

AGREEMENT

THIS AGREEMENT between **NASSAU COUNTY, FLORIDA**, a political subdivision of the State of Florida, by and through its Board of County Commissioners, its successors and assigns, with its administrative offices located at 96160 Nassau Place, Yulee, Florida, 32097 (hereinafter referred to as "County") and **MFB Financials, Inc., d.b.a. The Bailey Group**, a for-profit corporation, authorized to do business in the State of Florida, its successors and assigns, and whose business address is 1200 Plantation Island Drive, Suite 210, St. Augustine, Florida, 32080 (hereinafter referred to as "Consultant").

WHEREAS, the Board of County Commissioners of Nassau County, Florida received 5 copies of sealed proposals for an Employee Benefits Insurance Consultant who will assist the Nassau County Human Resources Department and represent the County in the marketing of employee benefit insurance and consult regarding each of the County's benefits program, on April 27, 2006 at 2:00 p.m.; and

WHEREAS, the Board of County Commissioners of Nassau County, directed the Human Resources Department to review, evaluate, and rank the firms, and

WHEREAS, the Human Resources Department, specifically, Chili Pope and Tina Keiter, reviewed each proposal and recommended to the Board of County Commissioners the following

ranking: (1) MFB Financial, Inc. dba The Bailey Group, (2) Wittner National Group, Inc., (3) Brown & Brown, Public Risk Insurance Agency, (4) Greene-Hazel & Associates, Inc., and (5) Waters Risk Management; and

WHEREAS, the Minutes of the meetings of Chili Pope and Tina Keiter were recorded and are maintained at the Clerk's Office; and

WHEREAS, the Board of County Commissioners on May 22, 2006, accepted the rankings and authorized ___ to negotiate a contract with the top-ranked firm.

WITNESSETH:

NOW, THEREFORE, in consideration of mutual terms and conditions, promises, covenants and payments herein set forth, the County and the Consultant agree as follows:

ARTICLE 1 - DEFINITIONS AND IDENTIFICATIONS

For the purposes of this Agreement and various covenants, conditions, terms and provisions which follow the definitions and identifications set forth below are assumed to be true and correct and are therefore agreed upon by the parties.

1.1 BOARD OF COUNTY COMMISSIONERS:

The Board of County Commissioners is the governing body of Nassau County, Florida.

1.2 CONSULTING:

The Bailey Group is the Consultant selected to perform professional services pursuant to this Agreement.

1.3 CONTRACT ADMINISTRATOR:

Whenever the term Contract Administrator is used herein, it is intended to mean Chili Pope, Human Resources Director, Nassau County Human Resources Department.

1.4 COUNTY:

Nassau County, Florida is a body corporate and politic and a political subdivision of the State of Florida.

1.5 NOTICE TO PROCEED:

The Notice to Proceed is the written authorization issued by the County or the Contract Administrator to commence the project.

1.6 PROJECT:

The project is the task, as defined in Exhibit "1" assigned to the Consultant pursuant to this Agreement.

1.7 PROJECT MANAGER:

The project manager shall mean the staff person within the County's Human Resources Department who is assigned by the Contract Administrator to oversee the task order work.

1.8 SCOPE OF SERVICES:

The intent of this Agreement is to make available consulting services for Nassau County as requested and as outlined herein.

ARTICLE 2 — SCOPE OF SERVICES

2.1 The basic professional services are as set forth in Exhibit "1" attached hereto and incorporated by reference herein;

2.2 Additional Services:

All modifications or additions to the Basic Services and Project Deliverables as outlined in Exhibit "1", will require prior written approval of the County or its designee. Additional services, fee(s) and/or schedule modifications, if approved, will be made part of this Agreement through the issuance of a written Supplemental Agreement executed with the same formalities as the Original Agreement.

ARTICLE 3 - CLIENTS RESPONSIBILITIES

The County will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by the Consultant that the time of the County's personnel is limited, and judicious use of that time is a requirement of this Agreement.

ARTICLE 4 - TERM AND TERMINATION

4.1 Term:

This Agreement shall be effective upon the execution of this Agreement and shall remain in full force and effect until completion of tasks identified in Exhibit 1 or August 1, 2006, whichever is later.

4.2 Notice to Proceed:

Prior to beginning the performance of any basic professional services under this Agreement, the Consultant must receive a written Notice to Proceed from the County.

