

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of May 28, 2002

RESOLUTION AMENDING RESOLUTION 98-89, AND ADOPTING A 401 (a) DEFINED
CONTRIBUTION PLAN

RESOLUTION NO. 02-48

WHEREAS, THE Board of Supervisors of the County of Humboldt desires to provide certain benefits for all Employees, Elected Officials, and Appointed Department Heads as part of their compensation, and

WHEREAS, Resolution 98-89 previously referred to a 457 deferred compensation plan, and

WHEREAS, The Board of Supervisors has determined that it shall adopt a 401 (a) defined contribution plan, and

WHEREAS, The Board of Supervisors has determined that due to knowledge and experience the Treasurer-Tax Collector can best serve as Plan Administrator, and

WHEREAS, The Board of Supervisors desires to establish a Deferred Compensation Committee to review any proposed changes to the 401 (a) and 457 plans; and to review and approve hardship withdrawal requests to the 457 deferred compensation plan,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1) That all the above recitations are true and correct.
- 2) The Board of Supervisors hereby adopts a 401 (a) defined contribution plan with the County of Humboldt as Plan Sponsor similar to the Defined Contribution Basic Plan Document on file with the Clerk of the Board of Supervisors.

- 3) The Hartford Life Insurance Company is designated as Plan Provider to the 401 (a) Basic Plan.
- 4) The County Treasurer-Tax Collector is designated as Plan Administrator for the 401 (a) defined contribution plan and the 457 deferred compensation plan.
- 5) Allfirst Trust Company, N.A, be named as Trustee to the 401 (a) defined contribution plan.
- 6) The Board of Supervisors hereby establishes a Deferred Compensation Committee consisting of the Treasurer-Tax Collector, Auditor-Controller, and Personnel Director to work with the Plan Administrator on reviewing any proposed future changes to the 401 (a) and 457 plans and to approve hardship withdrawal requests to the 457 deferred compensation plan.
- 7) The Board of Supervisors approves the Defined Contribution Basic Plan Document, Administrative Services Agreement, and the Adoption Agreement for the 401 (a) plan and authorizes the Chair of the Board of Supervisors and other county officials to sign the appropriate documents after final review and approval by the County Counsel, County Administrative Officer, Risk Manager, and Deferred Compensation Committee.
- 8) The Board of Supervisors authorizes the Plan Administrator to formulate rules and procedures for the administration of the plans, thereby amending Section 2 of Resolution 98-89.
- 9) All Employees, Appointed Department Heads, and Elected Officials are eligible to participate in the plans.
- 10) All other Sections of Resolution 98-89 shall remain in effect.
- 11) This Resolution shall become effective upon adoption by the Board of Supervisors.

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
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Adopted on motion by Supervisor Smith , second by Supervisor Woolley
and the following vote:

AYES: Supervisors: Smith, Rodoni, Woolley, Neely, and Kirk
NAYS: Supervisors: None
ABSENT: Supervisors: None
ABSTAIN: Supervisors: None

STATE OF CALIFORNIA)
) SS.
County of Humboldt)

I, LORA CANZONERI, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

LORA CANZONERI

Clerk of the Board of Supervisors of the County of Humboldt, State of California.

BY *Lora Canzoneri*
May 28, 2002

(SEAL)

The within instrument is a full, true and correct copy of the original on file in this office.

ATTEST:
LORA CANZONERI

Clerk of the Board of Supervisors of the State of California in and for the County of Humboldt.

By *Lora Canzoneri*

JUL 24 2002



COUNTY OF HUMBOLDT

For meeting of: May 28, 2002

DATE: May 15, 2002
 TO: BOARD OF SUPERVISORS
 FROM: Stephen A. Strawn, Treasurer-Tax Collector
 SUBJECT: DEFERRED COMPENSATION

RECOMMENDATION:

The Board of Supervisors adopt Resolution # _____ A RESOLUTION AMENDING RESOLUTION 98-89, AND ADOPTING A 401(A) DEFINED CONTRIBUTION PLAN.

SUMMARY:

The Treasurer-Tax Collector, Auditor-Controller, and Personnel Director have been studying the possibility of the county offering a 401(a) defined contribution plan in conjunction with the County's 457 deferred compensation plan. This action provides additional opportunities for employees and officials to supplement their retirement income through voluntary contributions to a tax-deferred investment program on an individual basis. The County is not involved with each participant's decision on amounts to contribute or the investments selected for the contribution. Each participant determines the amounts contributed, how it is invested, and the withdrawals of the money; subject to the plan provisions and laws of the State of California and the U.S. Internal Revenue Service. By adopting this resolution, the Board of Supervisors is authorizing the Chair of the Board of Supervisors to sign the Adoption Agreement and Administrative Services Agreement, and related documents to adopt the 401 (a) Basic Plan after review and approval of the County Counsel, Risk Manager, County Administrative Officer, and the Deferred Compensation Committee.

Prepared by: Stephen A. Strawn

CAO Approval: *[Signature]*

REVIEW:

Auditor *[Signature]*

County Counsel *[Signature]*

Personnel *[Signature]*

Risk Manager _____

Other _____

Type of Item:

- Consent
- Departmental
- Public Hearing
- Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor **SMITH**

seconded by Supervisor **WOOLLEY**
 and unanimously carried by those members present, the Board hereby adopts the recommended action contained in this report.

pc: Treasurer-Tax Collector
 Auditor/Payroll
 Personnel
 County Counsel

Dated: **MAY 28 2002**

Lora Canzoneri, Clerk of the Board

by: *[Signature]*

SUMMARY CONTINUATION:

The resolution also designates Hartford Life Insurance Company as Plan Provider and Allfirst Trust Company, N.A. as Trustee of the plan. The Treasurer-Tax Collector is designated as Plan Administrator of the 457 and 401 (a) plans. A Deferred Compensation Committee is established to monitor and assist in managing the plans. It is the intent of the Plan Administrator to work with Hartford Life Insurance Company in submitting an application for a determination letter on the 401 (a) plan to the U.S. Internal Revenue Service to assure the plan meets the qualification requirements of Section 401 of the Internal Revenue Code. Copies of the draft 401 (a) documents are on file with the Clerk of the Board of Supervisors.

FINANCIAL IMPACT:

There is an annual \$500.00 cost payable to the trustee.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None

QUALIFIED RETIREMENT PLAN FOR GOVERNMENTAL ENTITIES

Defined Contribution Basic Plan Document

NOTE: *This document is a specimen plan document. It is not a prototype plan. If the Employer wishes to obtain assurance that the plan meets the qualification requirements of Section 401 of the Internal Revenue Code, the Employer should submit an application for a determination letter to the Internal Revenue Service.*

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QUALIFIED RETIREMENT PLAN FOR GOVERNMENTAL ENTITIES

Defined Contribution Basic Plan Document

SECTION ONE DEFINITIONS

The following words and phrases when used in the Plan with initial capital letters shall, for the purpose of this Plan, have the meanings set forth below unless the context indicates that other meanings are intended:

- 1.01 ADOPTION AGREEMENT**
Means the document executed by the Employer through which it adopts the Plan and Trust and thereby agrees to be bound by all terms and conditions of the Plan and Trust.
- 1.02 BASIC PLAN DOCUMENT**
Means this Plan and Trust document.
- 1.03 BENEFICIARY**
Means the individual or individuals designated pursuant to Section 6.03(A) of the Plan.
- 1.04 BREAK IN ELIGIBILITY SERVICE**
Means a 12 consecutive month period which coincides with an Eligibility Computation Period during which an Employee fails to complete more than the number of Hours of Service specified in the Adoption Agreement for this purpose.
- 1.05 BREAK IN VESTING SERVICE**
Means a Plan Year (or other vesting computation period described in Section 1.49) during which an Employee fails to complete more than the number of Hours of Service specified in the Adoption Agreement for this purpose.
- 1.06 CODE**
Means the Internal Revenue Code of 1986 as amended from time-to-time.
- 1.07 COMPENSATION**
- A. Basic Definition**
As elected by the Employer in the Adoption Agreement (and if no election is made, W-2 wages will be deemed to have been selected), Compensation shall mean one of the following:
1. **W-2 wages.** Compensation is defined as information required to be reported under Sections 6041 and 6051, and 6052 of the Code (Wages, tips and other compensation as reported on Form W-2). Compensation is defined as wages within the meaning of Section 3401(a) of the Code and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d) and 6051(a)(3), and 6052 of the Code. Compensation must be determined without regard to any rules under Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2)).
 2. **Section 3401(a) wages.** Compensation is defined as wages within the meaning of Section 3401(a) of the Code, for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2)).
 3. **415 safe-harbor compensation.** Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in 1.62-2(c)), and excluding the following:
 - a. Employer contributions in a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;
 - b. Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
 - c. Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
 - d. Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Code (whether or not the contributions are actually excludable from the gross income of the Employee).

B. Determination Period And Other Rules

Compensation shall include only that Compensation which is actually paid to the Participant during the determination period. Except as provided elsewhere in this Plan, the determination period shall be the Plan Year unless the Employer has selected another period in the Adoption Agreement. If the Employer makes no election, the determination period shall be the Plan Year.

Unless otherwise indicated in the Adoption Agreement, Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Employee under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code. For Plan Years beginning on or after January 1, 2001, except as otherwise provided in the Adoption Agreement, Compensation shall also include elective amounts that are not includible in the gross income of the Employee by reason of Section 132(f)(4) of the Code.

C. Limits On Compensation

For years beginning on or after January 1, 1989 and before January 1, 1994, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any determination period shall not exceed \$200,000. This limitation shall be adjusted by the Secretary at the same time and in the same manner as under Section 415(d) of the Code, except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990.

For Plan Years beginning on or after January 1, 1994, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed \$150,000, as adjusted for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year.

If a determination period consists of fewer than 12 months, the annual Compensation limit is an amount equal to the otherwise applicable annual Compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

If Compensation for any prior determination period is taken into account in determining an Employee's allocations or benefits for the current determination period, the Compensation for such prior determination period is subject to the applicable annual Compensation limit in effect for that prior period. For this purpose, in determining allocations in Plan Years beginning on or after January 1, 1989, the annual Compensation limit in effect for determination periods beginning before that date is \$200,000. In addition, in determining allocations in Plan Years beginning on or after January 1, 1994, the annual Compensation limit in effect for determination periods beginning before that date is \$150,000.

1.08 DESIGNATED EMPLOYEE CONTRIBUTIONS

Means contributions designated as employee contributions pursuant to Section 3.02 which are "picked up" by the Employer in accordance with Section 414(h) of the Code.

1.09 DISABILITY

Unless the Employer has specified a different definition in an attachment to the Adoption Agreement, Disability means the inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

1.10 EARLY RETIREMENT AGE

Means the age specified in the Adoption Agreement. The Plan will not have an Early Retirement Age if none is specified in the Adoption Agreement.

1.11 EFFECTIVE DATE

Means the date the Plan becomes effective as indicated in the Adoption Agreement. However, as indicated in the Adoption Agreement, certain provisions may have specific effective dates. Further, where a separate date is stated in the Plan as of which a particular Plan provision becomes effective, such date will control with respect to that provision.

1.12 ELIGIBILITY COMPUTATION PERIOD

An Employee's initial Eligibility Computation Period shall be the 12 consecutive month period commencing on the Employee's Employment Commencement Date. The Employee's subsequent Eligibility Computation Periods shall be the 12 consecutive month periods commencing on the anniversaries of his or her Employment Commencement Date; provided, however, if pursuant to the Adoption Agreement, an Employee is required to complete one or less Years of Eligibility Service to become a Participant, then his or her subsequent Eligibility Computation Periods shall be the Plan Years commencing with the Plan Year beginning during his or her initial Eligibility Computation Period. An Employee does not complete a Year of Eligibility Service before the end of the 12 consecutive month period regardless of when during such period the Employee completes the required number of Hours of Service.

1.13 EMPLOYEE

Means any person employed by an Employer maintaining the Plan.

The term Employee shall also include any Leased Employee of the Employer if the Employer so indicates in the Adoption Agreement.

- 1.14 EMPLOYER**
Means any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing named in the Adoption Agreement and any successor entity that assumes the obligations of the Plan.
- 1.15 EMPLOYER CONTRIBUTION**
Means the amount contributed by the Employer each year as determined under this Plan.
- 1.16 EMPLOYMENT COMMENCEMENT DATE**
An Employee's Employment Commencement date means the date the Employee first performs an Hour of Service for the Employer.
- 1.17 EMPLOYER DISCRETIONARY CONTRIBUTION**
Means an Employer Contribution made pursuant to the Section of the Adoption Agreement titled "Employer Discretionary Contributions."
- 1.18 ENTRY DATES**
Means the first day of the Plan Year and the first day of the seventh month of the Plan Year, unless the Employer has specified different dates in the Adoption Agreement.
- 1.19 FORFEITURE**
Means that portion of a Participant's Individual Account derived from Employer Contributions which he or she is not entitled to receive (i.e., the nonvested portion).
- 1.20 FUND**
Means the Plan assets held for the Participants' exclusive benefit.
- 1.21 HOURS OF SERVICE – Means**
- A. Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed; and
 - B. Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Hours of Service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period) only to the extent necessary to avoid a break in service. Hours under this paragraph shall be calculated and credited based on the number of regularly scheduled working hours on which the payment or entitlement to payment is determined.
 - C. Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under paragraph (A) or paragraph (B), as the case may be, and under this paragraph (C). These hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.
 - D. Solely for purposes of determining whether a Break in Eligibility Service or a Break in Vesting Service has occurred in a computation period (the computation period for purposes of determining whether a Break in Vesting Service has occurred is the Plan Year or other vesting computation period described in Section 1.49), an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of a birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (1) in the Eligibility Computation Period or Plan Year or other vesting computation period described in Section 1.50 in which the absence begins if the crediting is necessary to prevent a Break in Eligibility Service or a Break in Vesting Service in the applicable period, or (2) in all other cases, in the following Eligibility Computation Period or Plan Year or other vesting computation period described in Section 1.50.
 - E. Where the Employer maintains the plan of a predecessor employer, service for such predecessor employer shall be treated as service for the Employer.
 - F. The above method for determining Hours of Service may be altered as specified in the Adoption Agreement.
- 1.22 INDIVIDUAL ACCOUNT**
Means the account established and maintained under this Plan for each Participant in accordance with Section 4.01.
- 1.23 [Reserved]**
- 1.24 INVESTMENT FUND**
Means a subdivision of the Fund established pursuant to Section 5.04.

- 1.25 LEASED EMPLOYEE**
Means any person who pursuant to an agreement between the Employer and any other person ("leasing organization") performs services for the Employer on a substantially full time basis for a period of at least one year, and such services are performed under the primary direction and control of the Employer. For Plan Years beginning on or after January 1, 2001, except as otherwise provided in the Adoption Agreement, Compensation shall also include elective amounts that are not includible in the gross income of the Employee by reason of Section 132(f)(4) of the Code.
- 1.26 NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS**
Means any contribution made to the Plan by or on behalf of a Participant that is included in the Participant's gross income in the year in which made.
- 1.27 NORMAL RETIREMENT AGE**
Means the age specified in the Adoption Agreement. However, if the Employer enforces a mandatory retirement age which is less than the Normal Retirement Age, such mandatory age is deemed to be the Normal Retirement Age. If no age is specified in the Adoption Agreement, the Normal Retirement Age shall be age 65.
- 1.28 PARTICIPANT**
Means any Employee or former Employee of the Employer who has met the Plan's eligibility requirements, has entered the Plan and who is or may become eligible to receive a benefit of any type from this Plan or whose Beneficiary may be eligible to receive any such benefit.
- 1.29 PLAN**
Means the defined contribution plan adopted by the Employer. The Plan consists of this Basic Plan Document plus the corresponding Adoption Agreement as completed and signed by the Employer.
- 1.30 PLAN ADMINISTRATOR**
Means the person or persons determined to be the Plan Administrator in accordance with Section 8.01.
- 1.31 PLAN YEAR**
Means the 12 consecutive month period which coincides with the Employer's fiscal year or such other 12 consecutive month period as is designated in the Adoption Agreement.
- 1.32 PRIOR PLAN**
Means a plan which was amended or replaced by adoption of this Plan document as indicated in the Adoption Agreement.
- 1.33 QUALIFYING PARTICIPANT**
Means a Participant who has satisfied the requirements described in Section 3.01(B)(2) to be entitled to share in any Employer Contribution (and Forfeitures, if applicable) for a Plan Year.
- 1.34 SEPARATE FUND**
Means a subdivision of the Fund held in the name of a particular Participant representing certain assets held for that Participant. The assets which comprise a Participant's Separate Fund are those assets earmarked for him or her and those assets subject to the Participant's individual direction pursuant to Section 5.13.
- 1.35 TERMINATION OF EMPLOYMENT**
A Termination of Employment of an Employee of an Employer shall occur whenever his or her status as an Employee of such Employer ceases for any reason other than death. An Employee who does not return to work for the Employer on or before the expiration of an authorized leave of absence from such Employer shall be deemed to have incurred a Termination of Employment when such leave ends.
- 1.36 TRUSTEE**
Means an individual, individuals or corporation specified in the Adoption Agreement as Trustee or any duly appointed successor as provided in Section 5.08.
- 1.37 VALUATION DATE**
Means the last day of the Plan Year and each other date designated by the Plan Administrator which is selected in a uniform and nondiscriminatory manner when the assets of the Fund are valued at their then fair market value.
- 1.38 VESTED**
Means nonforfeitable, that is, a claim which is unconditional and legally enforceable against the Plan obtained by a Participant or the Participant's Beneficiary to that part of an immediate or deferred benefit under the Plan which arises from a Participant's Years of Vesting Service.
- 1.39 YEAR OF ELIGIBILITY SERVICE**
Means a 12 consecutive month period which coincides with an Eligibility Computation Period during which an Employee completes at least the number of Hours of Service specified in the Adoption Agreement for this purpose. An Employee does not complete a Year of Eligibility Service before the end of the 12 consecutive month period regardless of when during such period the Employee completes the required number of Hours of Service.

1.40 YEAR OF VESTING SERVICE

Means a Plan Year during which an Employee completes at least the number of Hours of Service specified in the Adoption Agreement for this purpose. Notwithstanding the preceding sentence, where the Employer so indicates in the Adoption Agreement, vesting shall be computed by reference to the 12 consecutive month period beginning with the Employee's Employment Commencement Date and each successive 12 month period commencing on the anniversaries thereof.

In the case of a Participant who has 5 or more consecutive Breaks in Vesting Service (or any different number of Breaks in Vesting Service as the Employer may specify in an attachment to the Adoption Agreement), all Years of Vesting Service after such Breaks in Vesting Service will be disregarded for the purpose of determining the Vested portion of his or her Individual Account derived from Employer Contributions that accrued before such breaks. Such Participant's prebreak service will count in vesting the postbreak Individual Account derived from Employer Contributions only if either:

- (A) such Participant had any Vested right to any portion of his or her Individual Account derived from Employer Contributions at the time of his or her Termination of Employment; or
- (B) upon returning to service, the number of consecutive Breaks in Vesting Service is less than his or her number of Years of Vesting Service before such breaks.

Separate subaccounts will be maintained for the Participant's prebreak and postbreak portions of his or her Individual Account derived from Employer Contributions. Both subaccounts will share in the gains and losses of the Fund.

Years of Vesting Service shall not include any period of time excluded from Years of Vesting Service in the Adoption Agreement.

In the event the Plan Year is changed to a new 12-month period, Employees shall receive credit for Years of Vesting Service, in accordance with the preceding provisions of this definition, for each of the Plan Years (the old and new Plan Years) which overlap as a result of such change.

