Ocean Associates Incorporated

FLEXIBLE SPENDING ACCOUNT PLAN

The Effective Date of this Document is January 1st, 2011

PREAMBLE

The Employer hereby establishes a Flexible Spending Account Plan ("Plan") for its Employees for purposes of providing Eligible Employees with the opportunity to choose from among a Health Flexible Spending Account ("Health FSA") and/or a Dependent Care Flexible Spending Account ("Dependent Care FSA") available under the Plan. The Plan is intended to qualify as a cafeteria plan under the provisions of Code § 125. The Dependent Care FSA is intended to qualify as a Code § 129 dependent care assistance plan, and the Health FSA is intended to qualify as a Code § 105 medical expense reimbursement plan.

FLEXIBLE BENEFITS PLAN

ARTICLE I – DEFINITIONS

1.01 "Affiliated Employer" means any entity who is considered with the Employer to be a single employer in accordance with Code § 414(b), (c), or (m) of the Code.

1.02 "Anniversary Date" means the first day of any Plan Year.

1.03 "Board of Directors" means the Board of Directors or other governing body of the Employer (the "Board"). The Board, upon adoption of this Plan, appoints the Plan Administrator to act on the Employer's behalf in all matters regarding the Plan.

1.04 "Change in Status" means any of the events described in the SPD, as well as any other events included under subsequent changes to Code § 125 or regulations issued under Code § 125, that the Plan Administrator (in its sole discretion) decides to recognize on a uniform and consistent basis as a reason to change the election mid-year. Note: See the SPD for requirements that must be met to permit certain mid-year election changes on account of a Change in Status.

1.05 "Code" means the Internal Revenue Code of 1986, as amended.

1.06 "Compensation" means the cash wages or salary paid to an Employee by the Employer.

1.07 "Dependent" means any individual who is a tax dependent of the Participant as defined generally in Code § 152; however, for Health FSA purposes, a Dependent shall be defined as set forth in Code § 105(b), and for Dependent Care FSA purposes (if offered under the Plan), a Dependent shall be defined as set forth in Code § 21(b).

1.08 "Dependent Care Reimbursement" shall have the meaning assigned to it by Section 5.01 of the Plan.

1.09 "Earned Income" means all income derived from wages, salaries, tips, self-employment, and other Compensation (such as disability or wage continuation

benefits), but only if such amounts are includable in gross income for the taxable year. Earned Income does not include any other amounts excluded from Earned Income under Code § 32(c)(2), such as amounts received under a pension or annuity, or pursuant to workers' compensation.

1.10 "Effective Date" of this Plan is the effective date set forth in the SPD.

1.11 "Eligible Day Care Expenses" means those Qualifying Employment-Related Expenses (as defined below) paid or incurred incident to searching for or maintaining employment after the date of the Employee's participation in the Dependent Care FSA and during the Plan Year, other than amounts paid to:

(a) an individual with respect to whom a Dependent deduction is allowable under Code § 151(c) to the Participant or his Spouse;

(b) the Participant's Spouse or parent of the Qualifying Individual; or

(c) a "child" (as defined in Code § 152(f)(i)) of the Participant who is under 19 years of age at the end of the taxable year in which the expenses were incurred.

1.12 "Eligible Employee"
means an Employee of the Employer who satisfies the eligibility requirements set forth in the Plan Information Appendix of the Summary Plan Description.

1.13 "Eligible Medical Expenses" means those expenses incurred by the Employee, or the Employee's Spouse or Dependents, after the date of the Employee's participation in the Health FSA and during the Plan Year to the extent that the expense satisfies the conditions set forth in the Summary Plan Description and are for "medical care" as defined by Code § 213(d). For purposes of this Plan, the following expenses are not considered "Eligible Medical Expenses" even if they otherwise constitute "medical care" under Code § 213(d): (i) expenses for qualified long-term care services (as defined in Code § 7702B(c)); and (ii) expenses incurred for health insurance premiums. For purposes of this Plan, an expense is "incurred" when the Participant or beneficiary is furnished the medical care or services giving rise to the claimed expense, regardless of when the expense is paid.

1.14 "Employee" means any individual who is considered to be in a legal employer-employee relationship with the Employer for federal tax-withholding purposes. Such term includes "former employees" for the limited purpose of allowing continued eligibility for benefits hereunder for the remainder of the Plan Year in which an Employee ceases to be employed by the Employer. The term "Employee" shall not include any leased employee (as that term is defined in Code § 414(n)) or any self-employed individual who receives from the Employer "net earnings from self-employment" within the meaning of Code § 401(c)(2) unless such individual is also an Employee.

1.15 "Employer" means the Employer and the Affiliated Employers named in the SPD provided, however, that when the Plan provides that the Employer has a certain power (e.g., the appointment of a Plan Administrator, entering into a contract with a third party insurer, or amendment or termination of the Plan) the term "Employer" shall mean only that entity named on the first line of the Plan Information Appendix of the SPD, and not any Affiliated Employer. Affiliated Employers who sign the Plan Information Appendix and/or otherwise adopt the Plan shall be bound by the Plan as adopted and subsequently amended unless they clearly withdraw from participation herein.

