Board of Education Regular Meeting

Monday, January 14, 2019 6:00 PM

1. Call to Order

2. Flag Salute

3. Open Meetings Act

4. Roll Call

5. Review of Agenda
   Motion to approve the agenda as presented Passed with a motion by Suzanne Brodine and a second by Dana Steiner.
   Alicia Beavers: Yea, Suzanne Brodine: Yea, Morgan Fouts: Yea, Jeff Meads: Yea, JC Ourada: Yea, Dana Steiner: Yea
6. Citizen's Comments

7. Consent Agenda

7.1. Approval of Minutes of Previous Meeting(s)

7.2. Payment of Invoices
   Motion to approve the Consent Agenda as presented Passed with a motion by JC Ourada and a second by Alicia Beavers.
   Alicia Beavers: Yea, Suzanne Brodine: Yea, Morgan Fouts: Yea, Jeff Meads: Yea, JC Ourada: Yea, Dana Steiner: Yea
7.3. Financial Reports

7.4. Personnel Actions

7.4.1. Recommendation to Hire Cindy Stone Full time Paraprofessional

7.4.2. Recommendation to Hire Craig Calixte Paraprofessional Substitute

8. New Business

8.1. Approve lawn care bid from Graczyk Lawn and Landscape
   Approve lawn care bid from Graczyk Lawn and Landscape Passed with a motion by Suzanne Brodine and a second by Morgan Fouts.
   Alicia Beavers: Yea, Suzanne Brodine: Yea, Morgan Fouts: Yea, Jeff Meads: Yea, JC Ourada: Yea, Dana Steiner: Yea
8.2. Approve Lease agreement with Eakes Office Solutions
   Approve Lease agreement with Eakes Office Solutions Passed with a motion by Morgan

Fouts and a second by Alicia Beavers.
Alicia Beavers: Yea, Suzanne Brodine: Yea, Morgan Fouts: Yea, Jeff Meads: Yea, JC Ourada: Yea, Dana Steiner: Yea

8.3. Approve Flexible Benefit Plan for Elm Creek offered by PAYFLEX

Approve Flexible Benefit Plan for Elm Creek offered by PAYFLEX Passed with a motion by JC Ourada and a second by Suzanne Brodine.
Alicia Beavers: Yea, Suzanne Brodine: Yea, Morgan Fouts: Yea, Jeff Meads: Yea, JC Ourada: Yea, Dana Steiner: Yea

9. Reports

9.1. Principal's Report

9.2. Superintendent Report

10. Next Regular Meeting - February 11, 2019 at 6:00 pm

11. Adjournment

December 10, 2018 at 8:00 AM - Board of Education Regular Meeting

1. Call to Order
2. Flag Salute
3. Open Meetings Act
4. Roll Call
5. Review of Agenda

Recommended Motion(s): Motion to approve the agenda as presented Passed with a motion by Board Member #1 and a second by Board Member #2.

Action(s):

Motion Passed:
Motion to approve the agenda as presented Passed with a motion by Suzanne Brodine and a second by Morgan Meier.

- Marvion Reichert: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- Morgan Meier: *Yea*
- JC Ourada: *Yea*

No Action(s) have been added to this Agenda Item.

6. Citizen's Comments
7. Consent Agenda

Recommended Motion(s): Motion to approve the Consent Agenda as presented Passed with a motion by Board Member #1 and a second by Board Member #2.

Action(s):

Motion Passed:
Motion to approve the Consent Agenda as presented Passed with a motion by JC Ourada and a second by Morgan Fouts.

- Marvion Reichert: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- Morgan Meier: *Yea*
- JC Ourada: *Yea*

No Action(s) have been added to this Agenda Item.

7.1. Approval of Minutes of Previous Meeting(s)

Attachments:

- Elm Creek Public Schools - Meeting Quick View - Board of Education Regular Meeting (5)

12/7/2018 at 7:20 PM

7.2. Payment of Invoices

Attachments:

- General Check Register 12-10-18

12/7/2018 at 7:23 PM

7.2.1. Payment of BOK Bond Fund claim to BOK Financial in the Amount of $568,548.75

Attachments:

- Elm Creek PS 2012 Debt Service Schedule (5)

12/7/2018 at 7:26 PM

7.3. Financial Reports

Attachments:

- 11-30-18 Act Cash Balance

12/7/2018 at 7:22 PM

- Treasurers Report for 12-10-18

12/7/2018 at 7:22 PM

7.4. Personnel Actions

7.4.1. Resignation of Kate Quiring

Attachments:

- Kate Quiring Letter of Resignation

12/7/2018 at 7:32 PM

8. Old Business

9. New Business

9.1. Approve Transfer from Depreciation Fund to the General Fund

Action(s):

Motion Passed:

Motion to Approve Transfer from Depreciation Fund to the General Fund Passed with a motion by Jeff Meads and a second by Morgan Fouts.

- Marvion Reichert: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- Morgan Meier: *Yea*

- JC Ourada: *Yea*

No Action(s) have been added to this Agenda Item.
Attachments:

- Transfer of Depreciation Funds

  12/7/2018 at 7:42 PM

9.2. Approve 2019-2020 Teacher's Master Agreement
Action(s):
Motion Passed:
Motion to Approve 2019-2020 Teacher's Master Agreement Passed with a motion by Morgan Fouts and a second by Suzanne Brodine.

- Marvion Reichert: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- Morgan Meier: *Yea*
- JC Ourada: *Yea*

No Action(s) have been added to this Agenda Item.
Attachments:

- Teachers-MASTER AGREEMENT 19-20

  12/7/2018 at 7:43 PM

10. Reports
10.1. Transportation Committee Report
Attachments:

- Transportation Committee Meeting

  12/7/2018 at 7:51 PM

10.2. Buildings and Ground Committee Report
Attachments:

- Buildings and Grounds Meeting

  12/7/2018 at 7:52 PM

10.3. Curriculum and Finance Meeting
10.4. Principal's Report
10.5. Superintendent Report
11. Superintendent Evaluation

12. Next Regular Meeting . -- January 14, 2018 (7:00 pm)
Action(s):

Motion Passed:
Motion to adjourn Passed with a motion by Morgan Meier and a second by JC Ourada.

- Marvion Reichert: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- Morgan Meier: *Yea*
- JC Ourada: *Yea*

No Action(s) have been added to this Agenda Item.

13. Adjournment
Recommended Motion(s): Motion to adjourn meeting Passed with a motion by Board Member #1 and a second by Board Member #2.

January 2, 2019 at 10:00 AM - Board Retreat

1. Call to Order
2. Flag Salute
3. Open Meetings Act
4. Roll Call
5. Review of Agenda

Recommended Motion(s): Motion to approve the agenda as presented Passed with a motion by Board Member #1 and a second by Board Member #2.

6. Reports

Attachments:

- 01.02.19 School Board Retreat

  1/1/2019 at 11:07 AM

7. Next Regular Meeting
8. Adjournment

Recommended Motion(s): Motion to adjourn meeting Passed with a motion by Board Member #1 and a second by Board Member #2.

Action(s):

Motion Passed:
Motion to adjourn meeting at 1:56 pm Passed with a motion by JC Ourada and a second by Morgan Fouts.

- Morgan Meier: *Absent*
- Suzanne Brodine: *Yea*
- Morgan Fouts: *Yea*
- Jeff Meads: *Yea*
- JC Ourada: *Yea*
- Marvion Reichert: *Yea*

No Action(s) have been added to this Agenda Item.

ALL Data

Check Register

Arranged by:
Check Number

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description		Amount
Checks Printed							
01 - GENERAL FUND							
Bank Account :A - General Fund							
	00016120	01/14/2019	AGDRYER		Ag Dryer Services		
	35112	12/11/2018		01/07/2019	Tubing, Pipe, Metal		144.94
						Check Total	144.94
	00016121	01/14/2019	ALPHAREH		ALPHA REHABILITATION P.C.		
	2356	12/31/2018		01/07/2019	OT/Speech		364.99
						Check Total	364.99
	00016122	01/14/2019	AUDIOE		AUDIO ENHANCEMENT		
	INV555297	12/03/2018		01/07/2019	Microphones: Aten, Keep		1,175.00
						Check Total	1,175.00
	00016123	01/14/2019	BLACKHILLS		BLACK HILLS ENERGY		
	122418-01	12/24/2018		01/07/2019	225 E Boyd		1,157.47
	122418-40	12/24/2018		01/07/2019	230 East Calkins		3,607.81
	122418-94	12/24/2018		01/07/2019	122 N Church		35.68
						Check Total	4,800.96
	00016124	01/14/2019	BLICKART		BLICK ART MATERIALS		
	688865	12/01/2018		01/07/2019	Paint Brushes		153.98
						Check Total	153.98
	00016125	01/14/2019	BUFFALOELE		BUFFALO CO ELECTION COMMISSION		
	120418	12/04/2018		01/07/2019	General Election Exp		106.96
						Check Total	106.96
	00016126	01/14/2019	BUFFALOSHE		Buffalo County Sheriff's Office		
	120318	12/03/2018		01/07/2019	DARE fees, T-shirts		210.00
						Check Total	210.00
	00016127	01/14/2019	C&S TRUCK		C&S TRUCK & SALVAGE		
	93455	12/18/2018		01/07/2019	'12 Bus-Mirrors, Filters		705.72
	93462	12/19/2018		01/07/2019	'14 Bus - lamps, Adj brakes		95.00
	93470	12/20/2018		01/07/2019	'08 Bus - lamps, Qtrly Insp		320.33
						Check Total	1,121.05
	00016128	01/14/2019	CENTRALFIR		CENTRAL FIRE & SAFETY, INC		
	57784	12/06/2018		01/07/2019	System Service etc		186.00
						Check Total	186.00
	00016129	01/14/2019	CENTURY		CENTURYLINK		
	120718	12/07/2018		01/07/2019	Phone Service		321.64
						Check Total	321.64
	00016130	01/14/2019	CHARTERC		CHARTER COMMUNICATIONS		

