



Commuter
Ease

Plan Document

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ABOUT THE PLAN DOCUMENT

The *Plan Document* is the legal outline of your plan and must be followed according to the specified plan set-up as specified in the Plan Adoption Agreement, incorporated by reference herein. In the case of any conflict between this Plan Document, the Summary Plan Description, and/or any other reference materials provided to you or your Participants, this Plan Document will control. You should keep a copy of the *Plan Document* available at all times and, when necessary, use it as a reference tool.

ARTICLE 1 - PURPOSE

This document, together with the *Plan Adoption Agreement* as completed and adopted by the Employer, sets forth the “CommutEase Transportation Fringe Benefit Plan” or the “Plan.” The purpose of the Plan is to furnish Participants an opportunity to receive certain nontaxable transportation related benefits provided by the Employer in lieu of taxable compensation.

The Plan is intended to qualify as a “qualified transportation fringe benefit plan” within the meaning of Code §132(f) and its implementing regulations, as amended from time to time. The Transportation Benefits provided hereunder are intended to be excludable from the Participant’s income under Code §132(f).

ARTICLE 2 - DEFINITIONS

Section 2.1: **Administrator** means the Employer or a person or entity appointed by the Employer to function in this capacity.

Section 2.2: **Benefit Month** means a calendar month during which eligible Transportation Expenses can be incurred.

Section 2.3: **Code** means the Internal Revenue Code of 1986, as amended.

Section 2.4: **Commuter Highway Vehicle (Vanpool)** means a highway vehicle that has a seating capacity of at least six (6) adults and at least 80% of the mileage for the year is used to transport Employees between their residence and their place of employment. A complete description of Commuter Highway Vehicle is found in the Article titled *Transit Account Details*.

Section 2.5: **Commuter Highway Vehicle Expenses** means expenses incurred or paid for transportation in a Commuter Highway Vehicle (Vanpool).

Section 2.6: **Compensation Reduction** means the amount by which the Participant’s compensation is reduced on a pre-tax basis and applied by the Employer under this Plan to pay for Transportation Expenses.

Section 2.7: **Eligible Employee** means an Employee who is eligible to participate in this Plan as provided in the Eligibility section of the *Plan Adoption Agreement*.

- Section 2.8:** **Employee** means an employee as determined under common law. Therefore, an independent contractor or self-employed individual is not an Employee. The following are not common law employees:
- (a) employees paid through a staffing agency or other temporary employment service
 - (b) self-employed individuals under Code §401(c)(1)
 - (c) partners
 - (d) more-than-2% shareholders of a Subchapter S Corporation
- Section 2.9:** **Employer** means the employer named in the *Plan Adoption Agreement* and, unless the context herein means otherwise, any affiliate which adopts the Plan with the written consent of the Employer.
- Section 2.10:** **Employer Contribution** means an amount from the Employer credited to the Transportation Account of a Participant in the Plan. Employer Contributions shall be available only to pay Transportation Expenses and to the extent not so used prior to termination, shall be forfeited.
- Section 2.11:** **Enrollment Period** means the period before the tenth (10th) day of the month (or in the case of the Long Island and Metro North Rail (NYC), the fourth (4th) day of the month) prior to the applicable Benefit Month for which an Eligible Employee must make an election to participate in the Plan.
- Section 2.12:** **Parking Account** means a recordkeeping account for the purposes of tracking orders, reimbursements, balances and forfeitures incurred for Qualified Parking Expenses.
- Section 2.13:** **Participant** means a person who is an Eligible Employee and who has one or more of the following:
- (a) carries an account balance
 - (b) has an active Commuter Check Prepaid MasterCard^{®1} (Commuter Check Card)
 - (c) has any account activity.
- Section 2.14:** **Qualified Parking Expenses** means expenses incurred or paid for Qualified Parking. A complete definition of Qualified Parking Expenses is found in the Article titled *Parking Account Details*.
- Section 2.15:** **Transit Account** means a recordkeeping account for the purposes of tracking orders, balances and forfeitures incurred for both Transit Pass Expenses and Commuter Highway Vehicle (Vanpool) Expenses.
- Section 2.16:** **Transportation Account** means a recordkeeping account established by the Administrator for the purpose of tracking elections, reimbursements, balances, and forfeitures incurred for Transportation Expenses.

