

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (the "Agreement") is entered into as of the 1st day of January, 2014 (the "Effective Date") by and between **MAGELLAN BEHAVIORAL HEALTH, INC.**, with offices at 14100 Magellan Plaza Drive, Maryland Heights, MO 63043 ("Magellan") and **EVERETT SCHOOL EMPLOYEE BENEFIT TRUST**, with offices at 3900 Broadway, Everett, WA 98201 ("Sponsor").

RECITALS

1. Magellan is engaged in the business of providing employee assistance program ("EAP") and related wellness services to employers and labor organizations.
2. Sponsor desires to contract with Magellan for certain EAP and wellness services and Magellan agrees to provide such services in accordance with the terms and conditions of this Agreement.
3. Sponsor and Magellan have previously entered into an agreement for the provision of EAP services.
4. Sponsor and Magellan have agreed to terminate the agreement described above and to adopt this Agreement in its place.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, Magellan and Sponsor hereby agree as follows:

AGREEMENT

1. DEFINITIONS

- 1.1 Base Fee: the PEPM Rate multiplied by the applicable Employee Count.
- 1.2 Contract Anniversary Date: the day following the last day of the initial term or any renewal term of this Agreement.
- 1.3 Contract Year: a one (1) year period commencing on the Effective Date or an anniversary of such Effective Date, as applicable.
- 1.4 Employee: an individual whose current employment or employment status (e.g., retiree, beneficiary under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended) with Sponsor is the basis for the individual's eligibility for services.
- 1.5 Employee Assistance Program or EAP: a systematic program to help individuals resolve personal problems, such as family conflict, stress, and drug or alcohol abuse; to address common work/life issues; and to provide training, consultation, and other management services relating to the effective utilization of the EAP by Sponsor and its Employees.
- 1.6 Employee Count: the number of Employees eligible for services at any point in time.
- 1.7 ERISA: the Employee Retirement Income Security Act of 1974, as amended.
- 1.8 Household Member: an individual who permanently, physically resides in the household of an Employee, or who meets the requirements of a "dependent" as defined by the U. S. Internal Revenue Code or the Patient Protection and Affordable Care Act.
- 1.9 Participant: an Employee or a Household Member.
- 1.10 PEPM Rate: the sum of the rates that are calculated on a per Employee per month basis, as set forth on Addendum C.
- 1.11 Supplemental Fees: all fees and charges except for Base Fees, as set forth on Addendum C.

2. SERVICES

Magellan will provide services to Sponsor, Employees and Household Members as set forth in Addendum A. Services will be delivered only to those Participants whose residence or place of employment with Sponsor is located within the United States or Puerto Rico unless Sponsor has elected International EAP Services as designated on Addendum C. Any and all services required to be carried out within Canada under the terms of this Agreement, if any, shall only be rendered by persons resident in Canada, as the term "resident" applies for purposes of the federal income taxation laws of Canada.

3. SERVICE FEES

3.1 Payment Obligation. As consideration for the services to be performed by Magellan hereunder, Sponsor agrees to pay, or cause to be paid to, Magellan the Base Fees and all applicable Supplemental Fees as set forth on Addendum C, all as may be adjusted according to the provisions of this Agreement (collectively, as so adjusted, the "Service Fees").

3.2 Invoicing and Payment. Magellan will invoice Sponsor for Base Fees monthly or quarterly in advance (or as otherwise required by law), as mutually agreed upon by the parties from time to time. Invoices for Base Fees will be calculated in accordance with the Employee Count represented on Addendum B and the PEPM Rate set forth on Addendum C. Any Supplemental Fees incurred by Sponsor will be invoiced at the next regular billing interval. Sponsor agrees to pay all undisputed Service Fees due within thirty (30) days of the date of invoice. In the event that the parties mutually agree to a self-billing process, Base Fees will be due by the 10th day of the month, (or the 10th day of the first month in the quarter when billing per quarter) in which services are delivered. Any undisputed Service Fees not paid when due shall be subject to interest charges at the lesser of one percent (1.0%) per month or the maximum rate allowed under applicable law. All payments due to Magellan that are not paid via electronic funds transfer shall be addressed to: Magellan Behavioral Health, Inc., Magellan Lockbox, P.O. Box 785341, Philadelphia, PA 19178-5341.

3.3 Fee Assumptions. Services provided under this Agreement are not available as an employee choice under a cafeteria plan.

