

COLLABORATIVE AGREEMENT
of the
Area Cooperative Educational Services Health Benefits Collaborative

WHEREAS, Connecticut Public Act 10-174, An Act Concerning Agreements between Municipalities and Boards of Education for the Joint Purchase of Employee Health Insurance, as amended, provides that municipalities or local or regional boards of education may join together for the purposes of providing one or more health benefits as allowed by such act for their employees; and

WHEREAS, the legislative body or board of education of each constituent Member of the Collaborative, as such terms are defined below, has duly authorized the establishment of, and participation in, the Area Collaborative Educational Services Health Benefits Collaborative (“Collaborative”) pursuant to Connecticut Public Act 10-174, as amended, for provision of health benefits for the parties; and

WHEREAS, the Members are legally obligated by contract and by policy to provide health benefits for their respective eligible union and non-union employees; and

WHEREAS, the Members believe that it is in the best interests for each of them that a Collaborative agreement be utilized to provide for Members to assist each other in the purchase of and implementation of health benefits for their constituent employees; and

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set forth in this document, the Members, intending to be legally bound by the terms of this Collaborative Agreement (“Agreement”), hereby agree as follows:

Article I: Purpose

1.1 The adopting municipalities and/or boards of education agree to exercise their powers pursuant to Connecticut Public Act 10-174, as amended, to cooperate in providing health insurance and related benefits as the Collaborative’s Directors, as defined below, may from time to time desire to provide, and be duly authorized by their respective legislative bodies to provide, for their eligible employees, in a manner to contain and limit the cost of such benefits.

1.2 Specific purposes of this Agreement include:

1.2.1 To facilitate the group purchase on a collective basis of health benefits for eligible employees and eligible retirees (e.g., medical, prescription drug, and dental coverage) on a self-insured basis;

1.2.2 To establish membership in the Collaborative purchasing agreement;

1.2.3 To determine payment requirements and methodologies attendant to the purchase of employee health benefits through the Collaborative;

1.2.4 To establish, fund and manage a group administrative account of the Collaborative where applicable and necessary for the provision of health benefits and attendant fees, expenses and costs associated with same, from which Members may access through a loan from the Collaborative that is approved by the Directors;

1.2.5 To establish the procedure to withdraw or terminate Member participation in the Collaborative and the benefits of such membership, including, but not limited to, the group purchase of health benefits and the reserve fund(s) attendant to same.

Article II: Name and Fiscal Year

2.1 The name of the Collaborative shall be the Area Collaborative Educational Services Health Benefits Collaborative (“Collaborative”).

2.2 The fiscal year of the Collaborative shall commence on July 1 and end on June 30.

Article III: Membership

3.1 Pursuant to Public Act 10-174, as amended, and applicable Connecticut law, Connecticut public school districts, municipalities and regional educational service centers may become members of the Collaborative. Entities permitted by law to cooperate in the provision of applicable benefits to their respective employees thereunder may become “Members” of the Collaborative.

3.2 The Members shall be the parties to this Agreement listed on Schedule A, attached hereto.

3.3 Any entity not a party to this Agreement on its Effective Date, as specified in Article V, that desires to become a Member shall signify its intention by furnishing to the Board of Directors (hereinafter “Directors”) a certified copy of the resolution of its board of education, board of directors, or legislative body to do so. Participation in the Collaborative as a Member is contingent upon approval by the Directors. Such applicants shall become Members on the date

determined by the Directors. At least ninety days prior to joining the Collaborative, each summary plan description for all benefit options of a Member that it would like to offer through the Collaborative must be submitted to the Collaborative for its review, in order to be certain such benefit option can be offered through the Collaborative.

3.4 Notwithstanding the provisions of Section 3.3, before a municipality or a local or regional board of education within such municipality may become a Member, the legislative body of the municipality shall approve the Agreement in cases where:

3.4.1 There is an existing arrangement between a municipality and the board of education serving such municipality for the provision of applicable health benefits to the employees of both the municipality and the board of education serving such municipality; or

3.4.2 A municipality and the board of education serving such municipality have separate applicable medical or health care benefit plans for their respective employees and both such benefits plans are paid for from the general fund of the municipality.