¹ The Commuter Check Prepaid Mastercard is issued by The Bancorp Bank pursuant to license by Mastercard International Incorporated. The Bancorp Bank; Member FDIC. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

- Section 2.17:** **Transportation Benefits** means benefits in the form of reimbursements or pre-tax payroll deductions for Transportation Expenses to Participants of the Plan.
- Section 2.18:** **Transportation Expenses** means those eligible expenses incurred or paid by the Participant for Transit Pass Expenses, Commuter Highway Vehicle Expenses (Vanpool) and/or Qualified Parking Expenses incurred or paid for purposes of transportation between an Employee's residence and place of employment.
- Section 2.19:** **Transit Pass Expenses** means expenses incurred or paid for any pass, token, farecard, Voucher, or similar item that entitles a person to transportation. A complete definition is found in the Article titled *Transit Account*.
- Section 2.20:** **Voucher** means an instrument purchased by the Participant that can be used to purchase either: transit passes, tickets, cards, or other fare media from a transit authority or vanpool provider; or to pay for Qualified Parking Expenses.
- Section 2.21:** **WiredCommuter** refers to the web-based online ordering platform that Participants access via Employee Benefits Corporation's company website (www.ebcflex.com) to manage their Transportation Account(s) and order Transportation Benefits.

ARTICLE 3 - PARTICIPATION

- Section 3.1:** **Commencement of Participation.** An Eligible Employee shall become a Participant on the first day of the first Benefit Month provided the Employee is still an Eligible Employee on that day.
- Section 3.2:** **Election to Participate.** Each Eligible Employee may elect to participate in one or more Transportation Accounts of the Plan offered by the Employer as set forth in the *Plan Adoption Agreement*. Once an Employee has met the Plan's eligibility requirements, the Employee may elect coverage on the WiredCommuter online ordering platform during the Enrollment Period prior to the applicable Benefit Month. The election will not automatically renew unless the Participant selects such option using WiredCommuter. Eligible Employees may elect additional post-tax contributions to cover the cost of Transportation Expenses above the amount that may be contributed on a pre-tax basis as defined by the Code. Both pre-tax and post-tax contributions elected by a Participant are available on WiredCommuter to enable Participants to obtain Transportation Benefits.
- Section 3.3:** **New Elections Permitted for Transportation Benefits in a Future Month.** A Participant or Eligible Employee may make a new election, change their election or make no election at all for Transportation Benefits during the Enrollment Period prior to the Benefit Month.
- Section 3.4:** **Election Irrevocable During Benefit Month.** A Participant's election under the Plan is irrevocable for the duration of the Benefit Month to which it relates. Participants may not change any elections for the duration of the Benefit Month regarding:
- (a) participation in this Plan;
 - (b) Compensation Reduction amounts; or
 - (c) election of particular Transportation Benefits.

Section 3.5: Termination of Participation. A Participant will cease to be a Participant in this Plan upon the occurrence of any of the following:

- (a) Plan is terminated by the Employer;
- (b) the Employee ceases to be an Eligible Employee;
- (c) the Participant terminates employment with the Employer; or
- (d) the Participant's Benefit Month ends, if the Participant has not at that time made an election for any future Benefit Month.

Section 3.6: Participation Following Termination of Employment or Loss of Eligibility. An Employee that ceases to be a Participant for any reason other than termination of this Plan, must satisfy the Plan's eligibility requirements regardless of any prior period of participation in this Plan or any service prior to the individual's current service as an Employee, in order to once again become a Participant.

ARTICLE 4 - TRANSPORTATION ACCOUNTS

Section 4.1: Establishment of Transportation Account. The Administrator will establish and maintain one account with respect to each Participant who has elected to participate in the qualified parking benefit and one account for each Participant who has elected to participate in the transit pass and/or commuter highway vehicle (vanpool) benefit but will not create a separate fund or otherwise segregate assets for this purpose. These accounts are merely recordkeeping accounts.

(a) Crediting of Accounts. The Participant's applicable Transportation Account will be credited each month with an amount equal to the Employer contribution, if any, the Participant's Compensation Reductions, and any further post-tax contribution by the Participant, if any, elected to be allocated to such account.