3.4 Fee Adjustments.

3.4.1 Renewals. No later than ninety (90) days prior to the Contract Anniversary Date, Magellan will provide Sponsor with the PEPM Rate and Supplemental Fees applicable to the next renewal term and such Service Fees will become effective on the Contract Anniversary Date unless this Agreement is terminated pursuant to the terms of this Agreement.

3.4.2 Population Variances. If the Employee Count reported by Sponsor and used to calculate the Base Fee for any billing period varied by fifteen percent (15%) or more above or below the actual Employee Count for such period or periods, Magellan may adjust the Base Fee in accordance with the new Employee Count as of the effective date of the change in population for a period not to exceed six (6) contract months. As applicable, Sponsor shall pay Magellan the amount of any undisputed underpayment or Magellan shall credit the amount of any overpayment to Sponsor, within thirty (30) days of the resolution of any variation.

4. TERM AND TERMINATION

4.1 Term. The term of this Agreement shall be for two (2) years beginning on the Effective Date. Thereafter, the Agreement shall automatically renew for successive two (2) year terms from the Contract Anniversary Date unless terminated as provided in Section 4.2 or either party gives the other written notice of nonrenewal not less than sixty (60) days prior to the expiration of the term of this Agreement or any renewal thereof.

4.2 Termination. This Agreement may be terminated as follows:

4.2.1 Material Breach. Either party may terminate for a material breach of the Agreement, other than non-payment of Service Fees, but only if the party seeking to terminate has first given the party in breach written notice specifying the nature and, so far as then known, the extent of the breach and the action required to correct the breach. The party in breach shall be afforded thirty (30) days (or such additional time as the non-breaching party may reasonably allow, as confirmed in writing) to cure the breach or achieve substantial cure if a complete cure cannot be reasonably effectuated within the designated period. If the breach remains uncured at the expiration of the designated period, the non-breaching party may, at any time that the breach remains uncured thereafter, terminate this Agreement upon five (5) business days' advance written notice.

4.2.2 Non-payment of Fees. Magellan may terminate for a default by Sponsor in its payment obligations hereunder unless there is a bona fide dispute regarding the Service Fees due. Provided, Magellan shall not terminate the Agreement for non-payment unless Sponsor's payment is delinquent for more than thirty (30) days, Sponsor has been duly notified of the delinquency by Magellan, and at least thirty (30) days have elapsed since the date of notification of delinquency. If Sponsor pays the delinquent amount in full, including any accrued interest, prior to the next payment date after cancellation of the Agreement and the Agreement was not previously cancelled for non-payment during the 12-month period prior to the effective date of cancellation, Magellan shall reinstate the Agreement as though it had never terminated. During the period of time from the date of notice to Sponsor of the delinquency through any reinstatement of the Agreement, Magellan shall not be obligated to perform on-site services (e.g., Service Hours, CISM Services), deliver print communications materials to Sponsor, or, if in-person EAP services are provided, refer new Participant cases to an EAP Counselor for In-Person Sessions (as defined in Addendum A of this Agreement).

4.3 Effect of Termination.

4.3.1 Continuity of Care. Sponsor and Magellan shall cooperate to avoid any interruption in the continuity of care to Participants.

4.3.2 Reports. Provided Sponsor has paid all undisputed Service Fees due hereunder, Magellan shall release to Sponsor all final aggregate utilization reports on the next scheduled report date.

4.3.3 Use of Materials. Sponsor's right to use Magellan proprietary materials furnished pursuant to this Agreement, including, without limitation, manuals, videotapes, DVDs, employee print communications and Web site, shall cease upon the effective date of termination. Upon Magellan's request, Sponsor shall return or destroy such materials.

5. **OBLIGATIONS OF SPONSOR**

5.1 Sponsor Cooperation. Sponsor agrees to cooperate with Magellan by furnishing accurate information necessary for the delivery of services hereunder on a timely basis in a form and manner reasonably specified by Magellan.

5.2 Notice of Employee Count. If at any time the actual Employee Count varies from the previously reported Employee Count by fifteen percent (15%) or more, Sponsor shall provide prompt notice to Magellan of such variation, the effective date of the change, and the revised Employee Count. Sponsor shall bear the risks associated with an inaccurate Employee Count reported to Magellan, whether such report was made by Sponsor or by a third party on behalf of Sponsor.

