

**AGREEMENT TO PROVIDE AGENT OF RECORD SERVICES
RELATING TO EMPLOYEE BENEFITS**

THIS AGREEMENT ("Agreement") is made this 10th day of July 2018, by and between the TOWN OF PALM BEACH, whose mailing address is 360 S. County Road, Palm Beach, FL 33480, hereinafter referred to as "TOWN", and THE GEHRING GROUP, INC., with its principal place of business located at 4200 Northcorp Parkway, Suite 185, Palm Beach Gardens, FL 33410, hereinafter referred to as "GEHRING GROUP".

RECITALS:

The TOWN is a municipal corporation existing under the laws of the State of Florida. The TOWN desires to obtain certain consulting services relating to its benefits program.

GEHRING GROUP is an active corporation, existing under the laws of the State of Florida, experienced in the foregoing and agrees to perform these services for the TOWN under the terms and conditions set forth in this Agreement.

In consideration of the mutual premises set forth in this Agreement, it is agreed by and between TOWN and GEHRING GROUP as follows:

**SECTION ONE
NATURE OF WORK**

GEHRING GROUP will perform consulting and advisory services on behalf of the TOWN with respect to its benefits program, as more particularly described in the "SCOPE OF SERVICES" as set forth in **EXHIBIT "A"**, attached hereto and incorporated herein by reference.

**SECTION TWO
PLACE OF WORK**

GEHRING GROUP agrees, upon request, to come to the TOWN's offices in Palm Beach, Florida, or such other places as reasonably designated by the TOWN, to meet with representatives of the TOWN, as necessary.

SECTION THREE TIME DEVOTED TO WORK

In the performance of services, the services and hours GEHRING GROUP is to work on any given day, will be entirely within GEHRING GROUP'S control and TOWN will rely upon GEHRING GROUP to devote such time, as is reasonably necessary, to fulfill the intent and purpose of this Agreement.

SECTION FOUR COMPENSATION

GEHRING GROUP shall be compensated in the form of a fixed annual flat fee for ongoing servicing, marketing, placement and actuarial services as detailed in **EXHIBIT "B"** attached hereto and incorporated herein. Additional compensation in the form of commissions shall be paid to GEHRING GROUP by the ancillary benefits providers selected by the TOWN, as a percentage of the premium paid by the TOWN to the benefits provider as set forth in **EXHIBIT "B"**.

SECTION FIVE TERM

This agreement shall commence immediately upon execution by both the TOWN and GEHRING GROUP and shall be effective for a period of three (3) years, beginning October 1, 2018, and continuing through September 30, 2021, with an option to extend/renew for two (2) additional one (1) year terms upon written mutual consent of the TOWN and GEHRING GROUP, under the same terms and conditions.

SECTION SIX STATUS OF GEHRING GROUP

This Agreement calls for the performance of the services of GEHRING GROUP as an independent contractor, and GEHRING GROUP, an active Florida corporation, will not be considered an employee of the TOWN for any purpose. GEHRING GROUP will be in possession of Protected Health Information (PHI) and/or Personally Identifiable Information (PII) in its performance of this contract and accordingly will execute a Business Associate Agreement with the TOWN attached herein as **"EXHIBIT C"**.

SECTION SEVEN INDEMNIFICATION

GEHRING GROUP shall protect, defend, indemnify, and hold harmless, the TOWN, its employees, agents, elected or appointed officials, and representatives from any and all claims and liabilities, including all attorney's fees and court costs, including appeals, for which TOWN, its employees, agents, elected or appointed officials, and representatives can or may be held liable as a result of injury to persons or damage to property occurring by reason of any negligent acts or omissions or willful misconduct of GEHRING GROUP, its employees, or agents arising out of or connected with this Agreement or any breach of this Agreement by GEHRING GROUP. GEHRING GROUP shall not be required to indemnify TOWN or its agents, employees, or representatives when an occurrence results solely from the wrongful acts or omissions of TOWN, or its board members, agents, elected or appointed officials, employees, or representatives.

