

MASTER SUPPLY AGREEMENT

This Master Supply Agreement (“**Agreement**”) is effective on _____ (“Effective Date”) by and between Patterson Veterinary Supply, Inc. (“**Seller**”) and EPIC (“**Customer**”).

Customer provides veterinary care service through various locations (each a “Participant”) as set forth in Schedule A (“Location”). Customer and its Participants are collectively known as “Customer”.

Customer engages Seller to sell the products (“Products”) and at the pricing (“Pricing”) as described in Schedule B. All Schedules are attached to this Agreement and incorporated herein.

- 1. Preferred Supplier; Exceptions.** Subject to the terms and conditions of this Agreement and Seller’s terms and conditions and terms of use as published on its website, pattersonvet.com, Customer will purchase from Seller a minimum of \$13,500,000 per year, and Seller will sell and distribute to Customer, the Products to be utilized by Customer at any and all of its Locations and be eligible for rebates listed in Schedule B-1.
- 2. Term and Termination.**
 - 2.1. Term.** This Agreement begins on the Effective Date and continues in effect for 3 years. Thereafter, this Agreement automatically extends every 12 months, unless either party gives the other written notice of its intent not to renew at least 90 days before the expiration of the initial or subsequent terms, of its intent to terminate this Agreement.
 - 2.2. Termination.** Either party may terminate this Agreement without cause by providing at least 30 days advance written notice to the other party. At any time while this Agreement is in effect, either party may terminate the Agreement for cause, including insolvency and material breach, provided the non-defaulting party gives the other party written notice detailing the nature of its material breach of the Agreement. If the material breach remains uncured 30 days after notice to the breaching party, or if the breach is of a nature that cannot reasonably be cured in such 30-day period and the breaching party has failed to diligently commence and pursue actions necessary to cure the breach, then the non-defaulting party may terminate this Agreement at any time by providing written notice of the date of termination to the other party. Upon termination of this Agreement, Seller will stop supplying Products in an orderly manner, and the parties will promptly: (i) deliver to all pending purchase orders under this Agreement; and (ii) return or dispose of the other party’s Confidential Information in its possession or under its control. Customer will pay Seller for all Services performed through the effective date of the termination.
 - 2.3. Survival.** The terms of this Agreement that, by their nature must survive the termination of this Agreement to protect the party in whose favor they run, survive the termination of this Agreement.
- 3. Pricing and Payment Term and Rebate/Incentive Programs.**
 - 3.1. Pricing.** Customer will pay Seller the prices as described in Schedule B for the Products.
 - 3.2. Vendor Pricing.** Customer will provide Seller with all vendors, contract pricing, to ensure all Customer locations are paying the same prices for vendor products regardless of which seller is preferred.
 - 3.3. Payment Term.** Payment terms are net 60 days from invoice date. Seller may charge an additional fee of 1.5% per month (18% per annum) or the maximum rate allowed by law, whichever is less, to late payments. On five days’ notice to Customer, Seller may suspend performance of Services for non-payment until a reasonable time after the non-payment is cured. Notwithstanding the foregoing, such payment by Seller for shipping applies only to standard shipping orders and not any “expedited” or “red labeled” shipping practices and

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Customer is responsible for federal or state regulated shipping charges, such as “HazMat” shipping charges. Customer has no right of off set, and neither Customer nor Participant will take deductions, unless authorized to do so by Seller through issuance of a credit memorandum. Customer or Participant, as appropriate, will give Seller written notice of any incorrect charges within 90 days of the Seller’s invoice to which the claim relates. After 90 days, the originally invoiced amount will be deemed to be correct.