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description		Amount
	122418	12/24/2018		01/07/2019	Internet		223.72
						Check Total	223.72
	00016131	01/14/2019	CHEMSEARCH		CHEMSEARCH		
	3379887	12/18/2018		01/07/2019	Hand Soap, X-Ice		1,689.46
						Check Total	1,689.46
	00016132	01/14/2019	CIRCLESP		CIRCLE S PLUMBING		
	640	12/05/2018		01/07/2019	Winterize Stadium		114.48
						Check Total	114.48
	00016133	01/14/2019	CUMMINSCE		CUMMINS INC		
	J7-6793	12/03/2018		01/08/2019	Maintenance		413.57
						Check Total	413.57
	00016134	01/14/2019	DIVAS		DIVAS FLORAL SHOP & BOUTIQUE		
	2348	12/08/2018		01/07/2019	Ag Supplies		28.95
						Check Total	28.95
	00016135	01/14/2019	EAKESOFF		EAKES OFFICE PRODUCTS		
	INV104418	12/17/2018		01/07/2019	Copiers		6,669.58
						Check Total	6,669.58
	00016136	01/14/2019	EASYST		EASY STREET STORAGE, LLC		
	385001	12/15/2018		01/07/2019	November NPPD		160.60
	452160	12/15/2018		01/07/2019	2nd - 6 Month Installment		2,220.00
						Check Total	2,380.60
	00016137	01/14/2019	ECACTIVITY		Activity Fund		
	110618	11/06/2018		01/07/2019	Tech, Ofc, Board Wkshop		6,331.39
	13990-01	10/22/2018		01/07/2019	Reimb-Elem PE Supplies		1,475.35
	13996	10/25/2018		01/07/2019	Reimb-Scholastic		263.45
						Check Total	8,070.19
	00016138	01/14/2019	ECOLAB		ECOLAB PEST ELIMINATION		
	6066575	12/13/2018		01/07/2019	Pest Elim		71.01
						Check Total	71.01
	00016139	01/14/2019	ECOWATER		ECOWATER SYSTEMS		
	1097190	12/14/2018		01/07/2019	Softener Salt		201.00
						Check Total	201.00
	00016140	01/14/2019	ELECTRONIC		ELECTRONIC CONTRACTING CO.		
	LN048294	11/30/2018		01/07/2019	Repair Crashbar		855.00
	LN048414	12/15/2018		01/07/2019	Quarterly Monitoring		81.00
						Check Total	936.00
	00016141	01/14/2019	ESU10		Educational Service Unit 10		

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description		Amount
	010119-26	01/01/2019		01/08/2019	Wireles Maint, Firewall		112.50
	010119-30	01/01/2019		01/08/2019	Glass Panels, Repairs		230.00
	010119-46	01/01/2019		01/08/2019	Voc Evaluations		439.88
	010119-78	01/01/2019		01/08/2019	Deaf Ed		172.26
	010119-79	01/01/2019		01/08/2019	Phys Therapy		1,419.69
	010119-80	01/01/2019		01/08/2019	Supervision		2,850.18
	010119-81	01/01/2019		01/08/2019	Occupational Therapy		2,645.98
	010119-82	01/01/2019		01/08/2019	Speech Path		1,817.97
	010119-84	01/01/2019		01/08/2019	School Psych		4,806.60
	010119-85	01/01/2019		01/08/2019	Audiology		165.20
						Check Total	14,660.26
	00016142	01/14/2019	FOSTERC		CURT FOSTER		
	01012019	01/01/2019		01/08/2019	Rent		100.00
						Check Total	100.00
	00016143	01/14/2019	FOSTFAMI		Foster's Family Foods		
	010119-14	01/01/2019		01/08/2019	FCS, Sped, Office		234.00
						Check Total	234.00
	00016144	01/14/2019	HALLJ		JERRY HALL		
	010819	01/08/2019		01/08/2019	Reimbursement		7.50
						Check Total	7.50
	00016145	01/14/2019	HAPPP		HAPP PUBLISHING		
	01961	10/04/2018		01/08/2019	Notice-October		6.87
	02116	11/22/2018		01/08/2019	Nov Metting Minutes		70.63
	02125	11/08/2018		01/08/2019	Nov Meeting Notice		7.25
	02141	10/18/2018		01/08/2019	Oct Minutes		65.67
	02192	10/25/2018		01/08/2019	Notice to Bidders		25.00
	02193	11/01/2018		01/08/2019	Notice to Bidders		25.00
	02194	11/01/2018		01/08/2019	Notice to Bidders		25.00
	02195	10/25/2018		01/08/2019	Notice to Bidders		25.00
						Check Total	250.42
	00016146	01/14/2019	HOBBY		HOBBY LOBBY		
	79175831	12/19/2018		01/08/2019	Christmas Activities		57.96
						Check Total	57.96
	00016147	01/14/2019	ISLANDSU		Island Supply Welding		
	196645	12/31/2018		01/08/2019	Cyl Rental		65.10
						Check Total	65.10
	00016148	01/14/2019	KELLYSA		KELLY'S SALES & AG SERVICE		
	18663	12/14/2018		01/08/2019	'12 Van - Tire Repair		16.00
	18664	12/14/2018		01/08/2019	2007 - Replace Battery		129.45
	18665	12/14/2018		01/08/2019	Suburban- Battery		85.49
	18666	12/14/2018		01/08/2019	'13 Stop Lamp, Washer etc		115.83

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description		Amount
						Check Total	346.77
	00016149	01/14/2019	LINWELD		MATHESON TRI GAS		
	51399550	12/31/2018		01/08/2019	shop		164.76
						Check Total	164.76
	00016150	01/14/2019	MENARDS		MENARDS - KEARNEY		
	72125	12/23/2018		01/08/2019	Cut-off wheels		96.62
	72542	01/01/2019		01/08/2019	Paint		31.88
						Check Total	128.50
	00016151	01/14/2019	MOSAIC		MOSAIC		
	AXT1218-29	01/02/2019		01/08/2019	December Services		2,803.50
						Check Total	2,803.50
	00016152	01/14/2019	NATLGEOBEE		NATIONAL GEOGRAPHIC		
	49417	11/05/2018		01/08/2019	2019 Natl Geographic Bee		120.00
						Check Total	120.00
	00016153	01/14/2019	NE DEPTFIN		STATE OF NEBRASKA		
	79335	11/28/2018		01/10/2019	Elevator Inspection		120.00
						Check Total	120.00
	00016154	01/14/2019	NPPD		NEBRASKA PUBLIC POWER DISTRICT		
	121418-6740	12/14/2018		01/08/2019	BUS BARN		52.81
	121418-6744	12/14/2018		01/08/2019	BALLFIELD		51.05
	121418-6748	12/14/2018		01/08/2019	230 E CALKINS		4,476.63
						Check Total	4,580.49
	00016155	01/14/2019	OKEEFELE		O'KEEFE ELEVATOR COMPANY, INC		
	00485249	01/01/2019		01/08/2019	ELEV MAINTENANCE		301.19
						Check Total	301.19
	00016156	01/14/2019	PAYFLEX		PAYFLEX SYSTEMS USA		
	01012019	01/10/2019		01/10/2019	Jan 1, 2019-Jan 31, 2019		150.00
	VOID - PRINTER ERROR			SEE CK #160171		Check Total	150.00
	00016157	01/14/2019	PEPPERJW		JW PEPPER		
	03591685	11/20/2018		01/08/2019	CHOIR MUSIC		21.00
	03592660	11/29/2018		01/08/2019	BAND MUSIC		134.99
	03593058	12/04/2018		01/08/2019	BAND MUSIC		60.00
						Check Total	215.99
	00016158	01/14/2019	PIONEERTE		PIONEER TELEPHONE		
	010119	01/01/2019		01/08/2019	LONG DISTANCE		119.42
						Check Total	119.42
	00016159	01/14/2019	QUILL		Quill		

