

ICM87FIR

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: CONTRACT

NAME OF AGENCY OR CONTRACTOR: ICMA RETIREMENT CORPORATION

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: PROTOTYPE MONEY PURCHASE  
PLAN AND TRUST ADOPTION AGREEMENT - OLD HIRE FIRE FIGHTER'S RANK ESCALATION  
PENSION PLAN

CITY DEPARTMENT: FIRE

YEAR: 1987

EXPIRATION DATE: PERMANENT

DESTRUCTION DATE: PERMANENT

JUL 14 1987

# ICMA RETIREMENT CORPORATION

## PROTOTYPE MONEY PURCHASE PLAN & TRUST ADOPTION AGREEMENT

The Employer hereby establishes a Money Purchase Plan & Trust to be known as  
City of Grand Junction "Old Hire" Fire Fighter's  
Rank Escalation Pension Plan. (The "Plan") in the form of the ICMA Retirement  
(name of plan)  
Corporation Prototype Money Purchase Plan and Trust.

This Plan is an amendment and restatement of an existing defined contribution pension plan.  Yes  No  
If yes, please specify the name of the defined contribution pension plan which this Plan hereby amends and  
restates: \_\_\_\_\_

A. EMPLOYER: City of Grand Junction,  
Mesa County, Colorado

B. THE EFFECTIVE DATE of the Plan shall be the first  
day of the Plan Year during which the Employer adopts  
the Plan, unless an alternate Effective Date is hereby  
specified: \_\_\_\_\_

C. THE PLAN YEAR shall be the calendar year, unless  
an alternate Plan Year is hereby specified: \_\_\_\_\_

### D. ELIGIBILITY REQUIREMENTS

1. The following group or groups of Employees are  
eligible for participation in the Plan:

- All Employees
- All Full-time Employees
- Salaried Employees
- Non-union Employees
- Management Employees
- Public Safety Employees
- General Employees
- Other (specify below)

All fire fighters hired before April 8,  
1978, who heretofore participated in \*

2. The Employer hereby waives the requirement of a  
six-month period of service for participants.  
 Yes  No

If this waiver is elected, it shall apply to all  
employees within the Covered Employment  
Classification.

3. A minimum age requirement is hereby specified for  
eligibility to participate. The minimum age require-  
ment is n/a (not to exceed age 24½).  
Write N/A if no minimum age is declared.

\*the "old hire rank escalation plan".

4. Normal Retirement Age shall be 50 years of  
age and 20 years of service.  
If a different Normal Retirement Age is established  
for one or more groups of employees, please  
specify:

Age	Group
_____	_____
_____	_____
_____	_____

### E. CONTRIBUTION PROVISIONS

1. The Employer shall contribute on behalf of each  
Participant 6 % of Earnings for the  
Plan Year (subject to the limitations of Section 4.09  
of the Plan).

2. a) Each Participant is required to contribute \_\_\_\_\_  
0 % of Earnings for the Plan Year as a  
condition of participation. (Write "O" if no contribu-  
tion is required.)

b) The Employer hereby elects to "pick up" the  
Mandatory/Required Participant Contribution.  
 Yes  No

3. Each Participant may make a Voluntary Participant  
Contribution as defined in Section 2.34 of the Plan,  
subject to the limitations of Section 4.04 and 4.09  
of the Plan.  Yes  No

4. Each Participant may make a Deductible Employee  
Contribution as defined in Section 2.08 of the Plan,  
subject to the limitations of Section 4.05 of the Plan.  
 Yes  No

5. Employer contributions and Employee contributions, if any, shall be contributed to the Trust in accordance with the following payment schedule:

monthly

**F. EARNINGS**

Earnings, which form the basis for computing Employer contributions and Employee contributions, if required, are defined as the Participant's base salary or wages, before applying any salary reduction agreed to by the Participant pursuant to a plan described in Sections 457 or 403(b) of the Code, plus the following (check whichever is applicable, if any):

- Overtime
- Bonuses
- Employer contributions (other than salary reduction amounts) under Section 457 of the Code
- Other extraordinary remuneration

**G. VESTING PROVISIONS**

The Employer hereby specifies the following vesting schedule, subject to 1) the minimum vesting requirements as noted and 2) the concurrence of the Plan Administrator.

Years of Service Completed	Specified Percent Vesting	Minimum Vesting Requirements**
Zero	<u>100</u> %	No minimum
One	_____ %	No minimum
Two	_____ %	No minimum
Three	_____ %	No minimum
Four	_____ %	Not less than 40%
Five	_____ %	Not less than 45%
Six	_____ %	Not less than 50%
Seven	_____ %	Not less than 60%
Eight	_____ %	Not less than 70%
Nine	_____ %	Not less than 80%
Ten	_____ %	Not less than 90%
Eleven or more	<u>100</u> %	Must equal 100%

(\*\*These minimum vesting requirements conform to the IRS's Four-Forty Schedule, which is the most restrictive schedule for which an advance determination ruling for qualification will be issued by the IRS without a pre-test for nondiscrimination.)

**H. INVESTMENT OPTION (check one)**

The following applies to Employer Contributions and Mandatory Employee Contributions. All Voluntary Employee Contributions and Deductible Employee Contributions (DECs) are not subject to investment restrictions.

- A Participant may direct his/her investment only in an investment option which provides a guarantee of principal.
- A Participant may direct his/her investment of not more than \_\_\_\_\_ % in an investment option which does not provide any guarantee of principal.
- A Participant may direct his/her investment, without restriction, among various investment options available under the Trust.
- Specify any other investment restrictions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**I. WITHDRAWAL UPON SEPARATION**

1. Upon separation from service for reason other than death, Disability or attainment of Normal Retirement Age, the Participant may elect to commence receiving benefits from the following accounts, without regard to age:

- a) Employer Contribution Account (Nonforfeitable Interest)  Yes  No
- b) Participant Contribution Account (if applicable)  Yes  No
- c) Portable Benefits Account  Yes  No

2. If "no" to any of the above, the earliest age is \_\_\_\_\_, at which the Employer will allow a distribution from the Employer Contribution Account, the Portable Benefits Account, and/or the Participant Contribution Account, if applicable.

3. Notwithstanding Section I(2) above, a distribution shall be made pursuant to Section 8.05 of the Plan, De Minimis Accounts. Further, the Participant shall be entitled to make a rollover contribution pursuant to Section 8.03 of the Plan.

J. Loans are permitted under the Plan as provided in Article XI.  Yes  No

K. The Employer hereby attests that it is a unit of state or local government or an agency or instrumentality of one or more units of state or local government and that it has the authority under state and local laws to adopt a Money Purchase Plan.

L. The Employer hereby appoints the ICMA Retirement Corporation as the Plan Administrator pursuant to the terms and conditions of the ICMA PROTOTYPE MONEY PURCHASE PLAN & TRUST.