- 3.4. **Seller’s Credit Approval.** All orders received are subject to Seller’s standard credit approval. Seller may amend its credit policies or withdraw the extension of credit to a Participant at any time. Seller agrees to use commercially reasonable efforts to provide 30 days’ notice prior to such withdrawal of credit. Customer agrees to submit to Seller recent financial statements and any other items reasonably requested by Seller in order to establish Customer's credit. Seller will be entitled to charge interest for payments not made in accordance with the terms of payment at the rate set forth herein (or if no such rate is stated, at the rate of 1.5% per month) or the highest rate permitted by law, whichever is lower. Customer will pay Seller’s actual costs of collection incurred, including reasonable attorney's fees, if Seller is required to commence any suit or proceeding for collection of any delinquency.
- 3.5. **Rebate.** Seller will pay a Rebate to Customer every 3 months as set forth herein and within 30 days from the date the Rebate is due. Seller reserves the right to amend the Rebate to Customer based on manufacturer margin decisions handed down to Seller during the Term of the Agreement.
- **Product Rebate.** Customer shall be eligible to participate in Seller’s “Product Rebate” program, as set forth in attached Schedule B-1.
 - **Epic Rebate.** Customer shall be eligible to participate in Seller’s “EPIC Rebate” program, as set forth in attached Schedule B-3.
4. **Delivery.** All Products will be F.O.B. Destination. Seller will bear all risk of damage and loss until delivery at the destination. Customer shall pay shipping costs in accordance with Seller’s current online terms and conditions and terms of use as published on pattersonvet.com. All Products are subject to inspection by Customer upon delivery. Unless Seller is notified in writing of any damage, defect or discrepancy within fourteen business days of delivery, delivered products will be deemed accepted. Following a timely written notice of rejection by Customer, Seller will, at its expense and within a reasonable time, replace damaged, defective or nonconforming products or refund the purchase price of such products, as requested by Customer.
5. **New Location.** Each month, for any new Locations to be opened by Customer, Customer will provide to Seller an electronic forecast of its Product requirements in a mutually agreed upon format.
6. **Orders.**
- 6.1. **Orders.** Seller will use all commercial reasonable efforts to deliver Products promptly after order from a Participant. Each party will appoint a primary contact who is knowledgeable of the Products. Once notified by Customer of a service-related issue, Seller’s primary contact will work closely with Customer to resolve the issue promptly and efficiently.
- 6.2. **Purchase Orders.** All purchase orders, releases, acceptances, and other writings or electronic communications between the parties related to the Products will be governed by this Agreement and Seller’s online terms and conditions and terms of use. The parties hereby disclaim the terms and conditions of any purchase orders, releases, acceptances, and other writings or electronic

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communications different from or in addition to the terms and conditions set forth in this Agreement and Seller's online terms and conditions and terms of use.

- 6.3. **Special Items.** To the extent Customer desires special items to be maintained in inventory by Customer, each calendar quarter, Seller will transfer to, and invoice, Customer for (i) any inactive Product inventory (no activity for 60 calendar days), or (ii) any material excess Product inventory reasonably reserved by Seller for Customer and not yet purchased during the previous calendar quarter.
- 7 **Disclaimer of Warranty.** **FOR THE AVOIDANCE OF DOUBT, SELLER MAKES NO WARRANTIES WHATSOEVER REGARDING THE PRODUCTS OR OTHERWISE, AND SELLER EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, USAGE OF TRADE OR NONINFRINGEMENT. IN NO EVENT WILL SELLER BE LIABLE FOR LOSS OF ANTICIPATED PROFITS, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF TIME OR OTHER LOSSES INCURRED BY CUSTOMER IN CONNECTION WITH THE PURCHASE, POSSESSION OR USE OF THE PRODUCTS. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL SELLER BE LIABLE UNDER THIS AGREEMENT FOR ANY AMOUNT EXCEEDING THE ACTUAL AMOUNT PAID BY CUSTOMER TO SELLER UNDER THIS AGREEMENT IN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE THAT GAVE RISE TO SUCH LIABILITY.**
- 8 **Confidentiality.** During the Term of this Agreement, each party may disclose to the other certain confidential and proprietary information that is marked as confidential or that logically would be considered to be confidential (collectively, the "Confidential Information"). Each party agrees that the Confidential Information provided to it, regardless of form, will be received and maintained by it in confidence and not to use or disclose any Confidential Information without the written consent of the disclosing party, except as may be necessary to perform its obligations under this Agreement. The obligation of confidentiality will not apply with respect to any Confidential Information that: (a) is in the public domain at the time of discloser's communication to recipient; (b) was or becomes generally available to the public other than as a result of a disclosure by recipient in breach of this Agreement; (c) was in recipient's possession, free of any obligation of confidentiality, at the time of discloser's communication to recipient; (d) is communicated to recipient by a third party, which the recipient reasonably believed was free to make such disclosure without breach of any legal obligation to discloser; or (e) recipient is compelled to disclose by deposition, subpoena or other court or governmental action, as evidenced by advice of legal counsel, provided that recipient gives the discloser advance written notice of the Confidential Information to be disclosed as far in advance of its disclosure as is reasonably possible, practicable and legally permissible, and recipient cooperates with discloser, if discloser seeks to obtain a protective order concerning such Confidential Information.
- 9 **Compliance.**
- 9.1 **Applicable Law.** Each of the Parties will comply with all applicable law. As used herein "Applicable Law" will mean all laws, statutes, ordinances, regulations, rules, or orders of any regulatory authority with jurisdiction over such Party that are applicable to the use, provision or receipt of the Products or the performance of the Parties' respective obligations under this Agreement. Such Applicable Laws include, but are not limited to, state and federal statutes, rules and regulations governing record retention, billing error resolution, confidentiality, data privacy and security, claims and payment processing.
- 9.2 **Overriding Principles.** Notwithstanding any other provision of this Agreement:

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- 9.2.1 In no event will either party or any Participant be required to take any action, or omit to take any action, that would cause it to violate Applicable Law; and
- 9.2.2 In no event will either Party be required to take any action, or omit to take any action, that would cause it to violate the terms of any Business License. As used herein, a “Business License” with respect to a Party, means the terms and conditions of any regulatory approval, charter or license to engage in its business activities.

10 Cooperation and Support. Each Party agrees to cooperate reasonably with the other party and provide reasonable support to the other Party in relation to such Party’s performance of this Agreement in accordance with Applicable Law. Such cooperation and support will include, but not be limited to, cooperation with investigation of potential suspicious activity, assistance in complying with record-keeping and/or reporting obligations, and assistance in obtaining other relevant information and records about the Products sold at the Locations.

11 Miscellaneous Provisions.

- 11.1 **Assignment.** Neither party may assign this Agreement or any of its rights nor obligations under this Agreement without the prior written consent of the other party, except that Seller may assign this Agreement to an affiliate or to a successor in interest to which the business relates.
- 11.2 **Force Majeure.** Any delay or failure in performance other than non-payment will be excused to the extent caused by an extraordinary event or occurrence beyond the reasonable control of the non-performing party, including without limitation, fires, floods, windstorms, explosions, strikes, walk outs, riots, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism, wars and changes in law, policy or inflationary pressure that render provision of Products by Seller commercially impracticable. The affected party will give the other party prompt notice of the delay or failure and the reason thereof and will exert commercially reasonable efforts to remove the causes or circumstances of non-performance with reasonable dispatch.
- 11.3 **Notices.** All required notices will be in writing and will be deemed to have been given if: (i) Delivered in person or by Federal Express or similar nationally recognized express mail or courier service, which provides evidence of delivery, on the date of delivery; (ii) sent by facsimile transmission, on the date the transmission is received by an employee of the recipient in legible form; (iii) sent by certified or registered mail or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or (iv) sent by electronic messaging system, on the date the electronic message is received. In each case the notice is properly addressed to the address provided in the appropriate signature block below and to the attention of the title of the person signing this Agreement.
- 11.4 **Relationship of Parties.** The relationship between the parties is solely that of independent contractors. This Agreement is for the benefit of the parties and there are no intended third party beneficiaries to this Agreement.
- 11.5 **Governing Law.** This Agreement will be interpreted in accordance with the laws of the State of Colorado, without regard to conflict-of-law provisions.
- 11.6 **Waiver; Severability; Entire Agreement; Amendment.** Waiver by either party of any breach of this Agreement will not be deemed nor constitute a continuing waiver or waiver of any other breach of this Agreement. A finding by a court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable under law will not affect the validity or enforceability of any other provision of this Agreement, unless a party’s rights or obligations are materially and adversely affected by such ruling. This Agreement contains all agreements and understandings between the

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parties relating to its subject matter. Any amendment to this Agreement must be in writing and will not be effective until it is executed and approved by an authorized representative of each party.