6. **INSURANCE AND INDEMNIFICATION**

6.1 Insurance. Without limiting the scope or extent of the protection afforded Sponsor for the liabilities assumed by Magellan under this Agreement, Magellan agrees to maintain during the term of this Agreement the following coverages: (a) commercial general liability insurance with limits of liability of no less than \$1,000,000 per occurrence and \$3,000,000 aggregate, and (b) managed care errors and omissions insurance with limits of liability of no less than \$5,000,000 per claim and aggregate.

6.2 Indemnification. As allowed by law, each party (the "Indemnifying Party") agrees to defend and indemnify the other party, its affiliates and their respective officers, directors and employees (the "Indemnified Party") from any claims, losses, damages, liabilities, or expenses (including court costs and reasonable attorneys' fees) arising out of or resulting from the negligent or willful act or omission or breach of this Agreement by the Indemnifying Party or its officers, directors, employees, or agents, but only if the Indemnified Party has not, by act or failure to act, materially jeopardized the position of the Indemnifying Party with respect to the resolution or defense of the claim. The Indemnified Party must promptly notify the Indemnifying Party upon receipt of notice of any claim or lawsuit and must permit the Indemnifying Party's authorized attorneys and personnel to handle and control the defense of any such claim or lawsuit. The Indemnified Party agrees to fully cooperate and aid in such defense at its own cost. An Indemnifying Party may not, without the prior written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim, and does not contain any equitable order, judgment or term which in any manner affects, restrains or interferes with the business of the Indemnified Party or any of its respective affiliates.

7. PROPRIETARY INFORMATION

In connection with the performance of services under this Agreement, each party may disclose to the other certain confidential information concerning the disclosing party's business, including confidential information that may have been disclosed prior to execution of this Agreement, regardless of whether such information is marked or otherwise designated "confidential" or "proprietary," and regardless of whether such information is furnished in oral, written, or electronic form ("Proprietary Information"). The parties recognize and agree that any such Proprietary Information shall remain the exclusive property of the disclosing party and shall not be used or disclosed for any purpose other than as contemplated by this Agreement. By disclosing Proprietary Information, neither party shall be deemed to have waived any copyright, trademark or patent right that it, its parent, subsidiary or affiliate, may have. In the event that the receiving party is requested, or required by applicable law, regulation or legal process, to disclose any Proprietary Information of the disclosing party, the receiving party agrees that it will provide the disclosing party with prompt notice of such request or requirement and reasonable cooperation in order to enable the disclosing party to seek an appropriate protective order or take such other steps as it deems reasonably necessary. This section shall not apply to any information which the receiving party can demonstrate (a) was already available to the public at the time of disclosure, or subsequently became available to the public, other than by breach of this Agreement, (b) was available to the receiving party on a nonconfidential basis prior to its disclosure by the disclosing party, (c) becomes available to the receiving party on a nonconfidential basis from a person other than the disclosing party who is not otherwise bound by a confidentiality agreement with the disclosing party, or is otherwise not under an obligation to the disclosing party or any of its representatives not to transmit the information to the receiving party, or (d) was independently developed or discovered by the receiving party.

8. MISCELLANEOUS

8.1 Compliance with Laws. Each party shall comply with all applicable federal, state and local laws and regulations relating to performance under this Agreement, including without limitation, all applicable privacy laws. Magellan further agrees it will not discriminate against any Participant or applicant for employment because of race, color, religion, gender, national origin, ancestry, marital status, sexual orientation, age, disability or other protected class. Magellan will reasonably accommodate Participants seeking services.

8.2 Fiduciary Status. To the extent that any services hereunder are governed by ERISA, Magellan shall be a fiduciary, within the meaning of ERISA, of the applicable group health plan. Such fiduciary status, however, is limited to the responsibilities specified in this Agreement. Magellan is not intended to be and shall not be the plan administrator, within the meaning of ERISA, of such group health plan.

8.3 Status of the Parties. Magellan and Sponsor agree they are independent contractors and that neither Magellan nor Sponsor is the agent of the other, nor is either party authorized to act on behalf of the other in any manner.

8.4 Third Party Beneficiaries. The parties have not created and do not intend to create by this Agreement any enforceable rights in any Participant, provider, or other person not a party to this Agreement.

8.5 Survival. Any other terms of this Agreement that by their nature extend beyond expiration or termination including, without limitation, Sections 6.2 and 7, shall survive termination of this Agreement for any reason. This Agreement shall bind the parties and their legal representatives, successors, heirs and assigns.

