

SPECIMEN
SECTION 457(b) DEFERRED COMPENSATION PLAN
GOVERNMENTAL EMPLOYERS

This specimen plan document (which includes both an Adoption Agreement and a Basic Plan Document) is intended to meet the requirements of an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, that is sponsored by a governmental employer, as defined thereunder. This document has not been approved by the Internal Revenue Service and is provided for consideration by the employer and its legal counsel. Modifications may be required depending on the specific facts and circumstances of the employer, including any applicable state or local laws, rules or regulations regarding deferred compensation or retirement benefits for governmental employees. VALIC cannot and does not provide legal or tax advice.

ADOPTION AGREEMENT
SECTION 457(b) DEFERRED COMPENSATION PLAN
(Governmental)

The undersigned employer hereby adopts or restates, as applicable, this Plan. This Plan shall comprise both (1) this Adoption Agreement and (2) the Basic Plan Document. Article and section references in this Adoption Agreement refer to articles and sections of the Basic Plan Document unless otherwise indicated.

Employer Name: _____

Employer Address: _____

Plan Name: _____

1. Plan Effective Date. ("Effective Date.") (Check one.)

- This Plan is being established by the Employer as a new Plan, effective _____, _____.
- This Plan amends and restates the Plan previously established by the Employer and is effective _____, _____. The Plan was originally established by the Employer effective _____, _____.

2. Eligible Employees. (Check one.)

- All Employees shall be eligible to participate.
- The Employer, in its sole discretion, shall determine each Plan Year which Employees shall be eligible to participate in the Plan.
- All Employees shall be eligible to participate except the following Employees (specify which Employees shall not be allowed to participate in the Plan):

3. Roth Contributions. (Check one.)

- Designated Roth Contributions are not permitted, and Section 4.10 shall not apply to this Plan.
- Participants may make Designated Roth Contributions (as described in Section 4.10) in lieu of or in addition to pre-tax Elective Deferral Contributions, effective _____, _____ (insert date not earlier than the later of January 1, 2011 or the date of the Employer's resolution adopting Designated Roth Contributions).

4. Employer Contributions. (Check one.) Note: Employer Contributions are combined with Elective Deferral Contributions and Designated Roth Contributions in applying the contribution limits described in Section 2.18.

- There shall be no Employer Contributions under this Plan.
- Discretionary Employer Contribution. The Employer may, in its absolute discretion, make an Employer Contribution to the Plan, and may determine, in its absolute discretion, how any such Employer Contribution shall be allocated among Plan Participants. This Discretionary Employer Contribution may be a matching or non-matching contribution.
- FICA Opt-out Contribution. As described in Section 4.11, the Employer shall make FICA Opt-out Contributions (contributions other than Elective Deferral Contributions or Designated Roth Contributions) on behalf of the following Employees in lieu of paying/withholding FICA taxes for such Employees and in the amounts indicated below (check applicable box and fill in blanks for required contribution percentages):
 - All Employees
 - Part-time, seasonal and temporary Employees only

- Other (indicate which Employees shall be eligible for the FICA Opt-out Contributions):

The required FICA Opt-out Contribution shall consist of the following types of contributions (which must total 7.5% or more of the Participant's Compensation):

- Employer Contribution = _____% of Compensation
- Mandatory Employee Contribution = _____% of Compensation
- Other: _____
- _____
- _____

5. Loans. (Check one.)

- Yes, loans are allowed and Article IX shall apply to this Plan.
- No, loans are not allowed and Article IX shall not apply to this Plan.

6. Unforeseeable Emergency Withdrawals. (Check one.)

- Yes. Withdrawals under Section 6.08 shall be available under this Plan. (Check one.)
- Withdrawals on account of an illness, accident or need to pay for the funeral expenses of the Participant's primary Beneficiary shall be available effective the later of (a) August 17, 2006, (b) the original effective date of the Plan or, if applicable, (c) _____, _____ (insert date that this option was first available, if such date was later than August 17, 2006).
- Withdrawals on account of an illness, accident or need to pay for funeral expenses of the Participant's primary Beneficiary shall not be available.
- No. Withdrawals under Section 6.08 shall not be available under this Plan.

7. Participant's Election to Receive In-Service Distribution. A Participant may elect to receive an in-service distribution of his account balance as described in Section 6.10. (Check one.)

- Yes, if the total amount payable to a Participant under the Plan does not exceed the dollar amount under Code Section 411(a)(11)(A) (currently \$5,000).
- No. Section 6.10 shall not apply to this Plan.

8. Distribution without Participant's Consent. Small accounts of certain inactive Participants may be distributed without the Participant's consent as described in Section 6.11. (Check one.)

- Yes, if the total amount payable to a Participant under the Plan does not exceed \$1,000. Such amount will be paid in cash to the Participant.
- No. Section 6.11 shall not apply to this Plan.

9. Distributions to Individuals in Uniformed Services. (Check one.)

- The Plan does not permit distributions to individuals who are deemed to have a Severance from Employment solely on account of their performing services in the uniformed services and Section 6.13 shall not apply to this Plan.
- Participants who are deemed to have a Severance from Employment on account of their performing services in the uniformed services for a period of 30 days or more may elect to receive a distribution of all or a portion of their Account (subject to the post-distribution restrictions described in Section 6.13).

10. In-plan Roth Conversions. (Check one.) (Note: Employer cannot allow in-plan Roth conversions unless it also elects to allow Designated Roth Contributions under Section 3, above, of this Adoption Agreement.)

- In-plan Roth conversions are not permitted, and Section 6.12 shall not apply to this Plan.
- Participants may convert certain pre-tax amounts to Roth contributions in an "in-plan" rollover/conversion described in Section 6.12, but only if such amounts are currently distributable under the terms of the Plan, effective _____, _____ (insert date not earlier than the later of January 1, 2011 or the date of the Employer's resolution adopting in-plan Roth conversions).

