

Employers Dental Services

A member of

Principal
Financial
Group

MASTER CONTRACT OF TERMS AND CONDITIONS
FOR THE EMPLOYERS DENTAL SERVICES PREPAID DENTAL PLAN
(Master Contract)

I
INCEPTION DATE AND TERMS

This Master Contract made and entered into this _____ day of _____, 2011, by and between EMPLOYERS DENTAL SERVICES (hereinafter sometimes referred to as the "Company") and City of Glendale (hereinafter referred to as the "Employer Group").

This Agreement shall be effective the 1st day of July, 2011 and shall be continued thereafter according to the provisions of the Master Contract, unless sooner terminated as provided in Master Contract.

II
DEFINITIONS OF CERTAIN TERMS USED HEREIN

1. "A.A.C." means the Arizona Administrative Codes.
2. "A.R.S." means Arizona Revised Statutes.
3. "Act" means A.R.S. Title 20, Chapter 4, Article 7, pertaining to Prepaid Dental Plan Organizations.
4. "Available Dental Service" means any service or treatment by or under the direction of the Member's chosen EDS General Dentist which is essential for the necessary care of a member's teeth, but only if it is listed in the Schedule of Benefits and performed in accordance with the Plan.
5. "Dentist" means any Dentist practicing dentistry as provided by A.R.S. §32-1202.
6. "Dependent Services" means professional services available with respect to the eligible dependents of a subscriber.
7. "EDS" or "Company" means Employers Dental Services, an Arizona corporation.
8. "EDS General Dentist" is contracted through Employers Dental Services to perform the dental services to the EDS members. The EDS General Dentist will facilitate the care of the EDS member which may include referrals to EDS contracted specialists.
9. "Employee" means an employee of the employer.
10. "Employer" means an employer who has executed a Master Contract with EDS.
11. "Guarantee Period" means the length of time, usually twelve months from contract inception or last renewal, that the Prepaid Charges and or the plan design will remain unchanged.
12. "Member" means an employee and/or eligible dependent who have applied for the Plan and have been accepted by EDS and is entitled to receive dental services under this Master Contract, and any subsequent renewal notifications and is a "member" of the Plan as defined in A.R.S. §20-1001(1).
13. "Member Cost" means the amount of expenses for which a Member electing Contributory Services will be responsible for paying to the EDS general dentist performing such services.
14. "Member Cost Services" means professional services which the member must specifically elect, the cost of which the member is required to pay as Co-Payment charges.
15. "Member Services" means professional services available to a member with respect to the member.
16. "Open Enrollment" each Employer Group has an open enrollment period during the month preceding the annual anniversary or renewal notification date. During the open enrollment period employees of the employer may make changes, additions, or deletions to their enrollment coverage with EDS.
17. "Plan" means Prepaid Dental Plan offered by EDS to Employer Groups pursuant to the Act and consisting of, the Master Contract and any subsequent renewal notifications.
18. "Prepaid Charges" means the monthly charges that the Employer will be responsible to pay pursuant to the Master Contract or any subsequent renewal notification.
19. "Professional" means a Dentist or other person qualified and authorized to perform dental treatment under the supervision of a Dentist and pursuant to the laws of the State of Arizona.
20. "Renewal Notification" means the correspondence from EDS to the Employer Group upon the Employer Group's annual anniversary date. The Renewal Notification will describe any new premium rates and/or Schedule of Benefits becoming effective upon the Anniversary or renewal date of the Employer Group.
21. "Schedule of Benefits" means the Schedule of Prepaid Dental Benefits referred to in the Master Contract and any subsequent renewal notifications.

22. "Subscriber" means an employee who has met the eligibility requirements and has applied for the Plan through an Employer Group, under the terms and conditions set forth herein.

23. "Waiting Period" means the time between the employee's date of hire and the date which the employee is eligible for EDS dental benefits. The Employer Group establishes the waiting period at the time of the initial contract or any subsequent addendum presented in writing and accepted by EDS.

