

KELLY & ASSOCIATES INSURANCE GROUP, INC.
PLAN SERVICES AGREEMENT

And
PAYROLL SERVICES AGREEMENT

THIS PLAN SERVICES AGREEMENT AND PAYROLL SERVICES AGREEMENT (the "Agreement") is effective on the signing date between The Board of Education of Howard County, Maryland with the Howard County Public School System serving as the administrator (the "Employer"), and Kelly & Associates Insurance Group, Inc. ("Kelly Benefits") and Kelly Payroll, Inc. ("Kelly Payroll") (referred to collectively herein as "KELLY"); provided, however, that all specific references to services and/or obligations provided through Kelly Payroll, Inc. shall refer to "Kelly Payroll."

Recitals

The Employer has established and currently sponsors the medical, dental, vision, life and disability plans (the "Plan"), which provides a means for certain of its employees and their beneficiaries to enjoy health care and other employee benefits.

The Employer wishes to engage Kelly Benefits to provide certain specified services with respect to the Plan ("benefit services"); and

The Employer wishes to engage Kelly Payroll to perform payroll tax services and other related services (collective "payroll services")

Accordingly, the Employer and KELLY agree as follows.

ARTICLE I
TERM

1.1 **INITIAL TERM.** The initial term of this Agreement shall be from the date of this Agreement until May 31, 2020, both dates inclusive.

1.2 **RENEWAL TERM(S).** This Agreement shall be renewed automatically for three (3) additional one (1) year renewal periods on each expiration date unless either party provides a written notice of termination of this Agreement to the other party at least sixty (60) days prior to the first day of the renewal term in question. In no event shall the Agreement exceed a total of eight (8) years.

ARTICLE II
EMPLOYERS DUTIES AND RESPONSIBILITIES

2.1 **GENERALLY.** The Employer shall make any and all final decisions about the interpretation of the Plan, and all final authority and responsibility for the Plan and its administration is retained by the Employer.

The Employer understands and agrees that, if any of its decisions are at variance with the terms of the Plan, those decisions may not be binding on the insurer(s), if any, of benefits provided under the Plan or on the "stop-loss" insurer(s), if any, providing coverage with respect to the Plan.

Generally, as requested by KELLY, the Employer shall provide reasonable assistance to KELLY with respect to KELLY's performance of KELLY's duties and responsibilities specified in this Agreement.

2.2 INFORMATION ABOUT PARTICIPANTS AND ENROLLMENT. The Employer confirms that Kelly Benefits is entitled to rely on information concerning Plan participants and beneficiaries and their enrollment status provided to Kelly Benefits by the Employer or other Plan service providers being accurate.

In addition, on the request of Kelly Benefits, the Employer will provide Kelly Benefits with any other information about employees and their beneficiaries and/or the Plan as Kelly Benefits believes it requires for the performance of its duties and responsibilities under this Agreement.

2.3 ASSISTANCE FROM EMPLOYEES OF THE EMPLOYER. On an on-going basis during the term of this Agreement, the Employer will identify to KELLY those employees of the Employer who are authorized to provide assistance to KELLY with respect to the Plan (benefit services) and with respect to payroll services, and will inform KELLY of the duties and scope of authority of those employees. If the identity of such a person changes, Employer will promptly notify KELLY in writing of the change. KELLY will have a reasonable time after receipt of a certification, notice or other communication to act on it.

2.4 REPORTS REQUIRED BY LAW. Except for any reports to be prepared and provided by KELLY as set forth in Exhibit 1 of this Agreement, as incorporated herein, the Employer with the assistance from KELLY will prepare and submit in a timely fashion all reports concerning the Plan required by the Internal Revenue Code and its regulations, the Internal Revenue Service, the Department of Labor and all other federal, state and local acts and agencies. In addition, the Employer will make any payments required to accompany those reports.

2.5 LEGAL COMPLIANCE. The Employer, not Kelly Benefits, shall be responsible for keeping the Plan, the Employer and the Plan's fiduciaries in compliance with, to the extent applicable, federal and state tax statutes, federal and state health care continuation rules and other laws, or for preparing the Plan's Annual Report (whether audited or unaudited).

2.6 PLAN DOCUMENT. The Employer shall provide Kelly Benefits with copies of the Plan's governing document (the "Plan Document") and the Plan's Summary Plan Description (the "SPD"), and of all modifications to the Plan Document and the SPD. Amendments to the Plan Document and SPD shall not be effective for purposes of this Agreement until Kelly Benefits has received properly executed copies of those amendments.

2.7 INTERACTION WITH EMPLOYEES. The Employer shall supply employees with Plan enrollment forms, membership cards, SPDs, claims forms, and other materials necessary or appropriate for the Plan's operation and for compliance with applicable law.

2.8 PLAN ADMINISTRATOR DISCRETION. The Employer, on the advice of its counsel, shall ensure that the Plan's documents reserve to the Plan Administrator the full discretion to decide claims and make interpretations under the Plan, with this reservation being

made in a manner that ensures that *de novo* judicial review of claims and other determinations made by the Plan Administrator will not be available to claimants.

2.9 PROTECTION OF PROPRIETARY INFORMATION. The Employer acknowledges that, during the course of the relationship of the parties under this Agreement, it will have access to certain confidential and proprietary information which is a valuable asset of KELLY. This confidential and proprietary information is likely to include, but not be limited to, information concerning KELLY's Executive Plan Management Reporting.

The Employer agrees not to use or disclose this information for any purpose except as required by law.

The Parties agree to the standards regarding the confidentiality of information according to Attachment A – Confidential Information.

2.10 MAINTENANCE OF SIGNATURES. If any law or contract provision affecting the Plan requires the maintenance of a hard copy on coverage applications, beneficiary designations, or other documents, the Employer shall be responsible for maintaining and providing access to these signatures

2.11 ERISA. In the event the Plan become subject to ERISA, this Agreement shall be amended accordingly.

2.12 SOURCE OF PAYMENTS. The sources of benefit payments under the Plan are to be only the Employer's general assets, employee contributions and payments from any insurer providing benefits under the Plan, as set forth in the Plan documents. Kelly Benefits will have no liability whatsoever for providing a source from which benefit payments will be made under the Plan.

ARTICLE III DUTIES AND RESPONSIBILITIES OF KELLY BENEFITS

3.1 GENERALLY. It is understood and agreed that Kelly Benefits is empowered and required to act with respect to the Plan only as expressly stated in this Article III, and has only those duties and responsibilities expressly listed in this Agreement. In no event will Kelly Benefits be responsible to make or effect any benefit payments due under the Plan. However, Kelly Benefits is bound to inform and work with Employer to identify and discuss opportunities for improvements to its business processes.

