

**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT
BETWEEN
MANAGED HEALTH NETWORK
AND
CITY OF MILPITAS
GROUP #5290**

This Employee Assistance Program Services Agreement ("Agreement"), is to be effective the 1st day of October, 2008, by and between **MANAGED HEALTH NETWORK** ("MHN"), a California corporation, and **CITY OF MILPITAS** ("Client") with reference to the following facts:

RECITALS

WHEREAS, Client wishes to establish an Employee Assistance Program as defined herein, for the benefit of its employees and their Dependents.

WHEREAS, MHN is licensed as a specialized health care service plan under the Knox-Keene Health Care Service Plan Act of 1975, as amended.

WHEREAS, MHN has experience in providing Employee Assistance Program services and has established a network of professional providers to render required Employee Assistance Program services.

WHEREAS, Client wishes to engage MHN to provide such services and MHN wishes to provide the same on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

I. DEFINITIONS

1.1 "Combined Evidence of Coverage and Disclosure Form (Evidence of Coverage)" - A document as issued by MHN to a Covered Person that describes the specific Covered Services available to that Covered Person under a specific Employee Assistance Program Services Agreement.

1.2 "Covered Person or Member" - any individual who, pursuant to this Employee Assistance Program Services Agreement, is eligible for EAP benefits as a Subscriber or Dependent.

1.3 "Critical Incident Stress Debriefing (CISD)" – a group meeting or discussion regarding a distressing and traumatic incident occurring in the workplace. These meetings are conducted by trained and qualified MHN providers and generally are conducted at the workplace.

1.4 "Dependent" - any person who:

1. is a household member of a Subscriber. The term household members encompasses anyone living in the employee's household and can include, as an example spouses, children, domestic partners, grandparents or siblings;

2. is a dependent child of a Subscriber under the age of 25 who are not household members if they are at least 50% financially dependent on the employee:

1.5 "Employee Assistance Program" ("EAP") - the MHN program for the Assessment and Referral of Covered Persons as described in this Agreement, including short-term telephonic counseling as authorized by MHN.

1.6 "Initial Term" - the initial period of the Term of this Agreement as set forth at Paragraph 5.1, below.

1.7 "Intake Line" - a telephone number available twenty four (24) hours each day, seven (7) days each week to provide access to MHN's EAP services pursuant to this Agreement.

1.8 "Monthly Fee" - the amount to be paid to MHN by Client as set forth at paragraph 4.1.

1.9 "Participating Provider" - a professional contracting with MHN or its affiliates who furnishes Employee Assistance Program services to Covered Persons.

1.10 "Plan" - the Client's general health benefits plan established for its employees.

1.11 "Session" - any (a) in-person or telephonic consultation with a Covered Person in connection with the Covered Person's health, mental health, alcohol or substance abuse problems, (b) in-person consultation with a Covered Person after referral for motivation or referral, or (c) an in-person consultation or a telephone consultation requested by the Client regarding the Covered Person's performance.

1.12 "Subscriber" - an individual who:

1. is a Subscriber of Plan 00H who is a permanent full-time or part-time employee of the Police or Fire Department for the City of Milpitas and for whom a fee is paid by Client to MHN; or
2. is a Subscriber of Plan 01G is any remaining benefit eligible employee and for whom a fee is paid by Client to MHN.

1.13 "Term" - the Term of this Agreement as set forth at Paragraph 5.1, below.

II. DUTIES OF MHN

2.1 Intake Line. By calling such number, Covered Persons may obtain information regarding the scope of and the procedures for obtaining access to services and programs provided pursuant to this Agreement.

2.2 Participating Provider Network. MHN shall maintain a network of Participating Providers, to provide the counseling services to Covered Persons pursuant to this Agreement.