The Employer hereby agrees to the provisions of the Plan and Trust.

In Witness Whereof, the Employer hereby causes this Agreement to be executed on this

17 day of June, 1987.

EMPLOYER

Accepted: ICMA RETIREMENT CORPORATION

By: Allen R. Sartin

By: Stephen W. Nordhult

Title: Director of Finance

Title: Corp. Sec./Adm. V.P.

\* Attest: Alexis Hazelwood

Attest: \_\_\_\_\_

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401 (a) Plan

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1. Plan Summary: This document gives you an overall summary of the plan for quick reference.
  2. Prototype Plan: This plan document gives all plan provisions.
  3. Employee Listing: Use this form to give RC an initial listing of participants; also, to update our records for new participants and those who terminated employment.
  4. Employee Data Forms: Each participating employee must complete this form.
  5. Tape Transfer Instructions: Employers are required to submit contribution data via magnetic tape or diskette. Instructions are provided; if additional help is needed, please contact us. If you are unable to set up tape transfer, please call your regional service representative (business card enclosed).
  6. Contribution Statement: Before you establish tape transfer, use this form as an allocation listing when submitting contributions. After we receive your first listing, our computer will generate subsequent forms and mail them to you prior to your payroll date.
  7. Present and Future Benefits: This brochure should be distributed to all participating employees with a completed information sheet. Please call us toll-free and we will send you a supply of these brochures.
  8. Withdrawal Form: Terminated or retired employees wishing to withdraw assets may use this form.
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# ICMA RETIREMENT CORPORATION

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1120 G Street, NW  
Washington, DC 20005

(202) 737-6616  
Toll Free (800) 424-9249

## THE ICMA RETIREMENT CORPORATION PROTOTYPE MONEY PURCHASE PLAN & TRUST

### **EMPLOYER SUMMARY PLAN DESCRIPTION**

The ICMA Retirement Corporation Prototype Money Purchase Plan & Trust is a two-part document consisting of an Adoption Agreement and a Money Purchase Plan & Trust. This Prototype has been drafted to comply with the requirements for qualification under Section 401(a) of the Internal Revenue Code. RC's approach has been to provide employers and their employees with the most liberal plan allowed under the Internal Revenue Code. There are a number of optional provisions which each employer may elect in order to tailor the Money Purchase Plan to its specific needs and desires.

The purpose of this Employer Summary Plan Description is to provide a general overview of the Plan. The conditions of the Internal Revenue Service for qualification are highly technical and precise. Accordingly, this Summary is illustrative rather than definitive.

#### **Part One: Adoption Agreement**

The Adoption Agreement, which must be executed by both the Employer and RC, allows each Employer to elect among various options provided under the Plan. The Employer specifies whether the Plan is a new pension plan or an amendment and restatement of an existing defined contribution plan. The Effective Date of the Plan is the first day of the calendar year unless the Employer specifies otherwise. If an Employer adopts this Plan in June 1984, and intends to make contributions for 1984 based on a Participant's Earnings from July through December, then the Effective Date of the Plan should be designated as July 1, 1984. Otherwise, contributions are based on the Participant's Earnings for the full calendar year.

The Adoption Agreement specifies other Employer elections under the Plan, which are highlighted in Part Two below.

### **Part Two: Money Purchase Plan & Trust**

#### **Purpose**

The purpose of the Plan is to provide retirement benefits for Employees and their Beneficiaries. Except as specifically noted in the Plan, the Trust may not be used for any purpose other than for the exclusive benefit of Employees and their Beneficiaries.

#### **Definitions**

Defined terms in the document have a specific meaning; accordingly, the definitions are an integral part of the document. *Please note that all defined terms in the Plan are always capitalized.*

#### **Participation**

The Employer designates the group or groups of Employees eligible under the Plan and may designate a minimum age, not to exceed 24½, for eligibility. Eligible Employees begin participation on the first day of the calendar quarter after completion of six months of service, unless the Employer waives the six-month requirement.

#### **Contributions**

Under the Plan, the Employer specifies the amount and frequency for both the Employer contributions and mandatory Employee contributions (if required). The Employer may allow a Participant to make voluntary contributions and/or deductible contributions (an IRA option available under the Plan). The Plan provides for portability; an Employee covered under the Plan may roll assets over from a former plan under Section 401(a) of the Internal Revenue Code.

A Participant who incurs a one-year Break in Service, and who has less than \$5,000 in all Accounts, will be paid in a lump-sum within 60 days after the one-year Break in Service. A Participant may, at any time, withdraw a part of or the full amount of the Voluntary Contribution Account and/or Deductible Employee Contribution Account (DEC). However, Participants will incur a 10 percent tax penalty for premature withdrawal from a DEC prior to Disability, death or attainment of age 59½.

#### **Death Benefits**

If a Participant (or surviving spouse if applicable) dies before benefits have begun, there are complex IRS rules for distribution to the Beneficiary depending on the relationship between the Participant and the Beneficiary.

- (a) A *surviving* spouse may elect to receive benefits in any manner allowed a Participant.
- (b) A *former* spouse of the Participant, or a dependent of the Participant or the Participant's surviving spouse, if applicable, may begin benefits within one year of the death of the Participant (or surviving spouse, if applicable), distributed over a period not greater than the life expectancy of an individual whose age equaled the decedent's as of the date of death. Beneficiaries under the age of 22 need not begin benefits prior to attaining age 22. Beneficiaries who are permanently and totally disabled may have benefits distributed over their life expectancy.
- (c) A Beneficiary who is not the surviving spouse, a former spouse, or dependent of the Participant or the Participant's surviving spouse will receive full distribution within five years of the Participant's death.

If benefits have already begun to the Participant (or to the Participant's surviving spouse) under a term certain period, not exceeding the life expectancy of the Participant, the surviving spouse, or their joint life expectancy, then payments may continue under that schedule to any Beneficiary, without regard to the five-year limitation.

#### **Distribution of Benefits**

Unless a Participant elects otherwise, payments will be made in approximately equal monthly amounts over the life expectancy of the Participant, or if married, over the joint life expectancy of the Participant and spouse.

A Participant may *revocably* elect to receive 1) equal, periodic payments in an amount determined by the Participant, 2) a lump-sum (not revocable once received), 3) approximately equal payments over a period certain chosen by the Participant, 4) annuity payments, or 5) any other option requested, if agreed to by the Plan Administrator.

If a married Participant requests annuity payments, then a Qualified Joint and Survivor Annuity will be provided unless the Participant elects otherwise. The Employer will provide the Participant with a written description of the terms and conditions of such Annuity.

A Participant's election of payment option is made at least 30 days before benefits are to begin. Upon attainment of age 70½, the payment option chosen has to provide for full distribution over a period not longer than the life or life expectancy of the participant, or if married, over the joint lives or life expectancy of the Participant and spouse.

