

TERMS AND CONDITIONS OF SERVICE TO CONCIERGE SERVICES MEMBERSHIP AGREEMENT

Version Dated as of June 14, 2013



1. BACKGROUND

Concierge Practice operates a Concierge Services Medical Practice known as SignatureMD Concierge Practice ("**Concierge Practice**") providing certain professional medical services as well as certain additional services, enhancements and amenities to the Program Members and other persons who have subscribed to and enrolled in the Concierge Practice's medical concierge practice, and in connection therewith has entered into that certain Concierge Services Physician Participation Agreement ("**SignatureMD Agreement**"), with Signature MD, Inc., a company that facilitates certain non-medical aspects of the Concierge Practice.

Program Members desire to subscribe to and enroll in the Concierge Practice's medical concierge practice on the terms and conditions set forth below in this Terms of Service and the accompanying Concierge Services Membership Agreement (the "**Membership Agreement**"). These Terms and Conditions of Service (these "**Terms**") accompany and supplement the Membership Agreement and constitute the Terms referenced therein (these Terms, the Membership Agreement and all Schedules and Exhibits, collectively, the "**Agreement**"). Any capitalized term used but not defined herein shall have the meaning given to it in the Membership Agreement.

In order to induce each other to enter into the Agreement, in consideration of the mutual promises and undertakings set forth in the Membership Agreement and these Terms and for other valuable consideration, receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound, the Parties hereby mutually agree as follows:

2. PROGRAM SERVICES

- (a) Concierge Practice agrees to provide to Program Member certain enhancements and amenities to professional medical services to be rendered by Concierge Practice to Program Member, as further described in Schedule 1 to these Terms. Upon prior written notice to Program Member, Concierge Practice may add or modify the Program Services set forth in Schedule 1, as reasonably necessary, and subject to such additional fees and/or terms and conditions as may be reasonably necessary.
- (b) Program Member acknowledges that the Program Services are services that are not covered services under any insurance contract to which Program Member may be a party, including, without limitation, Medicare, and are not reimbursable by Program Member's insurer, health plan or any governmental entity, including Medicare. Program Member agrees to bear sole financial responsibility for the Membership Fee and agrees not to submit to Program Member's insurer, health plan or governmental entity any bill, invoice or claim for payment or reimbursement of such Membership Fee.
- (c) Concierge Practice will separately charge Program Member or Program Member's insurer, health plan or governmental entity for medical, clinical, diagnostic or therapeutic services rendered by Concierge Practice to Program Member, and Program Member may seek payment or reimbursement from Program Member's insurer or health plan for any such service to the extent covered by Program Member's insurer, health plan or governmental entity.
- (d) Program Member understands, agrees and covenants that this Agreement is a service contract, and not a contract for insurance.

3. DESIGNATED PHYSICIAN. Concierge Practice designates Michael S. Malamed, M.D. as "Designated Physician" to render medical services to Program Member(s) in accordance with the Membership Agreement and these Terms. Program Member understands and acknowledges that Physician may not be available from time to time and may designate, on a temporary basis during Physician's unavailability, a covering physician or other licensed medical professional who will be allowed access to Program Member's medical history and course of care to attend to Program Member's medical care needs.

4. TERM. Unless earlier terminated as set forth in Section 7 (below), the initial term of the Agreement shall be for one year, commencing on the effective date of the Membership Agreement (the "**Effective Date**") and terminating on the day following the first anniversary of the Effective Date (the "**Initial Year**"). Thereafter, the Agreement shall automatically renew for successive one-year periods (each, a "**Renewal Year**"), unless either party notifies the other party in writing, not less than 30 days prior to the expiration of the Initial Year or the Renewal Year, as applicable, of such party's decision not to renew the Agreement. However, the Agreement will not automatically renew if the Program Member is not current in all their financial obligations to Concierge Practice.

5. MEMBERSHIP FEE. Program Member agrees to and shall pay the Membership Fee as provided in the Membership Agreement. Unless this Agreement is not renewed, as provided in Section 4 (above), subsequently, the Program Member will be billed for the Membership Fee for each Renewal Year prior to the beginning of each Renewal Year, and the Program Member agrees to pay the invoiced Membership Fee within 30 days after the date of the invoice. In order to facilitate the administration of the Concierge Practice and the Program Services, Concierge Practice hereby appoints Signature MD, Inc. to perform all billing and collections functions associated with the Membership Fee (but not for medical services covered under any insurance contract, including Medicare). Accordingly, Program Member agrees to submit all payments of Membership Fees to Signature MD, Inc., as follows:

Signature MD, Inc.
4640 Admiralty Way, Suite 410
Marina del Rey, CA 90292
Tel: 1 (866) 883-8859
www.signatureMD.com

Any checks for payment of the Membership Fees shall be made payable to, and any credit card payments shall be processed by, Signature MD, Inc.

