

Riverstone Capital, LLC

SERVICE AND CONSULTING AGREEMENT

This Service and Consulting Agreement, effective _____, 201__, is entered into by Riverstone Capital, LLC. Located at 4900 California Ave., Ste 420, Tower A, Bakersfield, CA. 93309 (“RC”), and _____, (“Client”), located at _____ . Together, each of the foregoing may hereinafter be referred to singularly or collectively as, respectively, a “Party” or the “Parties.”

RECITALS:

WHEREAS, RC offers various medical plan services to employer groups, unions, healthcare payers, third party administrators (“TPAs”) and other intermediaries and;

WHEREAS, RC is a organization that wishes to assist Client in the development, distribution and management of certain services pursuant to and in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

A. TERM / COVERAGE

1. RC’s services to Client under this Agreement shall be effective for a period of twelve months beginning with the Effective Date and concluding on the last day of the twelfth month following the Effective Date. This Agreement shall automatically renew for an additional twelve month period unless the Agreement is earlier terminated by either Party in accordance with Section A.2. of this Agreement.
2. Either Party may terminate this Agreement immediately for cause if the other Party breaches a material provision of the Agreement, by giving the non-breaching Party written notice in accordance with Section J of this Agreement. Either party may terminate this Agreement without cause by giving the other party thirty (30) days written notice in accordance with of this Agreement.

B. SERVICE OBLIGATIONS OF RC

During the term of this Agreement, based upon information provided to RC by Client, RC shall perform the following services for, and on behalf of Client:

1. solicit and enter into contract negotiations with claims management TPA’s, network administrators, insurance carriers that underwrite stop-loss coverage, brokers/agents, fiduciaries, patient advocate vendors, pharmacy benefits managers (“PBMs”), wellness providers, telemedicine, and other various vendors to build group medical plans and other ancillary benefits to be contracted for RC plan suite of products (“RC

Plans”). assist in the submission, management and sale of RC services and RC Plans to customers of Client, as requested by Client;

2. provide consulting advice on the following areas:
 - a. Product review
 - b. Plan pricing review
 - c. Plan document review
 - d. Employer/Individual application
 - e. Submission requirements
 - f. other areas as agreed in writing signed by both Parties.

C. **COSTS OF RC PLANS AND SERVICES**

1. RC assigns fixed costs of RC Plans for Client (including but not limited to reserves for claims to medical and pharmacy providers, expenses for TPAs and Network administration, Population Disease / MGMT control fees, stop loss coverage). These costs are Client’s gross premium equivalents
2. RC assigns Client a rate guarantee for the Term of this Agreement by placing 100% of its management fees payable under Section F.1.at risk for payment of claims under the RC Plans at all times.

D. **OBLIGATIONS OF CLIENT**

1. Client agrees to pay RC and its vendors (e.g., HMA, US Health Center, Well Dyne RX, etc.) a level self-funded maximum claims amount (“Funding Contribution”) on a monthly billed basis. The Funding Contribution shall be 70 % of the Gross Premium Equivalents determined under Section C. above plus the compensation payable to RC described in Section F. below (both the management fee to RC and commissions payable). Client agrees to pay timely its monthly Funding Contribution as described on its monthly statement. Client’s failure to pay any monthly Funding Contribution within 30 days’ of the due date described in Client’s monthly Funding Contribution statement will:
 - a. Constitute RC’s termination of this Agreement with cause;
 - b. Revoke the rate guarantee described in Section C.2. retroactive to the Effective Date;
 - c. Relieve and discharge RC’s obligations under any of Client’s RC Plans for claims in excess of Funding Contributions (reduced by RC’s management fees described in Section E) received by RC as of the date of termination;
 - d. Client assumes all liability for claims greater than the amount described in subsection c. above.
 - e. Any or all of the consequences described in subsections a. through d. above of Client’s failure to pay timely its monthly Funding Contribution shall be effective on the 31st day following the due date described in Client’s delinquent monthly Funding Contribution statement without requirement of written notice from RC to Client. RC in its sole and absolute discretion may extend or waive in writing any or all of the consequences described in

subsections a. through d. above without prejudice or limitation to its rights to enforce any portion of this Agreement at any time.

2. Client agrees to forfeit the excess of its Funding Contribution over the claims expenses of Client's RC Plans at the end of the Term, unless this Agreement is terminated earlier. Client specifically acknowledges that it agrees to the forfeiture of the excess of its Funding Contribution in consideration for the initial "up front" savings on their gross premium equivalents compared to the premiums Client has been charged by its insurance carriers for plans and services that the RC Plans replace **AND** for accepting the RC rate guarantee described in Section C.2..

a. Client agrees to forfeit up to 95% of any excess Funding Contribution in their account at the end of the Term. For existing active clients renewing their Agreement, a 90 -120 day reconciliation period is required to provide accurate results on any return of excess.

Client will receive a return of excess Funding Contribution (up to a maximum of 5%) only upon Client's written request. For existing clients, a return of excess Funding Contribution is mailed out to clients within 7-10 days after the reconciliation period has expired. Without written request from the client to return excess, the funds will be held in the clients account for the following year.

b. As described in Section A.2., a 30 day written termination request is required for terminating clients not renewing their contract or termination request without cause.

c. A 90 -120 day runoff period is required to provide accurate results on any return of excess Funding Contribution due following the 30 day written termination request. If claims are still being filed after the runoff period an extension to the runoff period will be provided to the Client in order to avoid any direct billed claims to the Client after the runoff period has been exhausted. Client agrees to forfeit up to 95% of any excess in their account at the end of the runoff period. Return of excess for a terminating client is limited to a maximum up to 5% premium equivalent excess. A return of excess refund check is mailed out to clients within 7-10 days after the reconciliation period has expired.