4.3 Termination:

This Agreement may be terminated by the COUNTY, with or without cause, immediately upon written notice to the Consultant.

Unless the Consultant is in breach of this Agreement, the Consultant shall be paid for services rendered to the COUNTY's satisfaction through the date of termination. After receipt of a Termination Notice and, except as otherwise directed by the COUNTY, the Consultant shall:

- A. Stop work on the date to the extent specified.
- B. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
- C. Transfer all work in process, completed work, and other material related to the terminated work to the COUNTY.

ARTICLE 5 - PAYMENTS

5.1 Methods of Payment for Services:

5.1.1 Basic Services: The COUNTY shall pay the Consultant for Basic Services rendered, a fee not to exceed \$15,000 for all basic services as outlined in Exhibit "1". Invoicing will occur at the completion of all the services as outlined in Exhibit "1".

5.1.2 Additional Services: The COUNTY shall pay the Consultant for Additional Professional Services not described in Exhibit "1" as required by the COUNTY, rendered herein and in accordance with Article 2 of this Agreement. Additional Services provided by the Consultant shall have the prior written approval of the COUNTY or its designee and shall be executed with the same formalities as the original Agreement.

5.2 Payment: Payment shall be made within forty five (45) days of receipt of Consultant's invoice, and shall be paid pursuant to Florida Statutes 218.70, the Florida Prompt Payment Act. Payment shall be made provided the submitted invoice is accompanied by adequate supporting documentation and all the work as outlined in Exhibit "1" has been approved by the Project Manager, Contract Administrator, Clerk of the Court, and Nassau County Board of County Commissioners. The Consultant and Project Manager and Project Administrator shall meet with the Clerk of Court representative prior to commencing work pursuant to this contract to determine the documentation required for payment.

ARTICLE 6 - TRUTH-IN-NEGOTIATION CERTIFICATE

The signing of this Agreement by Consultant shall act as the execution of a truth-in-negotiation certificate certifying that the amount used to determine the

compensation provided for in this Agreement is accurate, complete, and current as of the date of the Agreement.

ARTICLE 7 - PERSONNEL:

7.1 The Consultant represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the COUNTY.

7.2 All of the services required hereunder shall be performed by the Consultant or under its supervision, and all personnel engaged in performing the services shall be fully qualified and , if required, authorized or permitted under State and Local law to perform such services.

7.3 The Consultant warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

ARTICLE 8 - INDEPENDENT CONTRACTOR RELATIONSHIP

8.1 The Consultant is, and shall be, in the performance of all work services and activities under this Agreement, an Independent Contractor, and not an employee, agent or servant of the COUNTY. All persons engaged in any of the work or services performed pursuant to this Agreement shall at all times and in all places be subject to Consultant's sole direction, supervision, and control.

8.2 The Consultant shall exercise control over the means

in a manner in which it and its employees perform the work, and, in all respects the Consultant's relationship and the relationship of its employees to the COUNTY, shall be that of an Independent Contractor and not as employees or agents of the COUNTY. The COUNTY does not have the power or authority to bind the COUNTY in any promise, Agreement, or representation other than specifically provided for in this Agreement.

ARTICLE 9 - INSURANCE

The Consultant shall not commence work under this Agreement until it has obtained all insurance required under this Paragraph, and such insurance has been approved by the COUNTY.

9.1 All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. The Consultant shall furnish Certificates of Insurance to the COUNTY prior to the commencement of operations. The Certificates shall clearly indicate that the Consultant has obtained insurance of the type, amount, and classification as required for strict compliance with this Paragraph, and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the COUNTY. Compliance with the foregoing requirements shall not relieve the Consultant of its liability and obligations under this Agreement.

9.2 The Consultant shall maintain, during the term of this Agreement, standard Professional Liability Insurance in the amount of \$1,000,000.00 per occurrence.

9.3 The Consultant shall maintain, during the term of this Agreement, adequate Workers' Compensation Insurance and Employers' Liability Insurance in at least such amounts as are required by law for all of its employees pursuant to Florida Statutes, Section 440.02.

ARTICLE 10 - INDEMNIFICATION

The Consultant shall indemnify and hold harmless the COUNTY, and its Officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or wrongful conduct of the Consultant and/or any persons employed or utilized by the Consultant in the performance of the Agreement.