SECTION TWO ELIGIBILITY AND PARTICIPATION

2.01 ELIGIBILITY TO PARTICIPATE

Each Employee of the Employer, except those Employees who belong to a class of Employees which is excluded from participation as indicated in the Adoption Agreement, shall be eligible to participate in this Plan upon the satisfaction of the age and Years of Eligibility Service requirements specified in the Adoption Agreement.

2.02 PLAN ENTRY

- A. If this Plan is a replacement of a Prior Plan by amendment or restatement, each Employee of the Employer who was a Participant in said Prior Plan before the Effective Date shall continue to be a Participant in this Plan.
- B. An Employee will become a Participant in the Plan as of the Effective Date if the Employee has met the eligibility requirements of Section 2.01 as of such date. After the Effective Date, each Employee shall become a Participant on the first Entry Date following the date the Employee satisfies the eligibility requirements of Section 2.01 unless otherwise indicated in the Adoption Agreement.
- C. The Plan Administrator shall notify each Employee who becomes eligible to be a Participant under this Plan and shall furnish the Employee with the application form, enrollment forms or other documents which are required of Participants. The eligible Employee shall execute such forms or documents and make available such information as may be required in the administration of the Plan.

2.03 TRANSFER TO OR FROM INELIGIBLE CLASS

If an Employee who had been a Participant becomes ineligible to participate because he or she is no longer a member of an eligible class of Employees, but has not incurred a Break in Eligibility Service, such Employee shall participate immediately upon his or her return to an eligible class of Employees. If such Employee incurs a Break in Eligibility Service, his or her eligibility to participate shall be determined by Section 2.04.

An Employee who is not a member of the eligible class of Employees will become a Participant immediately upon becoming a member of the eligible class provided such Employee has satisfied the age and Years of Eligibility Service requirements. If such Employee has not satisfied the age and Years of Eligibility Service requirements as of the date he or she becomes a member of the eligible class, such Employee shall become a Participant on the first Entry Date following the date he or she satisfies those requirements unless otherwise indicated in the Adoption Agreement.

2.04 RETURN AS A PARTICIPANT AFTER BREAK IN ELIGIBILITY SERVICE

- A. **Employee Not Participant Before Break** – If an Employee incurs a Break in Eligibility Service before satisfying the Plan's eligibility requirements, such Employee's Years of Eligibility Service before such Break in Eligibility Service will not be taken into account.
- B. **Nonvested Participants** – In the case of a Participant who does not have a Vested interest in his or her Individual Account derived from Employer Contributions, Years of Eligibility Service before a period of consecutive Breaks in Eligibility Service will not be taken into account for eligibility purposes if the number of consecutive Breaks in Eligibility Service in such period equals or exceeds the greater of 5 or the aggregate number of Years of Eligibility Service before such break. Such aggregate number of Years of

Eligibility Service will not include any Years of Eligibility Service disregarded under the preceding sentence by reason of prior breaks.

If a Participant's Years of Eligibility Service are disregarded pursuant to the preceding paragraph, such Participant will be treated as a new Employee for eligibility purposes. If a Participant's Years of Eligibility Service may not be disregarded pursuant to the preceding paragraph, such Participant shall continue to participate in the Plan, or, if terminated, shall participate immediately upon reemployment.

- C. **Vested Participants** – A Participant who has sustained a Break in Eligibility Service and who had a Vested interest in all or a portion of his or her Individual Account derived from Employer Contributions shall continue to participate in the Plan, or, if terminated, shall participate immediately upon reemployment.

2.05 DETERMINATIONS UNDER THIS SECTION

The Plan Administrator shall determine the eligibility of each Employee to be a Participant. This determination shall be conclusive and binding upon all persons except as otherwise provided herein or by law.

2.06 TERMS OF EMPLOYMENT

Neither the fact of the establishment of the Plan nor the fact that a common law Employee has become a Participant shall give to that common law Employee any right to continued employment; nor shall either fact limit the right of the Employer to discharge or to deal otherwise with a common law Employee without regard to the effect such treatment may have upon the Employee's rights under the Plan.

2.07 SPECIAL RULES WHERE ELAPSED TIME METHOD IS BEING USED

This Section 2.07 shall apply where the Employer has indicated in the Adoption Agreement that the elapsed time method will be used. When this Section applies, the definitions of year of service, break in service and hour of service in this Section will replace the definitions of Year of Eligibility Service, Year of Vesting Service, Break in Eligibility Service, Break in Vesting Service and Hours of Service found in the Definitions Section of the Plan (Section One).

For purposes of determining an Employee's initial or continued eligibility to participate in the Plan or the Vested interest in the Participant's Individual Account balance derived from Employer Contributions, (except for periods of service which may be disregarded on account of the "rule of parity" described in Sections 1.49 and 2.04) an Employee will receive credit for the aggregate of all time period(s) commencing with the Employee's first day of employment or reemployment and ending on the date a break in service begins. The first day of employment or reemployment is the first day the Employee performs an hour of service. An Employee will also receive credit for any period of severance of less than 12 consecutive months. Fractional periods of a year will be expressed in terms of days.

For purposes of this Section, hour of service will mean each hour for which an Employee is paid or entitled to payment for the performance of duties for the Employer. Break in service is a period of severance of at least 12 consecutive months. Period of severance is a continuous period of time during which the Employee is not employed by the Employer. Such period begins on the date the Employee retires, quits or is discharged, or if earlier, the 12 month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the 12 consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a break in service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

Each Employee will share in Employer Contributions for the period beginning on the date the Employee commences participation under the Plan and ending on the date on which such Employee severs employment with the Employer or is no longer a member of an eligible class of Employees.

2.08 ELECTION NOT TO PARTICIPATE

This Section 2.08 will apply if Adoption Agreement so provides. If this Section applies, then an Employee or a Participant may elect not to participate in the Plan for one or more Plan Years. The Employer may not contribute for an Employee or Participant for any Plan Year during which such Employee's or Participant's election not to participate is in effect. Any election not to participate must be in writing and filed with the Plan Administrator.

The Plan Administrator shall establish such uniform and nondiscriminatory rules as it deems necessary or advisable to carry out the terms of this Section, including, but not limited to, rules prescribing the timing of the filing of elections not to participate and the procedures for electing to re-participate in the Plan.

An Employee or Participant continues to earn credit for vesting and eligibility purposes for each Year of Vesting Service or Year of Eligibility Service he or she completes and his or her Individual Account (if any) will share in the gains or losses of the Fund during the periods he or she elects not to participate.

SECTION THREE CONTRIBUTIONS

3.01 EMPLOYER CONTRIBUTIONS

- A. Obligation to Contribute** – The Employer shall make contributions to the Plan in accordance with the contribution formula(s) specified in the Adoption Agreement.
- B. Allocation Formula and the Right to Share in the Employer Contribution** –
1. **General** – The Employer Contribution for any Plan Year will be allocated to each Qualifying Participant's Individual Account as of the last day of that Plan Year unless allocations are to be made more frequently as specified in the Adoption Agreement. The allocation will be made in accordance with the allocation formula specified in the Adoption Agreement.
 2. **Qualifying Participants** – A Participant is a Qualifying Participant and is entitled to share in the Employer Contribution for any Plan Year if the Participant was a Participant on at least one day during the Plan Year and satisfies any additional conditions specified in the Adoption Agreement. The determination of whether a Participant is entitled to share in the Employer Contribution shall be made as of the last day of each Plan Year.
- C. Allocation of Forfeitures** – Forfeitures for a Plan Year which arise as a result of the application of Section 6.01(D) shall be allocated to the Individual Accounts of Qualifying Participants who are entitled to share in the Employer Contribution for such Plan Year in the manner set for in the Adoption Agreement.
- D. Return of the Employer Contribution to the Employer Under Special Circumstances** – Any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

In the event that the Commissioner of Internal Revenue determines that the Plan is not initially qualified under the Code, any contributions made incident to that initial qualification by the Employer must be returned to the Employer within one year after the date the initial qualification is denied, but only if the application for qualification is made by the time prescribed by law for filing the Employer's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

E. Omission of Participant

If in any Plan Year, any Employee who should be included as a Participant is erroneously omitted and discovery of such omission is not made until after the Employer Contribution has been made and allocated, then the Plan Administrator must re-do the allocation (if a correction can be made) and inform the Employee. Alternatively, the Employer may choose to contribute for the omitted Employee the amount to include earnings thereon, which the Employer would have contributed for the Employee.

3.02 414(h)(2) "PICK-UP" CONTRIBUTIONS-DESIGNATED EMPLOYEE CONTRIBUTIONS

This Section 3.02 shall apply if the Employer so indicates in the Adoption Agreement. Each Participant shall contribute to the Plan each pay period the percentage of his or her Compensation specified by the Employer in the Adoption Agreement. Such contributions are hereby designated as employee contributions. However, the Employer agrees to "pick up" these contributions in accordance with Section 414(h)(2) of the Code, and, as such, these contributions shall be treated as employer contributions. The Employer shall reduce each Participant's Compensation each pay period by the percentage indicated in the Adoption Agreement and allocate such amount to the Participant's Individual Account. Participants shall not have the option of receiving such amounts directly instead of having the Employer contribute them to the Plan.

3.03 NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS

If the Employer so allows in the Adoption Agreement, a Participant may contribute Nndeductible Employee Contributions to the Plan.

If the Employer has indicated in the Adoption Agreement that Nndeductible Employee Contributions will be mandatory, then the Employer shall establish uniform and nondiscriminatory rules and procedures for Nndeductible Employee Contributions as it deems necessary and advisable including, but not limited to, rules describing in amounts or percentages of Compensation Participants may or must contribute to the Plan.

A separate account will be maintained by the Plan Administrator for the Nndeductible Employee Contributions for each Participant.

A Participant may, at any time and upon a written request submitted to the Plan Administrator withdraw all or any portion of his or her Individual Account attributable to his or her Nndeductible Employee Contributions (including earnings thereon). Notwithstanding the foregoing, no portion of a Participant's Individual Account attributable to Nndeductible Employee Contributions (including earnings thereon) for which the Employer has made a Matching Contribution under a Money Purchase Pension Plan may be withdrawn under this Section 3.03.

Nndeductible Employee Contributions and earnings thereon will be nonforfeitable at all times. No Forfeiture will occur solely as a result of an Employee's withdrawal of Nndeductible Employee Contributions.

The Plan Administrator will not accept deductible employee contributions which are made for a taxable year beginning after December 31, 1986. Contributions made prior to that date will be maintained in a separate account which will be nonforfeitable at all times. The account will share in the gains and losses of the Fund in the same manner as described in Section 4.03 of the Plan. No part of the deductible employee contribution account will be used to purchase life insurance. The Participant may withdraw any part of the deductible employee contribution account by making a written application to the Plan Administrator.

3.04 ROLLOVER CONTRIBUTIONS

If so indicated in the Adoption Agreement, an Employee may contribute a rollover contribution to the Plan. The Plan Administrator may require the Employee to submit a written certification that the contribution qualifies as a rollover contribution under the applicable provisions of the Code. If it is later determined that all or part of a rollover contribution was ineligible to be rolled into the Plan, the Plan Administrator shall direct that any ineligible amounts, plus earnings attributable thereto, be distributed from the Plan to the Employee as soon as administratively feasible.

A separate account shall be maintained by the Plan Administrator for each Employee's rollover contributions which will be nonforfeitable at all times. Such account will share in the income and gains and losses of the Fund in the manner described in Section 4.03 and shall be subject to the Plan's provisions governing distributions.

The Employer may, in a uniform and nondiscriminatory manner, only allow Employees who have become Participants in the Plan to make rollover contributions.

3.05 TRANSFER CONTRIBUTIONS

If so indicated in the Adoption Agreement, the Trustee may receive any amounts transferred to it from the trustee, custodian or issuer of insurance contracts of another plan qualified under Code Section 401(a) or 403(a). If it is later determined that all or part of a transfer contribution was ineligible to be transferred into the Plan, the Plan Administrator shall direct that any ineligible amounts, plus earnings attributable thereto, be distributed from the Plan to the Employee as soon as administratively feasible.

A separate account shall be maintained by the Plan Administrator for each Employee's transfer contributions which will be nonforfeitable at all times. Such account will share in the income and gains and losses of the Fund in the manner described in Section 4.03 and shall be subject to the Plan's provisions governing distributions. Notwithstanding any provision of this Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution prior to the Employee's retirement, death, Disability, or severance from employment, and prior to Plan termination, the optional form of benefit is not available with respect to benefits attributable to assets (including the post-transfer earnings thereon) and liabilities that are transferred, within the meaning of Section 414(l) of the Internal Revenue Code, to this Plan from a money purchase pension plan qualified under Section 401(a) of the Internal Revenue Code (other than any portion of those assets and liabilities attributable to voluntary employee contributions).

The Employer may, in a uniform and nondiscriminatory manner, only allow Employees who have become Participants in the Plan to make transfer contributions.

3.06 LIMITATION ON ALLOCATIONS

- A. If the Participant does not participate in, and has never participated in another qualified plan maintained by the Employer or a welfare benefit fund, as defined in Section 419(e) of the Code maintained by the Employer, or an individual medical account, as defined in Section 415(l)(2) of the Code, or a simplified employee pension plan, as defined in Section 408(k) of the Code, maintained by the Employer, which provides an annual addition as defined in Section 3.06(D)(1), the following rules shall apply:
1. The amount of annual additions which may be credited to the Participant's Individual Account for any limitation year will not exceed the lesser of the maximum permissible amount or any other limitation contained in this Plan. If the Employer Contribution that would otherwise be contributed or allocated to the Participant's Individual Account would cause the annual additions for the limitation year to exceed the maximum permissible amount, the amount contributed or allocated will be reduced so that the annual additions for the limitation year will equal the maximum permissible amount.
 2. Prior to determining the Participant's actual Compensation for the limitation year, the Employer may determine the maximum permissible amount for a Participant on the basis of a reasonable estimation of the Participant's Compensation for the limitation year, uniformly determined for all Participants similarly situated.
 3. As soon as is administratively feasible after the end of the limitation year, the maximum permissible amount for the limitation year will be determined on the basis of the Participant's actual Compensation for the limitation year.
 4. If pursuant to Section 3.06(A)(3) or as a result of the allocation of Forfeitures there is an excess amount, the excess will be disposed of as follows:
 - a. Any Nondeductible Employee Contributions (plus attributable earnings), to the extent they would reduce the excess amount, will be returned to the Participant;
 - b. If after the application of paragraph (a) an excess amount still exists, any Elective Deferrals (plus attributable earnings), to the extent they would reduce the excess amount, will be returned to the Participant;
 - c. If after the application of paragraph (b) an excess amount still exists, and the Participant is covered by the Plan at the end of the limitation year, the excess amount in the Participant's Individual Account will be used to reduce Employer Contributions (including any allocation of Forfeitures) for such Participant in the next limitation year, and each succeeding limitation year if necessary.
 - d. If after the application of paragraph (b) an excess amount still exists, and the Participant is not covered by the Plan at the end of a limitation year, the excess amount will be held unallocated in a suspense account. The suspense account will be

applied to reduce future Employer Contributions (including allocation of any Forfeitures) for all remaining Participants in the next limitation year, and each succeeding limitation year if necessary;

- e. If a suspense account is in existence at any time during a limitation year pursuant to this Section, it will not participate in the allocation of the Fund's investment gains and losses. If a suspense account is in existence at any time during a particular limitation year, all amounts in the suspense account must be allocated and reallocated to Participants' Individual Accounts before any Employer Contributions or any Nondeductible Employee Contributions may be made to the Plan for that limitation year. Excess amounts may not be distributed to Participants or former Participants.
- B.** If, in addition to this Plan, the Participant is covered under another qualified defined contribution plan maintained by the Employer, a welfare benefit fund maintained by the Employer, an individual medical account maintained by the Employer, or a simplified employee pension maintained by the Employer that provides an annual addition as defined in Section 3.06(D)(1), during any limitation year, the following rules apply unless the Employer has provided different rules in the document titled "Additional or Alternative Provisions" attached to the Adoption Agreement and made a part of this Plan:
1. The annual additions which may be credited to a Participant's Individual Account under this Plan for any such limitation year will not exceed the maximum permissible amount reduced by the annual additions credited to a Participant's Individual Account under the qualified plans, welfare benefit funds, individual medical accounts and simplified employee pensions for the same limitation year. If the annual additions with respect to the Participant under the qualified defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions maintained by the Employer are less than the maximum permissible amount and the Employer Contribution that would otherwise be contributed or allocated to the Participant's Individual Account under this Plan would cause the annual additions for the limitation year to exceed this limitation, the amount contributed or allocated will be reduced so that the annual additions under all such plans and funds for the limitation year will equal the maximum permissible amount. If the annual additions with respect to the Participant under such qualified defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions in the aggregate are equal to or greater than the maximum permissible amount, no amount will be contributed or allocated to the Participant's Individual Account under this Plan for the limitation year.
 2. Prior to determining the Participant's actual Compensation for the limitation year, the Employer may determine the maximum permissible amount for a Participant in the manner described in Section 3.06(A)(2).
 3. As soon as is administratively feasible after the end of the limitation year, the maximum permissible amount for the limitation year will be determined on the basis of the Participant's actual Compensation for the limitation year.
 4. If, pursuant to Section 3.06(B)(3) or as a result of the allocation of Forfeitures a Participant's annual additions under this Plan and such other plans would result in an excess amount for a limitation year, the excess amount will be deemed to consist of the annual additions last allocated, except that annual additions attributable to a simplified employee pension will be deemed to have been allocated first, followed by annual additions to a welfare benefit fund or individual medical account, regardless of the actual allocation date.
 5. If an excess amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the excess amount attributed to this Plan will be the product of,
 - a. the total excess amount allocated as of such date, times
 - b. the ratio of (i) the annual additions allocated to the Participant for the limitation year as of such date under this Plan to (ii) the total annual additions allocated to the Participant for the limitation year as of such date under this and all the qualified defined contribution plans.
 6. Any excess amount attributed to this Plan will be disposed in the manner described in Section 3.06(A)(4).
- C.** This Section 3.06(C) shall not apply with respect to limitation years beginning after December 31, 1999. For limitation years beginning before January 1, 2000, if the Employer maintains, or at any time maintained, a qualified defined benefit plan covering any Participant in this Plan, the sum of the Participant's defined benefit plan fraction and defined contribution plan fraction will not exceed 1.0 in any limitation year. The annual additions which may be credited to the Participant's Individual Account under this Plan for any limitation year during which this provision is effective will be limited in accordance with this Section 3.06(C), unless the Employer has provided different rules in the document titled "Additional or Alternative Provisions" attached to the Adoption Agreement and made a part of this Plan. If the projected annual addition to this Plan to the Individual Account of a Participant for any limitation year would cause the 1.0 limitation of Section 415(e) of the Code to be exceeded, the annual benefit of the defined benefit plan for such limitation year shall be reduced so that the 1.0 limitation shall be satisfied. If it is not possible to reduce the annual benefit of the defined benefit plan and the projected annual addition to this Plan to the Individual Account of a Participant for a limitation year would cause the 1.0 limitation to be exceeded, the Employer shall reduce the Employer contribution which is to be allocated to this Plan on behalf of such Participant so that the 1.0 limitation will be satisfied. (The provisions of Section 415(e) of the Code are incorporated herein by reference under the authority of Section 1106(h) of the Tax Reform Act of 1986.)
- D.** The following terms shall have the following meanings when used in this Section 3.06:
1. Annual additions: The sum of the following amounts credited to a Participant's Individual Account for the limitation year:
 - a. Employer Contributions,

- b. Nondeductible Employee Contributions,
- c. Forfeitures,
- d. amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(l)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer are treated as annual additions to a defined contribution plan. Also amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as defined in Section 419A(d)(3) of the Code, under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by the Employer are treated as annual additions to a defined contribution plan, and
- e. allocations under a simplified employee pension.

