

HEALTH REIMBURSEMENT ARRANGEMENT (HRA) SERVICE CONTRACT BETWEEN BENEFLEX, INC., AND

Employer: _____

Employer EIN: _____ Contact Person: _____

Phone: _____ FAX: _____ E-Mail: _____

Address: _____

This Service Contract is entered into on this ____ day of _____ 200 __, by and between BENEFLEX, INC., a corporation, hereinafter referred to as "BENEFLEX, INC.", and

_____, hereinafter referred to as "COMPANY".

WHEREAS, BENEFLEX desires to provide services to COMPANY for the benefit of its employees by operating a Health Reimbursement Arrangement, hereinafter referred to as "HRA", whose written Plan under Section 105 and Section 125 of the Internal Revenue Notice 2002, qualifies as a Health Reimbursement Arrangement.

WHEREAS, COMPANY desires to utilize such HRA administered by BENEFLEX.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the receipt and sufficiency whereof is hereby acknowledged, the parties agree as follows:

1. TERM: Subject to the provisions for termination, as hereinafter provided in paragraph 6, the term of this Service Contract shall commence at 12:01 a.m. Central time on the ____ day of, _____ 200 __ and shall continue through the last day of, _____ 200 __ at 12:00 p.m. Central time. Without notice of cancellation, this agreement is automatically renewed for a twelve (12) month period.

2. LOCATION: BENEFLEX, INC. shall provide services pursuant to this Service Contract at the principal place of business located at 2505 21st Avenue South, Suite 450, Nashville, Tennessee 37212, or at such other place of business as BENEFLEX, INC. may notify COMPANY in writing; such notification to be at least two (2) weeks prior to BENEFLEX, INC. commencing business at such location.

3. FUNDS: COMPANY shall retain possession of all funds directed into the HRA. On Tuesday of each week, if any of COMPANY'S participating employees have posted reimbursement request vouchers totaling Fifty (\$50.00) Dollars or more, or the remaining balance in their account, BENEFLEX will email or fax to COMPANY a current list of participants qualified for reimbursement and the amount of reimbursement needed for each participant. COMPANY has until noon on Wednesday of that week to contest any reimbursements. On Wednesday at noon, BENEFLEX will initiate an electronic funds transfer (EFT) to be effective for Thursday night from the COMPANY'S designated bank account for the exact amounts needed to meet the reimbursement obligations.

4. SERVICE FEE: BENEFLEX'S administrative fee is computed at FIVE (\$5.00) Dollars per month for each active participant as of the 28th day of each month. This fee will be discounted to FOUR (\$4.00) Dollars if COMPANY offers any other plan in the Beneflex benefit package. On the 28th day of each month, BENEFLEX agrees to provide COMPANY with a list of active participants via email or fax and COMPANY agrees to designate a bank account from which BENEFLEX may transfer its fee.

5. OBLIGATIONS OF BENEFLEX, INC.: BENEFLEX, INC. agrees to provide the following services:

- a. BENEFLEX will provide the COMPANY with all documents necessary to affect a HRA, including a written Plan Document and outline of benefits.
- b. BENEFLEX will conduct employee meetings, within reasonable distance of a BENEFLEX representative and as deemed necessary by BENEFLEX, to explain the benefit and assist employees with enrollment.
- c. BENEFLEX will provide enrollment application forms for each COMPANY employee.
- d. BENEFLEX will maintain a qualified staff to answer employee questions relating to the HRA and perform all duties to maintain the employee account in a prudent manner.
- e. BENEFLEX will transfer from COMPANY sufficient funds to meet COMPANY's reimbursement requirements. On Friday after such transfer, BENEFLEX will distribute those funds to participants for eligible charges. Participant distributions will be direct deposited to the employees' designated bank accounts.
- f. BENEFLEX will provide a detailed report of the activity of each employee's account each quarter by mail. BENEFLEX will also provide a current, detailed report on an interim basis, if requested by the participant.
- g. BENEFLEX will provide to COMPANY an accurate accounting of participants' account activities on the last day of each month either by email or fax.
- h. When requested, BENEFLEX will prepare the tax form 5500 C/R and Schedule F (required by the IRS) for those Plans that offer the HRA. If COMPANY's Plan offers other benefits in addition to the HRA, BENEFLEX will provide any information needed to assist COMPANY in the preparation of the HRA section of the tax forms.
- i. BENEFLEX will comply with all requirements and obligations as set forth in the HRA Plan.

6. OBLIGATIONS OF COMPANY: COMPANY agrees to comply with the following:

- a. COMPANY acknowledges that they have executed and will comply with all provisions of the HRA Plan.
- b. COMPANY acknowledges that they will make available to all COMPANY employees information regarding the HRA.
- c. COMPANY will allow the execution of a BENEFLEX originated EFT against its designated account, after being given proper notice by BENEFLEX, of reimbursement obligations that are to be immediately forwarded by BENEFLEX to participants for eligible reimbursement expenses.
- d. COMPANY, after proper notification by BENEFLEX, will allow the execution of a BENEFLEX originated EFT of its monthly service fee.
- e. COMPANY will allow BENEFLEX to conduct employee meetings to present this benefit, if practical, and will distribute enrollment literature to its locations.

7. TERMINATION: This Service Contract may be terminated upon any of the following events:

- a. Expiration of the Service Contract as stated in 1;

- b. Written mutual agreement of parties to terminate;
- c. Written notice of BENEFLEX, INC. or COMPANY should either party materially fail to comply with the terms of the Service Contract.
- d. Should COMPANY change ownership, then continuation of this Plan shall be at the new owner's discretion and may be terminated without penalties.
- e. Thirty (30) days written notice by either party to the other to terminate with or without cause.

8. INDEPENDENT RELATIONSHIP: It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Service Contract is intended, nor shall be construed, to create a principal/agency relationship, a joint venture relationship, to allow either party to exercise control over or direct affairs of the other party in the operation of its usual business.

9. NOTICES: All notices provided for in this Service Contract by COMPANY shall be submitted to BENEFLEX, INC. at 2505 21st Avenue South, Suite 450, Nashville, Tennessee 37212. All notices provided by BENEFLEX, INC. shall be submitted to COMPANY at address listed on page 1.

10. WHOLE AGREEMENT AND MODIFICATIONS: This Service Contract constitutes the whole agreement of the parties concerning the subject matter hereof. The parties hereby acknowledge that there are no agreements or understandings of any nature, oral or written, apart from this Service Contract. This Service Contract shall be binding upon the parties, their successors and assignees. No alteration, change or amendment to this Service Contract, or an extension of it, shall be effective for any purpose unless and until mutually agreed to between the parties in writing. No oral modifications shall be effective for any purpose.

11. SEVERABILITY: Should any portion of this Service Contract be deemed invalid by a Court, the remainder shall remain in full force and effect and the invalid portions shall be struck from the Service Contract and modified as a Court may order.

12. GOVERNING LAW: This Service Contract shall be governed by the laws of the State of Tennessee.

BENEFLEX, INC.

COMPANY

 Title Date

 Title Date

For Beneflex generated Drafts: NAME OF BANK: _____

ROUTING NUMBER:

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ACCOUNT NUMBER:

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BENEFLEX AGENT NAME: (Please Print)

BENEFLEX AGENT SIGNATURE:

AGENT ID NUMBER: _____

AGENT PHONE: _____