#### **Loans to Participants**

The Employer has the option to permit loans under the Plan, subject to establishment of written guidelines which make loans available to all Participants on a reasonably equivalent basis.

The amount of the loan, including amounts outstanding, may be the greater of 1) \$10,000 or, if less than \$10,000, the value of the Participant's vested interest, and 2) one-half of the Participant's vested interest, up to a maximum of \$50,000. The loan is to be repaid over a period not to exceed five years, except for a loan to acquire, construct or rehabilitate the Participant's principal residence. In this case, repayment is to be made over a reasonable period as determined by the Employer. The loan bears a reasonable rate of interest, is evidenced by a promissory note, and is secured by the Participant's full vested interest in the Accounts.

If a loan is approved, an amount not in excess of the loan is transferred from one or more of the Participant's other investment funds to the Participant's Loan Account. The loan is made from this Account. Repayments

A Participant may increase or decrease voluntary contributions once during a Plan Year. A Participant may discontinue voluntary contributions at any time; however, upon such discontinuance, voluntary contributions may not be resumed for six months.

Generally, contributions made by or on behalf of a Participant may not exceed 25 percent of Compensation or \$30,000 annually, whichever is less. The Plan contains mandatory language provisions for 1) computing maximum contributions if a Participant is also covered under another qualified plan and 2) eliminating any excess contributions.

#### ***Trust and Investment of Account***

The Plan creates a Trust to hold all assets of the Plan for the exclusive benefit of Participants and Beneficiaries. The Employer is designated as the trustee. The Plan specifies the investment powers commonly granted under a trust, which the Employer or the Plan Administrator, as agent for the Employer, may exercise.

Initially, the Money Purchase Plan will offer a guaranteed fund only. After the first year, RC will assess the level of interest among Participants in broadening the investment options to include variable investments such as common stocks and corporate bonds. If variable funds are offered, each Employer may elect to permit or restrict (partially or wholly) these investment funds as an option for its Participants. Each investment fund offered will be valued as of the last working day of each month.

#### ***Vesting***

The Adoption Agreement offers the Employer wide flexibility in selecting a vesting schedule. Any Employer may increase the vesting percentage over the base schedule for any or all years, with 100 percent vesting not later than the completion of 11 years of service. The base schedule, "Four-Forty," is the most restrictive one permitted by the IRS without requiring an actual finding of nondiscrimination. (For example, assume that an Employer wanted to adopt a schedule with zero vesting through nine years, with 100 percent vesting after ten years of service. The IRS would not issue a determination ruling without a finding as to whether a *disproportionate* number of lower-paid employees tended to separate before completing ten years of service.)

A Participant who is employed at the time of Normal Retirement Age or who dies or becomes Disabled becomes fully vested. If a Participant separates or is terminated prior to obtaining full vesting and 1) does not resume employment within one year or 2) receives the entire balance of the Employer Contribution Account upon separation, then the Participant forfeits the unvested portion of the Employer Contribution Account. A Participant is fully vested at all times in any other Accounts provided under the Plan.

A Participant who resumes employment with the Employer within one year of separation may elect to have reinstated any amounts forfeited, if any, upon repayment by the Participant of the amount withdrawn. If a Participant is a Re-employed Individual, then the Participant's prior service counts in determining that person's vesting percentage on future contributions.

#### ***Benefits Claim***

A Participant or Beneficiary, if applicable, notifies the Plan Administrator in writing of a claim for benefits. If the claim is denied, the Participant (or Beneficiary) may file an appeal as provided under the Plan.

#### ***Commencement of Benefits***

Benefits will normally begin 60 days after the close of the Plan Year in which the Participant attains age 65, or Normal Retirement Age, if earlier. If the Participant is still employed on that date, benefits will begin 60 days after the close of the Plan Year in which the Participant separates from service.

A participant who has separated from service may *revocably* elect to have benefits begin on an earlier or later date than the one prescribed above. The latest age at which a Participant may begin receiving benefits is the end of the taxable year in which the Participant obtains age 70½; if later, the year in which the Participant actually retires. An employer may set a minimum age for the Participant to be eligible to receive benefits.

The Plan is portable. If a Participant separates from service and subsequently becomes employed with another unit of state or local government, then the Participant is entitled to roll over vested amounts, less Participant contributions, to the new Employer's plan if that plan provides for the acceptance of rollover contributions.



of principal and interest are deducted from the Participant's Loan Account and reinvested in one or more of the investment funds provided under the Plan, as directed by the Participant.

#### ***Plan Amendment, Termination and Optional Provisions***

The Employer may amend the Plan by changing any previous election in the Adoption Agreement or by replacing the Plan with an amended and restated plan. If an Employer amends the vesting schedule, current Participants may elect to have their vested interest computed without regard to the amendment. No amendment may reduce a Participant's vested interest accrued prior to the amendment.

The Employer may, at any time, terminate the Plan. Upon Plan termination, each Participant becomes fully vested in his or her Employer Contribution Account. A discontinuance of contributions by the Employer, unless an amended and restated plan is established, is treated as a Plan termination.

The ICMA Retirement Corporation may amend the Plan, but only for the purpose of maintaining compliance with applicable federal laws and regulations of the IRS. Any optional provision allowed under the Plan must be agreed to jointly by the Employer and RC.

#### ***Administration***

The Employer has the power to 1) appoint and remove RC as Plan Administrator; 2) amend or terminate the Plan; 3) appoint a committee to assist with administration of the Plan; 4) determine eligibility for participation; 5) appoint an independent qualified public accountant to prepare annually the audited financial statements of the Plan; and 6) take any other action necessary to carry out the terms of the Plan.

The Plan designates the ICMA Retirement Corporation as the Plan Administrator. The Plan Administrator 1) interprets the provisions of the Plan; 2) provides appropriate parties with any reports, schedules, descriptions, or individual statements required by law or the Plan; 3) obtains from the Employer any information necessary to administer the Plan; 4) determines the amount and manner of benefit payments; 5) appoints such agents,

counsel and accountants for proper administration of the Plan; 6) distributes benefits and pays expenses from the Trust; and 7) performs any other tasks necessary to carry out the provisions of the Plan.

The Employer is not liable for any act or omission of the Plan Administrator, provided that such act or omission does not result from the Employer's failure to provide accurate and timely information. The Plan Administrator may resign upon 60 days' written notice. The Employer may remove the Plan Administrator upon 60 days' written notice.

The Plan Administrator has no authority or discretion to impose a termination penalty upon its removal.

#### ***Miscellaneous***

The Plan does not grant to any Participant a guarantee of employment. An Employee's rights under the Plan are only to the extent of the benefits payable out of the Trust. Benefits accrued under the Plan are nonforfeitable, except as provided thereunder. Benefits payable under the Plan are not subject to transfer, garnishment or other alienation prior to receipt by the Participant or Beneficiary, except that a court may require deductions for alimony and/or child support upon commencement of benefits to the Participant.

