, and the validity of the remaining provisions of the Agreement will not in any way be affected thereby.

12. THIRD PARTY RIGHTS

Subject to the terms of Section 11 herein, the provisions of this Agreement are for the sole benefit of the parties hereto and will not be construed as conferring any rights on any other person.

13. SCOPE OF AGREEMENT

This Agreement constitutes the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions and agreements that have been made in connection with the subject matter hereof. No modifications or amendments to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto. All

prior negotiations, agreements and understandings with respect to the subject matter of this Agreement are superseded hereby.

14. FORCE MAJEURE

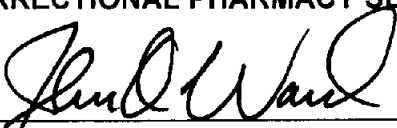
Neither party to this agreement shall be in breach of this AGREEMENT if the failure to perform arises out of causes beyond the control and without the fault of said party. Such causes may include, but are not restricted to: strikes or labor disputes, inmate disturbances, acts of God, acts of civil and military authority, acts of public enemy, fires, explosions, earthquakes, suppliers, manufacturers, failure of third party couriers and floods.

MCPS shall immediately notify Client in writing of its inability to perform by specifying all reasons constituting the cause or causes beyond its control and without its fault.

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused their authorized representative to execute this Agreement on the date set forth above.

MCPS:


**MAXOR NATIONAL PHARMACY SERVICES,
A TEXAS CORPORATION, D.B.A MAXOR
CORRECTIONAL PHARMACY SERVICES**


By: John Ward
Title: Chief Executive Officer

Date: 03/18/09

CLIENT:

WISE COUNTY, TEXAS


By: Bill McElhane
Title: Wise County Judge

Date: March 23, 2009