

COUNTY SPONSOR AGREEMENT

THIS COUNTY SPONSOR AGREEMENT (this “Agreement”) is made this 18th day of February, 2015, by and between **Sedgwick County, KS**, a government entity (herein referred to as “County”), and **Careington International Corporation**, a Texas corporation (herein referred to as “Careington”).

RECITALS

WHEREAS, County is a county government; and

WHEREAS, **Careington** is in the business of establishing, building, consolidating, marketing and administering dental plans and other benefits through its own network of dentists and through agreements with other companies and distributors of healthcare benefit plans, products and services (each referred to herein as a “Benefit Provider”); and

WHEREAS, **Careington** and County desire to enter into a relationship whereby **Careington** will market access to healthcare or other products or services to County’s customers on the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, County and **Careington** hereby agree as follows:

1. Definitions. The following terms used herein shall have the meanings given them in this Section:

“Benefits Plan” means the multi-benefits plan described on Schedule 1 attached hereto and made a part hereof.

“Benefit Provider” has the meaning set forth in the Recitals to this Agreement.

“Member” means a person who (i) has met the eligibility criteria under the Benefits Plan, (ii) is not delinquent in his or her payment obligations under the payment terms specified herein and (iii) is entitled to access the services provided under the Benefits Plan, and the dependents of such person.

“Participating Provider” means a practitioner or provider of healthcare services or products pursuant to the terms of the Benefits Plan.

2. Obligations of County.

(a) County shall provide Careington with marketing assistance as described herein or in a marketing plan. County shall not market the Benefits Plan itself without Careington’s knowledge and prior written approval of any marketing materials.

(b) County shall comply with all applicable laws, rules and regulations in connection with the performance of obligations on the part of County as contemplated hereunder.

(c) The County will recommend the Benefits Plan to its residents and will support the Benefits Plan by distributing marketing materials provided by **Careington**. The form of distribution of materials shall be determined by the County and **Careington** and, at a minimum, shall include prominent placement of marketing materials in appropriate County office locations. The County shall not be permitted to make any modifications to the materials or develop its own marketing materials without the written consent and approval of **Careington**.

(d) County shall complete the Discount Program Checklist attached as Schedule 4.

3. Materials.

(a) Any costs for the production and distribution of any printed materials describing or referring to the Benefits Plan shall be as described in Schedule 5. Any costs for the production and distribution of any online advertising, email, or other marketing channels provided by County are the responsibility of **Careington**. County shall provide **Careington** express written approval of all marketing or membership materials prior to their use by **Careington** to market or describe the Benefits Plan.

(b) Notwithstanding the above, County acknowledges that marketing and/or membership materials may be required to be filed and/or approved in certain states prior to County marketing in such a state, that such filings and subsequent review by such a state will require additional time, and that **Careington** shall not be able to approve such materials in such a state until such time as **Careington** or County receives written approval from the state. County agrees to make necessary changes requested by **Careington** or a state and, if necessary, to submit those changes to **Careington** for resubmission to the state. Should County begin using any materials or marketing in any state prior to obtaining written approval from **Careington** or the state, **Careington** may terminate this Agreement immediately upon written notice, notwithstanding Section 10 of this Agreement.

4. Obligations of Careington.

(a) **Careington** shall develop marketing and membership materials for the Benefits Plan as described in Schedule 5.

(b) **Careington** shall perform all enrollment of Members and all billing, whether through payroll deduction, preauthorized checking account withdrawals, credit card or other means. The parties shall mutually agree on cancellation procedures to be followed in the event of non-payment of monies due.

(c) **Careington** shall maintain and update a list of current Members showing such Members' names, telephone numbers and mailing addresses.

(d) **Careington** shall provide Members identification cards identifying that such Member is a participant in the Benefits Plan in addition to pertinent telephone numbers for access to customer service and other benefits provided under the Benefits Plan.

(e) **Careington** shall maintain toll-free telephone lines for use by Members for inquiries regarding the benefits associated with the Benefits Plan.

(f) **Careington** shall charge Members the amounts listed in Schedule 3.

