

ACCOUNT APPLICATION

GENERAL INFORMATION

Date: _____ Affiliation(s), if any _____

Rep: _____

Requested Credit Limit: _____ Management Group, if any: _____

Requested Term Options: CREDIT CARD* | NET 15 (Please check one)

* Complete a Credit Card Authorization Form (attached)

How you would like to receive invoices? Please check one and provide address/number:

Email: _____ Fax: _____

Specialties (if applicable): _____

SHIPPING INFORMATION

Company Name: _____

DBA (if applicable): _____

Address: _____

City, State, Zip Code: _____

Residential address / Business address (Please check one)

Phone #: _____ Fax #: _____

DEA License #: _____ Exp.: _____

State Controlled Substance Lic. No.: _____ Exp.: _____

State License #: _____ Exp.: _____

**please provide copy of current license*

EIN: _____ Date Established: _____

Facility Type (Hospital, Pharmacy, Clinic, etc.): _____

PERSON(S) IN CHARGE

Please fill in the appropriate blanks that are applicable for your facility type:

Practitioner's Name(s): _____

Pharmacist's Name(s): _____

Medical Director: _____

Facility Administrator: _____

AUTHORIZED PERSONNEL

Purchasing Agent: _____ Email: _____

Alternate Purchaser: _____ Email: _____

Director: _____ Email: _____

Facility Manager: _____ Email: _____

A/P Contact: _____ Email: _____

Owner's Name: _____ Title: _____ % Owned: _____

Owner's Name: _____ Title: _____ % Owned: _____

BANK REFERENCE

* Required if Credit Card is not on file *

Name: _____ Acct. #: _____ Phone #: _____ Fax #: _____

TRADE REFERENCES

* Please verify that all trade references provide credit references *

Name: _____ Acct. #: _____ Phone #: _____ Fax #: _____

Name: _____ Acct. #: _____ Phone #: _____ Fax #: _____

Name: _____ Acct. #: _____ Phone #: _____ Fax #: _____

STANDARD TERMS OF SALE

1. Acceptance and Agreement. Lone Star Pharmaceuticals, Inc. ("Company") reserves the right to accept or reject any order in whole or in part. Company's sale of products to the invoiced customer ("Customer") shall be subject to all terms set forth on both sides of the Invoice, including these Standard Terms of Sale, in addition to Company's Standard Terms of Shipping, Delivery and Returns, as well as any separate terms set forth in any credit authorization forms and/or personal guarantees of Customer's account with Company (collectively "Agreement"). By placing an order, Customer irrevocably accepts all such terms and conditions of this Agreement, which shall govern the sale and delivery of products by Company; and any inconsistent terms contained in a purchase order or other documentation shall not become a part of this Agreement unless subsequently agreed to in writing by an authorized representative of Company. Orders may be cancelled or modified only upon Company's prior written consent, and if due to customer error or choice, may be subject to Customer reimbursing any costs incurred by Company prior to such order cancellation or modification.

2. Payment and Credit Terms. Customer shall remit payment in full pursuant to the terms of this Agreement, regardless of whether Customer is reimbursed by any insurer or third party. Past-due amounts shall accrue interest at the lesser rate of (a) 1.5% per month (18% per year), or (b) the highest rate authorized by law. Payments returned for any reason shall be subject to returned check fees, state surcharges, and incidental costs. Company shall have the right to accelerate payment of any outstanding balance in full if Customer defaults or otherwise breaches this Agreement, or if Company believes in good faith that Customer presents a risk of nonpayment or insolvency. Customer nonpayment shall entitle Company to all remedies of a secured creditor under the Uniform Commercial Code. Customer grants Company a security interest to secure payment of all amounts due on credit, and Customer agrees to cooperate in good faith with Company, at its reasonable request and sole cost, in taking any actions reasonably necessary to perfect this security interest, including, without limitation, signing Form UCC-1 financing statements. With credit approval, Customer's net payments on invoices are due within the time period stated in the Invoice. If Company declines, in its sole discretion, to extend credit to Customer, then cash or credit card payment in full shall be required prior to delivery. Products delivered to Customer on credit remain subject to Company's security interest until paid in full, and any proceeds from the sale, exchange, collection or disposition of such products by Customer shall remain the property of Company until the full purchase price has been received. Overdue account balances paid by credit card may, in Company's discretion, incur a three percent (3%) late charge on the Invoice balance. Company may commence collections on any Customer account balances over 120 days past due, and Customer agrees to pay any legal fees and costs incurred in undertaking such collection pursuant to this Agreement.

3. Taxes and Other Charges. Customer agrees that all taxes, fees, charges, penalties, costs and interest (collectively "Taxes") imposed upon Customer by any governmental authority relating to the manufacture, distribution, purchase, sale, import, export, use or other disposition of the products received hereunder shall be paid solely by Customer, in addition to any invoiced prices and other fees, charges, penalties, costs or interest due to Company hereunder. In order to avoid sales tax on taxable items in applicable jurisdictions, Customer must provide Company with a certificate of exemption. If Company is asked or required to pay any Taxes, then Customer shall indemnify and/or reimburse Company for such Taxes.