1.16 "Entry Date" means the date after an Employee satisfies all of the eligibility requirements (i.e., the first day of the calendar month or the first day of the calendar quarter) and becomes eligible to participate in the Plan as set forth in the SPD.

1.17 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.18 "Grace Period" means the period following the end of the Plan Year (i.e., two (2) months and 15 days) in which expenses incurred may be reimbursed with contributions from the prior Plan Year as set forth in the SPD.

1.19 "Health Care Reimbursement" shall have the meaning assigned to it by Section 5.01 of the Plan.

1.20 "Highly Compensated Individual" means an individual defined under Code § 105(h), 125(e), or 414(q), as amended, as a "highly compensated individual" or a "highly compensated employee."

1.21 "Key Employee" means an individual who is a "key employee" as defined in Code § 125(b)(2), as amended.

1.22 "Nonelective Contribution(s)" means any amount that the Employer, in its sole discretion, may contribute on behalf of each Participant to provide benefits for such Participant and his or her Spouse and Dependents, if applicable, under one or more of the Reimbursement Account benefits offered under the Plan. The amount of Employer contribution that is applied towards the cost of the Reimbursement Account benefits(s) for each Participant and/or level of coverage shall be subject to the sole discretion of the Employer. The amount of Nonelective Contribution for each Participant may be adjusted upward or downward in the contributing Employer's sole discretion. The amount shall be calculated for each Plan Year in a uniform and nondiscriminatory manner and may be based upon the Participant's Dependent status, commencement or termination date of the Participant's employment during the Plan Year, and such other factors as the Employer shall prescribe. To the extent set forth in the SPD or enrollment material, the Employer may make Nonelective Contributions available to Participants and allow Participants to allocate the Nonelective Contributions among the various Reimbursement Accounts offered under the Plan in a manner set forth in the SPD of additional, taxable Compensation except as otherwise provided in the SPD or enrollment material.

1.23 "Participant" means an Employee who becomes a Participant pursuant to Article II.

1.24 "Plan" means the Flexible Spending Account Plan, the SPD and (if applicable) the related Trust created by this document.

1.25 "Plan Administrator" means the person(s) or Committee identified in the SPD that is appointed by the Employer with authority, discretion, and responsibility to manage and direct the operation and administration of the Plan. If no such person is named, the Plan Administrator shall be the Employer.

1.26 "Plan Year" shall be the period of coverage set forth in the SPD.

1.27 "Pre-tax Contribution(s)" means amounts withheld from an Employee's Compensation pursuant to a Salary Reduction Agreement before any applicable state and federal taxes have been deducted. The amounts are withheld for purposes of purchasing one or more of the Reimbursement Accounts available under the Plan. This amount shall not exceed the contribution limits attributable to the Reimbursement Accounts afforded hereunder, and for purposes of Code § 125, shall be treated as an Employer contribution (this amount may, however, be treated as an Employee contribution for purposes of state insurance laws).

1.28 "Qualifying Employment-Related Expenses" means those expenses that would be considered to be employment-related expenses under § 21(b)(2) of the Code (relating to expenses for household and dependent care services necessary for gainful employment).

1.29 "Qualifying Individual" means an individual defined as a "Qualifying Individual" in the Summary Plan Description.

1.30 "Reimbursement Account(s)" or "Account(s)" shall be the funding mechanism by which amounts are withheld from an Employee's Compensation and retained for future Health Care Reimbursement and Dependent Care Reimbursement to the extent adopted by the Employer as set forth in the SPD. No money shall actually be allocated to any individual Participant Account(s); any such Account(s) shall be of a memorandum nature, maintained by the Plan Administrator for accounting purposes, and shall not be representative of any identifiable trust assets. No interest will be credited to or paid on amounts credited to the Participant Account(s).

1.31 "Run-Out Period" shall mean the time period (i.e., 90 days) following the end of the Plan Year during which you are allowed to submit reimbursement requests for expenses that were incurred in the prior Plan Year as set forth in the SPD.

1.32 "Salary Reduction Agreement" means the actual or deemed agreement pursuant to which an Eligible Employee or Participant elects to contribute his share of the cost of chosen Reimbursement Accounts with Pre-tax or after-tax Contributions and/or benefit credits (if offered under the Plan) in accordance with Article III herein. If the Employer utilizes an interactive voice response (IVR) system or web-based program for

enrollment, the Salary Reduction Agreement may be maintained on an electronic database in accordance with all applicable federal and/or state laws.

1.33 "Spouse" means an individual who is legally married to a Participant (and who is treated as a spouse under the Code), but for purposes of the Dependent Care Reimbursement Plan provisions, shall not include an individual who, although married to the Participant, files a separate federal income tax return, maintains a separate, principal residence from the Participant during the last six months of the taxable year, and does not furnish more than one-half of the cost of maintaining the principal place of abode of the Qualifying Individual.

1.34 "Student" means an individual who, during each of five (5) or more calendar months during the Plan Year, is a full-time student at any college or university, the primary function of which is the conduct of formal instruction, and which routinely maintains a regular faculty and curriculum and normally has an enrolled student body in attendance at the location where its educational activities are regularly presented.

