

EMPLOYER APPLICATION ERISA WRAP PLAN

WE MAKE
THE COMPLEX
SIMPLE

EMPLOYER INFORMATION

Company Name: _____ Phone: _____
(Full and complete legal business name)

Street: _____ Fax: _____

City: _____ State: _____ Zip: _____

Employer's Taxpayer Identification Number: _____

State of Organization or Incorporation: _____

Plan Sponsor Fiscal Year End Date: _____

Type of Entity:

C Corporation

S Corporation

Non-Profit

Sole Proprietorship

Limited Liability Corporation

Partnership

Limited Liability Partnership

Union

Government Agency

Name of the representative of the parties who established or maintain the Plan:

Other: _____

The following affiliated employers will adopt this ERISA Wrap Plan as participating Employers (if there is more than one, or if Affiliated Employers adopt this after the date the Adoption Agreement is executed, attach a list to this Adoption Agreement of such Affiliated Employers including their names, addresses and taxpayer identification numbers):

N/A

Name of Affiliated Employer(s): _____

Is this a controlled group (company owned by another company)?

N/A

Name of company owned by: _____

CONTACT INFORMATION:

Primary Contact: (For contact regarding contracts, legal documents, daily administration, invoicing and plan renewal)

Contact Name: _____ Title: _____

Contact Phone: _____ Contact Email: _____

Additional day-to-day contact if applicable:

Name: _____ Title: _____

Phone: _____ Email: _____

Lead Broker/Consultant Contact:

Broker/Consultant Name: _____ General Agent: _____

Broker/Consultant Contact Phone: _____

Broker/Consultant Contact Email: _____

PLAN SETUP INFORMATION / ARRANGEMENT OPTIONS

On the line below, enter the 3-digit plan number (sometimes called the health and welfare plan number) the employer or plan administrator assigned to the plan. This 3-digit number, in conjunction with the employer identification number (EIN), is used by government agencies as a unique 12-digit plan identification number. Sterling needs this information so that we can assign a unique plan number to each plan we create for employers. This number will appear in your plan documents that we produce and send to you. It is important not to duplicate a plan number if it has been used for any other benefit plan (even one that has been terminated). Having an accurate plan number is critical for IRS form 5500 filing (if required). Once you use a plan number, continue to use it for that plan for all future filings with government agencies. Health and Welfare Plan Numbers should begin with 501 and increase with each subsequent Plan.

Health & Welfare Plan Number: _____

If your company has more than 100 employees enrolled in a benefit plan:

If your company has been filing 5500s for their benefits in the absence of an ERISA Wrap Plan and now are intending to file as one Plan, the Wrap Plan should be assigned the next Plan Number in the sequence. All prior Plans with a Plan Number that will no longer be filing annual 5500s will need to have a "Final Filing" electronically submitted to the Department of Labor. This alerts the DOL that they should no longer expect the employer to submit filings under those Plan Numbers.

Do you want Sterling to prepare this final filing for Plan Numbers that will no longer be in use?

Yes, and I understand that an additional fee will apply

Please specify the plan numbers that will no longer be in use: _____

No, I do not want Sterling to provide this service.

New Wrap Plan Renewal Wrap Plan

Effective Date: _____

Restatement of previously adopted Plan:

Original effective date: _____

Effective date of transition to Sterling: _____

Plan Year - plan year means each 12 consecutive month period

Plan Year Dates _____ to _____

The plan has a short plan year: Yes, the short plan year begins _____ and ends on _____
 No

Total number of employees in your company: _____

If you reach 20 employees or 50 employees prior to your next Plan renewal period, it is your responsibility to notify Sterling so we may add newly applicable COBRA or FMLA language to your Plan Documents.

Total number of benefit eligible employees in your company: _____

If you have over 100 plan participants on any health & welfare plan, we need additional information to file your Form 5500. Check here, if this applies to your company, and we'll send you the Form 5500 documents to complete.

SUBSIDIARY CONTRACTS

Describe the contracts that should be incorporated into the Wrap Plan as Subsidiary Contracts.

