

SECURITY BENEFIT FLEXIBLE BENEFITS PLAN

ADOPTION AGREEMENT

Security Benefit Life Insurance Company and certain of its affiliates ("Security Benefit") provide administrative services related to flexible spending arrangements ("FSAs") offered through a cafeteria plan governed by section 125 of the Internal Revenue Code of 1986, as amended (a "section 125 plan"), through a separate service agreement(s) entered into by or on behalf of adopting employers ("employers"). This Adoption Agreement must be used in conjunction with the Security Benefit Flexible Benefits Plan Basic Plan Document (the "Basic Plan Document"), as described in greater detail below.

This Adoption Agreement consists of two parts, both of which set forth elections intended to supplement the Basic Plan Document. "Part I" includes elections that must be made by each employer with respect to its FSA(s), in order to direct Security Benefit with respect to proper administration of such FSA(s) and to provide the basic terms governing such FSA(s), including terms intended to reflect compliance with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to such FSA(s). To the extent that an employer elects only to complete Part I of this Adoption Agreement, the employer's elections under such Part I and the Basic Plan Document will make up the primary document governing its section 125 plan and references to the "Plan" and the "Plan Document" herein are intended to refer only to the employer's Part I elections and corresponding provisions of the Basic Plan Document. In any event, Part I of this Adoption Agreement must be completed, signed, and dated by each employer and returned to Security Benefit for its review, in order to ensure that Security Benefit's administration of the FSA(s) is consistent with the Plan Document.

"Part II" of this Adoption Agreement sets forth additional elections that an employer, in its sole discretion and on a strictly voluntary basis, may elect to complete with respect to other, non-FSA benefits offered under its general section 125 plan. To the extent the employer elects to complete Part II of this Adoption Agreement, in addition to the required elections under Part I, the employer's elections under both Parts and the Basic Plan Document will make up the primary document governing its section 125 plan and references to the "Plan" and the "Plan Document" herein are instead intended to refer only to the employer's Part I and II elections and corresponding provisions of the Basic Plan Document. To the extent that an employer elects, at its option, to complete Part II of this Adoption Agreement, it should also sign and date Part II where indicated. However, Part II need not be returned to Security Benefit and will not be reviewed by Security Benefit for potential compliance issues.

A copy of the current Basic Plan Document should be obtained from Security Benefit before an employer signs this Adoption Agreement, regardless of whether the employer elects to complete Part II of the agreement. Capitalized terms not defined herein will be defined in accordance with the Basic Plan Document.

The Plan Document is intended to address only those administrative provisions and concerns that directly relate to the provision of the FSAs, as applicable, and certain other health and welfare benefits ("underlying benefits") that may be offered through a section 125 plan, based on the employer's optional completion of Part II of this Adoption Agreement. However, certain provisions intended to address section 125 plan-related issues may also supplement or conflict with the terms that apply to underlying benefits

*offered by an employer. To the extent that the terms of one or more other plan documents adopted by an employer with respect to underlying benefits other than an FSA are inconsistent with the Plan Document, the terms of the other plan document(s) will govern, unless such plan document(s) specifically states otherwise. **Although the Plan Document is intended to reflect basic current laws applicable to a section 125 plan, Security Benefit is not responsible for oversight of compliance with any applicable laws by an employer, with respect to the Plan or underlying benefits, including without limitation any applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Code, and/or state or local insurance or other laws (collectively, "Laws"). An employer who adopts this Adoption Agreement is solely responsible for ensuring that the Plan, any underlying benefits, and/or the employer comply with all applicable provisions of such Laws, both in operation and in form. These Laws may include, but are not limited to, provisions of ERISA that may require the preparation and distribution of a summary plan description to Plan participants, if applicable to the Plan, and Code or state law requirements that may require tax reporting and/or withholding with respect to benefits provided under the Plan, including benefits extended to domestic partners or same-sex spouses of participants. Any notes herein regarding potential legal consequences with respect to particular elections made by an employer should not be interpreted to address all such potential legal consequences under the Plan Document, including consequences with respect to other elections made by the employer under this Adoption Agreement.***

*The Plan Document is provided by Security Benefit for the convenience of the employer, in accordance with the service agreement(s) entered into by Security Benefit and such employer. Provision of the Plan Document is not intended as a substitute for the retention of legal counsel or for specific legal advice on a specific factual situation. **Each employer should consult its own counsel regarding the legal ramifications of adopting the Plan Document and the elections it makes under this Adoption Agreement.***

