

**Memorandum of Agreement  
Between Micro Distributing II, Ltd. and 20<sup>th</sup> Circuit Drug Court  
For Drug Testing Products and Services**

**1. PARTIES TO THE AGREEMENT**

- 1.1 **Parties:** The parties to this Agreement are Micro Distributing II, Ltd. with its principal place of business at 620 Kennedy Court, Belton, TX 76513 (“MD”) and 20<sup>th</sup> Circuit Drug Court, with its principal location at 128 West North Street, Canton, MS 39046. (“CLIENT”).

**2. EFFECTIVE DATES AND TERM**

- 2.1 **Term:** The term of this Agreement is twenty 27 months from November 2021 February 2024. This Agreement shall be reviewed February 2024. CLIENT may terminate this Agreement, for any or no reason, on sixty (60) days’ written notice to MD.

**3. ACCOUNT MANAGEMENT**

- 3.1 MD will assign an account manager to CLIENT. Additionally, a team of well-trained experienced staff will share responsibility for servicing CLIENT’s account. These are problem-solvers dedicated to customer satisfaction. These health professionals, information specialist, account and logistics managers clearly understand the importance of drug testing services.

**4. PRODUCTS AND SERVICES PROVIDED**

- 4.1 **Rapid Test Products:** Urine, saliva, and hair rapid on-site drug and alcohol test devices manufactured and marketed in accordance with governing laws, regulations, and applicable quality manufacturing systems.
- 4.2 **Lab Services:** SAMHSA certified and CAP accredited laboratory drug testing services for urine, saliva, sweat, and hair.
- 4.3 **Medical Review Officer (MRO):** MRO will be certified to review drug test results by the Medical Review Officer Certification Council (MROCC) or the American Association of Medical Review Officers (AAMRO).
- 4.4 **Nationwide Collection Site Network:** Access to over 10,000 designated collection sites. A network of 6,000 mobile collectors is also available for scheduled high volume testing events and 24/7 emergency collections for post-accident and reasonable suspicion tests. Collection sites and collectors are audited and validated for continued quality assurance.

- 4.5 Random Selection: MD will provide random selection services.
- 4.6 Training: MD will provide training to CLIENT via in-person, and online at the request of CLIENT
- 4.7 Software: MD will provide a comprehensive software solution that will integrate instant test results, collection sites, laboratory test results, and MRO results at no cost to CLIENT.

## **5. ORDERS, SHIPPING, AND PRICES**

- 5.1 Product Forecast: CLIENT will provide forecast to MD on an as needed basis for product production and inventory planning to ensure product availability.
- 5.2 Product Orders: CLIENT will place Product Purchase Orders to MD via fax, email, or online.
- 5.3 Shipping: Ground shipping is included in the prices set forth in Attachment A of this agreement. CLIENT is responsible for Express shipping charges. Upon request MD will ship orders utilizing CLIENT's FEDX or UPS account. All Standard Orders received before 4:00 pm CST will be processed for same day shipping. Any order that falls outside of the specified cut-off times will be processed the following business day. Emergency Orders may shipped after 4:00 pm CST, but require a phone call. Our ability to successfully process an Emergency Order depends on several factors and will be handled on a case-by-case basis.
- 5.4 Prices: MD shall provide products and services hereunder to CLIENT at the prices set forth in Appendix A to this Agreement. There are no minimum purchase requirements or price tiers. MD may only raise prices in the instance of cost increases outside it's control (for example, but not limited to, tariff's, raw material, or government regulations) and upon ninety (90) days written notice and written explanation of the exact reason for the increase.

## **6. PAYMENT FOR PRODUCTS AND SERVICES**

- 6.1 Invoices: MD will invoice CLIENT monthly for Products and Services on the first business day of the month for all the product orders and services for the previous month. Invoices are payable sixty (60) days from the date of the invoice.
- 6.2 Early Payment: If invoices are paid within ten (10) days from the date of the invoice a 1% discount will be applied.
- 6.3 Late Payments: Late payments of originally accurate and undisputed charges received ten (10) days after the due date and written notice are subject to a late payment fee of

1.5% per month. The obligation of CLIENT to immediately pay all undisputed outstanding sums due to MD shall survive the termination of this Agreement for any reason. In addition to its rights under the law, MD reserves the right to suspend delivery of products and services, in whole or in part, if CLIENT fails to make timely payments until such time as the delinquency is cured.