If a Participant or Beneficiary is determined to be incompetent, then the Employer may direct payment to responsible person(s) as designated in the Plan. If the Employer, after reasonable effort, is unable to locate any Participant or Beneficiary, then any amounts payable are forfeited, provided that the Employer reinstates any forfeitures if and when a proper claim is subsequently made by the Participant or Beneficiary.

Neither the Plan nor its assets are to be merged with any other plan, unless each Participant receives an equal or greater benefit under the new plan. The Plan is construed under the laws of the state where the Employer is located.

9/85

# Present and Future Benefits:

How your pension plan works for you,  
now *and* during retirement

Summary Plan Description for a  
Money Purchase Plan



Your retirement program is known as a money purchase plan and offers you these benefits:

- Tax-deferred savings and earnings
- Employer contributions
- High interest yields
- Flexible payout options

This brochure answers questions you may have about the plan, while describing its general features. The specific provisions of your employer's plan appear on the page inserted inside the back cover.

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**What would I gain by participating in this plan?**

A money purchase plan provides retirement savings for the future and tax advantages for the present. Your retirement benefit is based on total contributions made by you and your employer, plus earnings. The plan is also known as a "defined contribution plan" and is governed by Section 401(a) of the Internal Revenue Code.

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**What are the tax benefits?**

Contributions made by your employer are not taxed until they are withdrawn. Although your own voluntary contributions are made with after-tax dollars, the earnings on these contributions—and those of your employer—are untaxed until withdrawn, usually a time when your tax rates are lower.

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**How much may I contribute?**

Maximum contributions to a money purchase plan (a combination of both employer and employee contributions) may total up to 25 percent of your salary or \$30,000 annually, whichever is less. Amounts you contribute to a deferred compensation plan or an IRA are not included in this maximum.

Your employer may require you to contribute in order to receive the employer contribution. (In some cases this mandatory employee contribution is "picked up" by the employer and fully tax-deferred.)

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**What is vesting?**

Vesting refers to that part of your retirement fund which you own. Employer contributions are subject to a vesting schedule (outlined in the insert), which tells you after what period of time you own employer contributions. In most cases, a percentage of the total becomes available each year you work for that employer, with 100 percent availability after the specified number of years. You do become fully vested, however, in the case of death, disability, or retirement, regardless of the term of employment.

Employee contributions, however, are always 100% vested. When you retire, terminate employment, or become disabled, you receive the full value of these contributions.

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**May I contribute to any additional retirement account?**

You may contribute through payroll deduction to a feature similar to an IRA, if offered by your employer. This option, called the Deductible Employee Contribution (DEC), is subject to many of the regulations governing IRAs. The current maximum DEC/IRA contribution is \$2000 a year for an individual.

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**How are contributions invested?**

Your account assets are invested in a Guaranteed Fund, underwritten by contracts between RC and insurance companies. Through this guaranteed rate, RC obtains for you a certain annual rate on contributions received during a designated period. This rate is guaranteed for a specified period of time, is compounded annually, and has no stepdowns.

---

**May I receive funds before retirement?**

Funds in which you are vested, if not restricted to withdrawal at a certain age, may be withdrawn upon termination of employment. You may also withdraw funds if you become disabled. Deductible Employee Contributions (DECs) withdrawn before age 59½ are subject to a 10 percent tax penalty by the IRS. (See insert for restrictions.)

---

**How will I receive my funds during retirement?**

During retirement you may choose from a variety of payout options, ranging from a one-time lump sum to regularly scheduled payments for a specific time period to the purchase of an annuity. As of 1984, federal law provides spouses with an automatic right to a 50 percent interest in the value of a married participant's account. If you are married and your spouse does not waive this right before your retirement, your benefit must be taken as a Qualified Joint and Survivor Annuity. This arrangement guarantees benefits to you for life and to your spouse after your death. You schedule payments when you retire, taking into consideration your complete financial situation at that time.

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**What happens to my benefits if I should die before receiving them?**

In the event of your death, your beneficiary receives your funds. He or she should contact RC with this request.

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**Is it possible to transfer the plan if I change jobs?**

Unless restricted by your employer, all or a portion of your account may be rolled over to the new employer's plan or into an IRA. The amount rolled over is subject to IRS regulations.

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**How will account activity be reported?**

After the end of the calendar year, a statement showing account value, total contributions, earnings, and a listing of the year's activity will be mailed to your home.

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**Who do I call when I have questions?**

RC provides service through toll-free telephone assistance from service staff on both the East and West coasts. You may call RC at any time during business hours to inquire about the status of your account or to ask any other questions pertaining to your plan. For example, you may need assistance in changing a beneficiary. Also, RC service representatives will visit periodically to update employees in the program and respond to questions.

Upon your retirement, RC staff can help you determine how you want to withdraw your funds by calculating various payout projections and comparing their impacts on your fund balance. Call RC toll free at 800-424-9249. In the West, call 800-227-0938; in California, call 800-772-4075.

**What monthly contributions to RC's Money Purchase Plan could mean to you:**

Yearly Salary	Years Contributing to Plan	Projected Payments** 5% Annual Contribution*		Projected Payments** 10% Annual Contribution*	
		Lump Sum	Monthly Payments for 10 Years	Lump Sum	Monthly Payments for 10 Years
\$10,000	10	\$ 8516	\$ 112	\$ 17,031	\$ 225
	20	31,477	415	62,953	831
	30	93,388	1232	186,767	2464
\$15,000	10	\$ 12,803	\$ 169	\$ 25,547	\$ 337
	20	47,215	623	94,430	1246
	30	140,081	1848	280,161	3696
\$25,000	10	\$ 21,289	\$ 281	\$ 42,578	\$ 562
	20	78,692	1038	157,381	2076
	30	233,468	3080	466,928	6160
\$30,000	10	\$ 25,547	\$ 337	\$ 51,094	\$ 674
	20	94,430	1246	188,860	2492
	30	280,161	3696	530,323	6997

\* Combined Employer and Employee contribution.

\*\* A 10% annual interest is assumed, but not guaranteed.

ICMA  
RETIREMENT  
CORPORATION

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PROTOTYPE  
MONEY  
PURCHASE  
PLAN  
& TRUST

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PROTOTYPE MONEY PURCHASE PLAN & TRUST

I. PURPOSE

The Employer hereby adopts this Plan and Trust to provide funds for its Employees' retirement, and to provide funds for their Beneficiaries in the event of death. The benefits provided in this Plan shall be paid from the Trust. The Plan and the Trust forming a part hereof are adopted and shall be maintained for the exclusive benefit of eligible Employees and their Beneficiaries. Except as provided in Section 12.03, no part of the Trust shall revert to the Employer or be used for or diverted to purposes other than the exclusive benefit of Employees and their Beneficiaries.