8.6 Notices. Unless otherwise provided in this Agreement, all notices required or permitted under this Agreement shall be in writing and shall be deemed sufficiently provided if given by personal service or sent by registered, certified or express mail, facsimile transmission or reputable overnight courier service as follows:

To Magellan:	Magellan Behavioral Health, Inc. 14100 Magellan Plaza Drive Maryland Heights, MO 63043 Attention: Legal Department
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To Sponsor:	As per Addendum B
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From time to time, either party may designate a different name or address for purposes of notice by notice to the other party given in accordance with this Section 8.6.

8.7 Waiver. The failure of any party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Agreement, or to exercise any option conferred in this Agreement, shall not be construed as a waiver or relinquishment, to any extent, of the right to assert or rely upon any such terms, provisions or options on any future occasion.

8.8 Force Majeure and Excuse of Performance. Neither party shall be liable to the other for damages or monetary penalties of any kind or deemed in default under this Agreement for any failure to perform or delay in performing to the extent that its performance is hindered, delayed, or rendered impossible due to an event or occurrence beyond the reasonable control of the party, and without its fault or negligence, including, without limitation, the breakdown, malfunction or other failure of any external third party telecommunication system or other system or mechanism by which information and data is stored or transmitted.

8.9 Enforceability. The invalidity or unenforceability of any term or provision herein shall in no way affect the validity or enforceability of any other term or provision.

8.10 Entire Agreement. This Agreement, including all attached addenda, represents the entire agreement between the parties and supersedes any and all prior written or oral agreements or understandings related to the subject matter hereof. Notwithstanding the foregoing, this Agreement hereby incorporates any business associate agreement executed by or on behalf of the parties in compliance with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA").

8.11 Modification of Agreement. Any modification, alteration, or change to the terms of this Agreement, or any addenda attached hereto, shall be made only by a written agreement duly executed by the parties, subject to the approval of any applicable regulatory authority if required by applicable law or regulation.

8.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Magellan and Sponsor have executed this Agreement by their duly authorized representatives.

MAGELLAN BEHAVIORAL HEALTH, INC.

By: _____

Date: _____

EVERETT SCHOOL EMPLOYEE BENEFIT TRUST

By: Molly Berge

Date: January 14, 2014

ADDENDUM A STATEMENT OF WORK

A. Basic EAP Services

1. Definitions.

1.1 Brief Counseling: a problem-focused form of individual or family outpatient counseling that (a) seeks resolution of problems in living (e.g., parenting concerns, emotional stress, marital and family distress, alcohol- and drug-related problems) rather than basic character change; (b) emphasizes counselee skills, strengths and resources; (c) involves setting and maintaining realistic goals that are achievable in a one (1) to five (5) month period; (d) encourages counselees to practice behavior outside the counseling session to promote therapeutic goals; and (e) in which the counselor provides structure, interprets behavior, offers suggestions, and assigns “homework” activities.

1.2 Crisis Counseling: the process of responding to a request for immediate services in order to determine whether an emergency exists and, based on that determination, of making a referral to emergency behavioral health services, to community resources, or to an EAP Counselor. Crisis Counseling includes communication with the person in crisis that is focused on defusing the person’s severe emotional reaction to a situation in order to enable that person to accept the referral and deal with the immediate crisis without causing harm to self or others.

1.3 Critical Incident Stress Management (“CISM”) Services: a response to and consultation in connection with a sudden, unanticipated, traumatic incident or circumstance (e.g., accident, death, threat of violence, natural disaster) that produces a high degree of distress in the affected workplace of Sponsor or an immediate or delayed emotional reaction in Employees, that surpasses normal coping mechanisms.

1.4 EAP Consultant: a licensed behavioral health professional employed by Magellan at its service center to respond telephonically to Participant requests for EAP services.

1.5 EAP Counselor: a psychologist, clinical social worker, marriage family and child counselor, or other professional licensed or certified to deliver behavioral health counseling services under the laws of the state in which he or she practices, who is under contract with Magellan to provide EAP services, and who has (a) training and experience in assessing substance abuse problems and in conducting focused, problem-resolution counseling and (b) at least a master’s level degree in an appropriate field.

1.6 Episode of Care: a continuous course of counseling for a specific problem or set of problems, up to the number of In-person Sessions specified in Section 3.2 of this Addendum A.

1.7 In-person Session: a counseling session lasting approximately 50 minutes at the office of an EAP Counselor for a Participant, individually or with Participants or others, as appropriate.