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	Vendor Name / PO Date	Description		Amount
	3142793	12/03/2018		01/08/2019	GOLD STAR STICKERS		20.70
						Check Total	20.70
	00016160	01/14/2019	SERVICE		SERVICEMASTER OF MID NE		
	16359	12/31/2018		01/08/2019	2010 ADDITION		3,604.64
	16360	12/31/2018		01/08/2019	ELEMENTARY FACILITY		3,867.76
						Check Total	7,472.40
	00016161	01/14/2019	SPARQDATA		SPARQDATA SOLUTIONS		
	1323	01/07/2019		01/11/2019	Negotiations Software		3,800.00
						Check Total	3,800.00
	00016162	01/14/2019	STATENE		STATE OF NEBRASKA		
	1143242	12/01/2018		01/08/2019	NETWORK SERVICES		229.49
						Check Total	229.49
	00016163	01/14/2019	THOMPSON		THE THOMPSON CO.		
	2107094	12/06/2018		01/08/2019	CAN LINERS, SOAP		275.51
	2109463	12/13/2018		01/08/2019	CAN LINERS, TP, PT		298.63
	2111718	12/20/2018		01/08/2019	CAN LINERS, TP, PT		289.26
						Check Total	863.40
	00016164	01/14/2019	VERIZON		VERIZON WIRELESS		
	9819728974	12/06/2018		01/08/2019	CELL PHONE		46.93
						Check Total	46.93
	00016165	01/14/2019	VILLAGEE		Village Of Elm Creek		
	011019	01/10/2019		01/10/2019	Water, Sewer, Trash		720.00
						Check Total	720.00
	00016166	01/14/2019	VILLAGEU		VILLAGE UNIFORM		
	454281	11/30/2018		01/08/2019			15.75
	454824	12/07/2018		01/08/2019			5.00
	455347	12/14/2018		01/08/2019			11.50
	455855	12/21/2018		01/08/2019			21.25
						Check Total	53.50
	00016167	01/14/2019	WELLSFARG		Wells Fargo Card Services		
	122718-0319	12/27/2018		01/08/2019	MBRSHP, SEAT, LUNCH		390.73
	122718-2385	12/27/2018		01/08/2019	EL SPLY, BUS, POSTAGE		196.50
						Check Total	587.23
	00016168	01/14/2019	WEXBANK		WEX BANK		
	123118	12/31/2018		01/08/2019	FUEL		1,531.71
						Check Total	1,531.71
	00016169	01/14/2019	WOODWARDS		WOODWARDS DISPOSAL SERVICE		
	NO8834-776	12/22/2018		01/08/2019	DOC DESTRUCTION		25.00

Direct Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description		Amount
						Check Total	25.00
	00016170	01/14/2019	YANDA'S		YANDA'S MUSIC		
	378392	12/17/2018		01/08/2019	BAND SUPPLIES		37.78
						Check Total	37.78
						01 - GENERAL FUND Totals:	**69,198.08**
						Total of Checks Printed:	**69,198.08**
						Report Total:	**69,198.08**

ALL Data

Check Register

Arranged by:
Check Number

Direct

Dep.	Check Number / Invoice	Check Date / Invoice Date	Vendor ID / PO Number	PO Date	Vendor Name / Description	Amount
Checks Printed						
01 - GENERAL FUND						
Bank Account :A - General Fund						
	00016171	01/11/2019	PAYFLEX		PAYFLEX SYSTEMS USA	
	010119	01/01/2019		01/11/2019	Jan 1, 2019-Jan 31, 2019	150.00
					Check Total	150.00
					01 - GENERAL FUND Totals:	**150.00**
					Total of Checks Printed:	**150.00**
					Report Total:	**150.00**

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 09/01/2017 to 12/31/2018.

Site ID / Group ID	Site Name / Group Name	Activity ID	Activity Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
ECHS	Elm Creek High School							
A	Athletics							
		3030	Uniforms	0.00	15,000.00	2,163.84	-8,533.32	4,302.84
		3031	Basketball	0.00	30,320.71	32,964.01	128.00	-2,515.30
		3033	Cheer	941.52	11,992.64	13,628.57	-706.77	-1,401.18
		3034	Cross Country	-100.00	1,377.76	835.44	-232.00	210.32
		3035	Football	-11,916.05	42,987.49	33,853.67	-54.00	-2,836.23
		3038	Golf	0.00	3,969.60	2,330.15	-1,699.60	-60.15
		3041	Track	-11,880.04	19,980.76	12,825.69	4,380.36	-344.61
		3042	Volleyball	-23,296.93	47,452.25	30,110.22	4,152.96	-1,801.94
		3044	Wrestling	-18,664.57	35,234.00	17,947.89	-1,749.00	-3,127.46
			A Totals:	-64,916.07	208,315.21	146,659.48	-4,313.37	-7,573.71
B	Activities							
		1739	Speech	0.00	1,191.75	804.39	0.00	387.36
		1748	School Play	383.80	413.00	458.29	0.00	338.51
		1749	One Act Play	-213.22	5,161.10	4,204.22	-931.47	-187.81
		2038	Drama	-272.99	280.38	7.39	0.00	0.00
		2084	Fine Arts	0.00	0.00	0.00	0.00	0.00
			B Totals:	-102.41	7,046.23	5,474.29	-931.47	538.06
C	Clubs & Organizations							
		1740	ESports	0.00	4,751.21	1,485.70	-1,711.67	1,553.84
		1742	Mock Trial	0.00	469.75	0.00	-327.90	141.85
		1743	Band Club	0.00	2,761.19	551.17	-1,329.29	880.73
		1744	Choir Club	0.00	0.00	0.00	0.00	0.00
		3001	Stu Council	1,594.88	3,459.00	3,522.15	-915.81	615.92
		3002	FFA	388.55	36,779.99	31,450.27	640.47	6,358.74
		3003	FCCLA	534.60	11,734.76	3,425.82	-1,082.70	7,760.84
		3005	NHS	1,947.27	6,013.57	6,329.71	-47.31	1,583.82
		3032	Boys Basketball Club	680.23	6,008.55	7,665.16	-420.10	-1,396.48
		3036	Football Club	3,044.42	1,561.45	3,152.42	130.02	1,583.47
		3037	Girls Basketball Club	1,182.71	2,877.52	4,729.04	-871.59	-1,540.40
		3043	Volleyball Club	2,781.56	2,200.50	2,828.99	-544.30	1,608.77
		3045	Wrestling Club	-1,756.17	11,244.75	7,719.39	1,065.95	2,835.14
		3046	Cross Country Club	480.70	166.00	317.00	-252.65	77.05
		3047	Golf Club	789.11	1,353.75	0.00	-679.00	1,463.86
		3048	Track Club	3,250.94	2,436.15	453.25	-1,205.48	4,028.36
		3049	Quiz Bowl	0.00	315.15	142.00	650.12	823.27
			C Totals:	14,918.80	94,133.29	73,772.07	-6,901.24	28,378.78

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 09/01/2017 to 12/31/2018.

Site ID Site Name
Group ID Group Name

Group ID	Activity ID	Activity Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
D	Special Funds						
	1766	ACC RDR	3,286.51	2,140.78	2,689.83	29.82	2,767.28
	1767	Elem Playground	0.00	0.00	0.00	0.00	0.00
	1768	Stampede Stand	0.00	91.00	1,606.06	0.00	-1,515.06
	2049	SRS Gifts	-444.75	390.00	483.50	0.00	-538.25
	2082	Board Scholarship	252.54	0.00	0.00	0.00	252.54
	2086	Presidential Freedom Schol	0.00	0.00	0.00	583.64	583.64
	2087	Attend/Val Sch	1,189.29	2,501.65	300.00	-290.45	3,100.49
	2088	FKC Scholarships	0.00	850.00	300.00	0.00	550.00
		D Totals:	4,283.59	5,973.43	5,379.39	323.01	5,200.64
E	Classes						
	2017	Class of 2017	0.00	0.00	0.00	0.00	0.00
	2018	Class of 2018	173.10	4,207.61	3,100.27	-1,617.25	-336.81
	2019	Class of 2019	4,360.55	1,323.68	4,928.94	-157.02	598.27
	2020	Class of 2020	3,500.62	3,973.10	800.21	-3,081.88	3,591.63
	2021	Class of 2021	5,316.44	2,953.52	521.97	-2,109.58	5,638.41
	2022	Class of 2022	2,913.30	1,657.20	0.00	-56.48	4,514.02
	2023	Class of 2023	0.00	1,623.50	0.00	1,078.52	2,702.02
	2024	Class of 2024	0.00	5,141.30	0.00	-5,538.26	-396.96
		E Totals:	16,264.01	20,879.91	9,351.39	-11,481.95	16,310.58
F	School						
	1745	Band	-360.00	13,211.21	12,292.08	9,561.00	10,120.13
	1746	Choir	0.00	150.00	241.19	0.00	-91.19
	2044	Circle of Friends	855.12	2,000.00	2,943.34	747.93	659.71
	3000	Annual/Yearbook	-9,136.14	5,058.00	6,433.22	-183.63	-10,694.99
	3006	Pop - Chesterman	0.00	1,793.91	12,643.20	11,377.44	528.15
	3040	Concessions	-355.00	31,515.53	47,909.10	12,784.97	-3,963.60
		F Totals:	-8,996.02	53,728.65	82,462.13	34,287.71	-3,441.79
G	District						
	1741	PreSchool	38,194.75	50.00	38,244.75	0.00	0.00
	1751	FOB	3,450.00	900.00	1,150.00	0.00	3,200.00
	1752	IPads	23,203.98	8,305.80	661.00	190.25	31,039.03
	2040	General District	32,026.43	16,814.45	37,768.89	-12,441.40	-1,369.41
	2041	CCC-Dual Credit Course	0.00	0.00	2,145.00	2,172.35	27.35
	2045	Insurance	-7,491.06	98,904.27	101,534.72	0.00	-10,121.51
	2046	Payflex Reimbursement Plan	-2,300.00	2,300.00	0.00	0.00	0.00
	2051	Miscellaneous Funds	22,709.87	4,591.45	3,337.12	-263.25	23,700.95
	2085	Sign Adv	9,610.58	12,100.00	17,537.75	0.00	4,172.83
	3029	GENERAL ACTIVITIES	0.00	29,671.25	7,691.08	-51.43	21,928.74
	3039	Gym Rent	5,989.50	200.00	0.00	0.00	6,189.50
		G Totals:	125,394.05	173,837.22	210,070.31	-10,393.48	78,767.48

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 09/01/2017 to 12/31/2018.