SECTION EIGHT TERMINATION

Notwithstanding Section Five, the TOWN may terminate this Agreement for any reason, with or without cause, by giving GEHRING GROUP 60 days' advance written notice of the TOWN's intent to terminate the Agreement.

SECTION NINE MISCELLANEOUS

1. As an independent contractor, GEHRING GROUP shall pay all expenses in connection with its consulting business and GEHRING GROUP will not incur any indebtedness on behalf of TOWN with this AGREEMENT.
2. In the event either party hereto shall file a lawsuit to enforce any of the terms hereof, the prevailing party shall be entitled to recover all costs, charges, and expenses of enforcement, including reasonable attorney's fees incurred in a trial of appellate proceeding.
3. This Agreement constitutes the entire Agreement between the parties relative to the transaction contemplated herein and neither this Agreement nor any term or provision hereof may be waived, except by an instrument in writing executed by the TOWN and GEHRING GROUP.
4. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and the venue for any action brought or arising out of this Agreement shall be Palm Beach County, Florida.
5. Should any term or provision of this Agreement be held, to any extent, invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this Agreement, to the extent that the

Agreement shall remain operable, enforceable and in full force and effect to the extent permitted by law.

6. This Agreement may be amended, extended, or renewed only with the written approval of the parties.

This Agreement states the entire understanding and agreement between the parties and supersedes any and all written or oral representations, statements, negotiations, or agreements previously existing between the parties with respect to the subject matter of this Agreement. The GEHRING GROUP recognizes that any representations, statements or negotiations made by TOWN staff do not suffice to legally bind the TOWN in a contractual relationship unless they have been reduced to writing and signed by an authorized TOWN representative. This Agreement shall inure to the benefit of and shall be binding upon the parties, their respective assigns, and successors in interest.

SECTION TEN PUBLIC RECORDS

IF THE CONSULTANT/BROKER/AGENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT/BROKER/AGENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS:

**Town Clerk's Office
360 South County Road
Palm Beach, FL 33480
(561) 838-5416
records@townofpalmbeach.com or
townclerk@townofpalmbeach.com**

IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

TOWN OF PALM BEACH

ATTEST:

BY: _____

KIRK BLOUIN, TOWN MANAGER

BY: _____

THE GEHRING GROUP, INC.

BY: _____

KURT GEHRING, CEO

EXHIBIT A
SCOPE OF SERVICES TO BE PROVIDED BY GEHRING GROUP

The following services will be provided to the TOWN in the provision of insurance broker and actuarial services:

- Meet with designated staff on-site and/or via conference call to validate scope of services, methodology, timeliness, desired outcomes, and other deliverables.
- Provide plan design analysis and actuary services for the following coverage that is currently provided as of January 1, 2018:

A. Medical Insurance

1. Florida Blue is the medical carrier (1/1 contract and plan year, 12/31/2019 contract expiration)
2. Stop Loss Coverage with Symetra Financial (10/1 contract and plan year, 9/30/2018 contract expiration)
3. RxBenefits (CVS/Caremark) is the prescription carrier (1/1 contract and plan year, 12/31/2017 contract expiration).
4. PartD Advisors is the contracted services providing management of Retiree Drug Subsidy Program.
5. Triple option plan to include HMO, POS and PPO plan

B. COBRA Administration

1. Continuum is the administrator (1/1/ contract and plan year; contracts renews automatically)

C. Dental Insurance

1. Humana is the dental carrier (1/1 contract and plan year, 12/31/2019 contract expiration)
2. Single option PPO indemnity plan

D. Basic and Supplemental Life Insurance

1. Ochs Inc./Securian is the insurance carrier (1/1 contract and plan year, 12/31/2018 contract expiration)
2. Basic life insurance provided by employer
3. Supplemental life insurance elected by employee

E. Long Term Disability Insurance

1. Prudential is the insurance carrier (1/1 contract and plan year, 12/31/2019 contract expiration)
2. Long Term Disability coverage provided by employer

F. Short Term Disability Insurance

1. Prudential is the insurance carrier (1/1 contract and plan year, 12/31/2019 contract expiration)
2. Optional coverage elected by employee; employee paid

