



COMPANY: The following named entity shall be the Company for all purposes under the Plan:

Company Name _____ Tax ID# _____

Business Address _____ City _____ State _____ Zip _____

The undersigned Company hereby establishes a single employer cafeteria plan pursuant to Section 125 of the Code by adopting the Redwood Health Services Code Section 125 Plan. Capitalized terms not defined herein shall have the meaning given to them in the Plan.

1. Adoption: The execution of this Adoption Agreement and the adoption of the IRS Code Section 125 Plan (the "Plan") shall establish a new: FSA [] / POP Plan [] / effective as of _____ (the "Effective Date").

AUTOMATIC RENEWAL [] N/A
The employer's Annual Elections will renew: [] Automatically [] Annually (requires new Adoption Agreement each year)

EMPLOYER (ONLY) FSA FUNDING [] N/A
Annual Medical FSA benefit _____ OR Pro-rated Medical FSA benefit _____

PAYROLL INFORMATION [] N/A
Payrolls in Plan Year _____ Date of first contribution _____ [] Weekly [] Bi-Weekly [] Semi-Monthly [] Monthly

EMPLOYEE (ONLY) FSA FUNDING [] N/A
The annual Salary reduction amount that a Participant may elect under this Plan shall be no more than:
Medical FSA Plan: \$ _____ Annual election
Dependent Care FSA Plan: \$ _____ Annual election
[] Elect Employee Rollover option \$ _____ (max \$640) OR [] Elect Grace Period _____ (up to 2 1/2 months)
If roll-over or grace are elected, there will be an additional \$1 PEPM fee. 90-day claims run-out period is automatic unless otherwise stated.

EMPLOYER TRANSPORTATION MAXIMUM - 132(f) Plan (Maximum amount employer will allow - not to exceed IRS max of \$315.) [] N/A
Transit \$ _____ Maximum employer allowed
Parking \$ _____ Maximum employer allowed

ENTRY DATE FOR NEW EMPLOYEES:

2(a.) Eligible Employees shall begin to participate in the Plan (referred to as the "Entry Date") with respect to all Component Plans on the first day of the month following the month in which the Eligible Employee completes the following Waiting Period (check only one):

[] 0 days [] 30 days [] 60 days [] 90 days [] Other _____

(b.) For purposes of determining whether an Eligible Employee has satisfied the Waiting Period selected in Section 2(a) above, prior service with the Company (including service rendered prior to the Effective Date of the Plan) (check only one):

[] Shall be counted OR [] Shall not be counted.

(c.) If the Company is establishing a new cafeteria plan as provided in Section 1 above, then Eligible Employees of the Company existing on the Effective Date shall (check only one, if applicable):

[] Begin participation in the Plan with respect to all Component Plans as of the Effective Date; OR

[] Begin participation in the Plan with respect to all Component Plans as of the Entry Date provided in Section 2(a) and (b) above.

3. ENTRY DATE FOR REHIRED EMPLOYEES:

Eligible Employees who were prior Participants in the Plan and are rehired by the Company shall be eligible to recommence participation in the Plan and all Component Plans as of their date of rehire if they are rehired within

(check only one): [] 30 days [] 60 days [] 90 days [] Other _____ of their previous termination of employment with the Company; OR, alternatively, [] All rehired employees shall be treated as a normal Eligible Employee and shall satisfy the applicable Waiting Period (if any) of Section 2(a) and (b) above.



BENEFITS PROVIDED UNDER THE PLAN: The Employer elects to offer to Eligible Employees the benefit plans and policies checked below, subject to the terms and conditions of the Plan. These component benefit plans and policies are incorporated into the Plan by reference herein. The maximum pre-tax premiums a Participant can contribute via the Salary Redirection Agreement is the total cost of the applicable benefit plans or policies selected minus any non-elective contribution made by the Employer. For federal tax purposes, such pre-tax premium accounts shall constitute an Employer contribution, but they may constitute Employee contributions for state insurance law purposes. Copies of the benefit plans or policies (or a list of eligible policy numbers) shall be attached as an appendix to this Plan.

- Accident Insurance
- Cancer Insurance
- Disability Income—Long Term (LTD)
- Disability Income—Short Term (A&S)
- Group Dental Coverage
- Group Medical Coverage
- Group Term Life Insurance
- Intensive Care Insurance
- Vision Care Coverage
- Dependent Care Reimbursement Expense (described in Section K.4 of the Plan)
- Medical Care Reimbursement Expense (described in Section F.4 of the Plan)
- All Approved IRS Covered Services
- Other _____

By executing this Adoption Agreement, the Company hereby understands that:

- Redwood Health Services will set up and maintain a Trust Account (FSA).
- Redwood Health Services, Inc. is not providing the Company with any tax or legal advice and the Company is encouraged to consult with tax and legal counsel concerning such matters; and
- This Adoption Agreement may only be used in conjunction with the Redwood Health Services Code Section 125 Plan.

By executing this Adoption Agreement, the Company hereby understands that:

IN WITNESS WHEREOF, this Adoption Agreement is hereby executed to be effective as of the Effective Date.

COMPANY NAME

SIGNATURE DATE

By: _____
SIGNATURE

PRINT NAME

TITLE



Redwood Health Services