(b) Debiting of Accounts. The Participant's applicable Transportation Account will be debited during each month for orders or reimbursement of Transportation Expenses incurred or paid during the month.

(c) Available Amount Based on Credited Amount. The amount available for orders or reimbursement of Transportation Expenses may not exceed the year-to-date amount withheld from the Participant's compensation for orders or reimbursements less any prior orders or reimbursements; it is based on the amount credited to the Transportation Account at a particular point in time. Thus, a Participant's Transportation Account may not have a negative balance during a Month in which the Participant is covered by the Plan.

Section 4.2: Benefit Costs. The monthly cost for a Participant's Transportation Benefits is equal to the monthly benefit elected by the Participant including both pre-tax and post-tax contributions.

Section 4.3: Eligible Transportation Expenses. Eligible Transportation Expenses are those Transportation Expenses *incurred* or *paid* (see next paragraph) during the month for which an election is in force, provided that the Participant is currently an Eligible Employee at the time the Transportation Benefit is "provided." The date on which

Transportation Benefits are “provided” is the date the Employee receives a Voucher or similar item; or in any other case, the date the Employee uses the Transportation Benefit.

A Transportation Expense is *incurred* at the time the transportation service giving rise to the expense is furnished. A Transportation Expense is *paid* when the Participant formally pays for the service. It is not paid when the Participant is formally billed or charged for the service.

- Section 4.4: MCC-Restricted Debit Cards.** If offered by the Employer, a Participant may pay for Transit Expenses or Qualified Parking Expenses using the Commuter Check Card, an MCC-restricted debit card that meets the following requirements:
- (a) Merchant Category Codes (MCC).** The Commuter Check Card must be restricted for use only at merchants assigned an MCC by the card network/association indicating that the merchant
 - (1) sells fare media for some or all of the following categories: local and suburban commuter passenger transport; passenger railway; bus lines, excluding charters and tours; and transportation services, or
 - (2) operates a parking facility.
 - (b) Separate Sub-Accounts.** The Commuter Check Card must have separate sub-accounts for Qualified Parking Expenses and Transit Expenses, if applicable.
 - (c) Certification and Receipts.** A Participant must certify that the Commuter Check Card is used only to purchase transit or qualified parking benefits. Thereafter, the Participant must recertify at least annually that the Commuter Check Card is used only to purchase transit or qualified parking benefits. Participants are required to maintain documentation for any purchases made with the Commuter Check Card.

Section 4.5: Termination. Participants who terminate employment or lose eligibility can no longer participate in the Plan.

Section 4.6: Compensation Reduction Balance Upon Termination of Coverage. As of the date that any elected coverage under this Plan terminates, if a Participant’s year-to-date Compensation Reductions exceed or are less than the Participant’s required contributions for the coverage, then the Employer will, as applicable, either return the excess to the Participant as additional taxable wages, or recoup the due Compensation Reduction amounts from any remaining compensation. This rule is intended to apply when due to payroll practices, a Participant’s year-to-date Compensation Reductions exceed what the employee owes for the Benefit Month preceding the termination date. Forfeiture rules do not apply to excess Compensation Reductions as described in this Section.

Section 4.7: Forfeiture of Unused Amounts Where Participant Ceases to Participate. Any balance consisting of Compensation Reductions or Employer Contributions that remains in a Transportation Account after an individual ceases to be a Participant as described in the Article titled *Participation* and after all permitted reimbursements have been made for Transportation Expenses incurred or paid through the date that

individual ceases to be a Participant, shall be forfeited. Any amounts forfeited under this Plan shall be forfeited to the Employer, who may use them at any time and for any purpose. A Participant shall have no rights with respect to forfeited amounts.

Any contributions made by the Participant on a post-tax basis will be returned to the Participant. A check will be issued by the Administrator within a reasonable time frame following termination or loss of eligibility.

ARTICLE 5 - TRANSIT ACCOUNT DETAILS

Section 5.1: Description of Transit Account. The Transit Account includes two types of Transportation Benefits: transit pass benefits and Commuter Highway Vehicle (Vanpool) benefits. An Eligible Employee can elect to participate in this Plan by electing:

- (a) to receive benefits subject to the limits described in the Section titled *Combined Monthly Statutory Limit for Transit Pass Expenses and Commuter Highway Vehicle (Vanpool) Expenses*
- (b) to pay for the Participant's share of the cost for such benefits with Compensation Reduction.