2.3 Employee Assistance Program. MHN shall provide or arrange for the following services:

a) Conduct orientation and training seminars for Client's managers, supervisors, and Covered Persons relating to the scope and nature of the EAP services as set forth in Exhibit 2.3 hereof. The training programs shall also be to assist such personnel in identifying and dealing with employees whose job performance suffers from personal, health or substance abuse related problems and who are not responsive to normal on-site supervisory counseling procedures.

b) MHN shall respond to management/job performance referrals. For management/job performance referrals, MHN shall provide follow-up, as determined by MHN to be necessary, to monitor referred Covered Persons' adherence to the agreed course of treatment. Progress reports to managers and supervisors on referred employees will be limited to reporting whether or not the employee has sought EAP assistance and is cooperating with the treatment program.

c) MHN will respond to CISDs as set forth in Exhibit 2.3 relating to a distressing and traumatic event occurring in the Client's workplace on an unlimited basis, except in the case of catastrophic events. A "catastrophic event" is defined as an incident requiring more than twenty (20) hours of counseling. In such an event, beginning with the 21st hour, MHN shall bill Client at the rate of \$250.00 per hour, or the rate in effect at the time of service in

MHN's Training & Consulting Schedule, as well as for any travel expenses, including without limitation, practitioner professional fees for travel time, incurred by MHN.

d) MHN shall provide counseling sessions as set forth in Exhibit 4.1. In providing such services, MHN shall assess and refer Covered Persons to obtain the appropriate care aimed at restoring their ability to perform their job duties at an acceptable level and to provide general assistance in connection with substance abuse or mental health problems.

e) MHN shall design, recommend, produce, and provide materials and/or other information to Client to publicize its existence to Client's Covered Persons.

f) At the conclusion of assessment services, the Covered Person will be requested to complete a "Client Satisfaction Questionnaire."

2.4 Reports to Client. MHN shall provide Client with the reports described in Exhibit 2.4, attached hereto and made a part hereof, at the intervals described therein.

2.5 Work & Life Services. MHN shall also provide those EAP work & life services described in Exhibit 2.5 hereof. The fee for such services is included in the Monthly Fee set forth in section 4.1 of this Agreement.

2.6 Online Member Services. Client shall receive Online Member Services described in Exhibit 2.6 hereof. The fee for such services is included in the Monthly Fee set forth in section 4.1 of this Agreement.

2.7 National Substance Abuse Professional Network (NSAPN). MHN will provide Substance Abuse Professional services through NSAPN for Client DOT substance abuse cases as set forth in Exhibit 2.7

III. DUTIES OF CLIENT

3.1 Dissemination of Information. Client shall inform all its employees who are Covered Persons of the services provided pursuant to this Agreement. Client shall also provide to Covered Persons information as to the existence and terms of this Agreement and shall annually distribute to Covered Persons copies of the MHN Combined Evidence of Coverage and Disclosure Form and any other appropriate MHN information materials periodically as MHN may request. Except with respect to materials prepared solely by MHN and distributed in accordance with MHN's instructions, MHN shall have no responsibility for the correctness of any information disseminated by Client or compliance with applicable laws, rules, or regulations. Client, as plan fiduciary, understands and agrees that it shall be fully responsible for Plan compliance with all relevant provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, including, but not limited to, any disclosures required to be given to Covered Persons under applicable Department of Labor regulations and/or other legal and regulatory requirements. The Client acknowledges that any designated Plan Administrator shall be responsible for Plan compliance including, but not limited to, the following:

- a) preparation and filing of Forms 5500 and/or 990;
- b) preparation, review and distribution of a Summary Plan Description as required by ERISA; and
- c) filing Summary Plan Description with U.S. Department of Labor.

3.2 Costs of Ongoing Treatment. Client shall inform all its employees who are Covered Persons that the cost of any treatment not specifically provided pursuant to this Agreement, shall be the responsibility of the Covered Person.

3.3 Client Liaison. Client shall designate an employee to act as a liaison between the Client and MHN under this Agreement and to be responsible for coordinating all of Client's requests for services under this Agreement.

IV. COMPENSATION OF MHN

4.1 Monthly Fee. Client shall pay to MHN a Monthly Fee equal to seven dollars and twenty-nine cents (\$7.29) per Subscriber based on four hundred and eleven (411) Subscriber's. The Monthly Fee shall be due and payable on or before the first day of each month during the Term. Notwithstanding the provisions of 4.3 below, if there is an increase or decrease in the number of Covered Persons, MHN shall be entitled to adjust the compensation payment on a monthly basis. In the event that Client fails to forward any compensation payment by the due date, Client shall pay MHN a late payment penalty of one percent (1%) per month on all monies outstanding in excess of thirty (30) days. If the Monthly Fee is not received by MHN as set forth above, MHN may send a Written Notice of Termination effective on the last day of the month for which full payments were received. The Client may automatically reinstate the Agreement by remitting, within fifteen (15) days of the date of Written Notice of Termination, all outstanding invoiced Monthly Fees to MHN.

