LDI
integrated pharmacy services

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June 5, 2014

Ms. Loretta Getchell
Deputy City Manager
City of Euless, TX
201 N. Ector Drive
Euless, TX 76039

RE: Renewal Agreement - Pharmacy Benefits

Dear Ms. Getchell:

This letter is in response to your request for a summary of the renewal offer from LDI Integrated Pharmacy Services ("LDI") for pharmacy benefit management services.

LDI and the City of Euless currently have a Pharmacy Benefits Management Agreement which became effective on October 1, 2010. The initial term of the Agreement was two (2) years, through October 1, 2012, and was subsequently renewed on October 1, 2012 for another two (2) year renewal term.

LDI values our relationship with the City of Euless and has accordingly improved our pricing terms with the intent that the City will renew its contract for an additional two (2) year renewal term, effective October 1, 2014. The improved pricing terms are summarized below:

- Generic Discounts at retail will increase from AWP -71% to AWP -72%
- Generic Discounts at mail will increase from AWP -72% to AWP -75%
- Retail dispensing fee for 1-83 Day Supply will decrease from $1.65 to $1.50

All other terms of the Agreement will remain the same. Please do not hesitate to contact me if you have any questions. Thank you.

Sincerely,

Andrea L. Nelson
General Counsel
LDI Integrated Pharmacy Services