Additional post-tax contributions may be used to pay for the cost of Transit Pass Expenses or Commuter Highway Vehicle Expenses in excess of the pre-tax limit. All Transit Passes and Vouchers must be purchased through WiredCommuter.

Section 5.2: Transit Account Orders. The Transit Account allows the Participant to pay for Transit Pass Expenses by ordering through WiredCommuter. Participants may purchase Transit Pass Expenses directly, or by Commuter Check Card or Commuter Check Voucher.

Section 5.3: Transit Pass Expenses. Transit Pass Expenses are expenses incurred or paid for any pass, token, fare card, Voucher or similar item (including an item exchanged for fare media) that entitles a person to transportation (or transportation at a reduced price) if such transportation is:

- (a) on any mass transit (such as train, bus, subway or ferry), whether or not publicly owned
- (b) provided by any persons in the business of transporting persons for compensation or hire if such transportation is provided in a highway vehicle with a seating capacity of at least six adults (excluding the driver)

Section 5.4: Cash Reimbursement for Transit Passes. Cash reimbursement is not permitted for Transit Pass Benefits.

Section 5.5: Commuter Highway Vehicle Expenses. Commuter Highway Vehicle Expenses are expenses incurred or paid for transportation in a Commuter Highway Vehicle if such transportation is provided to an Employee in connection with travel between the Employee's residence and place of Employment.

Section 5.6: Commuter Highway Vehicle. A Commuter Highway Vehicle is any highway vehicle:

- (a) that has a seating capacity of at least six (6) adults (excluding the driver), and
- (b) for which at least eighty percent (80%) of the mileage for a year is reasonably expected to be used:
 - (1) for purposes of transporting Employees in connection with travel between their residences and their places of Employment, and
 - (2) on trips during which the number of Employees transported for such purposes is at least one-half (1/2) of the adult seating capacity of such vehicle (excluding the driver).

Section 5.7: Operation of Commuter Highway Vehicles. Commuter Highway Vehicles may be operated by an Employer, by Employees operated independently of the Employer, by public transit authorities or by any person in the business of transporting persons for compensation or hire. A Commuter Highway Vehicle is operated by or for the Employer if the Employer contracts with and pays a third party to provide vehicles and some or all of the costs of operating the vehicles.

Section 5.8: Combined Monthly Statutory Limit for Transit Pass Expenses and Commuter Highway Vehicle (Vanpool) Expenses. Pre-tax amounts for combined expenses for Transit Pass Expenses and Commuter Highway Vehicle (Vanpool) Expenses will not exceed the monthly value as set forth in Code § 132(f), as adjusted for inflation. Please reference the *My Company Plan* for the current limits. Post-tax contributions can be used to cover any additional costs during the Benefit Month. Employer contributions are allocated towards the pre-tax limit.

ARTICLE 6 - PARKING ACCOUNT DETAILS

Section 6.1: Description of Qualified Parking Benefits. An Eligible Employee can participate in this Plan by electing:

- (a) to receive benefits for Qualified Parking Expenses, subject to the limits described in the Section titled *Monthly Statutory Limit for Qualified Parking Expenses*. Additional post-tax contributions may be made to pay for the cost of Qualified Parking Expenses in excess of the pre-tax limit.
- (b) to pay the Participant's share of the cost for such benefits with Compensation Reduction.

Section 6.2: Parking Account using WiredCommuter. Participants select among the available payment options on the WiredCommuter online ordering platform to pay for Qualified Parking Expenses:

- (a) **Direct Pay.** WiredCommuter sends a check directly to the Participant's parking provider.
- (b) **Commuter Check Voucher.** WiredCommuter issues a voucher to the Participant made payable to the Participant's parking provider.

- (c) **Commuter Check Card.** A prepaid debit card that allows a Participant to swipe at eligible parking facilities
- (d) **Parking - Cash Reimbursement Account.** The Parking - Cash Reimbursement Account allows the Participant to be reimbursed for Qualified Parking Expenses as outlined in the Article titled *Reimbursement Rules for the Parking- Cash Reimbursement Account*.