4.2 Travel Expenses. Travel Expenses (and professional fees billed by providers for travel time) incurred by MHN on behalf of Client are not included in the Monthly Fee and shall be billed by MHN to Client as incurred. Client shall reimburse MHN for said expenses within thirty (30) days of receipt of such billing.

4.3 Adjustments to Fees. The Fees shall remain in effect for the Initial Term of this Agreement. Thereafter, MHN may adjust the Fees upon thirty (30) days prior written notice to Client. If Client objects to any such adjustment in the Fees and if MHN and Client are unable to reach an agreement with respect to such adjustment, this Agreement shall be terminated upon five (5) days prior written notice by either party. If no such notice is received by either party by the time that the adjusted Fee is to be effective, the parties shall be deemed to have agreed upon the Fee adjustment as set forth in MHN's notice of adjustment. Termination of this Agreement shall be the sole remedy for unresolved disputes relating to adjustment in the Fees and such disputes shall, accordingly, not be subject to arbitration.

V. TERM AND TERMINATION

5.1 Term. This Agreement shall commence upon the 1st day of October, 2008 (the "Effective Date"), and shall initially continue in effect for a period of fifteen(15) months, through the 31st day of December, 2009, following which it shall be automatically extended for successive periods of one (1) year, subject to section 4.3, "Adjustment of Fees", until either party terminates this Agreement in writing at least sixty (60) days prior to the end of the then current Term, or unless otherwise terminated in accordance with the provisions hereof.

5.2 Termination. Either party may terminate this Agreement with or without cause with a sixty (60) day advance notice in writing to the other party; or either party may terminate this Agreement in writing if:

a) Either party materially breaches this Agreement, and such material breach continues for a period of fifteen (15) days after written notice is given to the breaching party, specifying the nature of the breach and requesting that it be cured. If, however, the nature of breach is such that it cannot be cured within the fifteen (15) day period, then if the breaching party commences such cure in good faith within ten (10) days after delivery of the aforesaid notice and gives written notice to the non-breaching party of the action being taken to effect such cure, then this Agreement shall not be canceled. In no event shall such breach continue more than thirty (30) days after receipt of the aforesaid notice; or

b) Either party shall be adjudged bankrupt, become insolvent, have a receiver of its assets or property appointed, make a general assignment for the benefit of creditors, or institute or cause to be instituted any procedure for reorganization or rearrangement of its affairs.

VI. NOTICE TO COVERED PERSONS

Client shall inform all Covered Persons of any termination of this Agreement. MHN shall not have any obligation for claims submitted for dates of service following termination of this Agreement. Any services authorized by MHN but incurred after termination of this Agreement are the responsibility of the Covered Person.

Transfer of Records. Upon the termination of MHN's duties pursuant to this Agreement, it shall be the responsibility of the Client to arrange and pay all costs for the transfer to the successor EAP company any of the Client's records in MHN's possession involving job performance referrals. MHN may transfer such records in any form as it may desire; including computer tapes or disks. It is the responsibility of the Client to convert such information into a form required by the successor.

VII. ACCESS TO BOOKS AND RECORDS

Client agrees that MHN may have access to Client's books and records, on reasonable notice, and at reasonable times, during normal business hours, Monday through Friday of each week, to verify the number of Covered Persons reported by Client hereunder. This provision shall survive any termination of this Agreement.

VIII. PROPRIETARY MATERIALS

8.1 MHN Materials. Client acknowledges that MHN has developed and will develop in connection with this Agreement, certain symbols, trademarks, service marks, designs, data, processes, plans, procedures and information, all of which are proprietary information and trade secrets of MHN (Collectively referred to as "Materials"). Such Materials include, without limitation, Materials relating to MHN's Quality Management/Utilization Management Program, the Intake Line and all Materials prepared and distributed by MHN in connection with its Employee Assistance Programs. Client shall not use any of MHN's proprietary Materials, except as expressly contemplated by this Agreement, without the prior written consent of MHN, and shall cease any and all usage of Materials immediately upon the termination of this Agreement or at MHN's request.

8.2 Confidentiality of Parties' Records and Materials. All files, data and information relating to the business of either party in possession of the other party will be deemed confidential and will not be disclosed except upon lawful order of a court or public authority which order compels obedience under penalty of contempt, fine, or impairment or loss of the right to do business. In the event of any such disclosure, the disclosing party shall immediately notify the other party in writing detailing the circumstances and extent of such disclosure.