II. DEFINITIONS

- 2.01 Accounting Date.** The last working day of each calendar month.
- 2.02 Adoption Agreement.** A resolution of the governing body of the Employer which adopts the Prototype Plan and elects among the various alternatives provided thereunder, and which upon execution by the Employer and acceptance by the ICMA Retirement Corporation becomes an integral part of the Plan.
- 2.03 Beneficiary.** The person or persons designated by the Participant who shall receive any benefits payable hereunder in the event of the Participant's death. The designation of such Beneficiary shall be in writing to the Plan Administrator.
- 2.04 Break in Service.** A twelve (12) consecutive month Period of Severance.
- 2.05 Code.** The Internal Revenue Code of 1954, as amended from time to time.
- 2.06 Compensation.** Wages and other compensation paid or made available to an Employee, either before or after he/she becomes a Participant, for personal services rendered in the course of employment with the Employer, that the Employer is required to report for federal income tax purposes on Internal Revenue Service Form W-2, or any substitute or successor form.
- 2.07 Covered Employment Classification.** The group or groups of Employees eligible to participate in the Plan as specified in the Employer's Adoption Agreement.
- 2.08 Deductible Employee Contribution Account.** A separate Participant account which contains voluntary contributions which are intended to be deductible under Section 219(a) of the Code. Such account shall also include any realized and unrealized gains and losses allocable to such contributions, less any amounts distributed to the Participant or his/her Beneficiary from such account.
- 2.09 Disability.** A physical or mental impairment which in the opinion of the Plan Administrator is of such permanence and degree that a Participant is unable because of such impairment to perform any gainful activity for which he/she is suited by virtue of his/her experience, training, or education. The permanence and degree of such impairment shall be supported by medical evidence.
- 2.10 Earnings.** The base salary or wages, plus other items elected by the Employer in the Adoption Agreement, paid or made available by the Employer to a Participant for personal services rendered in the course of employment with the Employer. Earnings shall be determined before applying any salary reduction agreed to by the Participant pursuant to a plan described in Sections 457 or 403(b) of the Code.
- 2.11 Effective Date.** The first day of the Plan Year during which the Employer adopts the Plan, unless the Employer elects in the Adoption Agreement an alternate date as the Effective Date of the Plan.
- 2.12 Employee.** Any individual who performs services for the Employer, excluding independent contractors.
- 2.13 Employer.** The unit of state or local government or an agency or instrumentality of one or more states or local governments which executes the Adoption Agreement.
- 2.14 Employer Contribution Account.** A separate account maintained for a Participant consisting of his/her allocable share of Employer contributions and earnings of the Trust, plan forfeitures and realized and unrealized gains and losses allocable to such account, less any amounts distributed to the Participant or his/her Beneficiary from such account.
- 2.15 Limitation Year.** The Limitation Year is the 12-consecutive month period for which Compensation is calculated for purpose of determining the contribution limitations under Section 4.09 of the Plan. The Limitation Year shall be the Plan Year.
- 2.16 Nonforfeitable Interest.** The interest of the Participant or his/her Beneficiary (whichever is applicable) in that percentage of his/her Employer Contribution Account balance which has vested pursuant to Article VI. A Participant shall, at all times, have a Nonforfeitable Interest in his/her entire Participant Contribution, Portable Benefits, Voluntary Contribution, and Deductible Employee Contribution Accounts.
- 2.17 Normal Retirement Age.** The age which the Employer specifies in the Adoption Agreement.
- 2.18 Participant.** An Employee who satisfies the requirements of Article III, who is a member of the Covered Employment Classification, and who makes mandatory contributions if required under the Adoption Agreement.
- 2.19 Participant Contribution Account.** A separate account maintained for each Participant consisting of his/her mandatory contributions and earnings of the Trust and adjustments for withdrawals, and realized and unrealized gains and losses

attributable thereto. If a Participant is required/allowed to make both mandatory and voluntary contributions, a Voluntary Contribution Account shall also be maintained.

- 2.20 Participant Loan Account.** A separate investment account established for the purpose of making and investing in loans to the Participant. Such account shall include the amounts transferred pursuant to Section 11.03(a) of the Plan, plus accrued interest, less repayments of principal and payments of interest. Any loan made to a Participant shall be made only from such account.
- 2.21 Period of Separation.** A period of time commencing with the date an Employee separates from service and ending with the date such Employee resumes employment with the Employer.
- 2.22 Period of Service.** For purposes of determining an Employee's initial or continued eligibility to participate in the Plan or his/her vested interest in his/her Employer Contribution Account, an Employee shall be credited for the time period commencing with his/her first day of employment and ending on the date a Period of Severance begins. A Period of Service for these purposes includes any Period of Separation of less than twelve (12) consecutive months. In the case of an Employee who separates from service and later resumes employment with the Employer, the Period of Service prior to his/her resumption of employment shall be aggregated only if such Employee is a Re-employed Individual.
- 2.23 Period of Severance.** A period of time commencing with the earlier of:
- (a) the date an Employee separates from service by reason of quitting, retirement, death, or discharge or
  - (b) the date twelve (12) months after the date an Employee separates from service, and ending, in the case of an Employee, who separates from service by reason other than death, with the date such Employee resumes employment with the Employer.
- 2.24 Plan.** This Prototype Plan as modified and detailed in the Adoption Agreement.
- 2.25 Plan Administrator.** The ICMA Retirement Corporation.
- 2.26 Plan Year.** A calendar year, unless the Employer elects another 12-month period under the Adoption Agreement.
- 2.27 Portable Benefits Account.** A separate Participant account which contains a "qualifying rollover distribution" from another plan, pursuant to Section 4.08 of the Plan. Such account shall be at all times nonforfeitable by the Participant.
- 2.28 Prototype Plan.** The International City Management Association Retirement Corporation Prototype Money Purchase Plan and Trust.
- 2.29 Qualified Beneficiary.** Any individual who 1) was a dependent of the Participant or the Participant's surviving spouse for any two of the last five taxable years, or 2) is a former spouse of the Participant. If a child's parents are divorced, and the child is a dependent of either or both of the divorced parents, then the child shall be treated as a dependent of each divorced parent.
- 2.30 Qualified Joint and Survivor Annuity.** A nontransferable guaranteed annuity contract purchased by the application of a part of or the entire interest of the Participant in the Plan, that provides annuity payments to and during the life of the Participant, and survivor annuity payments, in an amount equal to not less than 50 percent, nor more than 100 percent, of the annuity payments payable to the Participant during his/her life, to and during the life of his/her surviving eligible spouse, if any, after his/her death. An eligible spouse shall be the person to whom the Participant was married on the annuity starting date.
- 2.31 Re-employed Individual.** A person who, after having separated from service, resumes employment:

- (a) with any Nonforfeitable Interest in his/her Employer Contribution Account, or
- (b) with no such Nonforfeitable Interest, and who resumes such employment either (i) before a Break in Service or (ii) after a Break in Service but before his/her latest Period of Severance equals or exceeds his/her Period of Service.