2. Magellan Web Site. Magellan will provide Sponsor and Participants with access to its Web site, which includes information on wellness subjects, general health, workplace topics for organizations, interactive self-improvement programs and self-assessment tools, a directory of EAP Counselors and a database of child and elder care providers. In addition, Sponsor and Participants may access an enhanced comprehensive, interactive, online health improvement program that includes a personal health assessment, e-coaching courses, an enhanced wellness library, exercise and nutrition planners, health and fitness trackers, a fitness club discount affinity program, managed blogs, email wellness reminders and online competitive challenges between individuals and groups (“E-Wellness Services”).

3. Personal Consultation Services.

3.1 Telephonic EAP Services. Magellan will maintain a toll-free telephone access line twenty-four (24) hours per day, seven (7) days per week, for Participants to access EAP services. EAP Consultants will be available through the telephone access line to assess the caller’s problem, arrange for appropriate assistance (e.g., provide coaching and/or educational materials, refer to benefit program, community resource or other service provider) and provide any necessary Crisis Counseling.

3.2 In-person EAP Services. In addition to the services described in Section 3.1 of this Addendum A, if Sponsor has selected an EAP model that includes In-person Sessions, Magellan will link each Participant who requests in-person counseling services to an EAP Counselor. The EAP Counselor will assess the Participant's problem(s) and, in accordance with the EAP Counselor's best judgment, provide Brief Counseling and/or refer the Participant to an appropriate treatment provider and/or community resource. Each Participant is eligible for up to the number of In-person Sessions per problem per year, as clinically appropriate, in accordance with the EAP model selected on Addendum C.

3.3 Run-off Services. For a period of thirty (30) days following termination of this Agreement, Magellan will provide In-person Sessions, so long as In-person Sessions remain available and are clinically appropriate, to those Participants with open routine cases as of the effective date of termination. Any open formal supervisory referrals to the EAP will be transitioned to a successor vendor or other provider as directed by Sponsor.

4. Treatment Compliance Monitoring. Upon request and with the concurrence of the Employee, Magellan will monitor an Employee's compliance with a substance abuse treatment program monthly, as needed, for up to one (1) year.

5. Management Consultation. Upon request, Magellan will provide telephonic consultation services (i) to any supervisor who is considering the referral of an Employee to the EAP, and in the case of a formal, supervisor-referred Employee, remain in regular contact with the referring supervisor regarding work performance issues; (ii) with regard to the management of high-risk situations in which an Employee's personal problems may create a threat of violence in the workplace; and (iii) as appropriate and to the extent authorized by an Employee or permitted by law, on the process required to facilitate an Employee's return to work. In addition, for payment of a Supplemental Fee to be mutually agreed upon, Magellan will provide onsite conflict management consultation in any situation in which two (2) or more Employees experience difficulty in their work relationship. Any advice or recommendations made pursuant to this paragraph is not and shall not be construed as a legal opinion.

6. Seminars and Related Services. At Sponsor's request and a minimum of four (4) weeks' notice, Magellan will attend Sponsor health fairs or open enrollments and/or provide Magellan's standard wellness seminars and supervisor training ("Service Hours"). The number of Service Hours included in the Base Fee per Contract Year is as follows:

Up to 99 Employees	0 hours	750 – 999 Employees	4 hours
100 – 249 Employees	1 hour	1,000 – 1,499 Employees	5 hours
250 – 499 Employees	2 hours	1,500 – 1,999 Employees	6 hours
500 – 749 Employees	3 hours	2,000 – 2,999 Employees	9 hours

Unless otherwise agreed by Magellan and Sponsor, all Service Hours shall be delivered at a Sponsor worksite. Service Hours in excess of those included in the Base Fee and all Service Hours to be delivered in international locations are available for a Supplemental Fee at the rate indicated on Addendum C. Service Hours do not include non-local travel expenses (*i.e.*, those reasonable expenses in connection with travel in excess of fifty (50) miles or one hour from the office of the Magellan representative to the worksite, charged at Magellan's actual cost), special instructional materials and certain specialized training services, if any. In the event that any service is scheduled and subsequently canceled with less than five (5) business days' notice, Sponsor will be billed or debited as if the scheduled services had been delivered.

7. Critical Incident Stress Management. At Sponsor's request, Magellan will provide CISM Services to impacted Employees. Up to twenty-five (25) hours per incident will be made available to Sponsor at no additional charge for services delivered within the United States and Puerto Rico. There is no limitation on the number of incidents for which CISM Services may be requested. Unless otherwise agreed by Magellan and Sponsor, CISM services shall be delivered at a Sponsor worksite. In the event that any CISM session is scheduled and subsequently canceled with less than a minimum notice of seventy-two (72) hours, Sponsor will be charged a cancellation fee as set forth on Addendum C. CISM services do not include non-local travel expenses (*i.e.*, those reasonable expenses in connection with travel in excess of fifty (50) miles or one hour from the office of the Magellan representative to the Sponsor worksite, at Magellan's actual cost).