ACCEPTED AND AGREED TO BY:

EPIC Address _____ City, State zip _____	PATTERSON VETERINARY SUPPLY, INC. 2915 Rocky Mountain Ave. Suite 400 Loveland, CO 80538
Signature _____	Signature _____
_____ (print name)	_____ (print name)
Title _____	Title _____
Date _____	Date _____

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**SCHEDULE A
LOCATIONS**

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SCHEDULE B
PRODUCTS & PRICING

Seller may increase the Pricing or change the Products available to the Customer on its Pattersonvet.com account from time to time in its sole discretion.

For all Products and Equipment which do not have a manufacturer fixed price, Pricing shall be calculated as Landed Cost plus eight percent (8%). Landed Cost means, the cost of procuring the Products from the applicable manufacturer plus the average of all of Seller's operational expenses to procure, sell and deliver the Product or Equipment to all Participants.

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SCHEDULE B-1 PRODUCT REBATE

Each Participant may be eligible to earn a rebate equal to a percentage of the total amount of Qualifying Product purchased and paid for by a Participant during a calendar quarter ("Product Rebate"). The Product Rebate is equal to 1.15% of purchases of Qualifying Product. The Product Rebate shall increase by an additional 1% for a total Product Rebate of 2.15% for any purchase of Qualifying Product paid for by ACH or check

Notwithstanding anything contrary herein, Customer will **not** receive and participate in the Product Rebate during any Contract Year in which Customer has failed to pay any amount(s) due to Seller or otherwise breaches any of its other obligations under the Agreement during such Contract Year. For avoidance of doubt, a failure to meet the minimum purchase volume as set forth section 1 of this Agreement, shall not exclude Customer from participating in the Product Rebate.

Seller will pay Customer by check, credit memo or any other form as agreed to by the parties, the applicable Product Rebate within 30 days after the applicable calendar quarter in which the Product Rebate was earned.

Qualifying Product means any veterinary drug product, veterinary medical supply, or other animal health product that is regularly offered, shipped and invoiced by Seller, but does not include any product: (a) for which Seller acts as an agent or consignee and which is invoiced by a third party as manufacturer, distributor or consignor; (b) that is subject to a contractual limitation that conflicts with this Agreement or (c) that is offered by American Regents.

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SCHEDULE B-2

ONETIME SIGNING BONUS

Customer shall earn a onetime signing bonus equal to \$35,000.00 (“Signing Bonus”). Seller shall pay Customer the Signing Bonus sixty (60) days from the Effective Date. Seller shall pay the Signing Bonus by Check or any other form mutually agreed to by the Parties.

Notwithstanding the foregoing, in the event the Agreement is terminated early for any reason other than Seller’s default, Customer shall pay a portion of the Signing Bonus back to Seller in accordance with the following (“Remittance”):

Contract Year	Percent Paid Back
1	100%

Customer shall pay the Remittance within sixty (60) days of the date in which a Remittance is earned by Seller. Customer shall pay the Remittance by Check or any other form mutually agreed to by the Parties.

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SCHEDULE B-3

EPIC REBATE

Customer may be eligible to earn a rebate equal to a percentage of the total amount of Qualifying Product purchased and paid for by a Participant during a calendar quarter ("EPIC Rebate"). The EPIC Rebate is equal to .35% of purchases of Qualifying Product made by a Participant.

Notwithstanding anything contrary herein, Customer will **not** receive and participate in the Product Rebate during any Contract Year in which Customer has failed to pay any amount(s) due to Seller or otherwise breaches any of its other obligations under the Agreement during such Contract Year. For avoidance of doubt, a failure to meet the minimum purchase volume as set forth section 1 of this Agreement, shall not exclude Customer from participating in the Product Rebate.

Seller will pay Customer by check or any other form as agreed to by the parties, the applicable Product Rebate within 30 days after the applicable calendar quarter in which the Product Rebate was earned.

Qualifying Product means any veterinary drug product, veterinary medical supply, or other animal health product that is regularly offered, shipped and invoiced by Seller, but does not include any product: (a) for which Seller acts as an agent or consignee and which is invoiced by a third party as manufacturer, distributor or consignor; (b) that is subject to a contractual limitation that conflicts with this Agreement or (d) that is offered by American Regents.