The Employer and Kelly Benefits agree that Kelly Benefits' role shall be limited to that of a non-discretionary, non-fiduciary service provider with respect to the Plan, that the services rendered by Kelly Benefits under this Agreement shall not include the power to exercise control over Plan assets, if any, or discretionary authority over Plan operations, and that Kelly Benefits will not for any purpose, be deemed to be the "Plan Administrator" of the Plan or a "fiduciary" with respect to the Plan. Furthermore, it is understood and agreed that Kelly Benefits will not provide medical or pharmacy opinions or services, nor will Kelly Benefits provide or be responsible for the expense and cost of legal counsel, certified public accountants, investment counselors, consultants, or similar type of services performed for Employer, and Kelly Benefits

shall not be authorized to engage such services or incur any expense or cost therefore without written consent of Employer.

Kelly Benefits' services under this Agreement are intended to and shall consist only of certain specifically listed ministerial functions described in Department of Labor Regulations section 2509.75-8, D-2 and, to the extent not inconsistent with this Agreement and applicable law, shall be performed within the framework of policies, interpretations, rules, practices and procedures established by the Employer and/or the Plan's Administrator. The Plan's Administrator is the Employer or such party, other than Kelly Benefits, designated by the Employer.

The Employer authorizes Kelly Benefits to do all things and to perform all acts which Kelly Benefits deems necessary or appropriate to facilitate the services it is to perform with respect to the Plan. Specifically, Kelly Benefits is authorized by the Employer to perform any acts electronically where Kelly Benefits believes it is appropriate to do so. Kelly Benefits will make all reasonable care to promptly notify Employer of such action.

3.2 REPORTS CONCERNING THE PLAN. Kelly Benefits shall prepare and deliver to the Employer any regular reports described on Exhibit 1 of this Agreement.

3.3 RECORDS. Kelly Benefits shall create and maintain appropriate records concerning its services under this Agreement. The Employer may examine these records upon providing reasonable prior written notice to Kelly Benefits. Any examination shall occur in a manner designed to protect appropriately the confidentiality of medical records.

3.4 PLAN INSURANCE. Subject to the Employer's prior directions, Kelly Benefits shall submit to the appropriate insurance companies any checks drawn on the Employer's account for the purchase of insurance policies with respect to the Plan. These policies may include, but shall not be limited to, health insurance, life insurance, disability insurance, stop-loss insurance, and the like. In connection with any insurance policies which provide for insured benefits under the Plan, the Employer agrees to provide Kelly Benefits with any original claim forms or other documents necessary for Kelly Benefits to perform its duties under this Agreement or necessary for Kelly Benefits to meet any audit requirements of any insurer.

Kelly Benefits shall at no time, including insurance contract year ends, be required to act in a manner which varies from its standard business practices with respect to the submission of claims to any insurance carrier.

ARTICLE IV KELLY FEES

4.1 IN GENERAL. The Employer shall pay KELLY the fees specified in its fee schedule as in effect from time to time. KELLY's fee schedule, as of the effective date of this Agreement, is attached to this Agreement as Exhibit 2 and Exhibit 2A, as incorporated herein.

If necessary, a fee estimate may be used by KELLY to determine a fee for any month. If the estimated fee is later determined to understate or overstate the fee actually due to KELLY for a particular month, the Employer and KELLY shall effect a subsequent reconciliation of the fee.

4.2 ADJUSTMENT TO FEE.

(a) Increased Scope of Plan Services. Pursuant to a written amendment to this Agreement signed by the parties, KELLY may adjust its fee schedule by mutual agreement of the parties as of the effective date of any Plan amendment which increases KELLY's duties or responsibilities associated with the amendment.

(b) Reimbursements to KELLY. If KELLY is assessed with any taxes, other charges or fees with respect to the Plan, the Employer promptly shall reimburse KELLY for that amount on receipt by the Employer of a written request for such reimbursement, provided however, to the extent that any such taxes, charges or fees accrue as a result of KELLY's negligence or misconduct they shall be paid and borne by KELLY.

(c) Optional Services and Charges. The Employer also shall be invoiced on a monthly basis, pursuant to KELLY's fee schedule, if the Employer requests and receives any optional services offered by KELLY.

4.3 PLAN VENDORS. Employer hereby authorizes KELLY to contract with independent vendors to perform necessary services for the Plan including but not limited to pharmacy benefit managers (PBMs) to provide prescription drug services.

ARTICLE V
LEGAL ACTIONS; LIABILITY; INDEMNIFICATION

5.1 LEGAL ACTIONS. KELLY shall notify the Employer of any legal action(s) arising with respect to the Plan of which KELLY becomes aware. The defense of any legal actions with respect to the Plan shall be the responsibility of and be undertaken at the expense of the Employer, it being understood and agreed that KELLY shall cooperate with and assist the Employer in that defense to the extent the Employer reasonably may require and that the Employer shall reimburse KELLY for its costs incurred in this cooperation and assistance.

5.2 LIABILITY; INDEMNIFICATION. KELLY shall use ordinary care and due diligence in the performance of its duties under this Agreement, but KELLY shall not be liable to the Employer or any other person for any mistake of judgment or other action taken in good faith, or for any loss or damage occasioned by that mistake or action, unless the loss or damage is due to KELLY's negligence. The parties agree to indemnify and hold harmless each other, and their respective members, trustees, employees, agents, officers, and officials, from and against any and all liabilities, taxes, tax penalties, interest, losses, penalties, damages, and expenses of any kind, nature, or character, including costs and attorney fees, arising out of or relating to any and all claims, liens, damages, obligations, actions, suits, judgments, settlements, or causes of action of every kind, nature, or character, in connection with or arising out of the acts or omissions of either party or its employees, subcontractors, or agents under this Agreement. This provision expressly applies to, but is not limited in application to, matters and circumstances involving or implicating the unauthorized use of any trade secrets, or United States patent or copyright infringement. The indemnities set forth herein will survive the expiration or termination of this Agreement.

If any party has knowledge of an action or threatened action, which may give rise to indemnification under this Agreement, such party shall give prompt notice of the action or

threatened action to the indemnifying party or parties. If such notice is given, the indemnifying party shall retain counsel at its expense to represent and defend the indemnified

ARTICLE VI
NOTICES

6.1 NOTICES. All notices hereunder shall be in writing and either delivered personally or sent by fax confirmed by telephone, or by certified or registered mail, postage prepaid, as follows:

(a) If to the Employer:

Douglas Pindell
Howard County Public School System
10910 Clarksville Pike
Ellicott City, MD 21042

(b) If to Kelly Benefits or Kelly Payroll:

Kelly & Associates Insurance Group, Inc.
1 Kelly Way
Sparks, MD 21152
Attn: Craig S. Horner, CFO

A notice delivered personally shall be effective when delivered. A notice faxed shall be effective when receipt thereof is confirmed by telephone. A notice mailed shall be effective when received as noted on its return receipt. Either party may designate a different addressee or address for notices by prior written notice to the other party.