Site ID Site Name
Group ID Group Name

Activity ID	Activity Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
H	Miscellaneous					
2037	Special Committee	0.00	522.91	252.49	0.00	270.42
2050	Courtesy Committee	20.90	290.00	157.85	-40.00	113.05
4000	Checking Acct Interest	0.00	0.00	0.00	0.00	0.00
	H Totals:	20.90	812.91	410.34	-40.00	383.47
	ECHS Totals:	86,866.85	564,726.85	533,579.40	549.21	118,563.51
	Report Totals:	86,866.85	564,726.85	533,579.40	549.21	118,563.51

ELM CREEK SCHOOL BOARD TREASURER'S REPORTS
FOR January 14, 2019

GENERAL FUND - ACCT NO. 137766 (Reconciled 1-10-19)

BANK BALANCE December 1, 2018		$	47,011.47
RECEIPTS			
	BUFFALO COUNTY	$	24,870.26
	DAWSON COUNTY	$	-
	ESU #10	$	-
	PHELPS COUNTY	$	1,981.52
	Preschool Tuition	$	630.00
	Postal Service - Reimburse shipping	$	4.50
	REAP	$	54,054.00
	Shop Fees	$	61.00
	State - IDEA 4404	$	28,085.00
	State - IDEA 4410	$	47,162.00
	State - IDEA 4406	$	959.00
	State - Sped Reimbursement 17-18	$	34,478.00
	State Aid	$	9,586.00
	Transfer	$	355,000.00
	TOTAL RECEIPTS	$	556,871.28
AVAILABLE BALANCE		$	603,882.75
DISBURSEMENTS:			
	Bills Paid December 10, 2018	$	50,883.18
	Payroll	$	316,464.06
	TOTAL DISBURSEMENTS	$	367,347.24
BOOK BALANCE December 31, 2018		$	236,535.51

DEPRECIATION FUND - ACCT NO 14832 (reconciled 1-7-19)

	BALANCE December 1, 2018	$	359,757.18
	EXPENSES-Transfer	$	355,000.00
	exPENSES-Comfortech	$	1,920.00
	INTEREST	$	183.10
	RECEIVED	$	-
BOOK BALANCE December 31, 2018		$	3,020.28

CERTIFICATES OF DEPOSIT THRU December 31, 2018

#6692	Bus Depreciation	$	11,838.56
#6233	Track Maintenance - Issued 8/31/09	$	16,692.78
#6013	Track Maintenance	$	56,631.60
#6235	Unknown Capital Outlays - Issued 8/31/09	$	16,696.77
#2232	Unemployment	$	11,018.60
#6482	Track Maintenance - Issued 8/31/2011	$	10,358.90
#6701	ECPS-(Issued 3-12-15)	$	24,787.88
	CERTIFICATE TOTALS	$	148,025.09

ELM CREEK SCHOOL BOARD TREASURER'S REPORTS
FOR January 14, 2019

BUILDING FUND(Reconciled 1-10-19)

	Balance December 1, 2018	$	69,966.08
	INTEREST	$	26.75
	EXPENSES	$	-
	BALANCE December 31, 2018	$	69,992.83

BOND FUND (OPENED 11-12-09) (Reconciled 1-6-19)

	Balance December 1, 2018	$	611,623.92
	RECEIPTS- BUFFALO	$	2,276.58
	RECEIPTS - DAWSON COUNTY	$	-
	RECEIPTS - PHELPS COUNTY	$	-
	DISBURSEMENTS (Principal & Interest Payment)	$	(568,748.75)
	BALANCE December 31, 2018	$	45,151.75

SAM/DUNS ACCOUNT (REAP-1173)	BALANCE December 1, 2018	$	10,193.40
(Reconciled)	DISBURSEMENTS	$	-
	BALANCE December 31, 2018	$	10,193.40

ELM CREEK SCHOOL BOARD TREASURER'S REPORTS
FOR January 14, 2019

LUNCH FUND

BANK BALANCE December 1, 2018 (Reconciled 1-10-19)		$	14,409.34
RECEIPTS			
	LUNCH SALES	$	6,938.97
	EFUND PAYMENTS	$	502.00
	Federal Reimbursement Breakfast (Nov & Dec)	$	3,838.80
	Federal Reimbursement Lunch (Nov & Dec)	$	12,073.79
	State Reimbursement	$	-
	TRANSFERS FROM GENERAL ACCT	$	-
	TOTAL RECEIPTS	$	23,353.56
	AVAILABLE BALANCE	$	37,762.90
DISBURSEMENTS			
	Food/Groceries/Milk Etc.	$	8,449.26
	General Expenses	$	133.51
	Supplies	$	311.75
	December Payroll	$	9,067.41
	TOTAL DISBURSEMENTS	$	17,961.93
	BALANCE December 31, 2018	$	19,800.97

	Januar Bills		
	BERNARD FOODS	$	637.01
	CASHWA	$	2,999.37
	CENTRAL FIRE & SAFETY	$	-
	FOSTERS	$	6.57
	HEARTLAND REFRIGERATION	$	-
	HILAND (MILK)	$	1,003.04
	HUBERT COMPANY	$	-
	NE FOOD DISTRIBUTION PROGRAM	$	1,627.08
	STU LUNCH MENU SUBSCRIPTION (1-YEAR)	$	499.00
	THOMPSON	$	253.03
	VILLAGE UNIFORM (TOWELS ETC)	$	39.36
		$	7,064.46

GRACZYK
Lawn &
Landscape

October 26th, 2018

2019 Lawn Care

Mr. Sullivan,

Attached is the estimate for lawn care at the school and football field for 2019. I have included pricing and program descriptions for your review.

You will notice that all of the pricing remained the same as it has for several years. The only addition is the mowing price in case you were interested in moving that service from in-house.

Call me once you have a chance to review and I can answer any questions you may have!

Sincerely,

Kristen Graczyk
Graczyk Lawn & Landscape
1-308-440-9854-Office
1-308-872-7585-Fax
info@graczyklawn.com-**Email**

GRACZYK Lawn & Landscape
PO Box 608
Elm Creek, NE 68836

Estimate

Date
10/26/2018

Name / Address
Elm Creek Public School 230 E Calkins Elm Creek, NE 68836

GRACZYK Lawn & Landscape
308-440-9854

Item	Description	Qty	Rate	Total
Labor-Maintena...	Football Field Services-Mowing/painting lines on field Invoiced hourly at the rate of $55 per man hour-Paint purchased by school	1	55.00	55.00

Total $55.00

Signature: _____ Date: 11-19

GRACZYK Lawn & Landscape
PO Box 608
Elm Creek, NE 68836

Estimate

Date
10/26/2018

Name / Address
Elm Creek Public School 230 E Calkins Elm Creek, NE 68836

GRACZYK Lawn & Landscape
308-440-9854

Item	Description	Qty	Rate	Total
Lawn Treatment	Applications 1,3,4,5(Price per step)	4	400.00	1,600.00
Lawn Treatment	2nd Application of Fertilizer (grub control)	1	468.00	468.00
	Practice Field			

Total $2,068.00

Signature: R SM

Date: 1-11-19

GRACZYK Lawn & Landscape
PO Box 608
Elm Creek, NE 68836

Estimate

Date
10/26/2018

Name / Address
Elm Creek Public School 230 E Calkins Elm Creek, NE 68836

GRACZYK Lawn & Landscape
308-440-9854

Item	Description	Qty	Rate	Total
Lawn Treatment	5-Step Fertilization (Price per step) Price includes school turf & Football field	5	794.00	3,970.00
sterilization	Bare ground sterilization of same areas as previous years. Playground, Under equipment, shot put area, drive behind gym, etc	1	440.00	440.00
Aeration	Deep Core Aeration	1	850.00	850.00
Mowing	Price per weekly mowing (approx 30 in season)- Price includes school turf & Football field	1	475.00	475.00

Total $5,735.00

Signature: _____

Date: 1-11-19

EXHIBIT "A"

Eakes, Inc.
2401 Ave. A
Kearney, NE 68847

Dated: January 7, 2019

Exhibit forming part of the Agreement between Eakes Inc., Kearney, Nebraska (Lessor) and Elm Creek Public Schools, Elm Creek, NE (Lessee)

Salesperson: 1187 Crystal Bosshamer

Make & Model	Description	Serial	Initial Meter Reading	Location
Sharp MX-7040N	70 PPM B&W / Color - High Speed Color Document System:	4509855X		Main Office
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23899		SPED
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFD61576		Room 836
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23881		Counselor
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFD61578		Sups Office
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFC17795		Sups Admin
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFD61570		Lunch Room
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3212683		IT
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23886		Computer Lab
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3223737		Room 823
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFF62215		Elementary Office
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23898		Shop
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23889		Coaches Room
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	VNB3S23893		Principal Admin
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used	PHGFD1157		Room 819
*HP M401USED	35 PPM LaserJet Pro 400 M401 - Used			
Sharp MX-5141N Used	51 PPM B&W / 51 PPM Full-Color Workgroup Document System	3501928Y		Elementary Office
Sharp MX-B402SC Used	Workgroup MFP	35036563		Library
Sharp MX-B402SC Used	Workgroup MFP	45002655		Elementary 2nd Floor
Papercut Support PaperCut				
Sharp MX-4141N Used	41 PPM B&W / 41 PPM Full-Color Workgroup Document System	55096865		Elementary 3rd Floor
*HP M553dn	33 PPM Color Laserjet Enterprise M553dn			Art Room

* Existing customer equipment for Service Agreement only.