Option 1: All welfare benefits of the plan sponsor subject to ERISA

Option 2: Only the following welfare benefits:

Option 3: All welfare benefits of the plan sponsor subject to ERISA except:

Are any of the welfare benefits encompassed in this Plan Grandfathered? No Yes

Are any of the non-Grandfathered welfare benefits self-administered? No Yes

If yes, Sterling may provide you with the following required Notices. Please indicate which notices you wish to receive, if any. (additional fees apply for these notices associated with non-grandfathered plans)

- None
- Notice of adverse benefits determination
- Notice of final adverse benefits determination

ADMINISTRATIVE ELECTIONS

Indicate whether claims language should appear in the Summary Plan Description. No Yes

Indicate whether the SPD should include an appendix summarizing eligibility and/or employer/employee contributions for the Subsidiary Contracts.

No Yes

Provide eligibility and/or contribution details for each contract:

NAME OF THE SUBSIDIARY CONTRACT	ELIGIBILITY	EMPLOYER/EMPLOYEE CONTRIBUTIONS

Sterling may provide you with the following forms and notices:

Certificate of Creditable Coverage
QMCSO Procedures

CHIPRA Annual Notice
WHCRA Annual Notice

COBRA Notice

We do not need any of these forms or notices at this time.

Yes, please provide all forms and notices.

Please provide only these specific forms and notices selected below:

CHIPRA Annual Notice

Certificate of Creditable Coverage

COBRA Notice

QMCSO Procedures

WHCRA Annual Notice

INVOICING & ACH SET-UP

Payment of the initial fee must be received by Sterling to finalize processing. To pay your initial fee invoice for this service, Sterling Administration will initiate debit entries from the account you list below. By providing the information below, you are authorizing Sterling Administration and/or Fidelity National Information Services (debit card processor) to initiate entries to your checking/savings accounts at the financial institution listed below and, if necessary, initiate adjustments for any transactions credited/debited in error. All entries are related to this service your company has established with Sterling Administration. This authority will remain in effect until Sterling Administration is notified by you in writing to cancel it in such time as to afford Sterling Administration and the financial institution named below a reasonable opportunity to act on it. You must attach a copy of a voided check to this application as part of this process:

Financial Institution Name _____

Financial Institution Routing Number _____

Account Number for Debits to Pay for this Service _____

APPLICATION AGREEMENT / SIGNATURE

We, the undersigned employer, affirm the accuracy of the information we have provided on this application and further affirm that such information may be relied upon for the preparation of this service by Sterling Administration and may be used for other related purposes. We also agree to indemnify and hold harmless Sterling Administration and its officers, directors, employees and agents (each of the foregoing hereinafter referred to as an "indemnified party") from and against any and all actions, liabilities, claim, suits, damages, liens, judgments, losses, fines, penalties, costs, and expenses (including attorneys' fees) arising out of or from the indemnified party's services in connection with the preparation of this service.

We also acknowledge that we have received and reviewed the Administrative Services Agreement provided with this application.

PLEASE NOTE: There is a \$50 per hour charge for client requested changes to Plan documents after initial set-up.

Dated this _____ day of _____ 20_____

Employer: _____

By: _____ Title: _____

ERISA WRAP & FORM 5500

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (“Agreement”), effective the First day of your plan year is by and between Sterling Health Services, Inc. (“Sterling”), with principal business and mailing address at 475 14th Street, Oakland, California 94612, and your corporation. For purposes of this agreement the term YOUR CORPORATION will refer to the name listed on page one of the ‘Employer Application’.

WITNESSED THAT:

WHEREAS, YOUR CORPORATION, in the interest of obtaining ERISA Health and Welfare benefit plan document preparation services and/or Preparation and Filing of IRS Form 5500 and related documents, is desirous of entering into this Agreement with Sterling;

WHEREAS, Sterling is desirous of delivering and providing qualified and competent ERISA Wrap plan document preparation services and/or IRS Form 5500 preparation and filing services (“Service” or “Services”) to YOUR CORPORATION, as these services are more fully identified in this Agreement; and NOW, THEREFORE, in return for the promises contained in this Agreement, and for other good and valuable consideration, the parties, intending to be legally bound, mutually agree as follows:

1. TIME OF PERFORMANCE.

- a. Your corporation and Sterling shall provide the Services required under this Agreement during the Term as defined in Section 11 (and thereafter to the limited extent provided in Section 11), unless this Agreement is sooner terminated as provided in this Agreement.