ARTICLE VII
KELLY PAYROLL SERVICES

7.1 PAYROLL SERVICES. Kelly Payroll will provide Employer the payroll services in accordance with this Agreement. The terms of this Article VII shall apply only with respect to payroll services as provided by Kelly Payroll. In the event that the terms of this Article VII conflict with the terms of any other articles in this Agreement, as to payroll services only, the terms of this Article VII shall control.

7.2 ACCOUNT DEBITING. On or prior to Employer's payroll tax deposit date or other applicable settlement or due date, Employer authorizes Kelly Payroll to initiate debit entries to Employer's account specified below ("Employer's Account") at the depository financial institution the Routing Number of which is given below ("Depository"), and to debit Employer's Account in such amounts as are necessary to (a) pay any fees or charges associated with the payroll services, including, without limitation, finance charges, (b) pay Employer's payroll taxes, (c) pay any debit, correcting or reversing entry initiated pursuant to this Agreement which is later returned to Kelly Payroll, and (d) pay any other amount that becomes owed under this Agreement. This authorization is to remain in full force and effect until Kelly Payroll has

received written notice from Employer of its termination in such time and such manner as to afford Kelly Payroll and Depository a reasonable opportunity to act upon it.

(a) Employer will maintain in Employer's Account as of the applicable settlement date and time immediately available funds sufficient to cover all credit entries Employer originates through Kelly Payroll. Employer's obligation to pay Kelly Payroll for each credit entry matures at the time Kelly Payroll transmits or otherwise delivers the credit entry to the Automated Clearing House ("ACH") or gateway operator and shall survive termination of the Agreement. Kelly Payroll may set off against any amount it owes to Employer in order to obtain payment of Employer's obligation as set forth in this Agreement. Employer acknowledges that the origination of ACH transactions to its account must comply with the provisions of U.S. law. Amounts withdrawn for payroll taxes will be held by Kelly Payroll at Kelly Payroll's financial institution (the "Payroll Tax Account") until such time as those payments are due to the appropriate taxing agencies, and no interest will be paid to the Employer on these amounts.

(b) If Employer does not have sufficient funds in Employer's Account to pay disbursements, fees, payroll taxes or any other amounts due under this Agreement at the time required, or if Employer refuses to pay, Kelly Payroll may (a) debit the Payroll Tax Account or any account at Kelly Payroll's financial institution or any affiliate owned in whole or in part by Employer to pay disbursements, fees or charges, payroll taxes, or other amounts due, (b) refuse to pay any collected or collected but unremitted payroll taxes, in which case the payroll tax liability will become the sole responsibility of Employer, (c) refuse to perform further services, and/or (d) immediately terminate this Agreement. **Kelly Payroll may assess finance charges on any amounts owing and unpaid thirty (30) days after demand.**

(c) Employer's obligations and Kelly Payroll's recourses under this section shall survive termination of this Agreement.

7.3 VERIFICATION OF DATA. Kelly Payroll will notify Employer via electronic communication when all data necessary to begin the payroll services has been received and the enrollment process has been completed. Employer shall then, prior to submitting its first payroll, review for completeness and accuracy the Payroll Information. The Payroll Information shall mean all information posted for Employer's review on reports including, but not limited to, that which is used to pay payroll taxes to applicable taxing agencies in compliance with the laws and regulations of such taxing agencies, and print checks on Employer's account (if applicable). Employer must correct incorrect or missing Payroll Information, either by itself or by notifying Kelly Payroll in the manner specified in the electronic communication and within the time period specified therein.

Employer agrees that by submitting each payroll (including the first payroll): (a) Employer has approved all Payroll Information, (b) Employer has waived and released any claim against Kelly Payroll arising out of any errors in the raw payroll data which Employer has not itself corrected or has not requested Kelly Payroll to correct, and (c) any subsequent request for corrections will be considered special handling and additional fees may be charged. Final audit responsibility rests with Employer. Kelly Payroll will not have any responsibility for verifying the accuracy of any raw payroll data Employer provides or directly inputs via the Internet or any other method.

7.4 SERVICE FEES AND CHARGES. Employer agrees to pay Kelly Payroll for the payroll services, as set forth in Exhibit 1A and as incorporated herein, in accordance with the

fees set forth in the fee schedule provided in Exhibit 2A. Employer will also reimburse Kelly Payroll for sales, use and similar taxes arising from this Agreement that federal, state or local government may impose. This section shall survive termination of the Agreement.

7.5 CONDITIONS PRECEDENT TO KELLY PAYROLL'S OBLIGATIONS. The obligations of Kelly Payroll under this Agreement are conditioned on the following all having occurred:

7.5.1 Documents. A minimum of ten (10) business days before the initial payroll processing date, Employer shall submit the completed and executed documents that Kelly Payroll requires for providing the payroll services listed on Exhibit 1A, as incorporated herein, which documents shall include any Federal, state or local powers of attorney required by Kelly Payroll, Employer account information and any additional information requested by Kelly Payroll. Subsequent to the initial payroll processing, Employer will complete and execute renewals, amendments or replacements of the aforementioned documents that Kelly Payroll deems necessary.

7.5.2 Tax Services. In order for Employer's W-2 statements and payroll tax reporting to be accurate, wage and payroll information submitted by Employer to Kelly Payroll during the enrollment process must be reconciled with Employer's payroll tax returns for the current calendar year and Employer's wage and payroll tax information for the current quarter. It is Employer's responsibility to submit accurate information requested by Kelly Payroll in connection with the services provided under this Agreement. Kelly Payroll shall notify Employer of any discrepancies, errors or other items that may need review.

7.5.3 Payroll Services. Employer shall be responsible for the following duties related to payroll services: (a) Employer will deposit any Federal Insurance Contributions Act ("FICA"), Federal, state and local withholding liabilities incurred to date (before the payroll processing with Kelly Payroll); (b) Employer will submit any payroll returns to tax agencies (state, Federal, and/or local) that are now due; (c) Employer will cancel any prior payroll service or leasing agency and inform them how to handle the taxes according to this documentation (described in 7.5.3 (a) and (b) above); and (d) Employer will notify Kelly Payroll of any deposited current quarter FUTA and/or SUI.

7.6 PAYROLL SECURITY PROCEDURES.

7.6.1 Transmission. Employer's Authorized Payroll Administrator will approve and submit the Payroll Information to Kelly Payroll pursuant to the security procedures as agreed upon by the Parties, thereby authorizing Kelly Payroll to transmit ACH credit or debit entries ("Entries") to the appropriate tax jurisdiction with respect to the Employer's unemployment and payroll tax transactions, and the appropriate party as it relates to garnishment.

7.6.2 Payment Order; Acknowledgement. Employer acknowledges that Kelly Payroll offers the security procedure described above for the purpose of verifying the authenticity of an instruction approving and releasing, cancelling or amending the Payroll Information used to create Entries (each, a "Payment Order") to be originated by Kelly Payroll for the benefit of Employer. Instructions or Payment Orders verified by any security procedure other than the security procedure set forth above are not permitted without written consent from Kelly Payroll.