III DESIGNATION OF SERVICES

On behalf of the Employer Group, EDS has arranged for the services of qualified Professionals and their staff to participate in the Prepaid Dental Plan as set forth herein.

EDS shall not (and does not agree, nor shall be required, to) perform any dental services or do anything herein (notwithstanding any provisions hereof) that would, under the applicable laws and regulations, constitute the practice of dentistry. Any provision of this Master Contract to the contrary notwithstanding, the sole responsibility and obligation of EDS shall be to engage in the design and administration of the Prepaid Dental Plan and to use its best efforts to obtain the services of qualified Professionals and their staffs to provide and perform the applicable available dental services to Members. EDS does not market its prepaid dental plan unless EDS has obtained or will obtain the services of professionals in the geographic area of the employer's place or places of business. EDS will provide information regarding the location of its facilities to prospective members pursuant to A.A.C. R9-23-403. However, EDS cannot ensure access to professional services to individuals who live outside of the geographic areas in which EDS provides the services of professionals, as outlined in the description required in A.A.C. R9-23-403.

EDS does not dictate the office practices of the contracted providers, i.e. office hours, treatment plans, availability of dentists in a specific dental facility, etc.

IV ELIGIBILITY

1. Current Employees who meet the Employer group requirements for benefit eligibility.
 - A. the Employee performs the duties as directed by the Employer.
 - B. the Employee has completed service with the Employer so as to satisfy the waiting period requirement contained in the Master Contract or any subsequent addendum of the Employer.
 - C. the Employee works a minimum of 20 hours per week for the Employer.

2. Enrollment and Effective Date for Employees and Applicable Dependents.

Employees and dependents that are eligible for the EDS prepaid dental plan may enroll as follows:

- A. After satisfying the Employer Group's eligibility requirements and Waiting Period.
- B. At the initial effective date of the Employer Group, EDS will accept all applications from any current employees, thus waiving the contracted Waiting Period for this enrollment period.
- C. At the Employer Group's open enrollment period.
- D. The Employee or Subscriber may enroll or make changes to their dependent status due to a qualifying life style event (i.e. marriage, divorce, birth, adoption, loss of coverage, etc.). Verification of qualifying event may be requested by EDS.
 - a. To add or delete any dependent(s) from the plan, a new enrollment card must be submitted to the employer group's benefit contact and forwarded to EDS within 31 days of the status change. All changes will become effective on the first of the month following the status change and acceptance of the change by EDS.
- E. Employees or dependents, not enrolled at time of initial eligibility, are not eligible to enroll until the employer group's next annual open enrollment period, except as may be described in "D" above.
- F. Employer group is responsible for verification of dependent eligibility as described herein. Errors in dependent coverage will be addressed under the terms of Clerical Error, Section VII, Paragraph 2.

The Employee must complete the EDS or Employer Group's authorized enrollment form and submit to the Employer Group's benefit contact. The Subscriber's coverage will be effective the first of the month after satisfying any of the above eligibility requirements. To be eligible, EDS must receive the Employee's application within 31 days of the qualifying event. Late entrants will be returned to the Employer Group as ineligible.

3. Dependent

- your spouse, if your spouse:
 - is not in the Armed Forces of any country; and
 - is not covered under this Master Contract as a Subscriber
- your dependent child (or Children) as defined below:
 - Your natural or legally adopted child, if your child:
 - is not married; and
 - is not in the Armed Forces of any country; and
 - is not insured under the Master Contract as a Subscriber; and
 - is less than 19 years of age.
 - your stepchild (or Children) if that child:
 - meets the requirements above; and
 - receives principal support from you.

- your foster child (or Children) if that child:
 - meets the requirements above; and
 - lives with you; and
 - receives principal support from you; and
 - is approved in writing by EDS as a Dependent Child.

Your child, 19 years but less than 25 years of age, whom otherwise qualifies above, if your child receives principal support from you and is a full time student, as defined by the Employer Group. Dependent Child will include any child covered under a Qualified Medical Child Support Order (QMCSO) as defined by applicable federal law and state insurance laws that are applicable to this Master Contract, provided the child meets this Master Contract's definition of a Dependent Child.