Eakes office solutions

2401 Ave. A
Kearney, NE 68847
308-234-2538

Lease Agreement

Contract Date: 1/7/2019

LESSEE INFORMATION

Full Legal Name: Elm Creek Public Schools

Billing Address: P O Box 490 Phone: (308) 856-4300

City: Elm Creek County: Buffalo State: NE Zip: 68836

EQUIPMENT LOCATION

Note: Equipment shall not be removed from this location without written consent of Lessor.

Street Address: 230 Calkins Street

City: Elm Creek County: Bufflao State: NE Zip: 68836

EQUIPMENT INFORMATION

Make/Model/Description	Serial Number	Location
See Exhibit A		

TERM & PAYMENT INFORMATION

	Monthly Payment +	Sales Tax =	Total Monthly Payment
	$1,420.00	0	$1,420.00

Term in Months	First Payment +	Security Deposit (last payment) +	Administrative Fees +	Sales Tax =	Total Payment Enclosed
60	$1,420.00	$1,420.00	$55.00		$2,895.00

CUSTOMER SIGNATURE

I have read and agree to all of the terms and conditions contained on this Agreement, the attached Terms, Letter of Instruction, and any other attachments to same (all of which are included by reference) and become part of this Agreement. I understand and agree that Lessee is solely responsible for the security of the property and all data and information stored within it. I acknowledge to have read and agree to all the terms and conditions and understand that this is a non-cancelable Agreement for the full term shown above. I take responsilblity for equipment selection and that equipment is completely acceptable. I hereby acknowledge and represent that I have lawful authority to execute this Agreement and to bind the Lessee to its terms and conditions.

Signature JL SH (Authorized Signature) Title: Superintendent Date: 1/7/2019

Print Name Jason Sullivan For: Elm Creek Public Schools

EAKES ACCEPTANCE

Signature _____ (Authorized Signature) Date: 1/7/2019

Title: _____ For: Eakes

Salesperson: 1187 Crystal Bosshamer

Lease Terms and Conditions

Lessee accepts and acknowledges receipt of the said property in good condition and promises and agrees that during the term of this lease and all renewals to keep and maintain the same in good order and repair and to bear the expense of all necessary repairs, maintenance, operation and replacement and to return said equipment (or its value) to Lessor upon termination. Lessee agrees any and all replacements, parts, additions, repairs and accessories incorporated in or affixed to said property shall become the property of the Lessor. Lessee assumes the entire risk of loss from hazard and agrees to keep the property insured at Lessee's expense to protect all interests of Lessor against such risks, including the liability of Lessor for public liability and property damage. The proceeds of such insurance, whether resulting from loss or damage, or otherwise, shall be applied toward the replacement or repair of the said property or the discharge of the obligations of Lessee hereunder at the option of Lessor. Lessee shall indemnify and save Lessor harmless from any and all liability arising out of the use, maintenance and/or delivery of the property. Lessee shall comply and conform to all laws, ordinances and regulations relating to the possession, use or maintenance of the property, and save Lessor harmless against actual or asserted violations and pay all cost and expenses of any character occasioned by and arising out of such violations. The Lessee will pay promptly when due all taxes, including but not limited to personal property taxes, and other public or private charges against or upon the property as additional rental therefore, and if paid by Lessor will reimburse

Lessee acknowledges that title to said property is vested in the Lessor and no title or right in said property shall pass to the Lessee except the rights herein expressly granted. Said property is deemed to be personal property even though the property may become attached to any real estate. Lessee shall not permit any encumbrance, lien or levy to be made on said property, and Lessee shall not use or permit said property to be used in violation of any State or Federal laws. The Lessee shall not assign this lease nor attempt to sell, mortgage, sublet or pledge the property. Customer accepts the Equipment with the Manufacturer's Warranty which applies to it at the commencement of this lease. EAKES DOES NOT MAKE ANY ADDITIONAL WARRANTY OF THE EQUIPMENT AND, WITHOUT LIMITATION, MAKES NO WARRANTY THAT THE EQUIPMENT IS SUITABLE FOR ANY PARTICULAR USE.

Time is of the essence hereof and if Lessee shall fail to pay any rental as herein provided, or if Lessee shall default in performance of or fail to observe, keep or perform any other provision of this lease required to be observed, kept or performed by Lessee, or if Lessee ceases doing business as a going concern, or if a petition is filed by or against Lessee under the Acts of Congress Relating to Bankruptcy or any amendment thereto, or if Lessee shall make an assignment for the benefit of creditors or take advantage of any law for the relief of debtors, or if a receiver or any officer of the court be appointed to have control of creditors or take advantage of any law for the relief of debtors, or if a receiver or any officer of the court be appointed to have control of the property or assets of the Lessee, or if Lessor shall deem the property in jeopardy or feel insecure, the full amount of rent then unpaid hereunder shall become due and payable forthwith and Lessor may at its option, and in addition to and without prejudice to any other remedy, without notice or demand and without legal process, take possession of such property wherever it may be located (with all additions and substitutions), whereupon all rights of Lessee to said property shall terminate absolutely. Any such repossession shall constitute a termination of this lease, and if such repossession is made and the lease is so terminated the Lessee agrees that the Lessor is entitled to damages in an amount equal to the total amount due under this lease from Lessee to Lessor minus the amount already paid by Lessee to Lessor upon this lease. Any mitigation of damages shall be computed so that Lessor receives its full net rental as herein anticipated after recouping all cost and expenses of Lessor in repossessing, re-leasing, transporting, repairing, selling, or otherwise handling said property, including attorneys expenses of Lessor in repossessing, re-leasing, transporting, repairing, selling, or otherwise handling said property, including attorneys fees.

The following options are available for this agreement: (a.) If not in default you may purchase the Equipment, "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE at the end of the lease term for the Purchase Option indicated in the Letter of Instruction attached to this Agreement (i.e. either a set dollar amount or the Fair Market Value of the Equipment at the lease term's conclusion) plus all applicable taxes. (b.) Unless either party provides notice at least thirty (30) days before the end of the lease term of its intention not to renew this Agreement, it will be renewed automatically on a month-to-month basis at the same price, terms and conditions and billing frequency as the original Agreement. During this renewal period, either party may terminate this Agreement upon at least thirty (30) days notice. (c.) Upon termination pursuant to b, above, and if Lessee has not purchased the Equipment, Lessee shall immediately deliver all equipment to Lessor at such location within the continential United States as Lessor shall delegate. At the time of return, the Equipment shall be in the same condition as when delivered, reasonable wear and tear excepted, together with any software.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default by Lessee under this lease shall impair any such right, power or remedy of Lessor, nor shall be construed as a waiver, of any such breach or default, or of any similar breach or default be deemed a waiver of any subsequent breach or default. All waivers under this lease must be in writing. All remedies breach or default be deemed a waiver of any subsequent breach or default. All waivers under this lease must be in writing. All remedies either under this lease or by-law afforded to Lessor shall be cumulative and not alternate.

Dishonored Item Fee. Lessee agrees to pay a fee to Lessor or Assignee of $25.00 if Lessee's payment or preauthorized charge with which Lessee pays is later dishonored. Late Charge. If a payment is 10 days or more late, Lessee will be charged 5.000% of the regularly scheduled payment or $5.00, whichever is greater.

The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced exclusively in accordance with the laws of the State of Nebraska and that venue for disputes shall be in the courts of Hall County, Nebraska.

Additional Terms for Municipal Entities:

Lessee and Lessor contemplate that interest payable under this Lease will be excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986 (the "Code").

Lessee represents that it is a duly constituted political subdivision possessing the power to tax, the power of eminent domain or police power. Lessee will comply with all applicable provisions of the Code, including sections 102 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of the monthly payments under the Lease and will not use or permit the use of the equipment financed under the Lease in such a manner as to cause the Lease to be a "private activity bond" under Section 141(a) of the Code. Lessee has not and will not create or establish any sinking fund, reserve fund, or other similar fund to pay monthly payments under the lease. Lessee agrees to maintain a system with respect to the Lease, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in the Lease.

The aggregate amount of the principal component of the monthly payments is $ 73720.16 and the principal component of the monthly payments accrue interest at a per annum rate not to exceed 6.00%.

Lessee shall have the right to terminate its obligation to make monthly payments under this Lease with respect to all, but not less than all, of the equipment financed thereunder effective on the last day of any fiscal year of Lessee during the term of the Lease if Lessee's governing body does not appropriate money sufficient to pay the monthly payments coming due for the next fiscal year. Lessee may effect such termination by giving Lessor written notice and by paying to Lessor any monthly payment and other amounts which are due and have not been paid at or before the end of its then current fiscal year. Lessee shall endeavor to give notice of such termination not less than 120 days prior to the end of the fiscal year for which appropriations were made and shall notify Lessor of any anticipated termination.

If this Lease is terminated by Lessee in accordance with the Non-Appropriation paragraph, to the extent permitted by law, Lessee will not purchase, lease, borrow, acquire, or otherwise receive the benefits of any personal property to perform the same functions as, or functions taking the place of those performed by any of the property financed hereunder for a period of 365 days after such termination; provided, however, these restrictions shall not be applicable to the extent that application of these restrictions is unlawful and would affect the validity of this lease.