Section 6.3: **Qualified Parking Expenses** are expenses incurred or paid for Qualified Parking that is either:

- (a) on or near the Employer's business premises (including parking on or near the Employee's regular place of employment)
- (b) at a location from which the Employee commutes to his or her regular place of Employment, including commuting by any of the following
 - (1) carpool (an arrangement under which two or more individuals commute together in a motor vehicle on a regular basis)
 - (2) Commuter Highway Vehicle (Vanpool) or
- (c) mass transit.

Section 6.4: **Exclusion from Qualified Parking Expenses.** Notwithstanding the above, Qualified Parking Expenses do not include any of the following:

- (a) parking on or near property used by the Employee for residential purposes
- (b) the value of parking provided to an Employee that is excludable from his or her gross income as a working condition fringe under Code §132(a)(3)
- (c) reimbursements paid to the Employee for parking costs that are excludable from his or her gross income as an amount paid under an accountable plan.

Section 6.5: **Monthly Statutory Limit for Qualified Parking Expenses.** Pre-tax reimbursements for Qualified Parking Expenses will not exceed the monthly value as set forth in Code § 132(f), as adjusted for inflation. Please reference the *My Company Plan* for the current limits. If an Employee obtains a qualified parking space as a result of membership in a carpool or vanpool, the monthly limit for Qualified Parking Expenses shall apply to the individual designated as the *prime member* in accordance with Treas. Reg. § 1.132-9(b), Q/A-21(f). Post-tax contributions can be used to cover any additional costs during the Benefit Month. Employer contributions are allocated towards the pre-tax limit.

ARTICLE 7 - REIMBURSEMENT RULES FOR THE PARKING - CASH REIMBURSEMENT ACCOUNT

Section 7.1: **Reimbursement Substantiation.** The reimbursement request shall contain all of the following:

- (a) the name of the Participant incurring the expense

- (b) the nature and date of the expense incurred or paid
- (c) the amount of the requested reimbursement
- (d) the name of the person, organization, or entity to whom the expense was paid
- (e) a statement that the expenses have not otherwise been paid (and are not expected to be paid) from any other source

The reimbursement request shall be accompanied by bills, invoices, or other statements from an independent third party showing the amounts of Qualified Parking Expenses, together with any additional documentation that the Administrator may request. The information requested from the Participant may vary depending on the facts and circumstances surrounding the expenses, including the method of payment. For example, where no third party is able to provide a statement, the Administrator may accept the employee certification.

Section 7.2: Reimbursement Timing. Requests for reimbursement must be submitted no later than 180 days after the expense is incurred. Within a reasonable period of time not to exceed 30 days after receipt by the Plan of a reimbursement request from a Participant, the Plan will reimburse the Participant for the Participant's Qualified Parking Expenses (if the Administrator approves the request), or the Plan will notify the Participant that his or her claim has been denied. Such notifications will set out the reasons the request was denied.

Section 7.3: Denied Benefits. If a Parking - Cash Reimbursement request under this Plan is wholly or partially denied, a written notice of denial shall be furnished to the claimant within a reasonable period of time, not to exceed 30 days after receipt of the claim by WiredCommute. Upon receipt of a denial, the claimant must within 45 days appeal the request in writing the denial to WiredCommute (seeking reconsideration of the denial).

Section 7.4: Maximum Benefits.

(a) Maximum Reimbursement Available; Statutory Limitations. Payment shall be made to the Participant in cash as reimbursement for Qualified Parking Expenses paid during the Benefit Month in which the Participant's election is effective, provided that the other requirements of this Article have been complied with. No payment due to Participant under this Article shall exceed the smaller of either:

- (1) the year-to-date amount that has been withheld from the Participant's compensation for reimbursement for Qualified Parking Expenses for the Benefit Month, less any prior reimbursements for such expenses during the Benefit Month, or
- (2) the monthly statutory limit for Qualified Parking Expenses, as defined in the Article titled *Parking Account Details*.

(b) Carry-Over of Unused Amounts When Participating in Plan. If any balance remains in the Participant's Parking - Cash Reimbursement Account for a Benefit Month after all reimbursements have been made for the Benefit Month, such

balance shall be carried over to reimburse the Participant for Qualified Parking Expenses incurred or paid during subsequent Benefit Months, as long as the Participant continues to participate in the Plan in the following month.

