

PETPOINT APPLICATION SERVICE PROVIDER AGREEMENT

THIS AGREEMENT is made as of 01/10/2011 by and between Pethealth Software Solutions (USA) Inc. ("Pethealth"), a Delaware corporation, and Wise County, Texas (the "Client").

WHEREAS Pethealth and the Client wish to enter into this Agreement for Pethealth to provide the Client with access to software and services on an application service provider ("ASP") basis under the terms and conditions described in this Agreement.

NOW THEREFORE in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Right to Access and Use the Application. Subject to the terms and conditions of this Agreement and attached Schedules A and B:

(i) Pethealth hereby grants to the Client a limited, non-exclusive, non-transferable and revocable right to use the general production version of the PetPoint shelter data management software application, including all updates, improvements, enhancements and additions thereto (the "Application") on a remote basis through the ASP for the purposes set forth herein; and

(ii) the Client is authorized to use all functionality and all configurations of the Application that are made available through the ASP, including all updates, that are made generally available by Pethealth.

Upon request, Pethealth will provide a complete duplicate of the Client's data in Microsoft Access format (the "Client's Data") to the Client for their records on a monthly basis. Except for the limited rights granted by this Section 2, in no event will the Client acquire or retain any other right of access or use or otherwise acquire or retain any right, title or interest in or to the Application (or any modifications, improvements, enhancements or upgrades thereto or derivative works based thereon), whether in the form of intellectual property or other ownership rights or interests.

2. Proprietary Rights. The Client acknowledges that the Application (and all modifications, improvements, enhancements or upgrades thereto or derivative works based thereon) and all Proprietary Information of Pethealth are and shall at all times remain the sole and exclusive property of Pethealth (or its licensors). The Client agrees that it shall not: (i) permit any third party to use the Application or any services provided by Pethealth to the Client hereunder (the "ASP Services"), and (ii) use the Application or the ASP Services for the benefit of any third party. For the purposes of this Agreement, the term "Proprietary Information" means any and all information relating to the Application and the ASP Services, including the databases, computer programs, screen formats, report formats, interactive design techniques, formulae, processes, systems, software, and other information forming part of, relating to or made available as part of the Application and the ASP Services that is proprietary to Pethealth and/or its licensors and all copyrights, trademarks, service marks, trade secrets, patents, or other intellectual property and ownership rights of Pethealth and its relevant licensors related thereto.

3. Confidentiality. All information relating to the terms of this Agreement provided by either Pethealth or the Client in connection with the ASP Services, including any information relating to such party's business, operations, customers or otherwise ("Confidential Information") shall be used by the other party solely for the purpose of rendering services pursuant to this Agreement or otherwise discharging its obligations hereunder and, except as may be required to carry out this Agreement, shall not be disclosed to any third party without the prior consent of the party providing the information. Nothing herein shall be construed to prohibit Pethealth or the Client from disclosing Confidential Information when and to the extent required to do so by any regulatory authority, by judicial or administrative process or otherwise by applicable law or regulation.

4. Warranties and Limitations. The application is provided on an "as is, where is" basis without any representation or warranty or condition of any kind under applicable law, Pethealth disclaims all conditions, terms, representations and warranties, express or implied, written or oral, statutory or otherwise, including, but not limited to, warranties of merchantability, quality, fitness for a particular purpose, title or non-infringement of intellectual property. The Client assumes the entire risk as to the performance of the application. Pethealth shall provide no on-site support or on-site maintenance for the application. In no event will Pethealth be liable for any damages whatsoever (including, without limitation, those damages resulting from lost profits, lost data or business interruption, special, incidental, indirect, punitive or consequential damages, loss of use, data or profits, business interruption, loss of business information or other pecuniary loss) arising out of the use, inability to use, or the results of use of the application whether based on warranty, contract or tort (even if the damages are caused by breach of contract including fundamental breach), or by the negligence or other fault of Pethealth.

CLIENT INITIALS: Bms

5. **Indemnification.** As allowable by state law the Client shall indemnify and hold Pethealth harmless from and against any loss, damage, claim, cost, expense or other liability suffered or incurred by Pethealth as a result of any claim or cause of action by a third party arising out of, based upon or relating to: (i) the Client's use of the Application and the ASP Services, or (ii) ownership or rights in any data received by Pethealth from the Client (or its designees) or any information derived therefrom. Pethealth shall indemnify and hold the Client harmless from and against any loss, damage, claim, cost, expense or other liability suffered or incurred by Client as a result of any claim or cause of action by a third party arising out of, based upon or relating to the system design or operation of the Application and the ASP Services. For the purposes of this Agreement, references to Pethealth or the Client shall include, to the extent applicable, their affiliates, their directors, officers and employees of such entities.

