ARTICLE 1: PREAMBLE

1.1 Adoption and effective date of amendment. The employer adopts this Amendment to the Full Flex Cafeteria Plan of the employer identified below ("Plan") to reflect provisions of the Affordable Care Act of 2010 (the Patient Protection & Affordable Care Act) and the Health Care and Education Reconciliation Act pertaining to SIMPLE Cafeteria Plans. The sponsor intends this Amendment as good faith compliance with the requirements of these provisions. This Amendment shall be effective on or after the date the employer elects in Section 2.1 below.

1.2 Supersession of inconsistent provisions. This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

1.3 Construction. Except as otherwise provided in this Amendment, any reference to “Section” in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section, or other number designations.

ARTICLE II: ELECTIONS

2.1 Effective Date. The provisions of this Amendment, unless otherwise indicated are effective as of ________________________ (enter a date that is not earlier than January 1, 2011).

2.2 Excluded Employees: The employer elects to exclude the following employees (select all that apply):

   a. ________ employees who have not attained age ________ (no later than 21) before the close of a Plan Year.

   b. ________ employees who have less than ________ month(s) of Service with the employer during the Plan Year (no more than 12 months of service or 1,000 hours).

   c. ________ employees who are covered under an agreement which the Secretary of Labor finds to be a collective bargaining agreement if there is evidence that the benefits covered under the cafeteria plan were the subject of good faith bargaining between employee representatives and the employer.

   d. ________ employees who are described in Code Section 410(b)(3)(C) (relating to non-resident aliens working outside the United States).

   Note: Any existing exclusion of employees in the existing Plan is overridden by the selections above.

2.3 Employer Contribution: The employer elects the following contribution, which shall be convertible to cash unless selected at b. below:

   a. ________ Non-elective contributions ________% (not less than 2%) of the eligible employee’s compensation for the Plan Year.

   b. ________ Cashout Provisions. This contribution shall not be convertible to cash.

ARTICLE III: SIMPLE CAFETERIA PLAN PROVISIONS

3.1 SIMPLE PROVISIONS

   a. This Plan is intended to be a “simple cafeteria plan” which satisfies the requirements of Code Section 125(j).

   b. The provisions of this Article apply for a Plan Year only if the following conditions are met:

      1. The employer adopting this provision is an eligible employer. An “eligible employer” means, with respect to any year, an employer who employed an average of 100 employees or fewer on business days during either of the two preceding years.

      2. If the employer was not in existence during the preceding year, the determination of the number of employees shall be based on the average number of employees that is reasonably expected to be employed by the
employer on business days in the current Plan Year.

3. An eligible employer who has elected to use the simple provisions but fails to be an "eligible employer" for any subsequent year, is treated as an "eligible employer" for any subsequent year with respect to employees (whether or not employees during a qualified year) of any trade or business which was covered by the plan during any qualified plan.

4. The employer shall cease to be an eligible employer if the employer employs an average of 200 or more employees on business days during any year preceding any such subsequent year.

c. To the extent that any other provision of the Plan is inconsistent with the provisions of this Article, the provisions of this Article govern.

3.2 DEFINITIONS

a. "Compensation" means, for purposes of this Article, the sum of the wages, tips, and other compensation from the employer subject to federal income tax withholding (as described in Code Section 6051(a)(3)) and the employee's salary reduction contributions made under any 401(k) plan, and, if applicable, elective deferrals under a Code Section 408(p) SIMPLE plan, a SARSEP, or a Code Section 403(b) annuity contact and compensation deferred under a Code Section 457 plan, required to be reported by the employer on Form W-2 (as described in Code Section 6051(a)(8)). "Compensation" also includes amounts paid for domestic service (as described in Code Section 3401(a)(3)). The provisions of the Plan implementing the limit on Compensation under Code Section 401(a)(17) apply to the "compensation" under this Article.