Your Developmentally Disabled child regardless of age. Developmental disability means a Dependent Child's substantial handicap, as determined by EDS, which results from mental retardation, cerebral palsy, epilepsy, or other neurological disorder; and is diagnosed by a Medical Doctor as a permanent or long term continuing condition.

5. Dependent status changes must be reported to EDS within 31 days of the qualifying event. A qualifying event includes:
- a. a newly born child of the Subscriber, from the moment of birth.
 - b. an adopted child by the Subscriber, regardless of age at which child was adopted.
 - c. a child placed for adoption with the Subscriber and for whom application and approval procedures for adoption pursuant to ARS 8-108 have been completed.
 - d. marriage of Subscriber.
- Subscriber's application and payment of required premiums or Prepaid Charges within 31 days of the qualifying event

V SUBSCRIBER TERMINATION

Except as provided in Section VI, Paragraph 3 below, the Member Services and Dependent Services available for a Subscriber and the Subscriber's Eligible Dependents shall automatically terminate on the first to occur of the following events:

1. Termination of the Master Contract of the Employer.
 2. The failure of any Member to make a required copayment, including missed appointment fees. EDS reserves the right to terminate coverage upon 30 days written notice to the Member and Employer Group subject to the Grievance and Appeals process.
 3. In the event the Member, after reasonable efforts, is unable to maintain satisfactory dentist/patient relationship with a provider, EDS reserves the right to terminate coverage upon 30 days written notice to the Subscriber and Employer Group subject to the Grievance and Appeals process.
 4. Termination of the Subscriber's employment with his Employer.
- Cessation of active employment duties (other than for disability) of Subscribers eligible for services hereunder shall be deemed to be termination of employment, except that if active employment duties cease because the Subscribers is:
- pensioned
 - retired
 - temporarily laid-off or granted leave of absence

Employment is deemed to continue if the charges for participation continue to be paid through the Employer.

Dependent Services available to any dependent of a Subscriber shall terminate when the person ceases to be an:

- eligible dependent or, if earlier,
- upon the termination of the services available for the Subscriber, or
- upon failure to pay any amounts required to be paid for such services within the time period allowable.

5. EDS reserves the right to refuse coverage to any individual and/or their dependents.

VI GROUP TERMINATION

1. Intent to terminate this agreement must be received in writing by the 20th of the month prior to the end of the initial Guarantee Period or the renewal period. Liability for premium will terminate effective the first of the month following receipt of written notification to EDS of intent to terminate. If the Employer Group fails to provide EDS with the proper written notification, the Employer Group is liable for all outstanding amounts.
2. In the event that EDS is unable, by using its best efforts, to obtain the services of qualified Professionals and their staff to render the "Available Dental Services" to Members, under a particular Master Contract, for a period of thirty (30) days after the date upon which such services first became unavailable, then and in that event, such Master Contract shall terminate without further obligation of any of the parties to the other, or to any Member entitled to services thereunder, except for the payment of any money which may then be due.

In the event that performance of the terms and conditions of this Master Contract, or any agreement with which EDS has a General Dentist in connection therewith is rendered invalid or impossible to perform or illegal by act of government authority, this Master Contract shall terminate without further obligation of either party to the other, or to any Member entitled to services hereunder, except for the payment of any money which may then be due.

4. CONTINUATION: This Master Contract shall be continued in force by payment by the Employer Group at the rates as set forth in this contract and in subsequent renewal notification(s)