Eakes office solutions

2401 Ave. A
Kearney, NE 68847
308-234-2538

Service Agreement

Account# 580384

BILLING INFORMATION		
Elm Creek Public Schools		
P O Box 490		
Elm Creek	NE	68836

PRODUCT LOCATION		
Elm Creek Public Schools		
230 Calkins Street		
Elm Creek	NE	68836

Contract Date:	1/7/2019
Contract Term:	60 Months
Renewal Date:	1/7/2024
Contact Name:	Jason Sullivan
Contact Phone:	(308) 856-4300

Prices quoted are valid for 30 days from issue date. Please verify serial numbers listed below.

See reverse side and Letter of Instruction for service level descriptions and terms and conditions.

EQUIPMENT INFORMATION

Model Number	Serial Number	Initial Meter Reading	Service Selected	Location
See Exhibit A			SS	

PAYMENT/RATE INFORMATION

Annual Minimum Payment		MFP Black	MFP Color	HP Black	
	Estimated Volume	43334	37000	1000	
	Cost Per Copy	$0.00928	$0.04100	$0.01800	

THIS IS NOT AN INVOICE.

******You will be billed for actual copies produced on the covered equipment after the signed agreement is received by Eakes Office Solutions.

****** The minimum quarterly usage on a service agreement will be based upon a copy volume of no less than 3,000 copies. For color machines, this will be comprised of 2,500 mono copies and 500 color copies. For service agreements with only HP devices, the minimum quarterly usage on a service agreement will be based upon a copy volume of no less than 900 copies. For color HP devices, this will be comprised of 750 mono copies and 150 color copies.

CUSTOMER SIGNATURE

Signature: [signature] (Authorized Signature) Title: Superintendent Date: 1/7/2019

Print Name: Jason Sullivan For: Elm Creek Public Schools

Salesperson: 1187 Crystal Bosshamer

Eakes Service & Support Agreements

SS	Comprehensive Coverage on Copiers, MFPs, and Printers.	Quarterly Per Copy Billing
MISC	Standard coverage on Typewriters, Lektrievers, Fax Machines, and Misc. Machines.	Annual Billing

Eakes, Inc. (Hereafter referred to as Eakes) will provide all labor, parts and materials necessary to maintain products covered by this Agreement in good operating condition. At the time of repair, Eakes may install engineering improvements and modifications to improve operation and reliability, and will perform preventative maintenance services such as cleaning and inspecting as appropriate. Replacement parts are included in this agreement, displaced parts will become the property of Eakes. Limited network, printing, scanning, and computer support, such as loading print drivers and the diagnostics of printing problems and scanning issues, limited only to machines under this agreement is included in this agreement. Extent and limitations of such network, printing, scanning, or computer support shall be determined exclusively by Eakes.

The word Copy refers to all output produced including copies, prints, faxes received and other output.

1. **Charges:** Customer must have an Eakes Charge Account in good standing. Customer will be invoiced based on service selected. Customer will pay all applicable taxes. If prepaid services are cancelled, Customer will receive a pro-rata refund only for the unused prepaid services beyond the first three (3) months. Eakes reserves the right to change the rates and/or charges set forth herein. Any rate changes or changes in charges will take effect on the anniversary date of the Agreement. Eakes reserves the right to charge for excessive service on a time and materials basis. During the contract period if supply yields fall below the manufacturer's stated yield, Eakes has the right to charge for excess toner/developer consumption. Eakes has the right to charge for scans in excess of normal output. If after-regular-business-hours service is required on machines covered by this Agreement, and such service is available, regular after-hours service charges will apply. All supplies provided under this agreement remain the property of Eakes, Inc. until consumed. In the event of a cancellation, any supplies delivered and not billed will be invoiced. In the event YOU have machines not included in this agreement that use the same or similar consumable supplies as machines originally on or added to this agreement and consumable supplies are included in this agreement, WE reserve the right to add any and all of those machines to this agreement, with or without notification to YOU, at per click rates that are in effect at the time of the addition.

2. **Administrative Fees:** The $3.50 per quarter administrative fee set forth herein is subject to change at any time. Any increase in fees may become effective only upon at least thirty (30) days prior notice from US to YOU, which the notice shall set forth the new fees and effective date thereof.

3. **Eligible Products:** To be eligible for this Agreement, products must be in good operating condition and at current revision levels. To bring non-eligible products up to these requirements, Eakes will charge standard rates in effect on the date of the service request. Eakes reserves the right to examine equipment prior to any renewal of this Agreement and in the event the machine(s) require overhauling or rebuilding, an estimate will be submitted for the Customer's approval before the work is started.

4. **Parts Replacement:** Eakes will replace without charge, parts which have been broken or worn through normal use and are necessary to machine servicing and maintenance adjustments, not including consumables unless specified above.

5. **Liability:** For any material breach of this Agreement by Eakes, Customer's remedy and Eakes' liability will be limited to a refund of the related support charges paid during the period of the breach, up to a maximum of twelve (12) months. Eakes will not be liable for performance delays or for nonperformance due to causes beyond reasonable control. Eakes is not liable for any damages caused by delay in furnishing services or other performance under this Agreement. THE SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SOLE REMEDY FOR EAKES LIABILITY OF ANY KIND, INCLUDING LIABILITY FOR NEGLIGENCE WITH RESPECT TO SERVICES FURNISHED UNDER THIS AGREEMENT AND ALL OTHER PERFORMANCE BY EAKES UNDER OR PURSUANT TO THIS AGREEMENT SHALL BE LIMITED TO THE RE-PERFORMANCE OF ANY DEFECTIVE SERVICE PROVIDED BY EAKES AND SHALL IN NO EVENT INCLUDE ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

6. **Uniform Coverage:** All products that constitute minimum system configuration must be covered under the same level of service.

7. **Limitation of Service:** Eakes does not provide support for "Nonqualified Products". Nonqualified Products are hardware and software not supplied or approved by Eakes and products for which Customer does not allow Eakes to incorporate modifications. Customer is responsible for removing Nonqualified Products to allow Eakes to perform support services. If support services are made more difficult because of a Nonqualified Product, Eakes will charge Customer for the extra work at standard rates.

8. **Exclusion:** This Agreement does not cover any damage or failure caused by:
   a. Use of substandard media and supplies or use of items not designated for use with products being serviced; or
   b. Site conditions that do not conform to Eakes' site specifications; or
   c. Fire or water damage, neglect, improper use, electrical disturbances, transportation by Customer, work or modification by people other than Eakes employees or subagreementors, or other causes beyond Eakes' control; or
   d. Failure to follow manufacturer's operating insructions or recommended volume.

9. **Initial Term:** This Agreement will begin on the contract date and will continue until the renewal date.

10. **Termination:** This Agreement will continue from year to year after the initial term until terminated by either party's giving notice of termination the initial term until terminated by either party's giving notice of termination in writing to the other not less than thirty (30) days prior to the anniversary date of this Agreement upon which the termination shall become effective. In addition, Eakes may cancel this Agreement at any time if Customer fails to pay any sum due under this Agreement or any other Agreement with Eakes before that payment becomes delinquent.

11. **Governing Laws:** The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced exclusively in accordance with the laws of the State of Nebraska and that venue for disputes shall be in the courts of Hall County, Nebraska.

12. **Entire Agreement:** The terms and conditions of this Agreement constitute the entire understanding between the parties relating to the provisions of the services listed above. Customer's acceptance of this Agreement is deemed to occur upon Customer's signature of or payment under this Agreement.

Eakes office solutions

2401 Ave. A
Kearney, NE 68847
308-234-2538

Letter of Instruction

Lease Agreement

For: Elm Creek Public Schools
P O Box 490
Elm Creek, NE 68836

We are pleased to provide this letter of instruction for the lease agreement dated January 7, 2019

1. Your first monthly and security deposit (last monthly) payment is payable to Eakes Office Solutions and is due upon signing this agreement.
2. Subsequent monthly payments on this agreement will be made to Hometown Leasing. The next payment is due on February 7, 2019 and will be due on the same day of each following month.
3. You will receive a coupon book and payment instructions directly from Hometown Leasing. The first coupon will be labeled payment number one since it is the first payment due to Hometown Leasing. If you are interested in electronic payment options you may contact Hometown Leasing.
4. At the end of the lease you may return the equipment to Eakes Office Solutions, relieving you of any further commitment.
5. Or, if you have fulfilled all of the obligations under this lease and are not in default thereunder, at the end of the term of the lease the equipment may be purchased at $1.00. If lessee fails to remit to lessor the purchase price within thirty (30) days after the end of the term of the lease, or within thirty (30) days after lessor notifies lessee in writing of the availability of the option to purchase, whichever is later, this option to purchase shall expire.
6. As stated in the agreement, personal property taxes and insurance coverage on the rented equipment are the responsibility of the lessee.

Your business is greatly appreciated, and we look forward to being of service.

Eakes office solutions

2401 Ave. A
Kearney, NE 68847
308-234-2538

Letter of Instruction

Service Agreement

For: Elm Creek Public Schools
P O Box 490
Elm Creek, NE 68836

We are pleased to provide this letter of instruction for the service agreement dated January 7, 2019
Eakes Office Solutions will provide you with service and supplies for the equipment covered by this agreement according to the terms stated on the agreement and in this letter.

1. Eakes Office Solutions will send you an e-mail or fax quarterly to record the current meter reading for any equipment not reporting meters electronically. Please return this information to Eakes Office Solutions according to the instructions provided within three (3) days of receipt.

