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**Qualified Transportation Expense  
Plan Document**

*Revised November 2003*

**“QTE” PLAN**

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**1. PRELIMINARY MATTERS**

- 1.1 *Form.* The Qualified Transportation Expense Plan is set forth in this document, the accompanying Plan Highlights, which is incorporated herein by reference, and any amendments to these documents.
- 1.2 *Plan Purpose.* This Plan is intended, and shall be interpreted and administered, to comply with Section 132(f) of the Code. The sole purpose of this Plan is to provide benefits to eligible Employees and it is maintained for their exclusive benefit.

**2. DEFINITIONS**

- 2.1 “*Account*” means a Parking Reimbursement Account or a Mass Transit Reimbursement Account set up for each Participant under this Plan.
- 2.2 “*Code*” means the Internal Revenue Code of 1986, as amended.
- 2.3 “*Effective Date*” means the day the Plan begins as stated in the Plan Highlights.
- 2.4 “*Eligible Employee*” means an Employee eligible to participate in this Plan as provided in Article 3.1.
- 2.5 “*Eligible Benefit*” means a Qualified Transportation Expense as permitted under Section 132(f) of the Code and offered through the Plan.
- 2.6 “*Employee*” means any person who performs services for the Employer as a common law employee and receives compensation for services other than a pension, retirement allowance, retainer, or fee under contract. The following are not considered Employees for purposes of this Plan and are therefore not eligible to participate in the Plan even though they subsequently may be classified as employees of the Employer for employment tax, unemployment insurance, or other purposes by a government agency or a court: (I) persons providing services to the Employer through temporary agencies, leasing organizations, or independent contract arrangements; (ii) partners, sole proprietors and more-than-2% Subchapter-S shareholders.
- 2.7 “*Employer*” means the employer identified in the Plan Highlights. Employer also means any related or successor entity assuming the obligations created in this Plan, as identified in the Plan Highlights
- 2.8 “*Mass Transit Reimbursement Account*” means an Account set up for a Participant under the Plan for reimbursement of Qualified Mass Transit expenses.
- 2.9 “*Open Enrollment Period*” means the period identified in the Plan Highlights or otherwise prescribed by the Plan Administrator.
- 2.10 “*Parking Reimbursement Account*” means an Account set up for a Participant under the Plan for reimbursement of Qualified Parking expenses.

QUALIFIED TRANSPORTATION EXPENSE PLAN DOCUMENT

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- 2.11 "Participant" means an Employee who meets the requirements for participation specified in Article 3 and has elected coverage in accordance with the procedures described in Article 5.
- 2.12 "Plan" means the Qualified Transportation Expense Plan ("QTE" Plan) set forth in this document and the accompanying Plan Highlights, as amended from time to time.
- 2.13 "Plan Administrator" means the entity identified as such in the Plan Highlights.
- 2.14 "Plan Highlights" means the accompanying Plan Highlights document, which the Employer completes and is part of the Plan.
- 2.15 "Plan Month" means a calendar month during which an election is in effect.
- 2.16 "Qualified Mass Transit" means transportation in a commuter highway vehicle (i.e. van pool) or mass transit facilities (i.e. bus, train, subway, ferry) if such transportation is in connection with travel between the Participant's residence and place of employment. This includes expenses for any pass, token, farecard or similar item that entitles the Participant to such transportation. Note that a Commuter Highway Vehicle means any highway vehicle that has a seating capacity of at least six (6) adults (excluding the driver), and of which at least eighty percent (80%) of the mileage for a year is reasonably expected to be used: (I) for purposes of transporting employees in connection with travel between their residences and their places of employment; and (ii) 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).
- 2.17 "Qualified Parking" means parking provided to a Participant on or near the business premises of the Employer or on or near a location from which the Participant commutes to work by car pool, in a commuter highway vehicle, on mass transit facilities or on transportation provided by any person in the business of transporting persons for compensation or hire in a commuter highway vehicle. Such term shall not include any parking on or near the property used by the Participant for residential purposes.
- 2.18 "Qualified Transportation Expense" means an expense for Qualified Parking or Qualified Mass Transit as permitted under 132(f) of the Code.
- 2.19 "Salary Conversion Amount" means the portion of a Participant's compensation that the Participant contributes to his or her Account(s) for a Plan Month.