11. Deductions from Distributions to Eligible Retired Public Safety Officers. (Check one.)
- For distributions after December 31, 2006, an Eligible Retired Public Safety Officer may elect, pursuant to Section 6.14, to have up to \$3,000 of the distribution deducted and paid directly to the provider of an accident or health insurance plan or qualified long-term care insurance plan.
 - The Plan does not allow elections by Eligible Retired Public Safety Officers under Section 6.14.
12. Non-spousal Beneficiary Rollovers. As described in Section 8.03, non-spousal Beneficiary rollovers are allowed after December 31, 2006, unless elected otherwise below. (Note: Such distributions are required by law to be allowed after December 31, 2009.)
- Non-spousal Beneficiary rollovers are not allowed prior to January 1, 2010.
 - Non-spousal Beneficiary rollovers are allowed effective _____, _____ (insert date not earlier than January 1, 2007 and not later than December 31, 2009).
13. Required Minimum Distributions for 2009. (Check one of the boxes in each of subsections (a) and (b) below. If none of the boxes in a subsection is checked, the first option shall apply to the Plan.)
- (a) For purposes of 2009 required minimum distributions:
- This option reflects VALIC standard operations during 2009.** The provisions of Section 6.05(a) apply (Required Minimum Distributions continue in accordance with the terms of the Plan for Participants or Beneficiaries receiving installment payments unless such Participant or Beneficiary elects otherwise, whereas Required Minimum Distributions are suspended for all other Participants and Beneficiaries).
 - The provisions of Section 6.05(b) apply (Required Minimum Distributions continue in accordance with the terms of the Plan for all Participants and Beneficiaries, unless otherwise elected by a Participant or Beneficiary).
 - The provisions of Section 6.05(c) apply (Required Minimum Distributions continue in accordance with the terms of the Plan for all Participants and Beneficiaries, but only Participants or Beneficiaries receiving installment payments may elect otherwise).
 - Other: _____

 - Not applicable (Plan established as a new Plan after 2009). (Do not complete subsection (b) below.)
- (b) For purposes of Section 6.05(d), the Plan will treat the following as eligible rollover distributions in 2009:
- This option reflects VALIC standard operations during 2009.** A direct rollover option shall be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(H).
 - Eligible rollover distributions shall include 2009 Required Minimum Distributions and installment payments that include 2009 Required Minimum Distributions.
 - Eligible rollover distributions shall include 2009 Required Minimum Distributions, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code Section 401(a)(9)(H).
14. Optional Benefit Accruals under HEART Act. (Check one.)
- The optional benefit accrual provisions described in Section 4.12 for individuals who die or become disabled while performing qualified military service shall not apply.
 - The optional benefit accrual provisions described in Section 4.12 for individuals who die or become disabled while performing qualified military service shall apply effective _____, _____ (insert date not earlier than first day of 2007 Plan Year).
15. Governing Law. This Plan shall be construed under the laws of the State/Commonwealth of _____ (insert State/Commonwealth). This Plan shall be subject to any applicable State, county or local deferred compensation rules and regulations.

The Employer hereby causes this Adoption Agreement to be executed by its duly authorized representative on the date specified below.

Employer (Please Print): _____

Employer's Signature: _____

Name (Please Print): _____

Title: _____ Date: _____

PARTICIPATION AGREEMENT
SECTION 457(b) DEFERRED COMPENSATION PLAN
(Governmental)

Complete this page *only* if more than one Employer will adopt this Section 457(b) Deferred Compensation Plan. Each Participating Employer must execute a separate Participation Agreement.

Check here if not applicable and do not complete this page.

The undersigned governmental entity, by executing this Participation Agreement, elects to become a Participating Employer in the Section 457(b) eligible deferred compensation plan identified in the accompanying Adoption Agreement and below (the "Plan"), as if the Participating Employer were a signatory to the Adoption Agreement for the Plan. The Participating Employer accepts, and agrees to be bound by, all of the elections made by the signatory Employer in the Adoption Agreement for the Plan, except as otherwise provided in this Participation Agreement.

1. EFFECTIVE DATE. (Note: The Effective Date of the Participating Employer's adoption of the Plan cannot be earlier than the original effective date of the Plan, as adopted by the signatory Employer. If the Participating Employer is adopting the Plan as a restatement of an existing governmental Section 457(b) plan of the Participating Employer, the Effective Date of the Participating Employer's adoption of the Plan must not be earlier than the later of (i) the original effective date of the Participating Employer's existing Section 457(b) plan, (ii) the effective date of the most recent restatement of the Plan by the signatory Employer, or (iii) the first day of the Plan Year that includes the date the Participation Agreement is executed.)

The Effective Date of the Participating Employer's adoption of the Plan is: _____, _____.

2. NEW PLAN/RESTATEMENT. The Participating Employer's adoption of this Plan constitutes: (Check one.)

The adoption of a new governmental Section 457(b) plan by the Participating Employer.

An amendment and restatement of a governmental Section 457(b) plan currently maintained by the Participating Employer identified as the _____ and having an original effective date of _____, _____.

The Participating Employer hereby causes this Participation Agreement to be executed by its duly authorized representative on the date specified below.

Plan Name (Please Print): _____

Participating Employer Name (Please Print): _____

Participating Employer's Signature: _____

Name (Please Print): _____

Title: _____ Date: _____

Acceptance by the Signatory Employer of the Adoption Agreement.

Signatory Employer Name (Please Print): _____

Signatory Employer's Signature: _____

Name (Please Print): _____

Title: _____ Date: _____

BASIC PLAN DOCUMENT
SECTION 457 (b) DEFERRED COMPENSATION PLAN
(Governmental)

ARTICLE I. INTRODUCTION

This Plan is intended to be an eligible deferred compensation plan under Section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

ARTICLE II. DEFINITIONS

- 2.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.
- 2.02 Adoption Agreement: The separate agreement which is executed by the Employer and sets forth the elective provisions of this Plan as specified by the Employer.
- 2.03 Annuity Contract: If selected by the Employer as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by The Variable Annuity Life Insurance Company (VALIC) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provide for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.
- 2.04 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Deferred Compensation Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Deferred Compensation Agreement. If no Beneficiary is designated in the Deferred Compensation Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.
- 2.05 Code: The Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 2.06 Compensation: The amount of compensation that would be payable to a Participant by the Employer if no Deferred Compensation Agreement were in effect to defer compensation under this Plan. The term Compensation includes amounts that are excludable from an Employee's gross income and that are contributed by the Employer at the Employee's election to a cafeteria plan, qualified transportation fringe benefit plan, a Section 401(k) arrangement, a SARSEP, a Section 403(b) arrangement, a SIMPLE plan or another Section 457(b) plan of the Employer. For years beginning after 2008, Compensation shall include "differential wage payments," as that term is defined in Section 2.17 (Includible Compensation).
- 2.07 Deferred Compensation: The amount of Compensation otherwise payable to the Participant that the Participant elects to defer hereunder (as either pre-tax Elective Deferral Contributions or after-tax Designated Roth Contributions), any amount credited to a Participant's Account by reason of a transfer under Section 8.01, or any other amount that the Employer agrees to credit to a Participant's Account (as an Employer Contribution) and that does not exceed the Maximum Limitation.
- 2.08 Deferred Compensation Agreement: An agreement entered into between a Participant and the Employer and any amendments or modifications thereof, which agreement shall fix the amount of pre-tax Elective Deferral and/or after-tax Designated Roth Contributions, if applicable, that the Participant elects to defer; specify the Participant's investment selection with respect to his Deferred Compensation; designate the Participant's Beneficiary or Beneficiaries; and incorporate the terms, conditions, and provisions of this Plan by reference.
- 2.09 Designated Roth Contribution: The amount of a Participant's Compensation that he elects to defer to the Plan (as Deferred Compensation) on an after-tax basis.