5. Marketing Allowance. For each active individual Member on whose behalf **Careington** receives and does not refund payment for the Benefits Plan, **Careington** agrees to pay County the marketing allowance set forth on Schedule 2 of the Agreement. **Careington** shall pay County all amounts due on a monthly basis within thirty (30) days following the end of each month that payment is received by **Careington**

6. Participating Provider Charges and Networks. **Careington** shall use reasonable efforts to cause Participating Providers to accept as full payment for the services and products provided to Members the agreed upon fees set forth in the Participating Provider agreement with **Careington** or the Benefit Provider. Participating Providers shall bill and collect from a Member any applicable fees for goods or services provided to Members and will not charge members more than the agreed upon discounted fees. **Careington** may, at its discretion, replace Benefit Providers with thirty (30) days written notice to County.

7. Confidentiality.

(a) In performing its obligations pursuant to this Agreement, each party may have access to and receive disclosure from the other of certain proprietary and confidential information, including, but not limited to, financial records, technological developments, marketing strategies, Member lists, Participating Provider lists, employee lists, and other information considered by the disclosing party to be confidential and proprietary (herein collectively referred to as “Confidential Information”). For purposes of this Section, the financial terms of this Agreement are Confidential Information of each party. Confidential Information does not include: (i) information learned from a third party entitled to disclose it and who is not in violation of a contractual, legal or fiduciary obligation to either party, (ii) information which is or becomes known publicly through no fault of either party or, (iii) information already known by either party prior to disclosure from the other party, as shown by the receiving party’s records.

(b) Each party shall receive Confidential Information in confidence, shall use it solely for the purpose of and as necessary to fulfill its obligations under this Agreement and shall not reveal it to any third party, other than a corporate affiliate, without the express written consent of the other party. Each party shall take appropriate measures to prevent its agents, employees and officers and directors from using or disclosing any Confidential Information, except as is expressly permitted under this Agreement.

(c) All documents supplied by one party (the “Disclosing Party”) to the other (the “Recipient Party”), if any, pursuant to the provisions of this Agreement, including all copies or reproductions thereof, shall be returned to the Disclosing Party at the Disclosing Party’s request. Both parties agree that none of the documents provided by a Disclosing Party will be reproduced except for the sole purpose of performing its obligations under this Agreement. Both parties agree that upon termination of this Agreement, all copies of material containing Confidential

Information will be returned to the Disclosing Party, except as otherwise agreed between both parties in writing.

(d) In the event that the Recipient Party or anyone to whom the Recipient Party transmits the Confidential Information becomes legally compelled to disclose the Confidential Information, the Recipient Party shall provide the Disclosing Party with prompt written notice thereof so that the Disclosing Party may seek a protective order or other appropriate remedy. The Recipient Party shall cooperate with the Disclosing Party in its efforts to obtain such remedies, but the Recipient Party shall not be required to undertake litigation or legal proceedings in its name. In the event that the Recipient Party is legally obligated to disclose any Confidential Information, the Recipient Party shall furnish only the portion of the Confidential Information that is legally required and will exercise its reasonable best efforts to assure that confidential treatment will be accorded the Confidential Information.

(e) The provisions of this Section shall survive termination of this Agreement.

8. Non-Solicitation; Non-Circumvention.

(a) During the term of this Agreement and for a period of twenty-four (24) months after termination of this Agreement, County shall not, directly or indirectly, through or on behalf of itself or any other entity or individual, solicit, or attempt to solicit, any Participating Provider to provide goods or services to any Member or to contract with or join any panel or network.

(b) During the term of this Agreement and for a period of twenty-four (24) months after termination of this Agreement, County shall not, either directly or indirectly attempt in any manner to commercially circumvent, avoid, bypass, **Careington** in any transaction with any of **Careington's** Benefit Providers in an effort to avoid the payment of, or decrease the amount of, fees or other compensation which would have otherwise been payable to **Careington** had County or the Marketing Representative included **Careington** in the transaction.

(c) At no time shall County contract with, or attempt to contract with, any third party to provide such third party any or all of the services or benefits provided in the Benefits Plan on a wholesale basis for resale by such third party.

(d) The provisions of this Section shall survive termination of this Agreement.

9. Independent Relationship. No provision of this Agreement is intended to create nor shall be deemed or construed to create any relationship between County and **Careington** other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. The parties hereto are not and shall not be deemed for any purpose to be agents, joint venturers or partners. Neither party is authorized to act as agent for the other, to take any action or make any representation in the name of the other, or to represent that it has the power or authority to do so. Neither of the parties to this Agreement nor any of their respective officers, directors, or employees shall hold themselves out as the employee, partner, officer, director or agent of the other party and shall not be deemed or construed to be an employee, partner, officer, director or agent of the other party. Neither

Careington nor County is authorized to represent the other for any purpose whatsoever without the prior written agreement of that party.

