

Plan Information NORTH TEXAS MUNICIPAL WATER DISTRICT

**ADOPTION AGREEMENT FOR THE
401(a) DEFINED CONTRIBUTION PLAN**

The undersigned Employer adopts the 401(a) Defined Contribution Plan for Governmental Employers for those Employees who shall qualify as Participants hereunder, to be known as the

NTMWD 401(a) Complimentary Retirement Plan

It shall be effective as of the date specified below. The Employer hereby selects the following Plan specifications:

Employer Information (Plan Section 1.11)

Name of Employer: North Texas Municipal Water District

Address: 505 East Brown Street (P.O. Box 2408)

Wylie, TX 75098

Telephone Number: (972) 442 — 5405

Employer Identification Number: 75 - 6004258

Location of Employer's Principal Office:

0 State ocommonwealth o district of _____ o other: North Texas Municipal Water District
and the Plan will be governed in accordance with retirement plan laws of the State of Texas.

Employer Fiscal Year (Plan Section 1.14):

The 12-consecutive month period commencing on October 1 and ending on September 30.

Type of Plan:

This 401(a) Contribution Plan for Governmental Employers is designed as a:

- X a money purchase pension plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(i).
- o a profit sharing plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(ii).

Effective Date:

This Adoption Agreement of the 401(a) Defined Contribution Plan for Governmental Employers shall:

- X establish a new Plan effective as of ~~October 1, 2004~~ .
- o constitute an amendment and restatement in its entirety of a previously established 401(a) Defined Contribution Plan of the Employer which was effective October 1, 2004 . Except as specifically provided in the Plan, the effective date of this amendment and restatement is January 1, 2024

Plan Year (Plan Section 1.23):

The 12-consecutive month period commencing on January 1 and ending on December 31.

Anniversary Date of Plan (Annual Valuation Date) (Plan Section 1.5):

_____ [month and day]

Name of Administrator:

- X Employer (use Employer address)
- o Other: Name _____
 Address _____

Telephone_____

Administrator's I.D. Number_____

Compensation

Compensation (Plan Section 1.8):

X Compensation for purposes of Code Section 415, as defined in Regulation Section 1.415(c)-2(b)(1) and 1.415(c)-2(c)

- Compensation reportable as wages on Form W-2. For purposes of the Plan, amounts paid to any Leased Employees by the leasing organization for services performed for the Employer shall be treated as Compensation paid by the Employer.

Compensation shall be based on:

- X the Plan Year.
- the Fiscal Year (consisting of 12-consecutive months) coinciding with or ending within the Plan Year.
 - the 12-consecutive months comprising of the calendar year coinciding with or ending within the Plan Year.

Eligibility, Contributions and Allocations

Participants eligible for Employer Contributions (Plan Section 3.1):

- N/A — Employer Contributions are not permitted under the Plan

Employee status:

- All Employees
- X The following Employees who have satisfied the eligibility requirements:
- Employees hourly paid
 - Employees paid by annualized salary
 - Collectively bargained employees who participate in the following unions:
 - _____
 - Employees whose employment is NOT governed by a collective bargaining agreement between the Employer and employee representatives
 - Management employees
 - Treasurer
 - Administrator
 - z Other (specify): Subject to approval by the NTMWD Board of Directors

- [Executive Director/General Manager \(or successor title\)](#)

- Deputy Director (or successor title), and
- General Counsel (or successor title)

401(a) Adoption Agreement for Defined Contribution Plan - Page (3)

NOTE: The Eligible Employees specified above must correspond to a group of the same designation that is defined in statutes, ordinances, rules, regulations, personnel manuals, collective bargaining agreements or other authority for the state or local jurisdiction of the Employer.

Age and Service Requirements

- Employees that have satisfied the service and age requirements specified below:
 - Service Requirement
_____years of service with the Employer

X N/A — there is no service requirement for Employer Contributions
 - Age Requirement
Attained age _____

X N/A — there is no age requirement for Employer Contributions

NOTE: If the Employer maintains the plan of a predecessor employer that is also a governmental employer with the same state, service with such predecessor employer will be treated as service for the Employer.

Effective Date of Participation

For purposes of Employer Contributions, an Eligible Employee shall become a Participant as of:

- The first date next following the date on which he met all requirements for participation
- The first day of the month coinciding with or next following the date on which he met all requirements for participation
- The earlier of the first day of the seventh month or the first day of the Plan Year coinciding with or next following the date on which he met all requirements for participation
- The first day of the Plan Year next following the date on which he met all requirements for participation
- Other (specify): ~~Upon approval by the NTMWD Board of Directors~~ The date an employee is appointed or promoted to the position eligible for the Plan

Money Purchase Pension Plan: Amount of Annual Employer Contribution

For each Plan Year, the Employer Contribution shall be:

- % of each Participant's Compensation contributed to the Employer Contributions Account of each Participant.
- \$ _____ contributed to the Employer Contributions Account of each Participant.

- An amount, determined uniformly with respect to each Employee classification within the applicable collective bargaining agreement, to the Employer Contributions Account of each Participant as specified in the applicable collective bargaining agreement.