Rev. 04/2015

**SECURITY BENEFIT FLEXIBLE BENEFITS PLAN
ADOPTION AGREEMENT**

PART I

**TO BE COMPLETED, SIGNED, AND RETURNED TO SECURITY BENEFIT BY ALL
EMPLOYERS THAT HAVE ELECTED TO OFFER FLEXIBLE SPENDING
ARRANGEMENTS ADMINISTERED BY SECURITY BENEFIT**

General Employer and Plan Details

1. Employer Name: William S. Hart Union High School District
2. Employer Address: 21380 Centre Pointe Parkway
Santa Clarita, CA 91350
3. Name and Title of Employer Contact: Melissa Hernandez, Benefits Specialist
4. Employer's Tax ID #: 95-6001532
5. Last Day of Employer's Fiscal Year (month/date): 06/30
6. Telephone #: (661) 259-0033
7. Plan Name: Security Benefit Flexible Benefits Plan
8. Three Digit Plan Number (if applicable):
9. Adoption Agreement Effective Date (please complete (a) and (b)):
(a) Enter Date **[must be January 1, 2015, or later]**: January 1, 2019
(b) The Effective Date noted above is (check one option):
 The effective date for a new Plan; **or**
 X An amendment and restatement of an existing Plan originally effective
[enter the Plan's original effective date]: January 1, 2004
10. Plan Year (choose one):
 X The calendar year; **or**
 An alternative twelve-month period beginning on / (mo/day) and
 ending on / (mo/day) of the following year.

[The Code may permit the Plan to utilize a temporary short Plan Year, in order to accommodate a change to the existing Plan Year. Only complete the following option if the Employer wishes to use a short plan year under these rules]

_____ A short Plan Year will apply from ____ / ____ / ____ (mo/day/yr) until ____ / ____ / ____ (mo/day/yr), after which the "Plan Year" will be (choose one) (a) _____ the calendar year or (b) _____ an alternative twelve-month period beginning on ____ / ____ (mo/day) and ending on ____ / ____ (mo/day) of the following year.

11. Other Participating Employers (choose one):

☒ No employers other than the one listed in Item 1 above participate in the Plan.
_____ Eligible Employees of the following affiliates of the Employer will be permitted to participate in the Plan, as of the effective date(s) listed below. **[Please indicate each participating employer below, adding additional sheets as necessary.]**

Name of Affiliate

Effective Date of Participation

_____	_____
_____	_____
_____	_____
_____	_____

Employers who elect to allow their affiliates or other entities to participate in the Plan should consult counsel regarding the legal consequences of such an election.

Flexible Spending Arrangements ("FSAs")

12. The Employer elects to offer the following Flexible Spending Arrangement(s), in accordance with Exhibit A and/or B of the Basic Plan Document (check appropriate box(es)):

☒ Medical Care Expense Reimbursement Plan
☒ Dependent Care Expense Reimbursement Plan

FSA Eligibility, Elections, and Contributions

13. Employee Eligibility (Age and Service) Requirements:

☒ All otherwise eligible Employees are eligible to participate in the FSA(s)

OR

_____ A Minimum age requirement of _____ applies (not to exceed age 21)
_____ A Minimum service requirement of _____ months **or** _____ year (not to exceed one year)

14. Eligible Classes of Employees (choose the first option or indicate the Employer's choices under the second option):

☐ All Employees of the Employer are eligible to participate in the FSA(s)

OR

The following individuals are excluded from participation in the FSA(s) (check appropriate box(es)):

☐ Individuals classified by the Employer as part-time employees ineligible for coverage under a Benefit Component

☐ Individuals classified by the Employer as a temporary employee

☐ Leased employees within the meaning of section 414(n) of the Code or individuals determined by the Employer to be an independent contractor

☐ Individuals whose terms and conditions of employment are governed by a collective bargaining agreement, unless the agreement provides for his coverage under a Benefit Component

☐ Individuals who are nonresident aliens with no United States source income

☒ Other (describe): Employee classes eligible for coverage include members of the Hart District Teachers Association and the Hart District Management Association.