## 7. TERMINATION

- 7.1 Failure to Perform: This Agreement may be terminated by either party for failure of the other party to perform its respective obligations under the Agreement, but only after the non-performing party is given written notice of intent to terminate and thirty (30) days to correct the non-performance. In addition, MD may terminate this agreement with thirty (30) days written notice if CLIENT breaches the payment terms of this Agreement.
- 7.2 Expiration: This agreement may be terminated with thirty (30) days written notice prior to the anniversary date of the initial two (2) year period or any annual one (1) year renewal period thereafter.
- 7.2 Upon Termination: This Agreement will continue to govern the parties rights and obligations with respect to products delivered or services provided prior to termination. Upon termination or expiration of this Agreement MD agrees that it will fulfill binding purchase orders issued by CLIENT and accepted by MD provided that CLIENT is not in breach of its obligations to make timely payments under section 6.

## 8. NOTICES

When either party wishes to give notice to the other, each such notice shall be in writing and delivered by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

As to MD:	Micro Distributing II, Ltd. PO Box 1753 Belton, TX 76513 Attn: David Wilks, COO
As to CLIENT:	20 <sup>th</sup> Circuit Drug Court 128 W. North St. Canton, MS 39046 Attn: Judge Staci B. O'Neal

Any such notice is effective when received by the addressee. Either party may change its address by giving written notice thereof to the other party as provided in this paragraph.

## 9. GENERAL TERMS

- 9.1 Entire Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter herein, and there are no representations,

inducements, promises or agreements, oral or otherwise, not embodied herein. There are no conditions precedent to the effectiveness of this Agreement other than as stated herein, and there are no related collateral agreements existing between the parties that are not referenced herein.

9.2 No Other Relationship or Interest. The Parties agree that this Agreement does not create any other relationship or legal interest between the Parties, including, but not limited to, employer/employee relationship, license, title, guarantee of work, or right to use any Confidential Information, except as specified by this Agreement.

9.3 Nondisclosure of Confidential Information: CLIENT and MD shall not directly or indirectly publish, disseminate or otherwise disclose, deliver or make available to any person outside its organization any of the other Party's Confidential Information. CLIENT and MD may disclose the other Party's Confidential Information to persons within their respective organizations, which shall include their respective parent and/or subsidiary entities, and to their respective affiliates and partners who/which have a need to receive such Confidential Information in order to further the purposes of this Agreement. CLIENT and MD may disclose the other Party's Confidential Information to a governmental authority or by order of a court of competent jurisdiction, provided that such disclosure is subject to all applicable governmental or judicial protection available for like. “**CONFIDENTIAL INFORMATION**” means any and all scientific, technical, trade, product, pricing, marketing and/or other business information possessed, obtained by, developed for or given to a Party hereunder and disclosed by such Party in furtherance of this Agreement, including without limitation, Research Materials (defined below), formulations, techniques, methodology, assay systems, formulae, procedures, tests, equipment, data, reports, know-how, sources of supply, patent positioning, relationships with consultants and employees, business plans and business developments, distribution material, information concerning the existence, scope or activities of any research, development, manufacturing, marketing or other projects of the Disclosing Party (e.g. plans, rational, competitive strategy or other information related to developing or marketing products or technology covered by Disclosing Party's patents, patent applications or published patent applications), computer programs, documentation, software, systems, source and object code, methodologies, processes and any other confidential and/or proprietary information or trade secrets about or belonging to the Disclosing Party's suppliers, licensors, licensees, partners, affiliates, customers, potential customers or others. The Parties will use commercially reasonable efforts consistent with reasonable business practices to (a) label or identify as confidential at the time of disclosure or by written notice to the Receiving Party within 30 days following such disclosure, Confidential Information which is disclosed in writing or other tangible form and (b) reduce to writing or other tangible form and similarly label within 30 days of disclosure, Confidential Information which is disclosed verbally. Notwithstanding, the failure to label or so designate as Confidential Information shall not impair or alter the confidential and/or proprietary characteristic of such Confidential Information.

MD represents and warrants that its collection, access, use, storage, disposal and disclosure of Personal Information and CLIENT data does and will comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives. Without limiting MD's other obligations under this section, MD shall implement administrative, physical and technical safeguards to protect

Personal Information and CLIENT data that are no less rigorous than accepted industry practices or other applicable industry standards for information security and shall ensure that all such safeguards, including the manner in which Personal Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Agreement.

During the term of this Agreement and not more than once a year (unless there has been a security breach or complaint relating to MD's privacy and security practices), CLIENT or its designated third party may audit MD's facilities and practices related to the performance of this Agreement. Alternatively, CLIENT may request that MD conduct site audits of the information technology and information security controls for all facilities used in complying with its obligations under this Agreement, including, but not limited to, obtaining a network-level vulnerability assessment performed by a recognized third-party audit firm based on the recognized industry best practices. Upon CLIENT's written request, MD shall make available to CLIENT the results of such audit(s). MD shall treat such audit reports as CLIENT's Confidential Information under this Agreement.