"Compensation" also includes elective contributions that are made by the employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), and 132(f)(4).

b. "Eligible Employee" means, for purpose of this Article, any employee who has completed at least 1,000 hours of service during the preceding Plan Year and is eligible to participate. Regardless of anything in the Plan to the contrary, any group excluded at Section 2.2 shall not be eligible to participate in the Plan.

c. "Qualified Employee" means, for purposes of this Article, any employee who is not a Highly Compensated employee of a Key employee.

1. "Highly Compensated Employee" means an employee described in Code Section 414(q) and the Regulations thereunder, and generally means any employee who:

(a) was a "five percent owner" of the employer at any time during the "determination year" or the "look-back year." "Five percent owner" means any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent of the outstanding stock of the employer or stock possessing more than five percent of the total combined voting power of all stock of the employer or, in the case of an unincorporated business, any person who owns more than five percent of the capital or profits interest in the employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Codes Sections 414(b), (c), (m), and (o) shall be treated as separate employers; or

(b) for the "look-back year" had 415 Compensation from the employer in excess of $80,000. The $80,000 amount is adjusted at the same time and in the same manner as under Code Section 415(d), except that the base period is the calendar quarter ending September 30, 1996.

The "determination year" means the Plan Year for which testing is being performed, and the "look-back year" means the immediately preceding twelve (12) month period. However, the purposes of (b) above, the "look-back year" shall be the calendar year beginning within the twelve (12) month period immediately preceding the "determination year."

In determining who is a Highly Compensated Employee, employees who are nonresident aliens and who received no earned income (within the meaning of Code Section 911(d)(2)) from the employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as employees. If an employee who is a nonresident alien has U.S. source income, that employee is treated as satisfying this definition if all of such employee's
U.S. source income form the employer is exempt from U.S. income tax under an applicable income tax treaty. Additionally, all Affiliated employer shall be taking into account as single employer and Leased employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered employees unless such Leased employees are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the employer. The exclusion of Leased employees for this purpose shall be applied on a uniform and consistent basis for all of the employer’s retirement plans. Highly Compensated Former employees shall be treated as Highly Compensated employees without regard to whether they performed services during the “determination year.”

2. “Key Employee” means an employee as defined in Code Section 416(i) and the Regulations thereunder. Generally, any employee or former employee (as well as each of the employee’s or former employee’s beneficiaries) is considered a key employee if the employee or former employee, at any time during the Plan Year that contains the “determination date” is described in one of the following categories:

(a) an officer of the employer (as that term is defined within the meaning of the Regulations under Code Section 416) having annual 415 Compensation greater than $130,000 (as adjusted under Code Section 416(i)(1)).

(b) a “five percent owner” of the employer. “Five percent owner” means any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent (5%) of the outstanding stock of the employer or stock possessing more than five percent (5%) of the total combined voting power of all stock of the employer or, in the case of an unincorporated business, any person who owns more than five percent (5%) of the capital or profits interest in the employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), (m), and (o) shall be treated as separate employers. However, in determining whether an individual has 415 Compensation of more than $150,000, 415 Compensation from each employer required to be aggregated under Code Sections 414(b), (c), (m), and (o) shall be taken into account.

In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), (m), and (o) shall be treated as separate employers. However, in determining whether an individual has 415 Compensation of more than $150,000, 415 Compensation from each employer required to be aggregated under Code Sections 414(b), (c), (m), and (o) shall be taken into account.

3.3 CONTRIBUTIONS

a. Salary Reduction contributions. Each Eligible employee may make a salary reduction as set forth in the Plan.

b. Employer contributions. An eligible employer must make the contribution selected at Section 2.3. It may also make additional employer Contributions as set forth in the Plan.

3.4 NON-DISCRIMINATION TESTS

The Plan is treated as meeting the requirements of Code Sections 79(d), 105(h), 125(b), and 129(d)(2), (3), (4), and/or (8) for any Plan Year for which the provisions of this Article are effective and satisfied.