IX. CONFIDENTIALITY OF PATIENT INFORMATION

Each party shall maintain the confidentiality of information in its possession contained in the records of Covered Persons in accordance with applicable state and federal laws and regulations or other applicable law, and shall not release such information, either to each other or to any other person or entity, except as permitted by law or in accordance with a validly executed release.

X. MISCELLANEOUS

10.1 Regulation. MHN is subject to regulation by the California Department of Managed Health Care and this Agreement is subject to the requirements of the Knox-Keene Health Care Service Plan Act of 1975 (the "Act", commencing with Section 1340 of the California Health and Safety Code) and the regulations promulgated thereunder (found at Chapter 3 of Title 10 of the California Code of Regulations). Any provision required to be in this Agreement by either of these sources of law shall bind the parties whether or not provided hereunder.

10.2 Relationship of the Parties. In the performance of the work, duties and obligations of the parties to this Agreement, the parties shall at all times be acting and performing as independent contractors. No relationship of employer and employee, or partners or joint venturers is created by this Agreement, and neither party may therefore make any claim against the other party for social security benefits, workers' compensation benefits, unemployment insurance benefits, vacation pay, sick leave or any other employee benefit of any kind.

10.3 Notices. Except as set forth herein, all notices required or permitted to be given hereunder, shall be in writing and shall be sent by United States mail, certified or registered, return receipt requested, postage prepaid, or by facsimile, or sent by a nationally recognized overnight courier or delivery service to the parties hereto at their

respective addresses set forth herein, or such other address as may be fixed in accordance with the provisions hereof. Except as set forth herein, if mailed in accordance with the provisions of this paragraph, such notice shall be deemed to be received three (3) business days after mailing.

10.4 Entire Agreement; Amendment. This Agreement and all exhibits and other documents furnished pursuant to this Agreement and expressly made a part hereof shall constitute the entire agreement between the parties, and supersedes all other agreements, written or otherwise. This Agreement may be amended by a signed written agreement of the parties.

10.5 Provisions Separable. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision.

10.6 Dispute Resolution. Client agrees to submit to arbitration as set forth in Exhibit 10.6.

10.7 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, nor be construed to be, a waiver of any subsequent breach thereof.

10.8 Applicable Law. This Agreement shall be governed in all respects by the laws of the State of California.

10.9 Indemnification.

(a) **Responsibility for Own Acts.** Each party shall be responsible for its own acts or omissions and for any and all claims, liabilities, injuries, suits, demands and expenses of all kinds which may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that party or its employees or representatives in the performance or omission of any act or responsibility of that party under this Agreement.

(b) Client agrees to indemnify, defend, and hold harmless MHN, its agents, officers, and employees from and against any and all liability expense including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from Client's performance or failure to perform its obligations hereunder.

(c) MHN agrees to indemnify, defend, and hold harmless Client, its agents, officers, and employees from and against any and all liability expense, including defense costs and legal fees incurred in connection with claims for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from MHN's performance or failure to perform its obligations hereunder.

10.10 Assignments/Subcontracting. Neither party shall have the right to assign, delegate or subcontract any of its rights or obligations without the prior written consent of the other party. Notwithstanding the foregoing, MHN shall have the right to sell, transfer, convey or assign this Agreement to any successor, subsidiary, parent or affiliate of MHN and such assignee shall acquire all of the rights, duties and obligations of MHN set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first set forth above.

"Client"

CITY OF MILPITAS
455 E. Calavares Boulevard
Milpitas, CA 95035

"MHN"

MANAGED HEALTH NETWORK
2370 Kerner Boulevard
San Rafael, CA 94901

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: Steven J. Sell

Title: President

Date: _____

TABLE OF EXHIBITS

Exhibit 2.3	Client Training Programs
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Exhibit 2.6	Online Member Services
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Exhibit 4.1	Benefits and Compensation
Exhibit 10.6	Arbitration

EXHIBIT 2.3
CLIENT TRAINING PROGRAMS

The following training programs shall be provided as requested by Client at no additional charge.

