

**CCPA Purchasing Partners, L.L.C.  
Group Purchasing Participation Agreement**

THIS GROUP PURCHASING PARTICIPATION AGREEMENT (the "**Agreement**") is made by and between CCPA Purchasing Partners, L.L.C. ("**GPO**") and the health care provider executing below ("**Provider**"), and is effective as of the date last written below.

**1. Participation in Group Purchasing Arrangements.**

(a) By executing and submitting this Agreement to GPO, Provider authorizes GPO to act as its non-exclusive agent to arrange for the purchase of goods and services as set forth herein, and agrees to comply with and be bound by the terms and conditions of this Agreement.

(b) Provider shall have the opportunity to purchase medical supplies, pharmaceuticals and other goods or services (collectively, "**goods and services**") from vendors (each a "**Vendor**") with which GPO negotiates and enters into vendor agreements (each a "**Vendor Agreement**") on behalf of those providers participating in GPO's group purchasing arrangements (collectively, "**GPO Providers**"). Nothing in this Agreement shall (i) require Provider to participate in any specific Vendor Agreement or (ii) subject to the understanding in paragraph 1(f) below, restrict Provider's right to participate in any other group or non-group purchasing arrangement.

(c) GPO will notify Provider of the Vendor Arrangements available from time to time, and the applicable terms and conditions of such arrangements. Such notice is not a guarantee of the present or future availability to Provider of any such Vendor Arrangement, any specific product of a particular Vendor, or of any specific prices or other terms of sale.

(d) Provider acknowledges that GPO's ability to make available competitive prices and terms of sale ultimately depends on the pooling of large volume in combination with committed usage by GPO Providers of GPO's group purchasing arrangements. Accordingly, Provider agrees to look first to GPO for purchases of any products or services available from time to time before considering vendors not associated with GPO. However, Provider's participation in GPO's group purchasing arrangements is hereby acknowledged to be non-exclusive, and Provider shall not be obligated to use such arrangements exclusively or to make any specific number or volume of purchases unless specifically notified by GPO to the contrary with respect to a particular Vendor Arrangement.

(e) All purchases by Provider shall be made in accordance with the terms and conditions of the applicable Vendor Agreement, and Provider's participation in any specific Vendor Agreement may be subject to prior authorization by the Vendor and/or GPO. Provider acknowledges and agrees that all ordering of goods and services, and payment therefore, will be conducted directly between Provider and the Vendor, and GPO shall have no responsibility to receive or distribute goods or services for the benefit of Provider or to make or advance payment on behalf of Provider.

(f) Provider acknowledges and agrees that certain Vendors may establish compliance requirements under which Provider, or GPO Providers collectively, may be required to meet certain minimum purchasing standards in order to receive favorable pricing or other terms. If Provider elects to participate in a Vendor Agreement subject to compliance requirements, GPO reserves the right to suspend or terminate Provider's participation in such Vendor Agreement if Provider fails to meet such compliance requirements and cannot effect a timely cure of such deficiency; provided, however, that GPO shall provide reasonable notice of non-compliance to Provider in advance of any proposed suspension or termination from a Vendor Agreement.

(g) Provider acknowledges that Vendors retain the right to exclude from Vendor Arrangements any GPO Provider whose participation, in the judgment of Vendor, is precluded or unduly restricted by current or future state or federal laws. Provider acknowledges and agrees that GPO has no authority to control such decisions by Vendors and that GPO shall have no liability to Provider as a consequence of any such decision.

(h) ~~Provider shall furnish to GPO the true and correct DEA Number of each and every physician owner and employee of Provider contemporaneously with the execution of this Agreement. Provider agrees to immediately notify GPO of additions, deletions, or corrections to such information.~~

2. **Financial Relationships.**

(a) This Agreement does not require Provider to make any payment to GPO, either in the nature of membership fees or dues, or otherwise.

(b) This Agreement confers only the right to participate in GPO's group purchasing arrangements. Provider is not, pursuant to this Agreement, acquiring a membership interest in the GPO, or any other ownership or voting interest in the GPO, or any option, warrant, or similar right to acquire any such interest at any future date. The participatory privileges conferred by this Agreement are not, and shall not be deemed, a "security" within the meaning of any state or federal securities laws.

