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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report: September 23, 2008**  
(Date of earliest event reported)

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**EYE CARE CENTERS OF AMERICA, INC.**

(Exact name of registrant as specified in its charter)

**Texas**  
(State or other  
jurisdiction of  
incorporation)

**33-70572**  
(Commission  
File Number)

**74-2337775**  
(IRS Employer  
Identification No.)

**11103 West Avenue**  
**San Antonio, Texas 78213-1392**  
(Address of principal executive offices, including zip code)

**(210) 340-3531**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(b) In a press release dated September 23, 2008, HVHC Inc. (“HVHC”), a wholly owned subsidiary of Highmark Inc. (“Highmark”), and the holding company for Highmark’s vision business, which includes Eye Care Centers of America, Inc. (“ECCA”), Davis Vision, Inc. (“Davis Vision”), and Viva Optique, Inc. (“Viva Optique,” and together with HVHC, Highmark ECCA and Davis Vision, the “HVHC Group”), announced that on September 17, 2008 Mr. James J. Denny gave ECCA notice that he is resigning: (i) as Chief Operating Officer of ECCA, effective September 30, 2008, and (ii) as President of ECCA, effective December 31, 2008. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

(c) In the same press release dated September 23, 2008, ECCA announced that ECCA’s Board of Directors (the “Board”), by unanimous vote, elected Mr. James N. Eisen (“Mr. Eisen”), age 51, as Chief Operating Officer of ECCA, effective October 1, 2008, to serve at the discretion of the Board with no specific term. Mr. Eisen’s starting annual salary will be \$350,000.

Mr. Eisen has been designated as a participant in both the HVHC Annual Executive Incentive Plan (“AEIP”), with a target award of 45% of Mr. Eisen’s base annual salary, and the HVHC Long Term Incentive Plan (“LTIP”), with a target award of 50% of Mr. Eisen’s average earned salary over a three year performance cycle. However, any payments made in connection with the AEIP and the LTIP for 2008 shall, with respect to Mr. Eisen, assume a base annual salary of \$315,000 over a full twelve-month period in 2008. Thereafter, Mr. Eisen shall participate in each of the AEIP and the LTIP pursuant to the terms thereof.

Both the AEIP and LTIP are based upon key business drivers and the performance of the consolidated HVHC Group. Under the 2008 AEIP, 70% of the incentive is based upon consolidated HVHC pre-tax net income, 20% is based upon key business drivers including sales of Viva Optique branded product in ECCA stores and retail sales to Davis Vision managed care enrollees and, for ECCA, the remaining 10% is based on the increase in sales of progressive lenses at ECCA. Under the LTIP, 70% of the incentive is based on cumulative HVHC EBITDA and the remaining 30% is based on HVHC return on invested capital.

In addition, the Personnel and Compensation Committee of the Board authorized ECCA to cause ECCA Management Services, Ltd. (“ECCA Management”), ECCA’s subsidiary which is Mr. Eisen’s actual employer, to enter into a severance agreement with Mr. Eisen (the “Eisen Severance Agreement”) with a term ending on December 31, 2011. ECCA Management’s payroll and other compensation funds may be drawn from ECCA and/or various of ECCA’s subsidiaries which are affiliates of ECCA Management. The Eisen Severance Agreement provides that if ECCA Management terminates Mr. Eisen’s employment relationship for reasons other than Cause (as defined in the Eisen Severance Agreement) or Mr. Eisen terminates his employment with ECCA Management as a result of a Material Change (as defined in the Eisen Severance Agreement) during the term of

such severance agreement, then ECCA Management, or its affiliates, will provide the following severance compensation to Mr. Eisen in lieu of compensation for periods subsequent to his termination of employment:

(i) 150% of base annual salary at the time of termination in equal installments over eighteen (18) months;

(ii) any AEIP payments for the calendar year preceding termination and a prorated portion of AEIP payments earned during the year of termination based on number of completed months of employment, plus certain payments under the LTIP based on five or more years of service or attaining age 55;

(iii) up to eighteen (18) months' worth of COBRA premiums for medical, dental and vision coverage; and

(iv) certain payments under any Executive Retirement Plan ("ERP") adopted by ECCA Management (or under any ERP in which ECCA Management becomes a participating employer) with such payments to commence upon attaining age 55 based upon qualification for severance and five or more years of service; provided, however, that five or more years of service is not required for ERP payments if employment is terminated, upon a Change of Control, other than for Cause or as a result of a Material Change (as such terms are defined in the Eisen Severance Agreement) .

In addition, the Eisen Severance Agreement provides for a non-competition and non-solicitation period which is co-terminus with Mr. Eisen's severance period of eighteen months. This brief description of the severance agreement is qualified in its entirety by reference to the provisions of the Eisen Severance Agreement attached to this Current Report on Form 8-K as Exhibit 10.1.

Mr. Eisen joined ECCA in June 2008 as Executive Vice President of Operations and he is currently responsible for ECCA's field and store operations, including sales and profit, field personnel development, store strategy and expense control. From September 2005 until May 2008, Mr. Eisen served as the Senior Vice President of Stores of Jo-Ann Stores, Inc., overseeing the operations of 800 stores, including sales, store strategy and growth, personnel development and operational execution tactics. From February 2001 through August 2005, Mr. Eisen was Vice President of Store Operations for Luxottica Licensed Brands, which included overseeing the operations of approximately 1,000 Sears Optical, Target Optical and BJ's Optical stores. In this capacity, Mr. Eisen was responsible for field organization, sales and profit, personnel development, host relations and all operational tactics.

(e) Ms. Jennifer Kelley ("Ms. Kelley") has served as ECCA's Executive Vice President and Chief Financial Officer since January 2008. On September 17, 2008, the Personnel and Compensation Committee of the Board authorized ECCA to cause ECCA Management Services, Ltd. ("ECCA Management"), ECCA's subsidiary and Ms. Kelley's actual employer, to enter into a severance agreement with Ms. Kelley (the "Kelley Severance Agreement") with a term ending on December 31, 2011. ECCA

Management's payroll and other compensation funds may be drawn from ECCA and/or various of ECCA's subsidiaries which are affiliates of ECCA Management. The Kelley Severance Agreement provides that if ECCA Management terminates Ms. Kelley's employment relationship for reasons other than Cause (as defined in the Kelley Severance Agreement) or Ms. Kelley terminates her employment with ECCA Management as a result of a Material Change (as defined in the Kelley Severance Agreement) during the term of such severance agreement, then ECCA Management, or its affiliates, will provide the following severance compensation to Ms. Kelley in lieu of compensation for periods subsequent to her termination of employment:

(i) 150% of base annual salary at the time of termination in equal installments over eighteen (18) months;

(ii) any AEIP payments for the calendar year preceding termination and a prorated portion of AEIP payments earned during the year of termination based on number of completed months of employment, plus certain payments under the LTIP based on five or more years of service or attaining age 55;

(iii) up to eighteen (18) months' worth of COBRA premiums for medical, dental and vision coverage; and

(iv) certain payments under any Executive Retirement Plan ("ERP") adopted by ECCA Management (or under any ERP in which ECCA Management becomes a participating employer) with such payments to commence upon attaining age 55 based upon qualification for severance and five or more years of service; provided, however, that five or more years of service is not required for ERP payments if employment is terminated, upon a Change of Control, other than for Cause or as a result of a Material Change (as such terms are defined in the Kelley Severance Agreement) .