ARTICLE 11 - SUCCESSORS AND ASSIGNS

The COUNTY and the Consultant each binds itself and its partners, successors, executors, administrators, and assigns to the other party, in respect to all covenants of this Agreement. Except as set forth herein, neither the COUNTY nor the Consultant shall assign, sublet, convey, or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the

COUNTY, which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the Consultant.

ARTICLE 12 - CONFLICT OF INTEREST

The Consultant represents that it will not receive any additional compensation from the selected carriers including, but not limited to, commissions pertaining to the COUNTY Account.

The Consultant represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. The consultant further represents that no person having any interest shall be employed for said performance.

The Consultant shall promptly notify the COUNTY in writing, by certified mail, of any potential conflicts of interest for any prospective business association, interest, or other circumstance, which may influence or appear to influence the Consultant's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Consultant may undertake and request an opinion of the COUNTY, whether such association, interest, or circumstance constitutes a conflict of interest if entered into by the Consultant.

The COUNTY agrees to notify the Consultant of its opinion, by certified mail, within thirty (30) days of receipt of notification by the Consultant. If, in the opinion of the COUNTY, the prospective business association, interest, or circumstance would not constitute a conflict of interest by the Consultant, the COUNTY shall so state in the notification, and the Consultant shall, at his/her option enter into said association, interest, or circumstance, and it shall be deemed not in conflict of interest with respect to services provided to the COUNTY by the Consultant under the terms of this Agreement.

ARTICLE 13 - FINANCIALS

The Consultant further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Agreement.

ARTICLE 14 - DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The Consultant shall deliver to the COUNTY for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the COUNTY under this Agreement.

The Consultant shall comply with the provisions of Florida Statutes, Chapter 119 (Public Records Law).

ARTICLE 15 - ACCESS AND AUDITS

The Consultant shall maintain adequate records to justify all charges, expenses, and costs incurred in performing the Work for at least three (3) years after completion of this Agreement. The COUNTY and the Clerk of Courts shall have access to such books, records, and documents as required in this Section for the purpose of inspection or audit during normal business hours, at the COUNTY's or the Clerk's cost, upon five (5) days' written notice.

ARTICLE 16 - NONDISCRIMINATION

The Consultant warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, physical handicap, sex, age, or national origin.

ARTICLE 17 - ENTIRETY OF CONTRACTUAL AGREEMENT

The COUNTY and The Consultant agree that this Agreement, Exhibit(s), and any Supplemental Agreements set forth in the entire Agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms, and conditions contained in this Agreement may be added to, modified, superseded, or otherwise altered, except by written instrument executed by the parties hereto.

ARTICLE 18 - AUTHORITY TO PRACTICE

The Consultant hereby represents and warrants that it has and will continue to maintain all licenses and approvals

required to conduct its business, and that it will at all times conduct its business activities in a reputable manner.

ARTICLE 19 - SEVERABILITY

If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such item(s) or provision(s), to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other item and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 20 - FLORIDA LAW

This Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce this Agreement shall be held in Nassau County.

ARTICLE 21 - DISPUTES

Any dispute arising under this Agreement shall be addressed by the representatives of the COUNTY and the Consultant as set forth herein. Disputes shall be set forth in writing to the Contract Administrator, and provided by overnight mail, UPS, FedEx, or certified mail, with a response provided in the same manner prior to any meetings of representatives. The initial meeting shall be with the

Contract Administrator and any additional representative(s) he/she deems necessary and the Consultant representative(s). If the dispute is not settled at that level, the County Attorney shall be notified in writing by the Contract Administrator or his/her designee, and the County Attorney, Contract Administrator and his/her designee shall meet with the Consultant representative(s). Said meeting shall occur within sixty (60) days of the notification by the Contract Administrator or his/her designee. If there is no satisfactory resolution, the claims, disputes, or other matters in question between the parties to this Agreement arising out of or relating to this Agreement or breach thereof, if not disposed of by Agreement as set forth herein, shall be submitted to mediation in accordance with mediation rules as established by the Florida Supreme Court. Mediators shall be chosen by the COUNTY and the cost of mediation shall be borne by the Consultant. If either party initiates a Court proceeding, and the Court orders, or the parties agree to, mediation, the cost of mediation shall be borne by the Consultant. The Consultant shall not stop work during the pendency of mediation or dispute resolution. No litigation shall be initiated unless and until the procedures set forth herein are followed.