1.35 "Summary Plan Description" or "SPD" means the document attached as Attachment I to the Plan document that describes the term of Plan not set forth herein. The SPD is attached hereto and incorporated into this document by reference.

ARTICLE II – ELIGIBILITY AND PARTICIPATION

2.01 Eligibility to Participate. Each Employee who satisfies the eligibility requirements set forth in the SPD shall be eligible to participate in this Plan as of the Entry Date.

2.02 Termination of Participation. Participation shall terminate on the earliest of the dates set forth in the SPD.

2.03 Qualifying Leave Under the Family and Medical Leave Act. Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying leave under the Family and Medical Leave Act of 1993 (the "FMLA"), then to the extent required by the FMLA, the Participant will be entitled to continue the Reimbursement Accounts and Health FSA benefits on the same terms and conditions as if the Participant were still an active Employee. The requirements for continuing coverage, procedures for FMLA leave, and payment option(s) provided by the Employer (as described above) will be set forth in the SPD and will be administered in accordance with the regulations issued under Code § 125 and in accordance with the FMLA.

2.04 Non-FMLA Leave. If a Participant goes on an unpaid leave of absence that does not affect eligibility under this Plan or the Reimbursement Accounts chosen by the Participant, then the Participant will continue to participate and the contributions due for the Participant will be paid by one or more of the payment options described in the SPD. If a Participant goes on an unpaid leave that affects eligibility under this Plan or the Reimbursement Accounts chosen by the Participant, the election change rules in Section 3.04 will apply. If such policy requires coverage to continue during the leave but permits a Participant to discontinue contributions while on leave, the Participant will, upon

returning from leave, be required to repay the contributions not paid by the Participant during the leave.

ARTICLE III – BENEFIT ELECTIONS

3.01 Election of Contributions. A Participant may elect any combination of Pre-tax Contributions to fund the Reimbursement Accounts available under the Plan. The Employer may, but is not required, to allocate Nonelective Contributions to one or more Reimbursement Accounts and to the extent set forth in the SPD or enrollment material, may allow a Participant to allocate his allotted share of Nonelective Contributions among the various Reimbursement Accounts in a manner set forth in the SPD or enrollment material.

3.02 Initial Election Period.

(a) **Currently Eligible Employees.** An Employee who is eligible to become a Participant in this Plan as of the Effective Date must complete, sign and file a Salary Reduction Agreement with the Plan Administrator or its designee during the election period (as specified by the Plan Administrator) immediately preceding the Effective Date of the Plan in order to become a Participant on the Effective Date. The elections made by the Participant on this initial Salary Reduction Agreement shall be effective, subject to Section 3.04, for the Plan Year beginning on the Effective Date.

(b) **New Employees and Employees Who Have Not Yet Satisfied The Plan's Waiting Period.** An Employee who becomes eligible to become a Participant in this Plan after the Effective Date must complete, sign and file a Salary Reduction Agreement with the Plan Administrator (or its designated third party administrator as set forth on the Salary Reduction Agreement) during the Initial Election Period set forth in the SPD or the enrollment material. Participation will commence under this Plan as set forth in the SPD. Coverage under the component Reimbursement Accounts will be effective in accordance with the governing provisions of such Reimbursement Accounts.

(c) **Failure to Elect.** An Eligible Employee who fails to complete, sign and file a Salary Reduction Agreement in accordance with paragraph (a) or (b) above during an initial election period may become a Participant on a later date in accordance with Section 3.03 or 3.04.

3.03 Annual Election Period. Each Employee who is a Participant in this Plan or who is eligible to become a Participant in this Plan shall be notified, prior to each Anniversary Date of this Plan, of his right to become a Participant in this Plan, to continue participation in this Plan, or to modify or to cease participation in this Plan, and shall be given a reasonable period of time in which to exercise such right. Such period of time shall be known as the Annual Election Period. The date that the Annual Election

Period commences and ends will be set forth in the SPD and/or the enrollment material. An election is made during the Annual Election Period in the manner set forth in the SPD. The consequences of failing to make an election during the Annual Election Period will be set forth in the SPD.

3.04 Change of Election. A Participant shall not make any changes to the Pre-tax Contribution amount or, where applicable, to the Participant's elected allocation of Nonelective Contributions except for election changes permitted under this Section 3.04, and for changes made during the Annual Election Period (Section 3.03), changes caused by termination of employment (Section 3.05) and changes pursuant to FMLA (Section 2.04).

Except as provided in the SPD for HIPAA special enrollment rights arising from the birth, adoption, or placement for adoption of a child, all election changes shall be effective on a prospective basis only (i.e., election changes will become effective no earlier than the first day of the first pay period coinciding with or immediately following the date that the election change was filed but, as determined by the Plan Administrator, election changes may become effective later to the extent the coverage in the applicable component plan commences later). The circumstances under which a Participant may change his election under this Plan are set forth in the SPD.

3.05 Impact of Termination of Employment on Election or Cessation of Eligibility. Termination of employment or cessation of eligibility shall automatically revoke any Salary Reduction Agreement. Except as provided below, if revocation occurs under this Section 3.05, no new election with respect to Pre-tax Contributions may be made by such Participant during the remainder of the Plan Year. Rules governing elections for former Participants rehired during the same Plan Year shall be set forth in the SPD.