In addition, the Kelley Severance Agreement provides for a non-competition and non-solicitation period which is co-terminus with Ms. Kelley's severance period of eighteen months. This brief description of the severance agreement is qualified in its entirety by reference to the provisions of the Kelley Severance Agreement attached to this Current Report on Form 8-K as Exhibit 10.2.

Effective July 1, 2008, ECCA's Chief Executive Officer, Mr. David L. Holmberg ("Mr. Holmberg"), was elected as Chief Executive Officer and President of HVHC, and as chairman of the board of directors of each of ECCA, Davis Vision and Viva Optique.

In connection with Mr. Holmberg's election as Chief Executive Officer and President of HVHC, the Personnel and Compensation Committee of the Board of Directors of HVHC authorized the entry into a proposed form of severance agreement with Mr. Holmberg (the "Proposed Severance Agreement"), the material terms of which were reported in ECCA's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 17, 2008. HVHC and Mr. Holmberg did not subsequently finalize and enter into the Proposed Severance Agreement.

On September 17, 2008, the Personnel and Compensation Committee of the Board of Directors of HVHC authorized a new severance agreement between HVHC and Mr. Holmberg (the "New Holmberg Severance Agreement") with a term ending on December 31, 2011. The New Holmberg Severance Agreement provides that if HVHC terminates Mr. Holmberg's employment relationship for reasons other than Cause (as defined in the New Holmberg Severance Agreement) or if Mr. Holmberg terminates his employment with HVHC as a result of a Material Change (as defined in the New Holmberg Severance Agreement) during the term of the severance agreement, then HVHC, or its subsidiaries, will provide the following severance compensation in lieu of compensation for periods subsequent to his termination of employment:

(i) 200% of base salary at the time of termination in equal installments over twenty-four (24) months;

(ii) any AEIP payments for the calendar year preceding termination and a prorated portion of AEIP payments earned during the year of termination based on number of completed months of employment, plus certain payments under the LTIP based on five or more years of service or attaining age 55;

(iii) up to eighteen (18) months' worth of COBRA up to eighteen (18) months' worth of COBRA premiums for medical, dental and vision coverage; and

(iv) certain payments under any Executive Retirement Plan ("ERP") adopted by HVHC to commence upon attaining age 55 based upon qualification for severance and five or more years of service; provided, however, that five or more years of service is not required for ERP payments if employment is terminated, upon a Change of Control, other than for Cause or as a result of a Material Change (as such terms are defined in the New Holmberg Severance Agreement) .

In addition, the New Holmberg Severance Agreement provides for a non-competition and non-solicitation period which is co-terminus with Mr. Holmberg's severance period of twenty-four months. The costs of Mr. Holmberg's aggregate compensation will be allocated between ECCA and HVHC in amounts to be determined at a later date.

This brief description of the New Holmberg Severance Agreement is qualified in its entirety by reference to the provisions of the Holmberg Severance Agreement attached to this Current Report on Form 8-K as Exhibit 10.3.

#### **Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

- 10.1 Severance Agreement of James N. Eisen
- 10.2 Severance Agreement of Jennifer L. Kelley

10.3 Severance Agreement of David L. Holmberg

99.1 Press Release dated September 23, 2008

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Eye Care Centers of America, Inc.

Dated: September 23, 2008

By: /s/ David L. Holmberg  
Chief Executive Officer

ECCA MANAGEMENT SERVICES, LTD.

September 17, 2008

James Eisen  
11103 West Avenue  
San Antonio, TX 78213

**Re: Severance**

Dear Mr. Eisen:

This letter agreement (the "Agreement") sets forth certain conditions with regard to your employment and post-employment activities as well as the conditions under which you will be entitled to receive severance benefits. For definitions of capitalized terms used in this Agreement, see Appendix A. The term of this Agreement is from October 1, 2008 to December 31, 2011. This Agreement applies to terminations of employment during this term.

In consideration of your promotion to Chief Operating Officer of ECCA effective October 1, 2008 and with both parties intending to be legally bound, the Company and you agree as follows:

Amount of Severance. If you qualify for severance, the Company will pay you an amount equal to one hundred fifty percent (150%) of your base annual salary at the time of termination, in equal monthly installments over eighteen (18) months.

Incentive Plan Payments. If you qualify for severance, you will also receive (i) any Annual Executive Incentive Plan ("AEIP") payment for the calendar year preceding your termination, if it was not previously paid to you, and (ii) a portion of the AEIP payment you have earned during the year of termination, prorated based upon the number of your complete months of employment during the year. These AEIP payments will be made at the same time such payments are normally made for the applicable year to executives who continue in employment, but in any event by March 15 of the calendar year following your termination of employment. Amounts are payable based on actual performance.

In addition, if you qualify for severance and you have five or more years of service or you have attained age 55, you will be eligible for payment of an award under the Long-Term Incentive Plan (LTIP), regardless of your age at termination, as follows. For termination before a Change in Control, your award will be determined and paid in the same manner as awards to employees who retire at or after age 55 under the LTIP. For termination after a Change in Control, awards will be paid in accordance with the terms of the LTIP.

Benefits. The Company will also provide payment for continued medical, dental and vision coverage you elect under COBRA for up to eighteen (18) months' following your termination.

In addition, if you become a participant in an Executive Retirement Plan (ERP) adopted by the Company, or in which the Company becomes a participating employer, and: (i) you qualify for severance and (ii) you have five or more years of service, you will be eligible for

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participation in the ERP regardless of your age at termination. However, benefits under the ERP may not commence prior to age fifty-five (55). If, after a Change in Control and after you have attained age fifty-five (55), your employment is terminated other than for Cause, or as a result of a Material Change, you will be eligible for participation in such ERP, even if you have not earned five or more years of service.

Except as provided above or as provided to terminated employees under the specific terms of a qualified or non-qualified employee benefit plan, fringe benefit or compensation program in which you are eligible to participate, you will not be entitled to any other benefits or compensation from the Company after (or as a result of) your termination of employment. You also will not receive severance under any other agreement, plan or arrangement with the Company, ECCA or HVHC.

Qualifying for Severance. You will qualify for severance under this Agreement if, during the term of this Agreement, (i) we terminate your employment for reasons other than Cause, or (ii) you elect to resign within sixty (60) days after you have knowledge of a Material Change before or after a Change in Control. As noted above, these capitalized terms are defined in Appendix A. In any case, you must timely sign and return a General Release and Waiver Agreement (and not revoke it) provided by the Company in order to receive severance or benefits under this Agreement. A copy of the Release that the Company currently uses is available for review upon request.

However, you will NOT qualify for severance if any of the following apply: (i) you are terminated for Cause, (ii) you choose to remain employed by the Company (or a successor entity) more than sixty (60) days after the occurrence of a Material Change, (iii) you voluntarily resign or retire (other than due to a Material Change), (iv) your termination is due to long-term disability entitling you to disability benefits from the Company or due to death, (v) you decline to sign and return the General Release and Waiver Agreement within the time specified by the Company, or you attempt to revoke it; or (vi) you violate any of your covenants set forth below.