E. **CLAIMS RESPONSIBILITIES**

All claims and fixed costs during the Term for the Client are the responsibility of RC. Any fixed costs or claims paid out after the runoff period expiration, or return of excess becomes the sole responsibility of the Client.

For terminating clients, return of excess is when the client is terminating their agreement with Riverstone Capital, LLC. and its vendor partners.

F. **COMPENSATION TO RC**

1. Client shall pay RC a management fee equal to 20% of gross premium equivalents.

2. In addition, Client shall pay RC 10% of gross premium equivalents for commissions payable to agents and brokers responsible for submission, management and sale of RC services and RC Plans to Client.

G. CONFIDENTIALITY OF INFORMATION

RC shall provide Client with access to reasonably necessary and related information and personnel for the purposes of rendering the Services described above. All written and oral information provided by RC to Client is proprietary, trade secret, and “confidential information.” Client agrees that it will not use or impart to any other person any confidential information obtained from RC during the Term of this Agreement. Any such release of confidential information by Client constitutes a material breach of this Agreement and subjects Client to forfeiture of all benefits and payments pursuant to this Agreement. RC expressly reserves its right to pursue all other legal remedies available to it by virtue of such release of confidential information. The term “confidential information” means information not generally known outside RC, its vendors or the Client that concerns RX its business or its clients, and includes, but is not limited to, information related to applications, research development, and design projects, and data, customer lists, marketing and financial data, production, and sales except to the extent that such information is in the public domain. Client shall use such confidential information solely for the purposes set forth herein and shall not share the information with any third party except as necessary to perform the Client’s duties and functions described in this Agreement. All such confidential information shall be returned to RC upon termination of this agreement.

H. INDEPENDENT ENTITIES

The Parties hereto are independent contractors. The methods, times, and location of services to be performed shall at all times remain at the discretion of RC. RC shall be responsible for all taxes on any sums paid to him by Client, including, but not limited to, social security and other taxes.

I. WORK PRODUCT

In addition to any confidential information protected by Section G., all notes, reports, programs and other materials, regardless of the manner in which they are stored, made, collected, gathered or produced by RC in the course of performing the Services (the "Materials") are work made for hire and are and will become the property of RC. Plan Documents and SBC’s are the property of the Client.

J. NOTICE

Except as otherwise required by applicable California law, any notice required to be given pursuant to this Agreement shall be in writing and delivered by hand, by U.S.P.S. certified mail, return receipt requested, by facsimile transmission, confirmed by overnight delivery, or by e-mail transmission to the signatory of the party being notified, at the address of the signatory set forth below. Written notice shall be deemed to have been duly given and to have become effective:

- a. upon receipt, if delivered in person or by telegraphic, facsimile, e-mail or other electronic means calculated to arrive on any business day prior to 6:00 P.M. local time at the address of the addressee, or on the next succeeding business day if delivered on a non-business day or after 6:00 P.M. local time,
- b. one business day after having been delivered to a commercial service for overnight delivery; or
- c. three business days after having been deposited with the United States Postal Service as certified or registered mail, return receipt requested, all fees prepaid.

K. GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

L. INTEGRATED AGREEMENT

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings of the Parties as to the subject matter of this Agreement. The Parties acknowledge, represent and warrant that they have not relied on any representation, statement or promise of any other Party or any other person or entity, not expressly set forth herein, or upon the failure of any other Party or any other person or entity to make any statement, representation or disclosure of anything whatsoever in entering into this Agreement and agreeing to its terms. This Agreement shall supersede, as of Effective Date, any previous agreements or understandings, written or oral, between the Parties hereto.

M. RECITALS ARE PART OF AGREEMENT

Each of the clauses of the Recitals is expressly incorporated herein by reference.

N. MODIFICATION OF AGREEMENT

The terms of this Agreement are contractual, and may not be changed, modified, altered or supplemented, except by agreement in writing signed by the Parties, nor may any hereof be waived, except by agreement in writing signed by the Parties; provided, however, that RC may exercise the discretion reserved in Section C.1.c..

O. SEVERABILITY

If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable for any reason, the remainder of this Agreement will not be affected, and in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision will be added as a part of this Agreement that is as similar to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

P. NO PARTY IS THE DRAFTER

None of the Parties hereto shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

Q. DISPUTE RESOLUTION

The exclusive manner for resolving any dispute arising out of or relating to this Agreement shall be binding arbitration in the County of Los Angeles under the rules of the American Arbitration Association except discovery may be taken therein pursuant to the California Code of Civil Procedure.

R. EXECUTION IN COUNTERPART.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, including facsimile or electronically transmitted counterparts. All counterparts when executed shall constitute one agreement binding upon all parties with the same effect as if all parties hereto had signed the same document and notwithstanding the fact that all of the parties are not a signatory to the original or the same counterpart. Executed signature page(s) delivered by facsimile or electronic transmission may be joined together and attached to constitute one whole agreement. All counterparts so executed shall be deemed to be an original, shall be construed together and shall constitute one agreement. A copy or facsimile of this Agreement shall have the same force and effect as the original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement below.

Riverstone Capital, LLC.
4900 California Ave., Ste 420, Tower A
Bakersfield, CA 93309

Client

By: _____
Signature Date

By: _____
Signature Date

Print Name and Title

Print Name and Title

TIN# _____

TIN# _____