- 2.10 Elective Deferral Contribution: The amount of a Participant's Compensation that he elects to defer to the Plan (as Deferred Compensation) on a pre-tax basis.
- 2.11 Eligible Retirement Plan: A plan described in Code Section 402(c)(8)(B) to which an Eligible Rollover Distribution may be transferred pursuant to Code Section 457(e)(16).
- 2.12 Eligible Rollover Distribution: A qualifying distribution to a Participant, or to a spousal Beneficiary of a deceased Participant, that is described in Code Section 402(c)(4).
- 2.13 Employee: Any individual, whether appointed, elected or under contract, providing services for the Employer for which compensation is paid. For years beginning after December 31, 2008, the term Employee also includes an individual receiving "differential wage payments," as that term is defined in Section 2.17 (Includible Compensation), from the Employer.
- 2.14 Eligible Employee: An Employee who, based on the Employer's elections in the Adoption Agreement, is eligible to participate in the Plan.
- 2.15 Employer: The entity identified in the Adoption Agreement, which entity is a State, political subdivision of a State, or an agency or instrumentality of a State or political subdivision of a State.
- 2.16 Employer Contribution: The amount (if any) that the Employer contributes to the Plan (as Deferred Compensation) that does not reduce (on a pre-tax or an after-tax basis) the Participant's Compensation for the Plan Year.
- 2.17 Includible Compensation: For a taxable year, the Participant's compensation, as defined in Code Section 415(c)(3), for services performed for the Employer. For years beginning after 2008, Includible Compensation shall include "differential wage payments," as defined in Code Section 3401(h)(2) (a payment by the Employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days, and which payment represents all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer). The amount of Includible Compensation shall be determined without regard to any community property laws.
- 2.18 Maximum Limitation: The maximum amount that may be deferred under this Plan (other than rollover amounts described in Section 8.02) for the taxable year of a Participant. Such amount shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable.
- (a) Normal Limitation: The maximum amount deferred shall not exceed the lesser of the Applicable Dollar Amount (as described in Section 2.18(c) below) or 100% of the Participant's Includible Compensation, as adjusted by Section 2.18(d) below. Notwithstanding the preceding provisions of this paragraph, for calendar years prior to 2002, the maximum amount deferred shall not exceed such limit or limits in effect for the applicable year pursuant to Code Section 457.
- (b) Catch-Up Limitation: For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal Retirement Age, the maximum amount deferred for each such year shall be the lesser of:
- (1) twice the Applicable Dollar Amount (as described in Section 2.18(c) below); or
 - (2) the sum of the Normal Limitation, plus that portion of the Normal Limitation not used in each of the prior taxable years of the Participant commencing after 1978 in which (i) the Participant was eligible to participate in this Plan or another eligible plan of the Employer, and (ii) compensation deferred under this Plan (or such other plan) was subject to the deferral limitations set forth in this section.
- A Participant may utilize the Catch-Up Limitation only if the Participant has not previously utilized it with respect to a different Normal Retirement Age under this Plan or any other plan.
- For years prior to 2002, the limit under this paragraph (b) for any year shall not exceed \$15,000.
- (c) Applicable Dollar Amount: For contributions in 2006 and subsequent years, the Applicable Dollar Amount shall be \$15,000 as adjusted for cost-of-living increases in accordance with Code Section 457(e)(15). The Applicable Dollar Amount for the 2011 calendar year is \$16,500 and for the 2012 calendar year is \$17,000.
- (d) Coordination with Other Plans: For contribution years prior to 2002, the amount excludible from a Participant's gross income for any taxable year under this Plan or any other plan under Code Section 457(b) shall not exceed \$7,500 (as adjusted for cost-of-living increases in accordance with Code Section 457(e)(15)) or such greater amount allowed under paragraph (b) of this section, less any amount excluded from gross income under Code Section 403(b), 402(e)(3), or 402(h)(1)(B) or (k), or any amount with respect to which a deduction is allowable by reason of a contribution to an organization under Code Section 501(c)(18).

- (e) Age-Based Catch-Up Contributions: In addition to any other limit set forth in this section, a Participant who will attain age 50 in the calendar year may contribute an additional \$5,000 as adjusted for cost-of-living increases in accordance with Code Section 414(v)(2)(C). The Age-Based Catch-Up limitation for the 2011 and 2012 calendar years is \$5,500.
- (f) Coordination of Catch-Up Contributions: A Participant may not utilize both the Catch-Up Limitation and the Age-Based Catch-Up Contribution in the same year. The Age-Based Catch-Up Contribution shall not apply for any taxable year for which a higher Catch-Up Limitation applies.
- (g) Excess Deferrals: Any amount deferred in excess of the Maximum Limitation or Age-Based Catch-Up Contribution shall be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. An excess deferral as a result of a failure to comply with the individual limitation under Treas. Reg. Section 1.457-5 for a taxable year may be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral.

2.19 Normal Retirement Age: The age that determines the period during which a Participant may utilize the Catch-Up Limitation of Section 2.18(b) hereunder. A Participant's Normal Retirement Age shall be age 70½, unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Employer prior to Severance from Employment.

A Participant's alternative Normal Retirement Age may not be earlier than the earliest date that the Participant shall become eligible to retire and receive unreduced retirement benefits under the Employer's defined benefit plan or money purchase plan covering that Participant and may not be later than the calendar year in which the Participant attains age 70½. If the Participant will not be eligible to receive benefits under a defined benefit plan or money purchase plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 65 and may not be later than the calendar year in which the Participant attains age 70½.