A payment scheduled to be made under this Agreement as a result of your termination of employment will be paid or commence as soon as practicable after you timely sign and return the General Release and Waiver Agreement and any period specified for you to revoke the General Release and Waiver Agreement has expired. Any amount payable hereunder will be paid or commence to be paid during the same calendar year as your termination or (if later) by the 15<sup>th</sup> day of the third calendar month following your termination of employment. In no event, however, will you be permitted to designate the calendar year of the payment.

Your Covenants. Regardless of whether you qualify for severance, you agree to the following:

- (1) During your employment you have been and will continue to be provided with Confidential Information. Thus, after your separation (for whatever reason), you will not disclose the Company's Confidential Information to others (except as required in the normal performance of your duties for the Company) or use such information for your own advantage or for the advantage of others. All records, files, materials and Confidential Information obtained by you in the course of your employment with the

Company are confidential and proprietary and shall remain the exclusive property of the Company. This provision does not preclude you from providing truthful information to the extent required by subpoena, court order, search warrant or other legal process, but you must immediately notify the Company's counsel of such request in order to provide us with the opportunity to object in the appropriate forum and obtain a ruling on our objection.

- (2) Upon the Company's request at any time, or upon separation from employment (for whatever reason), you will deliver to the Company (a) all documents and materials containing Company trade secrets and other Confidential Information, and (b) all other documents, materials and other property belonging to the Company that are in your possession or under your control, including, but not limited to, Company-provided automobiles, computers, cellular telephones, pagers, rolodexes or address/telephone books.
- (3) During the term of this Agreement and for eighteen (18) months after your separation (for whatever reason), you will not directly or indirectly, in any capacity whatsoever, entice, induce or solicit, or attempt to entice, induce or solicit, any individual or entity having a business relationship with the Company, whether as an employee, consultant, customer or otherwise, to terminate or cease such relationship or to divert any business from the Company.
- (4) During the term of this Agreement and for eighteen (18) months after your separation (for whatever reason), you will not own (other than as a shareholder of less than 1% of a publicly traded entity), accept employment in any capacity with, serve as a consultant for, or otherwise provide services or support of any nature to, any entity, company, corporation or person engaged in a business that competes with the Company in the eye care industry. This includes any business, entity or person engaged in the sale (whether wholesale or retail), delivery, distribution, manufacture, design or licensing of lenses, frames and eyewear and/or the administration or underwriting of vision and vision-related programs, benefits and services. After separation, you may ask the Chairman of ECCA, by written request, to reduce or modify the scope of this non-competition clause. The decision to grant or deny such a request shall be within the sole discretion of ECCA's Chairman and shall be effective only if it is in writing.

By signing this Agreement, you agree that these covenants are reasonable as to time, geographical area and scope of activity and do not impose a restriction greater than is necessary to protect the Company's goodwill, proprietary information and business interests. You also agree that this Agreement provides enhanced protections and benefits you would otherwise not be entitled to, and that these protections and benefits constitute valuable consideration sufficient to support the obligations described above. Further, you agree that if the Company reasonably believes that you have breached the terms of this agreement, then the Company will be relieved from making any further payments. You also agree that any breach of these covenants is likely to cause irreparable injury to the Company and that damages for any breach are difficult to calculate. Therefore, the Company shall, at its election, be entitled to a temporary restraining order and a temporary injunction and to other equitable relief from a court pending a final decision in the arbitration, in addition to whatever other relief or remedies, including damages, may be available.

### Arbitration and Waiver of Jury Trial.

- (1) Any dispute between us under this Agreement including, without limitation, any dispute about the enforceability of the non-competition covenant, shall be resolved by final and binding arbitration; provided, however, that the Company, in its sole discretion, may enforce the covenants set out above under “Your Covenants” by seeking emergency or temporary injunctive relief in any court of competent jurisdiction. The arbitration shall be held in San Antonio, Texas and shall be conducted in accordance with the then-prevailing Employment Arbitration Rules of the American Arbitration Association. The arbitrator shall be acceptable to both the Company and to you. If we cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators, one appointed by each of us, and the third selected by the other two arbitrators. You, the Company and the arbitrator(s) shall treat all aspects of the arbitration proceedings, including without limitation, discovery, testimony and other evidence, briefs and the award, as strictly confidential; provided, however, that any award or order rendered by the arbitrator(s) under this Agreement may be entered as a judgment or order in a court of competent jurisdiction and may be disclosed by the Company as necessary to enforce the terms of your covenants described above.
- (2) You and the Company each acknowledge and agree that such party has had an opportunity to consult with legal counsel and that such party knowingly and voluntarily waives any right to a trial by jury of any dispute pertaining to or relating in any way to the subject of this Agreement, the provisions of any federal, state, or local law, regulation, or ordinance notwithstanding.

Miscellaneous. This Agreement: (i) may be amended only by a written instrument which is executed by both parties, (ii) shall be governed by the laws of Texas, without regard to its conflict of law provisions, (iii) is intended to be legally valid and binding, (iv) contains our entire agreement relative to its subject matter and supersedes all severance agreements or understandings in effect prior to its execution, and (v) does not establish a durational term of employment or alter the nature of the at-will relationship between the two parties. Payments hereunder are deemed to be separate payments for purposes of applying the short-term deferral rule in Treas. Reg. § 1.409A-1(b)(4) and in determining separation pay due to involuntary separation from service under Treas. Reg. § 1.409A-1(b)(9)(iii). No reimbursements required to be made within a limited period of time under Treas. Reg. § 1.409 A-1(b)(9)(iii) shall relate to claims incurred after the period specified above or be paid later than the last day of the third calendar year following the calendar year in which occurs the covered termination of employment. The parties intend that any payments contemplated by this Agreement constituting “deferred compensation” under Internal Revenue Code Section 409A will comply with the requirements of that section. Thus, no such deferred compensation will be subject to acceleration or to any other change in the specified time or method of payment, except as consistent with Code Section 409A. In no event will the Company have any liability with respect to taxes for which you may become liable as a result of the application of Code Section 409A.

You also agree that: (i) if a tribunal determines a portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law, (ii) the Company may withhold taxes from payments made under the Agreement, and (iii) you may not assign any rights or obligations you have under the Agreement. The Company's rights and duties under this Agreement shall be transferred to, and shall be binding upon, any corporation or other entity which succeeds to the rights and obligations of the Company by operation of law or otherwise.

If you agree to the terms and conditions of this Agreement, please countersign below, retain a copy for your files, and return this original to me.

Sincerely,

ECCA Management Services, Ltd.  
By: ECCA Management, Inc.,  
General Partner

By: /s/ David L. Holmberg  
Authorized Signatory

/s/ James Eisen  
Executive

**APPENDIX A**  
**DEFINITIONS**

“Cause” means: (i) the willful or gross neglect of your duties, including your refusal to follow written directives of the Chairperson of the Board of Directors of ECCA or his designee; (ii) your conviction of a felony; (iii) willful or gross misconduct by you which materially injures the Company, ECCA, or a subsidiary or affiliate thereof, monetarily or otherwise; or (iv) your material breach of any obligation under this letter agreement.