5. **REINSTATEMENT:** By agreement between EDS and the Employer Group, a Master Contract that is canceled for non-payment of prepaid charges may be reinstated within ten (10) business days from the date of EDS written notification of termination, with no lapse in coverage. EDS shall require payment of: a) all Prepaid Charges due, b) three to twelve months Prepaid Charges or as may be determined by EDS in advance, plus c) a reinstatement fee calculated at a specified percentage to be determined by EDS. EDS shall not guarantee that Subscribers will be assigned to the same contracted dental provider. EDS reserves the right to decline reinstatement of the Employer Group.
6. **RE-CONTRACTING:** By agreement between EDS and the Employer Group, an Employer Group whose Master Contract was canceled for non-payment of Prepaid Charges and who does not qualify for reinstatement of their plan may re-contract. EDS will not accept payment of any Prepaid Charges from the effective date of termination to the effective date of the new contract. EDS will not accept liability for any dental services provided during the lapse in coverage. A new Master Contract will be initiated, which may include a change in the monthly Prepaid Charges and the Schedule of Benefits offered. The Employer Group may be required to pay: a). three to twelve months Prepaid Charges or as may be determined by EDS in advance, plus b), a re-contracting fee calculated at a specified percentage to be determined by EDS. EDS shall not guarantee that Subscribers of the Employer Group will be assigned to the same contracted dental provider. EDS reserves the right to decline re-contracting with the Employer Group.
7. **COBRA:** Each Subscriber covered under the Plan will be eligible to continue coverage upon the occurrence of a "qualified event" as defined in Section 162(k)(3) of the Internal Revenue Code of 1986, as amended, in accordance with the provisions of United States Law 99-272, Title X; such Public Law being commonly known as COBRA.
8. **SECTION 125 (CAFETERIA PLANS)** EDS will work with the Employer Group with regards to employer paid or payroll-deduction voluntary programs (Section 125). EDS will adhere to all current IRS rules and regulations pertaining to Section 125

VII PREPAID CHARGES

1. **CALCULATION AND ADJUSTMENT:** The amount charged for each month of service to the Employer Group shall be the current rate of Prepaid Charge(s) applied against the number of Subscribers under each benefit tier.
 - A. Prepaid Charges are due in advance by the twentieth (20th) day of the month prior to the inception date appearing on the Master Contract and then by the tenth (10th) of each month of service thereafter while this agreement is in effect unless otherwise agreed upon in writing by the Employer Group and EDS.
 - B. If the Employer Group fails to provide written notification of termination within two months of the termination date, the Employer Group is liable to EDS for any Prepaid Charges and/or costs associated with tardy notification.
 - C. EDS reserves the right to establish a new monthly rate and or plan design after the initial guarantee period with 30 days notice to the Employer Group or as stated in this Master Contract.
2. **CLERICAL ERROR:**
 - A. Failure of the Employer Group to furnish EDS proper records of a participating Subscriber or his Eligible Dependents shall not deprive such member of any participation based on waiting period or open enrollment requirements. Enrollment will be effective on the first of the month following receipt of complete enrollment information by EDS.
 - B. If the Employer Group fails to provide written notification of termination of a Subscriber or his dependents within two months of the termination date, the Employer Group is liable to EDS for any Prepaid Charges and/or costs associated with tardy notification.
3. **PAYMENTS:**
 - A. If payment of Prepaid Charges is not received by EDS on or prior to the designated due date, a late charge (determined by EDS) may be assessed on any unpaid balances at the current rate in effect on the due date.
 - B. If any payment made by an Employer Group is returned by EDS Financial Institution unpaid, a return payment fee, determined by EDS, may be charged.
 - C. Payments of the Prepaid Charges must be submitted to EDS from the Employer Group's business account. Without exception, the Employer Group shall be fully liable for all Prepaid Charges due under this agreement.
 - D. All charges are payable by each Employer Group at PO Box 53576, Phoenix, Arizona 85072-3576, or at such other address that EDS may designate in writing. If an Employer Group does not pay any charge when due, then its Master Contract may be terminated by EDS except as provided herein.
 - E. If, after reconciliation of the Employer Group account, the amount paid for any period is less than the amount due, the Employer Group shall pay the balance to EDS at the next billing cycle, or, if more, EDS shall then return the excess to the Employer Group upon request, reflected on the next billing statement or at termination of this contract.
4. **GRACE PERIOD:** After an Employer Group has paid the initial Prepaid Charge and until the Master Contract has been terminated for any reason as set forth herein, or EDS has given notice of its refusal to continue such Master Contract, an Employer Group shall have a grace period of thirty (30) days from the date any monthly Prepaid Charge is due by such Employer Group for the payment of such Prepaid Charge, during which time such Master Contract shall remain in force. If an Employer Group fails to pay within the grace period, its Master Contract shall automatically terminate at the expiration of the grace period and such Employer Group shall be liable to EDS for the payment of all amounts then due and unpaid including the Prepaid Charge for the grace period.