For this purpose, any excess amount applied under Section 3.06(A)(4) or 3.06(B)(6) in the limitation year to reduce Employer Contributions will be considered annual additions for such limitation year.

2. Compensation: Means Compensation as defined in Section 1.07 of the Plan except that for limitation years beginning before January 1, 1998, Compensation for purposes of this Section 3.06 shall not include any amounts contributed by the Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Employee under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code even if the Employer has elected to include such contributions in the definition of Compensation used for other purposes under the Plan. Further, any other exclusion the Employer has elected (such as the exclusion of certain types of pay or pay earned before the Employee enters the Plan) will not apply for purposes of this Section. For Limitation Years beginning on or after January 1, 2001, for purposes of applying the limitations under Section 3.12 of the Plan, Compensation paid or made available during such Limitation Years shall include elective amounts that are not includible in the gross income of the Employee by reason of Section 132(f)(4) of the Code.

Notwithstanding the preceding sentence, Compensation for a Participant in a defined contribution plan who is permanently and totally disabled (as defined in Section 22(e)(3) of the Code) is the Compensation such Participant would have received for the limitation year if the Participant had been paid at the rate of Compensation paid immediately before becoming permanently and totally disabled; such imputed Compensation for the disabled Participant may be taken into account only if the Participant is not a Highly Compensated Employee (as defined in Section 414(q) of the Code) and contributions made on behalf of such Participant are nonforfeitable when made.

For Limitation Years beginning after December 31, 1997, for purposes of applying the limitations of this Section 3.06 compensation paid or made available during such limitation year shall include any elective deferral (as defined in Section 402(g)(3) of the Code), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125 or 457.

3. Defined benefit fraction: A fraction, the numerator of which is the sum of the Participant's projected annual benefits under all the defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of 125% of the dollar limitation determined for the limitation year under Section 415(b) and (d) of the Code or 140% of the highest average compensation, including any adjustments under Section 415(b) of the Code.

Notwithstanding the above, if the Participant was a Participant as of the first day of the first limitation year beginning after December 31, 1986, in one or more defined benefit plans maintained by the Employer which were in existence on May 6, 1986, the denominator of this fraction will not be less than 125% of the sum of the annual benefits under such plans which the Participant had accrued as of the close of the last limitation year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the plan after May 5, 1986. The preceding sentence applies only if the defined benefit plans individually and in the aggregate satisfied the requirements of Section 415 of the Code for all limitation years beginning before January 1, 1987.

4. Defined contribution dollar limitation: \$30,000 or if greater, one-fourth of the defined benefit dollar limitation set forth in Section 415(b)(1) of the Code as in effect for the limitation year.
5. Defined contribution fraction: A fraction, the numerator of which is the sum of the annual additions to the Participant's account under all the defined contribution plans (whether or not terminated) maintained by the Employer for the current and all prior limitation years (including the annual additions attributable to the Participant's nondeductible employee contributions to all defined benefit plans, whether or not terminated, maintained by the Employer, and the annual additions attributable to all welfare benefit funds, as defined in Section 419(e) of the Code, individual medical accounts, and simplified employee pensions, maintained by the Employer), and the denominator of which is the sum of the maximum aggregate amounts for the current and all prior limitation years of service with the Employer (regardless of whether a defined contribution plan was maintained by the Employer). The maximum aggregate amount in any limitation year is the lesser of 125% of the dollar limitation determined under Section 415(b) and (d) of the Code in effect under Section 415(c)(1)(A) of the Code or 35% of the Participant's Compensation for such year.

If the Employee was a Participant as of the end of the first day of the first limitation year beginning after December 31, 1986, in one or more defined contribution plans maintained by the Employer which were in existence on May 6, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the defined benefit fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (1) the excess of the sum of the fractions over 1.0

times (2) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the end of the last limitation year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the Plan made after May 5, 1986, but using the Section 415 limitation applicable to the first limitation year beginning on or after January 1, 1987.

The annual addition for any limitation year beginning before January 1, 1987, shall not be recomputed to treat all Nondeductible Employee Contributions as annual additions.

6. **Employer:** For purposes of this Section 3.06, Employer shall mean the Employer that adopts this Plan and any other entity required to be aggregated with the Employer for purposes of applying Section 415 of the Code.
7. **Excess amount:** The excess of the Participant's annual additions for the limitation year over the maximum permissible amount.
8. **Highest average compensation:** The average compensation for the three consecutive years of service with the Employer that produces the highest average.
9. **Limitation year:** A calendar year, or the 12-consecutive month period elected by the Employer in the Adoption Agreement. All qualified plans maintained by the Employer must use the same limitation year. If the limitation year is amended to a different 12-consecutive month period, the new limitation year must begin on a date within the limitation year in which the amendment is made.
10. **Maximum permissible amount:** The maximum annual addition that may be contributed or allocated to a Participant's Individual Account under the Plan for any limitation year shall not exceed the lesser of:
 - a. the defined contribution dollar limitation, or
 - b. 25% of the Participant's Compensation for the limitation year.

The compensation limitation referred to in (b) shall not apply to any contribution for medical benefits (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition under Section 415(l)(1) or 419A(d)(2) of the Code.

If a short limitation year is created because of an amendment changing the limitation year to a different 12-consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

Number of months in the short limitation year

12

11. **Projected annual benefit:** The annual retirement benefit (adjusted to an actuarially equivalent straight life annuity if such benefit is expressed in a form other than a straight life annuity or qualified joint and survivor annuity) to which the Participant would be entitled under the terms of the Plan assuming:
 - a. the Participant will continue employment until Normal Retirement Age under the Plan (or current age, if later), and
 - b. the Participant's Compensation for the current limitation year and all other relevant factors used to determine benefits under the Plan will remain constant for all future limitation years.

Straight life annuity means an annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.

SECTION FOUR INDIVIDUAL ACCOUNTS OF PARTICIPANTS AND VALUATION

4.01 INDIVIDUAL ACCOUNTS

- A. The Plan Administrator shall establish and maintain an Individual Account in the name of each Participant to reflect the total value of his or her interest in the Fund. Each Individual Account established hereunder shall consist of such subaccounts as may be needed for each Participant including:
 1. a subaccount to reflect Employer Contributions and Forfeitures allocated on behalf of a Participant;
 2. a subaccount to reflect a Participant's Elective Deferrals if permitted under the Plan;
 3. a subaccount to reflect a Participant's Designated Employee Contributions;
 4. a subaccount to reflect a Participant's rollover contributions;
 5. a subaccount to reflect a Participant's transfer contributions;
 6. a subaccount to reflect a Participant's Nondeductible Employee Contributions; and

7. a subaccount to reflect a Participant's deductible employee contributions.

B. The Plan Administrator may establish additional accounts as it may deem necessary for the proper administration of the Plan, including, but not limited to, a suspense account for Forfeitures as required pursuant to Section 6.01(D).

4.02 VALUATION OF FUND

The Fund will be valued each Valuation Date at fair market value.

4.03 VALUATION OF INDIVIDUAL ACCOUNTS

A. Where all or a portion of the assets of a Participant's Individual Account are invested in a Separate Fund for the Participant, then the value of that portion of such Participant's Individual Account at any relevant time equals the sum of the fair market values of the assets in such Separate Fund, less any applicable charges or penalties.

B. The fair market value of the remainder of each Individual Account is determined in the following manner:

1. First, the portion of the Individual Account invested in each Investment Fund as of the previous Valuation Date is determined. Each such portion is reduced by any withdrawal made from the applicable Investment Fund to or for the benefit of a Participant or the Participant's Beneficiary, further reduced by any amounts forfeited by the Participant pursuant to Section 6.01(D) and further reduced by any transfer to another Investment Fund since the previous Valuation Date and is increased by any amount transferred from another Investment Fund since the previous Valuation Date. The resulting amounts are the net Individual Account portions invested in the Investment Funds.
2. Secondly, the net Individual Account portions invested in each Investment Fund are adjusted upwards or downwards, pro rata (i.e., ratio of each net Individual Account portion to the sum of all net Individual Account portions) so that the sum of all the net Individual Account portions invested in an Investment Fund will equal the then fair market value of the Investment Fund.
3. Thirdly, any contributions to the Plan and Forfeitures are allocated in accordance with the appropriate allocation provisions of Section 3. For purposes of Section 4, contributions made by the Employer for any Plan Year but after that Plan Year will be considered to have been made on the last day of that Plan Year regardless of when paid to the Trustee.

Amounts contributed between Valuation Dates will not be credited with investment gains or losses until the next following Valuation Date.

4. Finally, the portions of the Individual Account invested in each Investment Fund (determined in accordance with (1), (2) and (3) above) are added together.

4.04 MODIFICATION OF METHOD FOR VALUING INDIVIDUAL ACCOUNTS

If necessary or appropriate, the Plan Administrator may establish different or additional procedures (which shall be uniform and nondiscriminatory) for determining the fair market value of the Individual Accounts.

4.05 SEGREGATION OF ASSETS

If a Participant elects a mode of distribution other than a lump sum, the Plan Administrator may place that Participant's account balance into a segregated Investment Fund for the purpose of maintaining the necessary liquidity to provide benefit installments on a periodic basis.

4.06 STATEMENT OF INDIVIDUAL ACCOUNTS

No later than 270 days after the close of each Plan Year, the Plan Administrator shall furnish a statement to each Participant indicating the Individual Account balances of such Participant as of the last Valuation Date in such Plan Year.

SECTION FIVE TRUSTEE

5.01 CREATION OF FUND

By adopting this Plan, the Employer establishes the Fund which shall consist of the assets of the Plan held by the Trustee pursuant to this Section 5. Where the assets of the Plan are invested solely in contracts as defined at Section 401(f) of the Code, where no individual is named in the Adoption Agreement to serve as Trustee, the Employer shall be deemed the Trustee. Assets within the Fund may be pooled on behalf of all Participants, earmarked on behalf of each Participant or be a combination of pooled and earmarked. To the extent that assets are earmarked for a particular Participant, they will be held in a Separate Fund for that Participant.

No part of the corpus or income of the Fund may be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries.

5.02 INVESTMENT AUTHORITY

Except as provided in Section 5.13 (relating to individual direction of investments by Participants), the Employer, not the Trustee shall have exclusive management and control over the investment of the Fund into any permitted investment. Notwithstanding the preceding sentence, a Trustee may make an agreement with the Employer whereby the Trustee will manage the investment of all or a portion of the Fund. Any such agreement shall be in writing and set forth such matters as the Trustee deems necessary or desirable.

FINANCIAL ORGANIZATION TRUSTEE WITH FULL TRUST POWERS AND INDIVIDUAL TRUSTEE

This Section 5.03 applies where a financial organization has indicated in the Adoption Agreement that it will serve as Trustee with full trust powers. This Section also applies where one or more individuals are named in the Adoption Agreement to serve as Trustee(s).

- A. Permissible Investments** – The Trustee may invest the assets of the Plan in property of any character, real or personal, including, but not limited to the following: stocks, including shares of open-end investment companies (mutual funds); bonds; notes; debentures; options; limited partnership interests; mortgages; real estate or any interests therein; unit investment trusts; Treasury Bills, and other U.S. Government obligations; common trust funds, combined investment trusts, collective trust funds or commingled funds maintained by a bank or similar financial organization (whether or not the Trustee hereunder); savings accounts, time deposits or money market accounts of a bank or similar financial organization (whether or not the Trustee hereunder); annuity contracts; life insurance policies; or in such other investments as is deemed proper.
- B. Responsibilities of the Trustee** – The responsibilities of the Trustee shall be limited to the following:
1. To receive Plan contributions and to hold, invest and reinvest the Fund without distinction between principal and interest; provided, however, that nothing in this Plan shall require the Trustee to maintain physical custody of stock certificates (or other indicia of ownership) representing assets within the Fund;
 2. To maintain accurate records of contributions, earnings, withdrawals and other information the Trustee deems relevant with respect to the Plan;
 3. To make disbursements from the Fund to Participants or Beneficiaries upon the proper authorization of the Plan Administrator; and
 4. To furnish to the Plan Administrator a statement which reflects the value of the investments in the hands of the Trustee as of the end of each Plan Year and as of any other times as the Trustee and Plan Administrator may agree.
- C. Powers of the Trustee** – Except as otherwise provided in this Plan, the Trustee shall have the power to take any action with respect to the Fund which it deems necessary or advisable to discharge its responsibilities under this Plan including, but not limited to, the following powers:
1. To hold any securities or other property of the Fund in its own name, in the name of its nominee or in bearer form;
 2. To purchase or subscribe for securities issued, or real property owned, by the Employer or any trade or business under common control with the Employer;
 3. To sell, exchange, convey, transfer or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;
 4. To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges or subscription rights and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property;
 5. To invest any part or all of the Fund (including idle cash balances) in certificates of deposit, demand or time deposits, savings accounts, money market accounts or similar investments of the Trustee (if the Trustee is a bank or similar financial organization), or any affiliate of such Trustee, which bear a reasonable rate of interest;
 6. To provide sweep services without the receipt by the Trustee of additional compensation or other consideration (other than reimbursement of direct expenses properly and actually incurred in the performance of such services);
 7. To hold in the form of cash for distribution or investment such portion of the Fund as, at any time and from time-to-time, the Trustee shall deem prudent and deposit such cash in interest bearing or noninterest bearing accounts;
 8. To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
 9. To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;
 10. To employ suitable agents and counsel, to contract with agents to perform administrative and recordkeeping duties and to pay their reasonable expenses, fees and compensation, and such agent or counsel may or may not be agent or counsel for the Employer;

11. To cause any part or all of the Fund, without limitation as to amount, to be commingled with the funds of other trusts (including trusts for qualified employee benefit plans) by causing such money to be invested as a part of any pooled, common, collective or commingled trust fund (including any such fund described in the Adoption Agreement) heretofore or hereafter created by any Trustee (if the Trustee is a bank), by any affiliate bank of such a Trustee or by such a Trustee, or by such an affiliate in participation with others; the instrument or instruments establishing such trust fund or funds, as amended, being made part of this Plan and trust so long as any portion of the Fund shall be invested through the medium thereof;
12. Generally to do all such acts, execute all such instruments, initiate such proceedings, and exercise all such rights and privileges with relation to property constituting the Fund as if the Trustee were the absolute owner thereof.

5.04 DIVISION OF FUND INTO INVESTMENT FUNDS

The Employer may direct the Trustee from time-to-time to divide and redivide the Fund into one or more Investment Funds. Such Investment Funds may include, but not be limited to, Investment Funds representing the assets under the control of an investment manager pursuant to Section 5.11 and Investment Funds representing investment options available for individual direction by Participants pursuant to Section 5.13. Upon each division or redivision, the Employer may specify the part of the Fund to be allocated to each such Investment Fund and the terms and conditions, if any, under which the assets in such Investment Fund shall be invested.

5.05 COMPENSATION AND EXPENSES

The Trustee shall receive such reasonable compensation as may be agreed upon by the Trustee and the Employer. The Trustee shall be entitled to reimbursement by the Employer for all proper expenses incurred in carrying out his or her duties under this Plan, including reasonable legal, accounting and actuarial expenses. If not paid by the Employer, such compensation and expenses may be charged against the Fund.

All taxes of any kind that may be levied or assessed under existing or future laws upon, or in respect of, the Fund or the income thereof shall be paid from the Fund.

5.06 NOT OBLIGATED TO QUESTION DATA

The Employer shall furnish the Trustee and Plan Administrator the information which each party deems necessary for the administration of the Plan including, but not limited to, changes in a Participant's status, eligibility, mailing addresses and other such data as may be required. The Trustee and Plan Administrator shall be entitled to act on such information as is supplied them and shall have no duty or responsibility to further verify or question such information.

5.07 LIABILITY FOR WITHHOLDING ON DISTRIBUTIONS

The Plan Administrator shall be responsible for withholding federal income taxes from distributions from the Plan, unless the Participant (or Beneficiary, where applicable) elects not to have such taxes withheld. The Trustee or other payor may act as agent for the Plan Administrator to withhold such taxes and to make the appropriate distribution reports, if the Plan Administrator furnishes all the information to the Trustee or other payor it may need to do withholding and reporting.

5.08 RESIGNATION OR REMOVAL OF TRUSTEE

The Trustee may resign at any time by giving 30 days advance written notice to the Employer. The resignation shall become effective 30 days after receipt of such notice unless a shorter period is agreed upon.

The Employer may remove any Trustee at any time by giving written notice to such Trustee and such removal shall be effective 30 days after receipt of such notice unless a shorter period is agreed upon. The Employer shall have the power to appoint a successor Trustee.

Upon such resignation or removal, if the resigning or removed Trustee is the sole Trustee, he or she shall transfer all of the assets of the Fund then held by such Trustee as expeditiously as possible to the successor Trustee after paying or reserving such reasonable amount as he or she shall deem necessary to provide for the expense in the settlement of the accounts and the amount of any compensation due him or her and any sums chargeable against the Fund for which he or she may be liable. If the Funds as reserved are not sufficient for such purpose, then he or she shall be entitled to reimbursement from the successor Trustee out of the assets in the successor Trustee's hands under this Plan. If the amount reserved shall be in excess of the amount actually needed, the former Trustee shall return such excess to the successor Trustee.

Upon receipt of the transferred assets, the successor Trustee shall thereupon succeed to all of the powers and responsibilities given to the Trustee by this Plan.

The resigning or removed Trustee shall render an accounting to the Employer and unless objected to by the Employer within 30 days of its receipt, the accounting shall be deemed to have been approved and the resigning or removed Trustee shall be released and discharged as to all matters set forth in the accounting. Where a financial organization is serving as Trustee and it is merged with or bought by another organization (or comes under the control of any federal or state agency), that organization shall serve as the successor Trustee of this Plan, but only if it is the type of organization that can so serve under applicable law.

Where the Trustee is serving as a nonbank trustee or custodian pursuant to Section 1.401-12(n) of the Income Tax Regulations, the Employer will appoint a successor Trustee upon notification by the Commissioner of Internal Revenue that such substitution is required because the Trustee has failed to comply with the requirements of Section 1.401-12(n) or is not keeping such records or making such returns or rendering such statements as are required by forms or regulations.

5.09 DEGREE OF CARE – LIMITATIONS OF LIABILITY

The Trustee shall not be liable for any losses incurred by the Fund by any direction to invest communicated by the Employer, Plan Administrator, investment manager appointed pursuant to Section 5.11 or any Participant or Beneficiary. The Trustee shall be under no liability for distributions made or other action taken or not taken at the written direction of the Plan Administrator. It is specifically understood that the Trustee shall have no duty or responsibility with respect to the determination of matters pertaining to the eligibility of any Employee to become a Participant or remain a Participant hereunder, the amount of benefit to which a Participant or Beneficiary shall be entitled to receive hereunder, whether a distribution to Participant or Beneficiary is appropriate under the terms of the Plan or the size and type of any policy to be purchased from any insurer for any Participant hereunder or similar matters; it being understood that all such responsibilities under the Plan are vested in the Plan Administrator.

5.10 INDEMNIFICATION OF TRUSTEE

Notwithstanding any other provision herein, the Employer shall indemnify and hold harmless the Trustee, their officers, directors, employees, agents, their heirs, executors, successors and assigns, from and against any and all liabilities, damages, judgments, settlements, losses, costs, charges, or expenses (including legal expenses) at any time arising out of or incurred in connection with any action taken by such parties in the performance of their duties with respect to this Plan, unless there has been a final adjudication of gross negligence or willful misconduct in the performance of such duties.

Further, the Employer will indemnify the Trustee from any liability, claim or expense (including legal expense) which the Trustee incur by reason of or which results, in whole or in part, from the Trustee's reliance on the facts and other directions and elections the Employer communicates or fails to communicate.