3.5 Upon becoming a Member, an entity shall be required to contribute to the Collaborative in a manner designated by the Directors which may include, but is not limited to, contributing to any group administrative account that the Collaborative may establish and also contributing into the Member's account in the Collaborative a sum equal to three (3) months of that new Member's projected claims and administrative charges within the 7th business day of the effective date of this Agreement.

3.6 Each founding Member in the Collaborative on the effective date of this Agreement will reimburse ACES for its share of costs relating to the start-up and development costs of forming the Collaborative.

3.6 A Member may be required to cover all of its eligible employees through the Collaborative and to the extent that a Member does not have all of its eligible employees in the Collaborative, that Member will be subject to applicable underwriting approval. The Directors may waive this requirement at their discretion.

3.7 Each Member is a separate employer for all of its own employees, and each Member remains responsible for all collective bargaining obligations regarding its respective employees, including compliance with all applicable collective bargaining agreements and all applicable statutes regarding collective bargaining. Neither the Collaborative nor any other Member shall be, or be deemed to be, the employer of any other Member's employees or the

Collaborative's employees, if any. Nor shall the Collaborative have any responsibility or obligations with respect to the collective bargaining process applicable to any of its Members and each such Member's employees.

3.8 Members may not withdraw their membership for two fiscal years from the date they join the Collaborative.

3.9 Removal of Members - A Member may be removed from the Collaborative by an affirmative vote of a two-thirds (2/3rd) of the Directors if the Member fails, to remit to the Collaborative the health plan contributions for its plans or its share of the Collaborative's fees and expenses, including but not limited to the premiums for the applicable stop-loss coverage within sixty (60) days after written notice of delinquency from the Collaborative. The removed Member shall be responsible for all of the expenses that it would owe had it been a withdrawing Member under Section 4.2.

Article IV: Withdrawal from Membership

4.1 After the initial two-year membership requirement is completed, a Member may withdraw thereafter from the Collaborative only as of the last day of the fiscal year of the Collaborative and after having given all other Members and the Directors written notice not later than March 30th of the preceding fiscal year.

4.2 If any Member withdraws from the Collaborative, such Member will be entitled to a payout, refund, or distribution of its own benefit plan account and also its allocated portion, share, or percentage of the Collaborative's reserves, provided, however, no funds shall be disbursed to the Member until all costs and claims of the Member and its benefit plans have been paid and until each Member has paid into the Collaborative its share of any deficiency, if any, in its benefit plan funding account(s), unless otherwise mutually agreed in writing by the Directors. A withdrawing Member shall in all cases remain responsible for 100% of its run out claims and all fees that are needed to process those claims for 24 months after the effective date of its withdrawal from the Collaborative. A withdrawing Member shall also remain responsible for its prorated share of all fees and expenses including but limited to any stop-loss fees and expenses that are incurred by it or on its behalf by the Collaborative in the year the Member's withdrawal from the Collaborative is effective. A withdrawing Member shall receive its prorated share of income of the Collaborative. Each Member's prorated share shall be weighted by headcount of each Member.

Article V: Duration

5.1 This Agreement and the Account(s) shall be effective as of July 1, 2017 (the “Effective Date”) and remain in effect until June 30, 2020 for an initial 3-year term. No later than April 30th of the 2nd year (or such later date as agreed to by a two-thirds (2/3) affirmative vote of all of the Directors) of the initial term and each such successive term, the Members may vote to extend the Agreement for an additional 3-year term to be effective on the July 1st following the end of the prior term. Such agreement to extend the term must be made by a two-thirds (2/3) affirmative vote of all of the Directors.

5.2 If the Collaborative lapses at the end of a three-year term, Member accounts shall be maintained thereafter in order to pay off each Member’s claims for a run-out period of 24 months. After such run-out period ends, accounts will be distributed to each respective Member, and any pending or further claims will be handled by such Member individually. In the event the Collaborative lapses pursuant to this Section, each Member in the Collaborative at the time of such lapse must comply with the withdrawal provision as set out in Section 4.2. In addition all such Members are responsible for their prorated share (as defined in Section 4.2) of any and all expenses relating to the winding down of the Collaborative.