(a) Employer will be bound by any Payment Order, whether or not authorized, issued in its name and accepted by Kelly Payroll in compliance with the designated security procedure, so long as Kelly Payroll had no reason to know of any unauthorized Payment Order.

(b) If a Payment Order describes the receiver inconsistently by name and account number (i) payment may be made on the basis of the account number even if it identifies a person different from the named receiver or (ii) Kelly Payroll may in its sole discretion refuse to accept or may return the Payment Order. If a Payment Order describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. If a Payment Order identifies a non-existent or unidentifiable person or account as the receiver or the receiver's account, Provider may in its sole discretion refuse to accept or may return the Payment Order.

7.7 ACH ORIGINATION.

7.7.1 Payroll Information or Entry. Employer may use the phone, email or Internet to transmit the payroll information and to approve and submit it to Kelly Payroll for creation, formatting and transmission of Entries in accordance with the Rules (as defined below). Payroll information includes withholding orders and taxes. Kelly Payroll may reject any payroll information or entry created there from which does not comply with the requirements in this Agreement or the Rules or with respect to which Employer's Account does not contain sufficient available funds to pay for the entry. If any Payroll Information or entry is rejected, Kelly Payroll will make a reasonable effort to notify Employer promptly so that Employer may correct such Payroll Information or request that the Kelly Payroll correct the entry and resubmit it. A notice of rejection will be effective when given with receipt acknowledge. If Employer requests that Kelly Payroll repair an entry on Employer's behalf, Kelly Payroll shall endeavor to do so.

(a) Employer will have no right to cancel or amend any Payroll Information received by Kelly Payroll after Employer's Authorized Payroll Administrator has approved it and submitted to Kelly Payroll. However, if Employer's request complies with the security procedure, Kelly Payroll will use reasonable efforts to act on it prior to transmitting the Entries to the ACH or gateway operator, but will have no liability if the cancellation or amendment is not effected through no fault of Kelly Payroll. Employer will reimburse Kelly Payroll for any reasonable expenses, losses or damages Kelly Payroll may incur in effecting or attempting to effect Employer's request. This paragraph shall survive termination of this Agreement.

(b) Except for Entries created from Payroll Information that has been reapproved and resubmitted by Employer in accordance with the requirements of this Agreement, Kelly Payroll will have no obligation to retransmit a returned Entry to the ACH or gateway operator if Kelly Payroll complied with the terms of this Agreement with respect to the original Entry.

(c) Kelly Payroll will process the payroll information and entries created therefrom in accordance with its then current processing schedule as agreed to by Employer, provided (i) the payroll information is approved by Employer and received by Kelly Payroll no later than Employer's applicable cut-off time on a business day and (ii) the ACH is open for business on that business day. If Kelly Payroll receives approved Payroll Information after Employer's cut-off time, Kelly Payroll will not be responsible for failure to process the Payroll Information on that day. If any of the requirements of clause (i) or (ii) of this Subsection are not met, Kelly Payroll will use reasonable efforts to process the Payroll Information and transmit the

Entries to the ACH with the next regularly scheduled file created by Kelly Payroll, which is on a business day on which the ACH is open for business.

(d) At Employer's request, Kelly Payroll will make a reasonable effort to reverse an entry, but will have no responsibility for the failure of any other person or entity to honor Employer's request. Kelly Payroll, upon request, will provide such evidence as to the reasonable efforts made to submit or transmit the Entries.

7.7.2 Other Rules; Warranties and Indemnification. In addition to the provisions of Article VII hereof, this Section will apply with respect to ACH Origination and related transactions. Origination, receipt, return, adjustment, correction, cancellation, amendment and transmission of Entries must be in accordance with the Operating Rules of the ACH in which Kelly Payroll is a participant and, with respect to credit Entries which constitute Payment Orders, Article 4A of the Uniform Commercial Code as adopted in the state whose law governs this Agreement, as both are varied by this Agreement and the other contract documents (as defined below), and as both are amended from time to time (the "Rules"). Employer acknowledges that it has had an opportunity to review and agrees to comply with and be bound by the Rules. Employer will be responsible for promptly obtaining all future amendments.

(a) **Employer acknowledges that under the Rules, Kelly Payroll makes certain warranties with respect to each entry. Employer agrees to reimburse Kelly Payroll for any loss Kelly Payroll incurs, including its reasonable attorneys' fees and legal expenses, as the result of a breach of a warranty made by Kelly Payroll, except to the extent the breach resulted from Kelly Payroll's own negligence or intentional misconduct.**

(b) **Employer acknowledges that under the Rules, Kelly Payroll indemnifies certain persons. Employer agrees to reimburse Kelly Payroll for any loss Kelly Payroll incurs, including its reasonable attorneys' fees and legal expenses, as the result of the enforcement of an indemnity, except to the extent enforcement resulted from Kelly Payroll's own negligence or intentional misconduct.**

(c) This section 7.7 shall survive termination of the Agreement.

7.7.3 Provisional Credit. Any credit Kelly Payroll gives to Employer is provisional until Kelly Payroll receives final settlement and the entry for which credit was given is deemed to be finally paid as provided in this Agreement, the Rules and all laws, rules and regulations governing any aspect of the entry, including the laws, rules and regulations of the country to which the entry was sent. This section shall survive termination of the Agreement.

7.8 403(b) SERVICES. Kelly Payroll will provide standard reports to the Employer, will pull the funds and remit the agency check/ACH to the 403(b) administrator when required.

7.9 LIABILITY; REMEDIES

7.9.1 Payroll Liability. Kelly Payroll's sole liability and Employer's sole remedy for Kelly Payroll's failure to perform the payroll tax portion of the payroll service shall be (a) Kelly Payroll will remit the payroll taxes received from Employer to the appropriate taxing authority and (b) Kelly Payroll will reimburse Employer or pay directly to the taxing authority any penalties and reasonable and agreed upon in writing out-of-pocket expenses resulting from such error or omission by Kelly Payroll. Any penalty or interest incurred due to inaccurate raw

payroll data provided by Employer will be the sole responsibility of Employer. Employer further agrees to hold Kelly Payroll harmless from such liability. Kelly Payroll, at its option, may decide not to file Employer's payroll tax returns or pay Employer's payroll taxes if there are any unresolved problems with any information requested by Kelly Payroll or submitted by Employer.

7.9.2 Damages. In the event of a dispute in connection with which either party to this Agreement employs counsel to pursue, protect or enforce any of the rights afforded that party by the terms hereof or by the terms of any related agreement or to defend against any claims of any other party hereto which arise out of this Agreement or any related agreement, in or out of court (including appellate courts), in arbitration, Bankruptcy cases and proceedings, or otherwise, the non-prevailing party in such dispute agrees to pay all reasonable attorneys' fees, expert witnesses' fees and costs actually incurred by the prevailing party in connection with such dispute and all such fees and costs actually incurred by the prevailing party in collecting or enforcing any settlement agreement, judgment, or arbitration award relating to such dispute.