2. Eakes Office Solutions will bill you quarterly for all output.

3. This agreement includes all service parts, developer, and toner. All black toner is included at no additional charge. For color machines, color toner is included up to the manufacturer's stated yield, additional color toner used is billed quarterly. Black and color toner for all machines must be ordered as needed.

4. When you need to order toner, please contact us in Grand Island at (308) 398-6882 or at (800) 658-4072, ext. 6882. We will ship toner upon your request.

5. If, at any time, you need to request service, please contact Service Dispatch at (308) 382-9580, ext. 1 or at (800)658-4072, ext. 1 or go to our website at www.eakes.com.

Your business is greatly appreciated, and we look forward to being of service.

Eakes office solutions

P.O. Box 2098
Grand Island, NE 68802-2098
(308) 398-6865
or 1-800-658-4072 ext. 6865

Bill to: Elm Creek Public Schools
P O Box 490
Elm Creek, NE 68836

Remit to: Eakes Office Solutions
P.O. Box 2098
Grand Island, NE 68802-2098

Invoice #	Invoice Date	Account #	Location	Sales Person
INV-580384	1/7/2019	580384	11	Crystal Bosshamer

Remarks

First Payment and Security Deposit Due Upon Start of Contract

Description	Order	Price	Amount
Administrative Fees	1	$55.00	$55.00
First Monthly Payment	1	$1,420.00	$1,420.00
Security Deposit (Last Payment)	1	$1,420.00	$1,420.00
		Subtotal	$2,895.00
		Sales Tax	
		Total Invoice	$2,895.00

TERMS AND CONDITIONS OF SALE: Payment due upon receipt of invoice.
1.33% per month (15.96% annual interest) charged on balance past 30 days.

Eakes Office Plus
2401 Avenue A
Kearney, NE 68848
Crystal Bosshamer
308-234-2538
402-469-7446

Elm Creek Public School

Submitted to: Mr. Sullivan

Nov-18

Current Costs:

Current Cost Sharp MX-6240 MX-5111 MX-B401 and HPs

	Volume	Cost		Total	
Service & Supplies B&W	38,214	0.01441	$	550.66	
Service & Supplies Color	14,747	0.06776	$	999.26	
60 Month Lease			$	1,539.64	
			$	3,089.56	Cost per Month

Proposed Cost

SHARP

Option - MX-7040, MX-5141 - 3 MX-B402SC 15 HP 401

	Volume	Cost		Total	
Service & Supplies B&W	34,998	0.00928	$	324.78	
Service & Supplies Color	14,747	0.0401	$	591.35	
Service and Supplies HP	3,216	0.018	$	57.89	
60 Month Lease			$	1,399.00	
			$	2,373.02	
			$	*716.54*	*Savings per month*

Thank you,
Crystal Bosshamer

ELM CREEK PUBLIC SCHOOLS
FLEXIBLE BENEFIT PLAN

AND ALL SUPPORTING FORMS HAVE BEEN PRODUCED FOR

PAYFLEX SYSTEMS USA, INC.

ELM CREEK PUBLIC SCHOOLS
FLEXIBLE BENEFIT PLAN

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ELM CREEK PUBLIC SCHOOLS
FLEXIBLE BENEFIT PLAN

INTRODUCTION

The Employer has amended this Plan effective September 1, 2018, to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires and needs. This Plan is a restatement of a Plan which was originally effective on September 1, 2014. The Plan shall be known as Elm Creek Public Schools Flexible Benefit Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

ARTICLE I
DEFINITIONS

1.1 **"Administrator"** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 9.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **"Affiliated Employer"** means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 **"Benefit"** or **"Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.6 **"Compensation"** means the amounts received by the Participant from the Employer during a Plan Year.

1.7 **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)).

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his/her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **"Effective Date"** means September 1, 2014.

1.9 **"Election Period"** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **"Eligible Employee"** means any Employee who has satisfied the provisions of Section 2.1.

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

1.11 **"Employee"** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.12 **"Employer"** means Elm Creek Public Schools and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, Affiliated or Adopting Employer.

1.13 **"Grace Period"** means, with respect to any Plan Year, the time period ending on the fifteenth day of the third calendar month after the end of such Plan Year, during which Medical Expenses and Employment-Related Dependent Care Expenses incurred by a Participant will be deemed to have been incurred during such Plan Year.

1.14 **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit.

1.15 **"Insurance Premium Payment Plan"** means the plan of benefits contained in Section 4.1 of this Plan, which provides for the payment of Premium Expenses.

1.16 **"Insurer"** means any insurance company that underwrites a Benefit under this Plan.

1.17 **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.18 **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.19 **"Plan"** means this instrument, including all amendments thereto.

1.20 **"Plan Year"** means the 12-month period beginning September 1 and ending August 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.21 **"Premium Expenses"** or **"Premiums"** mean the Participant's cost for the Benefits described in Section 4.1.

1.22 **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant shall be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

1.23 **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.24 **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.25 **"Spouse"** means spouse as determined under Federal law.

ARTICLE II
PARTICIPATION

2.1 ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder as of his date of employment (or the Effective Date of the Plan, if later). However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the first day of the month coinciding with or next following the date on which he met the eligibility requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

(a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.5;

(b) **Death.** The Participant's death, subject to the provisions of Section 2.6; or

(c) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 10.2.

2.5 TERMINATION OF EMPLOYMENT

If a Participant's employment with the Employer is terminated for any reason other than death, his participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.

(b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted within 90 days after the end of the Plan Year, based on the level of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(c) **COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 11.14 of the Plan.

2.6 DEATH

If a Participant dies, his participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III
CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV
BENEFITS

4.1 BENEFIT OPTIONS

Each Participant may elect any one or more of the following optional Benefits:

(1) Health Flexible Spending Account

(2) Dependent Care Flexible Spending Account

In addition, each Participant shall have a sufficient portion of his Salary Redirections applied to the following Benefits unless the Participant elects not to receive such Benefits:

(3) Health Insurance Benefit

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

4.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with the Code and regulations. Any act taken by the Administrator shall be carried out in a uniform and nondiscriminatory manner. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among insured Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V
PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so on or before his effective date of participation pursuant to Section 2.2.

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

5.2 SUBSEQUENT ANNUAL ELECTIONS

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which spending account Benefit options he wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

5.4 CHANGE IN STATUS

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

(1) Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;

(2) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(3) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;

(4) Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and guidance thereunder, shall qualify as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code §5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

(1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and

(2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

(1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health

and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and

(2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for Participants pursuant to this Plan to which part of their Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

(1) one of the 5 highest paid officers;

(2) a shareholder who owns (or is considered to own applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or

(3) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.3 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 8.2.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is $2,600.

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Grace Period.** Payment of expenses from a previous year in the first months of the next Plan Year, the limit above applies to the Plan Year including the Grace Period. Amounts carried into the next Plan Year as part of the Grace Period shall not affect the limit for that next Plan Year.

6.5 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year including the Grace Period shall be reimbursed during the Plan Year subject to Section 2.5, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Grace Period.** Notwithstanding anything in this Section to the contrary, Medical Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(e) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including, but not limited to, the following:

(1) Co-payments for doctor and other medical care;

(2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;

(3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the

amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he has elected to apply toward his Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Program, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

(a) **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or $5,000 ($2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of the stock or of the capital or profits interest in the Employer.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH CAFETERIA PLAN

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year including the Grace Period and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

(a) The Dependent or Dependents for whom the services were performed;

(b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;

(c) The relationship, if any, of the person performing the services to the Participant;

(d) If the services are being performed by a child of the Participant, the age of the child;

(e) A statement as to where the services were performed;

(f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;

(g) If the services were being performed in a day care center, a statement:

(1) that the day care center complies with all applicable laws and regulations of the state of residence,

(2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and

(3) of the amount of fee paid to the provider.

(h) If the Participant is married, a statement containing the following:

(1) the Spouse's salary or wages if he or she is employed, or

(2) if the Participant's Spouse is not employed, that

(i) he or she is incapacitated, or

(ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) **Grace Period.** Notwithstanding anything in this Section to the contrary, Employment-Related Dependent Care Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(j) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

ARTICLE VIII
BENEFITS AND RIGHTS

8.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

(1) specific references to the pertinent Plan provisions on which the denial is based;

(2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and

(3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

(1) request a review upon written notice to the Administrator;

(2) review pertinent documents; and

(3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such

as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

8.2 APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan.

ARTICLE IX
ADMINISTRATION

9.1 PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person, including, but not limited to, the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconciles any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;

(f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

(g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

(h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

9.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

9.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

9.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X
AMENDMENT OR TERMINATION OF PLAN

10.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect

at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

10.2 TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XI
MISCELLANEOUS

11.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 11.12.

11.2 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

11.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

11.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

11.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

11.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under

any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

11.10 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11.11 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Nebraska.

11.12 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

11.13 CAPTIONS

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

11.14 CONTINUATION OF COVERAGE (COBRA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

11.15 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

11.16 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

11.17 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

11.18 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

(a) **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.

(b) **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including genetic information and information about treatment or payment for treatment.

(c) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Protected Health Information that consists of genetic information will not be used or disclosed for underwriting purposes.

(d) **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy official. The privacy official shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(e) **Certification.** The Employer must provide certification to the Plan that it agrees to:

(1) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;

(2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;

(3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;

(4) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;

(5) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

(6) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;

(7) Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;

(8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;

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

(10) Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above.