**VIII
CONTRIBUTORY SERVICES
(Co-Payment Services)**

The member shall pay all member costs directly to the dentist rendering services. Attached is a copy of the Schedule of Benefits with the member costs.
EXHIBIT A

**IX
SERVICES INCURRED**

Dental Services on the current Schedule of Benefits will be deemed incurred:

1. For an appliance, or modification of an appliance, on the date the impression is made;
2. For a crown, bridge or gold restoration, on the date the tooth or teeth are initially prepared;
3. For all other dental services listed on the current Schedule of Benefits, on the date of service;

except that if such date is after the date of termination of a Subscriber's or Dependent's participation, but within three (3) months thereafter, such service will be deemed incurred on the day immediately preceding the date of termination of such participation if such service or treatment is a continuation of dental services which actually commenced prior to the date of termination of such participation, but only that service or procedure in progress will be so deemed.

**X
EMERGENCY CARE BENEFIT CLAIMS**

1. **PROOF OF LOSS:** Notice of a claim for emergency care benefits must be sent to EDS within 90 calendar days after the date of the loss. Receipt of claim will be considered to be met when EDS receives proof of loss. Proof of loss is a copy of the attending dentist's statement, that which includes the patient's name, Member's name (if different from patient's name), provider of services, dates of service, diagnosis, description of Treatment or Service, (including CDT code (s)) performed, and the extent of the loss. EDS may request additional information to substantiate loss. Failure to comply with EDS' request could result in declination of the emergency care benefit claim. EDS may also require x-rays, dental charts, and other evidence needed to determine the dental condition treated and the services provided.
2. **PAYMENT, DENIAL AND REVIEW:**
 - A. The Employee Retirement Income Security Act (ERISA) permits up to 30 calendar days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, EDS will send a written explanation prior to the expiration of the 30 calendar days. The claimant is then allowed up to 45 calendar days to provide all additional information requested. EDS will render a decision within 15 calendar days of either receiving the necessary information or upon the expiration of 45 calendar days if no additional information is received.
 - B. In actual practice, benefits under this Prepaid Dental Plan may be payable sooner, provided EDS receives complete and proper proof of loss. If a claim is not payable or cannot be processed, EDS will submit a detailed explanation of the basis for its denial. State law may also require a shorter period for processing claims.
 - C. A claimant may request an appeal of a claim denial by written request to EDS within 180 calendar days of receipt of the notice of denial. EDS will make a full and fair review of the claim. EDS may require additional information to make the review. EDS will notify the claimant in writing of the appeal decision within 60 calendar days of receiving the appeal request. The first level of appeal review must be completed before filing a civil action or pursuing any other legal remedies.
 - D. For purposes of this section, "claimant" means Member or Dependent.
3. **LEGAL ACTION:** Legal action to recover benefits under this Prepaid Dental Plan may not be started earlier than 60 calendar days after required proof of loss has been filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

**XI
GENERAL PROVISIONS**

1. **INDEPENDENT NATURE OF PROFESSIONAL:** It is understood and agreed that any individual engaged to perform professional services shall be independent, and not employees of, nor under the control, supervision, or management, or right to control, supervision or management of EDS, and that EDS shall not be liable to any Employer Group or any Member or to others for any negligent, willful or wrongful act or omission of whatever nature, performed by an individual engaged to perform professional services hereunder or by a member of such individual's staff.
2. **LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on any Master Contract prior to the expiration of sixty (60) days after written notice has been furnished to EDS specifying the grounds for such action. In the event EDS corrects the stated grounds for such action prior to the expiration of such sixty (60) day period, no such action shall be commenced.
3. **APPOINTMENTS:** A priority in scheduling appointments shall be as follows:
 - A. Emergency case;
 - B. Urgent case;
 - C. Regular non-emergency dental care.
4. **INFORMATION REQUIRED:** Each Employer Group shall furnish to EDS all information which EDS may reasonably require with regard to matters pertaining to the services afforded by its Master Contract. All documents, books and records which may have a bearing on such services, any

participation in this Plan, or charges under such Master Contract shall be open for inspection by EDS at all reasonable times during the continuance of such Master Contract and within one (1) year after its final termination.

