

**SERVICE AGREEMENT
HEALTH REIMBURSEMENT ARRANGEMENT**

This Service Agreement (“Agreement”) is made and entered into by and between Perris Union High School District (“Employer”) and Keenan & Associates (“Keenan”), as of July 1, 2018 (“Effective Date”).

RECITALS

WHEREAS. Employer seeks to establish a Health Reimbursement Arrangement (“HRA”);

WHEREAS, Keenan provides certain services to employers seeking to establish HRA’s and acts as broker of record for annuities purchased for HRA’s; and

WHEREAS, MidAmerica Administrative Solutions, Inc. (“MidAmerica”), is a provider of administrative services and technical support for HRA’s and

WHEREAS, Employer desires to utilize the services of Keenan and MidAmerica for its HRA.

THEREFORE, IN CONSIDERATION OF the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency is hereby acknowledged, it is mutually agreed as follows:

AGREEMENT

1. TERM

A. This Agreement shall be for an initial term of three years (the “Initial Term”), beginning with the Effective Date of this Agreement and expiring on June 30, 2021. Upon expiration of the Initial term, the Agreement shall automatically renew for successive one year terms (each renewal year a “Successive Term” and, collectively with the Initial Term, the “Term”), provided that either party may terminate the Agreement at any time without cause or penalty upon no less than ninety (90) days written notice to the other.

2. KEENAN SERVICES AND RELATIONSHIP OF THE PARTIES

A. Employer elects and Keenan shall provide the services indicated in Exhibit A attached hereto and incorporated herein (“Services”).

B. The relationship of Keenan and Employer shall be that of an independent contractor and Keenan shall at all times remain responsible for its own operational and personnel expenses. Under no circumstance shall any employee of one party look to the other party for any payment or the provision of any benefit, including without exception, workers’ compensation coverage. Except as may be expressly set forth in or contemplated by this Agreement, neither party shall have the right to act on behalf of the other, or to bind the other to any contract or other obligation.

C. In providing the Services, Keenan shall act exclusively in an advisory and consultative capacity. Employer shall at all times have the right to determine whether to act on or

implement the information, recommendations, and suggestions provided by Keenan, and the manner by which any such action or implementation shall be undertaken. Except for Keenan's responsibilities with respect to funds obtained from or on behalf of Employer, Keenan shall not be a fiduciary of Employer.

- D. Keenan shall not provide any legal, tax, or accounting service, advice, or opinion, and the Services shall not be interpreted as representing any such service, advice or opinion. Employer's shall consult its own attorney on all legal issues and its own tax and accounting experts on all tax, accounting, and financial matters relating to its operations, including without limitation, the establishment, implementation and operation of the HRA.
- E. In providing its Services, Keenan shall comply with all applicable state and federal laws and regulations, and obtain and maintain all necessary licenses, registrations, and/or permits necessary for the performance of its duties under this Agreement.
- F. The Services provided to Employer are non-exclusive and Keenan reserves the right to provide the same or similar services to other Employers who may be in the same industry, business, or service as Employer.

3. EMPLOYER'S DUTIES AND RESPONSIBILITIES

- A. Employer shall retain decision-making authority for its HRA, and shall manage the day-to-day activities of the HRA, except for those duties and/or functions expressly assigned to Keenan under this Agreement or to MidAmerica under the Administrative Services Agreement executed contemporaneously herewith.
- B. Employer shall provide Keenan with timely access to such information and individuals, including its outside advisors and consultants, as may be necessary for Keenan to perform the Services. Keenan shall not be responsible for any delay in its performance that results from the failure of Employer, or any person acting on behalf of Employer, to make available any information or individual in a timely manner.
- C. All information provided to Keenan, either in anticipation of or during the term of this Agreement, shall be complete and accurate, and that Keenan may rely upon such information.
- D. Employer shall execute the Broker of Record Designation attached hereto as Exhibit B.

4. COMPENSATION

- A. Keenan shall receive compensation for the Services as set forth on Exhibit C.
- B. Keenan shall comply with all applicable state and/or federal laws and regulations regarding disclosure of compensation. We embrace industry efforts for transparency and believe it is important that Employers have access to information that may be relevant to their choice of insurance products, including the cost of such insurance and services, and, the compensation that may be directly or indirectly paid to Keenan in connection

with the products or services that are selected. If you have questions regarding any of these items or desire additional information, you may contact your Keenan account representative to discuss this matter in more detail.

5. INSURANCE

Keenan shall procure and maintain during the term of this Agreement the following insurance coverage's, and shall provide certificates of insurance to Client upon Client's request.

- (1) Workers' Compensation. Workers' Compensation Insurance in conformance with the laws of the State of California and applicable federal laws.
- (2) Bodily Injury, Death and Property Damage Liability Insurance. General Liability Insurance (including motor vehicle operation) with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.
- (3) Professional Liability Insurance. Professional Liability Insurance with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.
- (4) Cyber Liability/Privacy Insurance. Cyber Liability Insurance with a Two Million Dollar (\$2,000,000) limit of liability for each occurrence and a Two Million Dollar (\$2,000,000) aggregate limit of liability.