G. Flexible Spending Accounts (FSA and DCA)

1. Continuum is the FSA/DCA administrator (1/1/ contract and plan year, 12/31/2020 contract expiration)
2. Optional coverage elected by employee

H. Vision Insurance

1. National Vision Administrators is insurance carrier (1/1 contract and plan year, 12/31/2022 contract expiration)
 2. Optional coverage elected by employee
- I. Family Medical Leave Administration
1. Prudential is the administrator (1/1 contract and plan year. 12/31/2018 contract expiration)
- Provide actuarial services, internally or via third party, for self-funded health and dental insurance plans annually, OPEB (Other Post-Employment Benefits) trust and long-term financial preparations, which include a 10 year forecast annually, in addition to annual required GASB and/or state reporting.
 - Attendance and representation as needed at public Town Council meetings and others deemed necessary to adequately represent management of employee benefit programs.
 - Develop, conduct, and/or summarize annual benefit surveys and comparative market reports on insurance plan benefits, design, contributions, funding, and premium structures compared to the Town's package.
 - Coordinate Open Enrollment meetings and materials as required with Town Staff.
 - Assist in resolving employee/retiree claim issues and expedite resolution of contractual/coverage and billing disputes.
 - Create and propose requests for bids and/or proposals for various insurance and/or health services, in addition to completing the necessary research to include requests for information to ascertain if rebidding insurance coverage and/or services would be fiscally prudent and in the best interest of all Town needs. This should be conducted at least 6 months in advance of the target change to allow ample time for the Town to review and take appropriate action if necessary.
 - Provide quarterly insurance coverage plan analysis to include employee and employer contribution versus plan cost analysis, positive and/or negative trends in all claims, and year-to-date projected to budgeted analysis.
 - Provide guidance on the annual budget projections, stop loss purchases and attachment points for any self-funded program.
 - Assist in the development and review of communication materials written by the Town's benefit administrator and other participating organizations for content, appearance, compliance and accuracy, and provide printing services for benefit communications including an annual employee benefits guide. Communication materials must be designed in a manner to proactively market and describe plan benefits and related information to employees and retirees.

- Assist with planning and implementation of employee benefits identified above. Review all plan documents for accuracy and compliance with appropriate laws and regulations. Negotiate renewal rates and plan provisions.
- Provide updates and pro-active action plans necessary to implement any and all legally required plan changes in a timely manner resulting from changes to Federal, State, and or local laws.
- Provide updates, information, and department staff training on any legal updates with respect to HIPPA, PHI, (Personal Health Information) and any other relative insurance plan related topics.
- Provide for the availability of at least two dedicated account representatives who are well versed in employee benefits to include plan and funding analysis.
- Assist with wellness initiatives and provide assistance in the coordination and development of employee wellness programs that target the high risk factors identified in the annual health screening executive summary report.
- Provide the Town with an online enrollment system (available 24/7) that will integrate with the Town's current HRIS system. The system must be HIPPA compliant, allow secure access to enrollers, track enrollee changes/elections, provide monthly reconciliation of expenses and/or actions, and have historical data and elections for year to year.

EXHIBIT “B” COMPENSATION

GEHRING GROUP will provide all services as requested and described in Exhibit "A" and will be paid as follows:

ANNUAL/ONGOING SERVICES	ANNUAL FEE* (Payable monthly or quarterly)
Annual employee benefits program servicing, marketing and placement.	\$72,000
Actuarial Services to include:	
• Annual 112.08 Filing of actuarial soundness with State of Florida	\$3,250
• Annual OPEB/GASB Reporting	\$10,250
BenTek® Online Enrollment and Administration System	\$0
The cost of providing BenTek to the Town will be paid through compensation from the ancillary coverage carriers. Accordingly, the Town will not be billed for the services of BenTek.	
TOTAL ANNUAL FEE PAID BY TOWN	\$85,500

**The annual fixed fees outlined above will be increased by 3% effective at the beginning of the third year of the contract.*

The following services remain available upon request and at the discretion of the Town:

OPTIONAL SERVICES	ANNUAL FEE
Actuarial Services for Retiree Drug Subsidy Program:	
• Attestation	\$3,500
• Application	\$1,000
• Reconciliation	\$750

**EXHIBIT “C”
BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (the “Agreement”) by and between Town of Palm Beach (“Client”), and The Gehring Group, Inc. (“Gehring Group”) is made and entered into effective October 1, 2018.