10. Term.

(a) This Agreement shall be effective as of the day and year first written above and shall continue for an initial term of three (3) years (the “Initial Term”), unless sooner terminated pursuant to the terms stated below. Upon the expiration of the Initial Term, this Agreement shall automatically renew for subsequent periods of one (1) year each, unless a written notice to the contrary is provided by County at least ninety (90) days prior to the expiration of the then existing term.

(b) **Careington** may terminate this Agreement without cause upon not less than ninety (90) days prior written notice to County.

(c) County may terminate this Agreement without cause at the expiration of the initial or any renewal term upon not less than ninety (90) days prior written notice to **Careington**.

(d) Either party may terminate this Agreement upon thirty (30) days prior written notice to the other in the event of a material breach of this Agreement that remains uncured thirty (30) days after such notice. If either party repeats a material breach, the Agreement may be terminated immediately.

(e) Either party may terminate this Agreement at any time without advance written notice upon the occurrence of a bankruptcy event. A bankruptcy event occurs if:

(i) the other party suspends or goes out of business, substantially reduces business operations, becomes insolvent or unable to meet its debts as they mature, calls a meeting of its creditors, sends notice of a proposed bulk sale of all or a substantial part of its assets, sells all or substantially all of its business, makes any general assignment for the benefit of its creditors, or initiates a voluntary bankruptcy proceeding; or

(ii) any petition is filed by the other party initiating a bankruptcy, reorganization, or other proceeding under any provision of the U.S. Bankruptcy Code or similar law or such a proceeding is filed against such party and is not removed or discharged within sixty (60) days after the filing thereof, or

(iii) a receiver or trustee is appointed for the other party or for any or all of its property.

(f) Notwithstanding any other provisions of this Section, **Careington** may terminate the Agreement immediately if **Careington** reasonably determines that continuing its relationship with County under the Agreement could adversely affect **Careington** reputation or its relationship with its providers, provider networks, members, Countys, or regulators.

11. Advertising Reference; Tradenames. No advertising, promotional, or other materials using the name, address, telephone number, description, facilities and/or services of

Careington or County shall be released without either Careington or County's prior written consent, as applicable. Neither party hereto obtains by virtue of this Agreement any rights in nor shall it use any trademark, service mark, logo, or other proprietary designation or intellectual property of any type in which the other party or any of its affiliates has an ownership or licensee interest.

12. Indemnity.

(a) Each party shall and does hereby indemnify and hold harmless the other party and its affiliates and each of their officers, directors, employees, agents, and representatives, from and against any and all claims and demands of every kind and nature asserted by a third party, whether groundless or otherwise, including, but not limited to, any and all actions, causes of action, suits, judgments, controversies, losses, damages, costs, liens, charges, court costs, reasonable attorney's fees, payments, penalties, liabilities and expenses, occasioned by, resulting from, arising out of, related to, or in connection with any act or omission of the indemnifying party, its employees, officers, directors, agents or representatives, or any of them, in performance of this agreement, including, but not limited to, failure of the indemnifying party to comply with the terms of this Agreement.

(b) Each party shall notify the other party of any claim, demand, suit or threat of suit for which it intends to seek indemnification under this Section promptly upon receipt of notice of any such claim, demand, suit or threat of suit. Neither party will settle an indemnified claim without the consent of the indemnified party, which consent shall not be unreasonably withheld or delayed.

(c) Nothing contained herein shall constitute a waiver of any sovereign immunity, immunity from suit or consent to legal action by the County.

(d) The provisions of this Section shall survive termination of this Agreement.

13. Insurance. Each party shall maintain and provide proof, upon request, to the other of such insurance policies or program of self-insurance as are reasonable to insure itself and the other party from any and all claims resulting from any action taken or failure to act by the insured party or its employees or agents pursuant to this Agreement. County shall provide Careington with a copy of its insurance certificates by the effective date of this Agreement, and shall notify Careington immediately if any such policies lapse or are terminated or if any coverage amount is reduced

14. Limitation on Damages. Neither party nor any of its affiliates shall be liable to the other for any indirect, special, incidental or consequential damages, including, but not limited to, lost profits, arising out of or related to this Agreement, its performance hereunder or its breach of a covenant or representation made hereunder, even if it is advised of the possibility of any such damages.