**3. PARTICIPATION**

- 3.1 Eligibility Requirements. An Employee who meets the eligibility requirements specified in the Plan Highlights shall be eligible to participate in the Plan.
- 3.2 Participation Date. An Employee shall become a Participant in the Plan on the date specified in the Plan Highlights.
- 3.3 Duration of Participation. Except as otherwise provided in this Plan, a person shall

continue as a Participant so long as he remains an Employee of the Employer and continues to meet the eligibility requirements of Section 3.1. Notwithstanding the foregoing, if the Plan Administrator reasonably believes that an Employee knowingly has submitted an expense which is not a Qualified Transportation Expense, is an expense for someone other than the enrolled employee, or is otherwise not eligible under this Plan, the Plan Administrator may, in its sole and complete discretion: (i) immediately discontinue the Participant's participation in the Plan; (ii) prohibit the Participant from again participating in the Plan; and (iii) assess a surcharge to the Participant for non-approved expenses. The Plan Administrator may request, and the Participant shall provide, any information reasonably necessary to assist in such determination; failure of the Participant to do so shall be cause for the Plan Administrator to find that the Participant knowingly submitted an expense for reimbursement that is not a Qualified Transportation Expense.

#### 4. **BENEFITS**

- 4.1 Salary Conversion Option. Each Participant may elect to receive full payment of compensation in cash or to contribute a portion of compensation to his or her Account(s) for payment of Eligible Benefits.
- 4.2 Maximum Eligible Benefit. The Eligible Benefits received by a Participant for a Plan Month shall not exceed the lesser of the Participant's Qualified Transportation Expenses for the Plan Month and the maximum amount allowed by the IRS per month as set forth in the Plan Highlights.
- 4.3 Credits to Accounts. A separate Parking Reimbursement Account and/or Mass Transit Reimbursement Account shall be maintained for each Participant. The Salary Conversion Amount elected by each Participant shall be credited through equal payroll deductions to the Account(s). The amount credited to each Account for each Plan Month shall equal the portion of the Salary Conversion Amount designated for that Account for the Plan Month.
- 4.4 Reimbursement for Qualified Transportation Expenses. A Participant may be reimbursed up to the cash balance in the appropriate Account by submitting a claim for Qualified Transportation Expenses. Such claims must be received by Benefit Resource, Inc. within the timeframe specified in the Plan Highlights. The Plan Administrator shall provide claim forms for this purpose. A copy of the receipt supporting the Qualified Transportation Expense shall accompany requests for reimbursement. If documentation verifying an expense is not available from the provider of the service, the Participant may certify the expense as provided on the claim form. Reimbursement of Qualified Transportation Expenses shall be made as per the schedule specified in the Plan Highlights, and shall reduce the amount credited to the Participant's Account(s).
- 4.5 Special Rule for Qualified Mass Transit Expense. Notwithstanding Section 4.4, no reimbursement of a Qualified Mass Transit expense shall be made under this Plan if a voucher or similar item, which may be exchanged only for a pass, token, fare-card, voucher, or similar item entitling the Participant to transportation that generates a Qualified Mass Transit expense is readily available for direct distribution by the

Employer to the Participant.

- 4.6 Carry-over Amounts. If any balance remains in the Participant's Qualified Transportation Account for a Plan Month after all reimbursements have been made for the Plan Month, and the Participant continues to participate in the Plan following such Plan Month, such balance shall be carried over to reimburse the Participant for Qualified Transportation Expenses for services provided in subsequent Plan Months.
- 4.7 Closing An Account. A Participant may close an Account at any time. Funds remaining in an Account after it is closed will be forfeited. Eligible claims must be received by Benefit Resource, Inc. prior to the date the Account is closed.
- 4.8 Ceasing Contributions. A Participant may elect to cease contributions to an Account (that is, to make a \$0 election) without actually closing the Account. Upon cessation of contributions to a Participant's Account(s), the Participant may continue to request reimbursement for Qualified Transportation Expenses for eligible services as indicated in Article 4.4.
- 4.9 Termination of Employment. Expense claims for services provided through the last month of employment must be received by Benefit Resource, Inc. within the time frame specified in the Plan Highlights. Any funds remaining in the Account after this grace period will be forfeited.
- 4.10 Forfeited Amounts. All forfeited amounts under this Plan shall be returned to the Employer.