15. Recognized Change in Status Events under Section 4.2 of the Basic Plan Document (choose the first option or indicate the Employer's choices under the second option):

☒ Participants will be permitted to change their FSA participation elections mid-year based on a Change in Status, to the full extent allowed under the Code

OR

Mid-year changes to FSA elections will only be permitted based on the following Change in Status events (check appropriate box(es)):

☐ Events that change an Employee's legal marital status, including marriage, death of Spouse, divorce, legal separation, or legal annulment

☐ Events that change an Employee's number of Children, including birth, adoption, placement for adoption, or death of a Child

☐ Any change in employment status of the Employee or his Spouse or Dependents eligible to participate in the Plan that affects the eligibility of the Employee to participate in the Plan or a particular Benefit Component or the eligibility of such Spouse or Dependent to participate in an employee benefit plan maintained by his employer, in accordance with Section 4.2(c) of the Basic Plan Document

☐ An event that causes a Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance as may be provided in an applicable Benefit Component

☐ A change in the place of residence or work of the Employee, Spouse, or Dependent

☐ A loss of eligibility for health coverage that gives rise to the special enrollment rights provided in section 9801(f) of the Code

☐ An election change made by the Spouse, former Spouse, or Child under another employer-sponsored plan, including an annual enrollment election or

a permissible change in status election under such plan that results in a gain or loss of coverage under such plan

_____ With respect to an election to revoke coverage in a Benefit Component that provides group health coverage (other than the Medical Care Expense Reimbursement Plan) only, a reasonably expected reduction in hours of the Employee below 30 hours per week on average, regardless of whether such reduction would result in a loss of coverage under such Benefit Component, provided, that the Employee reasonably expresses his intent to enroll himself and any of his Covered Dependents who lose coverage under such Benefit Component in minimum essential coverage, as described in IRS Notice 2014-55, with such coverage to become effective no later than the first day of the second month following the month that includes the date that coverage in the applicable Benefit Component is revoked

_____ With respect to an election to revoke coverage in a Benefit Component that provides group health coverage (other than the Medical Care Expense Reimbursement Plan) only, an annual or special enrollment period under the health insurance market place exchange where the Employee reasonably expresses his intent to enroll himself and any of his Covered Dependents who lose coverage under such Benefit Component in health coverage under the health insurance market place exchange, as described in IRS Notice 2014-55, with such coverage to become effective no later than the day immediately following the day that coverage in the applicable Benefit Component is revoked

_____ Any other event for which the Plan Administrator will permit a change or revocation of a Covered Person's election under this plan pursuant to regulations and rulings of the IRS

Notwithstanding the selected option(s) above, in all cases, Participants will be permitted to make required election changes with respect to a HIPAA Special Enrollment Event, to the extent required by applicable law, as set forth in Section 4.1(b) of the Basic Plan Document

16. Compensation

For purposes of determining Participant FSA contributions as set forth in Section 5.1 and Exhibits A and B of the Basic Plan Document, as applicable, "Compensation" will be determined as follows (chose the first option or indicate the Employer's choices under "Exclusions" and "Special Inclusions" below):

 X No exclusions or special inclusions will apply (*i.e.*, Compensation will be defined as provided in Section 2.14 of the Basic Plan Document)

OR

Exclusions

The following items will be excluded from Compensation (check appropriate box(es)):

_____ Overtime
_____ Bonuses
_____ Commissions
_____ Length of Service Payments

____ Severance Payments
____ Other (describe): _____

Special Inclusions

The following items will be included in Compensation (check appropriate box(es)):

____ Employer contributions to Social Security
____ Contributions to any retirement plan or program sponsored by the Employer
____ Value of fringe benefits provided at the Employer's expense
____ Other (describe): _____

17. Optional Retroactive Enrollments (choose one):

____ Eligible new hires **will be permitted** to enroll in the FSA(s) retroactively after the date of hire, in accordance with Section 3.3(e) of the Basic Plan Document
X The Plan **does not permit** retroactive enrollments described above

Flexible Spending Arrangements

18. Use of Forfeitures

FSA forfeitures will be used for the following purposes (choose one):

X Such forfeitures will be retained by the Employer
____ Such forfeitures may be used to defray expenses of administering the Plan

Medical Care Expense Reimbursement Plan ("MCERP") Elections

[This Section must be completed by each Employer that elects to offer an MCERP. References to "Exhibit A" below are intended to refer to Exhibit A of the Basic Plan Document.]