If the Participant is a qualified police officer or firefighter as defined under Code Section 415(b)(2)(H)(ii)(I), then such qualified police officer or firefighter may designate an alternative Normal Retirement Age that is between age 40 and age 70½.

Once a Participant has to any extent utilized the Catch-Up Limitation of Section 2.18(b), his Normal Retirement Age may not be changed.

2.20 Participant: Any Eligible Employee who has enrolled in this Plan pursuant to the requirements of Article IV or who has previously deferred compensation under this Plan and who has not received a distribution of his entire benefit under the Plan.

2.21 Plan Year: The 12-month period commencing each January 1st and ending on the following December 31st.

2.22 Severance from Employment: Termination of the Participant's employment relationship with the Employer. For years after 2008, solely for purposes of the withdrawal restrictions of Code Section 457(d)(1)(A), an individual shall be treated as having been severed from employment during any period the individual is performing service in the uniformed services, as described in Code Section 3401(h)(2)(A). For years prior to 2002, references in this Plan to Severance from Employment shall mean severance of the Participant's employment with the Employer, within the meaning of Code Section 402(e)(4)(D)(i)(III), rather than termination of the Participant's employment relationship with the Employer.

2.23 Service Provider: The Variable Annuity Life Insurance Company (VALIC), VALIC Retirement Services Company or such other entity as the Employer designates to perform administrative services under this Plan.

ARTICLE III. ADMINISTRATION

3.01 Plan Administrator: This Plan shall be administered by the Employer or one or more persons designated by the Employer. The Plan Administrator, if other than the Employer, shall act as the agent of the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement, operate and maintain this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under Section 6.08 of this Plan.

3.02 Employee with Administrative Responsibilities: Any Employee who is charged with administrative responsibilities hereunder may participate in the Plan under the same terms and conditions as apply to other Employees. However, he

shall not have the power to participate in any discretionary action taken with respect to his participation under Section 6.08 of this Plan.

- 3.03 Administrative Services. The Employer may enter into an agreement with a Service Provider to provide nondiscretionary administrative services under this Plan for the convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

ARTICLE IV. PARTICIPATION IN THE PLAN

- 4.01 Participant. An Eligible Employee becomes a Participant when he has executed and entered into a Deferred Compensation Agreement with the Employer. An Eligible Employee is not precluded from becoming a Participant by reason of having received a pre-1997 cash-out distribution (upon separation from service) of \$3,500 or less from a Code Section 457(b) plan.
- 4.02 Enrollment in the Plan. An Eligible Employee may elect to defer Compensation for a calendar month by entering into a Deferred Compensation Agreement before the first day of the month in which the Compensation is paid or made available. A new Eligible Employee may defer Compensation payable in the calendar month which includes the first day of employment by entering into a Deferred Compensation Agreement on or before the first day of employment.
- 4.03 Minimum Deferral Amount. At the time of entering into or amending a Deferred Compensation Agreement hereunder, an Eligible Employee or Participant must agree to defer a minimum periodic amount as specified by the Plan Administrator.
- 4.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Deferred Compensation Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. The Employer may suspend a Participant's Elective Deferral Contributions and/or Designated Roth Contributions for up to 6 months in the event a Participant takes a hardship distribution from the Employer's Section 401(k) plan or Section 403(b) arrangement if required under the terms of such plan or arrangement. A Participant may change the Beneficiary designated in his Deferred Compensation Agreement at any time by giving written notice to the Plan Administrator.
- 4.05 Revocation of Deferred Compensation Agreement. A Participant may revoke his Deferred Compensation Agreement and his Compensation shall be restored in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.
- 4.06 New Deferred Compensation Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Severance from Employment, or who has revoked his Deferred Compensation Agreement under Section 4.05, may again become an active Participant by executing a new Deferred Compensation Agreement with the Employer prior to the beginning of the calendar month for which it is to be effective.
- 4.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with Compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Deferred Compensation Agreement for such a Participant.
- 4.08 Deferrals of Sick, Vacation, and Back Pay. Subject to approval of the Employer, an Eligible Employee or Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under this Plan in accordance with the requirements of Code Section 457(b). These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available.
- 4.09 Deferrals of Amounts Paid After Severance from Employment. Subject to the approval of the Employer:
- (a) An Eligible Employee or Participant may elect to defer certain amounts that are paid after Severance from Employment, but only if such amounts are
 - (1) paid by the later of 2½ months after Severance from Employment or the end of the calendar year that includes the date of Severance from Employment, and
 - (2) one of the following types of compensation:

- (i) regular compensation for services rendered by the Eligible Employee or Participant (including base pay, overtime, shift differential, commission, bonus or other similar pay), so long as these amounts would have been paid to the Eligible Employee or Participant prior to termination of employment if the Eligible Employee or Participant had not had a Severance from Employment; or
 - (ii) payments for accrued but unused sick, vacation or other leave, but only if the Eligible Employee or Participant would have been able to use such leave if employment had continued.
 - (b) An Eligible Employee or Participant may also elect to defer amounts paid to the Eligible Employee or Participant during periods when the Eligible Employee or Participant is not performing services for the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)), but only to the extent those payments do not exceed the amount the Eligible Employee or Participant would have received if the Eligible Employee or Participant had continued to perform services for the Employer rather than entering qualified military service.
 - (c) An Eligible Employee or Participant may also elect to defer amounts paid to the Eligible Employee or Participant during a period when the Eligible Employee or Participant is not performing services for the Employer because the Eligible Employee or Participant is permanently and totally disabled (as that term is defined in Code Section 22(e)(3)), so long as either:
 - (1) the Eligible Employee or Participant was not a highly compensated employee (as defined in Code Section 414(q)) immediately before becoming permanently and totally disabled, or
 - (2) the plan under which the disability payments are made provides for payments to all Eligible Employees or Participants who are permanently and totally disabled for a fixed or determined period.
- 4.10 Designated Roth Contributions. If elected by the Employer in the Adoption Agreement, the Participant may designate that all or a portion of his/her elective contributions to the Plan be treated as after-tax Roth contributions (referred to herein as "Designated Roth Contributions"). Such designation must be made before the date upon which the amounts designated would otherwise have been payable to the Participant (but for the election to defer), and such designation must be irrevocable on and after that date. Designated Roth Contributions (and the earnings thereon) shall be accounted for separately from all other contributions to the Plan (including rollovers of Roth contributions from other plans and in-plan Roth conversions) and the earnings on those contributions. If a Participant takes a distribution of less than 100% of his Account (including an In-Service Distribution or an Unforeseeable Emergency Withdrawal), the Participant may designate whether such distribution shall be made from the Participant's pre-tax Elective Deferral Contributions or after-tax Designated Roth Contributions.
- 4.11 Employer Contributions. If elected by the Employer in the Adoption Agreement, the Employer may/shall make contributions (that are not part of the Participant's Compensation) to the Plan as additional Deferred Compensation. Employer contributions may, but need not, be accounted for separately from Employee pre-tax Elective Deferral Contributions, but shall be accounted for separately from Designated Roth Contributions, amounts converted to Roth contributions through an in-plan Roth conversion, and rollover contributions (whether from a non-Roth account or a designated Roth account). If the Employer elects in the Adoption Agreement to make contributions in lieu of withholding/paying FICA taxes (hereinafter referred to as "FICA Opt-out Contributions") for some or all Participants for a given pay period, such contributions must total at least 7.5% of the Participant's Compensation for the pay period, and must be 100% vested at all times. If the Employer requires Participants to make mandatory salary reduction (*i.e.*, pre-tax) contributions to the Plan as a condition of employment (hereinafter referred to as "Employee Mandatory Contributions"), such contributions shall be treated as Employer Contributions for all purposes under this Plan (including the 7.5% of Compensation requirement for FICA Opt-out Contributions).
- 4.12 Compliance with HEART Act. In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service), if any, provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. If (and only if) the Employer elects in the Adoption Agreement, then effective as of the date elected in the Adoption Agreement, the Plan shall treat an individual who dies or becomes disabled (as defined in Code Section 72(m)(7)) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. The Plan will determine the amount of Elective Deferral Contributions (or Designated Roth Contributions) of an individual treated as employed under this section for purposes of applying Code Section 414(u)(8)(C) on the basis of the individual's average actual Elective Deferral Contributions (or Designated Roth Contributions) for the lesser of (i) the 12-month period of service

with the Employer immediately prior to the qualified military service or (ii) the actual length of continuous service with the Employer.

ARTICLE V. INVESTMENT OF DEFERRED COMPENSATION

- 5.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the Employer shall invest the amount of compensation deferred by each Participant in Annuity Contracts and other Plan investments as specified in the Participants' Deferred Compensation Agreements. Amounts deferred under this Plan must be transferred to a trust, custodial account or annuity contract described in Section 5.02 within a period that is not longer than is reasonable for the proper administration of the Participant Accounts. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer, and the Employer shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their Accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer, and the Employer shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Employer.
- 5.02 Exclusive Benefit. Notwithstanding any provision of the Plan to the contrary, all amounts held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan Participants and Beneficiaries (i) in annuity contracts or (ii) in trust or in one or more custodial accounts pursuant to one or more separate written instruments. Any such annuity contract, trust, or custodial account must satisfy the requirements of Code Section 457(g)(1). The annuity contract, trust or custodial account must make it impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the annuity contract, trust or custodial account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. For purposes of this section, the terms Participant and Beneficiary shall also include contingent beneficiaries and/or spouses, former spouses, or children of Participants for whose benefit amounts are being held under the Plan pursuant to the terms of a domestic relations order which has been recognized under the terms of the Plan. Any discretionary authority reserved to the Employer (or to any administrator or administrative committee) under the Plan or under any investment held under the Plan, to the extent the exercise thereof would otherwise be inconsistent with this section, shall be exercised for the exclusive benefit of Plan Participants and Beneficiaries. Any issuer of an annuity contract or trustee or custodian of other investments held under the Plan shall have no authority to pay any amounts from such Plan investments to any creditor of the Employer, and shall have no duty to inquire into the validity of any request by the Employer or by an administrator or administrative committee for distribution of amounts for the benefit of a Participant or a Beneficiary under the Plan.
- 5.03 Benefits Based on Participant's Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VI of this Plan shall be based upon the value of the Participant's Account. In no event shall the Employer's liability to pay benefits exceed the value of the Participant's Account, and the Employer shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.
- 5.04 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.
- 5.05 Employer-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, the Employer shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. This direction shall be effective only until such time as the Participant or Beneficiary exercises his right to direct the investment of such amounts in accordance with the terms of the Plan.

ARTICLE VI. BENEFITS

- 6.01 Distribution of Benefits. Except as otherwise provided in this Article, a Participant's Account shall become distributable upon a Participant's attainment of age 70½ or Severance from Employment. If the Participant has had a Severance from Employment, the distribution of a Participant's Account shall commence no later than April 1st of the calendar year following the year of the Participant's attainment of age 70½. Distributions shall be made in accordance with one of the payment options described in Section 6.03.
- 6.02 Distribution Procedures. The Employer may from time to time establish procedures for Participant distribution elections, provided that such procedures are not inconsistent with the requirements of Section 6.01.

6.03 Payment Options. A Participant (or a Beneficiary as provided in Sections 6.06 or 6.07) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is available under the investment and consistent with the requirements set forth in Section 6.04:

- (a) life annuity;
- (b) life annuity with 60, 120, or 180 monthly payments guaranteed;
- (c) unit refund life annuity;
- (d) joint and last survivor annuity (spouse only);
- (e) lump sum;
- (f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;
- (g) withdrawals for a specified number of years;
- (h) withdrawals of a specified amount; or
- (i) any other method of payment agreed upon between Participant and Employer and accepted by the investment provider or Service Provider.

If a Participant fails to elect a payment option, any required payments shall be made under a payment option designated by the Employer.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

6.04 Required Minimum Distributions.

- (a) No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code Section 401(a)(9) and any additional Code limitations applicable to the Plan. The provisions of this section shall apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The requirements of this section shall take precedence over any inconsistent provisions of the Plan. All distributions required under this section shall be determined and made in accordance with the regulations under Code Section 401(a)(9). Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.
- (b) The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date. If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then unless the surviving spouse elects to apply the 5-year rule (pursuant to subsection (f), below), distributions to the surviving spouse shall begin by December 31st of the calendar year immediately following the calendar year in which the Participant died, or by December 31st of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then unless the designated Beneficiary elects to apply the 5-year rule (pursuant to subsection (f), below), distributions to the designated Beneficiary shall begin by December 31st of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no designated Beneficiary as of September 30th of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection (b), other than paragraph (b)(1), shall apply as if the surviving spouse were the Participant.

