

EXHIBIT C

THIS FLEXIBLE SPENDING ACCOUNT AGREEMENT (the "FSA Agreement") is incorporated into the Agreement for Administrative Services dated January 1, 2007, by and between City of Jonesboro ("Employer") and Benergy Outsourcing Strategies, Inc. ("BENERGY OS") on _____, 2006, and relates to the Employer's employee benefit plans listed on Schedule 1 hereto (the "FSA Plan").

I. Duties and Responsibilities of BENERGY OS

During the term of this FSA Agreement, BENERGY OS agrees to perform the following specific functions, subject to the terms of this FSA Agreement:

a. Consult with the Employer and provide services in connection with the design and development of the FSA Plan

b. Provide online access to Employer self-service templates to generate and update plan documents.

c. Create a Web portal ("Benergy") with both Employer and employee access controlled by separate passwords.

d. Assist the Employer in the annual enrollment of the FSA Plan.

e. Provide administrative services including the processing and reimbursement of eligible submitted claims, reporting of account activity to participating employees and reports to the Employer as follows:

1. Detailed accounting of the receipts and disbursements of the FSA Plan;
2. Detailed reports of the disbursements made by check number; and
3. Detailed summary report of the current balance in each participant's account.

f. Submit on a weekly basis a statement of employee reimbursements supporting the amount to be withdrawn from Employer's designated bank account via automated clearing house ("ACH") debit no less than two business days following the statement date.

II. Duties and Responsibilities of Employer

In connection with the administration of the FSA Plan, Employer shall:

a. Determine who among its Employees is eligible for coverage under the FSA Plan from time-to-time and the type or types of coverage each may obtain. Where coverage options are available, The Employer shall explain such options to the affected employees. The Employer's determination from time-to-time of eligibility matters may not be reviewed by BENERGY OS.

- b. Obtain a completed group enrollment form from each person eligible and applying for coverage or coverage increase.
- c. Provide BENERGY OS with necessary information to enable BENERGY OS to determine the current eligibility, classification, benefits, and termination date for each person covered under the FSA Plan.
- d. Notify BENERGY OS of any dispute raised by any person with respect to a claim under the FSA Plan and of any inquiry received from any state insurance regulator or attorney for a claimant, beneficiary or assignee and forward to BENERGY OS any summons, complaint or other writing received by Employer concerning pending or threatened litigation; provided that nothing herein shall be deemed to authorize, permit or require Employer to accept process on behalf of BENERGY OS nor to require Employer to disclose any matter subject to attorney-client privilege.
- e. Upon request, furnish to BENERGY OS such data as is in Employer's possession and is reasonably required in connection with any matters arising under the obligations of BENERGY OS or Employer.
- f. Be responsible for the sufficiency of all accounts maintained by Employer from which BENERGY OS is authorized to pay FSA Plan benefits and hold BENERGY OS harmless as to any insufficiency.
- g. To cover reimbursement payments to participants for eligible claims under the plan, ensure that adequate funds are available to cover payment by automated clearing house ("ACH") debit to Employer's designated bank account no less than two business days following the statement date.
- h. Collect and forward data detailing plan contributions by benefit category for each participating employee at the end of each payroll period in a format agreed to by both parties.
- i. Comply with all laws and regulations to the extent they are applicable to the FSA Plan or to Employer by reason of any association it may have with the FSA Plan including all reporting and disclosure requirements.

II. Fees

At time of contract signing, Employer is required to have paid the set up fee and the first month's fee for FSA Services. The initial set up and monthly fee for FSA Services amounts to \$ **545*** based on the current number of Plan participants and the current fee schedule of BENERGY OS for FSA Services as set forth below, which fee schedule will remain in effect for one year following the commencement of Services described in Section I above. All subsequent monthly and annual fees are due and payable in the manner described in the Agreement for Administrative Services.

***Current number of participants is 109**

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Base Pricing

Base pricing for our FSA Administration services is comprised of the following components:

- **Annual fee** – a fixed amount paid each year based on the total number of employees eligible for the plan in the given year, plus
- **Monthly fee** – this fee is based on the number of employees who elect to contribute to the FSA plans. There is a separate fee that applies for participants in:
 - (1) Health and/or Dependent Care FSAs, and
 - (2) Transit and/or Parking FSAs.

The monthly fee includes the optional Total Access FSA Credit Card. There is an overall minimum monthly fee of \$100.

	TOTAL NUMBER OF ELIGIBLE EMPLOYEES		
	10-1,000	1,001-2,000	Over 2,000
Annual fees	\$100	\$300	\$500
Monthly fees¹			
Health and Dependent Care FSA Accounts	\$5.00 per participant	\$5.00 per participant	\$5.00 per participant
Transit and Parking FSA Accounts	\$4.50 per participant	\$4.00 per participant	\$4.00 per participant

OTHER SERVICES	
Plan documents	
Premium Conversion	
Form 5500	All services are included in above fees
Benergy™ Enhanced – personalized FSA web portal	
Standard claim and enrollment forms	
Pre-enrollment brochures and worksheets	

¹ Minimum \$100 per month. The monthly fee automatically includes the Total Access FSA Card, whether or not you choose to distribute the card to participants.

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Additional Fees

There may be additional fees if you choose these optional services:

- **Paper enrollment form processing fee** – online enrollment through Benergy will be the preferred method and is included in the above monthly fee. However, paper enrollment forms will be available. There is an additional administrative fee for each individual paper enrollment form received and processed by Benergy OS. A single form will be available for multi-plan enrollments.
- **Nondiscrimination testing fee** – Benergy OS can perform nondiscrimination testing for you, provided you supply the plan information and enrollment data. There is a charge for each test.

OPTIONAL FEES	
Paper enrollment form processing fee (optional)	\$6.00 per form
Nondiscrimination testing (optional)	\$1.50 per eligible employee per test

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have signed this FSA Agreement.

BENERGY OUT SOURCING STRATEGIES, INC.

By: _____

Name: _____

Title: _____

Date: _____