ARTICLE IV – BENEFIT FUNDING AND CREDITS AND DEBITS TO ACCOUNTS

4.01 Source of Benefit Funding. The cost of coverage under the Reimbursement Accounts shall be funded by the Participant's Pre-tax Contributions and/or any Nonelective Contributions provided by the Employer. The required contributions for each of the Reimbursement Accounts offered under the Plan shall be made known to Employees in enrollment materials. Pre-tax Contributions shall equal the contributions required from the Participant less any available Nonelective Contributions allocated thereto by the Employer, or where applicable, the contributions required from the Participant for coverage of the Participant or the Participant's Spouse or Dependents under the Reimbursement Accounts elected by the Participant under this Plan. Amounts withheld from a Participant's Compensation as Pre-tax Contributions shall be applied to fund benefits as soon as administratively feasible.

4.02 Reduction of Certain Elections to Prevent Discrimination. If the Plan Administrator determines, before or during any Plan Year, that the Plan may fail to satisfy for such Plan Year any requirement imposed by the Code or any limitation on Pre-

tax Contributions allocable to Key Employees or to Highly Compensated Individuals, the Plan Administrator shall take such action(s) as it deems appropriate, under rules uniformly applicable to similarly situated Participants, to assure compliance with such requirement or limitation. Such action may include, without limitation, a modification or revocation of a Highly Compensated Individual's or Key Employee's election without the consent of such individual.

4.03 Health Care Reimbursement. Each Participant's Health FSA will be credited for Health Care Reimbursement with amounts withheld from the Participant's Compensation and any Nonelective Contributions allocated thereto by the Employer or, where applicable, the Participant. The Account will be debited for Health Care Reimbursements disbursed to the Participant in accordance with Article V of this document. The entire amount elected by the Participant on the Salary Reduction Agreement as an annual amount for the Plan Year for Health Care Reimbursement less any Health Care Reimbursements already disbursed to the Participant for Eligible Medical Expenses incurred during the Plan Year shall be available to the Participant at any time during the Plan Year without regard to the balance in the Health FSA (provided that the periodic contributions have been made). Thus, the maximum amount of Health Care Reimbursement at any particular time during the Plan Year will not relate to the amount that a Participant has had credited to his Health FSA. In no event will the amount of Health Care Reimbursements in any Plan Year exceed the annual amount specified for the Plan Year in the Salary Reduction Agreement for Health Care Reimbursement. Any amount credited to the Health FSA shall be forfeited by the Participant and restored to the Employer if it has not been applied by the end of the Run-Out Period set forth in the SPD to provide Health Care Reimbursement for expenses incurred during the Plan Year. The Employer has the discretion to establish a Grace Period following the end of the Plan Year during which amounts unused as of the end of the Plan Year may be used to reimburse Eligible Medical Expenses incurred during the Grace Period. In no event can the Grace Period exceed two (2) months and fifteen (15) days following the end of the Plan Year. The Employer may establish a Run-Out Period following the end of the Grace Period. If adopted, all amounts allocated to the Health FSA that are not used to reimburse Eligible Medical Expenses incurred during the Plan Year and/or the Grace Period shall be forfeited. Amounts so forfeited shall be used in a manner that is permitted within the applicable Department of Labor ("DOL") or Internal Revenue Service ("IRS") regulations. The maximum annual reimbursement under the Health FSA shall be set forth in the SPD. The Employer may establish a minimum annual reimbursement amount as set forth in the SPD.

4.04 Dependent Care Reimbursement. To the extent offered under the Plan, each Participant's Dependent Care FSA will be credited for Dependent Care Reimbursement with amounts withheld from the Participant's Compensation and any Nonelective Contributions allocated thereto by the Employer or, where applicable, the Participant. The Dependent Care Account will be debited for Dependent Care Reimbursements disbursed to the Participant in accordance with Article V of this document. In the event that the amount in the Account is less than the amount of reimbursable claims at any time during the Plan Year, the excess part of the claim will be carried over into following months within the same Plan Year, to be paid out as the

Dependent Care Account balance becomes adequate. In no event will the amount of Dependent Care Reimbursements exceed the amount credited to the Dependent Care Account for any Plan Year. Any amount allocated to the Dependent Care Account shall be forfeited by the Participant and restored to the Employer if it has not been applied by the end of the Run-Out Period to provide Dependent Care Reimbursement for the Plan Year within the Run-Out Period set forth in the SPD The Employer has the discretion to establish a Grace Period following the end of the Plan Year during which amounts unused as of the end of the Plan Year may be used to reimburse Eligible Day Care Expenses incurred during the Grace Period. In no event can the Grace Period exceed two (2) months and fifteen (15) days following the end of the Plan Year. The Employer may establish a Run-Out Period following the end of the Grace Period. If adopted, all amounts allocated to the Dependent Care FSA that are not used to reimburse Eligible Day Care Expenses incurred during the Plan Year and/or the Grace Period shall be forfeited. Amounts so forfeited shall be used in a manner that is permitted within the applicable Department of Labor ("DOL") or Internal Revenue Service ("IRS") regulations. The maximum annual reimbursement under the Dependent Care FSA shall be set forth in the SPD. The Employer may establish a minimum annual reimbursement amount as set forth in the SPD.