~~X An amount, with respect to the Employee, as determined by the NTMWD Board of Directors.~~

X % of each Participant's Compensation, determined uniformly with respect to each Employee classification, to the Employer Contributions Account of each Participant as, as determined by the Executive Director or the Board of Directors

Matching Contributions: Money Purchase Pension Plan only:

X N/A — Matching Contributions are not permitted under the Plan

Participants eligible for Code Section 414(h) Contributions (Plan Section 3.2):

X N/A — Code Section 414(h) Contributions are not permitted under the Plan

Effective Date of Participation

For purposes of Voluntary Contributions, an Eligible Employee shall become a Participant as of:

- The first date next following the date on which he met all requirements for participation
- The first day of the month coinciding with or next following the date on which he met all requirements for participation
- The earlier of the first day of the seventh month or the first day of the Plan Year coinciding with or next following the date on which he met all requirements for participation
- The first day of the Plan Year next following the date on which he met all requirements for participation

X Other (specify): ~~As determined by the NTMWD Board of Directors~~ The date an employee is appointed or promoted to the position eligible for the Plan

Rollover Contributions (Plan Section 3.6):

Rollover Contributions X shall ~~+~~ shall not be permitted into the Plan.

Rollover Contributions of after-tax amounts from another Code Section 401(a) defined contribution plan ~~+~~ shall X shall not be permitted into the Plan.

Leased Employees (Plan Section 1.17)

For purposes of the Plan, the term Employee shall X shall not include any Leased Employees.

Vesting (Plan Section 3.8)

Vesting of Participant's Interest in Employer Contributions

The vesting schedule, based on number of years, shall be as follows:

- 100% upon entering Plan
- 0-2 years 0%
 - 3 years 100%
- 0-4 years 0%
 - 5 years 100%
- 0-1 year 0%
 - 2 years 33%
 - 3 years 66%
 - 4 years 100%
- 1 year 20%
 - 2 years 40%
 - 3 years 60%
 - 4 years 80%
 - 5 years 100%
- 0-1 years 0%
 - 2 years 20%
 - 3 years 40%
 - 4 years 60%
 - 5 years 80%
 - 6 years 100%
- Other: Years _____ Percentage _____
 - _____
 - _____
 - _____
 - _____
 - _____

Distributions

Normal Retirement Age (Plan Section 1.19):

- The 1st of the month following the date a Participant attains his 65th birthday
- The later of the date a Participant attains his _____ birthday or the _____ anniversary of the first day of the Plan Year in which participation in the Plan commenced.
- The _____ anniversary of the first day of the Plan Year in which participation in the Plan commenced.

Distribution Options for Participants (Plan Section 4.2):

- Lump sum
- Immediate or deferred annuity (including life annuities and installment payment annuities)
- Systematic distribution option permitted under the Investment Product

Death Benefits Payable to Beneficiary (Plan Section 4.3(d)):

Amounts payable to the Beneficiary may be elected by the Beneficiary in the following forms of benefit payment:

- Same distribution options as available to the Participant
- Other:

NOTE: Distribution options selected are available to the extent permitted by applicable law and the terms of the Investment Product.

Distribution of a Participant Rollover Account (Plan Section 4.1(b)):

Amounts payable under a Participant Rollover Account will be paid to a Participant:

- Upon attainment of an event as described in Section 4.1
- Upon the request of a Participant
- Other:

Miscellaneous

Loans to Participants:

Loans shall shall not be permitted under the Plan.

Distributions for Health Insurance and Long Term Care (Plan Section 4.7):

Distributions to pay for health insurance and long term care o will X will not be permitted under the Plan.

Certification and Signature

North Texas Municipal Water District hereby represents that it is a unit of a state or local government or an agency or instrumentality of one or more units of a state or local government as described in Code Section 414(d). If North Texas Municipal Water District ceases to be considered a governmental entity within the meaning of Code Section 414(d), then it would be ineligible to sponsor this plan prospectively and will be required to restate its plan accordingly.

This Adoption Agreement and this basic plan document together constitute the Plan.

The Adoption Agreement shall be construed under the laws of the State of Texas.

IN WITNESS WHEREOF, this Plan has been executed this _____ day of _____, ~~2011~~2024.

NORTH TEXAS MUNICIPAL WATER DISTRICT

By:

By: _____

Title: _____

NORTH TEXAS MUNICIPAL WATER DISTRICT

**401(a) DEFINED CONTRIBUTION
PLAN DOCUMENT**

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401(a) DEFINED CONTRIBUTION PLAN DOCUMENT

PREAMBLE

North Texas Municipal Water District hereby establishes the Code Section 401(a) Defined Contribution Plan for Governmental Employers (the "Plan").

The Plan is intended to be a qualified plan within the meaning of Section 401(a) of the Internal Revenue Code (the "Code"); based on the election of the Employer in the Adoption Agreement, a money purchase pension plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(i) or a profit sharing plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(ii); and a governmental plan within the meaning of Section 414(d) of the Code and Section 3(32) of the Employee Retirement Income Security Act of 1974.