Section 7.5: Reimbursement After Termination or Loss of Eligibility. When a Participant ceases to be a Participant because the Plan is terminated by the Employer, the Employee ceases to be an Eligible Employee, or the Participant terminates employment with the Employer as described under the Article titled *Participation*, the Participant (or the Participant's estate) may request reimbursement for any Qualified Parking Expenses incurred prior to the loss of eligibility date, provided that the Participant (or the Participant's estate) files a request no later than 90 days after the Participant ceases to be a Participant.

Amounts remaining in the Employee's Parking - Cash Reimbursement Account after such 90-day period shall be forfeited to the Employer.

ARTICLE 8 - GENERAL PROVISIONS

Section 8.1: Powers of the Administrator. Benefits under the Plan shall be paid only if the Administrator decides in its discretion that the Participant is entitled to them. The Administrator shall have such powers as are necessary or appropriate for the Administrator to discharge its duties under the Plan. The Administrator may, at any time, require any Participant to amend the amount of his/her salary reductions if the Administrator determines that such action is necessary in order to satisfy any of the Code's monthly statutory limits.

Section 8.2: Third-Party Service Provider. The Administrator may employ the services of such persons as it may deem desirable or necessary in connection with the operation of the Plan. Unless otherwise provided by contract, obligations under this Plan shall remain the obligation of the Administrator.

Section 8.3: Funding. All benefits payable under the Plan shall be paid from the general assets of the Employer. No funds are required to be set aside for the payment of benefits. While the Employer has complete responsibility for the payment of benefits out of its general assets, it may hire an outside paying agent to make benefit payments on its behalf.

Section 8.4: Credits and Forfeitures for Certain Expenses. Participants will receive a credit to their applicable Transportation Account for Transit and Qualified Parking Expenses if Vouchers or passes are returned, a balance remains on the Commuter Check Card, or in the event of an overpayment to a parking provider. The Participant must use the credit within two (2) months or the credit is forfeited to the Employer. Any Transportation Account benefit payments that are unclaimed (e.g., uncashed benefit checks) by the close of the year following the Benefit Month in which the Transportation Expense was incurred or paid shall be forfeited to the Employer.

Section 8.5: Tax Consequences. The Plan is intended to qualify as a qualified transportation fringe under Code § 132(f). Coverage and benefits under the Plan are intended to be excluded from the Participant's gross income as described above. Any Plan provision

that conflicts with the Code shall be deemed amended to comply with the Code. Nevertheless, the Employer and the Administrator do not guarantee any particular tax consequences.

- Section 8.6: Effect of Mistake.** In the event of a mistake regarding the eligibility or participation of an Employee, the allocations made to the account of any Participant, or the amount of benefits paid to a Participant or other person, the Administrator shall, to the extent it deems possible, correct the mistake. Corrections may include allocating, withholding, accelerating or otherwise adjusting amounts as the Administrator in its sole discretion determines will provide the credits or distributions to which a Participant or the Employer is properly entitled under the Plan. Such action by the Administrator may include withholding from compensation amounts due to the Plan or the Employer.
- Section 8.7: No Contract of Employment.** Nothing in this Plan shall be construed to create a contract to employ anyone.
- Section 8.8: Assignability of Rights.** No Participant may assign to any third party (and no creditor of any Participant may take) the Participant's right to receive any benefit under the Plan.
- Section 8.9: Amendment and Termination.** The Employer may amend or terminate this Plan at any time. Unless otherwise provided, any such amendment or termination shall automatically extend to the Plan as adopted by any employer affiliated with the primary Employer.
- Section 8.10: Governing Law.** This Plan shall be construed, administered, and enforced according to the laws of the state in which the Employer is domiciled, to the extent not to supersede the Code or any other Federal law.
- Section 8.11: Indemnification of Employer.** If any Participant receives one or more payments or reimbursements that are not for Transportation Expenses, such Participant shall indemnify and reimburse the Employer for any liability that it may incur for failure to withhold Federal income taxes, Social Security taxes, or other taxes from such payments or reimbursements.