ARTICLE V – BENEFITS

5.01 Reimbursement Accounts. The Plan shall provide reimbursement (direct or indirect) for eligible expenses under the Reimbursement Account(s) elected by the Participant. The Health FSA shall provide Health Care Reimbursement, which is reimbursement for Eligible Medical Expenses. The Dependent Care FSA shall provide Dependent Care Reimbursement, which is reimbursement for Eligible Day Care Expenses. Payment shall be made to the Participant in cash as reimbursement for Eligible Medical Expenses and/or Eligible Day Care Expenses, whichever is elected by the Participant, that are incurred by the Participant or, where applicable, his Spouse or Dependents while he is a Participant during the Plan Year for which the Participant's election is effective, provided that the substantiation requirements of Section 6.05 herein are satisfied.

5.02 Cash Benefit. To the extent that a Participant does not elect to have the maximum amount of his Compensation contributed as a Pre-tax Contribution, such amount not elected shall be paid to the Participant in the form of normal Compensation payments; provided, however, that any applicable Nonelective Contributions may not be received in the form of cash Compensation, except as otherwise provided for in the SPD or the enrollment material.

5.03 Repayment of Excess Reimbursements. If, as of the end of any Plan Year, it is determined that a Participant has received payments under this Plan that exceed the amount of Eligible Medical Expenses and/or Eligible Day Care Expenses that have been substantiated by such Participant during the Plan Year as required by Section 6.05 herein, the Plan Administrator shall give the Participant prompt written notice of any such excess amount, and the Participant shall repay the amount of such excess to the Employer within sixty (60) days of receipt of such notification.

5.04 Termination of Reimbursement Accounts. Coverage under the Health FSA and/or Dependent Care FSA shall cease as of the day in which a Participant is no longer employed by the Employer. Provided, however, that the Employer may allow Participants to submit claims for reimbursement for Eligible Day Care Expenses arising during the Plan Year, including the period of coverage following the date participation has ceased at any time until the end of the Run-Out Period set forth in the SPD, but only up to the amount allocated to the Dependent Care FSA as of the date of termination. Participants in the Health FSA may submit claims for reimbursement for Eligible Medical Expenses arising during the Plan Year and before the date of separation from service at any time until the end of the Run-Out Period set forth in the SPD. Unless a COBRA election is made as set forth in the SPD, Participants shall not be entitled to receive reimbursement for Eligible Medical Expenses incurred after employment ceases under this Section. Any unused amounts remaining in the Participant's Health FSA and/or Dependent Care FSA at the expiration of the Plan Year (as set forth in the SPD) shall be treated in accordance with Sections 4.03 or 4.04.

5.05 Coordination of Benefits under the Health FSA. The Health FSA is intended to pay benefits solely for otherwise unreimbursed medical expenses. Accordingly, it shall not be considered a group health plan for coordination of benefits purposes, and its benefits shall not be taken into account when determining benefits payable under any other plan.

ARTICLE VI – PLAN ADMINISTRATION

6.01 Allocation of Authority. The Board of Directors or applicable governing body (or an authorized officer of the Employer) appoints a Plan Administrator that keeps the records for the Plan and shall control and manage the operation and administration of the Plan. The Plan Administrator shall have the exclusive right to interpret the Plan and to decide all matters arising thereunder, including the right to make determinations of fact, and construe and interpret possible ambiguities, inconsistencies, or omissions in the Plan and the SPD issued in connection with the Plan. All determinations of the Plan Administrator with respect to any matter hereunder shall be conclusive and binding on all persons. Without limiting the generality of the foregoing, the Plan Administrator shall have the following powers and duties:

(a) To require any person to furnish such reasonable information as it may request for the purpose of the proper administration of the Plan as a condition to receiving any benefits under the Plan;

(b) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;

(c) To decide on questions concerning the Plan and the eligibility of any Employee to participate in the Plan and to make or revoke elections under the Plan, in accordance with the provisions of the Plan;

(d) To determine the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan; to inform the Employer or insurer as appropriate, of the amount of such benefits; and to provide a full and fair review to any Participant whose claim for benefits has been denied in whole or in part;

(e) To designate other persons to carry out any duty or power which may or may not otherwise be a fiduciary responsibility of the Plan Administrator under the terms of the Plan (such entity will be referred to as a third party administrator and shall be identified in the SPD);

(f) To keep records of all acts and determinations, and to keep all such records, books of account, and data and other documents as may be necessary for the proper administration of the Plan; and

(g) To do all things necessary to operate and administer the Plan in accordance with its provisions.

6.02 Payment of Administrative Expenses. Except as otherwise provided in the SPD, the Employer currently pays all reasonable expenses incurred in administering the Plan.

6.03 Reporting and Disclosure Obligations. Unless specified otherwise, it shall be the Employer and Plan Administrator's sole responsibility to comply with all filing, reporting, and disclosure requirements imposed by the DOL and/or IRS, specifically including, but not limited to, creating, filing and distributing Summary Annual Reports, Form 5500s, and SPDs. Furthermore, the Employer and Plan Administrator shall be required to amend the Plan as is necessary to ensure compliance with applicable tax and other laws and regulations.