1. As needed orientation seminars for employees
2. As needed training seminars for managers and supervisors
3. Management Consults/Job Performance Referrals and related follow-ups
4. As needed health fairs
5. Ten (10) “brown bag” seminars
6. Critical Incident Stress Debriefings [except as provided in Section 2.3 (c)]

**EXHIBIT 2.4
REPORTS TO CLIENT**

Name of Report	Interval
EAP Utilization Report	Quarterly

EXHIBIT 2.5 WORK & LIFE SERVICES

Work & Life Services Summary

Work & Life Services provide telephonic consultations to help members deal with a wide variety of daily life issues including childcare, eldercare, financial and legal services, identity theft recovery services and more.

Work & Life Services Description

- **Childcare Assistance** – This plan covers the telephonic consultation and referrals to childcare resources, including childcare centers and special needs providers. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.
- **Eldercare Assistance** – This plan offers a telephonic consultation to assess healthcare needs, financial and legal concerns, living arrangements, etc., plus referrals to eldercare providers and residential facilities. Members can also obtain a list of up to two (2) appropriate unconfirmed providers in a two-zip code area within twelve business hours.
- **Financial Services** – This plan covers the telephone services of financial counselors who offer telephone educational and consultative assistance to help Members with an array of financial concerns. This service includes one thirty (30) minute telephonic consultation per separate matter, and also includes a 25% discount on rates if financial consultant is hired for additional services. Topics include credit counseling, debt and budgeting assistance, tax planning, financial planning for college and retirement planning and specialized tax assistance. Please note that this is not a tax representation and/or preparation service and investment advice, loans and bill payments are not included. *One Session = Telephone Session of up to thirty (30) minutes.*
- **Legal Services** – This plan offers either an in-person office visit or the telephone service of a network attorney or mediator to provide the Member a one half-hour consultation session. This includes one 30-minute telephonic consultation with a network attorney or mediator per separate legal matter, and also includes a 25% discount on rates if legal consultant is hired for additional services. Telephonic or face-to-face consultations for issues relating to civil, consumer, personal and family law, financial matters, business law, real estate, estate planning and more. This plan excludes certain specialized legal areas including labor and employment law or disputes or actions between you and your employer or MHN. *One Session = Telephone or Face-to-Face Session of up to thirty (30) minutes.*
- **Identity Theft Recovery Services** – This service includes a telephonic consultation with a fraud resolution specialist who will help the Member to determine if the Member was a victim of identity theft and recommend options on how to place fraud alerts, freeze credit, file police reports, and conduct other activities necessary to resolve fraud. General information on identity theft prevention is also available. *One Session = Telephone Session of up to sixty (60) minutes.*
- **Daily Living Services** – This service provides a telephonic consultation and referrals to consultants and businesses that can help with everyday needs, including pet care, landscaping, auto repair, home maintenance, travel, alternative medicine, nutrition and fitness, household services. Please note that this service only provides general information regarding referrals and does not cover the cost of services purchased nor does MHN guarantee the delivery and/or quality of any service. MHN reserves the right to decline specific requests at MHN's sole discretion.

EXHIBIT 2.6
MHN ONLINE MEMBER SERVICES

Welcome Package Description
General

MHN Online Member Services Welcome package is designed to provide Client's employees and eligible dependents online access to Employee Assistance Program (EAP) benefits, practitioner and provider searches, authorizations and behavioral health services that include a number of self-help programs, as well as professional assistance.

The MHN Online Member Services Welcome package features include:

Your EAP Benefits

- EAP Benefit Summary
- Description of Benefits

Emotional Health

- Self-Assessments: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Self-Help Programs: Depression, Anxiety, Stress, Insomnia, and Alcohol and Substance Abuse
- Articles & More, Facts and information, Quick Tips
- Links to related sites
- Practitioner Search and Request Authorization

Health and Fitness

- Health Assessment
- Health Calculators
- Articles & More
- Links to related sites

Family & Work

- Child and Elder Care Resource Directories
- Articles & More
- Links to related sites

Financial & Legal

- Financial Calculators
- Articles & More
- Links to related sites

Immediate Crisis Support

Available throughout the site, this function provides Client's employees and eligible dependents with a telephone number should they need urgent intervention from a licensed clinician.