**2.32 Suspense Account.** An account maintained as a part of the Trust which contains any excess annual additions or forfeitures.

**2.33 Trust.** The Trust created under Article V of the Plan which shall consist of all of the assets of the Plan derived from Employer and Participant contributions under the Plan, plus any income and gains thereon, less any losses, expenses and distributions to Participants and Beneficiaries.

**2.34 Voluntary Contribution Account.** A separate Participant account which contains voluntary contributions which are not deductible under Section 219(a) of the Internal Revenue Code. Such account shall also include any realized and unrealized gains and losses allocable to such contributions, less any amounts distributed to the Participant or his/her Beneficiary from such account.

### III. PARTICIPATION

**3.01 Service.** Except as provided in Sections 3.02 and 3.03 of the Plan, an Employee within the Covered Employment Classification who has completed a six (6) month Period of Service shall participate on the first day of the first calendar quarter after such service requirement is satisfied. The Employer may elect in the Adoption Agreement to waive the six-month Period of Service.

**3.02 Age.** The Employer may designate a minimum age requirement, not to exceed age 24½, for participation. Such age, if any, shall be declared in the Adoption Agreement.

**3.03 Re-employed Individual.** A Re-employed Individual shall participate in the Plan upon re-employment or the date described in Sections 3.01 and 3.02 of the Plan, whichever is later.

### IV. CONTRIBUTIONS

**4.01 Employer Contributions.** For each Plan Year, the Employer will contribute to the Trust an amount which is determined in accordance with the Adoption Agreement. The Employer's full contribution for any Plan Year shall be due and paid not later than thirty (30) working days after the close of the Plan Year.

**4.02 Forfeitures.** All amounts forfeited by terminated Participants, pursuant to Section 6.06 of the Plan, shall be used to reduce Employer contributions for the following Plan Year and succeeding Plan Years, if necessary.

**4.03 Mandatory Participant Contributions.** If the Employer so elects in the Adoption Agreement, each Participant shall make contributions equal to the designated percentage of his/her Earnings as a condition of his/her participation in the Plan. Such contributions shall be accounted for separately in the Participant Contribution Account. Such account shall be at all times nonforfeitable by the Participant.

**4.04 Voluntary Participant Contributions.** If the Employer so elects in the Adoption Agreement, a Participant may make voluntary contributions under the Plan for any Plan Year in any amount up to 10 percent of his/her Compensation for such Plan Year. Such contributions shall be accounted for separately in the Voluntary Contribution Account. Such account shall be at all times nonforfeitable by the Participant. Notwithstanding the foregoing, no Participant shall be allowed to make voluntary contributions under this Plan if he/she is covered under another qualified plan maintained by the Employer which allows voluntary contributions thereunder.

**4.05 Deductible Employee Contributions.** If the Employer so elects in the Adoption Agreement, a Participant may for each

year prior to the year he/she attains age 70½ voluntarily contribute to the Trust an amount not to exceed the lesser of his/her Compensation or \$2,000 (or such larger amount permitted as a deduction by the Code). Contributions made pursuant to this Section 4.05 are intended to be deductible by Participants under Section 219(a) of the Code. A contribution by a Participant shall be credited to his/her Deductible Employee Contribution Account and amounts so credited shall be 100 percent vested and nonforfeitable at all times.

**4.06 Payment of Participant Contributions.** Participant contributions, whether mandatory or voluntary, shall be made by payroll deduction and shall be contributed to the Trust as specified in the Adoption Agreement.

**4.07 Changes in Voluntary Contributions.** A Participant may elect to change his/her voluntary contribution rate, provided that only one such change shall be allowed during any Plan Year. A Participant may discontinue voluntary contributions at any time. Once a Participant has discontinued such contributions, he/she may not resume voluntary contributions for six calendar months.

**4.08 Portability of Benefits.** An Employee within the Covered Employment Classification, whether or not he/she has satisfied the minimum age and service requirements of Article III, may transfer (roll over) his/her interest in a plan qualified under Sections 401(a) or 403(a) of the Code to this Plan, provided:

- (a) The distribution is (1) on account of termination or discontinuance of the plan or (2) the distribution represents a lump sum distribution which becomes payable on account of the Employee's separation from service, death, Disability or after the Employer attains age 59½,
- (b) The amount distributed from the plan is transferred to this Plan no later than the 60th day after distribution was made from the plan,
- (c) The distribution constituted the Employee's entire interest in the plan and was distributed within one taxable year to the Employee,
- (d) The amount transferred to this Plan does not include any amounts contributed by the Employee to the plan, and
- (e) The Employee was not an Owner-Employee under such plan within the meaning of Section 401(a)(1) of the Code.

Such transfer (rollover) may also be through an Individual Retirement Plan qualified under Section 408 of the Internal Revenue Code where the Individual Retirement Plan was used as a conduit from the prior plan and the transfer is made in accordance with the rules provided at (a) through (e) of this paragraph and the transfer does not include any personal contributions or earnings thereon the Participant may have made to the Individual Retirement Plan.

The amount transferred shall be deposited in the Trust and shall be credited to a Portable Benefits Account. Such account shall be 100 percent vested in the Employee.

**4.09 Limitation on Annual Addition.** The annual addition to a Participant's accounts for a Limitation Year shall not exceed his/her maximum annual addition, which shall be the lesser of:

- (a) Twenty-five percent of such Participant's Compensation during the Limitation Year; or
- (b) The amount permitted under the Code Section 415(c)(1) (A), as adjusted from time to time under Code Section 415(d)(1) and Treas. Reg. 1.415-6(d), and in effect for the calendar year in which the Limitation Year ends.

**4.10 Annual Addition.** The annual addition to a Participant's accounts for a Limitation Year shall be the sum of:

- (a) Employer contributions and forfeitures, plus amounts reapplied pursuant to Section 4.11 of the Plan, and

- (b) The lesser of (1) a Participant's contributions (other than Deductible Employee Contributions) in excess of 6 percent of his/her Compensation; or (2) one-half of the Participant's contributions (other than Deductible Employee Contributions).

A "qualifying rollover distribution" described in Section 4.08 of the Plan shall not be considered as annual addition of a Participant.

**4.11 Elimination of Excess Annual Additions.** Any annual addition in excess of the limitations of Section 4.09 of the Plan shall be eliminated in the following order:

- (a) First, voluntary contributions (other than Deductible Employee Contributions) and next, if necessary, any mandatory contributions, including any earnings and gains, minus any losses attributable thereto, to the extent necessary to prevent an excess annual addition, shall be returned to the Participant.
- (b) If necessary, then, next, Employer contributions and forfeitures credited to the Participant's account for the Limitation Year, including any earnings and gains, minus any losses attributable thereto, to the extent necessary to prevent an excess annual addition, shall be reallocated to the Suspense Account and shall be reapplied to reduce dollar-for-dollar Employer contributions otherwise required to be made for the next Limitation Year and succeeding Limitation Years, if necessary.