Article VI: Directors

6.1 Each Member may appoint one (1) Director to serve on the Collaborative’s Board.

6.2 A Director shall serve for a two (2) year term (commencing July 1 through June 30). However, a Director shall serve at the will of the appointing Member and may be removed from office at any time by the appointing Member, and written notice of such removal shall be delivered to the Chair and Secretary of the Board of Directors by such Member. A Director may serve more than one term.

6.3 To be eligible to be appointed to serve as a Director of the Collaborative, a person must be employed by the Member that is making such appointment. No Director shall be a director, officer, or official of any other health or welfare fund or be affiliated with a healthcare organization.

6.4 Any Director who ceases employment with a Member for any reason shall not be eligible to continue service as a Director of the Collaborative, and such Director will be considered as having resigned his or her position as a Director on

the effective date of his or her leaving such employment. The vacancy so created will be filled consistent with Section 6.1 of this Agreement.

6.5 The Directors shall have the power to bid for, and procure on behalf of the Members, with a simple majority vote of the Board of Directors approving such action, health benefits through insurance, self-insurance and stop-loss insurance in furtherance of this Agreement.

6.6 The Directors shall not be liable for the acts or omissions of any consultant, third-party administrator, attorney, certified public accountant, investment manager, or other agent, or independent contractor employed by them pursuant to this Agreement, provided that such consultant, third party administrator, attorney, certified public accountant, investment manager, or other consultant, agent, or independent contractor was selected pursuant to this Agreement and such individual or entity's performance was periodically reviewed by the Directors who found such performance to be satisfactory.

6.7 Except as otherwise provided in this Agreement, the Collaborative shall protect and save harmless any Director, Officer, Representative, or Employee of the Collaborative, from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence or other act resulting in accidental bodily injury to or death of any person, or in accidental damage to or destruction of property, or any other acts, including but not limited to infringement of any person's civil rights, resulting in any injury, which acts are not wanton, reckless or malicious, provided such Director, Officer, Representative or Employee, at the time of the acts resulting in such injury, damage or destruction, was acting in the discharge of his or her duties or within the scope of employment or under the direction of the Collaborative, provided that the provisions of this section shall not limit or otherwise affect application of Connecticut General Statute Section 4-165, to the extent applicable, concerning immunity from personal liability. The Collaborative will purchase a professional liability policy, which shall include Directors and Officers insurance, on behalf of the Directors and Officers, as defined in Article VII, of the Collaborative.

Article VII: Officers

7.1 The Directors shall elect from among themselves an initial Chair, a Vice Chair, a Secretary and a Treasurer to serve for a term of two (2) years commencing with such election. Such election shall occur no later than the first meeting of the Collaborative.

7.2 The Officers shall rotate through the positions such that in the subsequent term, the prior term's Chair will no longer serve in that role, and the prior term's

Vice Chair will assume the position of Chair. The requirement of rotation may be waived for any given term by a three-quarters (3/4) vote of the Directors at a regular meeting of the Board.

7.3 If a vacancy occurs in one or more of the officer positions, the Directors shall elect the necessary officer(s) to fill the vacancy or vacancies.

7.4 The Chair shall preside at all meetings of the Directors. In the Chair's absence, the Vice Chair shall preside. If both the Chair and Vice Chair are absent, the Secretary shall preside. If no officers are present, the Directors in attendance shall appoint an Acting Chair to preside at such meeting.

7.5 The Secretary shall perform all duties incident to the office of Secretary including, but not limited to, being the custodian of the Collaborative's records, keeping minutes of the proceedings of the Board of Directors as well as other such duties from time to time as may be assigned by the Executive Officer of Board of Directors.

7.6 The Treasurer shall have charge and custody of, and shall be responsible for, all funds and financial instruments of the Collaborative. The Treasurer shall also have charge of the books and records of account of the Collaborative, which shall be kept at the principal office or other location as directed by the Board of Directors. The Treasurer shall provide a financial report of the Collaborative to the Board of Directors at each regularly scheduled board meeting. The Treasurer is responsible for the filing of all reports and returns relating to or based upon the books and records of the Collaborative kept under the direction of the Treasurer and other such duties from time to time as may be assigned by the Board of Directors.