• **RECITALS**

WHEREAS, Client is a “covered entity” as those terms are defined in 45 C.F.R. § 160.103; and

WHEREAS, Gehring Group provides consulting services to Client; and

WHEREAS, as a result of such functions, Client has identified Gehring Group as a “business associate,” as defined in 45 C.F.R. § 160.103, of Client for purposes of the privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, (HIPAA) as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) and the regulations issued thereunder; and

WHEREAS, Gehring Group acknowledges that it is a business associate, as defined in 45 C.F.R. § 160.103, of Client that may create, use, or disclose Protected Health Information or Electronic Protected Health Information on behalf of Client; and

WHEREAS, Client desires to obtain written assurances that Gehring Group will safeguard Protected Health Information or Electronic Protected Health Information created or received by or on behalf of Client.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS

1.1 “Breach” shall have the meaning set forth in 45 C.F.R. §164.402.

1.2 “Data Aggregation” shall have the meaning as the term “data aggregation” in 45 C.F.R. § 164.501.

1.3 “Designated Record Set” shall mean a group of health-related records about an Individual as provided in 45 C.F.R. § 164.501.

1.4 “Electronic Health Record” shall mean an electronic record of health-related information with respect to an Individual that is created, gathered, managed and consulted by authorized healthcare clinicians and staff.

1.5 “Electronic Protected Health Information” or “Electronic PHI” means information that Gehring Group or its agent, including a subcontractor, creates, receives, maintains or transmits from or on behalf of Client that comes within paragraphs 1(i) or 1(ii) of the definition of “protected health information” at 45 C.F.R. § 160.103.

- 1.6 **“Genetic Information” shall have the meaning assigned to such term in 45 C.F.R. § 160.103.**
- 1.7 **“HIPAA” shall mean the health information privacy provisions under the Health Insurance Portability and Accountability Act of 1996, and regulations issued thereunder at 45 C.F.R. Parts 160 and 164, as amended by HITECH.**
- 1.8 **“HITECH” shall mean the Health Information Technology for Economic and Clinical Health Act and the regulations issued thereunder.**
- 1.9 **“Individual” shall mean a person who is the subject to the Protected Health Information of the Client, and shall include a person who qualifies as the Individual’s personal representative in accordance with 45 C.F.R. § 164.502(g).**
- 1.10 **“Limited Data Set” shall have the meaning assigned to such term in 45 C.F.R. §164.514(e)(2).**
- 1.11 **“Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created or received by Gehring Group from or on behalf of Client. Genetic Information shall be considered PHI.**
- 1.12 **“Required by Law” shall mean a mandate contained in an applicable state, federal, or local law that compels Client (or business associates acting on behalf of Client) to make a use or disclosure of PHI that is enforceable in a court of law.**
- 1.13 **“Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, as defined at 45 C.F.R. § 164.304. However, certain low risk attempts to breach network security, such as the incidents listed below, shall not constitute a Security Incident under this Agreement, provided they do not penetrate the perimeter, do not result in an actual breach of security and remain within the normal incident level:**
- Pings on the firewall;
 - Port scans;
 - Attempts to log on to a system or enter a database with an invalid password or username;
 - Denial-of-service attacks that do not result in a server being taken off-line; and
 - Malware such as worms or viruses.
- 1.14 **“Subcontractor” shall have the meaning as the term in 45 C.F.R. § 160.103.**

1.15 “Unsecured Protected Health Information” or “Unsecured PHI” shall have the meaning assigned to such term in 45 C.F.R. § 164.402 and guidance issued thereunder.

