

## RESOLUTION NO. 868

Administrative Services Agreement  
Between  
Flex-Plan Services, Inc.  
and  
Everett School District

WHEREAS, this Administrative Services Agreement ("Agreement") between Flex-Plan Services, Inc. ("Flex-Plan") and Everett School District ("Company"), effective January 1, 2007 specifies the services to be provided by Flex-Plan to Company, and to Company's enrolled eligible employees ("Participants"), in the ongoing administration of the Company's Benefit Plan (the "Plan") under I.R.C. Section 125 and the specified responsibilities of the Company.

WHEREAS, the Company shall be the Plan Administrator and Sponsor, and Flex-Plan shall be the administrative firm which shall be engaged as an independent contractor in the performance of administrative services for the Plan.

NOW, THEREFORE, BE IT RESOLVED for good and valuable consideration, the parties agree that Flex-Plan will perform the Services outlined in the Administrative Services Agreement on behalf of the Company pursuant to the terms of the Agreement, and the Company shall perform its responsibilities and make payments as described herein.

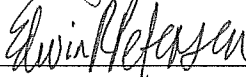
ADOPTED BY THE Board of Directors at their regular meeting thereof held November 14, 2006.

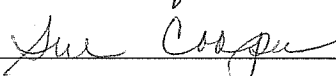
  
\_\_\_\_\_  
Superintendent

EVERETT SCHOOL DISTRICT NO. 2

\_\_\_\_\_  
President, Board of Directors

 Vice President

  
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## **ADMINISTRATIVE SERVICES AGREEMENT**

(For Sec 125 Cafeteria plan with Premium Conversion, and Health & Day Care Flexible Spending Accounts)

This Administrative Services Agreement ("**Agreement**") between Flex-Plan Services, Inc. ("**Flex-Plan**") and Everett School District ("**Company**"), effective January 1, 2007 specifies the services to be provided by Flex-Plan to Company, and to Company's enrolled eligible employees ("**Participants**"), in the ongoing administration of the Company's Benefit Plan (the "**Plan**") under I.R.C. Section 125 and the specified responsibilities of the Company.

The Company shall be the Plan Administrator and Sponsor, and Flex-Plan shall be the administrative firm which shall be engaged as an independent contractor in the performance of administrative services for the Plan.

NOW, THEREFORE, for good and valuable consideration, the parties agree that Flex-Plan will perform the following Services on behalf of Company pursuant to the terms of this Agreement, and the Company shall perform its responsibilities and make payments as described herein:

### **1. RESPONSIBILITIES OF FLEX-PLAN.**

#### **1.1 PLAN DESIGN AND IMPLEMENTATION.** Flex-Plan shall:

- 1.1.1 Determine Plan provisions, contributions, options, specifications, subject to the direction and approval of Company;
- 1.1.2 Prepare the Standard Plan Document and the Standard Summary Plan Description to be submitted to the Company for customization or revision.
- 1.1.3 Determine processing and administration specifications.

#### **1.2 OPEN ENROLLMENT AND COMMUNICATION.** Flex-Plan shall:

- 1.2.1 Design, prepare and deliver to Company informational enrollment packets (Electronic version available as well as hard copy).
- 1.2.2 Provide and maintain on-line claim forms to Company or Participants.
- 1.2.3 Maintain operational toll-free telephone customer assistance (1-800-669-FLEX) for Participant and Company use, weekdays, 8 a.m. to 5 p.m. Pacific Time, excluding holidays.
- 1.2.4 Maintain operational web site information, for the benefit of Company and Participants, at: [www.flex-plan.com](http://www.flex-plan.com).
- 1.2.5 Provide and maintain operational electronic format for enrollment data transfer to Company.