4. Shipping, Delivery and Returns. These terms are set forth separately in Company's Standard Terms of Shipping, Delivery, and Product Returns, which are hereby incorporated into and made a part of this Agreement as if set forth in full. All returns must be pre- approved and authorized in writing by Company in accordance with such terms, which may be modified at any time in Company's discretion, without prior notice to Customer.

5. Discounts and Cost Reporting. Customer acknowledges that it may be required by law to disclose, in cost reports or claims for reimbursement submitted to Medicare, Medicaid or other federal or state health care reimbursement programs, the cost of any product covered by this Invoice, including, without limitation, any discounts, rebates, adjustment in price, or other price concessions (collectively "Discount"); and upon request, to provide to the U.S. Department of Health and Human Services or other applicable agency any invoices, coupons, statements or other documentation reflecting such Discount. If Invoice prices are subject to any such Discount program, which may be reflected on other documentation, then Company shall apply the Discount to products sold hereunder, and in turn, Customer shall comply with any "anti-kickback" and/or anti-fraud laws requiring it to report or disclose, and to retain and provide documentation of, such Discount to federal and state healthcare programs or third-

party payers, including, without limitation, Section 1128(b)(3)(a) of the Social Security Act and the regulations set forth in 42 C.F.R. § 1001.952(h). Under such regulations, Customer is a “buyer” and must comply with all applicable requirements. Customer agrees to retain a copy of the applicable Invoice and any other documentation provided by Company regarding any such Discount, and acknowledges that it may be required to disclose as a Discount any product valued on Customer’s Invoice at \$0.00.

6. DSCSA Transaction Documentation, Authentication, and Confidentiality. Except where Company is an “Authorized Distributor of Record” for the manufacturer, Company maintains and authenticates the transaction information, history, and statement “Transaction Data” records of all prescription drug distributions, including those to Customer. For purposes of this Agreement, Transaction Data is defined as an audit trail that tracks the origin of each prescription drug from its manufacture through each intermediary wholesale distributor and to its final distribution to a Customer. Transaction Data is available on all prescription drug products sold hereunder. Transaction Data contains information regarding, among other things, Company’s supply chain consisting of those manufacturers, distributors and other suppliers with which Company does business. Customer acknowledges that this supply chain information constitutes highly valuable proprietary assets of the Company, is maintained as secret and confidential by Company and its employees and other agents, and therefore constitutes a trade secret under this Agreement that is subject to the Uniform Trade Secrets Act, §§ 7-74-202 through 7-74-110, C.R.S. Except where Customer is required by law to disclose Transaction Data information regarding Company’s supply chain partners, such as administrative/regulatory inspections or pursuant to subpoena or warrant, Customer agrees to refrain from disclosing any Transaction Data information to any third parties, including but not limited to manufacturers, vendors, suppliers, or other competitors of the Company, as well as group purchasing organizations, trade organizations, or any other outside group, affiliate or partner of Customer. Should Customer receive any subpoena, warrant, or discovery request to compel the disclosure of Company’s Transaction Data information, Customer agrees to promptly notify Company and permit Company to intervene in such proceeding. To discharge its duties, Customer agrees that it (1) shall treat Company’s Transaction Data information as confidential and proprietary information and as valuable business and property rights of Company, (2) shall protect the confidentiality of such information with at least the same degree of care as Customer accords its own proprietary information (and in any event, no less than a reasonable standard of care), (3) shall not use Transaction Data to solicit the business of any of Company’s supply chain partners, and (4) shall restrict access to such information to only those employees of Customer who (a) have a need to know such information for purposes of their job duties, and (b) are bound by written non-disclosure obligations at least as restrictive as those set forth in this Agreement. This duty shall survive the termination or expiration of this Agreement for a period of three (3) years from the termination or expiration date. Company shall have all remedies for breach of this duty.

7. Limited Warranty and Liability. Company warrants that all products supplied hereunder will have good title and be free and clear of liens and encumbrances (other than Company’s security interest in any products sold to Customer on credit). Except as expressly set forth herein, Company makes no other warranties, express or implied, including but not limited to implied warranties of merchantability, non-infringement, or fitness for a particular purpose, which are specifically disclaimed to the extent permitted by applicable law. Under no circumstances shall any verbal or written statements or information provided by Company, its employees or other representatives, create any such warranty. Customer assumes all risk as to the use or other disposition of any products supplied by Company under this Agreement. Total damages recoverable against Company shall in no case exceed, and shall be exclusively limited to, the purchase price of the products (or any part thereof) in relation to which damages are claimed. Claims related to the composition or manufacture of products shall be made against the manufacturer(s) of said products, and Company shall have no liability whatsoever for such claims. In no event shall Company be liable for any special, punitive, exemplary, incidental or consequential damages whatsoever, including, without limitation, any lost data, lost profits, or increased costs to procure substitute products or services, regardless of the form of the action, whether in contract, tort or otherwise, and even if Company has been advised or is otherwise aware of the possibility of such damages. All such limitations of liability shall apply both to Customer’s direct claims against Company and to any claims by Customer’s directors, officers, employees, agents, partners, affiliates or subsidiaries against Company.