6. INDEMNIFICATION

If either party breaches this Agreement, then the breaching party shall defend, indemnify and hold harmless the non-breaching party, its officers, agents and employees against all claims, losses, demands, actions, liabilities, and costs (including, without limitation, reasonable attorneys' fees and expenses) arising from such breach. In addition, if Keenan (i) becomes the subject of a subpoena or is otherwise compelled to testify or (ii) becomes the subject of a claim, demand, action or liability brought or asserted by one of Client's employees, vendors or any third party ("Third-Party Demand") relating to the Services and such Third-Party Demand is not a direct result of Keenan's negligence or willful misconduct, then Client shall defend, indemnify and hold Keenan harmless from all losses, payments, and expenses incurred by Keenan in resolving such Third-Party Demand.

7. LIMITATION OF LIABILITY

Notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any punitive damages, fines, penalties, taxes or any indirect, incidental damages incurred by the other party, its officers, employees, agents, contractors or consultants whether or not foreseeable and whether or not based in contract or tort claims or otherwise, arising out of or in connection with this Agreement even if advised of the possibility of such damage. Keenan's liability under this Agreement shall further be limited to, and shall not exceed, the amount of its available insurance coverage, but not exceeding the limits of coverage outlined in Section 5.

8. **DISPUTE RESOLUTION**

- A. In the event of any dispute arising out of or relating to this Agreement, such dispute shall be resolved by submission to binding arbitration before Judicial Arbitration & Mediation Services ("JAMS") or ADR Services, at the claimant's choice, in Los Angeles County, California, before a retired judge or justice. If the parties are unable to agree on a retired judge or justice, the selected arbitration service (JAMS or ADR Services) will select the arbitrator.
- B. In any such arbitration, the parties shall be entitled to take discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.
- C. The prevailing party in any action, arbitration, or proceeding arising out of or to enforce any provision of this Agreement will be awarded reasonable attorneys' fees and costs incurred in that action, arbitration, or proceeding, or in the enforcement of any judgment or award rendered.

9. **TERMINATION**

- A. This Agreement may be terminated upon the occurrence of any of the following events:
- i. By either party upon the dissolution or insolvency of a party to this Agreement;
 - ii. By either party following the filing of a bankruptcy petition by or against either party (if the petition is not dismissed within sixty (60) days in the case of an involuntary bankruptcy petition);
 - iii. If the application of any law, rule, regulation, or court or administrative decision prohibits the continuation of this Agreement or would cause a penalty to either party if the Agreement is continued, and if the Agreement cannot be amended to conform to such law, rule, regulation, or court or administrative decision in a manner that would preserve the original intent of the parties with respect to their rights and duties under this Agreement; or
 - iv. By the non-breaching party if a breach of this Agreement is not cured within thirty (30) days following receipt of written notice of the breach from the non-breaching party.
- B. Termination of this Agreement shall terminate the Administrative Services Agreement entered into between Employer and MidAmerica. Neither Keenan nor MidAmerica (except as specifically provided for under the Administrative Services Agreement) shall be obligated to provide any further service to the HRA as of the termination date of this Agreement. It shall be the sole responsibility of the Employer to provide, directly or through an alternate service provider. Additionally, the termination of this Agreement and the subsequent termination of MidAmerica Administrative Services

Agreement may result in the termination of the group annuity contract purchased for the HRA. In such event, HRA assets may be subject to surrender charges if so stated in the carrier's group annuity contract.

10. GENERAL

- A. This Agreement, its recitals and all exhibits attached to the Agreement contain the entire understanding of the parties related to the subject matter covered by this Agreement and supersede all prior and collateral statements, presentations, communications, reports, agreements or understandings, if any, related to such matter(s).
- B. This Agreement is made for the benefit of the parties and is not intended to confer any third-party benefit or right. The enforcement of any remedy for a breach of this Agreement or claim related to the Services may only be pursued by the parties to this Agreement.
- C. No modification or amendment to this Agreement shall be binding unless it is in writing and signed by authorized representatives from both parties. Any waiver or delay by a party in enforcing this Agreement shall not deprive that party of the right to take appropriate action at a later time or due to another breach. This Agreement shall be interpreted as if written jointly by the parties.
- D. Any provision determined by a court of competent jurisdiction to be partially or wholly invalid or unenforceable shall be severed from this Agreement and replaced by a valid and enforceable provision that most closely expresses the intention of the invalid or unenforceable provision. The severance of any such provision shall not affect the validity of the remaining provisions of this Agreement.
- F. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, power outages, failure of computer systems, machinery or supplies, vandalism, strikes, or other work interruptions, or any similar or other cause that is beyond the reasonable control of either party. Each party shall make a good faith effort to perform under this Agreement in the event of any such circumstances, and shall resume full performance once the cause of the delay has abated.
- G. All notices hereunder shall be in writing and sent to the parties at the addresses as set forth below, or to such other individual or address as a party may later designate. Notices shall be sent via personal delivery, courier service, United States mail (postage pre-paid, return receipt requested), express mail service, electronic mail, or fax. Notice shall be effective when delivered, or if refused, when delivery is attempted. Notices delivered during non-working hours shall be deemed to be effective as of the next business day.