ARTICLE 22 - NOTICE

All notices required in this Agreement shall be sent via certified mail, return receipt requested, and, if sent to the COUNTY shall be mailed to:

Nassau County Board of County Commissioners
Chili Pope, Human Resources Director
96161 Nassau Place
Yulee, Fl 32097

For invoices:

Nassau County Board of County Commissioners
Chili Pope, Human Resources Director
96161 Nassau Place
Yulee, Fl 32097

And, if sent to the Consultant, shall be mailed to:

THE BAILEY GROUP

1200 Plantation Island Drive, Suite 210

St. Augustine, FL 32080

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in two (2) copies, each of which shall be deemed an original on the date first above written.

OWNER:

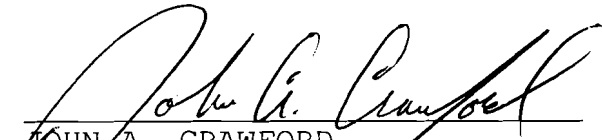
BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA


THOMAS D. BRANAN, JR.

Its: Chairman

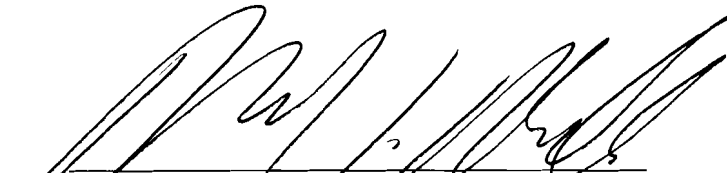
Dated: May 30, 2006

ATTEST:



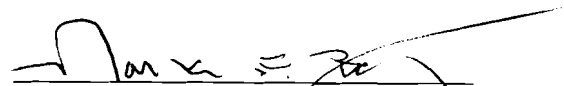
JOHN A. CRAWFORD
Its: Ex-Officio Clerk


Approved as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

CONSULTANT:
MFB Financial, Inc.
D.B.A. The Bailey Group



NAME
Its: Title 

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Exhibit 1
Detailed Cost Schedule

Consultant's Description/Services

1. Provide general and technical guidance on employee benefit issues to market analysis, trends, contracts and statute interpretation and cost containment methods.
2. Assist in the development and review of communication materials written by the Client's benefit administrators and other participating organizations for content, appearance, compliance and accuracy.
3. Assist the Client on a regular basis and in a timely manner throughout the contract period to provide information, analysis and guidance on any and all aspects of Client benefit programs policy and administration.
4. Provide qualified representative to attend the Client's Health Insurance Committee, Nassau Client Board or Client Commissioners meetings and employee meetings as requested or needed.
5. Review all plan documents for accuracy and compliance with appropriate laws and regulations, appropriateness of items to be included in a Section 125 Plan and review of annual required filings.
6. Assist the Client in preparing specifications for request for proposals.
7. Respond to questions from potential RFP respondents with assistance from staff (throughout the RFP process). All such communication will be conducted through the Client's Human Resources Department.
8. Evaluate all proposals and furnish a written report which will include comparative data and the consultants' recommendations on coverage and provided selection.
9. Assist in the negotiation of contracts with successful respondents.
10. Apprise the Client of current issues in the areas of benefits law and administration, including, but not limited to, HIPPA privacy, COBRA and other state and federal pending and enacted legislation.
11. Prepare response to any administrative RFP appeals.
12. Assist the Client in transition from proposal approval to program implementation by the Insurance Carriers, following program selection by Client.
13. Assist Client Attorney in preparation of defense if any litigation should result from the RFP.
14. Testify in court at the request of the Client Attorney if litigation should result from the FRP process.

15. Provide dedicated personnel to be the main contact for managing account relationship. The contact will be readily accessible to the Client Human Resources personnel.
16. Proposers are required to be HIPAA compliant.

Exhibit 2
Business Associate contract

This Business Associate Contract is entered into by and between the Board of County Commissioners of Nassau County, Florida. (Covered Entity) and MFB Financial, Inc. d.b.a. The Bailey Group Business Associate) effective as of May 22, 2006. The sole purpose of this contract is to address and comply with patient privacy issues as required by law. There is no other purpose to this Contract.