2. OBLIGATIONS OF THE PARTIES

2.1 Gehring Group shall safeguard all PHI and Electronic PHI created or received by Gehring Group on behalf of Client in accordance with HIPAA. Gehring Group shall implement administrative, physical and technical safeguards that prevent use or disclosure of the Electronic Protected Health Information other than as permitted by the Security Rules. Specifically, Gehring Group agrees to implement policies and procedures in accordance with 45 C.F.R. § 164.316 that:

- i. Prevent, detect, contain and correct security violations in accordance with the administrative safeguards set forth in 45 C.F.R. § 164.308;**
- ii. Limit physical access to electronic information systems and the facility or facilities in which they are housed, while ensuring that properly authorized access is allowed in accordance with the physical safeguards set forth in 45 C.F.R. § 164.310; and**
- iii. Allow access to electronic information systems that maintain Electronic PHI to only those persons or software programs that have been granted access rights in accordance with the technical safeguards set forth in 45 C.F.R. § 164.312.**

2.2 Gehring Group shall not use or disclose PHI or Electronic PHI except as permitted or required by Article 3 of this Agreement or as Required by Law. Gehring Group shall notify Client of all requests for the disclosure of PHI and Electronic PHI from a law enforcement or government official, or pursuant to a subpoena, court or administrative order, or other legal request as soon as possible prior to making the requested disclosure. Gehring Group shall provide to Client all PHI and Electronic PHI necessary to respond to these requests as soon as possible, but no later than ten (10) business days following its receipt of a written request from Client.

2.3 Client shall provide to Gehring Group, and Gehring Group shall request from Client, disclose to its affiliates, subsidiaries, agents and subcontractors or other third parties, only a Limited Data Set or, if necessary or otherwise permitted by HHS regulations, the minimum PHI or Electronic PHI necessary to perform or fulfill a specific function required or permitted under the Agreement. “Minimum necessary” shall be interpreted in accordance with HITECH, and in any event shall not include any direct identifiers of individuals such as names, street addresses, phone numbers or social security numbers, except for a unique identifier assigned by Client as necessary for the strategic analysis.

2.4 Gehring Group shall comply with all granted restrictions on the use and/or disclosure of PHI, pursuant to 45 C.F.R. § 164.522(a), upon written notice from Client; provided, however, that Client shall not grant any restriction that affects Gehring Group’s use or disclosure of PHI without first consulting with Gehring Group.

- 2.5 Gehring Group shall comply with all granted requests for confidential communication of PHI, pursuant to 45 C.F.R. § 164.522(b), upon written notice from Client.
- 2.6 Gehring Group shall report to Client any use or disclosure of PHI not permitted by this Agreement of which Gehring Group becomes aware within fifteen (15) business days of its becoming aware, and will take such corrective action necessary, or as reasonably directed by Client, in order to prevent and minimize damage to any Individual and to prevent any further such occurrences.
- 2.7 Following the discovery of a Breach of Unsecured PHI, Gehring Group shall notify the Client without unreasonable delay and in no case no later than fifteen (15) days after discovery of the Breach. The notification shall include the identification of each Individual whose Unsecured PHI has been or is reasonably believed by Gehring Group to have been accessed, acquired, used or disclosed during the Breach. Gehring Group shall provide the Client with any other available information that the Client requires to notify affected individuals under the Privacy Rule.
- 2.8 Gehring Group shall make reasonable efforts to mitigate, to the extent practicable or as reasonably directed by Client, any harmful effect that is known to Gehring Group resulting from a breach of this Agreement or HIPAA that is directly caused by Gehring Group.
- 2.9 Gehring Group shall report to Client any Security Incident within five (5) business days of when it becomes aware of such Security Incident. Gehring Group shall mitigate to the extent practicable or as reasonably directed by Client any harmful effect that is known to Gehring Group of a Security Incident by Gehring Group.
- 2.10 Gehring Group shall take reasonable steps to ensure that any Subcontractor performing services for Client agrees in writing to the same restrictions and conditions that apply to Gehring Group with regard to its creation, use, and disclosure of PHI and Electronic PHI in accordance with 45 C.F.R. §§ 164.308(b)(2), 164.502(e)(1)(ii) and 164.504(e)(5). Gehring Group shall, upon written request from Client, provide a list of any Subcontractors with whom Gehring Group has contracted to perform services for Client. Gehring Group shall advise Client if any Subcontractor breaches its agreement with Gehring Group with respect to the disclosure or use of PHI or Electronic PHI. If Gehring Group knows of a pattern of activity or practice of its Subcontractor that constitutes a material breach or violation of the Subcontractor's duties and obligations under its agreement with the Subcontractor ("Subcontractor Material Breach"), Gehring Group shall cure the breach or provide a reasonable period for Subcontractor to cure the Subcontractor Material Breach; provided, however, that if Gehring Group cannot, or Subcontractor does not, cure the Subcontractor Material Breach within such period, Gehring Group shall terminate the agreement with Subcontractor, if feasible, at the end of such period.
- 2.11 Gehring Group shall, upon written request from Client, provide to Client a copy of any PHI or Electronic PHI in a Designated Record Set, as defined in 45 C.F.R. § 164.501, created or maintained by Gehring Group, and not also maintained by Client, within thirty (30) days of receipt of the request.