For purposes of this subsection (b) and subsection (d), unless paragraph (b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph

(b)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (b)(1)), the date distributions are considered to begin is the date distributions actually commence.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions shall be made in accordance with subsections(c) and (d) of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Code Section 401(a)(9).

- (c) During the Participant's lifetime, the minimum amount that shall be distributed for each distribution calendar year is the lesser of:
- (1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
 - (2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions shall be determined under this subsection (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

- (d) (1) If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:
- (a) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (b) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (c) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (2) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30th of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (3) Except as otherwise elected (pursuant to subsection (f), below), if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in paragraphs (1) and (2), above.
- (4) If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30th of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

- (5) If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph (b)(1), this subsection (d) shall apply as if the surviving spouse were the Participant.
- (e) Definitions.
- (1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under Section 2.04 of the Plan and is the designated Beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the regulations.
- (2) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection (b). The required minimum distribution for the Participant's first distribution calendar year shall be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, shall be made on or before December 31st of that distribution calendar year.
- (3) "Life expectancy" means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the regulations.
- (4) "Participant's account balance" means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (5) "Required beginning date" means April 1st of the calendar year following the later of:
- (a) the calendar year in which the Participant attains age 70½; or
 - (b) the calendar year in which the Participant retires.
- (f) Participants or Beneficiaries may elect, on an individual basis, whether the 5-year rule or the life expectancy rule in subsections (b) and (d) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30th of the calendar year in which distribution would be required to begin under subsection (b), or by September 30th of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions shall be made in accordance with subsections (b) and (d).

6.05 2009 Required Minimum Distributions ("RMDs").

- (a) Continuation of RMDs for Participants Receiving Installment Payments Unless Otherwise Elected by the Participant; Suspension of RMDs for All Other Participants. This paragraph applies if elected by the Employer in the Adoption Agreement or if no election is made by the Employer in the Adoption Agreement. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are one or more payments in a series of installments (that include 2009 RMDs), will continue to receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect not to receive the distributions that include 2009 RMDs. For all other Participants and Beneficiaries, the requirement to receive the 2009 RMD shall be suspended in accordance with Code Section 401(a)(9)(H).
- (b) Continuation of RMDs for All Participants Unless Otherwise Elected by the Participant. This paragraph applies if elected by the Employer in the Adoption Agreement. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that

requirement by receiving distributions that are either (1) equal to the 2009 RMDs or (2) one or more payments in a series of installments (that include 2009 RMDs), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

- (c) Continuation of RMDs for All Participants Unless Otherwise Elected by Participants Receiving Installment Distributions. This paragraph applies if elected by the Employer in the Adoption Agreement. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) (“2009 RMDs”), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2009 RMDs or (2) one or more payments in a series of installments (that include the 2009 RMDs), will receive those distributions for 2009. However, Participants and Beneficiaries receiving installments will be given the opportunity to elect not to receive the distributions that include 2009 RMDs.
 - (d) Direct Rollovers. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009, as elected by the Employer in the Adoption Agreement, will be treated as eligible rollover distributions. If no election is made by the Employer in the Adoption Agreement, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(H).
- 6.06 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under an annuity payment option, the guaranteed or remaining payments, if any, under the annuity payment option shall be payable to the Participant’s Beneficiary commencing with the first payment due after the death of the Participant. If the Beneficiary does not continue to live for the remaining period of payments under the annuity payment option, then the remaining benefits under the annuity payment option shall be paid to the Beneficiary’s beneficiary or, if none, the Beneficiary’s estate. Should the Participant die after he has begun to receive benefits under any other payment option, a death benefit equal to the value of the Participant’s Account shall be payable to the Beneficiary. Such death benefit shall be paid in a lump sum unless the Beneficiary elects a different payment option. Should the Beneficiary die before the completion of payments under an annuity payment option or before distribution of the entire Participant Account, then the value of the remaining payments under the annuity payment option, or the value of the Participant Account in a lump sum, respectively, shall be paid to the Beneficiary’s beneficiary or, if none, the Beneficiary’s estate. Payment to the Participant’s Beneficiary under this section must comply with Code Section 401(a)(9), and with any additional Code limitations applicable to the Plan. In no event shall the Employer be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.
- 6.07 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under Section 6.01, a death benefit equal to the value of the Participant’s Account shall be payable to the Beneficiary. Such death benefit shall be paid in a lump sum unless the Beneficiary elects a different payment option. Payment to the Participant’s Beneficiary must comply with Code Section 401(a)(9), and with any additional Code limitations applicable to the Plan. Should the Beneficiary die before the completion of payments under an annuity payment option or before distribution of the entire Participant Account, the value of the remaining payments under the annuity payment option, or the value of the Participant Account in a lump sum, shall be paid to the Beneficiary’s beneficiary or, if none, the Beneficiary’s estate.
- 6.08 Unforeseeable Emergency Withdrawals. If the Employer so elects in the Adoption Agreement, then in the event of an unforeseeable emergency, a Participant may apply to the Employer to receive that part of the value of his Account that is reasonably needed to satisfy the emergency need (including any amounts that may be necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). If such application for withdrawal is approved by the Employer, the Employer shall direct the issuer, trustee or custodian to pay the Participant such value as the Employer deems necessary to meet the emergency need.

The regulations under Section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant’s or Beneficiary’s spouse, or the Participant’s or Beneficiary’s dependent (as defined in Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(b)(1), (b) (2), and (d)(1)(B)); loss of the Participant’s or Beneficiary’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner’s insurance, e.g., as a result of a natural

disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(b) (1), (b)(2), and (d)(1)(B)) of the Participant or Beneficiary may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 6.08, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

A distribution on account of an unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

Unless otherwise elected in the Adoption Agreement, then effective as of August 17, 2006, a Participant's unforeseeable emergency includes a severe financial hardship of the Participant's primary beneficiary under the Plan, that would constitute an unforeseeable emergency if it occurred with respect to the Participant's spouse or dependent as defined under Code Section 152. For purposes of this section, a Participant's "primary beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right to all or a portion of the Participant's account balance under the Plan upon the Participant's death.

