

**Memorandum of Agreement  
Between PharmChem, Inc. 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 PharmChem, Inc. with its principal place of business at 2411 East Loop 820 North, Fort Worth, TX 76188 (“PharmChem”) 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 twelve 12 months from December 2022. This Agreement shall be reviewed January 2024. CLIENT may terminate this Agreement, for any or no reason, on sixty (60) days’ written notice to PharmChem.

**3. ACCOUNT MANAGEMENT**

- 3.1 PharmChem 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 Sweat Patch Products: Sweat drug and alcohol patch 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 sweat.
- 4.3 Training: PharmChem will provide training to CLIENT via in-person, and online at the request of CLIENT
- 4.4 Software: PharmChem will provide a portal through Web Oasis for all results at no cost to CLIENT.

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

- 5.1 Product Forecast: CLIENT will provide forecast to PharmChem 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 PharmChem via fax, email, or online.
- 5.3 Shipping: Ground shipping is calculated at the time of shipment. CLIENT is responsible for Express shipping charges. All Standard Orders received before 12:00 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 12:00 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: PharmChem 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. PharmChem 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 PROCUCTS AND SERVICES**

- 6.1 Invoices: PharmChem will invoice CLIENT monthly for Products and Services on the seventh (7) day of the month for all the product orders and services for the previous month. Invoices are payable thirty (30) days from the date of the invoice.
- 6.2 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 PharmChem shall survive the termination of this Agreement for any reason. In addition to its rights under the law, PharmChem 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, PharmChem 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.



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.

PharmChem 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 PharmChem's other obligations under this section, PharmChem 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 PharmChem's privacy and security practices), CLIENT or its designated third party may audit PharmChem's facilities and practices related to the performance of this Agreement. Alternatively, CLIENT may request that PharmChem 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, PharmChem shall make available to CLIENT the results of such audit(s). PharmChem shall treat such audit reports as CLIENT's Confidential Information under this Agreement.

#### 9.4 Indemnity.

- a. PharmChem agrees to defend, indemnify, and hold CLIENT, it 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 PharmChem, PharmChem's violation of this Agreement, or any violation of applicable laws and regulations by PharmChem.

- b. CLIENT agrees to defend, indemnify, and hold PharmChem, it 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. PharmChem 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. PharmChem will name CLIENT as an additional insured on PharmChem's general liability insurance policy. PharmChem will waive subrogation on its workers compensation policy. All such insurance shall be primary and non-contributory. PharmChem 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.

PharmChem, Inc.

CLIENT

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

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

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

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

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

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

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

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