(c) In accordance with 42 C.F.R. §1001.952(j), Provider acknowledges and agrees that Vendors from whom goods and services are purchased by GPO Providers may pay to GPO an administrative fee, which ordinarily will not exceed three percent (3%) of the payments to such Vendors by the GPO Providers. GPO will disclose in writing to each GPO Provider, at least annually, the fee amount received from each vendor with respect to purchases made by or on behalf of such GPO Provider.

(d) Children's Community Physicians Association, an Illinois not-for-profit corporation, as the Class A Member of GPO ("CCPA") will determine and distribute Distributable Cash to GPO Providers on an annual basis in proportion to each such GPO Provider's Patronage Interest. GPO may make distributions on a more frequent basis at its election. For purposes of this Agreement:

(i) "**Distributable Cash**" shall mean that portion of the excess of revenues over expenses of the GPO that CCPA, in its sole discretion, determines to be available for distribution to GPO Providers.

(ii) "**Patronage Interest**" shall mean, for any accounting period, the dollar volume of a GPO Provider's purchases through the GPO expressed as a percentage of the total dollar volume of such purchases of all GPO Providers.

(iii) No distribution shall be made unless, after such distribution is made, the assets of GPO will be in excess of all liabilities of GPO. Distributions will be deemed to have been paid to a GPO Provider during a fiscal year if paid within sixty (60) days of the end of such year on the basis of, and arising out of, such fiscal year's operations.

3. **Term and Termination.**

(a) This Agreement will commence on the date of execution by both parties and will continue in effect until terminated by either party on 30 days' prior written notice to the other.

(b) Further, this Agreement will terminate automatically and without the necessity of notice in the event of either party's insolvency, death, incapacity, dissolution or cessation of operations for any reason.

(c) GPO may terminate this Agreement immediately upon notice to Provider in the event that any legislative, regulatory, or judicial action materially and adversely impairs GPO's ability to perform its obligations.

4. **General Provisions.**

(a) **Amendment:** GPO may amend this Agreement upon 30 days prior written notice to Provider, and such amendment shall be binding upon Provider unless Provider gives written notice of rejection to GPO within 30 days of receipt of the amendment. Notice of rejection shall constitute notice of termination of this Agreement. This Agreement otherwise may be amended only by a written instrument executed by GPO and Provider.

(b) **Assignment:** Provider's rights and obligations under this Agreement may not be assigned to any third party except with GPO's prior written consent. GPO may assign this Agreement without Provider's consent to any person that controls is controlled by, or that is under common control with, GPO. GPO may not otherwise assign this Agreement without Provider's prior written consent. Any purported assignment contrary to the foregoing shall be void and of no effect.

(c) **Confidentiality:** The parties and their employees and representatives (each, a “**Receiving Party**”) agree that the existence and content of this Agreement, any Vendor Agreements, and all proprietary and confidential information, specifically including (but not limited to) pricing information under Vendor Agreement (“**Confidential Information**”) disclosed by the other (“**Disclosing Party**”) shall be maintained in confidence and not disclosed to any third party except as may be required by law, or with the Disclosing Party’s express written consent. Confidential Information shall not include information that is publicly available or otherwise available to the Receiving Party on a non-confidential basis. Violation of this provision may give rise to equitable and legal liability including, but not limited to, injunctive relief. This confidentiality provision shall survive the termination of this Agreement.

(d) **Entire Agreement:** This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and shall supersede any and all prior oral or written negotiations, agreements, or understanding between the parties with respect thereto.

(e) **Governing Law:** This Agreement shall be governed by the laws of the State of Illinois without regard to conflicts of law principles thereof.

(f) **Notices:** All notices by either party to the other shall be in writing, and delivered by hand, U.S. mail, national overnight delivery service, or confirmed electronic transmission to the address set forth on the signature page to this Agreement. In the absence of contrary evidence, any such notice shall be deemed to have been received on the following business day.

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