5.11 INVESTMENT MANAGERS

A. Definition of Investment Manager – The Employer may appoint one or more investment managers to make investment decisions with respect to all or a portion of the Fund. The investment manager shall be any firm or individual registered as an investment adviser under the Investment Advisers Act of 1940, a bank as defined in said Act or an insurance company qualified under the laws of more than one state to perform services consisting of the management, acquisition or disposition of any assets of the Plan.

B. Investment Manager's Authority – A separate Investment Fund shall be established representing the assets of the Fund invested at the direction of the investment manager. The investment manager so appointed shall direct the Trustee with respect to the investment of such Investment Fund.

C. Written Agreement – The appointment of any investment manager shall be by written agreement between the Employer and the investment manager and a copy of such agreement (and any modification or termination thereof) must be given to the Trustee.

The agreement shall set forth, among other matters, the effective date of the investment manager's appointment.

D. Concerning the Trustee – Written notice of each appointment of an investment manager shall be given to the Trustee in advance of the effective date of such appointment. Such notice shall specify which portion of the Fund will constitute the Investment Fund subject to the investment manager's direction. The Trustee shall comply with the investment direction given to it by the investment manager and will not be liable for any loss which may result by reason of any action (or inaction) it takes at the direction of the investment manager.

5.12 [Reserved]

5.13 DIRECTION OF INVESTMENTS BY PARTICIPANT

If so indicated in the Adoption Agreement, each Participant may individually direct the Trustee regarding the investment of part or all of his or her Individual Account. To the extent so directed, the Employer, Plan Administrator, Trustee and any investment provider shall not be responsible for any investment losses incurred by the Participant.

The Plan Administrator shall direct that a Separate Fund be established in the name of each Participant who directs the investment of part or all of his or her Individual Account. Each Separate Fund shall be charged or credited (as appropriate) with the earnings, gains, losses or expenses attributable to such Separate Fund. No fiduciary shall be liable for any loss which results from a Participant's individual direction. The assets subject to individual direction shall not be invested in collectibles as that term is defined in Section 408(m) of the Code.

The Plan Administrator shall establish such uniform and nondiscriminatory rules relating to individual direction as it deems necessary or advisable including, but not limited to, rules describing (1) which portions of Participant's Individual Account can be individually directed; (2) the frequency of investment changes; (3) the forms and procedures for making investment changes; and (4) the effect of a Participant's failure to make a valid direction.

The Plan Administrator may, in a uniform and nondiscriminatory manner, limit the available investments for Participants' individual direction to certain specified investment options (including, but not limited to, certain mutual funds, investment contracts, deposit accounts and group trusts). The Plan Administrator may permit, in a uniform and nondiscriminatory manner, a Beneficiary of a deceased Participant or the alternate payee under a qualified domestic relations order (as defined in Section 414(p) of the Code) to individually direct in accordance with this Section.

SECTION SIX VESTING AND DISTRIBUTION

6.01 DISTRIBUTION TO PARTICIPANT

A. Distributable Events

1. Entitlement to Distribution – The Vested portion of a Participant's Individual Account shall be distributable to the Participant upon (1) the occurrence of any of the distributable events specified in the Adoption Agreement; (2) the Participant's Termination of Employment after attaining Normal Retirement Age; (3) the termination of the Plan; and (4) the Participant's Termination of Employment after satisfying any Early Retirement Age conditions.

If a Participant separates from service before satisfying the Early Retirement Age requirement, but has satisfied the service requirement, the Participant will be entitled to elect an early retirement benefit upon satisfaction of such age requirement.

2. Written Request: When Distributed – A Participant entitled to distribution who wishes to receive a distribution must submit a written request to the Plan Administrator. Such request shall be made upon a form provided by the Plan Administrator. Upon a valid request, the Plan Administrator shall direct the Trustee to commence distribution no later than the time specified in the Adoption Agreement for this purpose and, if not specified in the Adoption Agreement, then no later than 90 days following the later of:
 - a. the close of the Plan Year within which the event occurs which entitles the Participant to distribution; or
 - b. the close of the Plan Year in which the request is received.
3. Special Rules for Withdrawals During Service – If the Adoption Agreement so provides, a Participant may elect to receive a distribution of all or part of the Vested portion of his or her Individual Account (other than that portion attributable to Elective Deferrals), subject to the following limits:
 - a. Participant for 5 or more years. An Employee who has been a Participant in the Plan for 5 or more years may withdraw up to the entire Vested portion of his or her Individual Account.
 - b. Participant for less than 5 years. If the Adoption Agreement does not restrict in-service withdrawals to Employees who been Participants in the Plan for 5 or more years, an Employee who has been a Participant in the Plan for less than 5 years may withdraw only the amount which has been in his or her Individual Account attributable to Employer Contributions for at least 2 full Plan Years, measured from the date such contributions were allocated. However, if the distribution is on account of hardship, the Participant may withdraw up to his or her entire Vested portion of the Participant's Individual Account. For this purpose, hardship shall have the meaning set forth in Section 6.01(A)(4).
4. Special Rules for Hardship Withdrawals – If the Adoption Agreement so provides, a Participant may elect to receive a hardship distribution of all or part of the Vested portion of his or her Individual Account (other than that portion attributable to Elective Deferrals), subject to the following rules. For purposes of this Section 6.01(A)(4) and Section 6.01(A)(3) hardship is defined as an immediate and heavy financial need of the Participant where such Participant lacks other available resources. The following are the only financial needs considered immediate and heavy: expenses incurred or necessary for medical care, described in Section 213(d) of the Code, of the Employee, the Employee's spouse or dependents; the purchase (excluding mortgage payments) of a principal residence for the Employee; payment of tuition and related educational fees for the next 12 months of post-secondary education for the Employee, the Employee's spouse, children or dependents; or the need to prevent the eviction of the Employee from, or a foreclosure on the mortgage of, the Employee's principal residence.

A distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Employee only if:

- 1) The employee has obtained all distributions, other than hardship distributions, and all nontaxable loans under all plans maintained by the Employer;
- 2) The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution).

B. Determining the Vested Portion – In determining the Vested portion of a Participant's Individual Account, the following rules apply:

1. Employer Contributions and Forfeitures – The Vested portion of a Participant's Individual Account derived from Employer Contributions and Forfeitures is determined by applying the vesting schedule selected in the Adoption Agreement.
2. Rollover and Transfer Contributions – A Participant is fully Vested in his or her rollover contributions and transfer contributions.
3. Designated Employee Contributions – A Participant is fully Vested in his or her Designated Employee Contributions.
4. Fully Vested Under Certain Circumstances – A Participant is fully Vested in his or her Individual Account if the Participant reaches Normal Retirement Age.

Further, unless otherwise indicated in the Adoption Agreement, a Participant is fully Vested if the Participant dies, incurs a Disability, or satisfies the conditions for Early Retirement Age (if applicable).

5. Participants in a Prior Plan – If a Participant was a participant in a Prior Plan on the Effective Date, his or her Vested percentage shall not be less than it would have been under such Prior Plan as computed on the Effective Date.
- C. Break in Vesting Service and Forfeitures** – If a Participant incurs a Termination of Employment, any portion of his or her Individual Account which is not Vested shall be held in a suspense account. Such suspense account shall share in any increase or decrease in the fair market value of the assets of the Fund in accordance with Section 4 of the Plan. The disposition of such suspense account shall be as follows:
1. Breaks in Vesting Service – If a Participant neither receives nor is deemed to receive a distribution pursuant to Section 6.01(C)(3) or (4) and the Participant returns to the service of the Employer before incurring 5 consecutive Breaks in Vesting Service (or any different number of Breaks in Vesting Service as the Employer may specify in an attachment to the Adoption Agreement), there shall be no Forfeiture and the amount in such suspense account shall be recredited to such Participant's Individual Account.
 2. Five Consecutive Breaks in Vesting Service – If a Participant neither receives nor is deemed to receive a distribution pursuant to Section 6.01(C)(3) or (4) and the Participant does not return to the service of the Employer before incurring 5 consecutive Breaks in Vesting Service (or any different number of Breaks in Vesting Service as the Employer may specify in an attachment to the Adoption Agreement), the portion of the Participant's Individual Account which is not Vested shall be treated as a Forfeiture and allocated in accordance with Section 3.01(C).
 3. Cash-out of Certain Participants – If the value of the Vested portion of such Participant's Individual Account derived from Nondeductible Employee Contributions and Employer Contributions does not exceed \$5,000 (or such amount as may be provided for in future amendments to the Code), the Participant shall receive a distribution of the entire Vested portion of such Individual Account and the portion which is not Vested shall be treated as a Forfeiture and allocated in accordance with Section 3.01(C). For purposes of this Section, if the value of the Vested portion of a Participant's Individual Account is zero, the Participant shall be deemed to have received a distribution of such Vested Individual Account. A Participant's Vested Individual Account balance shall not include accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code for Plan Years beginning prior to January 1, 1989.
 4. Participants Who Elect to Receive Distributions – If such Participant elects to receive a distribution, in accordance with Section 6.02(B), of the value of the Vested portion of his or her Individual Account derived from Nondeductible Employee Contributions and Employer Contributions, the portion which is not Vested shall be treated as a Forfeiture and allocated in accordance with Section 3.01(C).
 5. Re-employed Participants – If a Participant receives or is deemed to receive a distribution pursuant to Section 6.01(C)(3) or (4) above and the Participant resumes employment covered under this Plan, the Participant's Employer-derived Individual Account balance will be restored to the amount on the date of distribution if the Participant repays to the Plan the full amount of the distribution attributable to Employer Contributions before the earlier of 5 years after the first date on which the Participant is subsequently re-employed by the Employer, or the date the Participant incurs 5 consecutive Breaks in Vesting Service following the date of the distribution.

Any restoration of a Participant's Individual Account pursuant to Section 6.01(C)(5) shall be made from other Forfeitures, income or gain to the Fund or contributions made by the Employer.

- D. Distribution Prior to Full Vesting** – If a distribution is made to a Participant who was not then fully Vested in his or her Individual Account derived from Employer Contributions and the Participant may increase his or her Vested percentage in his or her Individual Account, then the following rules shall apply:
1. a separate account will be established for the Participant's interest in the Plan as of the time of the distribution, and
 2. at any relevant time the Participant's Vested portion of the separate account will be equal to an amount ("X") determined by the formula: $X = P(AB + D) - D$ where "P" is the Vested percentage at the relevant time, "AB" is the separate account balance at the relevant time; "D" is the amount of the distribution; and "R" is the ratio of the separate account balance at the relevant time to the separate account balance after distribution.

6.02 FORM OF DISTRIBUTION TO A PARTICIPANT

- A. Value of Individual Account Does Not Exceed \$5,000** – If the value of the Vested portion of a Participant's Individual Account does not exceed \$5,000 (or such amount as may be provided for in future amendments to the Code), distribution from the Plan shall be made to the Participant in a single lump sum in lieu of all other forms of distribution from the Plan as soon as administratively feasible.
- B. Value of Individual Account Exceeds \$5,000**
1. If the value of the Vested portion of a Participant's Individual Account exceeds (or at the time of any prior distribution exceeded) \$5,000 (or such amount as may be provided for in future amendments to the Code), and the Individual Account is immediately

distributable, the Participant must consent to any distribution of such Individual Account. In addition, if the Employer has indicated in the Adoption Agreement that the consent of the Participant's spouse shall be required before a Participant can take a distribution, the Participant's spouse must consent. The consent of the Participant (and the Participant's spouse, if applicable) shall be obtained in writing within the 90-day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form.

Neither the consent of the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code. In addition, upon termination of this Plan if the Plan does not offer an annuity option (purchased from a commercial provider), the Participant's Individual Account may, without the Participant's consent, be distributed to the Participant or transferred to another defined contribution plan maintained by the Employer.

2. For purposes of determining the applicability of the foregoing consent requirements to distributions made before the first day of the first Plan Year beginning after December 31, 1988, the Vested portion of a Participant's Individual Account shall not include amounts attributable to accumulated deductible employee contributions within the meaning of Section 72(o)(5)(B) of the Code.
3. If the value of the Vested portion of a Participant's Individual Account exceeds \$5,000, the Participant may request in writing that the Vested portion of his or her Individual Account be paid to him or her in one or more of the following forms of payment: (1) in a lump sum; (2) in installment payments over a period not to exceed the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and his or her designated Beneficiary; or (3), if the Employer has indicated in the Adoption Agreement that annuities are optional forms of benefit under the Plan, applied to the purchase of an annuity contract.

6.03 DISTRIBUTIONS UPON THE DEATH OF A PARTICIPANT

- A. Designation of Beneficiary** – Each Participant may designate, upon a form provided by and delivered to the Plan Administrator, one or more primary and contingent Beneficiaries to receive all or a specified portion of the Participant's Individual Account in the event of his or her death. A Participant may change or revoke such Beneficiary designation from time to time by completing and delivering the proper form to the Plan Administrator.

Spousal Consent – If the Employer has indicated in the Adoption Agreement that the consent of the Participant's spouse shall be required before a Participant can take a distribution, where a Participant wishes to designate a primary Beneficiary who is not his or her spouse, his or her spouse must consent in writing to such designation. However, if the Participant establishes to the satisfaction of the Plan Administrator that such written consent may not be obtained because there is no spouse or the spouse cannot be located, no consent shall be required. Any change of Beneficiary will require a new spousal consent.

- B. Payment to Beneficiary** – If a Participant dies before the Participant's entire Individual Account has been paid to him or her, such deceased Participant's Individual Account shall be payable to any surviving Beneficiary designated by the Participant, or, if no Beneficiary survives the Participant, to the Participant's estate.
- C. Written Request: When Distributed** – A Beneficiary of a deceased Participant entitled to a distribution who wishes to receive a distribution must submit a written request to the Plan Administrator. Such request shall be made upon a form provided by the Plan Administrator. Upon a valid request, the Plan Administrator shall direct the Trustee to commence distribution no later than the time specified in the Adoption Agreement for this purpose and if not specified in the Adoption Agreement, then no later than 90 days following the later of:
1. the close of the Plan Year within which the Participant dies; or
 2. the close of the Plan Year in which the request is received.

6.04 FORM OF DISTRIBUTION TO BENEFICIARY

- A. Value of Individual Account Does Not Exceed \$5,000** – If the value of the Participant's Individual Account does not exceed \$5,000 (or such amount as may be provided for in future amendments to the Code), the Plan Administrator shall direct the Trustee to make a distribution to the Beneficiary in a single lump sum in lieu of all other forms of distribution from the Plan.
- B. Value of Individual Account Exceeds \$5,000** – If the value of a Participant's Individual Account exceeds \$5,000 (or such amount as may be provided for in future amendments to the Code), the Beneficiary may, subject to the requirements of Section 6.06, request in writing that the Participant's Individual Account be paid as follows: (1) in a lump sum; (2) in installment payments over a period not to exceed the life expectancy of such Beneficiary; or (3), if the Employer has indicated in the Adoption Agreement that annuities are optional forms of benefit under the Plan, applied to the purchase of an annuity contract.

6.05 [Reserved]

6.06 DISTRIBUTION REQUIREMENTS

A. General Rules

1. The requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. Unless otherwise specified, the provisions of this Section 6.06 apply to calendar years beginning after December 31, 1984.

2. All distributions required under this Section 6.06 shall be determined and made in accordance with the Income Tax Regulations under Section 401(a)(9), including the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the proposed regulations.
- B. Required Beginning Date** – The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's required beginning date.
- C. Limits on Distribution Periods** – As of the first distribution calendar year, distributions, if not made in a single sum, may only be made over one of the following periods (or a combination thereof):
1. the life of the Participant,
 2. the life of the Participant and a designated Beneficiary,
 3. a period certain not extending beyond the life expectancy of the Participant, or
 4. a period certain not extending beyond the joint and last survivor expectancy of the Participant and a designated Beneficiary.
- D. Determination of Amount to be Distributed Each Year** – If the Participant's interest is to be distributed in other than a single sum, the following minimum distribution rules shall apply on or after the required beginning date:
1. **Individual Account**
 - a. If a Participant's benefit is to be distributed over (1) a period not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary or (2) a period not extending beyond the life expectancy of the designated Beneficiary, the amount required to be distributed for each calendar year, beginning with distributions for the first distribution calendar year, must at least equal the quotient obtained by dividing the Participant's benefit by the applicable life expectancy.
 - b. For calendar years beginning before January 1, 1989, if the Participant's spouse is not the designated Beneficiary, the method of distribution selected must assure that at least 50% of the present value of the amount available for distribution is paid within the life expectancy of the Participant.
 - c. For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant's benefit by the lesser of (1) the applicable life expectancy or (2) if the Participant's spouse is not the designated Beneficiary, the applicable divisor determined from the table set forth in Q&A-4 of Section 1.401(a)(9)-2 of the Proposed Income Tax Regulations. Distributions after the death of the Participant shall be distributed using the applicable life expectancy in Section 6.06(D)(1)(a) above as the relevant divisor without regard to proposed regulations 1.401(a)(9)-2.
 - d. The minimum distribution required for the Participant's first distribution calendar year must be made on or before the Participant's required beginning date. The minimum distribution for other calendar years, including the minimum distribution for the distribution calendar year in which the Employee's required beginning date occurs, must be made on or before December 31 of that distribution calendar year.
 2. **Other Forms** – If the Participant's benefit is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the regulations thereunder.
- E. Death Distribution Provisions**
1. **Distribution Beginning Before Death** – If the Participant dies after distribution of his or her interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
 2. **Distribution Beginning After Death** – If the Participant dies before distribution of his or her interest begins, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except to the extent that an election is made to receive distributions in accordance with (a) or (b) below:
 - a. if any portion of the Participant's interest is payable to a designated Beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the designated Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died;
 - b. if the designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (a) above shall not be earlier than the later of (1) December 31 of the calendar year immediately following the calendar year in which the Participant dies or (2) December 31 of the calendar year in which the Participant would have attained age 70½.

If the Participant has not made an election pursuant to this Section 6.06(E)(2) by the time of his or her death, the Participant's designated Beneficiary must elect the method of distribution no later than the earlier of (1) December 31 of the calendar year in which distributions would be required to begin under this Section 6.06(E)(2), or (2) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated Beneficiary, or if the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

3. For purposes of Section 6.06(E)(2) above, if the surviving spouse dies after the Participant, but before payments to such spouse begin, the provisions of Section 6.06(E)(2), with the exception of paragraph (b) therein, shall be applied as if the surviving spouse were the Participant.
4. For purposes of this Section 6.06(E), any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.
5. For purposes of this Section 6.06(E), distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if Section 6.06(E)(3) above is applicable, the date distribution is required to begin to the surviving spouse pursuant to Section 6.06(E)(2) above). If distribution in the form of an annuity irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

F. Definitions

1. **Applicable Life Expectancy** – The life expectancy (or joint and last survivor expectancy) calculated using the attained age of the Participant (or designated Beneficiary) as of the Participant's (or designated Beneficiary's) birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date life expectancy was first calculated. If life expectancy is being recalculated, the applicable life expectancy shall be the life expectancy as so recalculated. The applicable calendar year shall be the first distribution calendar year, and if life expectancy is being recalculated such succeeding calendar year.
2. **Designated Beneficiary** – The individual who is designated as the Beneficiary under the Plan in accordance with Section 401(a)(9) of the Code and the regulations thereunder.
3. **Distribution Calendar Year** – 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 which 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 pursuant to Section 6.06(E) above.
4. **Life Expectancy** – Life expectancy and joint and last survivor expectancy are computed by use of the expected return multiples in Tables V and VI of Section 1.72-9 of the Income Tax Regulations.

Unless otherwise elected by the Participant (or spouse, in the case of distributions described in Section 6.06(E)(2)(b) above) by the time distributions are required to begin, life expectancies shall be recalculated annually. Such election shall be irrevocable as to the Participant (or spouse) and shall apply to all subsequent years. The life expectancy of a nonspouse Beneficiary may not be recalculated.