7.9.3 Disclaimer of Warranties. **IN NO EVENT WILL KELLY PAYROLL HAVE LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGES REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED ON CONTRACT, TORT OR STRICT LIABILITY, OR ANY OTHER THEORY OR FORM OF ACTION OR WHETHER KELLY PAYROLL KNEW OR SHOULD HAVE KNOWN OF THE LIKELIHOOD OF SUCH DAMAGES IN ANY CIRCUMSTANCES. EMPLOYER ACKNOWLEDGES THAT KELLY PAYROLL MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.**

7.9.4 Survival. This section 7.9 shall survive termination of this Agreement.

7.10 CONFIDENTIALITY OF PAYROLL DATA. Kelly Payroll, its employees and agents will hold in strict confidence all data furnished by Employer or produced by Kelly Payroll under this Agreement. However, such parties will not be held liable if such data is released through other sources, or if Kelly Payroll, its employees and agents release the data because Employer has consented to such disclosure.

To assure that Employer's inquiries are handled promptly, courteously and accurately, Kelly Payroll's supervisory or management personnel may monitor and/or record telephone conversations and electronic communications between Employer and Kelly Payroll without additional prior notification to Employer or Employer's employees, and Employer will so advise Employer's employees who communicate with Kelly Payroll by telephone or electronic means.

7.11 AGENTS AND/OR INDEPENDENT CONTRACTORS. Kelly Payroll may at any time use agents and/or independent contractors ("Contractors") to process Entries or provide all or any portion of the payroll service. Kelly Payroll will be responsible for the acts and omissions of its Contractors in the same manner as if Kelly Payroll had performed the portion of the payroll service itself and any claims against its Contractors or Kelly Payroll (with respect to the acts or omissions of its Contractors) shall be subject to the limitations of liability set forth above to the same extent as if Kelly Payroll had performed the portion of the payroll service itself. However, Kelly Payroll will not be deemed to be the agent of, nor responsible for the acts or omissions of any other person, including, without limitation, any Federal Reserve Bank, ACH,

Internet service provider or transmission or communications facility, any receiver or receiving depository financial institution (including, without limitation, the return of an Entry by such receiver or receiving depository financial institution), and no such person shall be deemed Kelly Payroll's agent.

ARTICLE VIII

GENERAL

8.1 ENTIRE AGREEMENT; AMENDMENTS. This Agreement is the complete and exclusive statement of the agreement between the parties, and supersedes all prior oral and written statements of any kind whatsoever made by the parties or their representatives. No statement in writing subsequent to the date of this Agreement purporting to modify or to add to the terms and conditions of this Agreement shall be binding unless consented to in writing by duly authorized representatives of the Employer and KELLY in a document making specific reference to this Agreement.

8.2 WAIVER. No delay or failure of either party in exercising any right under this Agreement and no partial or single exercise of such a right shall be deemed of itself to constitute a waiver of that right or any other rights hereunder.

8.3 APPLICABLE LAW. This Agreement is subject to and shall be governed by the laws of the State of Maryland, except where those laws are preempted by the laws of the United States.

8.4 ASSIGNMENT. This Agreement may not be assigned by either party without the express, written consent of the other party, which consent shall not be withheld unreasonably

8.5 RECORD RETENTION. This Agreement does not relieve Employer of Employer's obligations under Federal or state laws or regulations to retain records relating to the data contained in KELLY's tape or disk files.

8.6 BINDING EFFECT; NO THIRD PARTY BENEFICIARIES. This Agreement shall be binding on and inure to the benefit of the Employer and KELLY and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other person any rights, remedies or obligations under or by reason of this Agreement.

8.7 LIMITATION ON CLAIMS BY EMPLOYER. Any claim by the Employer against KELLY based on any breach or alleged breach by KELLY of its duties under this Agreement shall be invalid unless delivered to KELLY, in writing, by the earlier of the termination of this Agreement or the date one hundred eighty (180) days after the date of the breach or alleged breach.

8.8 SEVERABILITY. In the event that any paragraph, subparagraph, or provision of this Agreement shall be determined to be contrary to governing law or otherwise unenforceable, all remaining portions of this Agreement shall be enforced to the maximum extent permitted by law; the unenforceable paragraph, subparagraph or provision shall first be construed or interpreted, if possible, to render it enforceable, and, if this is not possible, then the provision

shall be severed and disregarded, and the remainder of this Agreement shall be enforced to the maximum extent permitted by law.

8.9 FORCE MAJEURE EVENT. In this Clause, a “Force Majeure Event” means an event beyond the control of KELLY and the Employer, which prevents a party from complying with any of its obligations under this Agreement, including but not limited to:

(a) act of God (such as, but not limited to, fires, explosions, earthquakes, drought, hurricanes, tornadoes, blizzards, significant snow fall, tidal waves, floods, tempest, earthquake or any other natural disaster of overwhelming proportions;

(b) an act of war (whether declared or not), hostilities, invasion, act of foreign enemies, terrorism or civil disorder;

(c) contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly, or any ionizing radiations threatening health or safety;

(d) pressure waves from devices travelling at supersonic speeds or damage caused by any aircraft or similar device;

(e) a strike or strikes or other industrial action or blockade or embargo or any other form of civil disturbance (whether lawful or not), in each case affecting on a general basis the industry related to the affected services and which is not attributable to any unreasonable action or inaction on the part of the Employer or any of its Subcontractors or suppliers and the settlement of which is beyond the reasonable control of all such persons;

(f) discontinuation of electricity supply;

(g) other unforeseeable circumstances beyond the control of the Parties against which it would have been unreasonable for the affected party to take precautions and which the affected party cannot avoid even by using its best efforts, which in each case directly causes either party to be unable to comply with all or a material part of its obligations under this Agreement.

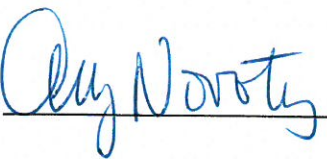
8.10 CONSEQUENCES OF FORCE MAJEURE EVENT. Neither party shall be in breach of its obligations under this Agreement or incur any liability to the other party for any losses or damages of any nature whatsoever incurred or suffered by that other (otherwise than under any express indemnity in this Agreement) if and to the extent that it is prevented from carrying out those obligations by, or such losses or damages are caused by, a Force Majeure Event except to the extent that the relevant breach of its obligations would have occurred, or the relevant losses or damages would have arisen, even if the Force Majeure Event had not occurred.

As soon as reasonably practicable following the date of commencement of a Force Majeure Event, and within a reasonable time following the date of termination of a Force Majeure Event, any party invoking it shall submit to the other party reasonable proof of the nature of the Force Majeure Event and of its effect upon the performance of the party's obligations under this Agreement.

8.11 PRE-EXISTING RIGHTS OR LIABILITIES. Termination of this Agreement for any reason shall not affect the rights or obligations of either party that arise prior to the date of termination.