19. Contribution Limitations (choose one):

X A Participant may elect to contribute no less than \$120 and no more than the applicable limit provided for under the Code, as it may be adjusted from time to time, to a Medical Care Reimbursement Account ("MCRA") each Plan Year
____ A Participant's contribution elections for the Plan Year will be subject to the following limits (complete applicable box(es)):

A minimum contribution amount of \$_____ (must be at least \$120)
A maximum contribution amount of \$_____ (cannot exceed the current IRS limit applicable to MCERP contributions)

[The contribution limitations reflected above do not include any carryovers permitted under Item 21 below]

20. The Employer (choose one option) _____ **will** or **X** **will not** permit individuals serving qualified military duty to receive a "qualified reservist distribution" with respect to otherwise unused amounts in their MCRAs, in accordance with Exhibit A.

21. For purposes of determining when forfeitures occur with respect to any contributions made to a Participant's MCRA during a Plan Year, the following rules will apply (select only one of the options provided under (a), (b), and (c) below):

- (a) _____ A Participant must use any amounts contributed to an MCRA by the last day of the Plan Year with respect to which they are contributed to the MCRA.
- (b) X A Participant will be permitted to use the applicable carryover amount indicated directly below that was contributed to the Participant's MCRA during a Plan Year and that remains unused at the end of such Plan Year for otherwise eligible Medical Expenses, incurred during the immediately following Plan Year, in accordance with Exhibit A.

[Employers electing this option (b) must choose one of the following options]

The maximum applicable carryover amount will be:

X equal to the maximum amount permitted by IRS rules, as it may be adjusted from time to time
_____ up to \$_____ (cannot exceed the maximum amount permitted by IRS rules)

- (c) _____ A Participant will be permitted to use any unused amounts contributed to the Participant's MCRA during a Plan Year that remain in such MCRA at the end of the Plan Year for otherwise eligible Medical Expenses incurred during a 2&1/2 month grace period immediately following the end of such Plan Year, in accordance with Exhibit A.

Employers who sponsor a high deductible health plan that would permit participation in a health savings account should consult counsel regarding the potential consequences of electing the carryover or grace period options provided above.

22. The Employer (choose one option) _____ **will** or X **will not** permit certain electing participants to participate in a limited scope medical reimbursement program, under which they may only be reimbursed for qualifying dental and vision expenses, in accordance with Exhibit A.

[If the Employer elects to provide a limited scope program described above and has also elected to permit carryovers under Item 21.b above, the Employer must also choose one of the following three options]

_____ A Participant who is otherwise eligible to carryover an amount under the MCERP to a subsequent Plan Year, in accordance with Item 21.b. above, and who has elected coverage under a high deductible health plan option offered by the Employer with respect to such subsequent Plan Year (regardless of whether the Employer also facilitates the Participant's contributions to a Health Savings Account), will be deemed to have elected to carryover the applicable amount to a limited scope program for such subsequent Plan Year;

_____ A Participant who is otherwise eligible to carryover an amount under the MCERP to a subsequent Plan Year, in accordance with Item 21.b. above, and who will participate in a limited scope program during such subsequent Plan Year, will be given the opportunity to affirmatively elect to carryover such amount to such limited scope program prior to the end of the initial Plan Year (*i.e.*, the first Plan Year to

which the carryover amount relates). Participants who do not make such an election on a timely basis will be deemed to have elected to waive carryover of otherwise eligible amounts from a non-limited scope medical reimbursement program (i.e., the general MCERP offered by the Employer); or

_____ Other (describe): _____

[Employers electing to provide such a limited scope program are also permitted (but not required) to make the following election]

_____ A Participant who has elected to participate both in the MCERP and in a high deductible health plan coverage option offered by the Employer during the same Plan Year (regardless of whether the Employer also facilitates the Participant's contributions to a Health Savings Account) will be automatically deemed to have elected to participate in the limited scope medical reimbursement program described above.

This election option is designed to ensure that an Employee who may wish to contribute to a Health Savings Account remains eligible to do so, by excluding such Employees from participation in a full-scope medical FSA.

Notwithstanding anything to the contrary above, it is the responsibility of the Employer or the Plan Administrator (as defined generally in the Basic Plan Document, rather than in Exhibit A) to determine whether a Participant should be enrolled in the limited scope program described above, and to communicate the appropriate enrollment information to Security Benefit. Employers electing to provide limited scope programs should consult counsel regarding potential legal consequences.