5. **Participant's Benefit**
 - a. The account balance as of the last valuation date in the valuation calendar year (the calendar year immediately preceding the distribution calendar year) increased by the amount of any Contributions 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.
 - b. Exception for second distribution calendar year. For purposes of paragraph (a) above, if any portion of the minimum distribution for the first distribution calendar year is made in the second distribution calendar year on or before the required beginning date, the amount of the minimum distribution made in the second distribution calendar year shall be treated as if it had been made in the immediately preceding distribution calendar year.
6. **Required Beginning Date** – The first day of April of the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Participant retires.

G. Transitional Rule

1. Notwithstanding the other requirements of this Section 6.06, distribution on behalf of any Employee may be made in accordance with all of the following requirements (regardless of when such distribution commences):
 - a. The distribution by the Fund is one which would not have disqualified such Fund under Section 401(a)(9) of the Code as in effect prior to amendment by the Deficit Reduction Act of 1984.

- b. The distribution is in accordance with a method of distribution designated by the Employee whose interest in the Fund is being distributed or, if the Employee is deceased, by a Beneficiary of such Employee.
 - c. Such designation was in writing, was signed by the Employee or the Beneficiary, and was made before January 1, 1984.
 - d. The Employee had accrued a benefit under the Plan as of December 31, 1983.
 - e. The method of distribution designated by the Employee or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Employee's death, the Beneficiaries of the Employee listed in order of priority.
2. A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee.
 3. For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in Sections 6.06(G)(1)(a) and (e).
 4. If a designation is revoked, any subsequent distribution must satisfy the requirements of Section 401(a)(9) of the Code and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Section 401(a)(9) of the Code and the regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements in Section 1.401(a)(9)-2 of the Proposed Income Tax Regulations. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life). In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Q&A J-2 and Q&A J-3 shall apply.

6.07 ANNUITY CONTRACTS

Any annuity contract distributed under the Plan (if permitted or required by this Section 6) must be nontransferable. The terms of any annuity contract purchased and distributed by the Plan to a Participant or spouse shall comply with the requirements of the Plan.

6.08 LOANS TO PARTICIPANTS

If the Adoption Agreement so indicates, a Participant may receive a loan from the Fund, subject to the following rules:

- A. Loans shall be made available to all Participants on a reasonably equivalent basis.
- B. Loans must be adequately secured and bear a reasonable interest rate.
- C. No Participant loan shall exceed the present value of the Vested portion of a Participant's Individual Account.
- D. If the Employer has indicated in the Adoption Agreement that the consent of the Participant's spouse shall be required before a Participant can take a distribution, a Participant must obtain the consent of his or her spouse, if any, to the use of the Individual Account as security for the loan. Spousal consent is not required if the total Individual Account subject to the security is less than or equal to \$5,000 (or such amount as may be provided for in future amendments to the Code).
- E. In the event of default, foreclosure on the note and attachment of security will not occur until a distributable event occurs in the Plan. Notwithstanding the preceding sentence, a Participant's default on a loan will be treated as a distributable event and as soon as administratively feasible after the default, the Participant's Vested Individual Account will be reduced by the lesser of the amount in default (plus accrued interest) or the amount secured. If this Plan is a 401(k) plan, then to the extent the loan is attributable to a Participant's Elective Deferrals, the Participant's Individual Account will not be reduced unless the Participant has attained age 59½ or has another distributable event. A Participant will be deemed to have consented to this provision at the time the loan is made to the Participant.
- F. If a valid spousal consent has been obtained in accordance with 6.08(D), then, notwithstanding any other provisions of this Plan, the portion of the Participant's Vested Individual Account used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan. If less than 100% of the Participant's Vested Individual Account (determined without regard to the preceding sentence) is payable to the surviving spouse, then the account balance shall be adjusted by first reducing the Vested Individual Account by the amount of the security used as repayment of the loan, and then determining the benefit payable to the surviving spouse.

To avoid taxation to the Participant, no loan to any Participant can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant would exceed the lesser of (a) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) 50% of the present value of the nonforfeitable Individual Account of the Participant or, if greater, the total Individual Account up to \$10,000. For the purpose of the above limitation, all loans from all plans of the Employer are aggregated. Furthermore, any loan shall by its terms require that repayment (principal and interest) be amortized

in level payments, not less frequently than quarterly, over a period not extending beyond 5 years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant. Notwithstanding the foregoing, a Participant will suspend his or her loan repayments under this Plan as permitted under Section 414(u)(4) of the Code. An assignment or pledge of any portion of the Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this paragraph.

The Plan Administrator shall administer the loan program in accordance with a written document. Such written document shall include, at a minimum, the following: (i) the identity of the person or positions authorized to administer the Participant loan program; (ii) the procedure for applying for loans; (iii) the basis on which loans will be approved or denied; (iv) limitations (if any) on the types and amounts of loans offered; (v) the procedure under the program for determining a reasonable rate of interest; (vi) the types of collateral which may secure a Participant loan; and (vii) the events constituting default and the steps that will be taken to preserve Plan assets in the event of such default.

6.09 DISTRIBUTION IN KIND

The Plan Administrator may cause any distribution under this Plan to be made either in a form actually held in the Fund, or in cash by converting assets other than cash into cash, or in any combination of the two foregoing ways.

6.10 DIRECT ROLLOVERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS

A. Direct Rollover Option

This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

B. Definitions

1. Eligible rollover distribution – An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:
 - a. any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more;
 - b. any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;
 - c. the portion of any other distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities);
 - d. any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code made after December 31, 1998; and
 - e. any other distribution(s) that is reasonably expected to total less than \$200 during a year.
2. Eligible retirement plan – An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.
3. Distributee – A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
4. Direct rollover – A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.11 PROCEDURE FOR MISSING PARTICIPANTS OR BENEFICIARIES

The Plan Administrator must use all reasonable measures to locate Participants or Beneficiaries who are entitled to distributions from the Plan. In the event that the Plan Administrator cannot locate a Participant or Beneficiary who is entitled to a distribution from the Plan after using all reasonable measures to locate him or her, the Plan Administrator may, consistent with applicable laws, regulations and other pronouncements, use any reasonable procedure to dispose of distributable plan assets, including any of the following: (1) establish a bank account for and in the name of the Participant or Beneficiary and transfer the assets to such bank account, (2) purchase an annuity contract with the assets in the name of the Participant or Beneficiary, or (3) after the expiration of 5 years after the benefit becomes payable, treat the amount distributable as a Forfeiture and allocate it in accordance with the terms of the Plan and if the Participant or Beneficiary is later located, restore such benefit to the Plan.

SECTION SEVEN CLAIMS PROCEDURE

7.01 FILING A CLAIM FOR PLAN DISTRIBUTIONS

A Participant or Beneficiary who desires to make a claim for the Vested portion of the Participant's Individual Account shall file a written request with the Plan Administrator on a form to be furnished to him or her by the Plan Administrator for such purpose. The request shall set forth the basis of the claim. The Plan Administrator is authorized to conduct such examinations as may be necessary to facilitate the payment of any benefits to which the Participant or Beneficiary may be entitled under the terms of the Plan.

7.02 DENIAL OF CLAIM

Whenever a claim for a Plan distribution by any Participant or Beneficiary has been wholly or partially denied, the Plan Administrator must furnish such Participant or Beneficiary written notice of the denial within 60 days of the date the original claim was filed. This notice shall set forth the specific reasons for the denial, specific reference to pertinent Plan provisions on which the denial is based, a description of any additional information or material needed to perfect the claim, an explanation of why such additional information or material is necessary and an explanation of the procedures for appeal.

7.03 REMEDIES AVAILABLE

The Participant or Beneficiary shall have 60 days from receipt of the denial notice in which to make written application for review by the Plan Administrator. The Participant or Beneficiary may request that the review be in the nature of a hearing. The Participant or Beneficiary shall have the right to representation, to review pertinent documents and to submit comments in writing. The Plan Administrator shall issue a decision on such review within 60 days after receipt of an application for review as provided for in Section 7.02. Upon a decision unfavorable to the Participant or Beneficiary, such Participant or Beneficiary shall be entitled to bring such actions in law or equity as may be necessary or appropriate to protect or clarify his or her right to benefits under this Plan.

SECTION EIGHT PLAN ADMINISTRATOR

8.01 EMPLOYER IS PLAN ADMINISTRATOR

- A. The Employer shall be the Plan Administrator unless the managing body of the Employer designates a person or persons other than the Employer as the Plan Administrator and so notifies the Trustee. The Employer shall also be the Plan Administrator if the person or persons so designated cease to be the Plan Administrator. The Employer may establish an administrative committee that will carry out the Plan Administrator's duties. Members of the administrative committee may allocate the Plan Administrator's duties among themselves.
- B. If the managing body of the Employer designates a person or persons other than the Employer as Plan Administrator, such person or persons shall serve at the pleasure of the Employer and shall serve pursuant to such procedures as such managing body may provide. Each such person shall be bonded as may be required by law.

8.02 POWERS AND DUTIES OF THE PLAN ADMINISTRATOR

- A. The Plan Administrator may, by appointment, allocate the duties of the Plan Administrator among several individuals or entities. Such appointments shall not be effective until the party designated accepts such appointment in writing.
- B. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan. The Plan Administrator shall administer the Plan for the exclusive benefit of the Participants and their Beneficiaries in accordance with the specific terms of the Plan.
- C. The Plan Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:
 - 1. To determine all questions of interpretation or policy in a manner consistent with the Plan's documents and the Plan Administrator's construction or determination in good faith shall be conclusive and binding on all persons except as otherwise provided herein or by law. Any interpretation or construction shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Section 401(a) of the Code, as amended from time-to-time;
 - 2. To determine all questions relating to the eligibility of Employees to become or remain Participants hereunder;
 - 3. To compute the amounts necessary or desirable to be contributed to the Plan;
 - 4. To compute the amount and kind of benefits to which a Participant or Beneficiary shall be entitled under the Plan and to direct the Trustee with respect to all disbursements under the Plan, and, when requested by the Trustee, to furnish the Trustee with instructions, in writing, on matters pertaining to the Plan and the Trustee may rely and act thereon;
 - 5. To maintain all records necessary for the administration of the Plan;
 - 6. To be responsible for preparing and filing such disclosure and tax forms as may be required from time-to-time by the Secretary of Labor or the Secretary of the Treasury; and
 - 7. To furnish each Employee, Participant or Beneficiary such notices, information and reports under such circumstances as may be required by law.

- D.** The Plan Administrator shall have all of the powers necessary or appropriate to accomplish his or her duties under the Plan, including, but not limited to, the following:
1. To appoint and retain such persons as may be necessary to carry out the functions of the Plan Administrator;
 2. To appoint and retain counsel, specialists or other persons as the Plan Administrator deems necessary or advisable in the administration of the Plan;
 3. To resolve all questions of administration of the Plan;
 4. To establish such uniform and nondiscriminatory rules which it deems necessary to carry out the terms of the Plan;
 5. To make any adjustments in a uniform and nondiscriminatory manner which it deems necessary to correct any arithmetical or accounting errors which may have been made for any Plan Year; and
 6. To correct any defect, supply any omission or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan.

8.03 EXPENSES AND COMPENSATION

All reasonable expenses of administration including, but not limited to, those involved in retaining necessary professional assistance may be paid from the assets of the Fund. Alternatively, the Employer may, in its discretion, pay any or all such expenses. Pursuant to uniform and nondiscriminatory rules that the Plan Administrator may establish from time to time, administrative expenses and expenses unique to a particular Participant may be charged to a Participant's Individual Account or the Plan Administrator may allow Participants to pay such fees outside of the Plan. The Employer shall furnish the Plan Administrator with such clerical and other assistance as the Plan Administrator may need in the performance of his or her duties.

8.04 INFORMATION FROM EMPLOYER

To enable the Plan Administrator to perform his or her duties, the Employer shall supply full and timely information to the Plan Administrator (or his or her designated agents) on all matters relating to the Compensation of all Participants, their regular employment, retirement, death, Disability or Termination of Employment, and such other pertinent facts as the Plan Administrator (or his or her agents) may require. The Plan Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Plan Administrator (or his or her agents) is entitled to rely on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

SECTION NINE AMENDMENT AND TERMINATION

9.01 RIGHT OF EMPLOYER TO AMEND THE PLAN

The Employer reserves the right to amend the Plan from time to time. Such amendment may be accomplished by completing and executing a new Adoption Agreement and delivering a copy to the Trustee. Any such amendment shall become effective upon execution by the Employer and Trustee (unless there is no Trustee in which case the amendment shall become effective upon execution by the Employer). The Employer further reserves the right to replace the Plan in its entirety by adopting another retirement plan which the Employer designates as a replacement plan.

9.02 [Reserved]

9.03 PERMANENCY

The Employer expects to continue this Plan and make the necessary contributions thereto indefinitely, but such continuance and payment is not assumed as a contractual obligation. Neither the Adoption Agreement nor the Plan nor any amendment or modification thereof nor the making of contributions hereunder shall be construed as giving any Participant or any person whomsoever any legal or equitable right against the Employer, the Trustee or the Plan Administrator except as specifically provided herein, or as provided by law.

9.04 METHOD AND PROCEDURE FOR TERMINATION

The Plan may be terminated by the Employer at any time by appropriate action of its managing body. Such termination shall be effective on the date specified by the Employer. Written notice of the termination and effective date thereof shall be given to the Trustee, Plan Administrator, Participants and Beneficiaries of deceased Participants, and the required filings must be made with the Internal Revenue Service and any other regulatory body as required by current laws and regulations. Until all of the assets have been distributed from the Fund, the Employer must keep the Plan in compliance with current laws and regulations by (a) making appropriate amendments to the Plan and (b) taking such other measures as may be required.

9.05 CONTINUANCE OF PLAN BY SUCCESSOR EMPLOYER

Notwithstanding the preceding Section 9.04, a successor of the Employer may continue the Plan and be substituted in the place of the present Employer. The successor and the present Employer must execute a written instrument authorizing such substitution and the successor must complete and sign a new plan document.

SECTION TEN MISCELLANEOUS

10.01 STATE COMMUNITY PROPERTY LAWS

The terms and conditions of this Plan shall be applicable without regard to the community property laws of any state.

10.02 HEADINGS

The headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

10.03 GENDER AND NUMBER

Whenever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and whenever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

10.04 PLAN MERGER OR CONSOLIDATION

In the case of any merger or consolidation of the Plan with, or transfer of assets or liabilities of such Plan to, any other plan, each Participant shall be entitled to receive benefits immediately after the merger, consolidation, or transfer (if the Plan had then terminated) which are equal to or greater than the benefits he or she would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated). The Trustee has the authority to enter into merger agreements or agreements to directly transfer the assets of this Plan but only if such agreements are made with trustees or custodians of other retirement plans described in Section 401(a) of the Code.

10.05 GENERAL UNDERTAKING OF ALL PARTIES

All parties to this Plan and all persons claiming any interest whatsoever hereunder agree to perform any and all acts and execute any and all documents and papers which may be necessary or desirable for the carrying out of this Plan and any of its provisions.

10.06 AGREEMENT BINDS HEIRS, ETC.

This Plan shall be binding upon the heirs, executors, administrators, successors and assigns, as those terms shall apply to any and all parties hereto, present and future.

10.07 INALIENABILITY OF BENEFITS

No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a qualified domestic relations order, as defined in Section 414(p) of the Code.

Generally, a domestic relations order cannot be a qualified domestic relations order until January 1, 1985. However, in the case of a domestic relations order entered before such date, the Plan Administrator:

- (1) shall treat such order as a qualified domestic relations order if such Plan Administrator is paying benefits pursuant to such order on such date, and
- (2) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of Section 414(p) of the Code.

Notwithstanding any provision of the Plan to the contrary, a distribution to an alternate payee under a qualified domestic relations order shall be permitted even if the Participant affected by such order is not otherwise entitled to a distribution and even if such Participant has not attained earliest retirement age as defined in Section 414(p) of the Code.

10.08 "PAPERLESS" ADMINISTRATION

To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Plan Administrator, Trustee, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under this Plan through the use of media other than paper. Such alternative media may include, but is not necessarily limited to, electronic or telephonic media.

10.09 MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code effective December 12, 1994.

SECTION ELEVEN 401(k) PROVISIONS

In addition to Sections 1 through 10, the provisions of this Section 11 shall apply if the Employer has established a 401(k) cash or deferred arrangement (CODA) by completing and signing the appropriate Adoption Agreement.

11.100 DEFINITIONS

The following words and phrases when used in the Plan with initial capital letters shall, for the purposes of this Plan, have the meanings set forth below unless the context indicates that other meanings are intended.

11.101 CONTRIBUTING PARTICIPANT

Means a Participant who has enrolled as a Contributing Participant pursuant to Section 11.201 and on whose behalf the Employer is contributing Elective Deferrals to the Plan (or is making Nondeductible Employee Contributions).

11.102 ELECTIVE DEFERRALS

Means any Employer Contributions made to the Plan at the election of the Participant, in lieu of cash compensation, and shall include contributions made pursuant to a salary reduction agreement or other deferral mechanism. With respect to any taxable year, a Participant's Elective Deferral is the sum of all Employer contributions made on behalf of such Participant pursuant to an election to defer under any qualified CODA as described in Section 401(k) of the Code, any simplified employee pension cash or deferred arrangement as described in Section 402(h)(1)(B), any eligible deferred compensation plan under Section 457, any plan as described under Section 501(c)(18), and any Employer contributions made on the behalf of a Participant for the purchase of an annuity contract under Section 403(b) pursuant to a salary reduction agreement. Elective Deferrals shall not include any deferrals properly distributed as excess annual additions.

No Participant shall be permitted to have Elective Deferrals made under this Plan, or any other qualified plan maintained by the Employer, during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect at the beginning of such taxable year. In accordance with Section 457(c) of the Code, the Elective Deferrals of a Participant who also participates in a plan described in Section 457 of the Code are subject to the limit contained in Section 457(b).

11.103 EXCESS ELECTIVE DEFERRALS

Means those Elective Deferrals that are includible in a Participant's gross income under Section 402(g) of the Code to the extent such Participant's Elective Deferrals for a taxable year exceed the dollar limitation under such Code section. Excess Elective Deferrals shall be treated as annual additions under the Plan, unless such amounts are distributed no later than the first April 15 following the close of the Participant's taxable year.

11.104 MATCHING CONTRIBUTION

Means an Employer Contribution made to this or any other defined contribution plan on behalf of a Participant on account of an Elective Deferral or a Nondeductible Employee Contribution made by such Participant under a plan maintained by the Employer.

11.105 QUALIFYING CONTRIBUTING PARTICIPANT

Means a Contributing Participant who satisfies the requirements described in Section 11.302 to be entitled to receive a Matching Contribution (and Forfeitures, if applicable) for a Plan Year.

11.200 CONTRIBUTING PARTICIPANT

11.201 REQUIREMENTS TO ENROLL AS A CONTRIBUTING PARTICIPANT

A. Each Employee who satisfies the eligibility requirements specified in the Adoption Agreement may enroll as a Contributing Participant as of any subsequent Entry Date (or earlier if required by Section 2.03) specified in the Adoption Agreement for this purpose. A Participant who wishes to enroll as a Contributing Participant must complete, sign and file a salary reduction agreement (or agreement to make Nondeductible Employee Contributions) with the Plan Administrator.

B. Notwithstanding the times set forth in Section 11.201(A) as of which a Participant may enroll as a Contributing Participant, the Plan Administrator shall have the authority to designate, in a nondiscriminatory manner, additional enrollment times during the 12 month period beginning on the Effective Date (or the date that Elective Deferrals may commence, if later) in order that an orderly first enrollment might be completed. In addition, if the Employer has indicated in the Adoption Agreement that Elective Deferrals may be based on bonuses, then Participants shall be afforded a reasonable period of time prior to the issuance of such bonuses to elect to defer them into the Plan.