6.04 Indemnification. The Plan Administrator shall be indemnified by the Employer against claims, and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan except claims arising from gross negligence, willful neglect, or willful misconduct.

6.05 Substantiation of Expenses. Each Participant must submit a written claim to the Plan Administrator identified in the SPD or its designated Plan service provider to receive reimbursements from the Health FSA and/or Dependent Care FSA. Such claim must be submitted on a form provided by the Plan Administrator and must be accompanied by a written statement/bill from an independent third party stating that the expense has been incurred and the amount thereof. The forms shall contain such evidence as the Plan Administrator shall deem necessary as to substantiate the nature, the amount, and timeliness of any expenses that may be reimbursed.

6.06 Reimbursement. Reimbursements shall be made as soon as administratively feasible after the required forms have been received by the Plan Administrator identified in the SPD or its designated Plan service provider. Reimbursements of less than $15 may be carried forward and aggregated with future

reimbursements until the reimbursable amount is greater than $15. However, claims for reimbursements outstanding at the end of the Plan Year shall be reimbursed without regard to the $15 threshold limit. Year-end expense reimbursement requests must be submitted to the Plan Administrator (or its designee, as set forth in the SPD) before the end of the Run-Out Period set forth in the SPD.

6.07 Annual Statements. The Plan Administrator shall furnish each Participant with an annual statement, showing the amounts paid or expenses incurred by the Employer in providing Medical and/or Dependent Care Expense Reimbursement during the previous calendar year and the respective Reimbursement Account balance(s) on or before January 31 following the close of the applicable Plan Year.

ARTICLE VII – FUNDING AGENT

The Plan shall be funded with amounts withheld from Compensation pursuant to Salary Reduction Agreements, and/or Nonelective Contributions provided by the Employer, if any. The Employer will apply all such amounts, without regard to their source, to pay for the welfare benefits provided herein as soon as administratively feasible and shall comply with all applicable regulations promulgated by the DOL taking into consideration any enforcement procedures adopted by the DOL. Except as set forth in the SPD, all amounts will be paid from the Employer's general assets.

ARTICLE VIII – CLAIMS PROCEDURES

The Plan has established procedures for reviewing claims denied under this Plan and those claims review procedures are set forth in the SPD. The Plan's claim review procedures set forth in the SPD shall only apply to issues germane to the pre-tax benefits available under this Plan (e.g., such as a determination of: a Change in Status; change in cost or coverage; or eligibility and participation matters under this Plan document), and to the extent offered under the Plan, claims for benefits under the Reimbursement Accounts.

ARTICLE IX – AMENDMENT OR TERMINATION OF PLAN

9.01 Permanency. While the Employer fully expects that this Plan will continue indefinitely, permanency of the Plan will be subject to the Employer's right to amend or terminate the Plan, as provided in Sections 9.02 and 9.03 below. Nothing in this Plan is intended to be or shall be construed to entitle any Participant, retired or otherwise, to vested or non-terminable benefits.

9.02 Employer's Right to Amend. The Employer reserves the right to amend at any time any or all of the provisions of the Plan. All amendments shall be made in writing and shall be approved by the Employer in accordance with its normal procedures for transacting business (e.g., by approval by the Board of Directors through a meeting or unanimous consent of all Board members). Such amendments may apply retroactively or prospectively as set forth in the amendment. Any amendment made by the Employer shall be deemed to be approved and adopted by any Affiliated Employer.

9.03 Employer's Right to Terminate. The Employer reserves the right to discontinue or terminate the Plan without prejudice at any time and for any reason without prior notice. Such decision to terminate the Plan shall be made in writing and shall be approved by the Employer in accordance with its normal procedures for transacting business. Affiliated Employers may withdraw from participation in the Plan but may not terminate the Plan.

9.04 Determination of Effective Date of Amendment or Termination. Any such amendment, discontinuance, or termination shall be effective as of such date as the Employer shall determine. No amendment, discontinuance, or termination shall allow the return to any Employer of any Reimbursement Account balance for its use for any purpose other than for the exclusive benefit of the Participants and their beneficiaries except as provided in Section 4.03 and 4.04 herein.

ARTICLE X – GENERAL PROVISIONS

10.01 Not an Employment Contract. Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continue employment with any Employer.

10.02 Applicable Laws. The provisions of the Plan shall be construed, administered and enforced according to applicable federal law and the laws of the state of the principal place of business of the Employer to the extent not preempted.

10.03 Post-Mortem Payments. Any benefit payable under the Plan after the death of a Participant shall be paid to his surviving Spouse (if any), otherwise, to his estate. If there is doubt as to the right of any beneficiary to receive any amount, the Plan Administrator may retain such amount until the rights thereto are determined, without liability for any interest thereon.

10.04 Nonalienation of Benefits. Except as expressly provided by the Plan Administrator, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No benefit under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements, or torts of any person.

10.05 Mental or Physical Incompetency. Every person receiving or claiming benefits under the Plan shall be presumed to be mentally and physically competent and of age until the Plan Administrator receives a written notice, in a form and manner acceptable to it, that such person is mentally or physically incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his estate has been appointed.