“Change in Control” means:

- (A) any Person or Group acquires stock of ECCA, ECCA Holdings Corporation or of HVHC that, together with stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the stock of ECCA or of HVHC. However, if any Person or Group is considered to own more than 50% of the total fair market value or total voting power of the stock of ECCA or of HVHC, the acquisition of additional stock by the same Person or Group in such entity is not considered to cause a Change in Control of ECCA or of HVHC, as the case may be. An increase in the percentage of stock owned by any Person or Group as a result of a transaction in which ECCA or HVHC acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of ECCA or of HVHC; or
- (B) any Person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group) assets from ECCA that have a total gross fair market value exceeding 50% of the total gross fair market value of all of the assets of ECCA immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of ECCA, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, no Change in Control shall be deemed to occur under subsection (B) as a result of a transfer to:
  - (1) A shareholder of ECCA (immediately before the asset transfer) in exchange for or with respect to its stock;
  - (2) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by ECCA;
  - (3) A Person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of ECCA; or
  - (4) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (3) above.

For this purpose, the term “Person” means an individual, corporation, association, joint stock company, business trust or other similar organization, partnership, limited liability company, joint venture, trust, unincorporated organization or government or agency, instrumentality or

political subdivision thereof (for clarification, other than the Company or Highmark Inc. or any successor thereof or subsidiary thereof). The term “Group” will have the meaning set forth in Rule 13d-5 of the Securities Exchange Commission (“SEC”), modified to the extent necessary to comply with Treasury Regulation Section 1.409A-3(i)(5)(v)(B) and (D), as applicable, or any successor thereto. For the avoidance of doubt, the consummation of the proposed consolidation of Highmark Inc. and Independence Blue Cross will not constitute a Change in Control hereunder.

“Company” refers to ECCA Management Services, Ltd. However, for purposes of the covenants in the letter agreement, HVHC and affiliates of HVHC including subsidiaries and joint venture partners, are included in the definition.

“ECCA” refers to Eye Care Centers of America, Inc.

“HVHC” refers to HVHC Inc.

“Material Change” before or after a Change in Control means the occurrence of any of the following events, without your written consent, which event remains uncorrected for thirty (30) days after you have made written demand to the Chairperson of the Board of Directors of ECCA for correction: (i) any material reduction in or failure to pay base salary; (ii) any material reduction in your target percentages under the Long-Term Incentive Plan (if applicable) or the Annual Executive Incentive Plan; (iii) any reduction of more than 10% in your aggregate performance-based compensation opportunity (*i.e.*, annual incentive payment, long-term incentive payment, and split dollar life insurance premium, if any), reasonably determined by the Company, ECCA or HVHC at the time performance criteria are established; or (iv) any material reduction in the aggregate employee benefits available to you, other than an amendment, modification or termination of an employee benefit that applies on a non-discriminatory basis to similarly situated employees. The demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change. If demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the thirty (30) day correction period.

In addition, “Material Change” after a Change in Control shall also include the occurrence of one of the following events, without your written consent, which event remains uncorrected for thirty (30) days after you have made written demand to the Chairperson of the Board of Directors of ECCA for correction: (i) material reduction of your position responsibilities or authorities from your position immediately prior to the Change in Control, or assignment of duties or responsibilities materially inconsistent with such position; or (ii) relocation of your primary office more than fifty (50) miles from your then current office location, but not closer to your principal residence. As described in the preceding paragraph, the demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change, and if demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the thirty (30) day correction period.

## ECCA MANAGEMENT SERVICES, LTD.

September 17, 2008

Jennifer Kelley  
11103 West Avenue  
San Antonio, TX 78213

**Re: Severance**

Dear Ms. Kelley:

This letter agreement (the "Agreement") sets forth certain conditions with regard to your employment and post-employment activities as well as the conditions under which you will be entitled to receive severance benefits. For definitions of capitalized terms used in this Agreement, see Appendix A. The term of this Agreement is from September 17, 2008 to December 31, 2011. This Agreement applies to terminations of employment during this term.

In consideration of your assuming the position of Chief Financial Officer of ECCA and with both parties intending to be legally bound, the Company and you agree as follows:

Amount of Severance. If you qualify for severance, the Company will pay you an amount equal to one hundred fifty percent (150%) of your base annual salary at the time of termination, in equal monthly installments over eighteen (18) months.

Incentive Plan Payments. If you qualify for severance, you will also receive (i) any Annual Executive Incentive Plan ("AEIP") payment for the calendar year preceding your termination, if it was not previously paid to you, and (ii) a portion of the AEIP payment you have earned during the year of termination, prorated based upon the number of your complete months of employment during the year. These AEIP payments will be made at the same time such payments are normally made for the applicable year to executives who continue in employment, but in any event by March 15 of the calendar year following your termination of employment. Amounts are payable based on actual performance.

In addition, if you qualify for severance and you have five or more years of service or you have attained age 55, you will be eligible for payment of an award under the Long-Term Incentive Plan (LTIP), regardless of your age at termination, as follows. For termination before a Change in Control, your award will be determined and paid in the same manner as awards to employees who retire at or after age 55 under the LTIP. For termination after a Change in Control, awards will be paid in accordance with the terms of the LTIP.

Benefits. The Company will also provide payment for continued medical, dental and vision coverage you elect under COBRA for up to eighteen (18) months' following your termination.

In addition, if you become a participant in an Executive Retirement Plan (ERP) adopted by the Company, or in which the Company becomes a participating employer, and: (i) you qualify for severance and (ii) you have five or more years of service, you will be eligible for participation in the ERP regardless of your age at termination. However, benefits under the ERP

**Tier II - ECCA**

may not commence prior to age fifty-five (55). If, after a Change in Control and after you have attained age fifty-five (55), your employment is terminated other than for Cause, or as a result of a Material Change, you will be eligible for participation in such ERP, even if you have not earned five or more years of service.

Except as provided above or as provided to terminated employees under the specific terms of a qualified or non-qualified employee benefit plan, fringe benefit or compensation program in which you are eligible to participate, you will not be entitled to any other benefits or compensation from the Company after (or as a result of) your termination of employment. You also will not receive severance under any other agreement, plan or arrangement with the Company, ECCA or HVHC.

Qualifying for Severance. You will qualify for severance under this Agreement if, during the term of this Agreement, (i) we terminate your employment for reasons other than Cause, or (ii) you elect to resign within sixty (60) days after you have knowledge of a Material Change before or after a Change in Control. As noted above, these capitalized terms are defined in Appendix A. In any case, you must timely sign and return a General Release and Waiver Agreement (and not revoke it) provided by the Company in order to receive severance or benefits under this Agreement. A copy of the Release that the Company currently uses is available for review upon request.

However, you will NOT qualify for severance if any of the following apply: (i) you are terminated for Cause, (ii) you choose to remain employed by the Company (or a successor entity) more than sixty (60) days after the occurrence of a Material Change, (iii) you voluntarily resign or retire (other than due to a Material Change), (iv) your termination is due to long-term disability entitling you to disability benefits from the Company or due to death, (v) you decline to sign and return the General Release and Waiver Agreement within the time specified by the Company, or you attempt to revoke it; or (vi) you violate any of your covenants set forth below.

A payment scheduled to be made under this Agreement as a result of your termination of employment will be paid or commence as soon as practicable after you timely sign and return the General Release and Waiver Agreement and any period specified for you to revoke the General Release and Waiver Agreement has expired. Any amount payable hereunder will be paid or commence to be paid during the same calendar year as your termination or (if later) by the 15<sup>th</sup> day of the third calendar month following your termination of employment. In no event, however, will you be permitted to designate the calendar year of the payment.