23. For purposes of determining Medical Expenses that are otherwise eligible for reimbursement under Exhibit A, the Plan (choose one option) X **will** or _____ **will not** reimburse expenses incurred by a Participant's Domestic Partner who qualifies as the Participant's federal tax dependent, as described in Exhibit A

Dependent Care Expense Reimbursement Plan ("DCERP") Elections

[This Section must be completed by each Employer that elects to offer a DCERP. References to "Exhibit B" below are intended to refer to Exhibit B of the Basic Plan Document.]

24. For purposes of determining when forfeitures occur with respect to any contributions made to a Participant's Dependent Care Reimbursement Account ("DCRA") during a Plan Year, the following rules will apply (select only one of the options under (a) and (b) below):

- (a) _____ A Participant must use any amounts contributed to a DCRA by the last day of the Plan Year with respect to which they are contributed to the DCRA.
- (b) X A Participant will be permitted to use any unused amounts contributed to the Participant's DCRA during a Plan Year that remain in the DCRA at the end of the Plan Year for otherwise eligible Employment-Related Dependent Care

Expenses incurred during a 2&1/2 month grace period immediately following the end of such Plan Year, in accordance with Exhibit B.

25. For purposes of determining who is a "Qualifying Dependent" under Exhibit B, the Plan (choose one option) ____ will or X will not recognize a Participant's Domestic Partner who qualifies as the Participant's federal tax dependent, as described in Exhibit B, as a Qualifying Dependent.

[remainder of page intentionally left blank]

By signing this Part I of the Adoption Agreement, the Employer indicated herein hereby adopts such Part I and the Basic Plan Document as the document governing its Plan and acknowledges that it has had an opportunity to have these documents reviewed and revised by its counsel. The Employer further acknowledges that it has read and understood the terms of the Plan Document, including without limitation the terms outlined at the beginning of this Adoption Agreement and the Employer's obligations regarding Plan legal compliance. Such compliance obligations include, but are not limited to, deducting appropriate income and employment taxes from an Employee's pay and reporting amounts collected under this Plan in accordance with all applicable tax laws.

The administrative services to be performed by Security Benefit with respect to the MCERP and/or DCERP elected by the Employer under this Part I of the Adoption Agreement, as applicable, and any other administrative services Security Benefit may agree to perform on behalf of the Plan and/or for the Employer from time to time, will be governed by a separate service agreement(s) entered into between Security Benefit and the Employer. Among other items, such service agreement(s) is intended to govern the specific legal obligations, responsibilities, and liabilities of Security Benefit and the Employer, respectively, with respect to Security Benefit's performance of such services.

Finally, the Employer understands that it may also complete Part II of this Adoption Agreement, on an optional basis and in its sole discretion, as described at the beginning of this Adoption Agreement. The Employer is only asked to return a signed copy of this Part I of the Adoption Agreement to Security Benefit. Any optional elections reflected in a completed and signed Part II of this Adoption Agreement, as applicable, will not be reviewed by Security Benefit.

Part I of this Adoption Agreement and the corresponding provisions of the Basic Plan Document are hereby adopted this 16 day of January, 2019

Employer Representative:

By: _____
Printed Name: _____
Title: _____

Please return a signed copy of Part I of this Adoption Agreement to Security Benefit for its review and signature, as indicated below.

Security Benefit has received and reviewed a copy of the Employer's elections in this Part I of the Adoption Agreement.

Security Benefit Life Insurance Company

By: _____
Printed Name: _____
Title: _____
Date: _____

**SECURITY BENEFIT FLEXIBLE BENEFITS PLAN
ADOPTION AGREEMENT**

PART II

MAY BE COMPLETED ON AN OPTIONAL BASIS, IN THE EMPLOYER'S SOLE DISCRETION, TO DESIGNATE ADDITIONAL "BENEFIT COMPONENTS" COVERED BY THE PLAN AND TO MAKE RELATED ELECTIONS WITH RESPECT TO SUCH BENEFIT COMPONENTS

Employers who elect to complete this Part II should carefully review the disclosures provided throughout this Adoption Agreement, the Basic Plan Document, and related provisions of their administrative services agreement(s) with Security Benefit, regarding liability for compliance and other matters in connection with voluntary use of this Part II. For the avoidance of doubt, Security Benefit is not responsible for administration or oversight of any Benefit Components covered by this Part II, or for collection of any applicable premiums or contribution amounts related to such Benefit Components. Employers should consult their own legal counsel regarding the advisability of completing this Part II of the Adoption Agreement and with respect to particular elections made herein.