7.7 No vacancy or vacancies shall impair the power of the remaining Directors, acting in the manner provided by this Agreement, to administer the affairs of the Collaborative notwithstanding the existence of such vacancy or vacancies.

Article VIII: Meetings

8.1 The Directors shall meet at such times as they deem it necessary to transact the business and affairs of the Collaborative, but not less than once per fiscal quarter, at a place to be determined by the Directors. At least one meeting shall serve as the annual meeting at which financial matters shall be discussed. The Officers of the Board of Directors may, and upon the written request of any two (2) Directors shall, call a special meeting of the Directors at any time giving

at least five (5) days written notice of the time and place thereof to the remaining Directors.

8.2 Meetings will be held, and agendas and minutes will be prepared, consistent with the requirements of Connecticut's Freedom of Information Act. Discussions of medical or health information, as defined in Connecticut General Statutes 1-210(b)(2), as amended, shall be subject to HIPAA Privacy Protections and also protected as confidential under other applicable law, and will be held during the meeting in executive session. Agendas of all meetings shall be provided in advance to all Members. In the conduct of its meetings, the Directors shall be guided by Robert's Rules of Order unless such provisions are inconsistent with this Agreement or are modified through bylaws. The presence at a meeting of 2/3 of the Directors shall constitute a quorum. The Secretary shall record and prepare in printed form minutes of its meetings.

8.3 Provided a quorum exists, then a majority of the Directors at such meeting may act to transact the business or affairs of the Collaborative. Such acts approved by majority vote of the Directors present at a meeting at which a quorum is present shall be the acts of the Directors, unless Section 8.4 requires a greater minimum voting requirement. Adjourning and fixing the time and place of the next meeting may be adopted by a majority vote of those Directors who are present.

8.4 Any action taken by the Directors shall be by affirmative vote of a majority of the votes cast at a meeting, except where different voting requirements are required by law or this Agreement.

8.5 Meetings and voting may take place electronically or by telecommunications in the event of extraordinary circumstances and shall be determined by the Chair.

8.6 Board members may participate in meetings telephonically under the conditions set forth herein. When such conditions are met, any Board member participating telephonically shall be counted for the purpose of constituting a quorum. Conditions for participation are as follows:

8.6.1 The facility that is made available to the public that wishes to attend the meeting must be located where the greatest number of Directors are located;

8.6.2 Any physical or demonstrable material that is used in the course of the proceedings must be present in the place where the public is located;
and

8.6.3 All those in attendance at the meeting, at whatever location, must be able to hear and identify all participants in the proceeding, including their individual remarks and votes.

8.7 When a Director is participating in a meeting telephonically, the Chairperson shall take the necessary steps to ensure that the three conditions enumerated above are met. In addition, the Chairperson shall take the necessary steps to ensure that a Director participating telephonically has adequate opportunity to express himself/herself in Board discussion, including the opportunity to take the floor and make motions.

Article IX: General Powers

9.1 The Directors may enter into any and all contracts and agreements for the purchase of health benefit plan coverage, stop-loss insurance coverage, and claims administration services for the respective eligible persons of the Members.

9.2 The Directors shall carry out the terms of this Agreement and the administration of the Collaborative and do all acts as the Directors may deem necessary or advisable in order to enter into and administer such contracts and agreements. The Directors shall also establish and carry out a funding policy for the Collaborative and method consistent with this Agreement in order to purchase the health and medical plans offered through the Collaborative, and any stop-loss coverage.

Article X: Payment and Collection of Monthly Contributions and Premiums

10.1 The Directors may determine the monthly administrative fees and expenses to be paid by each Member with respect to the Collaborative. Each Member in consultation with the Collaborative or the Member's own insurance consultant shall determine its monthly plan rates.

10.1.1. Each Member shall make prompt monthly payments and such premiums or contributions to the Collaborative in such premium amount and under such terms as specified by the Directors.

10.1.2. All monthly payments by a Member shall be paid by each Member to such trustee(s), custodian, or other entity, and in the manner specified by the Directors.

10.2 The payment of such fees, expenses and health care contributions, including premiums, by each Member for a given month shall be made by the 20th day of the prior month or at such other times as the Directors shall specify.