WHEREAS, the Covered Entity is a group health plan as defined in the privacy rules adopted pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA);

WHEREAS, the Business Associate wishes to perform on behalf of the Covered Entity treatment, payment, or health care operations as defined by HIPAA;

WHEREAS, the parties wish to set forth their understandings with regard to the use and disclosure of Protected Health Information (PHI) by the Business Associate in performance of its obligations;

In consideration of the mutual promises set forth below, the parties hereby agree as follows:

A. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Use of protected health information (PHI). Business Associate shall not use or further disclose PHI other than as permitted or required by this agreement or as required by law.
2. Safeguards. Business Associate agrees that it will implement all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement. Business Associate agrees that performance of its obligations to implement safeguards includes establishing procedures that limit its use and disclosure of PHI to the minimum necessary amount of information required for the intended purpose, including limiting access to PHI within its organization to those employees with a need to know.
3. Unauthorized Disclosures of PHI. Business Associate shall, within ten (10) days of becoming aware of a disclosure of PHI in violation of this Agreement by Business Associate, its officers, directors, employees, contractors, or agents or by a third party to which Business associate disclosed PHI,

report to Covered Entity any such disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of the unauthorized disclosure.

4. Agreements with Third Parties. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of the Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
5. Access to Information. Within ten (10) days of a request by the Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such PHI for so long as such information is maintained in a Designated Record Set. In the event any individual request access to PHI directly from the Business Associate, Business Associate shall respond to the request for PHI within two (2) days. Any denials of access to the PHI requested shall be the responsibility of the Business Associate.
6. Availability of PHI for Amendment. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of the Covered Entity or an individual, and in the time and manner designated by Covered Entity.
7. Inspection of Books and Records. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from , or created or receive by Business Associate on behalf of Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary of the U. S. Department of Health and Human Services or designee, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.
8. Accounting of Disclosures. Business Associate agrees to maintain and make available to the Covered Entity an accounting of disclosures of PHI as would be required for Covered Entity to respond to a request by an individual made in accordance with 45 CRF 164.528. Business Associate shall provide an accounting of disclosures made during the six years prior to the date on which the accounting is request. At a minimum, the accounting of disclosures shall include the following information.
 - a. Date of disclosure,

- b. The name of the person or entity who received the PHI, and if known, the address of such entity or person,
- c. A brief description of the PHI disclosed, and
- d. A brief statement of the purpose of such disclosure that includes an explanation of the basis of such disclosure.

In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall respond to the request within two (2) days. Any denials of a request for an accounting shall be the responsibility of the Business Associate.

Business Associate agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

B. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

1. Business Associate shall not use or disclose any PHI for any purpose other than performance of services for Covered Entity as provided for in the Consulting Agreement dated (insert date) Except as otherwise limited by this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of Covered Entity as specified above, provided that such use or disclosure would not violate HIPAA if done by the Covered Entity.

C. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR 164.520, as well as any changes to such notice.
2. Covered Entity shall provide Business Associate with any changes in, or revocation of permission by individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.
3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 1654.522.

D. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entity.

E. TERMINATION

1. Term. The term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated under Section (insert section number) of this Agreement.
2. Termination. This Agreement shall be terminated only as follows:
 - a. Termination For Cause

This Agreement may be terminated by the Covered Entity upon thirty (30) days written notice to the Business Associate in the event that the Business Associate breaches and provision contained in Paragraphs A or B of this Agreement and such breach is not cured within such thirty (30) day period; provided, however, that in the event that termination of this agreement is not feasible in the Covered Entity's sole discretion, Business Associate hereby acknowledges that the Covered Entity shall have the right to report the breach to the Secretary, notwithstanding any other provision of this Agreement to the contrary.

- b. Termination Due To Change in Law

Either party may terminate the Agreement effective upon thirty (30) days advance written notice to the other party in the event that the terminating party has sought amendment of this Agreement pursuant to Paragraph G(1) and no amendment has been agreed upon.

- c. Termination Without Cause

Either may terminate this Agreement effective upon one hundred eighty (180) days advance written notice to the other party given with or without any reason.