11.202 CHANGING ELECTIVE DEFERRAL AMOUNTS

A Contributing Participant may modify his or her salary reduction agreement (or agreement to make Nondeductible Employee Contributions) to increase or decrease (within the limits placed on Elective Deferrals (or Nondeductible Employee Contributions) in the Adoption Agreement) the amount of his or her Compensation deferred into the Plan. Such modification may only be made as of the dates the Plan Administrator permits in a uniform and nondiscriminatory manner. A Contributing Participant who desires to make such a modification shall complete, sign and file a new salary reduction agreement (or agreement to make Nondeductible Employee Contribution) with the Plan Administrator. The Plan Administrator may prescribe such uniform and nondiscriminatory rules it deems appropriate to carry out the terms of this Section.

11.203 CEASING ELECTIVE DEFERRALS

A Participant may cease Elective Deferrals (or Nondeductible Employee Contributions) and thus withdraw as a Contributing Participant as of the dates the Plan Administrator so permits in a uniform and nondiscriminatory manner by revoking the authorization to the Employer to make Elective Deferrals (or Nondeductible Employee Contributions) on his or her behalf. A Participant who desires to withdraw as a Contributing Participant shall give written notice of withdrawal to the Plan Administrator at least thirty days (or such lesser period of days as the Plan Administrator shall permit in a uniform and nondiscriminatory manner) before the effective date of withdrawal. A Participant shall cease to be a Contributing Participant upon his or her Termination of Employment, or an account of termination of the Plan.

11.204 RETURN AS A CONTRIBUTING PARTICIPANT AFTER CEASING ELECTIVE DEFERRALS

A Participant who has withdrawn as a Contributing Participant under Section 11.203 (or because the Participant has taken a hardship withdrawal pursuant to Section 11.403) may not again become a Contributing Participant until such dates as the Plan Administrator, in a uniform and nondiscriminatory manner, permits withdrawing Participants to resume their status as Contributing Participants.

11.300 CONTRIBUTIONS

11.301 CONTRIBUTIONS BY EMPLOYER

The Employer shall make contributions to the Plan in accordance with the contribution formulas specified in the Adoption Agreement.

11.302 MATCHING CONTRIBUTIONS

The Employer may elect to make Matching Contributions under the Plan on behalf of Qualifying Contributing Participants as provided in the Adoption Agreement. To be a Qualifying Contributing Participant for a Plan Year, the Participant must make Elective Deferrals (or Nondeductible Employee Contributions, if the Employer has agreed to match such contributions) for the Plan Year, satisfy any age and Years of Eligibility Service requirements that are specified for Matching Contributions in the Adoption Agreement and also satisfy any additional conditions set forth in the Adoption Agreement for this purpose. In a uniform and nondiscriminatory manner, the Employer may make Matching Contributions at the same time as it contributes Elective Deferrals or at any other time as permitted by laws and regulations.

11.400 DISTRIBUTION PROVISIONS

11.401 GENERAL RULE

Distributions from the Plan are subject to the provisions of Section 6 and the provisions of this Section 11. In the event of a conflict between the provisions of Section 6 and Section 11, the provisions of Section 11 shall control.

11.402 DISTRIBUTION

Elective Deferrals and income allocable to each are not distributable to a Participant or his or her Beneficiary or Beneficiaries, in accordance with such Participant's or Beneficiary or Beneficiaries' election, earlier than upon separation from service, death or disability.

Such amounts may also be distributed upon:

- A. Termination of the Plan without the establishment of another defined contribution plan, or a simplified employee pension plan as defined in Section 408(k).
- B. The disposition by a corporation to an unrelated corporation of substantially all of the assets (within the meaning of Section 409(d)(2) of the Code used in a trade or business of such corporation if such corporation continues to maintain this Plan after the disposition, but only with respect to Employees who continue employment with the corporation acquiring such assets.
- C. The disposition by a corporation to an unrelated entity of such corporation's interest in a subsidiary (within the meaning of Section 409(d)(3) of the Code) if such corporation continues to maintain this Plan, but only with respect to Employees who continue employment with such subsidiary.
- D. If the Employer has so elected in the Adoption Agreement, the hardship of the Participant as described in Section 11.403.

All distributions that may be made pursuant to one or more of the foregoing distributable events are subject to the spousal and Participant consent requirements (if applicable). In addition, distributions after March 31, 1988, that are triggered by any of the first three events enumerated above must be made in a lump sum.

11.403 HARDSHIP DISTRIBUTION

A. **General** – If the Employer has so elected in the Adoption Agreement, distribution of Elective Deferrals (and any earnings credited to a Participant's account as of the end of the last Plan Year, ending before July 1, 1989) may be made to a Participant in the event of hardship. For the purposes of this Section, hardship is defined as an immediate and heavy financial need of the Employee where such Employee lacks other available resources.

B. Special Rules

1. The following are the only financial needs considered immediate and heavy: expenses incurred or necessary for medical care, described in Section 213(d) of the Code, of the Employee, the Employee's spouse or dependents; the purchase (excluding mortgage payments) of a principal residence for the Employee; payment of tuition and related educational fees for the next 12 months of post-secondary education for the Employee, the Employee's spouse, children or dependents; or the need to prevent the eviction of the Employee from, or a foreclosure on the mortgage of, the Employee's principal residence.
2. A distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Employee only if:
 - a. The Employee has obtained all distributions, other than hardship distributions, and all nontaxable loans under all plans maintained by the Employer;
 - b. All plans maintained by the Employer provide that the Employee's Elective Deferrals (and Nondeductible Employee Contributions) will be suspended for 12 months after the receipt of the hardship distribution;
 - c. The distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the distribution); and
 - d. All plans maintained by the Employer provide that the Employee may not make Elective Deferrals for the Employee's taxable year immediately following the taxable year of the hardship distribution in excess of the applicable limit under Section 402(g) of the Code for such taxable year less the amount of such Employee's Elective Deferrals for the taxable year of the hardship distribution.

11.404 DISTRIBUTION OF EXCESS ELECTIVE DEFERRALS

A. **General Rule** – A Participant may assign to this Plan any Excess Elective Deferrals made during a taxable year of the Participant by notifying the Plan Administrator on or before the date specified in the Adoption Agreement of the amount of the Excess Elective Deferrals to be assigned to the Plan. A Participant is deemed to notify the Plan Administrator of any Excess Elective Deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of the Employer.

Notwithstanding any other provision of the Plan, Excess Elective Deferrals, plus any income and minus any loss allocable thereto, shall be distributed no later than April 15 to any Participant to whose Individual Account Excess Elective Deferrals were assigned for the preceding year and who claims Excess Elective Deferrals for such taxable year.

- B. Determination of Income or Loss – Excess Elective Deferrals** shall be adjusted for any income or loss up to the date of distribution. The income or loss allocable to Excess Elective Deferrals is the sum of: (1) income or loss allocable to the Participant's Elective Deferral account for the taxable year multiplied by a fraction, the numerator of which is such Participant's Elective Deferrals for the year and the denominator is the Participant's Individual Account balance attributable to Elective Deferrals without regard to any income or loss occurring during such taxable year; and (2) 10% of the amount determined under (1) multiplied by the number of whole calendar months between the end of the Participant's taxable year and the date of distribution, counting the month of distribution if distribution occurs after the 15th of such month. Notwithstanding the preceding sentence, the Plan Administrator may compute the income or loss allocable to Excess Elective Deferrals in the manner described in Section 4 (i.e., the usual manner used by the Plan for allocating income or loss to Participants' Individual Accounts), provided such method is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year. At the election of the Plan Administrator, such method may or may not include gap period income.

11.405 DISTRIBUTION OF ELECTIVE DEFERRALS IF EXCESS ANNUAL ADDITIONS

Notwithstanding any other provision of the Plan, a Participant's Elective Deferrals shall be distributed to him or her to the extent that the distribution will reduce an excess annual addition (as that term is described in Section 3.06 of the Plan).

11.500 VESTING

11.501 100% VESTING ON CERTAIN CONTRIBUTIONS

The Participant's accrued benefit derived from Elective Deferrals and Nondeductible Employee Contributions is nonforfeitable. Separate accounts for Elective Deferrals, Nondeductible Employee Contributions and Matching Contributions will be maintained for each Participant. Each account will be credited with the applicable contributions and earnings thereon.

11.502 FORFEITURES AND VESTING OF MATCHING CONTRIBUTIONS

Matching Contributions shall be Vested in accordance with the vesting schedule for Matching Contributions in the Adoption Agreement. In any event, Matching Contributions shall be fully Vested at Normal Retirement Age.

When a Participant incurs a Termination of Employment, whether a Forfeiture arises with respect to Matching Contributions shall be determined in accordance with Section 6.01(C).



Hartford Life

Hartford Life Insurance Company
P.O. Box 1583
Hartford, CT 06144-1583

Administrative Services Agreement

To be signed by Plan Sponsor

1.0 Agreement

1.1 This Administrative Services Agreement (hereinafter "Agreement") is made and entered into by and between the Plan Sponsor and Hartford Life Insurance Company, a Connecticut corporation (hereinafter "Hartford Life"). This Agreement is separate and distinct from the Contract. It is hereby represented by the Plan Sponsor that the Plan Sponsor has authority to act for the Plan and to contract for services on behalf of the Plan.

1.2 The intent of this Agreement is to facilitate the administration of the Plan as it pertains to accounting for Contributions to the Contract, benefit payments from the Contract, the withholding of taxes from such benefit payments, the proper reporting to Participants, annuitants, and governmental agencies and such other service(s) as elected in Section 18.0.

1.3 Unless expressly provided otherwise, the fee for services rendered by Hartford Life pursuant to this Agreement are set forth in Exhibit A.

2.0 Definitions

2.1 As used herein, the following words and phrases have the meanings set forth as in this Section, unless this Agreement expressly provides otherwise:

"Code" means the Internal Revenue Code of 1986, as may be amended from time to time.

"Contract" means group annuity/insurance contract issued by Hartford Life to the Plan Sponsor or Trustee for purposes of funding the Plan as in effect upon the execution of this Agreement.

"Contribution" means the amount of the payment (including transfers) made to Hartford Life from the Trustee or Employer on behalf of a Participant under the terms of the Plan.

"Employer" means Humboldt County.

"Outside Fund" means any investment not provided under the Contract. If Hartford Life agrees, Outside Funds will be accounted for by Hartford Life by source of contribution and

investment option with the terms and conditions of such service set forth in an Addendum to this Agreement.

"Participant" means an employee or former employee of the Employer electing to participate in the Plan for whom a Participant's Account under the Plan is maintained. This term shall include beneficiaries and alternate payees as applicable.

"Participant's Account" refers to that portion of the Plan's assets which represents the Participant's benefit pursuant to the terms of the Plan.

"Plan" means Humboldt County 401(a), a "governmental plan" as defined at Code Section 414(d) plan established and maintained in accordance with the provisions of Code Section 401(a).

"Plan Administrator" means the individual(s) or entity designated under the Plan as Administrator. It is expressly agreed and understood that Hartford Life is not the Plan Administrator and does not become responsible as Plan Administrator by performing any services under this Agreement. Rather, Hartford Life performs such services under the direction of the Plan Administrator and its designated representative.

"Plan Year" means the period defined under the Plan.

"Plan Sponsor" means the Employer and its designated representative, including the Plan Administrator.

"Trust" means the trust and custodial accounts maintained by the Trustee under the Plan's trust agreement.

"Trustee" means the trustee(s) or any successor trustee(s) designated, qualified, and acting as trustee under the Plan's Trust Agreement.

3.0 Participant Individual Account Services

3.1 Hartford Life will establish a Participant's Account for each Participant, beneficiary, or alternate payee under a qualified domestic relations order. For each such Participant's Account, Hartford Life will record and maintain the following information:

- (a) name;
- (b) social security number;
- (c) mailing address;
- (d) date of birth;
- (e) current investment allocation direction;
- (f) Contributions allocated and invested;
- (g) investment transfers;
- (h) vested percentage;
- (i) benefit payments.

To establish a Participant's Account for an employee, the Plan Administrator, after determining such employee's eligibility under the Plan, must provide Hartford Life with a complete enrollment application. To establish a Participant's Account for an alternate payee, the Plan Administrator must provide: a certified copy of the court approved domestic relations order; a letter from the Plan Administrator that certifies that the domestic relations order is a qualified domestic relations order under Section 414(p) of the Code and that approves the establishment of the Participant's Account with specific instructions on the disposition of the amount in question and the investment rights of the alternate payee under the Plan; and an enrollment application for the alternate payee.

Hartford Life shall record the vested percentage of each Participant's accrued benefit under the Plan in accordance with data received from the Plan Sponsor as required under the terms of the Plan to calculate the vested percentage for each participant, e.g. cumulative hours of service. Any such data must be provided to Hartford Life by the Plan Administrator via a medium and format required by Hartford Life. Where the Plan determines years of vesting service based upon 1,000 hours of actual service during a Plan Year, for each Plan Year, on the last day of such Plan Year, absent written notification or data from the Plan Administrator to the contrary, the Plan Sponsor hereby directs Hartford Life to record an increase of one (1) year of vesting service on each Participant's Account where such Participant has a date of hire at least six (6) months before such day. The Plan Sponsor directs Hartford Life to record and report each Participant's vested percentage by applying each Participant's year(s) of vesting service against the Plan's vesting schedule (based upon the most current Plan document on file with Hartford Life). Unless otherwise directed by the Plan Sponsor, any such percentage so maintained shall remain fixed until such time as a greater percentage is calculated, in accordance with the terms of the Plan, on account of: (i) the receipt of data or instruction from the Plan Sponsor; or (ii) the close of a subsequent Plan Year. When requesting a distribution or loan be made to a Participant under the Plan, the Plan Sponsor shall confirm in writing to Hartford Life the Participant's actual year(s) of vesting service under the Plan.

Hartford Life will provide daily reconciliation of Participant's Account balances in accordance with the valuation procedures of each investment option under the Contract.

3.2 Where Hartford Life is to establish Participants' Accounts for a Plan in existence prior to the effective date of this Agreement,

the Plan Administrator shall provide to Hartford Life, via a medium and format required by Hartford Life, financial and census data which shall include: the Plan's most recent reconciliation of Participants' Accounts which shall reflect each Participant's total accrued benefit on or after the business day preceding the effective date of the Contract; each Participant's Plan Year-to-date Contributions allocated prior to the effective date of the Contract; and such other data necessary to properly recordkeep the Plan. In accordance with the Plan Administrator's instructions, Hartford Life will allocate among the Participant Accounts the difference, due to gains or losses, between the Plan assets transferred from the previous asset custodian to the Contract ("Transferred Assets") elected by the Plan Sponsor and values reported on the most recent reconciliation.

Transferred Assets shall remain so invested until the Plan Sponsor agrees, in writing, to a final reconciliation of these assets with the Plan Participant Accounts prepared by Hartford Life. Where the Plan Sponsor has directed the investment of all Transferred Assets into the Suspense Account under the Contract, upon agreement with such final reconciliation, the Plan Sponsor directs Hartford Life to perform investment transfers out of the Suspense Account to such other investment options under the Contract, as necessary, based upon each Participant's current investment allocation direction for ongoing Contributions on file with Hartford Life. Where the Plan Sponsor has directed the investment of Transferred Assets into one or more other investment options under the Contract, upon agreement with such final reconciliation, Participant Accounts shall remain invested as is until such time as the Participants direct the investment otherwise in accordance with the terms of the Plan.

The Plan Sponsor shall notify Participants of the manner in which Transferred Assets will be invested both before and immediately after the final reconciliation, that no investment transfers or benefit payments of any kind may be made prior to the Sponsor's agreement with the final reconciliation, and of the Participants' rights, if any, to direct the investment of their Accounts after such final reconciliation.

3.3 Unless the Plan Sponsor directs otherwise, Hartford Life will provide a toll free telephone service, or voice response unit (hereinafter "VRU"), as well as an internet service that enables each Plan Participant, to the extent provided under the Plan and Contract, to perform certain functions which include, but are not limited to:

- (a) redirecting the investment of future Contributions among the investment options under the Contract;
- (b) transferring amounts held in the Participant's Account among the investment options under the Contract;
- (c) obtaining the Participant's Account balance in total; and
- (d) obtaining the accumulation on an investment option basis for the previous valuation date; and unit value for the

previous valuation date for each of the investment options under the Contract.

Hartford Life will provide customer representatives to support the utilization of the VRU and internet service during normal business hours, generally 8:00 a.m. to 8:00 p.m. Eastern Time Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Friday, however no support is provided for days on which the New York Stock Exchange is closed. Hartford Life will record and maintain all activity of the VRU and internet service in accordance with generally accepted record retention practices. The VRU and internet service may occasionally be unavailable to accommodate system maintenance.

Notwithstanding the foregoing, at the direction of the Plan Administrator and in accordance with the terms of the Plan, Hartford Life will invest any or all Plan Contributions in the selected investment options under the Contract in amounts to be specified by the Plan Administrator. Subject to the provisions of the Contract, the Plan Administrator may periodically direct Hartford Life to transfer amounts held under the Contract between investment options.

4.0 Contributions

4.1 The Plan Administrator shall arrange for and supply, directly to Hartford Life at its home office in Simsbury, Connecticut, or its designee, cash proceeds representing Contributions to the Plans and all data necessary to properly allocate Contributions. The cash and allocation data submitted to Hartford Life must be in "good order." Good order means that the allocation data submitted by the Plan Administrator to Hartford Life reconciles with both the cash remitted to Hartford Life and the Participant Accounts on record with Hartford Life. Good order also means that cash and allocation data are submitted in a layout and format agreeable to both Hartford Life and the Plan Administrator. For transactions that are not in good order, Hartford Life shall return the cash to the Plan Sponsor within five business days, unless directed otherwise by the Plan Administrator. Hartford Life is not responsible for collecting any Contributions that may be due to the Plan but are not deposited with Hartford Life. For purposes of this Section, the term Contributions includes loan repayments.

4.2 Contributions to the Plan will be allocated among each Participant's Account according to the instructions filed with Hartford Life by the Plan Administrator, subject to the terms of the Plan. Contributions will be invested among the investment options under the Contract in accordance with the terms of the Contract and the most current investment direction on file at Hartford Life. Transactions are valued as of the close of regular trading on the New York Stock Exchange (usually 4 p.m. Eastern time) on each day the Exchange is open. Contributions and allocation data received in good order before the close of the New York Stock Exchange are considered part of that day's receipts. Contributions and allocation data received in good order after the close of the New York Stock Exchange will be considered part of the next day's receipts. Where the terms of

the Contract and this paragraph conflict, the terms of the Contract will govern.

If requested by the Plan Administrator, Hartford Life will calculate a profit sharing or money purchase allocation provided the Plan's allocation formula satisfies the uniform allocation safe harbor or uniform points safe harbor described in Treasury regulation §1.401(a)(4)-2(b) of the Code and that all data necessary to perform such calculation is provided by the Plan Administrator to Hartford Life via a medium and format required by Hartford Life.

4.3 Amounts forfeited under the terms of the Plan will be allocated and credited in accordance with the Plan Administrator's instructions, subject to the terms of the Plan. If requested by the Plan Administrator, Hartford Life will calculate the forfeiture allocation provided that all data necessary to perform such calculation is provided by the Plan Administrator to Hartford Life via a medium and format required by Hartford Life.

4.4 Notwithstanding the foregoing, no Contributions will be accepted by Hartford Life unless the Plan Sponsor provides to Hartford Life a signed copy of the governing plan document and/or adoption agreement.