#### 9.4 Indemnity.

- a. MD agrees to defend, indemnify, and hold CLIENT, its parents, subsidiaries, affiliated and related companies, directors, officers, employees, and agents wholly harmless from and against all third party claims, losses, lawsuits, settlements, demand, causes, judgements, expenses, and cost (including reasonable attorney fees) arising under or in connection with this Agreement to the extent that such cost and liabilities are proximately caused by the negligence or willful misconduct of MD, MD's violation of this Agreement, or any violation of applicable laws and regulations by MD.
- b. CLIENT agrees to defend, indemnify, and hold MD, its parents, subsidiaries, affiliated and related companies, directors, officers, employees, and agents wholly harmless from and against all third party claims, losses, lawsuits, settlements, demand, causes, judgements, expenses, and cost (including reasonable attorney fees) arising under or in connection with this Agreement to the extent that such cost and liabilities are proximately caused by the negligence or willful misconduct of CLIENT, CLIENT's violation of this Agreement, or any violation of applicable laws and regulations by CLIENT.

9.5 Insurance. MD agrees to maintain general liability insurance with a minimum limit of \$1,000,000 per occurrence, product liability insurance with a minimum of \$1,000,000 per occurrence, medical E&O insurance with a minimum of \$1,000,000 per occurrence, and statutorily required workers compensation insurance. MD will name CLIENT as an additional insured on MD's general liability insurance policy. MD will waive subrogation on its workers compensation policy. All such insurance shall be primary and non-contributory. MD shall furnish a certificate of insurance evidencing such coverage upon the signing of this agreement.

9.6 Savings Clause. In the event that a court of competent jurisdiction determines that any of the provisions of this Agreement are not enforceable, then the validity and enforceability

of the remaining provisions shall not be affected and the Agreement shall be interpreted as if the offending provision(s) was removed.

9.7 Amendments to the Agreement. This Agreement can only be amended by a written amendment signed by the parties' authorized representatives.

9.8 Applicable Law. This Agreement shall in all events and for all purposes be governed by, and construed in accordance with, the laws of the state of Texas, without regard to conflict of laws provisions. The Parties individually consent to be subject to the laws of and jurisdiction and venue in the State of Texas.

9.9 Paragraph Titles. The titles of each paragraph are provided for the convenience of the parties and shall not in any way be used to interpret the language of the Agreement.

9.10 Equal Employment Opportunity. Unless exempt, the parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identification or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identification, national origin, protected veteran status or disability. If applicable, the parties shall also abide by the requirements of 41 CFR § 61-300.10 regarding veterans' employment reports and 29 CFR Part 471, Appendix A to Subpart A regarding posting a notice of employee rights.

**NOW THEREFORE**, the undersigned parties have caused this Agreement to be executed by their duly authorized officers in duplicate original counterparts, each of which shall be deemed an original hereof as of the date first written above.

Micro Distributing II, Ltd.

CLIENT

By: David Wilks

By: \_\_\_\_\_

Name: David Wilks

Name: \_\_\_\_\_

Title: COO

Title: \_\_\_\_\_

Date: 11-9-2021

Date: \_\_\_\_\_

**APPENDIX A – PRICING\***

This appendix is made to the Agreement between MD and CLIENT for these but not limited to these Products and Services:

**STATHAIR – Instant Hair Test**

Part #	Description	Price/Each
SHR-1	STATHAIR Processor	\$ 4,300.00
SHR-079	7p STATHAIR TEST (COC/OPI/AMP/MAMP/BAR/PCP/OXY)	\$ 23.00
Na	Laboratory - Direct to Confirmation (1 <sup>st</sup> Drug)	\$ 49.95
Na	Laboratory - Direct to Confirmation (Additional Drugs)	\$ 28.50

**Instant Test Devices**

STATCUP II – urine cup (round)				
Item #	Panel	Description	#/Box	Price
STATII-1257	5	THC, COC, OPI, MAMP, AMP	25	\$1.90
STATII-1257-A	5+A	THC, COC, OPI, AMP, MAMP + pH, CR, OX	25	\$2.28
STATII-4267	6	THC,COC,OPI, MAMP, AMP, PCP	25	\$2.14
STATII-4267-A	6+A	THC,COC,OPI, MAMP, AMP, PCP + pH,CR, OX	25	\$2.38
STATII-6167	6	THC,COC,MOR,MAMP,BZO,OXY	25	\$2.14
STATII-6167-A	6+A	THC,COC,MOR,MAMP,BZO,OXY + pH,CR,OX	25	\$2.38
STATII-41107	10	THC, COC, MOR, MAMP, PCP, AMP, BAR, BENZ, MTD, OXY	25	\$2.45
STATII-41107-A	10+A	THC, COC, MOR, MAMP, PCP, AMP, BAR, BENZ, MTD, OXY + pH, CR, OX	25	\$2.85
STATII-71127	12	THC, COC, MOR, AMP, MAMP, PCP, BAR, BZO, MTD, MDMA, OXY, BUP	25	\$2.95
STATII-71127-A	12+A	THC, COC, MOR, AMP, MAMP, PCP, BAR, BZO, MTD, MDMA, OXY, BUP + pH, CR, OX	25	\$3.30
STATII-93147-A	14+A	THC/COC/MOR/AMP/MAMP/PCP/BAR/BZO/MTD/MDMA/OXY/BUP/TRAFEN + pH, CR, OX	25	\$4.12
STATII-91167-A	16+A	AMP/BAR/BUP/BZO/COC/MAMP/MDMA/MOR/MTD/OXY/PCP/THC/TRAFETY/ETG/K2+ pH, CR, OX	25	\$4.95

