

AGREEMENT

WHEREAS, the Governing Board of the Santa Maria-Bonita School District ("DISTRICT") of Santa Barbara County, California, wishes to make tax sheltered annuity programs available to its employees; and

WHEREAS, the COMPANY designated below has offered to provide tax sheltered annuity programs complying with Federal and State law for eligible employees of the DISTRICT and the employees wish to have such annuity purchased for them by the DISTRICT.

1. NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. _____, ("COMPANY") shall provide for purchase by the DISTRICT or its employees only annuities complying with Federal and State law. Such annuities shall be available for purchase by the DISTRICT for any legally eligible employee electing to participate.
2. The COMPANY, its agents, and representatives, shall comply with all pertinent written directives regarding the solicitation of employees of the DISTRICT for the purchase of tax sheltered annuities.
3. The COMPANY shall hold harmless and indemnify the Santa Barbara County Superintendent of Schools ("SUPERINTENDENT"), and their officers and employees from any claim or demand arising out of any tax sheltered annuity program provided by the COMPANY brought by any person or entity against the SUPERINTENDENT, the DISTRICT, and their officers and employees, provided however, that this provision shall not apply to acts of gross misconduct or intentional wrong doing but shall apply to acts of active or passive negligence, on the part of the SUPERINTENDENT, the DISTRICT and their officers and employees.
4. The COMPANY shall fully explain to the DISTRICT'S employees the tax requirements inherent in tax sheltered annuities. The COMPANY and the broker/agent shall keep and upon request provide documentation showing calculations that verify the disclosure to DISTRICT'S employees of all tax sheltered annuity requirements and any other facts which would affect the maximum contribution available to the DISTRICT'S employees through the tax sheltered annuity process. The COMPANY shall hold the SUPERINTENDENT, DISTRICT, and their officers and employees harmless from any and all penalties assessed by any taxing authority as a result of any tax sheltered annuity agreements entered into on behalf of the DISTRICT and its officers and employees.
5. The COMPANY at its own cost, expense and risk, shall defend any legal proceedings that may be brought against the SUPERINTENDENT or DISTRICT and their officers and employees, by any person, including any taxing authority, or any claim or demand of whatever nature arising out of the purchase of annuities from the COMPANY and shall satisfy any judgment that may be rendered against any of them. Such indemnification shall include but not be limited to the 10% excise tax imposed on employers by Section 4979 of the Internal Revenue Code, additional taxes, interest, and penalties levied against the SUPERINTENDENT or District due to a mandated reclassification of employee tax sheltered annuity contributions from "tax deferred" to "taxable", and penalties imposed by the Internal Revenue Service, Franchise Tax Board, or other taxing authorities upon employees who then seek indemnification from the SUPRINTENDENT or DISTRICT.
6. The COMPANY further understands and agrees that neither the SUPERINTENDENT, the DISTRICT or their officers, agents and employees, guarantee any annuities purchased for DISTRICT employees from the COMPANY; nor do any of them guarantee the usefulness of said annuities for income tax reduction or estate planning purposes or otherwise.