The Plan consists of the provisions set forth in this basic plan document and the Adoption Agreement and is applicable to each Eligible Employee.

ARTICLE I DEFINITIONS

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context.

1.1 "414(h) Pick-Up Contributions" means mandatory contributions that all Participants must make if required under the Adoption Agreement pursuant to Section 414(h) of the Code. 414(h) Pick-Up Contributions are picked up by the Employer in accordance with Section 414(h)(2) of the Code and are treated as Employer Contributions for federal income tax purposes, but are considered "wages" for purposes of FICA and FUTA.

1.2 "414(h) Pick-Up Contributions Account" means the account (including any earnings and losses attributable thereon) established and maintained by the Administrator for each Participant with respect to his total interest under the Plan resulting from 414(h) Pick-Up Contributions.

1.3 "Administrator" means the person(s), committee or organization appointed by the Employer pursuant to Section 5.2 to administer the Plan and perform administrative functions for the Plan as specified by the Employer.

1.4 "Adoption Agreement" means the separate agreement which is executed by the Employer and sets forth the elective provisions of the Plan. The Adoption Agreement is considered a part of the Plan.

1.5 "Anniversary Date" means the annual date for valuation of Plan assets specified in the Adoption Agreement, but in no event shall a valuation of Plan assets be performed less than once a year occurring on the last day of the Plan Year.

1.6 "Beneficiary" means the individual, individuals or trust designated by the Participant in writing on a form acceptable to the Administrator, and received by the Administrator before the Participant's death, to receive any undistributed amounts under the Participant Account which becomes payable upon the Participant's death. A Beneficiary may designate his own Beneficiary. If a Participant or Beneficiary does not designate a Beneficiary, then his estate will be deemed to be his Beneficiary. In addition, any Beneficiary designation will meet the requirements of applicable state law.

1.7 "Code" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.8 "Compensation" with respect to any Participant means such Participant's annual compensation as defined in the Adoption Agreement and as determined within the 12-consecutive month period specified in the Adoption Agreement that is paid during that 12-consecutive month. If a Participant's compensation is determined for a period of less than 12 months, the annual compensation limit described below 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.

The annual compensation of each Participant that may be taken into account in determining allocations for any Plan Year shall not exceed \$200,000, as adjusted for the cost of living increases in accordance with Section 401(a)(17)(B) of the Code. The Plan may provide that the Compensation of an "eligible Participant" be not less than such Participant's Compensation determined as of July 1, 1993 and adjusted for cost of living. For purposes of this Section, an eligible Participant is an individual who first became a Participant in the Plan before the first day of the first Plan Year beginning after the earlier of:

- (a) the last day of the Plan Year by which the Plan is amended to provide for the 1995 limit on Compensation and such amendment becomes effective, or
- (b) December 31, 1995.

The cost of living adjustment in effect for a calendar year applies to Compensation for the determination period that begins with or within such calendar year.

1.9 "Eligible Employee" means any individual Employee of the Employer who meets the criteria set forth in Section 2.1, and is in one or more of the classifications of Employees specified in the Adoption Agreement.

1.10 "Employee" means any person who is employed by the Employer and who performs services for the Employer for which compensation is paid. If elected by the Employer in the Adoption Agreement, the term Employee shall include Leased Employees.

1.11 "Employer" means the governmental employer that satisfies the definition of Section 414(d) of the Code and is named in the Adoption Agreement (together with any other

entity required to be aggregated with such governmental employer under Sections 414(b), (c), (m) or (o) of the Code), and any successor which shall maintain this Plan, and any predecessor which has maintained this Plan.

1.12 "Employer Contributions" means the Employer's contributions to the Plan in accordance with the formula selected in the Adoption Agreement.

1.13 "Employer Contributions Account" means that portion of the Participant Account established and maintained by the Administrator for each Participant with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Employer Contributions and/or Matching Contributions.

1.14 "Fiscal Year" means the Employer's 12-month consecutive accounting year specified by the Employer in the Adoption Agreement.

1.15 "Forfeiture" means that portion of a Participant's Employer Contributions Account that is not Vested and in which the Participant no longer has an interest and will be treated in accordance with Section 3.8(c).

1.16 "Investment Product" means group or individual annuity contracts or such other investment arrangements issued by or offered through the Provider and used to hold the assets of the Plan. Notwithstanding the previous sentence, life insurance shall not be a permissible investment product under the Plan.

1.17 "Leased Employee" means any person (other than an Employee of the Employer) who, pursuant to an agreement between the Employer and any other person or entity ("leasing organization") has performed services for the Employer (or for the Employer and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the Employer. Contributions or benefits provided for a leased employee by the leasing organization which are attributable to services performed for the Employer will be treated as provided by the Employer.

A leased employee will not be considered an employee of the Employer if: (a) such individual is covered by a money purchase pension plan sponsored by the leasing organization providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Section 415(c)(3) of the Code, including amounts contributed pursuant to a salary reduction agreement which are excludable from the individual's gross income under Section 125, 402(e)(3), 402(h)(1)(B), 403(b) or 132(0)(4) of the Code, (2) immediate participation, and (3) full and immediate vesting, and (b) leased employees do not constitute more than 20 percent of the Employer's nonhighly compensated work force.

