TERMINATION AGREEMENT REGARDING
THE MENDOCINO COUNTY HEALTH AND WELFARE BENEFITS PROGRAM
("STAYWELL")

This Termination Agreement (the "Agreement") is entered into effective as of the last date signed (the "Effective Date"), by and between Anderson Valley Unified School District ("Anderson Valley"), Arena Union Elementary School, Fort Bragg Unified School District ("Fort Bragg"), Horicon Elementary School District ("Horicon"), Laytonville Unified School District ("Laytonville"), Leggett Valley Unified School District ("Leggett"), Manchester Union Elementary School District ("Manchester"), Mendocino County Office of Education ("MCOE"), Point Arena Joint Union High School ("Point Arena"), Potter Valley Community Unified School District ("Poter Valley"), Round Valley Unified School District ("RVUSD" or "Round Valley"), and Willits Unified School District ("Willits"), who are collectively referred to herein as the "Participants" of the Mendocino County Health and Welfare Benefits Program, a California Joint Powers Authority ("Staywell") and MCOE –Mendocino County Youth Project ("MCYP"), MCOE – Charter Academy of the Redwoods ("Charter Academy"), and RVUSD – Eel River Charter School ("Eel River Charter"), who are collectively referred to herein as the "Ancillary Agencies" of Staywell. The Participants and Ancillary Agencies shall collectively be referred to as "the Parties."

RECITALS

A. Staywell was formed by the Participants and pursuant to the authority granted under that certain Joint Powers Agreement dated September 29, 1995, as amended by that certain Joint Powers Agreement dated October 3, 2016 ("JPA Agreement"); and

B. The intent of the JPA Agreement, as amended, was to provide services and other items necessary and appropriate for the establishment, operation, and maintenance of a health and welfare insurance system, for Participants, eligible officers, and employees and their eligible dependents, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding containment of health and welfare insurance costs, experience rating and other methods of funding health and welfare insurance; and

C. Staywell is also governed by the Staywell Committee Bylaws ("Bylaws"), as revised on January 24, 2025. The Staywell Board of Directors is described in the Bylaws as the Mendocino County Staywell Committee, and is referred to in this Agreement as "the Board." The Staywell Steering Committee, pursuant to the Bylaws, is responsible for among other duties, serving as the negotiating committee for the Board. The Bylaws also describe the duties of the Ancillary Agencies, which are agencies that are associated with the Participants; and

D. Staywell's Bylaws state that, "The JPA will maintain a designated stabilization fund equal to a minimum of 2 months of the previous three-year rolling average claims. (Amended 9/26/08) (Amended 1/25/19) Amended 1/22/2022). In addition to the designated stabilization fund, an additional reserve equal to six months rolling average claims over the previous three years (adjusted annually at the end of each fiscal year), for a combined reserve amount equal to eight months, will be maintained as a reserve for economic uncertainty (Amended 1/21/2022);" and

E. Paragraph 7 of the JPA Agreement states that, "Withdrawal: Except as set forth in Paragraph 6 above, at the end of any given school year, any party may withdraw as a party to this Agreement provided that written notice has been given between February 1 and April 15 of that year to the Board, and that at such time the party terminating has either discharged, or has arranged to the satisfaction of the other parties for the discharge of, all pending obligations the withdrawing party has assumed under this Agreement. No refund or repayment shall be given to any withdrawing party. The Agency leaving shall pay a prorata share of any deficiency for the current year claims;" and

F. Paragraph 14 of the JPA Agreement states that, "14. Disposition of Property and Funds: In the event of the dissolution, the complete rescission, or other final termination of this Agreement by all Participants, any property interest remaining in the service following a discharge of all obligations, shall be disposed of as the Board shall then determine with the objective of returning to each Participant a proportionate return of the contributions made to such properties by such parties. The inclusion of additional parties to this Agreement or the withdrawal of some but not all of the parties to this Agreement shall not be deemed a dissolution nor a termination of this Agreement;" and

G. The Bylaws state that when an Ancillary Agency or Participant leaves Staywell that, "If an agency leaves and the stabilization fund is not sufficient to pay the remaining claims of the agency, that agency is indebted for their pro-rata share;" and