Eligibility information will include, but shall not be limited to, the name of each Subscriber and dependents. Each Employer Group shall supply, on a monthly basis, records to update the list of Members. The Employer Group shall not include any Employee or Dependent if ineligible.

5. **CONFORMITY WITH STATE STATUTES:** This Master Contract is made in the State of Arizona and subject to its laws. The laws of Arizona shall govern, and be used for the interpretation, construction and enforcement of such Agreements. Any provision thereof which is in conflict with the statutes of the State of Arizona or applicable rules of the Arizona Department of Insurance will be amended to conform to the minimum requirements of such statutes or rules or regulations. Otherwise, such agreements shall terminate except for the payment of money as set forth therein.
6. **EFFECT ON WORKERS COMPENSATION:** This Master Contract does not fulfill any requirement of Workers Compensation or other compulsory insurance and cannot be used in lieu thereof.
7. **ENROLLMENT AND COVERAGE BOOKLET:** EDS will make available to each Employer Group a brochure showing the essential features of the services to which the Member is entitled, and the services which such Member may elect. In the event the Master Contract is amended or modified so as to affect the rights of the Members, a new brochure will be made available to such Employer Group.
8. **NOTICES:** A notice, consent or other communication required by, or to be given pursuant to this Master Contract shall be in writing and delivered to the intended recipient thereof. Writing shall be deemed delivered if mailed to the intended recipient by first class mail or certified mail, return receipt requested, postage prepaid.
9. **THIRD PARTY RIGHTS LIMITED:** All rights and liabilities created under this Master Contract shall be deemed to exist only as between EDS and the Employer Group signing such Master Contract. In no event shall this Master Contract be deemed to confer any right on or create any obligation to any third party not a signatory to a Master Contract or to create in such third party a status of third party beneficiary.
10. **ADDENDUM:** Any addendum signed by EDS and an Employer Group as part of this or any future Master Contract shall constitute a part of this Master Contract as if such additional provision were originally set forth. However, any provision in such addendum that is contrary to or inconsistent with any of the original provisions shall prevail over and supersede such original contrary or inconsistent provision. Requests for addendum to the current contracts must be submitted on the Employer Group's letterhead and signed by an authorized signatory of the Group for consideration by EDS.
11. **SCHEDULE OF BENEFITS:** EDS reserves the right to establish new Schedules of Prepaid Dental Benefits on any due date after the first Agreement Year upon thirty (30) days notice to the Employer Group, or any such renewal date as established by the Employer Group and accepted by EDS.
12. **INDEPENDENT NATURE OF MASTER CONTRACTS:** Except as otherwise expressly provided in this Master Contract, the cancellation, modification, amendment or termination in whole or in part of this Master Contract as regards one Employer Group shall not be deemed to be a cancellation, modification, amendment or termination in whole or in part of this Master Contract as regards any other Employer Group.
13. **HOLD HARMLESS:** Employer Group shall defend, indemnify and hold harmless Employers Dental Services from and against any and all injuries, claims, demands, liabilities, suits at law or in equity or judgments of any nature whatsoever, which EDS, its employees, representatives agents or third parties may sustain or incur by reason of any act neglect, default, alleged malpractice or inadequate service rendered.