1.18 "Matching Contribution" means the Employer's contributions to the Plan that match a Participant's Code Section 414(h) Contributions or Voluntary Contributions in accordance with the formula selected in the Adoption Agreement.

1.19 "Normal Retirement Age" means the earliest date attained by a Participant as selected by the Employer in the Adoption Agreement and thus is entitled to a distribution under the Plan. At Normal Retirement Age, a Participant shall become fully Vested in his Participant Account.

1.20 "Participant" means any individual who participates in the Plan and subsequently has not for any reason become ineligible to participate further in the Plan and has not yet received a distribution of his entire Participant Account under the Plan.

1.21 "Participant Account" means the total of a Participant's 414(h) Pick-Up Contributions Account, Rollover Contributions Account, Voluntary Contributions Account and the Employer Contributions Account for each Participant in the Plan., the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Section 414(p)(8) of the Code).

1.22 "Plan" means the name of the Plan as indicated in the Adoption Agreement.

1.23 "Plan Year" means the Plan's 12-consecutive month accounting year as elected by the Employer in the Adoption Agreement.

1.24 "Provider" means ING Life Insurance and Annuity Company and/or ReliaStar Life Insurance Company or such other provider entity as the Employer may approve.

1.25 "Rollover Contribution" means, if so elected by the Employer in the Adoption Agreement, contributions made by a Participant (or, if applicable, Eligible Employee) pursuant to Section 3.6 of "eligible rollover distributions" in accordance with Section 402(c)(4) of the Code. If elected by an Employer in the Adoption Agreement, the Plan will accept Rollover Contributions of after-tax amounts from other qualified defined contribution plans within the meaning of Section 401(a) of the Code.

1.26 "Rollover Contributions Account" means the account established and maintained by the Administrator for each Participant (or, if applicable, Eligible Employee) with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Rollover Contributions. To the extent that an Eligible Employee rolls over after-tax amounts to the Plan from another plan subject to Section 401(a) of the Code, such after-tax amounts in the Rollover Contributions Account will be separately accounted for.

1.27 "Total and Permanent 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 determination of Total and Permanent Disability of a Participant shall be performed by a licensed physician chosen by the Administrator. However, if the condition constitutes total disability under the federal Social Security Acts, the Administrator may rely upon such determination that the Participant is totally and permanently disabled for the purposes of this Plan. The criteria for determination of Total and Permanent Disability shall be applied uniformly to all Participants.

1.28 "Vested" means the nonforfeitable portion of any account maintained on behalf of a Participant in accordance with Section 3.8.

1.29 "Voluntary Contributions" means a contribution made to a Plan by a Participant on an after-tax basis pursuant to the election of the Participant.

1.30 "Voluntary Contributions Account" means the account established and maintained by the Administrator for each Participant with respect to his total interest (including any earnings and losses attributable thereon) under the Plan resulting from Voluntary Contributions.

ARTICLE II ELIGIBILITY

2.1 Eligibility

Each Eligible Employee will be a Participant in the Plan when he satisfies the eligibility requirements specified in the Adoption Agreement

2.2 Determination of Eligibility and Effective Date of Participation

(a) The Administrator will determine whether an Eligible Employee has satisfied the eligibility requirements specified in the Adoption Agreement based upon information furnished by the Employer. Such determination will be conclusive and binding and the criteria for such determination will be applied uniformly to all Participants.

(b) An Eligible Employee who has become eligible to be a Participant shall become a Participant effective as of the day specified in the Adoption Agreement. In the event an Employee who has satisfied the Plan's service and age requirements for eligibility but who has not satisfied one of the classifications of an Eligible Employee at any time becomes an Eligible Employee, such Employee shall become a Participant immediately as of the date he becomes an Eligible Employee.

(c) If applicable, the Participant will provide investment direction for contributions made to an Investment Product on such forms as may be required by the Provider.

2.3 Termination of Eligibility

In the event a Participant will go from a classification of an Eligible Employee to a non-Eligible Employee, such Participant will not be able to participate in the Plan until he is again reclassified as an Eligible Employee. The Participant Account of such inactive Participant will continue to be allocated any attributable earnings and losses.

2.4 Information Provided by the Employee

Each Eligible Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan.

2.5 Leave of Absence

If an Employee is absent from work by leave of absence, contributions under the Plan shall continue to the extent that Compensation continues.

2.6 Payment of Contributions to Investment Product

The Employer shall remit to the Provider the contributions to be allocated under the Investment Product to fund benefits under the Plan within the time period prescribed by applicable law or under any applicable collective bargaining agreement.

ARTICLE III CONTRIBUTION AND ALLOCATION

3.1 Employer Contributions and Matching Contributions

If the Plan is a money purchase pension plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(i) as elected by the Employer in the Adoption Agreement, the Employer will make Employer Contributions and/or Matching Contributions for each Plan Year as elected in the Adoption Agreement. If the Plan is a profit sharing plan within the meaning of Treas. Reg. Section 1-401-1(b)(1)(ii) as elected by the Employer in the Adoption Agreement, the Employer may elect to make Employer Contributions each Plan Year and such Employer Contributions shall be allocated in accordance with the formula elected by the Employer in the Adoption Agreement. Employer Contributions are subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such Employer contributions shall be allocated to the Participant's Employer Contributions Account.