Other Benefit Components Offered Under the Plan

1. The Employer elects to include the following insured or self-funded benefit options offered by the Employer as "Benefit Components" covered by the Plan, in accordance with the applicable Benefit Component Documents (check appropriate box(es)):

- ☒ Group Health Coverage (i.e., medical, major medical, or other basic health coverage, including prescription drug coverage, as applicable)
☒ Dental Coverage
☒ Vision Coverage
☒ Group Term Life Coverage
☒ Short-Term Disability Coverage (other than salary continuation benefits)
☒ Long-Term Disability Coverage
____ Other Coverage (describe): _____

[other coverage must qualify as a benefit that can be provided under a "cafeteria plan" intended to comply with section 125 of the Code]

General Provisions Related to Other Benefit Components Designated Above

2. General Plan Administrator (choose one):

- ☒ Employer
____ Other Person or Entity (describe): _____

If this second option has been selected, please indicate the address of the applicable Plan Administrator: _____

3. Eligibility, Enrollment, and Contributions (choose one):

 X Except as provided in Items 4, 5, and 6 below, the Employer elects to apply the same basic eligibility, enrollment, and contribution rules elected with respect to the FSAs under Part I of this Adoption Agreement, as applicable, to the Benefit Components designated in Item 1 above. For example, the same Employees who are eligible to participate in the Employer's FSA(s) offered under the Plan will be eligible to participate in each such Benefit Component; provided, however, that to the extent one or more Benefit Component Documents provides for other eligibility, enrollment, or contribution terms with respect to a Benefit Component identified in this Part II, the terms contained in such Benefit Component Document(s) will control.

 The Employer elects to apply different eligibility, enrollment, and contribution rules to the Benefit Components designated in Item 1 above, as described in the "Other Plan Provisions Addendum." ***[describe such differing terms in the Other Plan Provisions Addendum and attach to this Adoption Agreement]***

Note that Employers who impose minimum age or service requirements on employees with respect to participation in any group health plan sponsored by the Employer, or who exclude individuals who are considered to be "full-time" within the meaning of the Patient Protection and Affordable Care Act ("PPACA") from participation in such a plan, should consult counsel regarding potential consequences under the employer mandate provisions of PPACA, as applicable

4. Recognized Change in Status Events Applicable to Group Health Coverage (choose the first option or indicate the Employer's choices under the second option):

 X Participants will be permitted to change their elections to participate in each Benefit Component designated in Item 1 above on the same terms that are applicable to the FSA(s) under Part I of this Adoption Agreement

OR

In addition to the Change in Status events elected under Part I of this Adoption Agreement, mid-year changes to participation elections with respect to any Benefit Component that provides group health coverage, other than the MCERP, will be permitted as follows (check appropriate box(es)):

 An election to revoke coverage only with respect to such Benefit Component, based on a reasonably expected reduction in hours of the Employee below 30 hours per week on average, in accordance with Section 4.2(h) of the Basic Plan Document

 An election to revoke coverage only with respect to such Benefit Component, based on an annual or special enrollment period under the health insurance market place exchange where the Employee reasonably expresses his intent to enroll himself and any of his Covered Dependents who lose coverage under such Benefit Component in health coverage under the health insurance market place exchange, in accordance with Section 4.2(i) of the Basic Plan Document

5. Carryover of Elections (choose one):

 X The Plan **will treat** a Participant's election in effect for the current Plan Year as automatically carried over to the following Plan Year, for each Benefit Component other than any FSA offered under the Plan, in accordance with Section 3.3(b) of the Basic Plan Document

 The Plan **will not permit** carryover of elections from one Plan Year to the next with respect to such Benefit Component(s)

6. COBRA Contributions (choose one):

 X The Plan **will permit** a qualified beneficiary who elects COBRA continuation coverage pursuant to Article V of the Basic Plan Document to pay COBRA premiums on either a pre-tax or after-tax basis through the Plan, in accordance with Section 3.2(a) of the Basic Plan Document

 The Plan **will not permit** COBRA premiums to be paid through the Plan

Employers who are subject to ERISA should consult counsel with respect to whether it is advisable to allow payment of COBRA premiums through the Plan, in order to avoid certain ERISA trust requirements