8. Employee Communications Program. Magellan will provide its standard communications materials to Sponsor for use and dissemination to its Employees. Materials will be delivered to one (1) Sponsor location and will consist of the following:

Brochures with 2 Wallet Cards	1.3 per Employee
Posters	1 per 150 Employees
Employee Videos/DVDs	1 per 500 Employees
Supervisor Videos/DVDs	1 per 500 Employees
Supervisor Manual	Electronic distribution

Sponsor agrees that Magellan's obligation under this section does not include the costs associated with home mailings and notices to Employees or Household Members required by state or federal law.

9. Exclusions. The EAP services provided hereunder do not include any of the following:

- (a) Evaluations required by any state or federal judicial officer or other governmental official or agency mandating that a Participant undergo counseling;
- (b) Court-mandated counseling and evaluations or recommendations to be used in child custody proceedings, child abuse proceedings, criminal proceedings, workers' compensation proceedings, or any legal actions of any kind;
- (c) Evaluations for fitness for duty determinations or excuses for leaves of absence or time off;
- (d) Medical care, including services for a condition that requires psychiatric treatment (for example, a psychosis);
- (e) Inpatient treatment;
- (f) Services by providers who are not part of Magellan's EAP Counselor network;
- (g) Group counseling;
- (h) In-person Sessions that were not accessed through Magellan (either through the toll-free telephone access line or the on-line self-referral service) for the particular Episode of Care;
- (i) Psychological, psychiatric, neurological, educational, or IQ testing;
- (j) Remedial and social skills education services, such as evaluation or treatment of learning disabilities, learning disorders, academic skill disorders, language disorders, mental retardation, motor skill disorders, or communication disorders; behavioral training; cognitive rehabilitation;
- (k) Medication or medication management;
- (l) Examinations and diagnostic services in connection with obtaining employment or a particular employment assignment, admission to or continuing in school, securing any kind of license (including professional licenses), or obtaining any kind of insurance coverage;
- (m) Testimony, creation of records, or other services in connection with legal proceedings;
- (n) Guidance on workplace issues when the Participant sues, or threatens to sue, Sponsor;
- (o) Acupuncture;
- (p) Biofeedback or hypnotherapy; and
- (q) Services to permit individuals to fulfill any group health plan prerequisite that EAP services be utilized prior to behavioral health services becoming available.

10. Financial Responsibility. Participants have no financial responsibility in connection with EAP services provided under this Agreement. However, fees for professional services provided by resources other than Magellan or EAP Counselors, including, but not limited to, the retention of lawyers, financial consultants, dependent care providers, or other professional or service providers, will be the responsibility of the Participant and/or his or her group health plan or other benefit programs, as applicable.

B. Optional EAP Services

The following services will be made available to Sponsor and Employees or Participants, as applicable, in accordance with the services elected on Addendum C. Participants may access such services by calling the assigned Magellan toll-free number. All services described in this Section B will only be available in the United States and Puerto Rico.

1. Legal and Financial Consultation Services.

- (a) Legal Consultation Services. Services ("Legal Consultation Services") consist of an initial telephonic or in-person consultation with a plan attorney located in the Participant's state of domicile for routine legal needs. During the consultation, a plan attorney will explain the Participant's rights, identify options, and, if needed, recommend a course of action, which may include referral to a different plan attorney. The Participant will choose whether to retain a plan attorney at his or her

expense or adopt an alternative plan of action, which may include referral to a different plan attorney. Participants who elect to retain legal counsel from a plan attorney after the initial consultation will be entitled to a twenty-five percent (25%) reduction in fees from the plan attorney's normal hourly rate and/or fee schedule, as applicable. Participants are entitled to one (1) free initial office or telephone consultation with a plan attorney per separate legal matter per Contract Year. Legal Consultation Services do not include services (i) in connection with employment-related matters, (ii) in connection with disputes or proceedings involving Magellan, its subsidiaries, affiliates or customers, a Participant's employer, Magellan's legal and/or financial services vendor(s) or any of its attorneys, or (iii) that are frivolous, harassing, or otherwise involve the violation of ethical rules.