**4.12 Short Limitation Year.** Notwithstanding anything to the contrary in Section 4.09 of the Plan, if a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum annual addition for the short Limitation Year shall be the lesser of:

- (a) The amount described in Section 4.09(b) of the Plan for such Limitation Year multiplied by the following fraction:

$$\frac{\text{number of months in the short Limitation Year}}{12}$$

or

- (b) Twenty-five percent of the Participant's Compensation for the short Limitation Year.

**4.13 Participant in Other Defined Contribution Plans.** Notwithstanding any other provision in this Plan, if any annual additions are allocated under any other Defined Contribution Plans maintained by the Employer with respect to a Participant in this Plan, and the annual additions to the Participant's accounts under all of the Defined Contribution Plans, treated as a single plan, would, but for this Section 4.13, exceed his/her maximum annual addition for a Limitation Year, then his/her annual additions shall be reduced first in accordance with such other Plans (if they provide for such reduction in this situation), and then to the extent necessary in accordance with Section 4.11 of the Plan.

**4.14 Participant in Defined Benefit Plan.** If a Participant has at any time been a participant in any Defined Benefit Plan maintained by the Employer, then for any Limitation Year, the sum of the Defined Benefit Plan Fraction and the Defined Contribution Plan Fraction shall not exceed 1.0. If this limitation would be exceeded, then the Participant's projected annual benefit under the Defined Benefit Plan shall be reduced in accordance with the terms thereof to the extent necessary to satisfy the 1.0 limitation described in this Section 4.14. If such Plan does not provide for such reduction or if the 1.0 limitation is still exceeded after the reduction, annual additions shall be reduced to the extent necessary in the manner described in Section 4.11 of the Plan.

**4.15 Definitions for Sections 4.13 and 4.14.** For purposes of Sections 4.13 and 4.14 of the Plan, the following definitions apply:

- (a) "Defined Contribution Plan" and "Defined Benefit Plan" shall have the meanings set forth in Section 415(k) of the Code and the regulations thereunder.
- (b) "Defined Benefit Plan Fraction" for any Limitation Year shall mean a fraction:
  - (1) The numerator of which is the projected annual benefit of a Participant, as defined in Section 1.415-7(b)(c) of regulations, and any successor regulations, under all Defined Benefit Plans ever maintained by the Employer, determined as of the close of the Limitation Year, and adjusted under Section 415(b)(2) of the Code, if applicable; and
  - (2) The denominator of which is the lesser of:
    - (A) the product of 1.25 multiplied by the dollar limitation in effect for such Limitation Year under Section 415(b)(1)(A) of the Code; or
    - (B) The product of 1.4 multiplied by the amount that may be taken into account under Section 415(b)(1)(B) of the Code with respect to the Participant under such Limitation Year.
- (c) "Defined Contribution Plan Fraction" shall mean a fraction:
  - (1) The numerator of which is the sum of the annual additions to the Participant's accounts as of the close of the Limitation Year and all prior Limitation Years under all Defined Contribution Plans ever maintained by the Employer; and
  - (2) The denominator of which is the sum of the lesser of the following amounts determined for such Limitation Year and for each prior Limitation Year included in the Participant's service with the Employer:
    - (A) The product of 1.25 multiplied by the dollar limitation in effect for such Limitation Year under Section 415(c)(1)(A) of the Code; or
    - (B) The product of 1.4 multiplied by the amount which may be taken into account under Section 415(c)(1)(B) of the Code with respect to the Participant under such Plans for the Limitation Year.

## V. TRUST AND INVESTMENT OF ACCOUNTS

**5.01 Trust.** A Trust is hereby created to hold all of the assets of the Plan for the exclusive benefit of Participants and Beneficiaries, except that expenses and taxes may be paid from the Trust as provided in Section 5.03. The Employer shall be the trustee.

**5.02 Investment Powers.** The Employer or the Plan Administrator, acting as agent for the Employer, shall have the powers listed in this Section 5.02 with respect to investment of Trust assets, except to the extent that the investment of Trust assets is controlled by Participants pursuant to Section 11.03 of the Plan.

- (a) To invest and reinvest the Trust without distinction between principal and income in any form of tangible or intangible property, real, personal, or mixed, and wherever situated, including, but not by way of limitation, common or preferred stocks, shares of regulated investment companies and other mutual funds, bonds, loans, notes, debentures, mortgages, certificates of deposit, interest, or participation, equipment trust certificates, commercial paper including but not limited to participation in pooled commercial paper accounts, contracts with insurance companies including but not limited to insurance, individual or group annuity, deposit administration, and guaranteed interest contracts, deposits at reasonable rates of interest at banking institutions including but not limited to savings accounts and certificates of deposit, and

other forms of securities or investments of any kind, class, or character whatsoever and representing interests in any form of enterprise, wherever it may be located, organized or operated within or without the United States of America, whether such investments are income producing or not, without being limited in any respect by statute or court rule or decision of any jurisdiction now or hereafter in force purporting to limit or otherwise affect such investments. Assets of the Trust may be invested in securities or new ventures that involve a higher degree of risk than investments that have demonstrated their investment performance over an extended period of time.

- (b) To invest and reinvest all or any part of the assets of the Trust in any common, collective or commingled trust fund that is maintained by a bank or other institution and that is available to employee plans qualified under Section 401 of the Code, or any successor provisions thereto, and during the period of time that an investment through any such medium shall exist, to the extent of participation of the Plan, the declaration of trust of such common, collective, or commingled trust fund shall constitute a part of this Plan.
- (c) To invest and reinvest all or any part of the assets of the Trust in any group annuity, deposit administration or guaranteed interest contract issued by an insurance company on a commingled or collective basis with the assets of any other plan or trust qualified under Section 401(a) or any other plan described in Section 401(a)(24) of the Code, and such contract may be held or issued in the name of the Plan Administrator, or such custodian as the Plan Administrator may appoint, as agent and nominee for the Employer. During the period that an investment through any such contract shall exist, to the extent of participation of the Plan, the terms and conditions of such contract shall constitute a part of the Plan.
- (d) To purchase part interests in real property or in mortgages on real property, wherever such real property may be situated, and to delegate to a property manager or the holder or holders of a majority interest in such real property or mortgage on real property the management and operation of any part interest in such real property or mortgages.
- (e) To hold cash awaiting investment and to keep such portion of the Trust in cash or cash balances, without liability for interest, in such amounts as may from time to time be deemed to be reasonable and necessary to meet obligations under the Plan or otherwise to be in the best interests of the Plan.
- (f) To retain, manage, operate, administer, divide, subdivide, partition, mortgage, pledge, improve, alter, demolish, remodel, repair, and develop in any manner any property, or any part of or partial interest in any property, real or personal, held in the Trust, to lease such property for any period of time, and to grant options to sell, exchange, lease, or otherwise dispose of any such property, without regard to restrictions applicable to fiduciaries or others and without the approval of any court.
- (g) To sell for cash or credit, redeem, exchange for other property, convey, transfer, or otherwise dispose of any property held in the Trust in any manner and at any time, by private contract or at public auction or otherwise, and no other person 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.
- (h) To enter into contracts for or to make commitments either alone or in company with others to purchase or sell at any future date any property acquired for the Trust.