- 2.12 Gehring Group shall, upon written request from Client, make any amendment to PHI in a Designated Record Set maintained by Gehring Group within thirty (30) days of receipt of the request unless Gehring Group can establish to Client's satisfaction that the PHI at issue is accurate and complete.
- 2.13 If an Individual's PHI is held in an Electronic Health Record, Gehring Group shall provide requested copies in electronic format to the individual or to an entity or person designated by the Individual, provided such designation is clearly and conspicuously made by the Individual or Client.
- 2.14 Gehring Group shall make its internal practices, written policies and procedures, books, records, and other documents relating to the use and disclosure of PHI and/or Electronic PHI created or maintained by Gehring Group on behalf of Client available to the Secretary of the Department of Health and Human Services, or his or her designee, for purposes of the Secretary determining Client's compliance with HIPAA.
- 2.15 Gehring Group shall make available the information required to provide an accounting of disclosures made on and after the Effective Date, as necessary for Client to comply with 45 C.F.R. § 164.528, within twenty (20) business days of receipt of the request. Gehring Group shall provide one such accounting within a twelve month period without charge, but may make a reasonable charge for any additional such accountings within the same twelve month period.
- 2.16 Gehring Group shall maintain all records, other than those records that are also maintained by Client, for six (6) years from the date created or last in effect, whichever is later, as necessary for Client to comply with 45 C.F.R. § 164.530(j)(2).

3. PERMITTED USES OF PHI

- 3.1 Gehring Group may use and disclose PHI and Electronic PHI as necessary to provide services to Client, subject to Section 2.3 of this Agreement and consistent with the requirements of HIPAA.
- 3.2 Gehring Group may use and disclose PHI and Electronic PHI as necessary for the proper management and administration of Gehring Group or to carry out Gehring Group's legal responsibilities, subject to Section 2.4 of this Agreement and consistent with the requirements of HIPAA; provided, however, that Gehring Group may disclose the PHI and Electronic PHI for such purposes only if:
 - i. the disclosure is Required by Law, or
 - ii. Gehring Group obtains reasonable assurances that the party to whom the PHI or Electronic PHI is disclosed (a) will protect the confidentiality of the PHI and Electronic PHI, (b) will not further disclose the PHI or Electronic PHI except as Required by Law or for the purposes for which it was disclosed to the other party, and (c) will report any improper use or disclosure of the PHI and/or Electronic PHI to Gehring Group.

- 3.3 Except as otherwise limited in this Agreement, and to the extent provided for under this Agreement, Gehring Group may use PHI and Electronic PHI to provide Data Aggregation services to Client, as permitted by 42 C.F.R. § 164.504(e)(2)(i)(B).