6. **Force Majeure.** If Pethealth is prevented, hindered or delayed in whole or in part from or in performing any of its obligations under this Agreement due to any event beyond its reasonable control (each a "Force Majeure Event"), then its obligations under this Agreement shall be suspended for so long as the Force Majeure Event continues.

7. **Fees And Expenses.**

(i) **Application Use and ASP Services Fee.** The Client will pay Pethealth a monthly Application Use and ASP Services fee as specified on Schedule A hereto (the "Fee"). The Fee shall be due and payable on a quarterly basis, as specified on Schedule A hereto.

(ii) **Application Services Fees.** Upon the Client's reasonable request, and provided that Pethealth then has available the necessary resources, Pethealth will provide the Client additional database conversion, training, and support services in addition to the ASP Services ("Additional Services"), including services where required at the Client's facilities. The Client will pay Pethealth for all time and materials, quarterly in arrears, at Pethealth's then published service rates, for any Additional Services provided at the request of the Client.

(iii) **Discounts.** Pethealth will provide the Client with certain discounts to the Fee as described in Schedule A hereto.

(iv) **Taxes.** The Client shall be responsible for any sales, use, excise, value-added, services, consumption or other tax that is assessed on the grant of the right to use the Application or the provision of the ASP Services (or any part thereof) or on any payments due to Pethealth hereunder.

8. **Term and Termination.** Beginning from the date signed, Pethealth contract will be good for a one year term. After initial term expires, agreement will be renewed on a month to month basis. Each party shall be entitled to terminate this Agreement by providing thirty (30) days prior written notice to the other party, provided, however, that Pethealth shall be entitled to terminate this Agreement immediately if the Client shall commit a breach of this Agreement. Upon termination of this Agreement for any reason, the Client shall immediately cease use of the Application and Pethealth shall provide to the Client a complete duplicate of the Client's Data in Microsoft Access format.

9. **General.** This Agreement shall not be assigned by the Client without the prior consent in writing of Pethealth. Any purported assignment in contravention of this provision shall be null and void. This Agreement shall be binding on and shall inure to the benefit of the Client and Pethealth and their respective successors and permitted assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the federal laws of the United States applicable therein without regard to the conflicts of law principles thereof. This Agreement, together with Schedule A and B attached hereto, constitutes the entire agreement between Pethealth and the Client on the subject matter hereof and supersedes and terminates as of the date hereof, all prior oral or written agreements, arrangements or understandings between the parties. The obligations imposed by Sections 2, 3, 4, and 5 shall survive the termination of this Agreement. This agreement may be reviewed by Client at any time upon request. Terms and conditions contained in Schedule A and B are subject to change; Client will be notified of intended changes and may review the revised agreement by request.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

PETHEALTH SOFTWARE
SOLUTIONS (USA) INC.
1-866-630-7387
3315 ALGONQUIN ROAD
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ROLLING MEADOWS, IL 60008
FAX: 866-409-8940
NAME: Steve Zeidman
TITLE: Chief Technology Officer

CLIENT: Wise County
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Decatur, TX 76234
SHIPPING ADDRESS: 200 Pook Ramsey
Decatur, TX 76234
EMAIL: thompsonj@sheriff.co.wise.tx.us
FAX: 940-627-3797 PHONE: 940-627-5971
NAME: John Thompson
TITLE: LT

John Thompson

FOR Wise County, TEXAS

SIGNED: Bill McELHANEY
County Judge

SIGNATURE:

Bill McElhane (Bill)

SCHEDULE A

FEES

1. **PetPoint Commitment Deposit:** The PetPoint Commitment Deposit is due and payable concurrent with signature of this Agreement and prior to use and implementation of the Application. In the event that the Client is still using the Application on a daily basis one year from signature of the Agreement the PetPoint Commitment Deposit will be refunded to Client by Pethealth in full.

<u>Shelter Category (intakes/yr)</u>	<u>PetPoint Commitment Deposit</u>
(<=500/yr)	\$400
(501-1000)	\$600
(1001-2,000)	\$800
(2,001-3,000)	\$1000
(3,001-5,000)	\$1200
(5,001+)	\$1500

2. **Monthly Application Use and Service Fee:** The Monthly Application Use and Service Fee is payable by the Client on a quarterly basis (every three months) and will be due on the first day of the first month of each quarter according to the following monthly fee structure:

<u>Shelter Category (intakes/yr)</u>	<u>Monthly Fee</u>	<u>Annual Fee</u>
Level 1 (<=1000/yr)	\$100	\$1200
Level 2 (1001-5000)	\$200	\$2400
Level 3 (5001-10,000)	\$300	\$3600
Level 4 (10,001-15,000)	\$500	\$6,000
Level 5 (15,001-20,000)	\$800	\$9,600
Level 6 (20,001-30,000)	\$1,200	\$14,400
Level 7 (>30,001)	\$2,000	\$24,000

3. **Discount Model:** A discount up to 100% can be applied to the Application Use and Service Fee noted above if the Client is participating in the following programs:

A. 40% discount will be applied if client offers the ShelterCare insurance as described in Schedule B and does not promote, recommend or advertize any other pet insurance. For the purposes of clarification, the client will not be required to activate the ShelterCare gift in situations where the adopter refuses to accept the gift.