(b) Financial Consultation Services. Services ("Financial Consultation Services") include telephonic information and consultation on debt management, basic financial planning, insurance, retirement, savings and investments, budgeting for vacations, family financial issues and identity theft resolution. Participants are entitled to one (1) free telephone consultation per separate financial matter per Contract Year. Financial Consultation Services are intended to assist Participants in formulating financial planning strategies and to serve as an information resource and planning tool. Financial consultants will not advise nor instruct Participants as to any course of action, nor be responsible for any decisions made by Participants about their financial planning.

2. Work/Life Services. Magellan will provide, or arrange for a third party to provide, telephone consultation, information, education, access to an expanded on-line library of information and tools, and referral services in connection with child care, elder care, parenting issues, children with special needs, schooling and education, teen and young adult issues and adoption assistance, as well as personal convenience services such as pet care, relocation assistance, home or auto repair and improvement, and similar services ("Work/Life Services"). Participants may access Work/Life Services by telephoning the assigned Magellan toll-free telephone number. Work/Life Services are available twenty (24) hours per day, seven (7) days per week. When a Participant requests a referral for child care or elder care, a consultant will gather information about the Participant's dependent care needs and send the Participant a packet of educational materials and a list of no fewer than three (3), to the extent available, licensed, certified or registered dependent care providers with confirmed vacancies matching the Participant's expressed needs. In all cases, the information about, and description of, a particular information agency, resource organization, placement agency, or direct child care or elder care service provider has been provided by the agency, organization, or direct child care or elder care service provider.

3. Nurse Advice Line Services. Services consist of telephonic general health and symptom management information and consultation, including, but not limited to, symptom triage, in-depth health information, consultation on day-to-day health issues and management of chronic conditions, practical tips for communicating with physicians and specialists, information regarding proper use of prescription and over-the-counter drugs, and advice and support for diet and exercise compliance for various health conditions ("Nurse Advice Line Services").

4. New Parent Support Services. Magellan will provide a needs assessment, information, consultation, coaching and referrals to appropriate resources to those Employees who have recently become or will soon become a parent, whether by birth or adoption ("New Parent"), and are planning a return to work. In addition, Magellan will provide consultation and assistance to the New Parent's supervisor to plan for and/or accommodate the individual's return to work. Services will be promoted in the workplace, through Sponsor's benefits portals and/or FMLA processes. All services are designed for on-line access and will be provided to New Parents who voluntarily seek such services.

5. Employee Concern Line. Magellan will make available to Sponsor a separate toll-free dedicated telephone number for use by Employees to report problems associated with workplace behaviors and practices, including, but not limited to, concerns related to harassment and discrimination. The subsequent handling of any such reports received will conform to Magellan's standard practices and procedures, as approved by Sponsor.

C. International EAP Services

Magellan will provide or arrange for one (1) or more third party vendors to provide EAP services to Employees and their respective Household Members located in Canada or other international locations ("International EAP Services"). International EAP Services will consist of (a) access to telephonic consultation for assessment of the caller's problem, any necessary Crisis Counseling, and referral for appropriate assistance, and (b) such other

services designated on Addendum C, which may include Brief Counseling services, work-life referral services, legal and/or financial consultation or referral services. Sponsor acknowledges that the nature and availability of EAP services in international locations may vary on a country-by-country basis.

D. Administrative Services

1. Account Management. Magellan will designate a member of its account management staff to act as a liaison to Sponsor and to respond to questions, resolve service delivery issues, facilitate consultation on behavioral health topics and provide advice on the effective use of EAP services. All account management services shall be provided telephonically.
2. Reports and Reporting. Subject to any legal restrictions on the release of confidential or other personally identifiable information, Magellan will provide to Sponsor a statistical report of Participant utilization of services (a) on a quarterly basis if the number of Employees is 250 or greater, or (b) on an annual basis if the number of Employees is less than 250. Such reports will reflect aggregate data and will not include Participant-identifiable information.

E. Limited Liability and Warranties

Magellan warrants that it and its third party vendors will make every reasonable effort to ensure the accuracy of the information or the appropriateness of any service or product provided to Participants. Referrals given by Magellan to Participants for elder or child care, legal or financial consultation services or other community services are not endorsements or recommendations for the referred programs or providers. The responsibility for selecting and engaging such providers lies solely with the Participant. Vendors and such other providers are not and shall not be deemed agents of Magellan or Sponsor.