## 5. ELECTION PROCEDURES

- 5.1 Elections. The Plan Administrator shall provide an election form (electronic or paper) to each Eligible Employee prior to the first date on which the Employee meets the eligibility requirements for participation. Each Participant must specify the Salary Conversion Amount to be credited each Plan Month to the Parking Reimbursement Account and/or Mass Transit Reimbursement Account. All elections must be submitted no later than the earliest to occur of (I) the date on which the Plan Month to which it relates commences; (ii) the date on which the services to which it relates are provided; and (iii) the date specified by the Plan Administrator. A Participant's election will remain in effect until an election change is submitted when a permissible change has occurred.
- 5.2 Permissible Election Changes. Changes to a Participant's Salary Conversion Amount are permitted as specified in the Plan Highlights.

## 6. PLAN ADMINISTRATION

- 6.1 Plan Administrator. The Plan Administrator shall have full discretion, authority, and responsibility to control and manage the operation and administration of the Plan.
- 6.2 Powers. The Plan Administrator shall have the exclusive right to interpret the Plan and to decide any and all questions arising in the administration, interpretation, and

application of the Plan, including eligibility for benefits. The Plan Administrator shall establish whatever rules it finds necessary for the operation and administration of the Plan and shall endeavor to apply such rules in its decisions so as not to discriminate in favor of any person. The decisions of the Plan Administrator or its action with respect to the Plan shall be conclusive and binding upon all persons having or claiming to have any right or interest in or under the Plan.

- 6.3 Claims Denial Procedure. If a claim for reimbursement under this Plan is wholly or partially denied, a written notice of adverse benefit determination shall be furnished to the claimant within a reasonable period of time, not to exceed 90 days after receipt of the claim by the Administrator. Upon receipt of an adverse benefit determination, the claimant must within 60 days appeal in writing the denial to the Administrator (seeking reconsideration of the denial). This appeal step is a prerequisite to pursuing any other avenues of relief.

## 7. AMENDMENT AND TERMINATION OF THE PLAN

- 7.1 Amendment. The Employer may amend the Plan at any time or from time to time by an instrument in writing executed with the same formality as this instrument. However, no Amendment shall affect the rights of Participants with respect to reimbursement for Qualified Transportation Expenses incurred prior to the effective date of the Amendment.

- 7.2 Termination. The Plan is intended by the Employer to be a long-term program for the provision of benefits for its Employees. The Employer nevertheless reserves the right to terminate the Plan at any time and for any reason. Such termination shall be effected by a written instrument executed by the Employer with the same formality as this instrument. Termination of the Plan shall not affect the rights of Participants with respect to reimbursement for Qualified Transportation Expenses incurred prior to the effective date of termination.

## 8. MISCELLANEOUS

- 8.1 No Employment Rights Conferred. The adoption and maintenance of the Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration for, or an inducement to or condition of, the employment of any person. Nothing herein contained shall be deemed to: (I) give to any Participant the right to be retained in the employment of the Employer, (ii) interfere with the right of the Employer to discharge any Participant at any time, (iii) give to the Employer the right to require any Participant to remain in its employment, or (iv) interfere with any Participant's right to terminate his or her employment with the Employer at any time.

- 8.2 No Compensation for Other Purposes. Benefits paid under the terms of this Plan shall not be treated as additional compensation to the Participant for purposes of determining contributions or benefits under any qualified retirement plan maintained by the Employer or for purposes of any other benefit obligations of the Employer unless otherwise provided under the terms of the retirement plan or other benefit

program.

- 8.3 General Assets. Payment of benefits under this Plan shall be made out of the assets of the Employer generally available for payment of its obligations. There shall be no special trust fund for payment of benefits.
- 8.4 Impossibility of Performance. In the event that it becomes impossible for the Employer to perform any act under the Plan, that act shall be performed which in the judgment of the Employer shall most nearly carry out the intent and purposes of the Plan.
- 8.5 Governing Law. All legal questions pertaining to the Plan shall be determined in accordance with the laws of the Plan Administrator's State except when those laws are preempted by the laws of the United States.

**RECORD OF ADOPTION**

By signing this Record of Adoption, the Employer approves and adopts the terms of the Qualified Transportation Expense Plan as stated in the Plan Document and Plan Highlights. A copy of the current Plan Highlights is attached to this Plan and Record of Adoption and incorporated herein by reference.

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*(Date)*

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*(Name)*

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*(Title)*