STATSWAB – saliva test (round)				
Item #	Panel	Description	#/Box	Price
SSB-148	4	THC, COC, MAMP, OPI	25	\$3.00
SSB-158	5	THC, COC, OPI, MAMP, AMP	25	\$3.60
SSB-168	6	THC, COC, OPI, MAMP, PCP, AMP	25	\$4.00
SSB-368	6	THC,COC, OPI, MAMP, BZO, OXY	25	\$4.00
SSB-168-A	6+ALC	THC, COC, OPI, AMP, MAMP, PCP + ALC	25	\$4.60
SSB-368-A	6+ALC	THC,COC, OPI, MAMP, BZO, OXY + ALC	25	\$4.60
SSB-188	8	THC, COC, OPI, MAMP, PCP, AMP, BZO, OXY	25	\$5.20
SSB-1108	10	THC, COC, OPI, MAMP, PCP, AMP, BZO, OXY, BAR, MTD	25	\$6.00
SSB-2128	12	THC, COC, OPI, AMP, MAMP, PCP, BAR, BZO, MDMA, MTD, OXY, BUP	25	\$7.18
SSB-2128-A	12+ALC	THC, COC, OPI, AMP, MAMP, PCP, BAR, BZO, MDMA, MTD, OXY, BUP + ALC	25	\$7.46

STATSWAB II – saliva test (flat-sided)				
Item #	Panel	Description	#/Box	Price
SWABII-158	5	THC, COC, OPI, MAMP, AMP	25	\$3.00
SWABII-168	6	THC, COC, OPI, AMP, MAMP, PCP	25	\$3.50
SWABII-368	6	THC, COC, OPI, MAMP, BZO, OXY	25	\$3.50
SWABII-168-A	6+ALC	THC, COC, OPI, MAMP, AMP, PCP + ALC	25	\$3.90
SWABII-1108	10	THC, COC, OPI, MAMP, PCP, AMP, BAR, BZO, MTD, OXY	25	\$5.00
SWABII-1118-A	11+ALC	THC, COC, OPI, MAMP, PCP, AMP, BZO, MTD, MDMA, OXY, BUP + ALC	25	\$6.50

ALCOHOL TEST - saliva			
Item #	Description	#/Box	Price
55001-25	ALCO-SCREEN NDOT .02-.3% SALIVA ALCOHOL TEST	24	\$1.50
56024	ALCO-SCREEN DOT .02% SALIVA ALCOHOL TEST	24	\$1.50

**Laboratory Test**

Panel	Description	Price
9p Urine Screen Only (low cut off levels)	COC, AMP/MAMP, BUP, OPI, 6-MAM, BZO, THC, ETG, FEN	\$15.25*
19p Urine Screen Only (low cut off levels)	THC,COC,OPI,AMP/MAMP,PCP,BAR,BZO,MDMA,MTD PPX,FENT,TRA,K2,BUP,ETG,MQL,GABA,TCA,BATH	\$75.00*
Urine - GC/MS Confirmation for lab Screened Samples (LOD Levels)	AMP/MAMP, BAR, BZO, COC, THC, MTD, OPI, PCP, PPX, ETG, OXY	\$18.00*
	MDMA, FENT, K2/Spice	\$19.50*
	GABA	\$35.25*
	TCA	\$52.00*
	MQL	\$75.75*
	BATH	\$39.50*
Urine - Direct to GC/MS Confirmation (LOD Levels) <b>Use for Rapid Test Confirms</b>	AMP/MAMP, BAR, BZO, COC, THC, MTD, OPI, PCP, PPX, ETG, OXY	\$25.00*
	MDMA, FENT	\$29.50*
	K2/Spice	\$40.00*
	GABA	\$39.50*
	TCA	\$58.25*
	MQL	\$75.00*
	BATH	\$55.75*
Blood Spot	Comprehensive Panel	\$139.00

**\*Overnight Shipping Included with 4 samples per Package.**