H. Multiple years of unusually high-cost claims have placed a financial strain on Staywell's self-insurance funds. The Participants and Ancillary Agencies determined that it was in the best interests of the Participants and Ancillary Agencies to dissolve Staywell, and find alternative sources for providing healthcare to their employees; and

I. On January 23, 2026, the members of the Board unanimously voted to dissolve Staywell, effective June 30, 2026; and

J. The JPA Agreement, which provides for termination upon the agreement of the Participants and Ancillary Agencies (see paragraph 14 of the JPA Agreement), provides for the disposition of remaining Staywell assets upon dissolution after Staywell's obligations are discharged; however, the JPA Agreement does not state how said obligations are to be apportioned among the Participants and Ancillary Agencies; and

K. The Participants and Ancillary Agencies desire to terminate the JPA Agreement, dissolve Staywell, and apportion all liabilities and obligations of the JPA pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the Participants and Ancillary Agencies hereby agree as follows:

1. Incorporation of Recitals. The Participants and Ancillary Agencies hereby affirm the facts set forth in the Recitals above. Said Recitals are incorporated into this Agreement by this reference.

2. Termination of JPA Agreement. Pursuant to Paragraph 14 of the JPA Agreement, the Participants and Ancillary Agencies agree that the JPA Agreement will terminate in accordance with the terms of this Agreement as of July 1, 2027 ("Termination Date"), subject to adjustment as set forth in Section 3. As described further in paragraph 3, as of July 1, 2026, Staywell will continue to operate for the sole purpose of winding up its affairs. On July 1, 2026, Participants and Ancillary Agencies shall be responsible for administering health and welfare insurance to their employees, and Staywell will have no role in administering health and welfare insurance to the Parties' employees. Each Party will be responsible as of July 1, 2026 for taking all necessary actions to replace services performed by Staywell regarding employees' health and welfare insurance. Each Party will be responsible for ensuring that there is no interruption to their employees' health and welfare benefits on July 1, 2026 when Staywell ceases providing health and welfare insurance to the Parties' employees.

3. Transition Period. As of July 1, 2026, Staywell will continue to operate for the sole purpose of winding up its affairs, closing Staywell's bank account, and conducting meetings if necessary to vote on actions necessary to accomplish termination, etc. ("Transitional Activities"). These Transitional Activities will be accomplished at the direction of the Board, and may be delegated to the Executive Committee, as defined in paragraph 4, or the Chief Financial Officer ("CFO") of Staywell. The Executive Committee shall not be required to report back to the Board prior to accomplishing the Transitional Activities, but will report back to the Board as requested by the Board, or when the Executive Committee deems it to be appropriate. It is contemplated that all Transitional Activities will be completed prior to the Termination Date. In the event that the Transitional Activities cannot be completed prior to the Termination Date, then the Termination Date may be extended up to 6 months with the written confirmation of each of the Participants and Ancillary Agencies. The Termination Date may be extended for

additional 6 month terms with the written confirmation of each of the Participants and Ancillary Agencies.

4. Executive Committee. The Participants and Ancillary Agencies shall form an Executive Committee that will meet once per month, July of 2026 through September of 2026, and then quarterly thereafter, as necessary, until the Termination Date. The purpose of the Executive Committee shall be to wind up Staywell's affairs. The Executive Committee will be composed of one member from each Participant and Ancillary Agency. Each Participant and Ancillary Agency shall nominate one member to serve on the Executive Committee. Each Participant and Ancillary shall inform the CFO by May 11, 2026, of their proposed nominations to the Executive Committee, and the Board shall then vote on the nominations of the Executive Committee Board members at the next Board meeting. In the event that a member of the Executive Committee is unable to attend an Executive Committee meeting, the Participant or Ancillary Agency that is represented by the Executive Committee member may designate an alternative represe

______________________ntative to serve in the Executive Committee member's place.

5. Book and Records. The books and records of Staywell will be archived and stored for a period of five (5) years following the Termination Date or such longer period as may be required by applicable law.

6. Dissolution of the Authority. Prior to the Termination Date, the CFO will make such filings as are necessary with the California Secretary of State and the State Controller to formalize the dissolution of Staywell.