15. Notices. Any notice to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed delivered upon personal delivery against written receipt or when mailed by certified mail with return receipt requested and postage prepaid to the receiving party

at such party's address set forth on the signature page of this Agreement, which address for notice may be changed by either party by written notice under this Agreement.

16. Amendments. Except as otherwise provided in this Agreement, no amendment shall become effective unless and until it is reduced to writing and signed by **Careington** and County.

17. No Third Party Beneficiaries. This Agreement is entered into by and between **Careington** and County and for their sole benefit. There is no intent by either party to create or establish third party beneficiary status or rights or their equivalent in any Member, Participating Provider, Benefit Provider or other party which may be affected by the operation of this Agreement.

18. Nonassignability. Neither party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other party; provided however, that no such consent shall be required in the event of an assignment to a parent, subsidiary or affiliate of **Careington**. Subject to the foregoing, the provisions of this Agreement shall be binding upon the parties to this Agreement and their respective successors and assigns. Any attempted assignment in violation of this Section shall be of no force or effect.

19. Governing Law. This Agreement shall be governed in all respects by the laws of the State of Texas.

20. Severance of Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision has never comprised a part hereof and the remaining provisions shall remain in force and effect, unaffected by such severance.

21. Waiver. The waiver by either **Careington** or County of any breach of any provision, warranty, or representation set forth in this Agreement shall not be construed as a waiver of any subsequent breach. Further, failure to exercise any right hereunder shall not operate as a waiver of such right and all rights and remedies provided for herein are cumulative.


22. Counterparts. This Agreement may be executed in separate identical counterparts, each of which when taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, undersigned have executed this agreement as of the date first written above.


Sedgwick County, KS

By: 
Name: Richard L. Ranzau, Chairman

Title: Board of County Commissioners
3/30/2015



ATTEST:


Kelly B. Arnold, County Clerk

04-14-15
Date

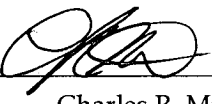
APPROVED AS TO FORM:


Jennifer Magana, Assistant County Attorney

Mar. 27, 2015
Date

Address for Notice: Adrienne Byrne-Lutz, Health Director
Sedgwick County Health Department
1900 E 9th St N
Wichita, KS 67214

Careington International Corporation

By: 
Name: Charles R. Misasi

Title: Senior Vice President

Date: 4/2/15

Address for Notice: 7400 Gaylord Parkway
3rd Floor
Frisco, Texas 75034

SCHEDULE 1

Summary of Benefits Plan

1. My County Cares Free Prescription Discount Plan, with Envision Rx* (ENVC)
2. My County Cares Discount Dental Plan, with Careington and DenteMax (DN15)
3. My County Cares Discount “One Card” Plan, with the following products
 - Dental with Careington and DenteMax (DN15)
 - Vision with VSP (VSCA)
 - LASIK with QualSight (AMST)
 - Lab services with Direct Labs (DLAO)
 - Imaging services with US Imaging (USIN)
 - Health screening with LifeLine Screening (LLSP)
 - Hearing with HearPO (HRPO)
 - Vitamins & Supplements with Swanson (SWAN)
 - Diabetes Management with Global Total Health (GLTH)
 - Pet Medications with HMI (HMIP)
 - Prescriptions with Envision Rx (ENVC)

Benefits Plan will not be marketed in the following states: VT, WA

*Free prescription discount card qualifies for revenue share to County from eligible prescriptions filled and purchased by residents. See **Schedule 2**.

SCHEDULE 2

Marketing Allowance

Marketing Allowance paid to County:

- 10% of Benefits Plan membership fees as collected from participating residents as identified in **Schedule 3** of this Agreement.
- \$5 (50%) from each one time processing fee collected from participating residents as identified in **Schedule 3** of this Agreement.
- \$1.50 per eligible prescription for Free Prescription Discount Plan as identified in **Schedule 1** of this Agreement.

SCHEDULE 3

Benefits Plan Retail Fees

Rates are monthly unless otherwise noted.