Your Covenants. Regardless of whether you qualify for severance, you agree to the following:

- (1) During your employment you have been and will continue to be provided with Confidential Information. Thus, after your separation (for whatever reason), you will not disclose the Company's Confidential Information to others (except as required in the normal performance of your duties for the Company) or use such information for your own advantage or for the advantage of others. All records, files, materials and Confidential Information obtained by you in the course of your employment with the Company are confidential and proprietary and shall remain the exclusive property of the

Company. This provision does not preclude you from providing truthful information to the extent required by subpoena, court order, search warrant or other legal process, but you must immediately notify the Company's counsel of such request in order to provide us with the opportunity to object in the appropriate forum and obtain a ruling on our objection.

- (2) Upon the Company's request at any time, or upon separation from employment (for whatever reason), you will deliver to the Company (a) all documents and materials containing Company trade secrets and other Confidential Information, and (b) all other documents, materials and other property belonging to the Company that are in your possession or under your control, including, but not limited to, Company-provided automobiles, computers, cellular telephones, pagers, rolodexes or address/telephone books.
- (3) During the term of this Agreement and for eighteen (18) months after your separation (for whatever reason), you will not directly or indirectly, in any capacity whatsoever, entice, induce or solicit, or attempt to entice, induce or solicit, any individual or entity having a business relationship with the Company, whether as an employee, consultant, customer or otherwise, to terminate or cease such relationship or to divert any business from the Company.
- (4) During the term of this Agreement and for eighteen (18) months after your separation (for whatever reason), you will not own (other than as a shareholder of less than 1% of a publicly traded entity), accept employment in any capacity with, serve as a consultant for, or otherwise provide services or support of any nature to, any entity, company, corporation or person engaged in a business that competes with the Company in the eye care industry. This includes any business, entity or person engaged in the sale (whether wholesale or retail), delivery, distribution, manufacture, design or licensing of lenses, frames and eyewear and/or the administration or underwriting of vision and vision-related programs, benefits and services. After separation, you may ask the Chairman of ECCA, by written request, to reduce or modify the scope of this non-competition clause. The decision to grant or deny such a request shall be within the sole discretion of ECCA's Chairman and shall be effective only if it is in writing.

By signing this Agreement, you agree that these covenants are reasonable as to time, geographical area and scope of activity and do not impose a restriction greater than is necessary to protect the Company's goodwill, proprietary information and business interests. You also agree that this Agreement provides enhanced protections and benefits you would otherwise not be entitled to, and that these protections and benefits constitute valuable consideration sufficient to support the obligations described above. Further, you agree that if the Company reasonably believes that you have breached the terms of this agreement, then the Company will be relieved from making any further payments. You also agree that any breach of these covenants is likely to cause irreparable injury to the Company and that damages for any breach are difficult to calculate. Therefore, the Company shall, at its election, be entitled to a temporary restraining order and a temporary injunction and to other equitable relief from a court pending a final decision in the arbitration, in addition to whatever other relief or remedies, including damages, may be available.

### Arbitration and Waiver of Jury Trial.

- (1) Any dispute between us under this Agreement including, without limitation, any dispute about the enforceability of the non-competition covenant, shall be resolved by final and binding arbitration; provided, however, that the Company, in its sole discretion, may enforce the covenants set out above under “Your Covenants” by seeking emergency or temporary injunctive relief in any court of competent jurisdiction. The arbitration shall be held in San Antonio, Texas and shall be conducted in accordance with the then-prevailing Employment Arbitration Rules of the American Arbitration Association. The arbitrator shall be acceptable to both the Company and to you. If we cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators, one appointed by each of us, and the third selected by the other two arbitrators. You, the Company and the arbitrator(s) shall treat all aspects of the arbitration proceedings, including without limitation, discovery, testimony and other evidence, briefs and the award, as strictly confidential; provided, however, that any award or order rendered by the arbitrator(s) under this Agreement may be entered as a judgment or order in a court of competent jurisdiction and may be disclosed by the Company as necessary to enforce the terms of your covenants described above.
- (2) You and the Company each acknowledge and agree that such party has had an opportunity to consult with legal counsel and that such party knowingly and voluntarily waives any right to a trial by jury of any dispute pertaining to or relating in any way to the subject of this Agreement, the provisions of any federal, state, or local law, regulation, or ordinance notwithstanding.

Miscellaneous. This Agreement: (i) may be amended only by a written instrument which is executed by both parties, (ii) shall be governed by the laws of Texas, without regard to its conflict of law provisions, (iii) is intended to be legally valid and binding, (iv) contains our entire agreement relative to its subject matter and supersedes all severance agreements or understandings in effect prior to its execution, and (v) does not establish a durational term of employment or alter the nature of the at-will relationship between the two parties. Payments hereunder are deemed to be separate payments for purposes of applying the short-term deferral rule in Treas. Reg. § 1.409A-1(b)(4) and in determining separation pay due to involuntary separation from service under Treas. Reg. § 1.409A-1(b)(9)(iii). No reimbursements required to be made within a limited period of time under Treas. Reg. § 1.409 A-1(b)(9)(iii) shall relate to claims incurred after the period specified above or be paid later than the last day of the third calendar year following the calendar year in which occurs the covered termination of employment. The parties intend that any payments contemplated by this Agreement constituting “deferred compensation” under Internal Revenue Code Section 409A will comply with the requirements of that section. Thus, no such deferred compensation will be subject to acceleration or to any other change in the specified time or method of payment, except as consistent with Code Section 409A. In no event will the Company have any liability with respect to taxes for which you may become liable as a result of the application of Code Section 409A.

You also agree that: (i) if a tribunal determines a portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law, (ii) the Company may withhold taxes from payments made under the Agreement, and (iii) you may not assign any rights or obligations you have under the Agreement. The Company's rights and duties under this Agreement shall be transferred to, and shall be binding upon, any corporation or other entity which succeeds to the rights and obligations of the Company by operation of law or otherwise.

If you agree to the terms and conditions of this Agreement, please countersign below, retain a copy for your files, and return this original to me.

Sincerely,

ECCA Management Services, Ltd.  
By: ECCA Management, Inc.,  
General Partner

By: /s/ David L. Holmberg  
Authorized Signatory

/s/ Jennifer Kelley  
Executive

**APPENDIX A**  
**DEFINITIONS**

“Cause” means: (i) the willful or gross neglect of your duties, including your refusal to follow written directives of the Chairperson of the Board of Directors of ECCA or his designee; (ii) your conviction of a felony; (iii) willful or gross misconduct by you which materially injures the Company, ECCA, or a subsidiary or affiliate thereof, monetarily or otherwise; or (iv) your material breach of any obligation under this letter agreement.