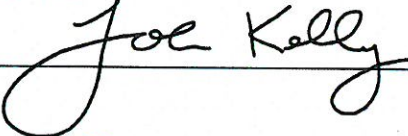
The parties have caused this Agreement to be executed this 27 day of October, 2016, by their duly authorized representatives, effective as specified above.

ATTEST/WITNESS:

By: 

Print Name: Amy Novotny

KELLY & ASSOCIATES INSURANCE GROUP, INC.

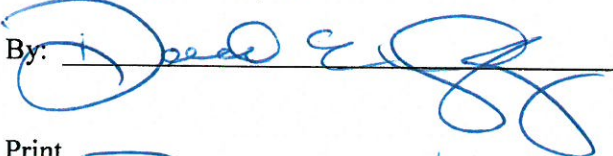
By: 

Print Name: John Kelly

By: 


Print Name: Deborah Sarneman

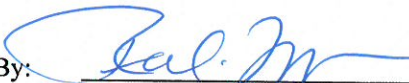
KELLY PAYROLL, INC.

By: 

Print Name: David Kelly

THE BOARD OF EDUCATION OF HOWARD COUNTY MARYLAND

By:  (SEAL)
Christine O'Connor, Chairman
Board of Education of Howard County

By:  (SEAL)
Renee A. Foose, Ed.D. Superintendent

Employer has caused this Agreement to be executed by its duly authorized officer or principal on the date written below.

Agreed To and Accepted By: Please sign and complete ALL the information below:

Employer

Employer Principal's Social Security #

Employer Principal Signature

Year Employer Was Established

Printed Name

Employer Principals' Time as Owner

Title (Owner, Officer, LLC Member, General Partner)

Current Balance From Last Employer Checking Statement

Date Signed

CPA Name

CPA Phone Number

CPA Email Address

Deposit Account Verification

Customer Confirmation:

This information is in regard to the account that Kelly Payroll, Inc. will be using to retrieve the funds for your payroll. Please confirm or correct the information below, **fill in any blank spaces** and sign under **Account Authorization only**.

Howard County Public School System

Name of Depositor _____

Howard County Board of Education

Employer's Legal Name _____

Number **526000968**

10910 Clarksville Pike
Address of Depositor (your Employer address)

Ellicott City Maryland 21042
City State Zip

Beverly Davis
Authorized Signer
Beverly Davis



Account Authorization:

The above-mentioned financial institution is authorized to share and confirm the information set forth above regarding our firm's deposit account.

Customer Signature

Title

Customer Printed Name

Date Signed

Bank Confirmation (To be completed by authorized bank personnel only):

The above-mentioned financial institution is authorized to share and confirm the information set forth above regarding our firm's deposit account.

Name of Depositor (your Employer name) Bank / Financial Institution

Account Number Bank Personnel Signature

ABA Routing Number Bank Personnel Printed Name

Date

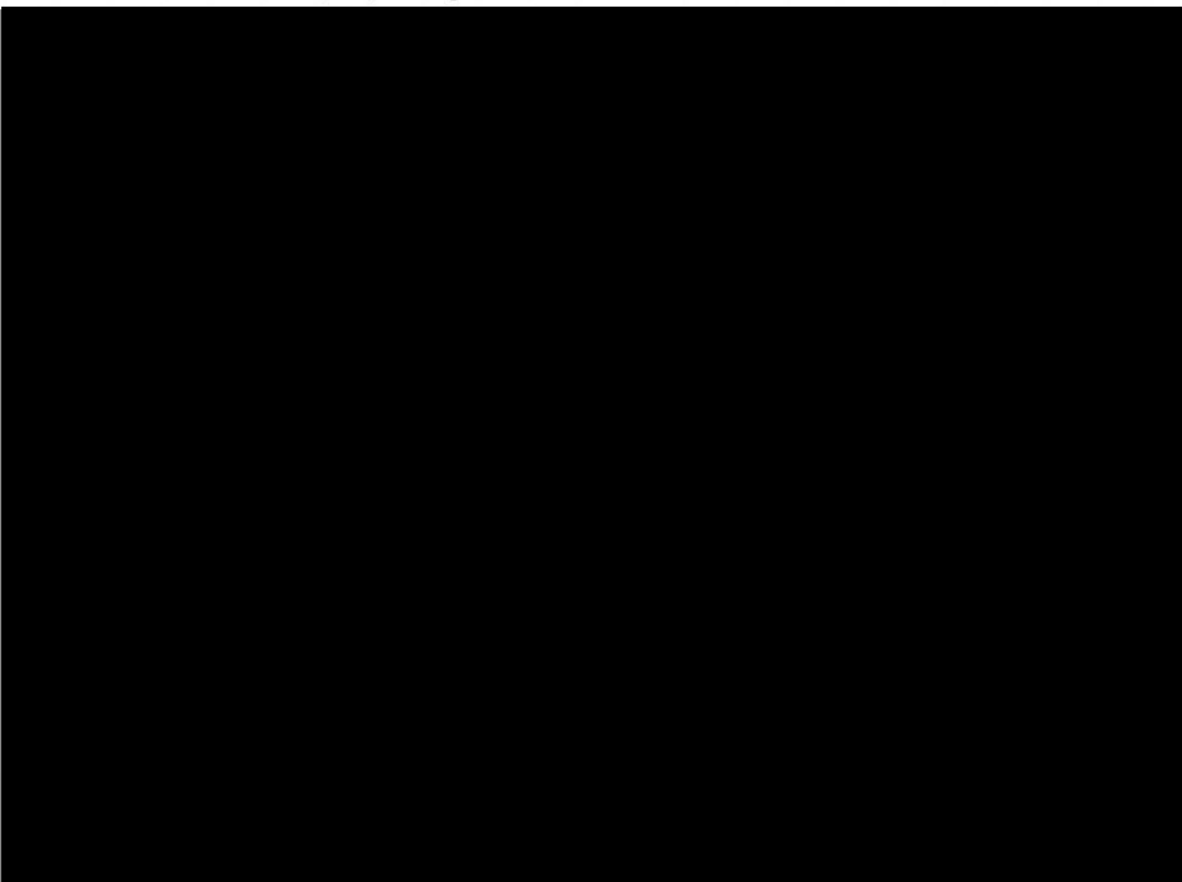
EXHIBIT 1

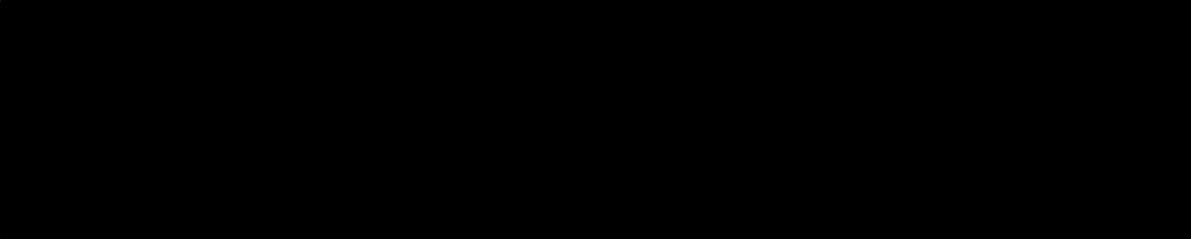
List of Services to be provided to Howard County Public School System by Kelly Benefits

1. Kelly Benefits' Standard Benefits Eligibility Management Services. All complete eligibility information received by Kelly Benefits will be processed within 5 business days, with respect to applicable Employer benefits plans, except open enrollment eligibility, which will be processed prior to the effective date or, if later, 5 business days after receipt.