10.3 A Member that does not timely pay the required monthly payment to the Collaborative as provided in this Article X, may be charged a penalty by the Collaborative of ten (10%) percent of the outstanding monthly payment, prorated on a daily basis until the required payment is made, as determined by the Directors.

10.4 In no event will the Collaborative assume responsibility for payment of all claims. Members are solely responsible for paying claims.

10.5 The Directors shall take such steps against any Member or other person or entity, including the institution and prosecution of, or the intervention in, such legal or administrative proceedings as the Directors determine to be in the best interest of the Collaborative for the purpose of collecting any amounts owed to the Collaborative.

10.6 Each Member shall contribute to its own account in the Collaborative that is applicable to such Member's own benefit plans and the funding and operation thereof. Each Member shall be responsible for contracting for and paying for all of the health plan contributions for its plans.

10.7 Rebates or other credits received by the Collaborative from health plan providers on behalf of a Member with respect to discounts or other refunds payable to a Member with respect to covered claims under such Member's health plan shall be credited by the Collaborative to such particular Member's account in the Collaborative to be used, as determined by such Member in its sole discretion, for the future benefit of such Member and its covered employees in such plans.

Article XI: Administration

11.1. The Directors shall have the power to perform the general supervision of the operation of the Collaborative and shall conduct the business and activities of the Collaborative in accordance with this Agreement and applicable law.

11.2 The Directors shall manage the affairs of the Collaborative and collect the income therefrom and contributions thereto. The Directors may in the course of conducting the ordinary business of the Collaborative, execute all instruments in the name of the Collaborative, by one or more Officers or Directors, as determined by the Directors.

11.3 The Directors may delegate the power to execute routine documents in the ordinary course of business in the name of the Collaborative. The directors are

authorized to hire staff or alternatively may enter into service agreements to provide for administrative services for the Collaborative.

11.4. The Directors shall have the power and authority to pay or provide for the payment of all reasonable, necessary, and incurred expenses to administer the Collaborative, including, but not limited to, the purchase of health and medical coverage, and any stop-loss coverage for the respective personnel of the Members.

11.5 Each Member shall owe its applicable share of the Collaborative's expenses including but not limited to the Collaborative's administrative expenses as determined by the Directors.

11.6 The Collaborative shall create a separate account for each Member for the use and benefit of each Member respectively. The Member's account shall be used to fund and pay for its necessary health claims in addition to all required and necessary stop loss insurance and administrative fees relating to its plans that are in the Collaborative, as well the Member's expenses relating to being a Member of the Collaborative. The accounts of all Members shall be reviewed annually by the Directors to determine whether current operating and reserve objectives are being met. Such review shall include each Member's utilization and payments in the preceding year and anticipated utilization and payments in the subsequent year. The Directors may recommend that any Member increase its contributions into its account or accounts, as necessary in order to maintain sufficient balances that are needed to cover the payment of the Member's plan claims on a timely basis.

11.7 The group administrative account established by the Collaborative, where applicable, shall be maintained in accordance with the targets established by the Directors, in consultation with the Collaborative's administrator, no later than the end of March of each year to be effective for the next fiscal year of the Collaborative.

11.8 Required health benefit payments shall be paid from each Member's individual account on a periodic basis and shall be charged against each Member's account. The Collaborative's administrator shall report the payments and disbursements to the Directors, which shall forward same to the Members.

11.9 If the amount needed for payments exceed the amount in a Member's account, such funds shall be transferred into such account by the Member by an additional contribution into the Member's account.

Article XII: Investments and Reserves

12.1 To the fullest extent allowed by law, the Directors shall have the power and authority to invest and reinvest, or provide for the investment and reinvestment, of such funds as are not necessary for current expenditures or reserves, as the Directors may from time to time determine. In exercising such power and authority, the Directors may hire investment managers or advisors for such purpose and to the extent necessary, otherwise consult with and obtain advice and recommendations from the trustee, regarding the investment and re-investment of the Collaborative's funds. The Directors shall have the power and authority to create a group reserve account for the purpose of maintaining the Collaborative's fiscal solvency, as well as rate stabilization (or premium holidays) in future years, in accordance with Section 11.6 hereof.