3.2 414(h) Pick-Up Contributions

A Participant shall make 414(h) Pick-Up Contributions as indicated in the Adoption Agreement, subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions shall be allocated to the 414(h) Pick-Up Contributions Account of each Participant.

3.3 Voluntary Contributions

A Participant may make Voluntary Contributions to the Plan as indicated in the Adoption Agreement, subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions shall be allocated to the Voluntary Contributions Account of each Participant.

3.4 Maximum Annual Additions

(a) The maximum permissible Annual Additions that may be contributed or allocated to each Participant Account under the Plan for any Limitation Year shall not exceed the lesser of:

- (1) \$40,000, as adjusted for increase in the cost of living under Section 415(d) of the Code, or
- (2) 100 percent of the Participant's Compensation for the Limitation Year.

(b) For purposes of this Section, "Annual Additions" means, for any Limitation Year, the sum of Employer Contributions, Matching Contributions, 414(h) Pick-Up Contributions, Voluntary Contributions and Forfeitures to the Plan and any contributions and forfeitures allocated to any other qualified defined contribution plans of the Employer which are required to be aggregated with the Plan in accordance Section 1.415(c)-1(a)(2) of the Income Tax Regulations. For this purpose, any excess amount applied under Section 415 of the Code in the Limitation Year to reduce Employer contributions shall be considered "Annual Additions" for such Limitation Year.

(c) For purposes of this Section, "Limitation Year" means the 12-consecutive month calendar year. If the Employer maintains any other qualified defined contribution plans as defined in Section 1.415(c)-1(a)(2) of the Income Tax Regulations, such other plans shall also use the calendar year as the Limitation Year.

(d) If a Participant participates in another qualified defined contribution plan maintained by the Employer (as defined in Section 1.415(c)-1(a)(2)) which is required to be aggregated with the Plan for purposes of this Section, the amount of Annual Additions which may be credited to an individual's Participant Account for any Limitation Year shall not exceed the maximum permissible amount described in subsection (a). If amounts allocated to an individual's participant account maintained under such other plans are equal or greater than the maximum permissible amount described in subsection (a) in a Limitation Year, no amount shall be contributed to the Participant Account under the Plan for that Limitation Year.

3.5 Adjustment for Excess Annual Additions

(a) Notwithstanding Section 3.4(d), if the maximum permissible amount described in Section 3.4(a) is exceeded and if the Employer sponsors more than one qualified defined contribution plan, then any excesses will first be cured from such other qualified plan. If excesses remain or if there is no other qualified defined contribution plan of the Employer, then any remaining excesses shall be corrected in accordance with this Section.

(b) Notwithstanding any provision of the Plan to the contrary, if the Annual Additions to a Participant Account under the Plan are exceeded in any Limitation Year, then the Plan shall correct such excess in accordance with the Income Tax Regulations and such other guidance as the IRS may issue from time to time.

3.6 Rollovers to the Plan

(a) If elected by the Employer in the Adoption Agreement and with the consent of the Administrator, amounts that are considered eligible rollover distributions as defined in Section 402(c)(4) of the Code may be rolled over by an Eligible Employee, whether or not a Participant at the time, from an eligible retirement plan, as defined in subsection (b) below. A Participant who is a surviving spousal Beneficiary or an alternate payee (who is a spouse or former spouse) of another eligible retirement plan may roll over eligible rollover distributions from such eligible retirement plan as further defined in subsection (b). Such amounts shall be allocated to the Participant's Rollover Contributions Account.

(b) For purposes of this Section, the term "eligible retirement plan" means any other plan under Section 401(a) of the Code, a plan under Section 457(b) of the Code maintained by an employer as defined in Section 457(e)(1)(A) of the Code, a plan under Section 403(b) of the Code, an individual retirement account as described in Section 408(a) of the Code, and an individual retirement annuity as described in Section 408(b) of the Code, provided that after-tax amounts may only be rolled into the Plan from another plan that is subject to Section 401(a) of the Code. For purposes of this Section, the term "amounts rolled over from an eligible retirement plan" means:

- (1) amounts rolled to the Plan directly from another eligible retirement plan on behalf of an Eligible Employee (or Participant, surviving spouse or alternate payee, as applicable); and

- (2) eligible rollover distributions as defined in Section 402(c)(4) of the Code received by an Eligible Employee (or Participant, surviving spouse or alternate payee, as applicable) from another eligible retirement plan that are rolled over by the him to the Plan within sixty (60) days, following his receipt thereof.

3.7 Investments

Amounts deferred under the Plan will be invested in any Investment Product. If applicable, a Participant will direct the investment of his Participant Account among the investment options available under the Investment Product. Contributions will be allocated to a Participant Account in accordance with this Article III and earnings and losses attributable to such contributions will be allocated to such Participant Account. If any provision of an Investment Product agreement is not consistent with the Plan provisions, the terms of the Plan will control.