EDS shall defend, indemnify and hold harmless the Employer Group from and against any and all injuries, claims, demands, liabilities, suits at law or in equity or judgments of any nature whatsoever, which Employer Group, its employees, representatives agents or third parties may sustain or incur by reason of any act neglect, default, alleged malpractice or inadequate service rendered.
14. **NON TRANSFERABLE:** The Master Contract shall bind and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns. This Master Contract and any rights or obligations relating thereto may not be assigned by the Employer Group without the prior written consent of the Company.
15. **ENTIRE AGREEMENT:** The Master Contract contains the entire agreement, understanding and all representations and warranties between the parties hereto. No change in the Master Contract shall be valid unless approved by an executive officer of the Company and evidenced by a written amendment hereto signed by an executive officer of the Company.
16. **ERISA:** Employers Dental Services will comply with the Employment Retirement Income Security Act of 1974; Rules and Regulations for Administration and Enforcement; Claims Procedure; Final Rule, 29 CFR Part 2560
17. **Immigration Law Compliance:** EDS warrants, to the extent applicable under A.R.S. §41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. §23-214 (A) which requires registration and participation with the E-Verify Program – the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.
18. **Foreign Prohibitions:** EDS certifies under A.R.S. §§ 35-391 et. seq. and 35-393 et seq., that it does not have "scrutinized" business operations, as defined in the preceding statutes, in the countries of Sudan or Iran.

XII EXCLUSIONS AND LIMITATIONS

1. Visits or services performed by a Dentist, Specialist or professional not contracted with Employers Dental Services except in connection with dental emergencies.

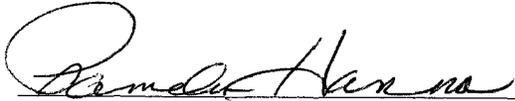
2. Any dental services which, in the judgment of the Dentist, are not reasonable and necessary for the prevention, correction or improvement of a condition which is subject to treatment by the practice of dentistry.
3. Programs or treatment, including prosthetics, which were in progress prior to the date any person became a member under this Plan.
4. Any dental services related to any sickness or injury arising out of, or in the course of any occupation or unemployment for remuneration or profit. Also, any dental services for which the member is reimbursed, entitled to reimbursement, or is in any way indemnified for such expenses by, or through any public program, State, Federal or Local, or any program of medical benefits sponsored and paid for by the Federal Government, the State Government, any County or municipal government or any program of medical benefits sponsored and paid for by the Federal Government or any agency thereof.
5. Any dental service not specifically described in the Schedule of Benefits.
6. Any dental services, other than emergency dental services, which are related to accidents or accidental injury.
7. Any costs or expenses incurred in the event the member desires to be or is involuntarily hospitalized for any dental procedures or services, except in connection with dental emergencies.
8. Dispensing of drugs or any prescription drug charges incurred for treatment of oral disease Any dental services, other than emergency dental services, which are necessitated as a result of intentionally self-inflicted condition.
9. Oral surgery or extractions which are solely for orthodontic purposes or requiring the setting of fractures or dislocations except as may be specifically provided for in the Schedule of Benefits
10. Treatment of malignancies, cysts, neoplasm or congenital defects.
11. Conditions affecting the temporomandibular joint (TMJ) including dysfunction and/or malocclusion except as may be specifically provided for in the Schedule of Benefits.
12. Any general anesthetic charges or services of an anesthetist or anesthesiologist except as may be specifically provided for in the Schedule of Benefits.
13. Gold foil restoration.
14. Any dental services requiring, or pertaining to, cosmetic surgery for beautification, treatment of obesity and appliances or restoration necessary to increase vertical dimension or to restore an occlusion or to correct a congenital condition.
15. Any new services or procedures performed after the last day of the month during which any person ceased to be eligible for participation under the plan.
16. If a member continually fails to follow prescribed course of treatment, the treating EDS dentist may refuse to continue that course of treatment at any time.

CITY OF GLENDALE, an Arizona
municipal corporation



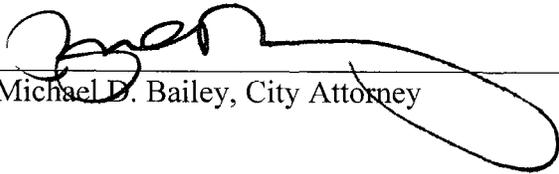
Brenda S. Fischer, City Manager

ATTEST:



Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



Michael D. Bailey, City Attorney