Article XIII: Committees

13.1 The Directors may appoint committees of the Board of Directors. A quorum of a committee shall be as provided in Article VIII herein.

Article XIV: Rules and Regulations

14.1 The Directors may adopt and promulgate any and all necessary rules, and regulations or bylaws that they deem necessary or desirable to facilitate the proper administration of the Collaborative, provided the same are not inconsistent with the terms of this Agreement or applicable federal, state, or local law or regulation. Without placing any limitation on the preceding sentence, such rules will include, but not be limited to, those necessary to comply with the federal Health Insurance Portability and Accountability Act, (HIPAA), as amended.

14.2 The Directors may, to the extent permitted by law, insure themselves (through the purchase of errors and omissions insurance coverage or other forms of insurance coverage), the Collaborative as such, as well as employees or agents of the Collaborative, with respect to potential liabilities resulting from their acts or failures to act.

Article XV: Liabilities and Effect of Termination of Collaborative Agreement

15.1 In the event that any liability is incurred under this Agreement (other than claims related to benefits or expenses applied to a particular Member), including any determination by a court or agency of competent jurisdiction with regard to costs, attorneys' fees, or other monetary amounts as a result of any act or

omission arising out of or related to this Agreement, all Members shall be and remain fully obligated to pay the full amount of any such liability, in addition to their other obligations contained herein.

15.2 Following the termination or dissolution of this Agreement, each Member shall be individually responsible for the provision of required health benefits for their respective entities and the eligible persons thereunder.

15.3 This Agreement may be terminated in accordance with Section 18.2.

Article XVI: Additional Authority

16.1 The Directors are empowered and vested with all powers necessary for effectuating the purposes of the Collaborative and this Agreement, including, but not limited to, the powers set forth herein or conferred by law, and the following additional powers:

16.1.1 To enter into any and all contracts and agreements for carrying out the terms of this Agreement and for the administration of the Collaborative, and to do all acts as they may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on the Members and with respect to such contracts and agreements on any third parties who are parties to such contracts and agreements.

16.1.2 To keep property and securities registered in the name of the Collaborative.

16.1.3 To the extent allowed by law, to establish and accumulate as part of the Collaborative such a reasonable reserve of funds as the Directors deem necessary or desirable to carry out the purposes of the Collaborative.

16.1.4 To establish and carry out a funding policy and method consistent with the objectives of the Collaborative.

16.1.5 To do all acts, whether or not expressly authorized herein, which the Directors may deem necessary or proper for the protection of the property held hereunder.

16.1.6 To appoint a consultant on a yearly or other basis, as the Directors may require, to carry out the provisions of this Agreement.

16.1.7. To appoint a trustee or investment manager on a yearly or other basis, as the Directors may require, to carry out the provisions of this Agreement.

16.1.8. To appoint an administrator of the Collaborative or have the Collaborative employ clerical and/or other administrative staff on a yearly or other basis, as the Directors may require, to carry out the provisions of this Agreement.

16.1.9. To engage a certified public accountant to perform all services as may be required by applicable law and such other services as the Directors may deem necessary.

16.1.10 To employ such other administrative, legal, consulting, audit, expert, and clerical assistance, to purchase or lease such premises, materials, supplies, and equipment, and perform such other acts, as the Directors find it necessary or appropriate in the performance of their duties or the operation of the Collaborative.

Article XVII: Reports and Data and Document Requests

17.1 All Collective Bargaining Agreements of a Member with language for benefit plan changes must be provided to the Collaborative at least 90 days prior to the effective date of the changes in order to make sure such changes can be administered properly.

17.2 The Collaborative must be notified by a Member of such Member's plan changes 60 days in advance of the plan change.

17.3 In addition to the data to be provided under Sections 17.1 and 17.2, each Member agrees to provide an updated census to the Collaborative on an annual basis.

17.4 Reports requested by the Collaborative from a carrier or other claims administrator providing services to the Collaborative and its Members are subject to the terms and conditions established by the carriers and/or other claims administrators.

17.5 Each Member agrees to hold the Collaborative harmless in connection with all data that is released pursuant to the Connecticut Freedom of Information Act and which relates to such Member or its plans.