“Change in Control” means:

- (A) any Person or Group acquires stock of ECCA, ECCA Holdings Corporation or of HVHC that, together with stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the stock of ECCA or of HVHC. However, if any Person or Group is considered to own more than 50% of the total fair market value or total voting power of the stock of ECCA or of HVHC, the acquisition of additional stock by the same Person or Group in such entity is not considered to cause a Change in Control of ECCA or of HVHC, as the case may be. An increase in the percentage of stock owned by any Person or Group as a result of a transaction in which ECCA or HVHC acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of ECCA or of HVHC; or
- (B) any Person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group) assets from ECCA that have a total gross fair market value exceeding 50% of the total gross fair market value of all of the assets of ECCA immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of ECCA, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, no Change in Control shall be deemed to occur under subsection (B) as a result of a transfer to:
  - (1) A shareholder of ECCA (immediately before the asset transfer) in exchange for or with respect to its stock;
  - (2) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by ECCA;
  - (3) A Person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of ECCA; or
  - (4) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (3) above.

For this purpose, the term “Person” means an individual, corporation, association, joint stock company, business trust or other similar organization, partnership, limited liability company, joint venture, trust, unincorporated organization or government or agency, instrumentality or

political subdivision thereof (for clarification, other than the Company or Highmark Inc. or any successor thereof or subsidiary thereof). The term “Group” will have the meaning set forth in Rule 13d-5 of the Securities Exchange Commission (“SEC”), modified to the extent necessary to comply with Treasury Regulation Section 1.409A-3(i)(5)(v)(B) and (D), as applicable, or any successor thereto. For the avoidance of doubt, the consummation of the proposed consolidation of Highmark Inc. and Independence Blue Cross will not constitute a Change in Control hereunder.

“Company” refers to ECCA Management Services, Ltd. However, for purposes of the covenants in the letter agreement, HVHC and affiliates of HVHC including subsidiaries and joint venture partners, are included in the definition.

“ECCA” refers to Eye Care Centers of America, Inc.

“HVHC” refers to HVHC Inc.

“Material Change” before or after a Change in Control means the occurrence of any of the following events, without your written consent, which event remains uncorrected for thirty (30) days after you have made written demand to the Chairperson of the Board of Directors of ECCA for correction: (i) any material reduction in or failure to pay base salary; (ii) any material reduction in your target percentages under the Long-Term Incentive Plan (if applicable) or the Annual Executive Incentive Plan; (iii) any reduction of more than 10% in your aggregate performance-based compensation opportunity (*i.e.*, annual incentive payment, long-term incentive payment, and split dollar life insurance premium, if any), reasonably determined by the Company, ECCA or HVHC at the time performance criteria are established; or (iv) any material reduction in the aggregate employee benefits available to you, other than an amendment, modification or termination of an employee benefit that applies on a non-discriminatory basis to similarly situated employees. The demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change. If demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the thirty (30) day correction period.

In addition, “Material Change” after a Change in Control shall also include the occurrence of one of the following events, without your written consent, which event remains uncorrected for thirty (30) days after you have made written demand to the Chairperson of the Board of Directors of ECCA for correction: (i) material reduction of your position responsibilities or authorities from your position immediately prior to the Change in Control, or assignment of duties or responsibilities materially inconsistent with such position; or (ii) relocation of your primary office more than fifty (50) miles from your then current office location, but not closer to your principal residence. As described in the preceding paragraph, the demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change, and if demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the thirty (30) day correction period.

**HVHC Inc.**

September 17, 2008

Mr. David Holmberg  
HVHC Inc.  
1800 Center Street  
Camp Hill, PA 17089

**Re: Severance**

Dear Mr. Holmberg:

This letter agreement (the "Agreement") sets forth certain conditions with regard to your employment and post-employment activities as well as the conditions under which you will be entitled to receive severance benefits. For definitions of capitalized terms used in this Agreement, see Appendix A. The term of this Agreement is from September 17, 2008 to December 31, 2011. This Agreement applies to terminations of employment during this term. This Agreement replaces the letter agreement dated November 1, 2007 between you and Eye Care Centers of America, Inc.

In consideration of your assuming the position of President and Chief Executive Officer of HVHC and with both parties intending to be legally bound, the Company and you agree as follows:

Amount of Severance. If you qualify for severance, HVHC Inc. ("HVHC") will pay you an amount equal to two hundred percent (200%) of your base annual salary at the time of termination, in equal monthly installments over twenty-four (24) months.

Incentive Plan Payments. If you qualify for severance, you will also receive (i) any Annual Executive Incentive Plan ("AEIP") payment for the calendar year preceding your termination, if it was not previously paid to you, and (ii) a portion of the AEIP payment you have earned during the year of termination, prorated based upon the number of your complete months of employment during the year. These AEIP payments will be made at the same time such payments are normally made for the applicable year to executives who continue in employment, but in any event by March 15 of the calendar year following your termination of employment. Amounts are payable based on actual performance.

In addition, if you qualify for severance and you have five or more years of service or you have attained age 55, you will be eligible for payment of an award under the Long-Term Incentive Plan (LTIP), regardless of your age at termination, as follows. For termination before a Change in Control, your award will be determined and paid in the same manner as awards to employees who retire at or after age 55 under the LTIP. For termination after a Change in Control, awards will be paid in accordance with the terms of the LTIP.

Benefits. HVHC will also provide payment for continued medical, dental and vision coverage you elect under COBRA for up to eighteen (18) months' following your termination.

**Tier I - HVHC**

In addition, if you become a participant in an Executive Retirement Plan (ERP) adopted by HVHC, or in which HVHC becomes a participating employer, and: (i) you qualify for severance and (ii) you have five or more years of service, you will be eligible for participation in the ERP regardless of your age at termination. However, benefits under the ERP may not commence prior to age fifty-five (55). If, after a Change in Control and after you have attained age fifty-five (55), your employment is terminated by HVHC other than for Cause, or as a result of a Material Change, you will be eligible for participation in such ERP, even if you have not earned five or more years of service.

Except as provided above or as provided to terminated employees under the specific terms of a qualified or non-qualified employee benefit plan, fringe benefit or compensation program in which you are eligible to participate, you will not be entitled to any other benefits or compensation from HVHC after (or as a result of) your termination of employment. You also will not be eligible to receive severance under any other agreement, plan or arrangement with HVHC.

Qualifying for Severance. You will qualify for severance under this Agreement if, during the term of this Agreement, (i) we terminate your employment for reasons other than Cause, or (ii) you elect to resign within sixty (60) days after you have knowledge of a Material Change before or after a Change in Control. As noted above, these capitalized terms are defined in Appendix A. In any case, you must timely sign and return a General Release and Waiver Agreement (and not revoke it) provided by the Company in order to receive severance or benefits under this Agreement. A copy of the Release that HVHC currently uses is available for review upon request.

However, you will NOT qualify for severance if any of the following apply: (i) you are terminated for Cause, (ii) you choose to remain employed by HVHC (or a successor entity) more than sixty (60) days after the occurrence of a Material Change, (iii) you voluntarily resign or retire (other than due to a Material Change), (iv) your termination is due to long-term disability entitling you to disability benefits from the Company or due to death, or (v) you decline to sign and return the General Release and Waiver Agreement within the time specified by the Company, or you attempt to revoke it.

A payment scheduled to be made under this Agreement as a result of your termination of employment will be paid or commence as soon as practicable after you timely sign and return the General Release and Waiver Agreement. Unless forfeited by you, such payment will be made or commence during the same calendar year as your termination, or (if later) by the 15<sup>th</sup> day of the third calendar month following your termination of employment. In no event, however, will you be permitted to designate the calendar year of the payment.