4. TERMINATION OF AGREEMENT

- 4.1 Except as described in Section 4.3, this Agreement shall continue in effect so long as Gehring Group provides service to Client involving maintaining, using or disclosing PHI or Electronic PHI, or otherwise retains a copy of PHI or Electronic PHI provided to Gehring Group by Client.
- 4.2 Client may terminate this Agreement at any time if Client discovers that Gehring Group has materially breached any provision of this Agreement.
- 4.3 If Gehring Group becomes aware of a pattern of activity or practice of the Client that constitutes a material breach or violation of the Client's duties and obligations under the Agreement, Gehring Group shall take reasonable steps and provide a period of thirty (30) calendar days for the Client to cure the material breach or violation. If the Client does not cure the material breach or violation within such 30-day period, Gehring Group shall terminate the Agreement, if feasible, at the end of such 30-day period.
- 4.4 Upon the expiration of Client's relationship with Gehring Group, and contingent upon the payment of all outstanding fees, Gehring Group shall return PHI and Electronic PHI to Client or Client's designated agent upon Client's request. If return of all PHI and Electronic PHI is not feasible, the provisions of this Agreement shall continue to apply to Gehring Group until such time as all PHI and Electronic PHI is either returned to Client or destroyed pursuant to Gehring Group's document retention policy, provided that Gehring Group shall limit further use of PHI and Electronic PHI only to those purposes that make the destruction or return of the PHI and Electronic PHI infeasible. Following the expiration of the relationship, Gehring Group agrees not to disclose PHI and Electronic PHI except to Client or as Required by Law.

5 NOTICES

Whenever, under this Agreement, Gehring Group is required to give notice to Client, such notice shall be sent via First Class Mail to:

Town of Palm Beach

360 South County Road

Palm Beach FL 33480

Attention: Human Resources Department

Whenever, under this Agreement, Client is required to give notice to Gehring Group, such notice shall be sent via First Class Mail to:

Katherine Bellantoni, CHP, Privacy Officer
Gehring Group, Inc.
4200 Northcorp Parkway, Suite 185
Palm Beach Gardens, FL 33410

6 INDEMNIFICATION

Gehring Group agrees to indemnify Client, and any employees, directors, officers of Client (collectively "Client Indemnitees"), against all actual and direct losses resulting from or in connection with any breach of this Agreement by Gehring Group, or its partners, employees or other members of its workforce. Actual and direct losses shall include, but shall not be limited to, judgments, liabilities, fines, penalties, costs, and expenses (including reasonable attorneys' fees) which are imposed upon or incurred by Client Indemnitees by reason of any suit, claim, action, investigation, or demand by any Individual, government entity, or third party. This obligation to indemnify shall survive the termination of this Agreement.

Client agrees to indemnify Gehring Group and any employees, directors, officers of Gehring Group (collectively "Gehring Group Indemnitees") against all actual and direct losses resulting from or in connection with any breach of this Agreement by Client, or any violation of HIPAA resulting from any improper use or disclosure of PHI and Electronic PHI pursuant to Client's direction. Actual and direct losses shall include, but shall not be limited to, judgments, liabilities, fines, penalties, costs, and expenses (including reasonable attorneys' fees) which are imposed upon or incurred by Gehring Group Indemnitees by reason of any suit, claim, action, investigation, or demand by any Individual, government entity, or third party. This obligation to indemnify shall survive the termination of this Agreement.

7 AMENDMENT

The parties agree to negotiate in good faith any amendments necessary to conform this Agreement to changes in applicable law. Gehring Group further agrees to promptly attempt to amend its agreements with its subcontractors and agents to conform to the terms of this Agreement. In the event Gehring Group is unable to amend this Agreement or its agreements with its subcontractors in a way that is sufficient to satisfy the requirements under HIPAA, Client may terminate this Agreement in accordance with Section 4 upon thirty (30) days written notice.

8 TERMS OF AGREEMENT GOVERN

Any ambiguity in this Agreement shall be resolved in a way that permits compliance with HIPAA. In the event of a conflict between the terms of this Agreement and any other contract or agreement between Client and Gehring Group, this Agreement shall govern.

9 REGULATORY REFERENCES

A reference in this Agreement to a section in the Privacy Rules or Security Rules means the section as in effect or as amended, and for which compliance is required.

* * *

IN WITNESS HEREOF, the parties have executed this Agreement by their respective duly authorized officers or representatives.

CLIENT

GEHRING GROUP, INC.

By: _____
Kirk Blouin
Title: Town Manager
Date: _____

By: _____
Katherine Bellantoni, CHP
Title: Privacy Officer
Date: _____