10.06 Inability to Locate Payee. If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participants or other person after reasonable efforts have been made to identify or locate such person, such

payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited one year after the date any such payment first became due.

10.07 Requirement for Proper Forms. All communications in connection with the Plan made by a Participant shall become effective only when duly executed on any forms as may be required and furnished by, and filed with, the Plan Administrator.

10.08 Source of Payments. The Employer shall be the sole source of benefits under the Plan unless the Employer has established a trust. No Employee or beneficiary shall have any right to, or interest in, any assets of the Employer upon termination of employment or otherwise, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such Employee or beneficiary.

10.09 Multiple Functions. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

10.10 Tax Effects. Neither the Employer, its agents, nor the Plan Administrator makes any warranty or other representation as to whether any Pre-tax Contributions made to or on behalf of any Participant hereunder will be treated as excludable from gross income for local, state, or federal income tax purposes. If for any reason it is determined that any amount paid for the benefit of a Participant or beneficiary is includable in an Employee's gross income for local, state, or federal income tax purposes, then under no circumstances shall the recipient have any recourse against the Plan Administrator or the Employer with respect to any increased taxes or other losses or damages suffered by the Employees as a result thereof. The Plan is designed and is intended to be operated as a "cafeteria plan" under § 125 of the Code.

10.11 Gender and Number. Masculine pronouns include the feminine as well as the neuter genders, and the singular shall include the plural, unless indicated otherwise by the context.

10.12 Headings. The Article and Section headings contained herein are for convenience of reference only, and shall not be construed as defining or limiting the matter contained thereunder.

10.13 Severability. Should any part of this Plan subsequently be invalidated by a court of competent jurisdiction, the remainder thereof shall be given effect to the maximum extent possible.

10.14 Effect of Mistake. In the event of a mistake as to the eligibility or participation of an Employee, the allocations made to the Account of any Participant, the amount of distributions made or to be made to a Participant or other person, the Plan Administrator shall, to the extent it deems possible, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts and will, in its judgment, accord to such Participant or other person the credits to the Account or distributions to which he is properly entitled under the Plan. Such action by the Plan Administrator may include withholding of any amounts due the Plan or the Employer from Compensation paid by the Employer.

10.15 Provisions Relating to Insurers. No insurer shall be required or permitted to issue an insurance policy or contract that is inconsistent with the purposes of this Plan, nor be bound to take any action not in accordance with the terms of any policy or contract with this Plan. The insurer shall not be deemed to be a party to this Plan, nor shall it be bound to interpret the construction or validity of the Plan. The insurer shall be protected from its good faith reliance on the written representations and instructions of the Trustee and the Plan Administrator, and shall not be responsible for the initial or continued qualified status of the Plan.

10.16 Forfeiture of Unclaimed Reimbursement Account Benefits. Any Reimbursement Account benefit payments that are unclaimed (e.g., uncashed benefit checks) by the close of the Plan Year following the Plan Year in which the Health or Dependent Care Expense was incurred shall be forfeited.

ARTICLE XI – HIPAA PRIVACY AND SECURITY

11.01 Scope and Purpose. With regard to the Health FSA, the Plan will use protected health information ("PHI") to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Specifically, the Plan will use and disclose PHI for purposes related to health care treatment, payment for health care, and health care operations as set forth below.

11.02 Effective Date. This Article XI is effective on the applicable effective date of the Privacy and Security Rules.

11.03 Use and Disclosure of PHI.

(a) General. The Plan will use PHI to the extent of and in accordance with the uses and disclosures permitted by HIPAA, including but not limited to health care treatment, payment for health care, health care operations and as required by law. The Privacy Notice will list the specific uses and disclosure of PHI that will be made by the Plan.

(b) Disclosure to the Employer. The Plan will disclose PHI to the Employer, or where applicable, an Affiliated Employer only upon receipt of written certification from the Employer that:

(i) The Plan document has been amended to incorporate the provisions in this Article XI; and

(ii) The Employer agrees to implement the provisions in Section 11.04 herein.

11.04 Conditions Imposed on Employer. Notwithstanding any provision of the Plan to the contrary, the Employer agrees:

(a) Not to use or disclose PHI other than as permitted or required by this Article XI or as required by law;

(b) To ensure that any agents, including a subcontractor, to whom the Employer provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Employer with respect to PHI received or created on behalf of the Plan and ensure that such individuals agree to implement reasonable and appropriate security measures to protect electronic PHI;

(c) Not use or disclose an individual's PHI for employment-related purposes (including hiring, firing, promotion, assignment or scheduling) unless authorized by the Individual;

(d) Not to use or disclose an Individual's PHI in connection with any other non-health benefit program or employee benefit plan of the Employer unless authorized by the Individual;

(e) To report to the Plan any use or disclosure of PHI that is inconsistent with this Article XI, if it becomes aware of an inconsistent use or disclosure, and to report to the Plan any use or disclosure of PHI that is a Security Incident of which it becomes aware;

(f) To provide Individuals with access to PHI in accordance with 45 C.F.R. § 164.524;

(g) To make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 C.F.R. § 164.526;

(h) To make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528;

(i) To make internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining the Plan's compliance with HIPAA;

(j) If feasible, to return or destroy all PHI received from the Plan that the Employer maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made. If return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible; and

(k) To ensure adequate separation between the Plan and Employer as required by 45 C.F.R. § 164.504(f)(2)(iii) and described in this Article XI.