If the notice relates to a legal matter or dispute, a copy shall be sent to:

Keenan and Associates
 2355 Crenshaw Blvd., Ste. 200
 Torrance, CA 90501
 Attn: Legal Department

- H. Neither this Agreement nor Keenan’s duties hereunder may be assigned without the prior written approval of Employer.
- I. This Agreement may be executed in counterparts and by fax signatures and each shall be deemed to be an original.
- J. Each person signing this Agreement on behalf of a party represents and warrants that he or she has the necessary authority to bind such party and that this Agreement is binding on and enforceable against such party.

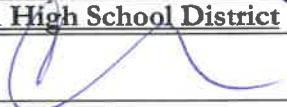
<u>Perris Union High School District</u>		<u>Keenan & Associates</u>	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>	Candace Reines	<u>By:</u>	J. Daniel Keenan
<u>Title:</u>	Deputy Superintendent	<u>Title:</u>	Senior Vice President
<u>Address</u>	155 E, 4 th Street Perris, CA 92570	<u>Address</u>	2355 Crenshaw Blvd., Ste. 200 Torrance, CA 90501
<u>Phone:</u>	951-943-6369	<u>Phone</u>	310-212-0363
<u>Attention:</u>	Judy Miller	<u>Attention:</u>	J. Daniel Keenan
<u>E-mail:</u>	judy.miller@puhsd.org	<u>E-mail:</u>	DKeenan@Keenan.com

EXHIBIT A
Keenan's Services

Keenan shall:

1. With respect to Plan Design Consulting & Oversight:
 - a) Determine Plan Provisions
 - b) Plan Setup Assistance
2. Select vendors to provide products and services to the program ("Vendors").
3. Evaluate and review the performance of the Vendors.
4. In its discretion, remove, replace or change Vendors.
5. Act as liaison between Employer and the Vendors.
6. Act as Broker in securing one or more group annuity contracts for Employer's HRA.
7. Conduct periodic meetings with Employer to review the status of its HRA
8. Inform Employer of any changes affecting the program, including, without limitation, any change in Vendors.
9. Coordinate the services of the Vendors.
10. Assist Employer in the implementing of the HRA.
11. Provide ongoing consultation to Employer with respect to the HRA.
12. Work with the Vendors to resolve any customer service issues
13. Review communication, sales, marketing and customer service materials prepared by Vendors.
14. Assist Employer in informing its employees about the availability of the HRA.
15. Assist Employer in providing educational programs about the HRA to employees.

EXHIBIT B
Broker of Record Designation

This letter confirms that as of July 1, 2018, the organization listed below (“Employer”) has appointed Keenan & Associates (“Keenan”) as the Broker of Record for the group annuity contract(s) to be issued in conjunction with Employer’s HRA.

It is understood and agreed that American United Life Insurance Company (“AUL”) is currently Keenan’s exclusive provider of group annuity products for HRA’s.

Employer shall not seek to acquire annuity products directly from any insurance carrier or through any other broker for its HRA.

Keenan is authorized to provide a copy of this letter to AUL, and/or any subsequent HRA annuity provider, to demonstrate Keenan’s authority to obtain one or more annuities for Employer’s HRA. This appointment rescinds any and all previous appointments Employer may have made with respect to the HRA, and shall remain in full force and effect until Employer terminates its Service Agreement with Keenan.

Employer authorizes Keenan to provide representatives of prospective insurers and other coverage providers with all information regarding Employer, its operations, employees, and financial status as may be necessary for AUL, and/or any subsequent group annuity provider, to issue the group annuity contract to Employer.

Acknowledged and agreed to by:

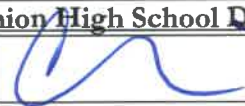
<u>Perris Union High School District</u>		<u>Keenan & Associates</u>	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>	Candace Reines	<u>By:</u>	J. Daniel Keenan
<u>Title:</u>	Deputy Superintendent	<u>Title:</u>	Senior Vice President
<u>Date:</u>	4/12/18	<u>Date:</u>	

Exhibit C

Client shall pay Keenan a one-time consulting fee of One Thousand-Five Hundred Dollars (\$1,500.00). This fee is due during the first year of the contract. Payment will be due in full thirty (30) days following receipt of Keenan's invoice. Keenan shall have the right to suspend performance of its Services if any payment remains unpaid for more than thirty (30) days from the due date.

In exchange for the administrative and other services provided by Keenan to MidAmerica and the carrier(s) providing annuities for the HRA program, Keenan shall receive certain fees and/or commissions from MidAmerica and such carrier(s). Keenan shall receive \$3.00 per employee of the Administrative Fee collected by Mid America as specified in the agreement executed between the Client and MidAmerica. Notwithstanding the foregoing, Client shall pay a minimum monthly Administrative Fee of \$75.00 per month. Of the monthly minimum MidAmerica shall receive \$50.00 and Keenan will receive \$25.00 for their respective services.

If Keenan receives any commissions from the sale of annuities, such commissions will be as provided for under a separate agreement between Keenan and the applicable carrier(s).