Your Covenants. Regardless of whether you qualify for severance, you agree to the following:

- (1) During your employment and after your separation (for whatever reason), you will not disclose HVHC's Confidential Information to others (except as required in the normal performance of your duties for the Company) or use such information for your own advantage or for the advantage of others. All records, files, materials and Confidential

Information obtained by you in the course of your employment with the Company are confidential and proprietary and shall remain the exclusive property of the Company. This provision does not preclude you from providing truthful information to the extent required by subpoena, court order, search warrant or other legal process, but you must immediately notify the Company's counsel of such request in order to provide us with the opportunity to object in the appropriate forum and obtain a ruling on our objection.

- (2) Upon the Company's request at any time, or upon separation from employment (for whatever reason), you will deliver to HVHC (a) all documents and materials containing HVHC trade secrets and other Confidential Information, and (b) all other documents, materials and other property belonging to HVHC that are in your possession or under your control, including, but not limited to, Company-provided automobiles, computers, cellular telephones, pagers, rolodexes or address/telephone books.
- (3) During the term of this Agreement and for twenty-four (24) months after your separation (for whatever reason), you will not directly or indirectly, in any capacity whatsoever, entice, induce or solicit, or attempt to entice, induce or solicit, any individual or entity having a business relationship with HVHC, whether as an employee, consultant, customer or otherwise, to terminate or cease such relationship or to divert any business from HVHC.
- (4) During the term of this Agreement and for twenty-four (24) months after your separation (for whatever reason), you will not own (other than as a shareholder of less than 1% of a publicly traded entity), accept employment in any capacity with, serve as a consultant for, or otherwise provide services or support of any nature to, any entity, company, corporation or person engaged in a business that competes with HVHC or any of its subsidiaries and affiliates engaged in the eye care industry. This includes any business, entity or person engaged in the sale (whether wholesale or retail), delivery, distribution, manufacture, design or licensing of lenses, frames and eyewear and/or the administration or underwriting of vision and vision-related programs, benefits and services. After separation, you may ask the Chairman of HVHC, by written request, to reduce or modify the scope of this non-competition clause. The decision to grant or deny such a request shall be within the sole discretion of HVHC's Chairman and shall be effective only if it is in writing.

By signing this Agreement, you agree that these covenants are reasonable as to time, geographical area and scope of activity and do not impose a restriction greater than is necessary to protect the Company's goodwill, proprietary information and business interests. You also agree that this Agreement provides enhanced protections and benefits you would otherwise not be entitled to, and that these protections and benefits constitute valuable consideration sufficient to support the obligations described above. You also agree that any breach of these covenants is likely to cause irreparable injury to the Company and that damages for any breach are difficult to calculate. Therefore, the Company shall, at its election, be entitled to injunctive and other equitable relief from a court in addition to whatever other relief or remedies, including damages, may be available.

Arbitration. Any dispute between us under this Agreement shall be resolved by final and binding arbitration; provided, however, that the Company, in its sole discretion, may enforce the covenants set out above under “Your Covenants” by bringing a proceeding in any court of competent jurisdiction. The arbitration shall be held in the City of Pittsburgh, Pennsylvania and shall be conducted in accordance with the then-prevailing Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall be acceptable to both the Company and to you. If we cannot agree on an acceptable arbitrator, the dispute shall be heard by a panel of three arbitrators, one appointed by each of us, and the third selected by the other two arbitrators. Under no circumstances may the arbitrator(s) have the authority to require your reinstatement to employment or continued employment, or award any lost wages or benefits (other than severance benefits as described above) as a result of your termination of employment for any reason. The arbitrator(s) shall also have no authority to award punitive, liquidated or consequential damages or the payment of a prevailing party’s costs and/or attorneys’ fees. Each of us shall bear our own costs and expenses and an equal share of the arbitrators’ and administrative fees of arbitration. You, the Company and the arbitrator(s) shall treat all aspects of the arbitration proceedings, including without limitation, discovery, testimony and other evidence, briefs and the award, as strictly confidential; provided, however, that any award or order rendered by the arbitrator(s) under this Agreement may be entered as a judgment or order in a court of competent jurisdiction and may be disclosed by the Company as necessary to enforce the terms of your covenants described above.

Miscellaneous. This Agreement: (i) may be amended only by a written instrument which is executed by both parties, (ii) shall be governed by the laws of Pennsylvania, without regard to its conflict of law provisions, (iii) is intended to be legally valid and binding, (iv) contains our entire agreement relative to its subject matter and supersedes all severance agreements or understandings in effect prior to its execution, and (v) does not establish a durational term of employment or alter the nature of the at-will relationship between the two parties. Payments hereunder are deemed to be separate payments for purposes of applying the short-term deferral rule in Treas. Reg. § 1.409A-1(b)(4) and in determining separation pay due to involuntary separation from service under Treas. Reg. § 1.409A-1(b)(9)(iii). No reimbursements required to be made within a limited period of time under Treas. Reg. § 1.409 A-1(b)(9)(iii) shall relate to claims incurred after the period specified above or be paid later than the last day of the third calendar year following the calendar year in which occurs the covered termination of employment. The parties intend that any payments contemplated by this Agreement constituting “deferred compensation” under Internal Revenue Code Section 409A will comply with the requirements of that section. Thus, no such deferred compensation will be subject to acceleration or to any other change in the specified time or method of payment, except as consistent with Code Section 409A. In no event will HVHC have any liability with respect to taxes for which you may become liable as a result of the application of Code Section 409A.

You also agree that: (i) if a tribunal determines a portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law, (ii) HVHC may withhold taxes from payments made under the Agreement, and (iii) you may not assign any rights or obligations you have under the Agreement. HVHC’s rights and duties under this Agreement shall be transferred to, and shall be binding upon, any corporation or other entity which succeeds to the rights and obligations of HVHC by operation of law or otherwise. Any litigation brought to challenge the enforceability of any of the provisions of this Agreement may be brought only in a tribunal of competent jurisdiction in the Commonwealth of Pennsylvania.

If you agree to the terms and conditions of this Agreement, please countersign below, retain a copy for your files, and return this original to me.

Sincerely,

/s/ Nanette P. Deturk  
Chairman of the Board  
HVHC Inc.

/s/ David L. Holmberg  
Executive

**APPENDIX A**  
**DEFINITIONS**

“Cause” means: (i) the willful or gross neglect of your duties, including your refusal to follow written directives of the Chairperson of the Board of Directors of HVHC or his designee; (ii) your conviction of a felony; (iii) willful or gross misconduct by you which materially injures HVHC, monetarily or otherwise; or (iv) your material breach of any obligation under this letter agreement.

“Change in Control” means:

- (A) any Person or Group acquires stock of HVHC that, together with stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the stock of HVHC. However, if any Person or Group is considered to own more than 50% of the total fair market value or total voting power of the stock of HVHC, the acquisition of additional stock by the same Person or Group is not considered to cause a Change in Control of HVHC. An increase in the percentage of stock owned by any Person or Group as a result of a transaction in which HVHC acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of HVHC; or
- (B) any Person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group) assets from HVHC that have a total gross fair market value exceeding 50% of the total gross fair market value of all of the assets of HVHC immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of HVHC, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, no Change in Control shall be deemed to occur under subsection (B) as a result of a transfer to:
  - (1) A shareholder of HVHC (immediately before the asset transfer) in exchange for or with respect to its stock;
  - (2) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by HVHC;
  - (3) A Person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of HVHC; or
  - (4) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (3) above.