8. Legal Compliance. Customer agrees that it shall: (a) reasonably comply with all applicable laws, regulations and ordinances governing its business operations; (b) order prescription drugs or medical devices for each of its facilities and/or practitioners only to the extent that they are licensed in good standing and compliant with all applicable local, state, and federal legal requirements pertaining to their possession and use, including, without limitation, all such requirements and authorizations applicable to prescription drugs and/or controlled substances; (c) not re-sell, distribute, export or dispose of any products subject to this Agreement contrary to any applicable U.S. export laws and regulations, including but not limited to those regarding embargoed countries and anti-boycott regulations; (d) not engage in any fraud or illegal drug diversion with respect to any products subject to this Agreement; and (e) notify Company within 14 days of any action commenced by governmental authorities regarding said products. Company may immediately terminate this Agreement for any Customer noncompliance.



9. Insurance and Indemnification. Customer agrees to maintain, at its cost, adequate liability insurance for its business while this Agreement is in effect. Customer is responsible for the proper use and disposition of any product acquired from Company. To the fullest extent permitted by applicable law, Customer agrees to indemnify, defend and hold harmless Company, its subsidiaries, affiliates, partners and parents, their successors and assigns, and each of their past and present directors, officers, employees and agents, jointly or severally, from and against any and all claims, losses, damages, liabilities and/or judgments, including, without limitation, reasonable attorney’s fees and expenses (collectively “Damages”), that Company may incur in connection with products acquired under this Agreement; provided, however, Customer shall not be liable for any Damages caused solely by Company’s negligence or willful misconduct.

10. Miscellaneous. These terms and conditions may be modified at any time by Company, in its sole discretion and without notice to Customer, and by agreeing to purchase any products or services from Company, Customer is agreeing to any changed terms applicable at the time of order. Customer confirms that it has not been induced to purchase goods from Company by any representation or warranty not set forth in this Agreement, and that the person signing this Agreement is authorized to bind Customer to the terms of this Agreement. This Agreement constitutes the entire agreement of the parties, and supersedes all prior verbal or written agreements. This Agreement may not be modified except in writing. Customer shall not assign this Agreement, in whole or in part, unless Company consents in writing. Any waiver of an individual provision of this Agreement shall not constitute a waiver of its future enforceability or of any other provisions of this Agreement. If any provision of this Agreement is held to be unenforceable, then such provision will be severed from this Agreement and all remaining provisions shall remain in full force and effect and be construed consistent with the parties’ original intent to the fullest extent permitted by law. This Agreement is not intended to benefit any third parties, and does not create any partnership or joint venture between Company and Customer, or confer upon Customer any license, express or implied, under any proprietary and/or intellectual property rights owned or controlled by Company, which are specifically reserved to Company, its subsidiaries and affiliates. This Agreement shall be governed by the laws of the State of Texas, without regard to conflict of law provisions. Nothing in this Agreement is intended to preclude emergency equitable relief pending such arbitration. If arbitration fails, then Customer irrevocably consents to the personal jurisdiction and venue of the federal and state courts located in the State of Texas, U.S.A., for any suit or action arising from or related to this Agreement, and hereby waives any right that it may have to object to such venue or jurisdiction. Customer waives all notice or demand and Company shall be entitled to reasonable attorney’s fees, costs of such proceedings, and/or collection costs incurred in connection with such disputes or actions. All headings used in this Agreement are for convenient reference only, and shall not be used to affect the interpretation or enforceability of this Agreement.

By signing below:

I verify that the information I have entered on this application form is correct and true to the best of my knowledge and understanding; I agree that the above Terms of Sale will govern each transaction in which I enter with Lone Star Pharmaceuticals, Inc.; and I agree to notify Lone Star Pharmaceuticals, Inc. promptly and in writing, of any future change in my license status, including but not limited to expiration, revocation, suspension, probation, or any other enforcement action taken against me.

Print Name License Holder – or – Authorized Agent

Title

Signature

Date

CREDIT CARD AUTHORIZATION FORM

ACCOUNT INFORMATION

Customer ID #: _____

Facility Name: _____

CARD INFORMATION

Type of Card: AMEX | VISA | MC | DISCOVER (please check one)

Card #: _____ Exp: _____ Security Code: _____

Name on Card: _____ Title: _____

Billing Address: _____

City, State, Zip: _____

Terms & Conditions: Credit card billing occurs at the time of shipment or after the order has been shipped. Any past due invoices with extended terms paid with a credit card may incur additional 3% late charge on the invoice balance. Any change in credit card information requires submitting a new Credit Card Billing Authorization Form. Only the Cardholder may sign below. All credit card authorizations are subject to the Standard Terms and Conditions of Lone Star Pharmaceuticals, Inc. A bank verification will be conducted on each new card provided.

Cardholder Signature: _____ Date: _____

Email Address for Receipts: _____