- 6.09 Transitional Rule for Annuity Payment Option Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer and if a Participant or Beneficiary has commenced receiving benefits under an annuity payment option, that annuity payment option shall remain in effect notwithstanding any other provision of this Plan.
- 6.10 Participant's Election to Receive In-Service Distribution. If the Employer so elects in the Adoption Agreement, a Participant may elect to receive an in-service distribution of the total amount payable to him under the Plan if:
- (a) such amount does not exceed the dollar amount under Section 411(a)(11)(A) of the Code,
 - (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
 - (c) there has been no prior distribution under the Plan to the Participant under this Section 6.10 or under Section 6.11.
- 6.11 Distribution without Participant's Consent. If the Employer so elects in the Adoption Agreement, the total amount payable to a Participant under the Plan may be distributed to the Participant without his consent if:
- (a) such amount does not exceed \$1,000,
 - (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
 - (c) there has been no prior distribution under the Plan to the Participant under this Section 6.11 or under Section 6.10.
- 6.12 In-plan Roth Conversions. If the Employer so elects in the Adoption Agreement, Participants may elect to convert certain pre-tax Elective Deferral Contributions, Employer Contributions or rollover contributions to after-tax Roth contributions in an in-plan (taxable) conversion. Such conversion shall be accomplished through a direct rollover from the Participant's applicable pre-tax account to his Roth conversion account (such that there is no actual distribution from the Plan). In-plan Roth conversions are expressly limited to amounts that are currently distributable to the Participant under both Code Section 457(d)(1)(A) and the terms of the Plan. Rollover contributions made on or after January 1, 2006 may be converted at any time. Amounts attributable to Elective Deferral Contributions or Employer Contributions generally cannot be converted before the Participant has attained age 70½ or has had a Severance from Employment. If the Employer elects in the Adoption Agreement to allow in-service distribution of small, inactive accounts, such amounts shall also be eligible for conversion under this section. All in-plan Roth conversions shall be taxable to the Participant in the year of the conversion.
- 6.13 Distributions to Individuals Performing Service in Uniformed Services. If (and only if) elected by the Employer in the Adoption Agreement, a Participant who is deemed to have incurred a Severance from Employment on account of performing services in the uniformed services (as defined in chapter 43 of title 38, United States Code) for a period of active duty of more than 30 days may elect to receive a distribution of all or a portion of the Participant's Account under the Plan. However, the Plan will not distribute the Participant's Account without the Participant's consent.

If the Participant elects to receive a distribution under this provision, the Participant may not make an Elective Deferral Contribution or a Designated Roth Contribution to the Plan during the 6-month period beginning on the date of the distribution.

- 6.14 Eligible Retired Public Safety Officer Distribution Deduction Election. Unless the Employer elects otherwise in the Adoption Agreement, for distributions in taxable years beginning after December 31, 2006, an “Eligible Retired Public Safety Officer” may elect annually for that taxable year to have the Plan (i) deduct an amount from the distribution which the Eligible Retired Public Safety Officer otherwise would receive (and include in income) and (ii) pay such deducted amounts directly to the provider of an accident or health insurance plan or qualified long-term care insurance contract. The amount deducted (and paid to the provider) may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified healthcare premiums, and which otherwise complies with Code Section 402(l). For purposes of this section: (i) an “Eligible Retired Public Safety Officer” is an individual who, by reason of disability or attainment of normal retirement age, has experienced a Severance from Employment as a Public Safety Officer with the Employer, (ii) a “Public Safety Officer” has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968, and (iii) the term “qualified health insurance premiums” means premiums for coverage for the Eligible Retired Public Safety Officer, his spouse and dependents, by an accident or health plan or a qualified long-term care insurance contract (as defined in Code Section 7702B(b)).

ARTICLE VII. NON-ASSIGNABILITY

- 7.01 In General. Except as provided in Section 7.02, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant’s or Beneficiary’s creditors; and no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.

7.02 Domestic Relations Orders.

- (a) Allowance of Transfers: Notwithstanding Section 7.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to a State domestic relations law (“domestic relations order”), then the amount of the Participant’s Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant.
- (b) Release from Liability to Participant: The Employer’s liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, child, or other dependent pursuant to paragraph (a) of this section. No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Employer or Service Provider to the Participant’s last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The Participant shall also be deemed to have released the Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).
- (c) Participation in Legal Proceedings: The Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant’s benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant’s action (or inaction) nonetheless causes the Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant’s Account and thereby reduce the Employer’s obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Service Provider shall be authorized to the extent permitted by

applicable laws to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

- (d) Effective April 6, 2007, a domestic relations order will not fail to be a domestic relations order (1) solely because the order is issued after, or revises, another domestic relations order; or (2) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death. A domestic relations order described in this paragraph is subject to the same requirements and protections that apply to domestic relations orders.

ARTICLE VIII. TRANSFERS AND ROLLOVERS

8.01 Transfers. This Plan shall accept and allow transfers, pursuant to Code Section 457, of amounts deferred by an individual under this Plan or another eligible deferred compensation plan meeting the requirements of Section 457(g) of the Code, provided the conditions of this Section 8.01 are met.

- (a) Directed by Individual Participant or Beneficiary. A transfer from this Plan to another eligible governmental deferred compensation plan or from another eligible governmental deferred compensation plan to this Plan is permitted only if the transferor plan provides for transfers, the receiving plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred shall have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and in the case of a transfer for a Participant, the Participant whose amounts deferred are being transferred has had a severance from employment with the transferring employer and is performing services for the employer maintaining the transferee plan. Upon the transfer of assets from this Plan under this paragraph (a), the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary.

Any such transferred amount shall not be treated as a deferral subject to the limitations of Section 2.18, except that, for purposes of applying the limit of Section 2.18, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

- (b) Permissive Service Credit Transfers. Subject to any limitations imposed by an investment provider, if a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account transferred to the defined benefit governmental plan. A transfer under this paragraph (b) may be made before the Participant has had a Severance from Employment.