2. INDEPENDENT CONTRACTOR STATUS AND RESPONSIBILITIES.

- a. In the performance of the Services required by this Agreement, each party shall be an independent contractor with the authority and responsibility to control and direct its own performance and the details of the work and Services required of such party under this Agreement; however, each party shall have a general right to review the Services provided by the other to determine whether, in the reasonable opinion of the first party, the Services being performed by the other are in accordance with the provisions of this Agreement. All persons hired or used by each party shall be that party’s employees and agents and the hiring party shall ensure that such persons are trained, qualified, and appropriately licensed to provide Services under this Agreement. Each party shall be responsible for the accuracy, completeness, and adequacy of any and all work and Services performed by its employees and agents and shall ensure that all applicable licensing and operating requirements of federal, state, county, and municipal governments, and all applicable accreditation and other standards of quality generally accepted in the field of such party’s activities are complied with and satisfactorily met. Furthermore, each party intentionally, voluntarily, and knowingly assumes the sole and entire liability to its employees,

agents, and other persons for all loss, damage, or injury caused by its employees and agents in the course of their employment or engagement. Participation by a party in the performance of Services under this Agreement shall not constitute nor be construed as employment with the other party and shall not entitle a party or its employees, agents, or subcontractors to vacation, sick leave, retirement, or other benefits afforded employees of the other party. Each party shall be responsible for payment of applicable income, social security, and any other federal, state, county, or municipal taxes and fees.

3. INSURANCE.

- a. Sterling shall obtain, maintain, and keep in force throughout the time of performance of Services under this Agreement, and shall cause its employees and agents to obtain, maintain, and keep in force throughout the time of performance of Services under this Agreement, all insurance coverage appropriate to such party's business and the Services provided under this Agreement, including liability coverage and workers' compensation coverage issued by an insurance company or indemnity company authorized to conduct business in the state of such party's incorporation. Upon a party's request, the other party shall provide documents sufficient to demonstrate compliance with the requirements of this Section 3.

4. INDEMNIFICATION.

- a. Each party (the "indemnifying party") shall indemnify, defend, and hold harmless the other party and the other party's officers, directors, employees, and agents, (each of the foregoing hereinafter referred to as an "indemnified party") from and against any and all actions, liabilities, claims, suits, damages, liens, judgments, losses, fines, penalties, costs, and expenses (including reasonable attorneys' fees of counsel selected by the indemnified party and costs) arising out of or from (a) the acts or omissions of the indemnifying party or the indemnifying party's officers, directors, employees, agents, or subcontractors occurring during the indemnifying party's performance under or in connection with this Agreement, or (b) breach of this Agreement by the indemnifying party or the indemnifying party's officers, directors, employees, agents, or subcontractors. The indemnifying party's obligation to indemnify the indemnified party and its officers, directors, employees, and agents shall survive the expiration or termination of this Agreement for any reason.

5. SUBCONTRACTORS AND ASSIGNMENTS.

- a. Neither party shall subcontract, delegate, assign, or otherwise transfer any part of or all of the Services to be performed under this Agreement without the prior written approval of the other party. Furthermore, no assignment of claims for money due or to become due to Sterling under this Agreement shall be effective unless the assignment of such claims is first approved in writing by Sterling.
- b. Subject to any provisions of this Agreement restricting assignment or transfer, this Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors, and permitted subcontractors and assigns. This Agreement shall not be enforceable by or give rise to rights of any other third parties.

6. CONFLICTS OF INTEREST.

- a. Each party represents that it presently has no interest, and promises that it shall not acquire any interest, direct or indirect, that would substantially conflict with or jeopardize its performance of Services under this Agreement.

