



GROUP PURCHASING PROGRAM FREE MEMBERSHIP AGREEMENT

This agreement is made as of the _____ day of _____, 20____ between PRIME Services, Inc. (PSI) located at 6400 Sheridan Dr, Suite 112, Williamsville NY and Member as identified by facility, address and authorized signature below.

As an authorized agent for the facility identified below, I hereby authorize PSI as our group-purchasing agent for the purpose of recommending and endorsing goods and services for our use. PSI agrees to furnish the member with certain Program Information (User Information) and assist the Member in the effective use of the Program. The Member agrees to abide by the following terms and conditions.

- Purchasing Agreements.** The Member agrees that PSI is authorized, but not obligated, to enter into agreements with vendors in order to make those agreements generally available to Group's Members. Such agreements may contain certain terms and conditions necessary for the Member to commit to and comply with in order to purchase the products of the vendor. The Member is not obligated to make any purchases. If the Member decides to take advantage of such agreements, the Member agrees to comply with the terms and conditions of the agreements.
- Own Use.** The Member expressly understands and agrees that each and every purchase made through any Group agreement is for the Member's ultimate consumption or Own Use, as defined by the U.S. Supreme Court in Abbott Labs et al v. Portland Retail Druggist Association, Inc (425 US 1, 1976) and its successor line of cases and the Prescription Drug Marketing Act of 1987 ("Own Use").
- Confidentiality.** The Member agrees to keep confidential all User Information. Member agrees to use the User Information (including any proprietary software provided to Member by Group) solely for the purposes contemplated by this Agreement. Member agrees that all title to and ownership of the User Information shall at all times remain with PSI. Member will use the User Information in confidence, will not disclose any User Information to any third parties, but will limit its disclosure to bona fide employees of Member on a need-to-know basis.
- Administrative Fees.** Member acknowledges that PSI has disclosed that it receives administrative fees from participating contract vendors based on purchases made by Group's members; that such administrative fees are not fixed at the same amount in each vendor contract; and that most vendor contracts provide for administrative fees equal to three percent (3%) or less of the purchase price of the goods or services covered by the participating vendor contracts. PSI will provide to Member, upon request, a list of each vendor contract pursuant to which Group receives an administrative fee greater than three percent (3%). PSI will report to Member, in writing, on a basis not less frequently than annually, and to the Secretary of Health and Human Services, on request, the amount received from vendors with respect to purchases made by or on behalf of Member. It is the intent of the parties that this arrangement comply with all applicable laws including , without limitation, the Federal Anti-kickback statute, set forth in 42 U.S.C. Section 1320a-7b(b) and the statutory exceptions applicable to group purchasing organizations and discount arrangements and further that this arrangement satisfy each of the group purchasing organizations safe harbor regulation set forth in 42 C.F.R. Section 1001.952(j) and discounts safe harbor regulation set forth in 42 C.F.R. Section 1001.952(h). Member may have an obligation to report this discount to any state or federal program which provides cost or charge-based reimbursement to Member for the items to which the discount applies.
- Term & Termination.** The initial term of this Agreement is for three years, beginning on the date above, and shall be automatically renewed for successive one-year periods thereafter unless either party shall give notice of termination, by the giving of ninety (90) days' written notice prior to the next anniversary date.
- Warranties.** Member understands and acknowledges that PSI, through the Program, is performing a service and is not a party to any purchase and sale of any Product between the Member and any vendor.

Facility

Authorized Signature

Address

Title

City, State, Zip

Date

PRIME Services, Inc., 6400 Sheridan Drive, Suite 112, Williamsville, NY 14221

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