



Participation Agreement

This Group Purchasing Participation Agreement is entered into by and between Value First, Inc. ("Value First"), a Delaware corporation, and "Member" indicated below. Value First and Member agree as follows:

Member

Legal Name: _____

DBA (if different from above): _____

Street Address: _____

City, State, Zip: _____

Phone Number: _____ Fax Number: _____

Web Site: _____ DEA Number: _____

Contact person to receive information about Value First programs and savings opportunities:

Name: _____ Title: _____

E-Mail Address: _____

Type (e.g.; SNF, Assisted Living, etc.) _____

Number of beds / Units _____

Number of Locations: ____ (if more than one, please attach list "Schedule 1" with names, addresses, phones, etc.)

Additional Locations: Member warrants that it owns and/or manages each of the facilities listed on the attached Schedule 1 and that it has the legal authority to enter into this Agreement on their behalf. This Agreement shall apply collectively to the facilities identified above and in Schedule 1 of this Agreement. Member shall provide prompt written notice to Value First of all additions and changes to Schedule 1.

Group Purchasing Agency: Member authorizes Value First as its group purchasing and contracting services agent to negotiate and enter into agreements with vendors in order to make agreements available to Member. Member authorizes Value First as its agent to negotiate and enter into affiliation agreements with other group purchasing organizations ("Affiliate GPOs") and to enroll Member in Affiliate GPOs in order to make their agreements available to Member.

Vendor Agreements: The agreements made available to Member whether entered into by Value First or any Affiliate GPO shall be cumulatively referred to as "Vendor Agreements". Member agrees to comply with the terms and conditions of any Vendor Agreement through which it chooses to make any purchase.

No Obligation to Purchase: Member is not obligated to make any purchase under this Agreement.

Own Use: Member represents and warrants that any purchase made through any Vendor Agreement under this Agreement will be for Member's "Own Use" and not for resale.

Rebates: Any rebates due to Member based on Member's purchases through any Vendor Agreement, if received by Value First or its Affiliate GPOs, will be forwarded to Member at least quarterly. Member is solely responsible for reporting any such rebate as required by law.

Administrative Fees: Value First discloses to Member that it and its Affiliate GPOs receive administrative fees from contracted vendors based on purchases made by Member. The administrative fee varies according to each

Vendor Agreement and is generally three percent (3%) or less of the purchase price of the goods or services purchased by Member; however, specific vendor agreements may exceed 3%. Value First and its Affiliate GPOs will report at least annually to Member, in writing, and to the Secretary of Health and Human Services on request, the fees received under each Vendor Agreement for purchases made by Member. Member understands that the discounted pricing provided under this Agreement, as well as the value of any services provided at less than full price, may be a “discount” within the meaning of 42 U.S.C. Section 1320a-7b(b)(3)(A) of the Social Security Act and the regulations promulgated thereunder at 42 C.F.R. Section 1001.952(h) and that 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.

Confidentiality: Member agrees to keep strictly confidential, hold in trust, and not disclose any Confidential Information (defined below) received from Value First and its Affiliate GPOs. “Confidential Information” means any trade secrets or proprietary information including but not limited to programs, services, systems, pricing, agreements or information technology shared with Member by Value First and its Affiliate GPOs.

Warranties: Value First and its Affiliate GPOs make no express or implied representation or warranties under this Agreement or any Vendor Agreement regarding the products or services offered hereunder or thereunder, or their suitability for any purpose. Any analysis, pricing, or product information is provided as is with no guarantee of accuracy or completeness.

Limitation of Liability: Member acknowledges that Member is solely responsible for deciding which if any products or services to purchase through the Vendor Agreements. Accordingly, Member acknowledges and agrees that Value First, its Affiliate GPOs and their respective officers, directors, shareholders, employees, agents and contractors shall not have any liability of any nature or kind whatsoever for any personal injury, property damage, lost profits, attorney’s fees, court costs or any other damages, legal, equitable or otherwise, caused either directly or indirectly by or related to the products or services offered or sold under the Vendor Agreements. Member agrees to hold Value First and its Affiliate GPOs harmless from all losses, damages and costs, of any nature or kind whatsoever (including, but not limited to attorney’s fees and court costs) incurred by Value First or its Affiliate GPOs from Member’s breach of any of the terms and conditions of this Agreement or in any other way relating to this Agreement.

Compliance with Law: Each party agrees that it shall at all times during the term of this Agreement observe and comply with all applicable federal, state, and local laws and regulations in connection with its performance under this Agreement.

Term & Termination: The initial term of this Agreement will be for one year commencing on the date it is signed by Value First. This Agreement will renew annually for an additional period of one year upon expiration of the initial and subsequent renewal terms of the Agreement. Either party may terminate this Agreement (i) at any time for a breach of a material term, but only after one party gives the other party specific written notice and 30 days to cure the alleged breach; or (ii) after the initial term without cause by providing the other party 90 days written notice.

This Agreement constitutes the entire understanding and agreement between the parties. In witness whereof, the parties hereto have executed this Agreement by persons duly authorized.

Member

Signature

Print Name

Title

Date

Value First, Inc.

Signature

Print Name

Title

Date