3. Return or Destruction of PHI

Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

Notwithstanding the above, to the extent that it is not feasible to return or destroy such PHI, the terms and provisions of Paragraphs 1 and 2 shall survive termination of this Agreement and such PHI shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such PHI.

F. DEFINITIONS

Terms used, but not otherwise defined, in the Agreement shall have the same meaning as those terms in 45 CFR 160.103 and 164.501. Capitalized terms within this Agreement are defined in the text or as follows:

1. Designated Record Set means a group of records maintained by or for the Covered Entity that is (a) medical records and billing records about individuals maintained by or for the Covered Entity, (b) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan, or (c) used, in whole or in part, by or for the Covered Entity to make decisions about individuals. As used herein the term "record" means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for the Covered Entity.
2. Individually Identifiable Health Information means information that is a subset of health information, including demographic information collected from an individual, and
 - a. is created or received by a health care provider, health plan, employer, or health care clearing house; and
 - b. relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
3. Protected Health Information (PHI) means Individually Identifiable Health Information that is (a) transmitted by electronic media, (b) maintained in any medium constituting electronic media, or (c) transmitted or maintained in any

other form or medium. PHI shall not include (a) education records covered by the Family Education Right and Privacy Act, as amended, 20 USC Sec. 1232g and (b) records described in 20 USC Sec. 1232g(a)(4)(B)(iv).

C. GENERAL PROVISIONS

1. Amendment. This Agreement may be amended only by the mutual written agreement of the parties. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Covered Entity to comply with the requirements of HIPAA.
2. Indemnification. The Consultant shall release, indemnify and hold the County, its officers and employees harmless from and against any claims, fees, and costs, including, without limitation, reasonable attorney's fees and costs, which may be incurred by the acts of the Consultant as a result of or related to the activities pursuant to this agreement.
3. Remedies. The parties acknowledge that breach of Paragraphs A or B of this Agreement may cause irreparable harm for which there is no adequate remedy at law. In the event of a breach, or if Covered Entity has actual notice of an intended breach, Covered Entity shall be entitled to a remedy of specific performance and/or injunction refraining Business Associate from violating or further violating this Agreement. The parties agree the election of the Covered Entity to seek injunctive relief and/or specific performance of this Agreement does not foreclose or have any effect on any right the Covered Entity may have to recover damages.
4. Survival. Business Associate's obligation to limit its use and disclosure of Protection Information as set out in Paragraphs A and B survive the termination of this Agreement so long as Business Associate has PHI received during the performance of its services as described in this Agreement.
5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida.
6. Assigns. Neither this Agreement nor any of the rights, benefits, duties, or obligations provided herein may be assigned by any party to this Agreement without the prior written consent of the other party.
7. Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any rights or remedies in any third party.
8. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity to comply with HIPAA.
9. Notices. Any notice given under this Agreement must be in writing and delivered via first class mail, via reputable

overnight courier service, or in person to the following addressed, or to such addresses or facsimile numbers as the parties may specify by like notice:

If to Covered Entity:

Board of County Commissioners of Nassau County
Chili Pope, Human Resources Director
96161 Nassau Place
Yulee, Fl 32097

If to Business Associate:

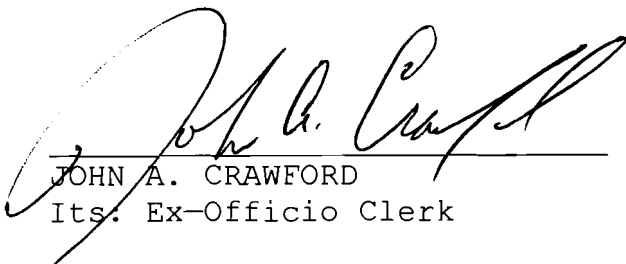
MFB Financial, Inc.
1200 Plantation Island Drive
St. Augustine, Fl 32080

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



THOMAS D. BRANAN, JR.
Its: Chairman

ATTEST:



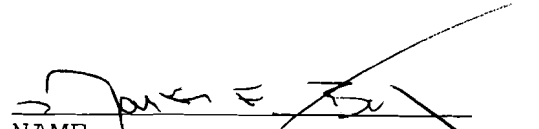
JOHN A. CRAWFORD
Its: Ex-Officio Clerk

Approve as to form by the
Nassau County Attorney



MICHAEL S. MULLIN

CONSULTANT:
MFB Financial, Inc.
D.B.A. The Bailey Group



NAME
Its: Title



INSURANCE

BENEFITS

FINANCIAL PRODUCTS

June 7, 2006

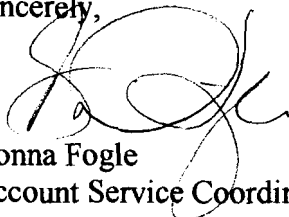
Chili A. Pope
Human Resources Director
Nassau County
96161 Nassau Place
Yulee, FL 32097

Dear Ms. Pope,

Enclosed please find a signed agreement for The Bailey Group to provide Consultant Services to Nassau County's Employee Benefit Plans.

We are very excited about the opportunity to be of service to you and your team of professionals and we look forward to starting the process very soon.

Sincerely,



Donna Fogle
Account Service Coordinator

Enc

"Combining Progressiveness with Integrity"

1200 Plantation Island Drive Suite 210 St. Augustine, FL 32080
Tel: 904.461.1800 - Fax: 904.461.1775

Mark Bailey, Registered Representative offering securities through NYLIFE Securities, Inc., Member NASD/SIPC
4600 Touchton Road East, #200 Jacksonville, FL 32246 904-997-3000
Member agent of The Nautilus Group, a service of New York Life Insurance Company.
The Bailey Group is not owned or operated by NYLIFE Securities Inc. or its affiliates.


ACORD CERTIFICATE OF LIABILITY INSURANCE		OF ID AS MEST-1	DATE (MM/DD/YY) 06/05/06
PRODUCER Thompson Baker Agency, Inc. 61 Cordova Street St. Augustine FL 32084 Phone: 904-824-1632 Fax: 904-824-1675		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURER		INSURERS AFFORDING COVERAGE	NAIC #
NFB Financial, Inc. 1200 Plantation Island Dr. Suite 200 St. Augustine FL 32080		INSURER A: <u>Hartford Casualty</u>	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURANCE NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Business Owners GENL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PER OCC. <input type="checkbox"/> LOC	21BRAGA0770	08/01/05	08/01/06	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	21UOCLB4778	08/01/05	08/01/06	COMBINED SINGLE LIMIT (Per occurrence) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per occurrence) \$ 300,000 PROPERTY DAMAGE (Per occurrence) \$ 100,000
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	21WECDD6576	08/01/05	08/01/06	<input checked="" type="checkbox"/> NO STATE/TORTY LIMITS <input type="checkbox"/> OTHER EL EACH ACCIDENT \$ 1,000,000 EL DISEASE - EA EMPLOYEE \$ 100,000 EL DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 As proof of coverage

CERTIFICATE HOLDER	CANCELLATION
NASSAU 01 Nassau County 2290 State Road 200 Fernandina Beach FL 32034	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 


NOTICE TO PROCEED

To: MFB Financial, Inc. dba Date: June 5, 2006
The Bailey Group
1200 Plantation Island Drive, Suite 210
Saint Augustine, FL 32080

You are hereby notified to commence work in accordance with the Agreement dated the 30th day of May, 2006, and you are to substantially complete the work by August 1, 2006.

OWNER:

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



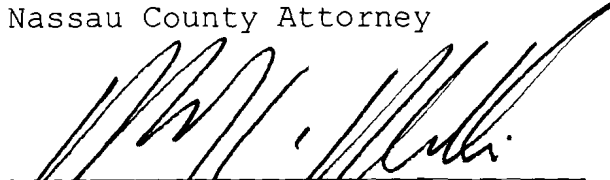
THOMAS D. BRANAN, JR.
Its: Chairman

ATTEST:



JOHN A CRAWFORD
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney

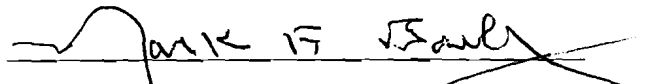


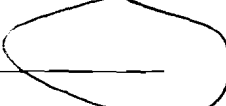
MICHAEL S. MULLIN

ACCEPTIANCE OF NOTICE

Receipt of the above Notice To Proceed is hereby
acknowledged by:

MFB Financial, Inc. D.B.A. The Bailey Group, this 12th day
of June, 2006.



By: Mark F. Bailey 

Its: _____