3.8 Vesting

(a) The Vested portion of any Employer Contributions Account will be a percentage of such Account determined on the basis of the Participant's number of years in accordance with the vesting schedule selected by the Employer in the Adoption Agreement. Criteria for determining a Participant's years with the Employer shall be made on a uniform basis applicable to all Eligible Employees and subject to the terms of any applicable collective bargaining agreement.

(b) A Participant is always fully vested in his 414(h) Pick-Up Contributions, Rollover Contributions, Voluntary Contributions and the earnings thereon.

(c) Except as provided in subsection (d) below, any amount that is not Vested upon a Participant's separation from service will be considered to be a Forfeiture and will be used as directed by the Employer.

(d) Notwithstanding the foregoing, a Participant will be 100% vested in any Employer Contributions and Matching Contributions upon attaining Normal Retirement Age, Total and Permanent Disability, death of the Participant, termination of the Plan or the complete discontinuance of Employer contributions.

(e) If the Plan's vesting schedule is amended, or if the criteria for determining years with the Employer is amended in any way that directly or indirectly affects the computation of the Participant's Vested percentage, then each Participant who has performed services for the Employer for at least three (3) years as of the end of the election period as defined below may elect to have such Participant's Vested percentage computed under the Plan without regard to such amendment or change, subject to any applicable collective bargaining agreement. If a Participant fails to make a timely election, then such Participant shall be subject to the new vesting schedule. The Participant's election period shall commence on the adoption date of the amendment and shall end sixty (60) days after the latest of:

- (1) the adoption date of the amendment,

- (2) the effective date of the amendment, or
- (3) the date the Participant receives written notice of the amendment from the Employer or Administrator.

3.9 Protection of Persons Who Serve in a Uniformed Service

(a) 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.

(b) In the case of a Participant who dies while performing qualified military service (as defined in Section 414(u) of the Code), the Beneficiaries are entitled to any additional benefits (other than deferrals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment and then had a separation from service on account of death.

ARTICLE IV DETERMINATION AND DISTRIBUTION OF BENEFITS

4.1 Distributions under the Plan

(a) A Participant Account may not be paid to a Participant (or, if applicable, the Beneficiary) until one of the following events has occurred:

- (1) attainment of Normal Retirement Age
- (2) separation from service prior to Normal Retirement Age,
- (3) the Participant's Total and Permanent Disability, or
- (4) the Participant's death.

(b) Notwithstanding subsection (a), a Participant may choose to receive a distribution from his Rollover Contributions Account and Voluntary Contributions Account at the time elected by the Employer in the Adoption Agreement.

4.2 Distribution of Benefits upon Normal Retirement Age, Other Separation From Service and Total and Permanent Disability

(a) Upon attainment of a distributable event described in Section 4.1, but in no event later than the requirement to commence minimum distribution payments in accordance with Section 401(a)(9) of the Code, a Participant may elect a benefit distribution option to which benefits will be paid.

(b) Upon a Participant's application for benefits, the Administrator will direct the distribution of a Participant Account in accordance with this Section 4.2.

(c) A Participant may choose a benefit distribution option as selected by the Employer in the Adoption Agreement. The terms of any annuity contract purchased and distributed by the Plan to a Participant will comply with the requirements of the Plan. In the

event a Participant fails to make an election as to a benefit distribution option, any benefit payable to such Participant will be distributed in accordance with Section 401(a)(9) of the Code.

4.3 Distribution of Benefits upon Death

(a) Upon the death of a Participant, the Administrator will direct that the deceased Participant's Participant Account, be distributed to the Beneficiary in accordance with the provisions of this Section.

(b) The designation of a Beneficiary will be made on a form satisfactory to the Administrator. A Participant or Beneficiary may at any time revoke his designation of a Beneficiary or change his Beneficiary by filing written notice of such revocation or change with the Administrator. In the event no valid designation of Beneficiary exists at the time of the Participant's or Beneficiary's death, the death benefit will be payable to the Participant's or Beneficiary's estate.

(c) The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant Account of a deceased Participant or Beneficiary, as the Administrator may deem appropriate. The Administrator's determination of death and of the right of any person to receive payment will be conclusive.

(d) Death benefits payable to a Beneficiary will be made in a form as selected by the Beneficiary in accordance with the available options as elected by the Employer in the Adoption Agreement. In the event a Beneficiary fails to make an election as to a benefit distribution option, any benefit payable to such Beneficiary will be distributed in a lump sum payment in accordance with Section 401(a)(9) of the Code. The terms of any annuity contract purchased and distributed by the Plan to a Beneficiary will comply with the requirements of the Plan.

4.4 Minimum Distributions.

All distributions under the Plan shall comply with the minimum distribution requirements of Section 401(a)(9) of the Code and the Income Tax Regulations.