F. Suspension of Services

Magellan reserves the right to suspend or terminate Legal Consultation Services, Financial Consultation Services, Work/Life Services, E-Wellness Services, Nurse Advice Line Services and/or International Services upon ninety (90) days' written notice if, in Magellan's judgment, such services cease to be available on commercially reasonable terms from third party vendors. If Magellan elects to suspend or terminate any such services, the remaining provisions of this Agreement will remain in full force and effect, except that Magellan will adjust its fees pro rata to reflect the suspension or termination of these services.

G. Participant Coverage

1. Commencement and Termination of Coverage. The eligibility of an Employee for services under this Agreement shall commence on the first day of his or her employment by Sponsor (or such other time as specified by Sponsor) on or after the Effective Date. A Household Member shall commence eligibility on the later of the date he or she becomes a Household Member and the date on which the Employee becomes eligible. The eligibility of an Employee for services under the Agreement shall terminate on the earlier of (i) the last day of the month following the month of his or her termination of employment by Sponsor or, if the Employee is a beneficiary under COBRA, the last day of his or her continuation coverage under COBRA, or (ii) termination of the Agreement. Household Members shall remain eligible for services until the eligibility of the Employee related to them ceases or until they cease to be Household Members, whichever occurs first. However, each Participant will be entitled to receive the full number of In-person Sessions identified in Addendum C for an identified problem, as clinically appropriate, if he or she has scheduled an appointment with an EAP Counselor for that problem prior to the last date of eligibility as specified herein. Magellan reserves the right to terminate the eligibility of any Participant, without right of reinstatement, for fraud or deception in the use of services or for knowingly permitting such fraud or deception by another, for threatening the safety of Magellan employees, EAP Counselors, or others eligible for or receiving EAP services and for repeated behavior substantially interfering with Magellan's ability to furnish or arrange services for the Participant or others or the ability of an EAP Counselor to provide services to others. Any such termination will be effective on the date Magellan mails notice of cancellation, unless the notice specifies a later date. Magellan will not terminate the eligibility of any Participant because of his or her health status or use of the EAP.

2. Individual Continuation of Eligibility. An individual Participant does not have the right to renew his or her eligibility for any services under this Agreement once his or her relationship (employment or otherwise) to Sponsor is terminated. A Participant's right to receive services is determined solely by this Agreement.

ADDENDUM B SPONSOR INFORMATION

Number of Employees as of the Effective Date¹

1918 United States (Non-California) & Puerto Rico

0 California

0 Canada

0 Other International (Non-Canada)
No. of Employees by Country:

Sponsor Information for Legal Notice per Section 8.6

Address:

3900 Broadway

Everett, WA 98201

Attention:

Randi Seaberg

¹ If none, enter "0" or "N/A"

ADDENDUM C FEE SCHEDULE
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BASE FEES	PEPM RATE
UNITED STATES: X In-person EAP Services- Choose session model <input type="checkbox"/> 1-3 session <input type="checkbox"/> 1-6 session <input type="checkbox"/> 1-4 session <input type="checkbox"/> 1-8 session <input checked="" type="checkbox"/> 1-5 session <input type="checkbox"/> 1-10 session _____ Telephonic EAP Services _____ Legal Consultation & Financial Consultation Services ¹ _____ Work/Life Services ¹ _____ Nurse Advice Line Services ¹ _____ New Parent Support Services ^{1, 2} _____ Employee Concern Line ¹ _____ Other: _____	\$1.65
INTERNATIONAL: _____ EAP Services - Insert session model <input type="checkbox"/> 1-_____ sessions _____ Telephonic EAP Services _____ WorkLife Referral Services ¹ _____ Legal & Financial Referral Services ¹ _____ Other, Describe: _____	
SUPPLEMENTAL FEES	
United States _____ Additional In-person Sessions _____ Additional Service Hours _____ Mandatory Referrals ³ _____ CISM Cancellation Fee International _____ Describe: _____ _____ Describe: _____ _____ Describe: _____ Communication Materials _____ Brochures with 2 Wallet Cards _____ Posters	\$ 90.00 per In-person Session \$230.00 per provider hour To be determined \$250.00 per scheduled hour \$ 0.40 per unit – Estimate \$ 1.60 per unit – Estimate

¹ Services may only be selected if EAP services are purchased.

² New Parent Support Services may only be selected if Work/Life Services are selected.

³ Charge applies only if Sponsor selects Telephonic EAP Service model and when an Employee was referred to the EAP under a “last chance” or similar agreement.