11.19 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Section 11.18.

11.20 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act.

11.21 GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

11.22 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

11.23 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, this Plan document is hereby executed this _____ day of _____.

Elm Creek Public Schools

_____ By _____
EMPLOYER

_____
WITNESSES AS TO EMPLOYER

ELM CREEK PUBLIC SCHOOLS
FLEXIBLE BENEFIT PLAN

SUMMARY PLAN DESCRIPTION

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ELM CREEK PUBLIC SCHOOLS
FLEXIBLE BENEFIT PLAN

INTRODUCTION

We have amended the "Flexible Benefits Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to choose among certain benefits that we make available. The benefits that you may choose are outlined in this Summary Plan Description. We will also tell you about other important information concerning the amended Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

I
ELIGIBILITY

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below. You will also be required to complete certain application forms before you can enroll in the Health Flexible Spending Account or Dependent Care Flexible Spending Account.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan as of your date of hire with us. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

Once you have met the eligibility requirements, your entry date will be the first day of the month coinciding with or following the date you met the eligibility requirements.

4. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. You must also authorize us to set some of your earnings aside in order to pay for the benefits you have elected.

However, if you are already covered under any of the insured benefits, you will automatically participate in this Plan to the extent of your premiums unless you elect not to participate in this Plan.

II
OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have some of your upcoming pay contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal income tax credit or deduction on your return. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

III
CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, we will automatically contribute on your behalf enough of your compensation to pay for the insurance coverage provided unless you elect not to receive any or all of such coverage. You may also elect to have us contribute on your behalf enough of your compensation to pay for any other benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year.

2. What happens to contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

3. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the election period (defined below). You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premiums for such insurance unless you elect, during the election period (defined below), not to participate in the Plan.

4. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

5. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

-- Marriage, divorce, death of a spouse, legal separation or annulment;

-- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;

-- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;

-- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and

-- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

You may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.

6. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV
BENEFITS

1. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed.

You may be reimbursed for "over the counter" drugs only if those drugs are prescribed for you. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account each Plan Year is $2,600.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

2. Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

(a) A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;

(b) An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and

(c) An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) $5,000 (if you are married filing a joint return or you are head of a household) or $2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed earned income (a spouse who is a full time student or incapable of caring for himself/herself has a monthly earned income of $250 for one dependent or $500 for two or more dependents).

Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal tax laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Ask your tax adviser which is better for you.

3. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include:

-- Health care premiums under our insured group medical plan.

Under our Plan, we will establish sub-accounts for you for each different type of insurance coverage that is available. Also, certain limits on the amount of coverage may apply.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

V
BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are

generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don't spend all Plan contributions during the Plan Year?

If you have not spent all the amounts in your Health Flexible Spending Account or Dependent Care Flexible Spending Account by the end of the Plan Year, you may continue to incur claims for expenses during the "Grace Period." The "Grace Period" extends 2 1/2 months after the end of the Plan Year, during which time you can continue to incur claims and use up all amounts remaining in your Health Flexible Spending Account or Dependent Care Flexible Spending Account.

Any monies left at the end of the Plan Year and the Grace Period will be forfeited. Obviously, qualifying expenses that you incur late in the Plan Year or during the Grace Period for which you seek reimbursement after the end of such Plan Year and Grace Period will be paid first before any amount is forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

3. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance and the Health Flexible Spending Account. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. For the Health Flexible Spending Account, you may continue your coverage or you may revoke your coverage and resume it when you return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect $1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - from $100 per month to $150 per month. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect $1,200 for the year and are out on leave for 3 months, your amount will be reduced to $900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

4. Uniformed Services Employment and Reemployment Rights Act (USERRA)

If you are going into or returning from military service, you may have special rights to health care coverage under your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected by this law, ask your Administrator for further details.

5. What happens if I terminate employment?

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

(a) You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.

(b) You will still be able to request reimbursement for qualifying dependent care expenses incurred during the remainder of the Plan Year from the balance remaining in your dependent care account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate. You must submit claims within 90 days after the end of the Plan Year in which termination occurs.

(c) For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."

6. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI
HIGHLY COMPENSATED AND KEY EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII
PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan Year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII
GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

Elm Creek Public Schools Flexible Benefit Plan is the name of the Plan.

Your Employer has assigned Plan Number 501 to your Plan.

The provisions of your amended Plan become effective on September 1, 2018. Your Plan was originally effective on September 1, 2014.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on September 1 and ends on August 31.

2. Employer Information

Your Employer's name, address, and identification number are:

Elm Creek Public Schools
23 E Calkins Ave
Elm Creek, Nebraska 68836
47-6001395

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

Elm Creek Public Schools
23 E Calkins Ave
Elm Creek, Nebraska 68836
308-856-4300

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

Elm Creek Public Schools
23 E Calkins Ave
Elm Creek, Nebraska 68836

5. Type of Administration

The type of Administration is Employer Administration.

6. Claims Submission

Claims for expenses should be submitted to:

PayFlex Systems USA, Inc.
P.O. Box 981158
El Paso, TX 79998-1158

IX
ADDITIONAL PLAN INFORMATION

1. Claims Process

You should submit all reimbursement claims during the Plan Year. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year. Any claims submitted after that time will not be considered.

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If a dependent care or medical expense claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the denial to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

X
CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

1. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

There may be other options available when you lose group health coverage**.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

2. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

(a) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

(b) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

3. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

(a) The death of a covered Employee.

(b) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.

(c) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.

(d) A covered Employee's enrollment in any part of the Medicare program.

(e) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993, as amended ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the

extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

4. What factors should be considered when determining to elect COBRA continuation coverage?

When considering options for health coverage, Qualified Beneficiaries should consider:

- **Premiums:** This plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive. Qualified Beneficiaries have special enrollment rights under federal law (HIPAA). They have the right to request special enrollment in another group health plan for which they are otherwise eligible (such as a plan sponsored by a spouse's employer) within 30 days after Plan coverage ends due to one of the Qualifying Events listed above.

- **Provider Networks:** If a Qualified Beneficiary is currently getting care or treatment for a condition, a change in health coverage may affect access to a particular health care provider. You may want to check to see if your current health care providers participate in a network in considering options for health coverage.

- **Drug Formularies:** For Qualified Beneficiaries taking medication, a change in health coverage may affect costs for medication – and in some cases, the medication may not be covered by another plan. Qualified beneficiaries should check to see if current medications are listed in drug formularies for other health coverage.

- **Severance payments:** If COBRA rights arise because the Employee has lost his job and there is a severance package available from the employer, the former employer may have offered to pay some or all of the Employee's COBRA payments for a period of time. This can affect the timing of coverage available in the Marketplace. In this scenario, the Employee may want to contact the Department of Labor at 1-866-444-3272 to discuss options.

- **Medicare Eligibility:** You should be aware of how COBRA coverage coordinates with Medicare eligibility. If you are eligible for Medicare at the time of the Qualifying Event, or if you will become eligible soon after the Qualifying Event, you should know that you have 8 months to enroll in Medicare after your employment –related health coverage ends. Electing COBRA coverage does not extend this 8-month period. For more information, see medicare.gov/sign-up-change-plan**.**

- **Service Areas:** If benefits under the Plan are limited to specific service or coverage areas, benefits may not be available to a Qualified Beneficiary who moves out of the area.

- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, the Plan requires participants to pay copayments, deductibles, coinsurance, or other amounts as benefits are used. Qualified beneficiaries should check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

Are there other coverage options besides COBRA Continuation Coverage? Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for Qualified Beneficiaries through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

5. What is the procedure for obtaining COBRA continuation coverage?

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

6. What is the election period and how long must it last?

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered Employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, as extended by the Trade Preferences Extension Act of 2015, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of 60 days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he or she and/or his or her family members may qualify for assistance under this special provision should contact the Plan Administrator or its designee for further information about the special second election period. If continuation coverage is elected under this extension, it will not become effective prior to the beginning of this special second election period.

7. Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

(a) the end of employment or reduction of hours of employment,

(b) death of the employee,

(c) commencement of a proceeding in bankruptcy with respect to the Employer, or

(d) entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

Elm Creek Public Schools
23 E Calkins Ave
Elm Creek, Nebraska 68836

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

8. Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

9. Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified

Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage.

10. When may a Qualified Beneficiary's COBRA continuation coverage be terminated?

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

(a) The last day of the applicable maximum coverage period.

(b) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.

(c) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.

(d) The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).

(e) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:

(1) (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or

(2) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

(a) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.

(b) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries ends on the later of:

(1) 36 months after the date the covered Employee becomes enrolled in the Medicare program. This extension does not apply to the covered Employee; or

(2) 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.

(c) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

(d) In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of $50 or 10% of the required amount.

17. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

18. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money than you have taken out in claims. For example, if you elected to contribute an annual amount of $500 and, at the time you terminate employment, you have contributed $300 but only claimed $150, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the $500. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

XI
SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

ADOPTING RESOLUTION

The undersigned authorized representative of Elm Creek Public Schools (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on January 14, 2019, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended Cafeteria Plan including a Health Flexible Spending Account and Dependent Care Flexible Spending Account effective September 1, 2018, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of Elm Creek Public Schools Flexible Benefit Plan as amended and restated, and the Summary Plan Description approved and adopted in the foregoing resolutions.

Date: January 14, 2019

Signed: JS

Jason Sullivan / Superintendent
[print name/title]