Special Feature

- Monthly Electronic Newsletter

EXHIBIT 2.7
NATIONAL SUBSTANCE ABUSE PROFESSIONAL NETWORK (NSAPN)
Information Summary

NSAPN Services

NSAPN is the National Substance Abuse Professional Network. They are a resource for Department of Transportation (DOT) regulated organizations and industries providing the following services:

- A national network of qualified Substance Abuse Professionals (SAP).
- Access to SAP services 24 hours a day by calling 800.879.6428.
- Face-to-face evaluation of referred employee by a qualified SAP.
- Clinical determination of education and/or treatment recommendations and referral.
- Coordination of all aspects of the compliance program process including program monitoring and reporting.
- Follow-up face-to-face evaluation in accordance with DOT guidelines.
- Follow-up testing plan recommendations in accordance with DOT guidelines.
- Written documentation of DOT program compliance issues, as specified by DOT guidelines.

Client Referrals for NSAPN Services

As part of MHN's Management Consultation Department services, the Client may refer employees, who are required to possess a commercial drivers license, to NSAPN when such employees test positive for drug or alcohol under the Client's DOT regulated random testing program.

EXHIBIT 4.1

BENEFITS AND COMPENSATION

Effective October 1, 2008, the following benefits shall be provided as requested at the following rates:

CUSTOM PLAN TYPES: Participating Employer Groups	Counseling Benefits	Monthly Fees for the Benefit Period October 1, 2008 through June 30, 2009:
<ul style="list-style-type: none">City of Milpitas - #5290	Plan 00H: For permanent full-time or part-time employees of the Police or Fire Department for the City of Milpitas, MHN shall provide a maximum of fifteen (15) sessions per family unit per policy year Plan 01G: For all remaining benefit-eligible employees, MHN shall provide a maximum of ten (10) sessions per Family Unit per policy year	\$7.29 per employee per month

EXHIBIT 10.6
ARBITRATION

1. Any controversy between the parties of this Agreement, including, but not limited to, Members, shall be resolved, to the extent possible, by informal meeting or discussions between the appropriate representatives of the parties.

2. In the event that a dispute is not resolved in that process, MHN uses binding arbitration as the final method for resolving all such disputes, whether stated in tort, contract or otherwise, and whether or not other parties such as employer groups, health care practitioners, or their agents or employees, are also involved. In addition, disputes with MHN involving alleged professional liability or medical malpractice (that is, whether any medical services rendered were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) also must be submitted to binding arbitration.

3. Client hereby agrees to submit all disputes to final and binding arbitration. Likewise, MHN agrees to arbitrate all such disputes. By agreeing to binding arbitration, both parties agree to forego any right they may have to a jury trial on such disputes. However, no remedies that otherwise would be available to either party in a court of law will be forfeited by virtue of this agreement to use and be bound by MHN's binding arbitration process. This agreement to arbitrate shall be enforced even if a party to the arbitration is also involved in another action or proceeding with a third party arising out of the same matter.

4. MHN's binding arbitration process is conducted by selection of mutually acceptable arbitrator(s) by the parties. The Federal Arbitration Act, 9 U.S.C. § 1, et seq., will govern arbitrations under this process. In the event that total amount of damages claimed is \$200,000 or less, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a mutually acceptable single neutral arbitrator who shall hear and decide the case and have no jurisdiction to award more than \$200,000. In the event that total amount of damages is over \$200,000, the parties shall, within 60 days of the demand for arbitration to MHN, appoint a panel of three neutral arbitrators (unless less than three is mutually agreed upon), who shall hear and decide the case.

5. Arbitration can be initiated by submitting a demand for arbitration to MHN at the address provided below. The demand must have a clear statement of the facts, the relief sought and a dollar amount.

Litigation Administrator
21650 Oxnard Street, #1520
Woodland Hills, CA 91367

6. Upon receipt of a demand for arbitration by MHN, the parties will have 60 days to attempt to reach an agreement to select mutually acceptable arbitrator(s) as outlined above. If the parties fail to reach an agreement during this time frame, then either party may apply to a Court of Competent Jurisdiction for appointment of the arbitrator(s) who would hear and decide the matter.

7. The arbitrator is required to follow applicable state or federal law. The arbitrator may interpret this Agreement, but will not have any power to change, modify or refuse to enforce any of its terms, nor will the arbitrator have the authority to make any award that would not be available in a court of law. At the conclusion of the arbitration, the arbitrator will issue a written opinion and award setting forth findings of fact and conclusions of law, and that award will be binding on all parties. The parties will share equally the arbitrator's fee involved in the arbitration. Each party also will be responsible for their own attorneys' fees.