7. Costs and Liabilities. The Executive Committee and the CFO shall be vested with all the powers of Staywell for the purpose of winding up and dissolving the business affairs of Staywell. The Participants and Ancillary Agencies agree that the reserve fund and stabilization fund shall be used to pay the remaining claims and losses of the Participants and Ancillary Agencies. The Board shall have the power, which may be delegated to the Executive Committee, to require Participants and Ancillary Agencies, including those that were Participants and Ancillary Agencies at the time a claim arose or at the time a loss was incurred, to pay their share of any additional amount of contribution deemed necessary by the Board for final disposition of all claims and losses covered by Staywell. The Participants and Ancillary Agencies agree that any additional amount of contribution required by each Participant and Ancillary Agency shall be proportional to the amount of employees and retirees of each Participant and Ancillary Agency that utilize Staywell. The Participants and Ancillary Agencies anticipate that Staywell's stabilization fund and reserve fund will be sufficient to pay for all claims and losses until July 1, 2026, at which

point it may be necessary for the Participants and Ancillary Agencies to pay additional contributions. The parties have reached an agreement on the proportional share of required additional contributions that each Participant and Ancillary Agency shall have to make in the event that the reserve fund and stabilization fund are insufficient to cover the remaining claims and losses of Staywell. The formula that shall be used to calculate each Participant's and Ancillary Agency's share of any required additional contributions shall be as follows:

	Employees	Retirees	Total	Pro-rata Share %
MCOE	167	4	171	17.17%
Manchester	5	0	5	0.50%
Anderson Valley	67	1	68	6.83%
Fort Bragg	245	8	253	25.40%
Round Valley	80	2	82	8.23%
Laytonville	43	2	45	4.52%
Leggett	18	1	19	1.91%
Willits	183	3	186	18.67%
MCYP	20	0	20	2.01%
Potter Valley	31	2	33	3.31%
Charter Academy	23	0	23	2.31%
Point Arena[1]	71	0	71	7.13%
Eel River Charter	4	0	4	0.40%
Horicon	16	0	16	1.61%
TOTAL	973	23	996	100.00%

Each Participant and Ancillary Agency hereby agrees to authorize its County Superintendent or other Responsible Official to transfer from its general fund any required contributions.

8. Costs of Winding up Affairs. The Participants and Ancillary Agencies hereby agree to split equally amongst themselves any necessary ordinary business expenses associated

[1] Point Arena and Arena Union Elementary School are part of a Common Administration District and have certain commonalities regarding their accounting of funds. Therefore, their employees and retirees are listed together under "Point Arena" in this chart, and will make a combined contribution in the event that any additional contribution is needed.

with winding up the affairs of Staywell, as shall be determined by the Board, which may be delegated to the Executive Committee. Each Participant and Ancillary Agency hereby agrees to authorize its County Superintendent or other Responsible Official to transfer from its general fund any required contributions.

9. Assets. On the Termination Date, it is anticipated that Staywell will own zero assets. By the Termination Date, any property interest remaining in Staywell following a discharge of all obligations shall be disposed of as the Board shall then determine with the objective of returning to each Participant and Ancillary Agency a proportionate return of the contributions made to such properties by such parties, in accordance with paragraph 14 of the JPA Agreement. The Board may delegate the power to distribute the proceeds of any remaining assets to the Executive Committee. If at any time in the future, an asset of Staywell is discovered, then the Parties agree to liquidate that asset and distribute the proceeds proportionally to the Participants and Ancillary Agencies. The formula that shall be used to calculate each Participant and Ancillary Agencies' share of any assets to be distributed shall be as follows:

	Employees	**Retirees**	**Total**	**Pro-rata Share %**
MCOE	167	4	171	17.17%
Manchester	5	0	5	0.50%
Anderson Valley	67	1	68	6.83%
Fort Bragg	245	8	253	25.40%
Round Valley	80	2	82	8.23%
Laytonville	43	2	45	4.52%
Leggett	18	1	19	1.91%
Willits	183	3	186	18.67%
MCYP	20	0	20	2.01%
Potter Valley	31	2	33	3.31%
Charter Academy	23	0	23	2.31%
Point Arena[2]	71	0	71	7.13%
Eel River Charter	4	0	4	0.40%
Horicon	16	0	16	1.61%
TOTAL	973	23	996	100.00%

[2] Since Point Arena and Arena Union Elementary School are part of a Common Administration District and have certain commonalities regarding their accounting of funds, Arena Union Elementary School's share of the assets is included in this chart under Point Arena's share of any assets, and Arena Union Elementary School is not entitled to a separate payment of any assets, other than its share of any assets paid to Point Arena.