6. ELECTRONIC COMMUNICATION

- (a) Unless advised otherwise in writing, Program Member authorizes the Concierge Practice and Concierge Practice's staff and designees to communicate with Program Member by Electronic Communication regarding Program Member's personal health information (as such term is defined in the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations; "PHI") at Program Member's e-mail address shown on the signature page of this Agreement. Electronic Communication includes but is not limited to cell phone, email, text, and video conference.
- (b) Program Member acknowledges and agrees that:
 - (i) Electronic Communication may not be a secure medium for sending or receiving PHI;
 - (ii) although the Concierge Practice and Concierge Practice's staff and designees will make reasonable efforts to keep Electronic Communication among Program Member, the Concierge Practice and Concierge Practice's designee(s) (and their employees, agents and representatives) confidential and secure, Program Member understands that they cannot assure or guaranty the confidentiality of Electronic Communication;
 - (iii) in the discretion of Concierge Practice, Electronic Communication may be made a part of Program Member's permanent medical record; and
 - (iv) Electronic Communication is not an appropriate means of communication regarding emergency or other time-sensitive issues or for inquiries regarding sensitive information.
- (c) Program Member further acknowledges and agrees that:
 - (i) Program Member will not use Electronic Communication for communications regarding emergencies or other time-sensitive issues, or for communication regarding sensitive information;
 - (ii) If Program Member does not receive a response to Program Member's Electronic Communication message within one (1) business day (or such longer time as Program Member indicates in the Electronic Communication), Program Member will use another means of communication to contact the Concierge Practice or appropriate representative;
 - (iii) Program Member will include Program Member's full name and a short description of the subject matter of the Electronic Communication (e.g., "prescription refill", "medical advice", "billing question") in the "Re" or "Subject" line of the Electronic Communication;
 - (iv) When responding to an Electronic Communication from the Concierge Practice or Concierge Practice's staff or representative, Program Member will use "Reply with History" to ensure that the recipient is aware of the previous communication; and
 - (v) Neither Concierge Practice nor any of Concierge Practice's agents, consultants or representatives will be liable to Program Member for any loss, damage, cost, injury or expense caused by, or resulting from: (i) a delay in response to Program Member due to technical failures, including, but not limited to, technical failures attributable to internet service provider, power outages, failure of electronic messaging software, failure by Concierge Practice, or any of Concierge Practice's agents, consultants or representatives to properly address Electronic Communication messages, failure of computers or computer network, or faulty telephone or cable data transmission; (ii) any interception of Electronic Communication by a third party; or (iii) Program Member's failure to comply with the guidelines regarding use of Electronic Communication set forth in this Section 6.

7. TERMINATION

- (a) Program Member may terminate this Agreement at any time upon thirty days prior written notice to Concierge Practice and SignatureMD. Program Member will not be entitled to a refund of Membership Fee or a portion thereof, except as provided in Section 7(b) below.
- (b) Concierge Practice may terminate this Agreement, at any time, upon (i) occurrence of Program Member's breach of this Agreement if such breach is not cured within 10 days; or (ii) 30 days prior written notice to Program Member, with or without cause, related to the patient-physician relationship or any other non-contract related issue; provided, however, that Program Member will be entitled to a refund of a prorated portion of the Membership Fee paid by Program Member for the year in which termination becomes effective

8. NOTICES. Any communication required or permitted to be sent under this Agreement (other than communications referenced in Section 6 relating to Program Member's PHI) will be in writing and sent via facsimile, recognized overnight courier or certified mail, return receipt requested, to the addresses set forth on the signature page. Any change in address will be communicated to the Parties and SignatureMD in accordance with the provisions of this Section 8.

9. INDEPENDENT MEDICAL JUDGMENT. Notwithstanding anything to the contrary contained in this Agreement or in the SignatureMD Agreement, Concierge Practice retains full and free discretion to, and shall, exercise his/her professional medical judgment on behalf of Program Member with respect to medical services rendered to Program Member, and nothing in this Agreement shall be deemed or construed to influence, limit or affect a physician's independent medical judgment with respect to Concierge Practice's provision of medical services to Program Member and Program Member's medical treatment.

10. CHANGE OF LAW. If there is a change in any state or federal law, regulation or rule or interpretation thereof, which affects this Agreement or the activities of either party under this Agreement, and either party reasonably believes in good faith that the change will have a substantial adverse effect on that party's rights or obligations under this Agreement, then that party may, upon written notice, require the other party to enter into good faith negotiations to renegotiate the terms of this Agreement. If the parties are unable to reach an agreement concerning the modification of this Agreement within thirty (30) days after the date of the notice seeking renegotiation, then either party may terminate this Agreement by written notice to the other party.

11. GOVERNING LAW; ARBITRATION. This Agreement shall be governed and interpreted in accordance with, and the rights of the parties shall be determined by, the laws of the State of California, without regard to conflicts of laws principles. THE PARTIES INTENTIONALLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY MATTER ARISING OUT OF THIS AGREEMENT.