Miscellaneous

7. Definition of Spouse under Section 2.62 of the Basic Plan Document

(a) For purposes of the Plan, and except as may otherwise be provided in a Benefit Component Document applicable to one or more Benefit Components, a "Spouse" includes (choose one):

 X A Participant's same sex spouse who is recognized as such in the state where the marriage was performed, effective June 26, 2013;

 A Participant's same sex spouse who is recognized as such in the state where the Participant resided during the period between June 26, 2013, and September 16, 2013, and who is recognized as the Participant's legal spouse in the state where the marriage was performed, effective September 16, 2013; **or**

 Other (describe): _____

[Employers who elect the "Other" option above should consult with counsel regarding the potential legal consequences]

(b) In addition, except as provided above, a "Spouse" includes (check appropriate box(es)):

 X A Participant's spouse who is also a Participant in the Plan

 A Participant's common law spouse, provided that the Employer may impose minimum documentation requirements with respect to whether a common law spouse satisfies this definition

 Other (describe): _____

8. Plan Funding (choose one):

 X Benefits funded under the Plan will be paid out of the Employer's general assets and/or through insurance contracts obtained from an Insurer, in accordance with Section 5.2 of the Basic Plan Document

 Certain of the benefits funded under the Plan will be held in trust, in accordance with separate documents governing such trust(s)

9. Plan Expenses (choose one):

 X Except with respect to FSA forfeitures addressed in Part I of this Adoption Agreement, the Employer will bear all administrative costs of the Plan

 The Plan will pay reasonable administrative costs of operating the Plan from any available assets, except to the extent the Employer elects to pay such costs or as required by law

10. Special Plan Provisions (please check the box below, if applicable)

 The Employer has elected to apply other special Plan provisions, described on the Other Plan Provisions Addendum and incorporated by reference herein **[please complete the Other Plan Provisions Addendum, including as needed to reflect the Employer's elections under Item 3 above]**

11. Governing Law (please fill-in the blank below):

The Employer intends for the Plan to be construed, administered, and governed in all respects, including without limitation with respect to the determination of substantive rights hereunder, in accordance with the laws of the State of California , except to the extent such laws may be preempted by ERISA or other Federal law, as described in Section 1.13 of the Basic Plan Document.

[remainder of page intentionally left blank]

By signing this Part II of the Adoption Agreement, the Employer indicated herein hereby adopts such Part II and the corresponding provisions of the Basic Plan Document as the complete document governing its Plan and the Benefit Components designated herein. The Employer further acknowledges that it has had an opportunity to have these documents reviewed and revised by its counsel, and that it has read and understood the terms of the Plan Document, including without limitation the terms outlined in Part I of this Adoption Agreement and at the beginning of this Part II. The Employer understands that this Part II of the Adoption Agreement and related provisions of the Basic Plan Document have been provided by Security Benefit for its convenience, and that it is not required to complete this Part II or to use it as part of a document governing the Benefit Components designated herein. The Employer further understands that it is responsible for any additional administrative or legal compliance concerns that may be presented by its election to use this Part II on a voluntary basis. Any optional elections reflected in this Part II will not be reviewed by Security Benefit.

Part II of this Adoption Agreement and the corresponding provisions of the Basic Plan Document are hereby adopted this 16 day of January, 2019.

Employer Representative:

By: _____
Printed Name: _____
Title: _____

OTHER PLAN PROVISIONS ADDENDUM

This Addendum must be completed by each Employer who makes an election under Part II of this Adoption Agreement to apply special Plan provisions that differ from those described in the Plan Document.* For example, an Employer may wish to use this Addendum to indicate special eligibility or other provisions that apply to Employees eligible to participate in the Plan under the terms of a merger transaction.

NOTE: The Employer cannot use this Addendum to revise Plan terms applicable to the MCERP and/or DCERP, except to the extent such revision is expressly approved in writing by the Administrative Provider

Describe each special provision below, with reference to any applicable Adoption Agreement Item number and/or Basic Plan Document Section number that contains contrary provisions: _____

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal black lines across its entire width, typical of notebook or legal stationery. The background is a solid off-white color, and there are no margins, text, or other markings present.

***Employers electing to apply special Plan provisions should consult counsel regarding the potential legal consequences.**