4.5 Hartford Life will test the Plan for limitation on contributions as required by Code Section 415. If the Plan Sponsor maintains another qualified defined contribution plan or a qualified defined benefit plan, Hartford Life will be responsible for providing such services only to the extent to which it provides Plan Administration and Recordkeeping Services to such other plans. The services described here are contingent upon the Plan Sponsor providing Hartford Life with census data and any other information not in the possession of Hartford Life which is necessary to perform such test. Unless otherwise agreed to by Hartford Life, such data will be submitted to Hartford Life via a medium and format required by Hartford Life. The validity of any test results performed in accordance with this paragraph are only agreed to by Hartford Life to the extent that the information provided by the Plan Sponsor is complete and accurate. Any test so performed will be subject to the review and approval of the Plan Sponsor.

5.0 Benefit Payments

5.1 The Plan Administrator shall notify Hartford Life in writing of each Participant the Plan Administrator has determined is entitled to receive benefit payments under the terms of the Plan. Such notice shall include all information necessary to determine proper tax withholding and reporting, the benefit type and form, the amount of benefit payable, and the payee to whom the distribution is to be made. Upon request by the Plan Administrator, Hartford Life shall provide information about the various payout options available under the Plan and Contract including any annuity or installment payment illustrations.

5.2 Pursuant to a notice described at Section 5.1, Hartford Life shall issue benefit payments to each Participant from the

Participant's Account maintained under the Contract in accordance with the provisions of the Contract and the Plan. Benefit payment requests will be processed within one business day following receipt and the distribution will be mailed within three business days following trade settlement.

5.3 To the extent required by federal and state law, Hartford Life will calculate the federal and state income taxes to be withheld from each benefit payment. Hartford Life will report such withholding to the federal government and state government. All income taxes, so withheld, will be remitted by Hartford Life to the appropriate federal and state tax authorities within the time prescribed by federal and state law.

5.4 For each benefit payment made under this Section, Hartford Life shall furnish to each Participant who has received a benefit payment under the Contract tax reporting form(s) in the manner and time prescribed by federal and state law. Each Participant remains solely responsible for any and all tax liability incurred as a result of such benefit payment.

6.0 Participant Loans

6.1 The Plan Administrator shall notify Hartford Life in writing of each Participant the Plan Administrator has determined is entitled to receive a loan under the terms of the Plan. Such notice shall include a copy of the loan agreement and promissory note.

6.2 Loan requests will be processed within one business day following receipt by Hartford Life and the distribution will be mailed within three business days following trade settlement.

6.3 Loans from a Participant's Account will be accounted for separately and repayments of the loans will be allocated to the Participant's Account in accordance with the instructions filed with Hartford Life by the Plan Administrator.

6.4 The Plan Administrator shall notify Hartford Life in writing of any Participant loan it considers to be in default. Where Hartford Life processed and distributed such loan, Hartford Life will prepare and file the appropriate federal tax reporting form. The provisions of Section 5.4 shall also apply to tax reporting under this paragraph.

7.0 Individual Participant Reports

7.1 Unless directed otherwise by the Plan Sponsor, Hartford Life shall mail directly to each Participant at his or her address on file:

- (a) with each benefit check, a statement of gross benefit payment made under Section 5.0 of this Agreement, including the amount of federal and state taxes withheld and the net amount paid;

- (b) a confirmation of investment fund transfers, allocation changes, name and address changes within one (1) business day of such activity;
- (c) a statement of the Participant's Account summarizing all financial activity for each calendar quarter within ten (10) business days of such quarter end.

8.0 Plan Sponsor Reports

8.1 For each calendar quarter, Hartford Life shall furnish to the Plan Sponsor a report which will include all Contributions, investment, and benefit payment activity which occurred during the calendar quarter, as well as beginning and ending period account values. Such report will include a summary of all activity at the Plan level. Where the Plan has provided for Participant loans, a summary of all loan activity will be included as well.

8.2 If requested by the Plan Sponsor, Hartford Life will provide copies of reports previously provided to the Plan Sponsor. Hartford Life reserves the right to charge a fee for such copies.

8.3 At least once each calendar quarter, Hartford Life will forward to the Plan Sponsor written updates on the performance of the investments provided under the Contract. At least once each calendar year, these reports will compare, to the extent allowed by law, the performance of the investments provided under the Contract to their respective public benchmarks.

9.0 Plan Document Preparation Service

9.1 If this service is selected in Section 18.1, Hartford Life will provide the Plan Sponsor with the following:

- (a) an individually designed plan document for adoption as the Plan.
- (b) a booklet, a singular copy in paper and electronic form that corresponds with the plan document provided in (a) above.
- (c) assistance in obtaining a favorable determination letter for such plan document from the Internal Revenue Service, if required. Such assistance will include assistance with the preparation of an Internal Revenue Service submission form and related demonstrations and schedules. Hartford Life will also assist the Plan Sponsor in responding to Internal Revenue Services inquiries concerning the application for the determination letter. It is expressly agreed and understood that Hartford Life is not responsible for obtaining a favorable determination letter from the IRS.
- (d) Hartford Life shall prepare and mail to the Plan Sponsor topical updates regarding legislative and regulatory changes generally affecting qualified retirement plans. The Plan Sponsor understands, agrees and acknowledges that such

updates are informational only and do not constitute tax, legal, or investment advice.

9.2 All plan documents and IRS forms provided by Hartford Life are subject to the review and approval by the Plan Sponsor. The Plan Sponsor remains exclusively responsible for maintaining the qualified status of the Plan. All suggested documents and IRS forms are subject to the review of, and approval by, the Plan Administrator.

9.3 Hartford Life will provide information to assist the Plan Sponsor in the determination of Plan amendments required due to changes initiated by new statutory or regulatory requirements. Hartford Life will prepare documents to assist the Plan Sponsor in the adoption of such amendment(s) and for such amendment(s) will provide assistance as described in Section 9.1(c) above. Such documents will include a Plan amendment or restatement, a notice to interested parties and a summary of material modifications, as necessary. These services are also available for amendments or plan restatements resulting from Plan Sponsor initiated requests (services limited to one amendment per plan year unless otherwise agreed to by Hartford Life). Hartford Life reserves the right to charge an additional fee for such service.

9.4 Absent an election in Section 18.1, the Plan Sponsor will be responsible for obtaining its own plan document for adoption as the Plan and will be solely responsible for obtaining a favorable determination letter from the Internal Revenue Service. The Plan Sponsor agrees to provide to Hartford Life a copy of the Plan along with a copy of its favorable determination letter. Upon the request of the Plan Sponsor, Hartford Life will perform the services set forth in Section 9.1(b) for an additional fee.

10.0 Enrollment Services

10.1 Hartford Life shall provide materials to assist in the enrollment of eligible employees to participate in the Plan. Hartford Life shall provide informational and educational material regarding the Plan to the Plan Sponsor for distribution to employees. Subject to the review and approval of the Plan Sponsor, such materials may include, but are not limited to:

- (a) announcement materials (i.e., announcement letter, posters, payroll stuffers, question and answer summary, brochure, newsletter article);
- (b) slide show, audio-visual, or video presentation describing the benefits of qualified retirement plans; and
- (c) enrollment support (i.e., english/spanish enrollment kits, conduct employee enrollment meetings, including a question and answer session).

10.2 Hartford Life or its designated representative shall conduct group presentations to explain the Plan to employees at such times and such locations as mutually agreed upon with the Plan

Sponsor. The Plan Sponsor agrees to facilitate the scheduling of such presentations and to provide facilities at which satisfactory attendance can be expected.

10.3 Hartford Life shall provide, in a manner consistent with applicable insurance and securities law, information to help each employee understand the various investment options available under the Contract.

11.0 (Reserved)

12.0 (Reserved)

13.0 Records Management

13.1 Except as otherwise provided herein, Hartford Life shall retain all financial records and supporting documents, correspondence and other written materials pertaining to the Contract, the Plan and all federal and state income taxes withheld for three years following the date of termination of this Agreement, or, if later, the time prescribed by federal law, but only with respect to those items to which the law applies. Hartford Life may retain such records and documents on microfilm, microfiche, optical storage, or any other process which accurately reproduces or forms a curable medium for reproducing the original. The Plan Sponsor has the right to make duplicate copies at Plan Sponsor's expense.

13.2 If an audit of the Plan has begun, but has not been completed at the end of the three-year period, or if audit findings have not been resolved at the end of the three-year period, Hartford Life shall retain the records described in Section 13.1 until the audit findings are resolved.

13.3 If, for any reason, Hartford Life ceases operations prior to the expiration of the records retention period required by this Section, all records described in Section 13.1 shall, upon request of the Plan Sponsor, be made available to the Plan Sponsor.

13.4 Upon reasonable written request and during normal business hours, Hartford Life shall allow the Plan Sponsor full and complete access to all records required to be retained by Hartford Life. The Plan Sponsor shall have the right upon reasonable written notice, exercised directly or through its independent auditors, to examine these records at the Plan Sponsor's expense. The Plan Sponsor acknowledges that Hartford Life is not responsible for auditing Plan Sponsor records or data for the Plan.

14.0 Amendment

14.1 The Agreement may be amended by Hartford Life by providing 60 days written notice of the amendment to the Plan Sponsor. If the Plan Sponsor does not terminate this Agreement

in the manner set forth in Section 15.0, the amendment shall be accepted by the Plan Sponsor.

15.0 Termination

15.1 This Agreement may be terminated without any further liability of either party for any obligation maturing subsequent to the date of such termination, upon 60 days written notice to the other party.

15.2 Within 90 days of termination of this Agreement, Hartford Life shall deliver to the Plan Sponsor any reports required by this Agreement which have not already been provided.

15.3 Plan Sponsor expressly understands and agrees that, upon termination of this Agreement, any accrued fees and applicable interest charges and other costs due under the Agreement shall be immediately due and payable to Hartford Life.

15.4 This Agreement is contingent upon the existence of the Contract. If the Contract is discontinued, this Agreement automatically terminates as of the date the Contract is discontinued.

16.0 General Provisions

16.1 The responsibility of Hartford Life is limited to the terms of this Agreement. Nothing in this Agreement shall be construed to make Hartford Life responsible for the Plan or Plan trust or to confer responsibilities upon Hartford Life except for those expressly provided for in this Agreement. The Plan Sponsor agrees and acknowledges that Hartford Life's duties and responsibilities are exclusively non-discretionary and ministerial and that no fiduciary responsibility is hereby conferred upon or assumed by Hartford Life under this Agreement. The Plan Sponsor hereby acknowledges that Hartford Life does not, pursuant to this Agreement or otherwise, agree to provide tax, legal, or investment advice.

16.2 Hartford Life shall perform its obligations hereunder as agent for the Plan Sponsor and only in accordance with instructions received from those persons authorized to act on behalf of the Plan Sponsor as specified to Hartford Life in writing. The parties acknowledge that the Plan Sponsor has exclusive responsibility for the selection and assessment of investment alternatives under the Plan.

16.3 The Plan Sponsor understands that, to the extent of services performed and reports prepared pursuant to this Agreement, Hartford Life shall be entitled to rely on the information submitted by the Plan Sponsor as to accuracy and completeness and assumes no obligation or duty to verify such information. The Plan Sponsor understands that all services performed and reports prepared pursuant to this Agreement will be in satisfaction of this Agreement. Where the information provided to Hartford Life by the Plan Sponsor was incorrect, and

where services previously provided, based on such incorrect information, must be performed again, Hartford Life reserves the right to charge additional fees. Hartford Life shall have no responsibility or liability for any error, inadequacy, or omission which results from inaccurate information, data documents or other records provided to Hartford Life. The performance of obligations hereunder is subject to and is excused by fires, power failures, strikes, acts of God, restrictions imposed by government, or delays beyond the control of the delayed party.

Where Allfirst Trust Company has been appointed as Trustee for the plan, Trustee will have legal title to the Contract and, as requested by the Plan Sponsor and agreed to by the Trustee, any Outside Fund(s), but will have no responsibility under the Plan or otherwise for the receipt, investment, reinvestment, retention, safekeeping, physical custody, disposition or distribution of money or other assets contributed to the Plan; for recordkeeping, government filings, valuation, accounting, or any other administrative service for the Plan or Participant Accounts or assets held in the Plan; or for any action other than maintenance of such legal title. Trustee will have no responsibility for the supervision of Hartford Life in connection with the administrative services provided under this Agreement. The parties agree that the Trustee is a third party beneficiary to this Agreement, and may rely upon the representations and agreements of the Plan Sponsor made in this Agreement as if they were made directly to the Trustee.

16.4 PLAN SPONSOR HEREBY AGREES THAT HARTFORD LIFE, ITS OFFICERS, EMPLOYEES, BROKERS, REGISTERED REPRESENTATIVES, VENDORS AND PROFESSIONAL ADVISORS (SUCH AS ATTORNEYS, ACCOUNTANTS AND ACTUARIES) MAY USE AND DISCLOSE PLAN AND PARTICIPANT INFORMATION TO ENABLE OR ASSIST IT IN THE PERFORMANCE OF ITS DUTIES HEREUNDER AND WITH OTHER PLAN RELATED ACTIVITIES AND EXPRESSLY AUTHORIZES HARTFORD LIFE TO DISCLOSE PLAN AND PARTICIPANT INFORMATION TO THE PLAN'S AGENT AND/OR BROKER OF RECORD ON FILE WITH HARTFORD LIFE. Plan and Participant information may also be used or disclosed by Hartford Life to other third parties pursuant to a written authorization signed by the Plan Sponsor. Notwithstanding anything to the contrary contained herein, it is expressly understood that Hartford Life retains the right to use any and all information in its possession in connection with its defense and/or prosecution of any litigation which may arise in connection with this Agreement, the Contract, or the Plan.

16.5 The failure of the Plan Sponsor or Hartford Life at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part hereof, or the right of the Plan Sponsor or Hartford Life thereafter to enforce each and every provision thereof.

16.6 Hartford Life may assign its rights and obligations under this Agreement to an affiliate or subsidiary company without the

written consent of Plan Sponsor. However, any other assignment of this Agreement, or any part of it, without the written consent of the other party shall be void.

16.7 Any notices provided for herein shall be in writing and shall be delivered personally, or sent by facsimile device, express delivery or registered or certified United States mail, postage prepaid, return receipt requested and shall be deemed to have been given when received by:

a) Plan Sponsor: Steve A. Strawn
Humboldt County
825 Fifth Street, Room 125
Eureka, CA 95501-1100

and/or to such other persons at such other addresses which the Plan Sponsor has designated in writing;

b) Hartford Life: Director, Service Center Operations
Retirement Plan Solutions
Hartford Life Insurance Company
P.O. Box 2999
Hartford, CT 06104-2999

16.8 Indemnification by the Plan Sponsor - The Plan Sponsor agrees to indemnify, defend and hold harmless Hartford Life, its subsidiaries, affiliates, officers, directors, employees and agents from and against any and all loss, damage or liability assessed against Hartford Life or incurred by Hartford Life arising out of or in connection with any claim, action or suit brought or asserted against Hartford Life alleging or involving the Plan Sponsor's negligence or willful misconduct in the performance (or non-performance) of its services, duties and obligations under this Agreement and/or the Plan; provided that (i) Hartford Life has notified the Plan Sponsor promptly and in writing of the claim, action or suit; (ii) the Plan Sponsor has the right to assume the defense of such claim, action or suit with counsel selected by the Plan Sponsor and to compromise or settle such action, suit or claim (provided however, that any such compromise or settlement shall not require action or non-action by Hartford Life without its prior written consent, which shall not be unreasonably withheld); and (iii) the Plan Sponsor receives Hartford Life's cooperation, at the Plan Sponsor's sole cost, in such defense. The provisions of this Section shall survive any termination of this Agreement.

Indemnification by Hartford Life - Hartford Life agrees to indemnify, defend and hold harmless the Plan Sponsor, its officers, directors, employees and agents from and against loss, damage or liability assessed against the Plan Sponsor or incurred by the Plan Sponsor arising out of or in connection with any claim, action or suit brought or asserted against the Plan Sponsor alleging or involving Hartford Life's negligence or willful misconduct in the performance (or non-performance) of its services, duties and obligations under this Agreement; provided that (i) the Plan Sponsor has notified Hartford Life promptly and in writing of the claim, action or suit; (ii) Hartford Life has the right to assume the defense of such claim, action or suit with counsel

selected by Hartford Life and to compromise or settle such action, suit or claim (provided however, that any such compromise or settlement shall not require action or non-action by the Plan Sponsor without its prior written consent, which shall not be unreasonably withheld); and (iii) Hartford Life receives the Plan Sponsor's cooperation, at Hartford Life's sole cost, in such defense. The provisions of this Section shall survive any termination of this Agreement.

16.9 Limitation of Liability – Notwithstanding anything to the contrary contained herein, Hartford Life and its affiliates shall only be liable for direct damages solely and directly caused by the negligent acts or willful misconduct of Hartford Life and its affiliates, provided that the Plan Sponsor notifies Hartford Life in writing of such acts within forty-five (45) days following the end of the calendar quarter to which such acts were first reflected in reports made by Hartford Life to the Plan Sponsor or the Participants, and shall not be liable for any other direct damages or for any indirect, special, incidental or consequential damages suffered or incurred by the Plan Sponsor, the Plan, the Plan Administrator, their agents, the Trustee(s), or any other person, unless Hartford Life previously agreed in writing to do otherwise. The provisions of this Section shall survive any termination of this Agreement.

16.10 This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

16.11 Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent such provision is prohibited or unenforceable without invalidating the remaining provisions, and any such prohibition or unenforceability in any jurisdiction shall not invalidate nor render unenforceable such provision in any other jurisdiction. To the extent that any provision of this Agreement is contrary to the Plan, this Agreement shall govern.

16.12 Both the Plan Sponsor and Hartford Life agree to comply in all material respects with all applicable federal, state, and local laws and regulations as it affects the Plan and its operation. Nothing contained herein shall be construed to prohibit either party from performing any act or not performing any act as either may be required by statute, court, or other authority having jurisdiction thereof.

16.13 Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument.

16.14 This instrument and any written addenda, appendices and amendments hereto embody the entire Agreement of the parties relating to the subject matter hereof. There are no promises, terms, conditions or obligations other than those contained herein and this Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto with respect to this Agreement.

16.15 This Agreement shall be effective immediately upon execution by both parties and shall remain in force until terminated by either party as provided herein.

notice of such fees. A late charge of three (3) percent shall be applied to any fees that remain outstanding on the last day of any calendar quarter. In addition, the Plan Sponsor shall reimburse Hartford Life for any costs Hartford Life incurs in collecting delinquent amounts including court costs and attorney fees.

17.0 Expenses

17.1 The fees for services rendered by Hartford Life pursuant to this Agreement are set forth in Exhibit A, Fee Schedule. Such fees shall be due and payable to Hartford Life by the Plan Sponsor, billed as described in the Exhibit. The Plan Sponsor shall remit payment directly to Hartford Life or may direct payment from Participant Accounts.

17.2 For any fees due under this Agreement, the Plan Sponsor agrees to remit payment to Hartford Life or direct payment from Participant Accounts within thirty-one (31) days of the date of

18.0 Election of Services

18.1 In connection with the application for the Contract, Hartford Life agrees to perform the following services for the Plan Sponsor (designation to be indicated by an "X" placed by the service):

Plan Document Preparation (as set forth in Section 9.0)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed.

For the Plan Sponsor

By: _____ Date: _____

Name: _____ Title: _____

For Hartford Life Insurance Company:

By: _____ Date: June 1, 2002
Lynn R. Banziruk, Director, Service Center Operations

By: _____ Date: June 1, 2002
Debra DeNovellis, Assistant Vice-President, Investment Products Division

Administrative Services Agreement

Exhibit A Fee Schedule For Services

1. For each Participant loan made from the Plan under the Contract, a set-up fee of \$70 per loan will be assessed against the Participants (or the Plan Sponsor may direct payment from the Plan, if applicable).
2. As agreed upon, the Plan Sponsor may be assessed additional hourly or flat rate fees for additional services under the Agreement not described in this Exhibit A.