11.05 Designated Employees Who May Receive PHI. In accordance with the Privacy Rules, only certain Employees who perform Plan administrative functions may

be given access to PHI. Those Employees who have access to PHI from the Plan are listed in the Privacy Notice, either by name or individual position.

11.06 Restrictions on Employees with Access to PHI. The Employees who have access to PHI listed in the Privacy Notice may only use and disclose PHI for Plan administration functions that the Employer performs for the Plan, as set forth in the Privacy Notice, including but not limited to, quality assurance, claims processing, auditing, and monitoring.

11.07 Policies and Procedures. The Employer will implement Policies and Procedures setting forth operating rules to implement the provisions hereof. In addition, the Employer will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI that the Employer creates, receives, maintains or transmits on behalf of the Plan.

11.08 Organized Health Care Arrangement. The Plan Administrator may intend the Plan to form part of an Organized Health Care Arrangement along with any other benefit under a covered health plan (under 45 C.F.R. § 160.103) provided by the Employer.

11.09 Privacy and Security Official. The Plan shall designate a Privacy and a Security Official, who will be responsible for the Plan's compliance with HIPAA's Privacy Rules and HIPAA's Security Rules. The Privacy Official and the Security Official may be the same individual. The Privacy and Security Official may contract with or otherwise utilize the services of attorneys, accountants, brokers, consultants, or other third party experts as the Privacy and Security Official deems necessary or advisable. In addition and notwithstanding any provision of this Plan to the contrary, the Privacy Official shall be responsible for and have the authority to perform the following:

(a) Accepting and verifying the accuracy and completeness of any certification provided by the Employer under this Article XI;

(b) Transmitting the certification to any third parties as may be necessary to permit them to disclose PHI to Employer;

(c) Establishing and implementing Policies and Procedures with respect to PHI that are designed to ensure compliance by the Plan with the requirements of HIPAA;

(d) Establishing and overseeing proper training of the Plan, or Employer personnel who will have access to PHI;

(e) Any other duty or responsibility that the Privacy and Security Official, in his or her sole capacity, deems necessary or appropriate to comply with the provisions of HIPAA and the purposes of this Article XI.

11.10 Noncompliance. The Employer shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions for personnel who do not comply with the provisions of this Article XI.

11.11 Definitions. As used in this Article XI, each of the following capitalized terms shall have the respective meaning given below:

"Individual" means the person who is the subject of the heath information created, received or maintained by the Plan or Employer.

"Organized Health Care Arrangement" means the relationship of separate legal entities as defined in 45 C.F.R. §160.103.

"Privacy Notice" means the notice of the Plan's privacy practices distributed to Plan Participants in accordance with 45 C.F.R. § 164.520, as amended from time to time.

"Privacy Rules" means the privacy provisions of HIPAA and the regulations in 45 C.F.R. Parts 160 and 164.

"Protected Health Information" or "PHI" means individually identifiable health information as defined in 45 C.F.R. § 160.103.

"Security Incident" means an incident as defined in 45 C.F.R. §164.304.

11.12 Interpretation and Limited Applicability. This Article XI serves the sole purpose of complying with the requirements of HIPAA and shall be interpreted and construed in a manner to effectuate this purpose. Neither this Article XI nor the duties, powers, responsibilities, and obligations listed herein shall be taken into account in determining the amount or nature of the benefits provided to any person covered under this Plan, nor shall they inure to the benefit of any third parties. To the extent that any of the provisions of this Article XI are no longer required by HIPAA, they shall be deemed deleted and shall have no further force or effect.

11.13 Services Performed for the Employer. Notwithstanding any other provision of this Plan to the contrary, all services performed by a business associate for the Plan in accordance with the applicable service agreement shall be deemed to be performed on behalf of the Plan and subject to the administrative simplification provisions of HIPAA contained in 45 C.F.R. parts 160 through 164, except services that relate to eligibility and enrollment in the Plan. If a business associate of the Plan performs any services that relate to eligibility and enrollment to the Plan, these services shall be deemed to be performed on behalf of the Employer in its capacity as Plan Sponsor and not on behalf of the Plan.

ARTICLE XII – CONTINUATION COVERAGE UNDER COBRA

The SPD includes provisions that shall be applicable to the Health FSA to the extent the Health FSA is a "group health plan" as defined by Code §§ 4980B and 5000(b)(1) and the regulations promulgated thereunder and to the extent it is offered

under the Plan. The intent of those provisions (as incorporated in this Article) is to extend continuation rights required by COBRA.

IN WITNESS WHEREOF, the Employer has caused this Plan and Summary Plan Description to be executed on the day of _____, _____ to ratify the adoption of the Plan adopted and effective as of the Effective Date.

WITNESS:

Employer:

By:_____

Title:_____

Date:_____

_____
Corporate Officer

ATTACHMENT I

SUMMARY PLAN DESCRIPTION