#### **1.3 PLAN PROCESSING AND ADMINISTRATION.** Flex-Plan shall:

- 1.3.1 Provide for distribution of reimbursement checks, and if requested by the Company to be distributed, account statements, according to applicable laws, rules and regulations. Such checks will be issued within two business days after the later of: (1) the scheduled processing date; or (2) the date that Flex-Plan receives back the contribution sheet from the Company;
- 1.3.2 Provide employer monthly reports to Company, including:
  - 1.3.2.1. Contribution Eligibility Worksheet transmittal, which is delivered to the Company, subject to the timely return of the Employee Contribution Worksheet, and final version reconciled by the Company and returned to Flex-Plan;
  - 1.3.2.2. Year to date Participant, and aggregate, account balances;
  - 1.3.2.3. Disbursement register itemizing all reimbursements for each processing date;

## ADMINISTRATIVE SERVICES AGREEMENT

### 3. RESPONSIBILITIES OF THE COMPANY.

#### 3.1 PAYMENT.

Company will remit full payment to Flex-Plan of all billed costs and fees, pursuant to the terms of section 2 hereof and Exhibits A, B, and D, within thirty days after delivery to the Company of the monthly administrative invoice.

#### 3.2 REPORTING.

The Company shall report all new Participants, and all changes in employment or Participant information, and all terminations of Participants from the Plan, and all unpaid Participant leaves of absence, on the same day of each such occurrence. The Company shall also verify contribution information, all year to date information, and Participant annual elections for each pay date. The Company shall also confirm the Contribution Eligibility Worksheet data. In the event that such occurrences are not timely reported or information not timely verified, and in the event that there are disbursements made by Flex-Plan that would not have been made if the occurrence had been timely reported, then the Company shall be responsible for such disbursements up to the annual election amount, and shall reimburse Flex-Plan therefore upon request by Flex-Plan. Company shall be responsible for all Participant deductions and Participant assets within its control, and shall apply those funds as described herein.

#### 3.3 FUNDING. Terms are set forth in the attached Exhibit B.

#### 3.4 REPORT RECONCILIATION.

Company shall reconcile Flex-Plan's Contribution Eligibility Worksheet against payroll deductions for each processing date. If the Company cannot or does not perform this responsibility, Flex-Plan may charge the rate described in the attached Exhibit A for reconciling employer provided payroll reports, as further described in section 3.2 herein.

#### 3.5 ACTION ON DISCRIMINATORY PLAN.

Company shall initiate and timely complete appropriate action required in the event the Plan(s) become discriminatory.

### 4. ADVERTISING.

Flex-Plan may indicate in its marketing materials and proposals to other prospective customers that this Agreement has been awarded, and may describe the nature and objective(s) of this engagement. No such statements by, or materials of, Flex-Plan will disclose any Company confidential or proprietary information.

### 5. CONFIDENTIALITY.

Flex-Plan values business and respects Company's right to privacy. All Company data including, but not limited to, all Company Participant information related to Participants' names, salaries, wage information and healthcare expense data, are confidential and Flex-Plan covenants and agrees that it will not, directly or indirectly, use or disclose confidential data except as otherwise described herein, to Flex-Plan employees, on a need to know basis, as necessary to provide services to the Company and Participants as described herein. Further, Flex-Plan will maintain all information, medical or otherwise, in compliance with all applicable statutes, codes, and regulations, and as may be required by any governmental regulatory body or any duly constituted court.

## ADMINISTRATIVE SERVICES AGREEMENT

### EXHIBIT A FEE SCHEDULE

The Company shall pay to Flex-Plan the following fees and costs, for the services and products of Flex-Plan delivered pursuant hereto:

1. **Annual Fees:**
  - 1.1 For the Plan administration - \$600.00 annual fee. For a short plan year the fee is \$50.00 per month.
  - 1.2 Per Participant, \$6.00 annual Flexible Spending Account ("FSA") enrollment fee per Participant.
2. **Monthly Processing Fees:** For processing and administration, the Company shall pay to Flex-Plan the following fees (\$50/month aggregate minimum):
  - 2.1 \$5.00 per month per FSA Participant (for Participants 1 – 100)
  - 2.2 \$4.00 per month per FSA Participant (for Participants 101 – 200)
  - 2.3 \$3.00 per month per FSA Participant (for Participants 201 and more)
3. **Mailing Fee:** \$0.90 per check/statement mailed.
4. **Enrollment Material Fee:** \$0.70 per enrollment packet produced and provided to the Company. The electronic and first 300 enrollment packets are at no charge.
5. **Electronic Funds Transfer:**
  - 5.1 \$10.00 per returned item, from attempted deposit in Participant account.
6. **Enrollment Meetings and Benefit Fairs:** For on-site enrollment meetings and attendance at benefit fairs by Flex-Plan:
  - 6.1 Company shall pay to Flex-Plan \$75.00 per hour, or \$300.00 per eight-hour day, whichever is less;
  - 6.2 Air travel and lodging expenses shall be charged to the Company at Flex-Plan's cost;
  - 6.3 Automobile mileage is charged at \$ .36/mile, plus \$37.50/hour driving travel time.
  - 6.4 Air travel time is charged as a full day cost, of \$300.00 per day.
7. **Report Reconciliation:** In the event that the Company does not, or cannot, perform the reconciliation of the Flex-Plan monthly report, as described in section 3.4 of the Agreement, then Flex-Plan will perform the reconciliation for \$75/hr., with a minimum of \$75.00 per report.

## ADMINISTRATIVE SERVICES AGREEMENT

### EXHIBIT D GRACE PERIOD ADMINISTRATION FOR HEALTH CARE AND & DAY CARE FLEXIBLE SPENDING ACCOUNTS

This Exhibit D, to that Administrative Services Agreement (the "**Agreement**") executed between Everett School District (the "**Company**") and Flex-Plan Services, Inc. ("**Flex-Plan**"), is made effective as of January 1, 2006, and is hereby incorporated into the Agreement, as though fully set forth therein.

By execution of this Exhibit D, the Company has elected to take advantage of, and Flex-Plan has agreed to supply the services of, the IRS Notice 2005-42 Grace Period Administration (the "**Grace Period**") as further described herein. This Exhibit specifies the services to be provided by Flex-Plan to Company, and to Company's enrolled eligible employees ("**Participants**"), in the administration of the Company's Grace Period of the Company's Flexible Benefit Plan (the "**Plan**") under I.R.C. Section 125, for use of a Grace Period following the end of the plan year, and further specifies the responsibilities of the Company and Participant.

#### 15. RESPONSIBILITIES OF FLEX-PLAN.

##### 15.1 DOCUMENTS. Flex-Plan shall:

- 15.1.1 Provide Plan Document and Summary Plan Description which include Grace Period for Health Care Flexible Spending Account and Day Care Flexible Spending Account.
- 15.1.2 Provide a stand alone amendment for the Company's Plan Document (for amended plans only).
- 15.1.3 Provide Grace Period Claim Form.
- 15.1.4 Provide a Summary of Material Modifications upon Company's request (for amended plans only).

##### 15.2 PLAN PROCESSING AND ADMINISTRATION. Flex-Plan shall:

- 15.2.1 Process Health Care Flexible Spending Account and Day Care Flexible Spending Account claims up to the 15th day of the third month following the end of the plan year.
- 15.2.2 Adjudicate and process claims during the Grace Period based on the dates indicated on the claim form.
- 15.2.3 Adjust any claim and associated reimbursement, previously submitted and processed in accordance with Section 15.2.2 by the Participant, between different plan years at the Participant's request.

#### 16. TERM OF AGREEMENT.

The Plan, and this Exhibit D, shall be effective during the term set forth in the Plan. Upon termination of the term thereof, each of the parties agrees that it shall fully comply with the requirements hereof, and shall complete any then-required performance in a timely manner.

#### 17. FEE SCHEDULE FOR GRACE PERIOD.

The Company shall pay to Flex-Plan the following fees and costs, for the services and products of Flex-Plan delivered pursuant to the terms of this Exhibit D, in addition to all fees and costs set forth in the Plan:

##### 17.1 ADOPTION FEE.