ANY DISPUTE BETWEEN PROGRAM MEMBER AND CONCIERGE PRACTICE OR THEIR RESPECTIVE AFFILIATES AND AGENTS ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE RESOLVED EXCLUSIVELY BY ARBITRATION IN LOS ANGELES COUNTY, CALIFORNIA, BEFORE A NEUTRAL ARBITRATOR, under the auspices of the American Arbitration Association, in accordance with its then current Expedited Rules and Procedures for Commercial Arbitration. Any award rendered pursuant to such arbitration shall be final and binding upon the parties, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over parties. Each party shall bear its own costs and attorneys' fees in connection with any such arbitration.

12. NO LIABILITY. Except as required by applicable law, neither Concierge Practice nor any of Concierge Practice's agents, consultants or representatives shall be liable to Program Member for any damages or liability arising out of or related to the Agreement. In any event, each parties' liability under the Agreement, shall be limited to amount that is equal to the aggregate Membership Fees paid by the Program Member during the twelve-month period preceding the date on which the claim arises. In no event will any party be liable for any indirect, consequential, special or punitive damages of any kind, whether arising in contract, tort, strict liability or otherwise, to the full extent permitted by the applicable law arising out of or related to the Agreement.

13. WAIVER. The failure of a party to insist upon strict adherence to or performance of any term of the Agreement on any occasion will not be considered a waiver of the right to require adherence on any other occasion or regarding any other matter.

14. SEVERABILITY. If any provision of the Agreement is declared invalid or illegal for any reason whatsoever, then notwithstanding such invalidity or illegality, the remaining terms and provisions of the Agreement will remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein.

15. ASSIGNMENT. Program Member may not assign the Agreement. Concierge Practice shall have the right to assign this Agreement in accordance with the terms and conditions set forth in the Agreement.

16. ENTIRE AGREEMENT; AMENDMENT. The Agreement contains the entire agreement of the parties and supersedes all prior agreements and understandings between the Parties regarding the subject matter hereof. The Agreement may only be amended by a written agreement signed by the Parties.

SCHEDULE 1 to SignatureMD Terms of Service

PROGRAM SERVICES: Enhancements & Amenities ¹

- 1. Panel Limits.** Concierge Practice agrees to limit the size of its panel of medical concierge patients to approximately 600 patients per Designated Physician.
- 2. Same Day/Next Day Appointments.** Same-day and next-day appointments that are medically necessary in the Designated Physicians professional judgment are covered by Program Member's health plan, not part of this Membership Agreement and payment of Membership Fees is not a condition of receipt of such medical services. When not medically necessary, Program Member is entitled to same-day or next-day appointments for any medical care. Communications for urgent matters should be made by phone call to the office telephone number. Communication for non-urgent matters between the doctor or his/her designee and Program Member will be made within a business day and a plan will be made between them for any further follow-up necessary.
- 3a. Communication Enhancements.** Program Members will be provided with an office or cellular phone number, facsimile and email address for contacting designated physician or designee and detailed instructions on how to contact Practice 24/7 for questions or requests through these means (collectively, the "Communications Enhancements."
- 3b. 24/7 Availability.** Designated Physician's or, when applicable, a covering physician's 24/7 availability that is medically necessary is covered by Program Member's health plan, not part of this Membership Agreement and payment of Membership Fees is not a condition of receipt of such medical services. When not medically necessary, arrangements will be made for Designated Physician or, in Designated Physician's absence, Concierge Practice's other designee, to be available generally to personally communicate with Program Member, at all times to a reasonable extent, through telephone or telephone call enhancements. The response time and the method of communication will be appropriate to the purpose of the communications. **If the matter is possibly life threatening, 911 should be contacted first** and then, if possible, call the Practice.
- 4. Extended Patient Appointments.** When medically necessary, extended patient appointments shall be provided in Designated Physician's professional judgment, not as a Program Service. When not medically necessary, each appointment with Concierge Practice will be extended so that Program Member can ask additional questions relating to program amenities.
- 5. Personal Administrative Assistant.** A representative of Concierge Practice will be dedicated to Program Member to assist addressing and coordinating the administrative aspects of the Concierge Practice and Program Services.
- 6. Comprehensive Health Planning.** Arrangements will be made for Concierge Practice to provide an annual health planning assessment to set Program Member's annual health goals and to evaluate Program Member's progress in achieving those goals. The parameters of this annual health assessment will include only items that are not covered by Program Member's insurance, health plan or any governmental entity, including Medicare. Arrangements will also be made for the Designated Physician to be available to coach Program Member to address obstacles to health improvement.
- 7. Office Amenities.** Program Member will have access to a comfortable, well-appointed and semi-private waiting area.
- 8. Health Information.** Arrangements will be made to provide Program Member with regular personalized health information on topics pertinent to Program Member's health, including bulletins, health articles and website postings. Any such information will be conveyed via web posting or e-mail. Arrangements may also be made to arrange for Program Member to attend education, lecture, support group and discussion sessions, at Program Member's choice. *Program Member may be required to pay registration fees, if any, for such sessions.*

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¹ Membership Fees are solely for the Amenities and Enhancements listed in this Schedule that are furnished, or arranged to be furnished. Designated Physician will seek reimbursement from the Program Member's health plan only for covered medical services.