Plan	Products	Member Only	Member Plus 1	Member/ Family	Processing Fee	Brand Name
A	Prescription--ENVC	\$0	\$0	\$0	\$0	My County Cares
A	Dental – DN15	\$6.95 / 69 yr	\$8.95 / \$79 yr	\$8.95 / \$79 yr	\$10	My County Cares
B	DN15, VSCA, AMST, DLAO, USIN, LLSP, HRPO, SWAN, GLTH, HMIP, ENVC	\$8.95 / \$89 yr	\$9.95 / \$99 yr	\$9.95 / \$99 yr	\$10	My County Cares
C						
D						
E						
F						
G						
H						
I						
J						

Is this a private label? Yes

If yes, under what name? My County Cares

SCHEDULE 4

My County Cares Discount Card Program Checklist

County Name/State: Sedgwick County, Kansas

Who is the primary contact person in the county to communicate about this program?

Name and title Pamaline King-Burns, Sedgwick County Health Department

Address (w/ City, State, Zip) 1900 E 9th Street N, Wichita, KS 67214

Phone 316-660-7402 Fax 316-660-7310

E-mail Pamaline.King-Burns@sedgwick.gov

Please choose a design for your discount cards: (Please Indicate Preference)

A. County Name (With state abbreviation) _____ B. Logo/Seal on cards XX

Careington shall request the abovementioned material during implementation period.

Plan Types:

Please indicate which programs you choose to offer to residents:

Free Discount Prescription Plan _____

Discount Dental Plan _____

The "One Card" Discount Health Plan XX

What is your county's current population? 400,000+

Will you need promotional materials in Spanish? Yes XX / No _____ How many 2,500

Please provide a physical address for delivery of materials.

Sedgwick County Health Dept., 1900 E 9th St N, Wichita, KS 67214

What is your county's web address? www.sedgwickcounty.org

Will this program have its own page? (please provide) Link to request info provided on our website page

What number would county residents call to get a brochure for a card? 316-660-7673

Careington will create proofs for your approval. Once approved by your county, **Careington** will then help you determine the amount of materials needed for your initial rollout of the program.

Any non pre-approved press releases or other information to be distributed on the program must receive **Careington** written approval prior to use.

SCHEDULE 5

Careington Services

Implementation

System Set-Up

Compliance review

Ad design

County program website design

Plan membership ID card and kit

Fulfillment creation (County co-brand):

Design/layout/copywriting of Materials:

- Email HTML e-blasts
- Take-One's
- Newsletter Articles
- **Careington** initial and periodic Press Releases

Production of Materials (County Co-brand)*:

Posters:

12 x 18, Lightweight Poster Stock (4/0), ****Digital**** Not offset

Brochures ("Take ones"):

3" x 6" 4 color two sided brochures, with County logo/name

*For purposes of this Agreement, "co-brand" means inclusion of the County's name or logo.

At its own cost, **Careington** also shall provide the County with brochures in an amount equal to 1 % of the County's population (or such smaller amount requested by the County) with a cap of 10,000 per County and the following (depending on the population of the County):

- Population 0 to 150,000 - 10 Brochure Holders (also known as "take ones") & 10 Posters
- 150,000 to 400,000 - 25 Brochure Holders and 25 Posters
- 400,000+ - 50 Brochure Holders and 50 Posters

Careington shall make all or a portion of such materials available in Spanish at the request of a County.

SCHEDULE 5 (Continued)

On an annual basis, at the request of the County, **Careington** shall, at its own cost, provide each County with replacement brochures in reasonable amounts requested by the County; provided that **Careington** shall not bear the costs of providing such materials if the County's sales rate in the prior calendar year was less than 1 % of the number of brochures distributed to such County in its previous brochure shipment. In the event the County orders materials in excess of the amounts provided above, such County will bear the full cost of such materials at the pricing below or in effect at the time of the order:

Additional Posters:

12 x 18, Lightweight Poster Stock (4/0), ****Digital**** Not offset
\$1.00 each

Plus shipping costs.

Additional Brochures ("Take ones"):

8.5 x 11, 20# white bond, B&W two sided, tri-fold brochures:

1,000 - \$150 per reorder

2,000 - \$220 per reorder

5,000 - \$320 per reorder

10,000 - \$480 per reorder

Plus shipping costs.

Additional Brochure Stands:

Plexiglas 8.5 x 11 with holder @ \$8.00 each

Plus shipping costs.



Sedgwick County...
working for you



Sedgwick County...
working for you