10. No Additional Funding; No Liability. In no event will any Party be obligated to provide any additional funding for the operation or termination of the JPA other than those committed to in this Agreement. The Parties agree that the terms of Paragraph 17 of the JPA Agreement remain in full force and effect and will survive the termination of the JPA Agreement.

11. Future Claims. In the event that any third party makes a claim against the JPA or the Parties following the Termination Date, the Parties agree to meet and confer with respect to any such claim and mutually agree on the appropriate action to be taken to protect the Parties.

12. Notices, Demands and Communications Between the Parties. Any notice to be given or to be served upon any of the Participants or Ancillary Agencies hereto in connection with this Agreement must be in writing and shall be deemed to have been given and received as of the date of electronic mail transmission addressed to the Party for whom it is intended, at that Party's electronic mail address specified below. Any Party may change the place for the giving of notice to it at any time by written notice to the other Party as provided herein. The contract information of the Parties is:

Anderson Valley Unified School District	Leigh Kreienhop	leighk@avpanthers.org
Arena Union Elementary School District	Dunnell Daleuski	ddaleuski@pauhs.org
Fort Bragg Unified School District	Arlissa Tupper	atupper@fbusd.us
Horicon Elementary School District	Jennifer Holmes	jholmes@horiconsd.org
Laytonville Unified School District	Shannon Ford	sford@lhms.us
Leggett Valley Unified School District	Jenet Carbaugh	jenet@leggett.k12.ca.us
Manchester Union Elementary school District	Stephanie Herrera	sherrera@muesd.us
Mendocino County Office of Education	Becky Jeffries	bjeffries@mcoe.us
Point Arena Joint Union High School District	Dunnell Daleuski	ddaleuski@pauhs.org
Potter Valley Community Unified School District	LuzElena Perez	lperez@pottervalleyschools.us
Round Valley Unified School District	Amanda Britton	abritton@rvusd.us
MCOE – Mendocino County Youth Project	None	
Willits Unified School District	Melissa Ragsdale	melissaragsdale@willitsunified.com
MCOE - Charter Academy of the Redwoods	Elna Gordon	egordon@redwoodacademy.org
RVUSD - Eel River Charter School	Tina Wilson	twilson@eelriverschool.net

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. Signatures may be delivered electronically and shall be binding upon the Parties as if they were originals.

14. Mutual Cooperation; Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

15. Waiver. No delay or omission in the exercise of any right or remedy of a non- defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Either Parties' consent or approval of any act by the other Party requiring its consent or approval shall not be deemed to waive or render unnecessary its consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Termination Agreement.

16. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Parties.

17. Legal Counsel. Each Party acknowledges that: (i) it has read this Agreement; (ii) it has had the opportunity to have this Agreement explained to it by legal counsel of its choice; (iii) it is aware of the content and legal effect of this Agreement; and (iv) it is not relying on any representations made by the other Party or any of the employees, agents, representatives, or attorneys of the other Parties, except as expressly set forth in this Agreement.

18. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder.