4.5 Rollovers from the Plan

(a) Notwithstanding any provision of the Plan to the contrary, a Participant will be permitted to elect to have any eligible rollover distribution (as defined in Section 402(c)(4) of the Code) paid directly to an eligible retirement plan (as defined in Section 3.8(b)) or to a Roth IRA established under Code Section 408A specified by the Participant. Notwithstanding the foregoing, if Voluntary Contributions are permitted under the Plan, they may only be rolled over to another plan subject to Section 401(a) of the Code or to an individual retirement arrangement under Section 408(a) or (b) of the Code. The Participant will, in the time and manner prescribed by the Administrator, specify the amount to be rolled over and the eligible retirement plan to receive such rollover. Any portion of a distribution which is not rolled over will be distributed directly to the Participant.

(b) The election described in subsection (a) also applies to the surviving spouse who is the designated Beneficiary of the Participant or a spouse or former spouse who is the alternate payee, provided that such spouse, former spouse or alternate payee directs the transfer of an eligible rollover distribution, as defined in Section 402(c)(4) of the Code into an eligible retirement plan, as defined in Section 3.6(b), in which such spouse, former spouse or alternate payee is a participant.

(c) A non-spousal Beneficiary may elect to roll over death benefits amounts in accordance with Section 402(c)(11) of the Code provided that:

- (1) such amounts are rolled over to an inherited IRA via a direct trustee-to-trustee transfer;
- (2) such election is made by December 31 of the year following the year of the Participant's death; and
- (3) the rolled over amounts are eligible rollover distributions as defined in Section 402(c)(4) of the Code.

4.6 Loans to Participants

(a) This Section will apply only if elected by the Employer in the Adoption Agreement. For purposes of this Section, all plans of the Employer will be considered one plan in accordance with Section 72(p) of the Code and regulations thereunder, and the balance of all loans under any plan of the Employer under which the Participant participates must be aggregated in determining the maximum loan available under subsection (c).

(b) The Provider may, in accordance with the Administrator's direction, make loans to Participants under the following circumstances: (1) loans will be made available to all Participants on a reasonably equivalent basis; (2) loans will bear a reasonable rate of interest; (3) loans will be adequately secured; and (4) will provide for periodic repayment over a reasonable period of time. Such loans may also be subject to the requirements of the Investment Product.

(c) No loan made pursuant to this Section shall exceed the lesser of:

(1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Participant during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or

(2) one-half (1/2) of the Participant Account.

For purposes of this Section, any loan from any other plan maintained by the Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

(d) Loans will provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of the Participant will, provide for periodic repayment over a reasonable period to be determined by the Administrator of time that may exceed five (5) years. Notwithstanding the foregoing, in the event a Participant enters the uniformed services of the United States and retains reemployment rights under law, repayments will be suspended and interest will cease to accrue during the period of leave and the period of repayment will be extended by the number of months of leave in the uniformed services. In the event a Participant is on an Employer approved, bona fide leave of absence without pay, loan payments may be suspended (but interest will continue to accrue) for the period of leave but not to exceed one year; however, the loan must be repaid by the original loan repayment date.

(e) An assignment or pledge of any portion of a Participant's interest in the Plan will be treated as a loan under this Section.

Any security interest held by the Plan by reason of an outstanding loan to the Participant will be taken into account in determining the amount of the death benefit or single lump-sum payment.

4.7 Distributions from Governmental Plans for Health and Long Term Care.

If elected by the Employer in the Adoption Agreement and pursuant to Section 402(1) of the Code, annual distributions of up to \$3,000 from the Plan are excludable for income tax purposes if the following conditions are satisfied: (1) the distribution is used to pay for qualified health insurance premiums (accident, health insurance or long term care) for an eligible public safety officer, or spouse or dependent of the public safety officer, (2) the public safety officer is separated from service due to disability or attainment of the age which the Participant has the right to retire and receive unreduced retirement benefits from the Employer's basic pension plan, and (3) the distributions are paid directly to the insurer or to the administrator of a self-insured plan.

ARTICLE V ADMINISTRATION

5.1 Powers and Responsibilities of the Employer

(a) The Employer shall have full power to interpret and construe the Plan in a manner consistent with its terms and the provisions of Section 401(a) of the Code, including the applicable Income Tax Regulations and to establish practices and procedures conforming to those provisions. In all such cases, the Employer's determination shall be final and conclusive upon all persons. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Employer shall have the right to resolve all such questions. Notwithstanding the above, the Employer's power and responsibility under the Plan will not extend to, nor have any control over, those responsibilities and duties of the Provider.

(b) The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code.

(c) The Employer shall periodically review the performance of any person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

5.2 Designation of Administrative Authority

The Employer may appoint a committee ("Committee") of one or more persons to serve as the Administrator and to discharge the Administrator's responsibilities under the Plan. The Employer may remove a Committee member for any reason by giving such member ten (10) days' written notice and may thereafter fill any vacancy thus created. If the Employer does not appoint a Committee to administer the Plan, the Employer shall be the Administrator.

5.3 Allocation and Delegation of Responsibilities

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that the Employer makes no such delegation, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer in writing of such action and specify the responsibilities of each Administrator.