7. PROHIBITED DISCRIMINATION.

- a. With respect to this Agreement, each party shall comply with all applicable federal and state laws prohibiting discrimination against any person on the grounds of race, color, national origin, religion, creed, sex, age, disability, or on any other grounds proscribed under applicable state or federal law.

8. COMPLIANCE WITH ALL LAWS.

- a. Each party represents and warrants that it has and shall maintain, and that its employees, agents, and subcontractors shall have and maintain, all licenses, accreditations, and approvals that are customary to its business or that are necessary to provide Services under this Agreement. Each party shall observe and comply, and shall cause its employees, agents, and subcontractors to observe and comply, with all laws, ordinances, rules, and regulations of the federal, state, county, or municipal governments, now in force or which may hereinafter be in force.

9. CONFIDENTIALITY OF BUSINESS INFORMATION.

- a. Each party acknowledges that this Agreement, and all materials and information concerning the other party's business and operations, including, but not limited to, a party's billing and fees, employees, legal disputes, policies, procedures, and all documents and reports regarding or prepared by a party (other than those in the public domain), and any other information regarding the provision of services by, or the administration and operation of, a party (collectively, "Confidential Information"), are commercially valuable and confidential. Each party and each party's employees and agents shall hold the other party's Confidential Information in strict confidence, shall not provide, disclose, or otherwise make available any such information to any third party, and shall not use such information for any purposes other than performance in accordance with this Agreement, without the prior written approval of the other party, unless otherwise required by law.

10. COPYRIGHTS AND PATENTS.

- a. Sterling shall have complete ownership, title, and right in and to all materials, discoveries, or inventions, both finished and unfinished, which are developed, prepared, assembled, or conceived by Sterling pursuant to this Agreement. No summary, report, chart, graph, table, study, or other document, or discovery, invention, or development produced in whole or in part by Sterling under this Agreement shall be the subject of an application for copyright, trademark, or patent by or on behalf of YOUR CORPORATION or YOUR CORPORATION 's officers, employees, agents, or subcontractors without prior written authorization from Sterling.

11. TERM; RENEWAL; TERMINATION.

- a. Unless earlier terminated as provided in this Section 11, this Agreement shall be effective for a term of one (1) year from the Effective Date. Thereafter, this Agreement will be renewed automatically for successive one (1) year terms commencing on the first anniversary of the Effective Date and renewing annually on that date ("Renewal Date"), unless one party gives the other written notice of non-renewal at least thirty (30) days prior to the Renewal Date.
- b. If either party breaches this Agreement, the non-breaching party may terminate this Agreement upon thirty (30) days prior written notice to the breaching party; provided, however, that such termination notice shall not be effective if the breaching party promptly seeks to cure such breach, diligently pursues cure, and does cure such breach within the thirty (30) day period following the date of the notice, or a reasonable longer period if the breach cannot reasonably be cured within such time. Notwithstanding the foregoing, either party may terminate this

Agreement immediately upon written notice to the other if: (a) the other party fails to possess any license, accreditation, or approval necessary to its business or to provide the Services under this Agreement, or (b) fails to have and maintain the insurance required under Section 3 of this Agreement, or (c) the party seeking termination reasonably concludes that the other party may pose an imminent threat to the orderly administration of the terminating party's operations, or (d) the other party commits any act that reasonably may impair the reputation of the party seeking termination.