A transfer may be made under this paragraph (b) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

8.02 Rollovers. A Participant may elect to roll an Eligible Rollover Distribution to an Eligible Retirement Plan. The Participant shall be provided with a description of available rollover rights and rules in advance of such a distribution. A distribution that is an Eligible Rollover Distribution and that is paid in a form other than a rollover shall be subject to mandatory withholding of 20%, or such other mandatory withholding rate as may be imposed under the Code from time to time. This Plan shall be permitted to accept a rollover distribution from an Eligible Retirement Plan (including a distribution from an IRA) to this Plan, subject to any administrative restrictions imposed by the Plan or by the investment provider. To the extent required under the Code, the Plan shall separately account for any rollover contributions it receives. Rollover contributions to the Plan before January 1, 2006, shall be subject to the same restrictions on distributions applicable to other amounts held under the Plan. Rollover contributions to the Plan on or after January 1, 2006, shall not be subject to the same restrictions on distributions applicable to other amounts held under the Plan, and such rollover contributions may be distributed at any time.

8.03 Non-spousal Beneficiary Rollovers.

- (a) For distributions after December 31, 2009, and unless otherwise elected in the Adoption Agreement, for distributions between January 1, 2007 and December 31, 2009, a non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, may roll over, by a direct trustee-to-trustee transfer ("direct rollover"), all or any portion of his distribution to an individual retirement account the Beneficiary establishes for purposes of receiving the distribution. In order to roll over the distribution, the distribution otherwise must satisfy the definition of an Eligible Rollover Distribution.

- (b) Although a non-spouse Beneficiary may roll over directly a distribution as provided in paragraph (a) above, any distribution made prior to January 1, 2010, is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c)). If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for an indirect “60-day” rollover.
- (c) If the Participant’s named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a “designated beneficiary” within the meaning of Code Section 401(a)(9)(E).
- (d) A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Internal Revenue Service guidance. If the Participant dies before his required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Section 1.401(a)(9)-3, A-4(c) of the regulations, in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary’s distribution.

ARTICLE IX. LOANS

If the Employer so elects under the Adoption Agreement, loans shall be made available to all Participants on a reasonably equivalent basis, but only to the extent permitted under the Annuity Contract or other Plan investment and the provisions of this Article. No loan shall be made available under this Plan unless it satisfies all of the requirements of Code Section 72(p) and any other applicable regulatory guidance, including the limitations on the total of a Participant’s non-taxable loans from all plans of the Employer for treatment as a tax-free loan. The making of loans under this Plan shall be subject to written guidelines set forth in a separate document (or under the Annuity Contract), which guidelines shall govern the availability, terms and procedures for Participants to obtain loans under this Plan. The availability of loans under this Plan may be suspended, terminated or modified at any time.

ARTICLE X. AMENDMENT OR TERMINATION OF PLAN

- 10.01 Amendment or Termination. The Employer may at any time amend this Plan or terminate this Plan and distribute the Participants’ Accounts in conformity with the Code; provided, however, that such amendment or termination shall not impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as may be required to maintain the tax status of the Plan under the Code. In the event that the Plan is terminated, amounts deferred under the Plan (and all Plan assets) shall be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after the termination of the Plan.
- 10.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.

ARTICLE XI. USERRA

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may defer additional Compensation upon resumption of employment with the Employer equal to the maximum amount of Compensation that could have been deferred during that period if the Employee’s employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the amount of Compensation, if any, actually deferred during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

ARTICLE XII. MISTAKEN CONTRIBUTIONS

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.

ARTICLE XIII. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

ARTICLE XIV. PARTICIPATING EMPLOYERS

- 14.01 Adoption of Plan. With the consent of the Employer, the Plan may be adopted by any other governmental entity described in Code Section 457(e)(1)(A), and each such adopting entity shall be known as a Participating Employer. Such adoption of the Plan shall be evidenced by completion of a Participation Agreement signed by both the Employer and the Participating Employer.
- 14.02 Participating Employer's Plan. Each Participating Employer shall be treated as the sponsor of its own separate governmental Code Section 457(b) eligible deferred compensation plan, subject to the terms and conditions of this Plan document. Accordingly, although the assets of the Plan may be held in a single trust (or annuity contract or custodial account that is treated as a trust), the assets attributable to the Employer and to each Participating Employer shall be accounted for separately. Except as provided below, wherever a right or obligation is imposed upon the Employer by the terms of the Plan, the same shall extend to each Participating Employer under the Plan, and shall be separate and distinct from that imposed upon the Employer.
- 14.03 Participating Employer's Participation. Except as otherwise provided below, it is the intention of the Employer that each Participating Employer shall be a party to the Plan and shall be treated in all respects as the Employer thereunder, with its employees to be considered as Employees or Participants, as the case may be, under the Plan. However, the participation of a Participating Employer in the Plan shall in no way diminish, augment, modify, or in any way affect the rights and duties of the Employer or its Employees under the Plan.
- 14.04 Severance from Employment. For purposes of Section 2.22 (Severance from Employment), the term Employer means the governmental entity that the Participant was employed by (or under contract with) at the time of his termination of employment.
- 14.05 Plan Administrator. For purposes of Article III (Administration), each Participating Employer shall serve as (or appoint another person to serve as) the Plan Administrator of such Participating Employer's plan. Each Participating Employer (or the person designated by such Participating Employer as the Plan Administrator of that Participating Employer's plan) shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement, operate and maintain its participation in the Plan and to make discretionary decisions affecting the rights or benefits of its own Participants under the Plan.
- 14.06 Investments and Administrative Services. Only the Employer shall have the right to enter into contracts or agreements with investment providers or other companies providing administrative services to the Plan. The Employer shall act as the agent of each Participating Employer with respect to such investment contracts and/or services agreements. The Employer's choice of investment and administrative service providers shall be binding on each Participating Employer and, by signing the Participation Agreement, the Participating Employer agrees to be bound by the terms and conditions of any such investment contracts and/or services agreements.
- 14.07 Amendment or Termination of the Plan. Only the Employer shall have the right to amend or terminate the Plan under Article X. The Employer's amendment or termination of the Plan shall be binding on each Participating Employer and, by signing the Participation Agreement, the Participating Employer agrees to be bound by the terms and conditions of any such amendment or termination of the Plan.
- 14.08 Revocation of Participation. A Participating Employer may at any time (by written notice to the Employer) revoke its participation in the Plan, in which case the Participating Employer must adopt its own plan document and provide its own trust or other funding arrangement for the assets attributable to its Participants. If a Participating Employer revokes its participation in the Plan, the Employer shall direct the Trustee of the Plan's trust (and/or the issuer of any annuity contract or the custodian of any custodial account holding Plan assets) to transfer the Plan assets attributable to the Participating Employer's Participants to such separate funding arrangement as soon as administratively practicable following the Participating Employer's revocation of its participation in the Plan.