2. Kelly Benefits' Billing Services. Kelly Benefits will, where applicable, (a) provide a single bill for all products purchased in connection with the Plan, (b) provide an online enrollment tool for all benefits, and (c) provide back-end integration with carriers and vendors selected by the Employer. The monthly Kelly Benefits bill will be produced by the 15th of each coverage month and accurately reflect eligibility and all changes that are received by Kelly Benefits before the fifth to last business day of the prior month.

3. Kelly Benefits' Call Center Service. Kelly Benefits agrees to provide assistance through its call center services to the Employer and its Plan participants and retirees with respect to applicable benefit plans. Kelly Benefits will provide Employer with monthly metrics of call center activity and call logs upon request.





6. Qualified Plan Consulting. Kelly Benefits will provide the Employer qualified plan consulting services to include contract and plan review, fiduciary oversight and vendor management.

7. Aggregate Pricing Benefits. In the provision of these services, Kelly Benefits may provide an aggregate pricing benefit to the Employer, and in return, may receive a rebate from third party vendors, in such event, Kelly Benefits shall notify Employer prior to acceptance.

8. Employer Reporting Services. Kelly Benefits will engage MZQ, an independent contractor, to provide 6056 Employee Reporting Services. MZQ will prepare and file Form 1094-C and Form 1095-Cs with the IRS on behalf of the Employer and will provide an electronic file of the appropriate Form 1095-Cs to the Employer for distribution to employees.

The Employer authorizes and directs Kelly Benefits to work with MZQ to perform the services specified above. Neither Kelly Benefits nor MZQ are rendering legal or financial advice in connection with the Employer Reporting Services nor will either Kelly Benefits or MZQ be deemed a fiduciary of the Employer or co-employer of the Employer's employees for purposes of providing Employer Reporting Services. It is agreed that Kelly Benefits and MZQ are acting in an advisory capacity, however, all decisions made will be based on the good faith effort of all parties.

List of items that Howard County Public School System commits to providing Kelly Benefits

- 1. Timely Enrollment Submission.** The Employer will provide all enrollment activity (terminations, adjustments, dependent additions, etc.) within 15 business days of the qualifying event. Should a representative from the Employer need any specific assistance Kelly Benefits will provide a dedicated administrative representative and also an account management team.

- 2. Timely Payment of Premiums.** Payment of premium needs to be made by the billing due date.

- 3. Point of Contact.** The Employer needs to notify Kelly Benefits 10 days prior to termination or reassignment of the main point of contact at the Employer. Kelly Benefits will notify Employer 10 days prior to termination or reassignment of the main point of contact at Kelly Benefits.

EXHIBIT 1A

List of Services to be provided to Howard County Public School System by Kelly Payroll

- 1. Tax Payments and Tax Filings.** Kelly Payroll will facilitate the payment and appropriate filing of Employer's tax liabilities beginning with the first payroll file transmission date (May 20, 2016) based on the payroll file "raw data" received from Employer each pay cycle.
- 2. Agency Payments.** Kelly Payroll will facilitate the payment of Employee's wage garnishments beginning with the first payroll file transmission date (May 20, 2016) based on the payroll file "raw data" received from Employer each pay cycle.

List of items that Howard County Public School System commits to providing Kelly Payroll

- 1. Timely File Submission.** The Employer will send the payroll file no later than 3:00 pm, two (2) business days prior to the Employer's payroll check date or other applicable settlement or due date.

- 2. File Submission format.** Employer will adhere to providing the payroll file in the specified format, naming convention and method as determined during the implementation period. Resolution to any file errors must be completed and resubmitted within 12 hours.

- 3. Point of Contact.** The Employer needs to notify Kelly Payroll 10 days prior to termination or reassignment of the payroll main point of contact.

EXHIBIT 2

KELLY BENEFITS FEE SCHEDULE AT EFFECTIVE DATE

In consideration for the services provided by Kelly Benefits under this Agreement, the Employer shall pay the following fees:

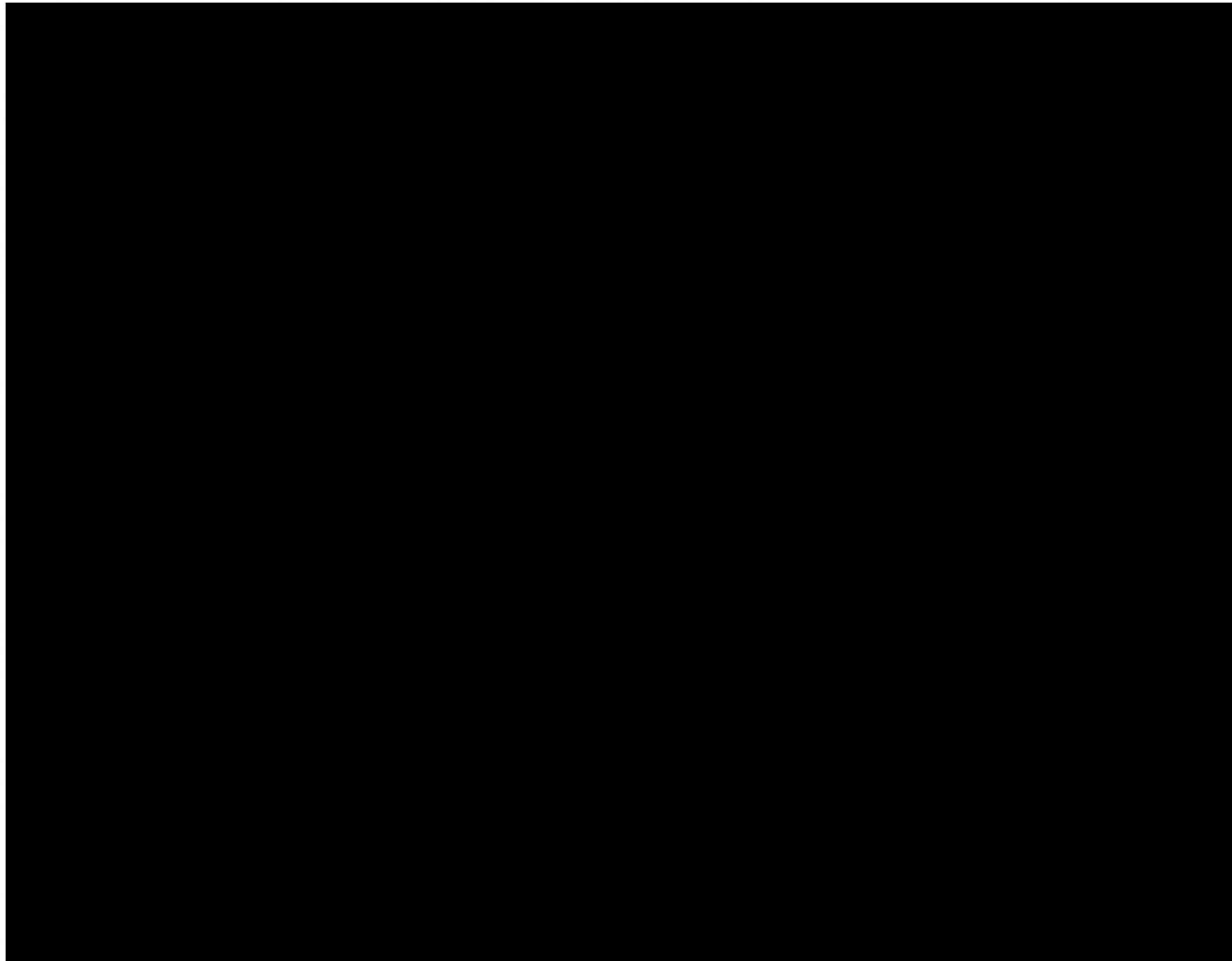


EXHIBIT 2-A

KELLY PAYROLL FEE SCHEDULE AT EFFECTIVE DATE

In consideration for the services provided by Kelly Payroll under this Agreement, the Employer shall pay the following fees:



ATTACHMENT A

CONFIDENTIAL INFORMATION

Obligation of Confidentiality - In performing services under this Agreement, KELLY and Employer may be exposed to and will be required to use certain "Confidential Information". KELLY and Employer along with their employees, agents or representatives will not, use, directly or indirectly, such Confidential Information for purposes other than the purposes outlined in this Agreement.

Definition - "Confidential Information" means information, not generally known, and proprietary to KELLY or Employer or to a third party for whom the KELLY or Employer is performing work, including, without limitation, information concerning any patents or trade secrets, confidential or secret designs, processes, formulae, source codes, plans, devices or material, research and development, proprietary software, analysis, techniques, materials or designs (whether or not patented or patentable), directly or indirectly useful in any aspect of the business of KELLY or Employer. All information which KELLY or Employer acquires or becomes acquainted with during the period of this Agreement, whether developed by KELLY, Employer or others, which KELLY or Employer has a reasonable basis to believe to be Confidential.

CONFIDENTIALITY

The Parties agree that the following will be treated as "Confidential Information": (i) all database information ("Data") provided by or on behalf of Employer to KELLY; (ii) all information provided by KELLY to Employer pertaining to the Services; (iii) all information which is labeled as such in writing and prominently marked as "Confidential," "Proprietary" or words of similar meaning by either party; or (iv) business information of a party which a reasonable person would understand under the circumstances to be confidential. Any Confidential Information acquired or received by either party (the "Recipient") in the course of this Agreement will not be disclosed or transferred to any person or entity other than to employees of a party and, as to KELLY, for the purpose of performing its obligations under this Agreement. Confidential Information received under this Agreement will be treated with the same degree of care and security as each party uses with respect to its own Confidential Information, but not less than a reasonable degree of care. The parties agree to use Confidential Information only for the purpose of performance of this Agreement and to make no copies except as necessary for performance of this Agreement. For clarity, information may be treated as Confidential Information even if not specifically labeled as such.

"Confidential Information" does not include information which (i) is or becomes generally available to the public other than as a result of disclosure by the Recipient, (ii) was known by the Recipient at the time of disclosure of the information without any obligation of confidence, and that knowledge is evidenced by reasonable proof, (iii) was or becomes available from a source other than the owner if the source was not legally bound to maintain the confidentiality of the information, or (iv) the Recipient independently develops without use of or reference to the Confidential Information. Each party acknowledges that unauthorized disclosure or use of the Confidential Information by a party may irreparably damage the other party in such a way that adequate compensation could not be obtained from damages in an action at law. Accordingly, the

actual or threatened unauthorized disclosure or use of any Confidential Information shall give the owner the right to seek injunctive relief restraining such unauthorized disclosure or use, in addition to any other remedy otherwise available (including reasonable attorneys' fees). Each party hereby waives the posting of a bond with respect to any action for injunctive relief. Upon termination or completion of the Services hereunder, upon request of Employer, KELLY will either destroy or deliver to Employer (in a KELLY format) the Employer's Confidential Information as housed in the KELLY production database(s), provided that KELLY may maintain archival copies for audit purposes and dispute resolution purposes and KELLY may retain copies of Confidential Information on back-up media in which such Data is co-resident with other employment and income data. Both Parties shall remain under its contractual obligation of confidentiality and security to each other and such obligations shall survive termination of the Agreement. This Section shall survive the termination of this Agreement.

DATA SECURITY AND PRIVACY

The Parties shall each maintain an information security program that includes appropriate administrative, technical and physical safeguards reasonably designed to: 1) ensure the security and confidentiality of Confidential Information; 2) protect against any anticipated threats or hazards to the security or integrity of Confidential Information; 3) protect against unauthorized access to or use of Confidential Information that could result in substantial harm or inconvenience to any customer; and 4) dispose of Confidential Information in a secure manner.

To comply with the safeguard obligations generally described above, each party has (a) designated an employee to coordinate its information security program, (b) identified reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of the other party's Information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks, and (c) designed and implemented information safeguards to control the risks identified through the risk assessment, and regularly tests or otherwise monitors the effectiveness of safeguards' key controls, systems and procedures. Each party shall notify the other party in writing as soon as commercially practicable after that party has either actual or constructive knowledge of a breach which affects the other party's Data (an "Incident") unless it is determined by law enforcement that such notification would impede or delay their investigation. Each party shall have actual or constructive knowledge of an Incident if that party actually knows there has been an Incident or if that party has reasonable basis in facts or circumstances, whether acts or omissions, for its belief that an Incident has occurred. The notification required by this section shall be made as soon as commercially practicable after the law enforcement agency determines that notification will not impede or compromise the investigation. Each party shall cooperate with law enforcement in accordance with applicable law provided however, that such cooperation shall not result in or cause an undue delay to remediation of the Incident. Each party shall promptly take appropriate action to mitigate such risk or potential problem at that party's expense. In the event of an Incident, each party shall, at its sole cost and expense, fully restore the Confidential Information of the other, including, without limitation any and all Data, and institute appropriate measures to prevent any recurrence of the problem as soon as is commercially practicable.