- c. In the event of termination or expiration of this Agreement for any reason, all obligations of the parties to each other shall terminate immediately, provided, however, that:
- d. Upon request of YOUR CORPORATION or Sterling, Services under this Agreement shall continue for such period (not exceeding thirty (30) days) as is reasonably necessary to transfer the provision of the Services to another service provider.
 - i. The parties shall settle all outstanding matters related to this Agreement, including financial obligations as to payment or otherwise, in good faith and in accordance with this Agreement.
 - ii. Each party shall promptly return to the other party all Confidential Information in its possession relating to the other party.
 - iii. The obligations of the parties set forth in Section 4 (Indemnification), Section 9 (Confidentiality of Business Information) and this Section 11 (Term; Renewal; Termination) shall survive the expiration or termination of this Agreement.
 - iv. Despite expiration or termination of this Agreement for any reason, neither party shall be relieved of liability to the other party or to third parties for its performance of this Agreement during the Term.
- e. The parties shall settle all outstanding matters related to this Agreement, including financial obligations as to payment or otherwise, in good faith and in accordance with this Agreement.
- f. Each party shall promptly return to the other party all Confidential Information in its possession relating to the other party.
- g. The obligations of the parties set forth in Section 4 (Indemnification), Section 9 (Confidentiality of Business Information) and this Section 11 (Term; Renewal; Termination) shall survive the expiration or termination of this Agreement.
- h. Despite expiration or termination of this Agreement for any reason, neither party shall be relieved of liability to the other party or to third parties for its performance of this Agreement during the Term.

12. MODIFICATION OF AGREEMENT.

- a. Any modification, alteration, or change to this Agreement shall be made only by written supplemental agreements executed by authorized representatives of the parties.

13. WAIVERS.

- a. It is expressly understood and agreed that no waiver granted by a party of a breach or default by the other party of any of the provisions of this Agreement shall constitute or be construed in any manner as a waiver of the provision or of the right by the non-breaching party to enforce the same as to any other or further violation by the other party. Similarly, no failure or delay on the part of a party in exercising any right, power, or privilege under this Agreement, and no course of dealing between the parties shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege under this Agreement by either party preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

14. PERSONNEL RECRUITMENT.

- a. Each party agrees that at no time during the Term of this Agreement or during any extension or renewal thereof, and for a period of one (1) year thereafter, shall it contact any employee of the other party or any affiliate thereof for the purpose of employing, hiring, or otherwise interfering with the employment relationship between such employee and his/her employer or any affiliate thereof without the prior written approval of the employing party, nor shall either party, directly or indirectly, for itself or on behalf of or in connection with any other person, firm, partnership, corporation, or association, solicit, hire, or entice away any employee from his/her employer or any affiliate thereof.

15. FORCE MAJEURE.

- a. Should the performance of this Agreement by YOUR CORPORATION and/or Sterling be prevented or delayed by an act of God, war, civil insurrection, fire, flood, storm, strikes, lockouts, or by any law, regulation or order of any federal, state, county, or municipal authority, or by any other cause beyond the reasonable control of YOUR CORPORATION and/or Sterling, as the case may be, such party's performance to the extent it is so prevented or delayed shall be excused, provided that the party diligently attempts to perform to the extent it is not so prevented or delayed. If any such event occurs, the nonperforming party shall make reasonable efforts to notify the other party of the nature of any such condition and the extent of the delay.

16. INVALID PROVISIONS.

- a. If any provision of this Agreement or any other document contemplated hereby is rendered illegal, invalid, or unenforceable by any judicial decision, legislative action or regulation, or other administrative ruling, whether federal or state, such provision shall be fully severable and:
 - i. This Agreement and any other document contemplated hereby shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof or thereto;
 - ii. The remaining provisions of this Agreement and any other document contemplated hereby that reasonably can be given effect apart from that which is invalidated shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision; and
 - iii. The parties shall in good faith negotiate and substitute a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid, and enforceable. If the parties cannot, within fifteen (15) days, agree on an amendment to the Agreement to cure such illegal, invalid, or unenforceable provision, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party, or sooner if required by law.

17. CAPTIONS AND HEADINGS.

- a. In this Agreement, the captions and headings of paragraphs and/or subparagraphs are inserted for convenience, reference, and identification purposes only, and shall not control, define, limit, or affect any provision in this Agreement.

18. NUMBER AND GENDER.

- a. Whenever the singular is used herein, it shall include the plural where appropriate, and vice versa; and words of any gender in this Agreement shall include each gender where appropriate.