For this purpose, the term “Person” means an individual, corporation, association, joint stock company, business trust or other similar organization, partnership, limited liability company, joint venture, trust, unincorporated organization or government or agency, instrumentality or political subdivision thereof (for clarification, other than the Company or Highmark Inc. or any successor or subsidiary thereof). The term “Group” will have the meaning set forth in Rule 13d-

5 of the Securities Exchange Commission (“SEC”), modified to the extent necessary to comply with Treasury Regulation Section 1.409A-3(i)(5)(v)(B) and (D), as applicable, or any successor thereto. For the avoidance of doubt, the consummation of the proposed consolidation of Highmark Inc. and Independence Blue Cross will not constitute a Change in Control hereunder.

“Company” or “HVHC” refers to HVHC Inc. However, for purposes of the covenants in the letter agreement, affiliates of HVHC including subsidiaries and joint venture partners, are included in the definition.

“Material Change” before or after a Change in Control means the occurrence of any of the following events, without your written consent, which event remains uncorrected for ten (10) days after you have made written demand to the Chairperson of the Board of Directors for correction: (i) any reduction in or failure to pay base salary; (ii) any reduction in your target percentages under the Long-Term Incentive Plan (if applicable) or the Annual Executive Incentive Plan; (iii) any reduction of more than 10% in your aggregate performance-based compensation opportunity (*i.e.*, annual incentive payment, long-term incentive payment, and split dollar life insurance premium, if any), reasonably determined by the Company at the time performance criteria are established; or (iv) any material reduction in the aggregate employee benefits available to you, other than an amendment, modification or termination of an employee benefit that applies on a non-discriminatory basis to similarly situated employees. The demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change. If demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the ten (10) day correction period.

In addition, after the occurrence of either (A) a Change in Control or (B) a spin-off, distribution or other disposition of a subsidiary of HVHC resulting in a reduction of the consolidated revenue of HVHC by 25% or more, the term “Material Change” shall also include the occurrence of one of the following events, without your written consent, which event remains uncorrected for ten (10) days after you have made written demand to the Chairperson of the Board of Directors for correction: (i) substantial reduction of your position responsibilities or authorities from your position immediately prior to the Change in Control, or assignment of duties or responsibilities materially inconsistent with such position; or (ii) relocation of your primary office more than fifty (50) miles from your then current office location, but not closer to your principal residence. As described in the preceding paragraph, the demand for correction described above must be provided within sixty (60) days after you have knowledge of a Material Change, and if demand for correction is timely provided, the sixty (60) day period for resignation described in “Qualifying for Severance” above will not end prior to the end of the ten (10) day correction period.



**FOR IMMEDIATE RELEASE**

Contact: George Yanoshik, Jr.  
for Eye Care Centers of America  
Highmark Inc.  
717-302-4251  
[george.yanoshik@highmark.com](mailto:george.yanoshik@highmark.com)

**Eye Care Centers of America Board Names Eisen,  
Gebhardt to Top Leadership Positions**

*James Denny to Retire as President and Chief Operating Officer*

SAN ANTONIO, Tx. (September 23, 2008) – Pennsylvania-based HVHC Inc., a Highmark company, today announces leadership changes at Eye Care Centers of America (ECCA). On October 1, James Eisen will become the company's new chief operating officer, replacing James Denny who has resigned as COO effective Sept. 30. In addition, George Gebhardt has been named chief merchandising officer by the ECCA Board of Directors, a position he will assume on October 1. ECCA veteran James Denny has resigned as president effective December 31, 2008 and will retire at that time.

“Eye Care Centers of America is gaining two accomplished executives with proven track records of success, tremendous credentials and great leadership skills,” said HVHC president and chief executive officer, and ECCA chief executive officer and chairman of the board David Holmberg. “Both Jim and George will be assets to the ECCA management team as we continue to grow our business and enhance our presence as a leader in the vision retail industry.”

No newcomer to the vision industry, Eisen is the former vice president of store operations for Luxottica Licensed Brands, previously

Cole Licensed Brands, in Cleveland, OH. Most recently he was senior vice president of stores with national fabric and crafts retailer Jo-Ann Stores in Hudson, OH.

Eisen is a graduate of California Coast University with a bachelor's degree in business management, and he has been married to his wife, Heather, for 28 years. They have two children and a granddaughter.

"It is an honor to be part of the ECCA leadership team, and I'm excited about the growth opportunities in our retail businesses," said Eisen. "As we continue to invest in training, coaching and developing our teams, we will have leaders demonstrating and delivering upon our organization's mission to provide integrated vision care solutions for our customers and patients."

George Gebhardt has served as ECCA's executive vice president of Merchandising since September 1996, and he assumed the responsibilities for managed vision care in 2004. He has also been responsible for marketing from September 1996 to December 2004 and since May 2006. Gebhardt was with Visionworks from February 1994 to September 1996 serving in various positions, most recently senior vice president of Merchandising and Marketing. Prior to entering the vision retail business, he spent over 13 years with Eckerd Corporation in various operational positions including senior vice president and general manager of Eckerd Vision Group. He also spent seven years working for Procter & Gamble serving in various positions including unit sales manager of Procter & Gamble's Health and Beauty Care Division.

Gebhardt is a graduate of Southern Oregon University with a bachelor's degree in marketing, and he has been married to his wife, Karen, for 30 years. They have four children and five grandchildren.

"I've been with the company a long time and can honestly say it is truly exciting to see our long-term strategic plan come together so well," said Gebhardt. "We are a great company that is getting stronger and more focused every day, and I look forward to helping the HVHC family achieve and exceed our goals."

Since joining ECCA, James Denny has been responsible for overseeing the management of all retail stores, as well as real estate and construction. From June 2003 to December 2004, he was senior vice president of Store Operations, overseeing the management of approximately one-quarter of our stores. And, from June 1967 to March 1992 and again from January 1994 to December 2002, he held various progressive operations positions culminating in president of Sears Puerto Rico with Sears Roebuck & Co. From March 1993 to January 1994, Mr. Denny served as region manager with Circuit City Stores, Inc.

“Jim has been a real asset to ECCA, and has made many contributions to the company during the past five years,” said Holmberg. “We wish him well as he retires and begins this new chapter in his life.”

#### **About HVHC Inc.**

HVHC Inc. is the owner of New York-based Davis Vision, Inc., New Jersey-based Viva International Group and Texas-based Eye Care Centers of America. Together, these companies rank among the nation’s largest vision companies.

#### **About Eye Care Centers of America**

With more than 400 retail stores in 36 states, Eye Care Centers of America, Inc. is the third largest retail optical chain in the U.S. The company’s brand names include EyeMasters, Binyon’s, Visionworks, Hour Eyes, Dr. Bizer’s VisionWorld, Dr. Bizer’s ValueVision, Doctor’s ValuVision, Stein Optical, Vision World, Doctor’s VisionWorks, and Eye DRx. Founded in 1984, the company is headquartered in San Antonio, Texas. For more information about Eye Care Centers of America, visit [www.ecca.com](http://www.ecca.com).

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