17.6 All reports, data requests, and document requests, and the handling and release thereof or any protected health information contained therein relating to the Collaborative, its Members and the Members' covered persons in the Collaborative shall be in compliance with the applicable provisions of HIPAA, and subject to all applicable HIPAA Privacy Protections.

Article XVIII: Construction and Determination by Directors

18.1 Subject to the stated purposes of the Collaborative and the provisions of this Agreement, the Directors shall have full and exclusive authority to determine all questions or controversies of whatsoever character arising in any manner, whether as to any claim of coverage offered by or through the Collaborative and eligibility under the Collaborative, or methods of providing or arranging for benefits, or construction of the provisions of this Agreement and the terms used therein, or the plan of benefits, or the bylaws, rules, and regulations, or as to any writing, decision, instrument or accounts in connection with the operation of the Collaborative or otherwise.

Article XIX: Amendment or Termination

19.1 This Agreement may be modified, in whole or in part, only by an amendment approved by at least three-quarters (3/4) of the Directors at a duly noticed public meeting.

19.2 This Agreement may be terminated during its term, only by a motion and/or resolution approved by at least three-quarters (3/4) of the Directors at a duly noticed public meeting.

Article XX: Arbitration of Disputes

20.1 The Members agree that any and all disputes between them of any nature under or concerning the Collaborative shall be resolved through binding arbitration in accord with the American Arbitration Association. Any claim by any Member shall be filed in writing to the Directors within 30 days of the existence of the claim. If the Directors cannot resolve the matter to the satisfaction of the Member(s), the claimant may appeal to arbitration by filing a written claim with the American Arbitration Association within 45 days after the submission of the claim to the Directors. In addition, upon approval by the Board of Directors, the Collaborative may initiate a claim against a Member(s), which may also be resolved through binding arbitration with the American Arbitration Association within 45 days after such arbitration is initiated by the Directors. A copy of any arbitration claim must be sent to the Directors. The costs and fees of any such arbitration assessed by the arbitrator or the American Arbitration

Association shall be borne equally by each participating party in such arbitration. Each participating Member in the arbitration shall be solely responsible for the fees and expenses of its own representation and other fees and expenses of its consultants and/or experts, except as otherwise agreed to by the two-thirds vote of the Directors.

20.2 Notwithstanding the mandatory arbitration provision of Section 20.1 being applicable to the Members, their respective officials and employees, such mandatory arbitration provision shall not apply to third parties.

Article XXI: Miscellaneous

21.1 This Agreement and the Collaborative are created and accepted in the State of Connecticut and all issues pertaining to the validity and the construction of this Agreement and of the acts or transactions of the Members hereto shall be determined in accordance with the laws of the State of Connecticut.

21.2 Each Member specifically agrees that it is its intent that this Agreement, under all circumstances and in every respect, shall comply with all applicable statutes, governmental regulations and judicial decisions. However, in the event any provision of this Agreement be held to be unlawful, or unlawful as to any person or instance, such fact shall not adversely affect the other provisions of this Agreement herein contained or the application of such provisions to any other person or instance.

21.3 Whenever any words are used in this Agreement in the masculine gender, they shall also be construed to include the feminine or neuter gender in all situations where they would so apply; whenever any words are used in the singular, they shall also be construed to include the plural in all situations where they would so apply; and whenever any words are used in the plural, they shall also be construed to include the singular.

21.4 Whenever the word "person" is used in this Agreement, it should be construed to include a natural person or organization, as would be applicable, including, but not limited to, a firm, labor organization, partnership, association, corporation, legal representative, or trustee.

21.5 The Article and Section titles are included solely for convenience and shall, in no event, be construed to affect or modify any part of the provisions of this Agreement or be construed as part thereof.

Area Cooperative Educational Services

By: _____

Its Duly Authorized _____

Date _____

Town of North Haven

By: _____

Its Duly Authorized _____

Date _____

North Haven Board of Education

By: _____

Its Duly Authorized _____

Date _____

Ansonia Board of Education

By: _____

Its Duly Authorized _____

Date _____

Schedule A

Members as of July 1, 2017

1. Area Cooperative Educational Services
2. Town of North Haven
3. North Haven Board of Education
4. Ansonia Board of Education