Exhibit B Nuclear Free Humboldt County Ordinance Compliance

1. Hartford Life certifies by its signature below that, Hartford Life Insurance Company is not a Nuclear Weapons Contractor, in that, Hartford Life is not knowingly or intentionally engaged in the research, development, productions, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Hartford Life agrees to notify the Employer immediately if it becomes a nuclear weapons contractor, as defined above. The employer may immediately terminate this agreement if it determines that the foregoing certification is false or if Hartford Life becomes a nuclear contractor.

Money Purchase Pension Plan For A Governmental Unit Adoption Agreement

NOTE: This document is a specimen plan document. It is not a prototype plan. If the Employer wishes to obtain assurance that the plan meets the qualification requirements of Section 401 of the Internal Revenue Code, the Employer should submit an application for a determination letter to the Internal Revenue Service.

SECTION 1. EMPLOYER INFORMATION

Name of Employer Humboldt County

Address 825 Fifth Street, Room 125

City Eureka State CA Zip 955501-1100

Telephone {707} 476-2434 Employer's Federal Tax Identification Number 94-6000513

Name of Plan Humboldt County 401(a)

Plan Sequence Number 001 (Enter 001 if this is the first qualified plan the Employer has ever maintained, enter 002 if it is the second, etc.)

SECTION 2. EFFECTIVE DATES

General Effective Dates (Check and Complete Option 1 or 2):

Option 1: This is the initial adoption of a money purchase plan by the Employer.

The Effective Date of this Plan is June 1, 2002.

NOTE: The effective date is usually the first day of the Plan Year in which this Adoption Agreement is signed.

Option 2: This is an amendment and restatement of a money purchase pension (a Prior Plan).

The Prior Plan was initially effective on _____.

The Effective Date of this amendment and restatement is _____.

SECTION 3. ELIGIBILITY

Part A. Employer Contributions

1. Age Requirement. An Employee will be eligible to become a Participant in the Plan after attaining age N/A.
2. Years of Eligibility Service Requirement. An Employee will be eligible to become a Participant in the Plan after completing N/A Years of Eligibility Service.

NOTE: If either of the above items in this Section 3, Part A is left blank, it will be deemed there is no requirement for such item.

Part B. Additional Eligibility Criteria

1. Exclusion of Certain Classes of Employees:

All Employees will be eligible to become Participants in the Plan except:

- a. Those Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives.
- b. Those Employees who are non-resident aliens (within the meaning of Section 7701(b)(1)(B) of the Code) and who received no earned income (within the meaning of Section 911(d)(2) of the Code) from the Employer which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code).
- c. Other (Define) _____

2. Election Not To Participate:

May an Employee or a Participant elect not to participate in this Plan pursuant to Section 2.08 of the Plan?

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 2 will be deemed to be selected.

3. Hours Required For Eligibility Purposes:

1. _____ Hours of Service shall be required to constitute a Year of Eligibility Service.
2. _____ Hours of Service must be exceeded to avoid a Break in Eligibility Service.
3. For purposes of determining Years of Eligibility Service, Employees shall be given credit for Hours of Service with the following predecessor employer(s) *(Complete if applicable)*:

4. Entry Dates:

The Entry Dates for participation shall be *(Choose one)*:

Option 1: The first day of the Plan Year and the first day of the seventh month of the Plan Year.

Option 2: Other *(Specify)* The payroll date following the date the employee elects to participate.

NOTE: *If no option is selected, Option 1 will be deemed to be selected.*

5. Employees Employed As Of Effective Date:

Will all Employees employed as of the Effective Date of this Plan who have not otherwise met the requirements of Section 3, Part A above be considered to have met those requirements as of the Effective Date? Yes No

NOTE: *If a box is not checked, "No" will be deemed to be selected.*

6. Leased Employees

Will Leased Employees be eligible to become Participants in the Plan?

Option 1: No.

Option 2: Yes, but only the following groups of Leased Employees *(Specify)*:

NOTE: *If no option is selected, Option 1 will be deemed to be selected.*

SECTION 4. CONTRIBUTIONS

Part A. Employer Contributions

1. Authorization of Employer Contributions:

Will the Employer make Employer Contributions under this Plan pursuant to this Section 4, Part A? *(Choose one)*

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 1 will be deemed to be selected. Complete the remainder of Section 4, Part A only if Option 1 is selected.*

2. Contribution and Allocation Formula *(Choose one)*:

Option 1: Fixed Formula. For each Plan Year the Employer will contribute for each Qualifying Participant an amount equal to _____% *(not to exceed 25%)* of the Qualifying Participant's Compensation for the Plan Year.

Option 2: Other Formula. For each Plan Year the Employer will contribute for each Qualifying Participant an amount determined in accordance with the following formula *(Describe)*:

3. Qualifying Participants:

A Participant will be a Qualifying Participant and thus entitled to share in the Employer Contribution (and Matching Contribution, if applicable) for any Plan Year only if the Participant is a Participant on at least one day of such Plan Year and satisfies the following additional conditions *(Check one or more Options)*:

Option 1: No Additional Conditions.

- Option 2:** Hours of Service Requirement. The Participant completes at least _____ Hours of Service during the Plan Year. However, this condition will be waived for the following reasons (*Check at least one*):
- The Participant has not incurred a Termination of Employment as of the last day of the Plan Year.
 - The Participant's Death.
 - The Participant's Termination of Employment after having incurred a Disability.
 - The Participant's Termination of Employment after having reached Normal Retirement Age.
 - This condition will not be waived.
- Option 3:** Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reasons (*Check at least one*):
- The Participant's Death.
 - The Participant's Termination of Employment after having incurred a Disability.
 - The Participant's Termination of Employment after having reached Normal Retirement Age.
 - This condition will not be waived.

NOTE: *If no option is selected, Option 1 will be deemed to be selected.*

Part B. Nondeductible Employee Contributions

1. Authorization of Nondeductible Employee Contributions:

Will Participants be permitted to make Nondeductible Employee Contributions pursuant to Section 3.03 of the Plan?
(*Choose one*)

Option 1: No.

Option 2: Yes.

Option 3: Yes, and such contributions will be mandatory.

NOTE: *If no option is selected, Option 1 will be deemed to be selected. Complete the remainder of Section 4, Part B only if Option 2 or 3 is selected.*

2. Limits on Nondeductible Employee Contributions:

Participants may contribute amounts as described below (*Choose one*):

Option 1: An amount equal to a percentage of the Participant's Compensation from _____% to _____% in increments of _____%.

Option 2: Other Formula. (*Specify. Describe any mandatory Nondeductible Employee Contributions.*)

Part C. Matching Contributions

1. Authorization of Matching Contributions:

Will the Employer make Matching Contributions to the Plan on behalf of Qualifying Participants who make Nondeductible Employee Contributions? (*Choose one*)

Option 1: Yes.

Option 2: No.

NOTE: *If no option is selected, Option 2 will be deemed to be selected. Complete the remainder of Section 4, Part C only if Option 1 is selected.*

2. Matching Contribution Formula:

If the Employer will make Matching Contributions, then the amount of such Matching Contributions made on behalf of a Qualifying Participant each Plan Year shall be (*Choose one*):

Option 1: An amount equal to _____% of such Participant's Nondeductible Employee Contribution.

Option 2: An amount equal to the sum of _____% of the portion of such Participant's Nondeductible Employee Contribution which does not exceed _____% of the Participant's Compensation plus _____% of the portion of such Participant's Nondeductible Employee Contribution which exceeds _____% of the Participant's Compensation.

Option 3: Such amount, if any, equal to that percentage of each Participant's Nondeductible Employee Contribution which the Employer, in its sole discretion, determines from year to year.

Option 4: Other Formula. (*Specify*) _____

NOTE: *If Option 4 is selected, the formula specified can only allow Matching Contributions to be made with respect to a Participant's Nondeductible Employee Contribution.*

3. Limit on Matching Contributions:

Notwithstanding the Matching Contribution formula specified above, no Matching Contribution will be made with respect to a Participant's Nondeductible Employee Contributions in excess of \$ _____ or _____% of such Participant's Compensation.

Part D. Designated Employee Contributions - Section 414(h)(2)

1. Authorization of Designated Employee Contributions:

Will Participants be required to make Designated Employee Contributions pursuant to Section 3.02 of the Plan that will be "picked up" by the Employer and treated as employer contributions in accordance with Section 414(h)(2) of the Code?
(Choose one)

Option 1: No.

Option 2: Yes.

NOTE: If no option is selected, Option 1 will be deemed to be selected. Complete the remainder of Section 4, Part D only if Option 2 is selected.

2. Amounts of Designated Employee Contributions:

Participants must contribute amounts as described below (Choose one):

Option 1: An amount each pay period equal to _____% of the Participant's Compensation.

Option 2: Other Formula. (Specify) An amount each pay period in the range from 1% - 70%.

Part E. Other Contributions

1. Rollover Contributions: Will Employees be permitted to make rollover contributions to the Plan pursuant to Section 3.03 of the Plan?

- Yes No
 Yes, but only after becoming a Participant.

2. Transfer Contributions: Will Employees be permitted to make transfer contributions to the Plan pursuant to Section 3.04 of the Plan?

- Yes No
 Yes, but only after becoming a Participant.

SECTION 5. VESTING AND FORFEITURES

Part A. Vesting Schedule For Employer Contributions and Matching Contributions. A Participant shall become Vested in his or her Individual Account derived from Employer Contributions and Matching Contributions (if applicable) as follows (Choose one):

YEARS OF VESTING SERVICE	VESTED PERCENTAGE					
	Employer	Option 1 <input type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input type="checkbox"/>	Option 4 <input type="checkbox"/>	Option 5 <input type="checkbox"/>
Matching		Option 1 <input type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input type="checkbox"/>	Option 4 <input type="checkbox"/>	Option 5 <input type="checkbox"/>
1		0%	0%	100%	0%	____%
2		0%	20%	100%	0%	____%
3		0%	40%	100%	20%	____%
4		0%	60%	100%	40%	____%
5		100%	80%	100%	60%	____%
6		100%	100%	100%	80%	____%
7		100%	100%	100%	100%	____%
8		100%	100%	100%	100%	____%
9		100%	100%	100%	100%	____%
10		100%	100%	100%	100%	____%

NOTE: If no option is selected, Option 3 will be deemed to be selected for both Employer Contributions and Matching Contributions.

Part B. Hours Required For Vesting Purposes:

1. _____ Hours of Service shall be required to constitute a Year of Vesting Service.
2. _____ Hours of Service must be exceeded to avoid a Break in Vesting Service.
3. For purposes of determining Years of Vesting Service, Employees shall be given credit for Hours of Service with the following predecessor employer(s) *(Complete if applicable)*:

Part C. Exclusion of Certain Years of Vesting Service:

All of an Employee's Years of Vesting Service with the Employer are counted to determine the vesting percentage in the Participant's Individual Account except *(Check any that apply)*:

- Years of Vesting Service before the Employee reaches age 18.
- Years of Vesting Service before the Employer maintained this Plan or a predecessor plan.
- Other. *(Specify)* _____

Part D. Allocation of Forfeitures of Employer Contributions:

Forfeitures of Employer Contributions shall be *(Choose one)*:

- Option 1:** Allocated to the Individual Accounts of the Participants specified below in the manner as described in Section 4, Part A (for Employer Contributions).

The Participants entitled to receive allocations of such Forfeitures shall be *(Choose one)*:

- Suboption (a):** Only Qualifying Participants.
- Suboption (b):** All Participants.

- Option 2:** Applied to reduce Employer Contributions *(Choose one)*:

- Suboption (a):** For the Plan Year for which the Forfeiture arises.
- Suboption (b):** For any Plan Year subsequent to the Plan Year for which the Forfeiture arises.

- Option 3:** Applied first to the payment of the Plan's administrative expenses and any excess applied to reduce Employer Contributions *(Choose one)*:

- Suboption (a):** For the Plan Year for which the Forfeiture arises.
- Suboption (b):** For any Plan Year subsequent to the Plan Year for which the Forfeitures arises.

NOTE: *If no option is selected, Option 1 and Suboption (a) will be deemed to be selected.*

Part E. Allocation of Forfeitures of Matching Contributions

Forfeitures of Matching Contributions shall be *(Choose one)*:

- Option 1:** Allocated, after all other Forfeitures under the Plan, to each Participant's Individual Account in the ratio which each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

The Participants entitled to receive allocations of such Forfeitures shall be *(Choose one)*:

- Suboption (a):** Only Qualifying Participants.
- Suboption (b):** All Participants.

- Option 2:** Applied to reduce Matching Contributions *(Choose one)*:

- Suboption (a):** For the Plan Year for which the Forfeiture arises.
- Suboption (b):** For any Plan Year subsequent to the Plan Year for which the Forfeiture arises.

- Option 3:** Applied first to the payment of the Plan's administrative expenses and any excess applied to reduce Matching Contributions *(Choose one)*:

- Suboption (a):** For the Plan Year for which the Forfeiture arises.
- Suboption (b):** For any Plan Year subsequent to the Plan Year for which the Forfeitures arises.

NOTE: *If no option is selected, Option 1 and Suboption (a) will be deemed to be selected.*

SECTION 6. DISTRIBUTIONS

Distributable Events. Answer each of the following items.

- A. Termination of Employment Before Normal Retirement Age. May a Participant who has not reached Normal Retirement Age request a distribution from the Plan upon Termination of Employment?

Yes No

- B. Disability. May a Participant who has incurred a Disability request a distribution from the Plan? Yes No
- C. Attainment of Normal Retirement Age. May a Participant who has attained Normal Retirement Age but has not incurred a Termination of Employment request a distribution from the Plan? Yes No
- D. Withdrawals of Rollover or Transfer Contributions. Will Employees be permitted to withdraw their Rollover or Transfer Contributions at any time? Yes No
- E. Annuity Provisions. Will annuities be an optional form of benefit under the Plan? Yes No
- If annuities are an optional form of benefit, indicate the types of annuities available (*Check any that apply*):
- Straight Life Annuity.
- Joint and 100% Survivor Annuity.
- Other(s). (*Specify*): _____
- F. If a Joint and Survivor Annuity is an optional form of benefit under the Plan, will the consent of a Participant's spouse be required before a Participant can take a distribution in any other form? Yes No

NOTE: If a box is not checked for an item, "Yes" will be deemed to be selected for that item.

SECTION 7. DEFINITIONS

Part A. Plan Year Means:

- Option 1:** The 12-consecutive month period which coincides with the Employer's fiscal year.
- Option 2:** The calendar year.
- Option 3:** Other 12-consecutive month period. (*Specify*) _____

NOTE: If no option is selected, Option 1 will be deemed to be selected.

If the initial Plan Year is less than 12 months (a short Plan Year) specify such Plan Year's beginning and ending dates

October 1, 2001 through December 31, 2001

Part B. Limitation Year Means:

- Option 1:** The Plan Year.
- Option 2:** The calendar year.
- Option 3:** Other 12-consecutive month period. (*Specify*) _____

NOTE: If no option is selected, Option 1 will be deemed to be selected.

Part C. Hours of Service Equivalencies:

Service will be determined on the basis of the method selected below. Only one method may be selected. The method selected will be applied to all Employees covered under the Plan. (*Choose one*):

- Option 1:** On the basis of actual hours for which an Employee is paid or entitled to payment.
- Option 2:** On the basis of days worked. An Employee will be credited with 10 Hours of Service if under Section 1.21 of the Plan such Employee would be credited with at least 1 Hour of Service during the day.
- Option 3:** On the basis of weeks worked. An Employee will be credited with 45 Hours of Service if under Section 1.21 of the Plan such Employee would be credited with at least 1 Hour of Service during the week.
- Option 4:** On the basis of months worked. An Employee will be credited with 190 Hours of Service if under Section 1.21 of the Plan such Employee would be credited with at least 1 Hour of Service during the month.

NOTE: If no option is selected, Option 1 will be deemed to be selected. This Section will not apply if the Elapsed Time Method is selected.

Part D. Elapsed Time Method:

In lieu of tracking Hours of Service of Employees, will the elapsed time method described in Section 2.07 of the Plan be used? (*Choose one*)

- Option 1:** No.
- Option 2:** Yes.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

Part E. Compensation

1. Basic Definition:

Compensation will mean all of each Participant's (Choose one):

Option 1: W-2 wages.

Option 2: Section 3401(a) wages.

Option 3: 415 safe-harbor compensation.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

2. Measuring Period for Compensation:

Compensation shall be determined over the following applicable period (Choose one):

Option 1: The Plan Year.

Option 2: The calendar year ending with or within the Plan Year.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

3. Inclusion of Elective Deferrals:

Does Compensation include Employer Contributions made pursuant to a salary reduction agreement which are not includible in the gross income of the Employee under Sections 125, 402(e)(3), 402(h)(1)(B) and 403(b) of the Code?

Yes No

NOTE: If neither box is checked, "Yes" will be deemed to be selected.

4. Pre-Entry Date Compensation:

For the Plan Year in which an Employee enters the Plan, the Employee's Compensation which shall be taken into account for purposes of the Plan shall be (Choose one):

Option 1: The Employee's Compensation only from the time the Employee became a Participant in the Plan.

Option 2: The Employee's Compensation for the whole of such Plan Year.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

5. Exclusions From Compensation:

Compensation shall not include the following (Check any that apply):

Bonuses Overtime Other (Specify) _____

Part F. The Normal Retirement Age under the Plan shall be (Check and complete one option):

Option 1: Age 62 (not to exceed 65).

Option 2: The later of age _____ (not to exceed 65) or the _____ (not to exceed 5th) anniversary of the first day of the first Plan Year in which the Participant commenced participation in the Plan.

NOTE: If no option is selected, the Normal Retirement Age will be deemed to be age 65.

Part G. Early Retirement Age (Choose one option):

Option 1: An Early Retirement Age is not applicable under the Plan.

Option 2: A Participant satisfies the Plan's Early Retirement Age conditions by attaining age _____ (not less than 55) and completing _____ Years of Vesting Service.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

SECTION 8. MISCELLANEOUS

- A. Loans: Will loans to Participants pursuant to Section 6.08 of the Plan be permitted? Yes No
- B. Notwithstanding any provision of the Plan, may the Employer make a distribution to a Participant or Beneficiary entitled to receive a distribution without the Participant's or Beneficiary's consent? Yes No
- C. Will Participants be permitted to direct the investment of their Plan assets pursuant to Section 5.13 of the Plan? Yes No
- D. Instead of making contributions to a trust, will the Employer make all contributions under the Plan to annuity contracts that meet the requirements of Section 401(f) of the Code? Yes No
- E. Has the Employer attached to this Adoption Agreement a document titled "Additional or Alternative Provisions" that contains provisions which shall become part of this Plan? Yes No

SECTION 9. TRUSTEES

Option 1: Financial Organization as Trustee

Name of Trustee Allfirst Trust Company as Trustee(s) for Humboldt County 401(a)

Address 25 South Charles Street, Baltimore, MD 21201-3396

Telephone Number (410) 244-4498

The Trustee of this Plan shall be a Directed Trustee Discretionary Trustee

Option 2: Individual Trustee(s)

Signature _____

Type Name _____

Signature _____

Type Name _____

Signature _____

Type Name _____

Signature _____

Type Name _____

SECTION 10. SIGNATURE

I am an authorized representative of the Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan.
2. I understand that my failure to properly complete this Adoption Agreement may result in disqualification of the Plan.
3. I have received a copy of this Adoption Agreement, the corresponding Basic Plan Document and if applicable, any separate trust agreement used in lieu of the trust agreement contained in the Basic Plan Document.

Signature for Employer _____

Date Signed _____

Type Name Stephen A. Strawn

Title Treasurer-Tax Collector