19. Binding Effect. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assigns.

20. Authorized Representatives. The person or persons executing this Agreement on behalf of the Parties warrant and represent that they have the authority to execute this Agreement on behalf of that Party and that they have the authority to bind that Party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

For Anderson Valley Unified School District:

Name/Title: Kristin Larson, Superintendent

Signature: Kristin Larson Date: 2026-07-01

For Arena Union Elementary School/Point Arena Joint Union High School:

Name/Title: Warren Galletti, Superintendent

Signature: Warren Galletti Date: 2026-06-30

For Fort Bragg Unified School District:

Name/Title: Joseph Aldridge, Superintendent

Signature: Joseph Aldridge Date: 2026-07-13

For Horicon Elementary School District:

Name/Title: Alicia Henderson, Superintendent

Signature: Alicia Henderson Date: 2026-07-14

For Laytonville Unified School District:

Name/Title: Bruce Peters, Superintendent

Signature: Bruce Peters Date: 2026-06-30

For Leggett Valley Unified School District:

Name/Title: Hillary Magarrell, Superintendent

Signature: ____________________ Date: 2026-06-29

For Manchester Union Elementary School District:

Name/Title: Stephanie Herrera, Superintendent

Signature: Stephanie Herrera Date: 2026-06-30

For Mendocino County Office of Education:

Name/Title: Nicole Glentzer, County Superintendent

Signature: Nicole H. Glentzer Date: 2026-06-29

For Potter Valley Community Unified School District:

Name/Title: LuzElena Perez, Superintendent

Signature: LuzElena Perez Date: 2026-06-30

For Round Valley Unified School District:

Name/Title: Stephanie Steffano-Davis, Superintendent

Signature: Stephanie Steffano-Davis Date: 2026-06-29

For Willits Unified School District:

Name/Title: John Baker, Superintendent

Signature: ___________________________ Date: __________

For MCOE – Mendocino County Youth Project:

Name/Title: Amanda Archer, Executive Director

Signature: ___________________________ Date: __________

For MCOE – Charter Academy of the Redwoods:

Name/Title: Elna Gordon, Executive Director

Signature: ___________________________ Date: __________

For RVUSD – Eel River Charter School:

Name/Title: Betty Tuttle, Office Manager

Signature: ___________________________ Date: __________

Audit trail

Details

FILE NAME	Staywell Dissolution Agreement.docx - 6/29/26, 3:37 PM.pdf
STATUS	Signed
STATUS TIMESTAMP	2026/07/14 18:40:46 UTC

Activity

SENT	ntipton@mcoe.us **sent** a signature request to: • Stephanie Herrera (sherrera@muesd.us) • Joseph Aldridge (jaldridge@fbusd.us) • Kristin Larson (klarson@avpanthers.org) • Stephanie Steffano-Davis (supt@rvusd.us) • Hillary Magarrell (hillary@leggett.k12.ca.us) • Bruce Peters (bpeters@lhms.us) • Alicia Henderson (ahenderson@horiconsd.org) • Nicole H. Glentzer (nglentzer@mcoe.us) • Warren Galletti (wgalletti@mcn.org) • LuzElena Perez (leperez@pottervalleyschools.us)	2026/06/29 22:39:23 UTC
SIGNED	**Signed** by LuzElena Perez (leperez@pottervalleyschools.us)	2026/06/30 18:00:57 UTC
SIGNED	**Signed** by Bruce Peters (bpeters@lhms.us)	2026/06/30 15:36:56 UTC
SIGNED	**Signed** by Nicole H. Glentzer (nglentzer@mcoe.us)	2026/06/29 22:58:50 UTC
SIGNED	**Signed** by Stephanie Steffano-Davis (supt@rvusd.us)	2026/06/29 22:52:38 UTC
SIGNED	**Signed** by Hillary Magarrell (hillary@leggett.k12.ca.us)	2026/06/30 00:56:14 UTC
SIGNED	**Signed** by Kristin Larson (klarson@avpanthers.org)	2026/07/01 19:44:04 UTC

SIGNED	**Signed** by Warren Galletti (wgalletti@mcn.org)	2026/06/30 17:04:09 UTC
SIGNED	**Signed** by Alicia Henderson (ahenderson@horiconsd.org)	2026/07/14 18:40:46 UTC
SIGNED	**Signed** by Joseph Aldridge (jaldridge@fbusd.us)	2026/07/13 18:31:03 UTC
SIGNED	**Signed** by Stephanie Herrera (sherrera@muesd.us)	2026/06/30 17:52:18 UTC
COMPLETED	This document has been signed by all signers and is **complete**	2026/07/14 18:40:46 UTC

The email address indicated above for each signer may be associated with a Google account, and may either be the primary email address or secondary email address associated with that account.