5.4 Powers and Duties of the Administrator

The primary responsibility of the Administrator is to administer the Plan for the benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator will administer the Plan in accordance with its terms and will have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator will be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as will be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction will be done in a nondiscriminatory manner based upon uniform principles consistently applied and will be consistent with the intent that the Plan will continue to be deemed a qualified plan under the terms of Section 401(a) of the Code, and will comply with the terms of all Income Tax Regulations issued pursuant thereto. The Administrator will have all powers necessary or appropriate to accomplish his duties under this Plan. The Administrator will be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of Employees and Independent Contractors to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) determine the amounts to be contributed to each Participant Account;
- (c) to authorize and direct the Provider with respect to all disbursements to which a Participant or Beneficiary is entitled under the Plan;
- (d) to maintain all necessary records for the administration of the Plan;
- (e) to maintain practices and procedures necessary to administer the Plan as are consistent with the terms hereof;
- (f) to determine the type of any Investment Product to be purchased from the Provider; and
- (g) to assist any Participant or Beneficiary regarding his rights, benefits, or elections available under the Plan.

5.5 Records and Reports

The Administrator will keep a record of all actions taken and will keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and will be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

5.6 Appointment of Advisers

The Administrator may appoint/employ such agents, attorneys, actuaries, accountants, auditors, investment counsel, and clerical assistants, and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan.

5.7 Information from Employer

To enable the Administrator to perform his functions, the Employer will supply the necessary information to the Administrator on a timely basis regarding the Participants under the Plan, including but not limited to Compensation, date of hire, date of death, disability, or termination of employment, and such other pertinent facts and data as the Administrator may require. The Administrator may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

5.8 Payment of Expenses

All expenses of administration will be paid as directed by the Employer. Such expenses will include any expenses incident to the functioning of the Administrator, including, but not limited

to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan.

ARTICLE VI AMENDMENT AND TERMINATION

6.1 Amendment

(a) The Employer shall have the right at any time to amend this Plan subject to the limitations of this Section. Any such amendment shall become effective as provided therein upon its execution.

(b) No amendment to the Plan will be effective if it authorizes or permits any part of the Investment Product (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries; or causes any reduction in the amount credited to the account of any Participant or Beneficiary; or causes or permits any portion of the Investment Product to revert to or become property of the Employer.

6.2 Termination

(a) The Employer shall have the right at any time to terminate the Plan by resolution of its governing board. Upon any full or partial termination all amounts credited to the affected Participant Accounts shall become 100% Vested and shall not thereafter be subject to Forfeiture, and all unallocated amounts shall be allocated to the accounts of all Participants in accordance with the provisions hereof. In addition, the Employer must deliver written notice of discontinuance of the Investment Product to the Provider.

(b) Upon the full termination of the Plan, the Employer will direct the distribution of the assets to Participants and Beneficiaries in a manner which is consistent with and satisfies the provisions of Article IV.

ARTICLE VII MISCELLANEOUS

7.1 Assets For Exclusive Benefit Of Participants And Beneficiaries

All amounts in the Participant Accounts under this Plan, all property and rights which may be purchased with such amounts and all income attributable to such amounts, property or rights will be held in trust (or a custodial account or annuity contract described in Section 401(f) of the Code) for the exclusive benefit of Participants and their Beneficiaries. All such amounts will not be subject to the claims of the Employer's general creditors.

7.2 Participant's Rights

This Plan will not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan will be deemed to give any Participant or

Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant in this Plan.

7.3 Alienation

Subject to applicable state law (and Section 401(g) of the Code if the Investment Product consists of an annuity contract) and except as provided in Section 7.4, no benefit which will be payable to any person (including a Participant or their Beneficiaries) will be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same will be void; and no such benefit will in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor will be subject to attachment or legal process for or against such person, and the same will not be recognized except to such extent as may be required by law.

7.4 Recognition of Approved Domestic Relations Orders

Notwithstanding Section 7.3, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order") and Section 414(p) of the Code, then the amount of the Participant Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

7.5 IRS Levy

Notwithstanding Section 7.3, if a Participant or Beneficiary is entitled to a distribution in accordance with Section 5, the Administrator may pay from a Participant's or Beneficiary's Account the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

7.6 Distribution for Minor Beneficiary or Incompetent

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

7.7 Mistaken Contributions

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

7.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

7.9 Governing Law

The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.

7.10 Headings

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

7.11 Gender

Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

7.12 Approval by Internal Revenue Service

Notwithstanding anything herein to the contrary, if, pursuant to a timely application filed by or on behalf of the Plan, the Commissioner of the Internal Revenue Service or his delegate should determine that the Plan does not initially qualify as a tax-exempt plan under Sections 401 and 501 of the Code, and such determination is not contested, or if contested, is finally upheld, then if the Plan is a new plan, it shall be void and all amounts contributed to the Plan, by the Employer, less expenses paid, shall be returned within one year and the Plan shall terminate. If the disqualification relates to an amended plan, then the Plan shall operate as if it had not been amended and restated. In the event that a contribution is made to the Plan conditioned upon

qualification of the Plan as amended, such contribution must be returned to the Employer upon the determination that the amended Plan fails to qualify under the Code.