B. 40% discount will be applied if client agrees to ensure all adopted dogs and cats over the age of 12 weeks are microchipped and registered in the 24PetWatch pet recovery service (including a valid e-mail address from the adopter). The Client agrees to exclusively purchase and use the 24PetWatch microchip recovery program for the implantation of all canine and feline companion animals offered for adoption as well as the implantation and identification of canine and feline companion animals in the community(ies) serviced by the Client. Registration of the 24PetWatch microchip must be done through the PetPoint application by the Client. For the purposes of clarification, the Client shall not be required to implant a 24PetWatch microchip into canine and feline companion animals that have already been microchipped.

C. 20% discount will be applied if the Client agrees to post pets available for adoption on their website(s) using PetPoint Adoptable Search Module (which is provided at no cost). If client does not have a website, they agree to setup a homepage on the PetPoint Adoption Search Module. The set up of the PetPoint Adoptable Search Module must be completed within thirty (30) days of the Client commencing daily use of the ASP. The format used to display animal data (the "real estate") cannot be altered by the Client. Pethealth may alter, change or modify the PetPoint Adoptable Search Module real estate without prior notification. The Client acknowledges that the real estate used to display the animal data is owned by Pethealth and as such may contain messaging for Pethealth and/or third parties.

4. **Monthly Access Fee:** Each Client will be provided with a unique access code. This access code will allow the Client to access the Application in order to configure their software and commence use of the Application. In the event that Client does not configure their software and commence use of the Application within thirty (30) days following receipt of the access code, a monthly fee will be charged until such time that the Client commences use of the Application.

CLIENT INITIALS:

SCHEDULE B

SHELTERCARE PET INSURANCE PROGRAM

1. The Client agrees to explain to all adopters of dogs and cats the ShelterCare insurance offer outlined below:
 - a. If the dog or cat is microchipped and the Adopter provides an email address at the time of adoption, the prepaid insurance policy will be issued automatically for 30 days of coverage and emailed to the Adopter. The Adopter will then have the opportunity to call ShelterCare to extend the prepaid coverage to 45 days.
 - b. If the dog or cat is not microchipped but the adopter provides an email address at the time of adoption, a limited time offer to activate the prepaid insurance policy will be emailed to the adopter. The adopter will need to call ShelterCare to activate.
 - c. If an adopter does not provide an email address, the Client will provide the adopter with other ShelterCare insurance offers available at the time.
2. The Client agrees to ensure that proper training is provided to all paid and volunteer personnel that are employed by the Client in properly administering and presenting the ShelterCare Gift Program at the point of adoption.
3. The Client agrees to ensure physical separation of all ShelterCare Gift Program materials and documents from other adoption materials upon presentation to the adopter.
4. The Client agrees to display the ShelterCare Gift Program marketing materials prominently at their premises.
5. The Client agrees to re-order ShelterCare Gift Program materials on an "as-needed" basis.
6. The Client agrees to provide Pethealth with space on the home page of the Client's Website with hyperlinks to Pethealth's websites and other marketing opportunities through the Client's shelter or rescue group as mutually agreed. The Client agrees to allow Pethealth to use their name and logo in Pethealth marketing materials.
7. The Client agrees to receive an invoice at the conclusion of each calendar year from Pethealth for the total premium value of ShelterCare Gift of Insurance policies each pet that has received as a result of enrollment by the Client. The Client agrees to invoice Pethealth for the value of marketing and advertising provided to Pethealth from the Client at the conclusion of each calendar year. The value of such marketing and advertising shall not exceed the total premium value of ShelterCare Gift insurance policy coverage provided during the calendar year.
8. Pethealth will defend, indemnify and hold harmless Client from and against any and all claims, actions, losses, liabilities, damages, settlements, judgments, arbitration awards, costs and expenses including reasonable attorneys' fees and expenses (collectively, "Claims") resulting from any Claims brought against Client based on Client offering Pethealth products.

MAILING ADDRESS: **PETHEALTH SERVICES, INC**
 ATTN: STEFANI SERDAR
 PO BOX 2150 // BUFFALO, NY 14240

CLIENT INITIALS: 