19. JURISDICTION; VENUE.

- a. In the event of any litigation relating to matters within the scope of this Agreement, the prevailing party on any claim or counterclaim shall be entitled to its costs and reasonable attorneys’ fees. In the event of any such litigation, the parties to this Agreement agree that the courts of the State of California will have exclusive jurisdiction, the venue therefore shall be in Alameda County, California and that all matters at issue and all questions concerning the interpretation of this Agreement shall be decided and construed in accordance with California law, excluding the choice of law rules thereof. The parties agree that Alameda, California shall be deemed to be a convenient forum, and that no legal action or other legal proceeding relating to this Agreement shall be initiated in any other forum.

20. CONSTRUCTION.

- a. Each party hereto agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

21. ADDITIONAL DOCUMENTS AND ACTIONS.

- a. Each party agrees to execute and deliver or cause to be executed and delivered such agreements, instruments, and documents, and to take such actions as the other party reasonably requests to the extent such agreements, instruments, documents, and actions are necessary for the purpose of evidencing or implementing the transactions contemplated by this Agreement.

22. NOTICES.

- a. Any notice or communication given under this Agreement shall be in writing, and delivered (i) in person, or (ii) by United States mail, registered or certified, return receipt requested, and postage prepaid, or (iii) by facsimile, with a copy sent by United States mail, registered or certified, and postage prepaid, or (iv) by a recognized overnight carrier (e.g., Federal Express), postage prepaid, addressed to the other party at the address listed below or to such other address as a party may notify the other party. All notices and communications shall be deemed to have been duly given (a) upon receipt if delivered in person, (b) three (3) business days after having been deposited in the mail as set forth above, (c) on the same day as sent if delivered by facsimile with a copy sent by mail as set forth above, or (d) one (1) business day after having been delivered to a recognized overnight carrier.

If to YOUR CORPORATION , to:

YOUR CORPORATION

If to Sterling, to:
 Vice President of Sales
 P.O. Box 71107
 Oakland, CA 94612
 Phone: 800-617-4729

23. EXECUTION.

- a. This Agreement may be executed by the parties in counterparts, all of which taken together will be deemed one and the same instrument.

24. DISPUTES.

- a. In the event of any dispute arising under or relating to this Agreement, either party may request an “executive review” with respect to the dispute. Each party shall designate the appropriate person, such as its chief executive officer or its chief operating officer, as the designated executive reviewer. Either party may request executive consultation between the two executive reviewers with respect to any dispute. Any dispute not resolved by agreement of such executive reviewers to the satisfaction of both parties within thirty (30) days of the executive review may be referred to arbitration as provided below.

25. DISPUTES AND ARBITRATION.

- a. If any controversy, dispute, or claim arises between the parties with respect to this Agreement, including, without limitation, disputes concerning compensation, the parties shall make good faith efforts to resolve such matters informally. If the dispute or claim is not resolved to the satisfaction of either or both parties, then such matter shall be settled exclusively by arbitration under the Commercial Arbitration rules of the American Arbitration Association then in force. Such arbitration may be initiated by either party by serving a written demand on the other party stating the substance of the controversy and the contention of the party requesting arbitration. The American Arbitration Association shall appoint an arbitrator who shall be a fit and impartial person. The award rendered by the arbitrator shall include costs and expenses, including, without limitation, reasonable attorneys’ fees, to the prevailing party and shall be final and binding on both parties. The fees and costs of the arbitrator and related expenses for arbitration shall be borne by the non-prevailing party. If the arbitrator determines that neither party has clearly prevailed, then the parties shall bear equally the fees and costs of the arbitration.

26. REMEDIES.

- a. Any remedies which the parties may have pursuant to this Agreement or by law shall be cumulative. The parties agree that if a party fails to comply with the terms and conditions of this Agreement, the harm to the other party may not be fully compensable in money damages and accordingly, the parties agree that neither party shall oppose an application by the other party seeking specific performance of any and all provisions of this Agreement or enjoining the breaching party from continuing to commit any breach, to the full extent permitted by law.

27. WARRANT OF AUTHORITY.

- a. Each party represents and warrants that the individual executing this Agreement on behalf of such party has authority to do so, and thereby to bind the party.