- (i) To vote or to refrain from voting any stocks, bonds, or other securities held in the Trust, to exercise any other right appurtenant to any securities or other property held in the Trust, to give general or special proxies or powers of attorney with or without power of substitution with respect to such securities and other property, to exercise any conversion privileges, subscription rights, or other options or privileges with respect to such securities and other property and make any payments incidental thereto, and generally to exercise, personally or by general or limited power of attorney, any of the powers of an owner with respect to stocks, bonds, securities, or other property held in the Trust at any time.
  - (j) To oppose or to consent to and participate in any organization, reorganization, consolidation, merger, combination, readjustment of finances, or similar arrangement with respect to any corporation, company, or association, any of the securities of which are held in the Trust, to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments, or subscriptions that may be deemed necessary or advisable in connection therewith, and to accept, hold, and retain any securities or other property that may be so acquired.
  - (k) To deposit any property held in the Trust with any protective, reorganization, or similar committee, and to delegate discretionary power thereto and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such property so deposited.
  - (l) To hold, to authorize the holding of, and to register any investment to the Trust in the name of the Plan, the Employer, or any nominee or agent of any of the foregoing, including the Plan Administrator, or in bearer form, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, and to organize corporations or trusts under the laws of any jurisdiction for the purpose of acquiring or holding title to any property for the Trust, all with or without the addition of words or other action to indicate that property is held in a fiduciary or representative capacity, but the books and records of the Plan shall at all times show that all such investments are part of the Trust.
  - (m) Upon such terms as may be deemed advisable by the Employer or the Plan Administrator, as the case may be, for the protection of the interests of the Plan or for the preservation of the value of an investment, to exercise and enforce by suit for legal or equitable remedies or by other action, or to waive any right or claim on behalf of the Plan or any default in any obligation owing to the Plan, to renew, extend the time to payment of, agree to a reduction in the rate of interest on, or agree to any other modification or change in the terms of any obligation owing to the Plan, to settle, compromise, adjust, or submit to arbitration any claim or right in favor of or against the Plan, to exercise and enforce any and all rights of foreclosure, bid for property in foreclosure, and take a deed in lieu of foreclosure with or without paying consideration therefor, to commence or defend suits or other legal proceedings whenever any interest of the Plan requires it, and to represent the Plan in all suits or legal proceedings in any court of law or equity or before any body or tribunal.
  - (n) To employ suitable consultants, depositories, agents, and legal counsel on behalf of the Plan.
  - (o) To make, execute, acknowledge, and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases, or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers.
  - (p) To open and maintain any bank account or accounts in the name of the Plan, the Employer, or any nominee or agent of the foregoing, including the Plan Administrator, in any bank or banks.
  - (q) To do any and all other acts that may be deemed necessary to carry out any of the powers set forth herein.
- 5.03 Taxes and Expenses.** All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect to the Trust, or the income thereof, and all commissions or acquisitions or dispositions of securities and similar expenses of investment and reinvestment of the Trust, shall be paid from the Trust. Such reasonable compensation of the Plan Administrator, as may be agreed upon from time to time by the Employer and the Plan Administrator, and reimbursement for reasonable expenses incurred by the Plan Administrator in performance of its duties hereunder (including but not limited to fees for legal, accounting, investment and custodial services) shall also be paid from the Trust.
- 5.04 Payment of Benefits.** The payment of benefits from the Trust in accordance with the terms of the Plan may be made by the Plan Administrator, or by any custodian or other person so authorized by the Employer to make such disbursement. The Plan Administrator, custodian or other person shall not be liable with respect to any distribution of Trust assets made at the direction of the Employer.
- 5.05 Investment Funds.** In accordance with rules established by the Employer and the Plan Administrator, the Participant may direct his/her accounts to be invested in one or more investment funds available under the Plan; provided, however, that the Participant's investment directions shall not violate any investment restrictions specified in the Adoption Agreement.
- 5.06 Valuation of Accounts.** As of each Accounting Date, the Trust assets held in each investment fund offered shall be valued at fair market value and the investment income and gains or losses for each fund shall be determined. Such investment income and gains or losses shall be allocated proportionately among all account balances on a fund-by-fund basis. The allocation shall be in the proportion that each such account balance as of the immediately preceding Accounting Date bears to the total of all such account balances, less amounts held in Participant Loan Accounts, as of that Accounting Date. For purposes of this Article, all account balances include (i) the account balances of all Participants and Beneficiaries and (ii) the Suspense Account.
- 5.07 Participant Loan Accounts.** Participant Loan Accounts shall be invested in accordance with Section 11.03 of the Plan. Such accounts shall not share in any investment income and gains or losses of the investment funds described in Section 5.05 of the Plan.

## VI. VESTING

- 6.01 Vesting Schedule.** A Participant shall have a Nonforfeitable Interest in the percentage of his/her Employer Contribution Account determined pursuant to the schedule elected in the Adoption Agreement.
- 6.02 Service After Break in Service.** If a Participant (whether or not a Re-employed Individual) resumes employment after a Break in Service, any subsequent Period of Service shall be disregarded in determining the Nonforfeitable Interest in his/her Employer Contribution Account accrued prior to such Break in Service.

**6.03 Prior Service of Re-employed Individual.** If a Participant is a Re-employed Individual, the Period of Service prior to his/her separation from service shall be aggregated in determining the Nonforfeitable Interest in his/her Employer Contribution Account accrued after his/her re-employment.

**6.04 Upon Normal Retirement Age.** Notwithstanding Section 6.01 of the Plan, a Participant shall have a Nonforfeitable Interest in his/her entire Employer Contribution Account, which has not been previously forfeited pursuant to Section 6.06 of the Plan, if he/she is employed on or after his/her Normal Retirement Age. No forfeiture shall arise thereafter under Section 6.06 of the Plan.

**6.05 Upon Death or Disability.** Notwithstanding Section 6.01 of the Plan, in the event of Disability or death, a Participant shall have a Nonforfeitable Interest in his/her entire Employer Contribution Account which has not been forfeited previously pursuant to Section 6.06 of the Plan.

**6.06 Forfeitures.** Except as provided in Sections 6.04 and 6.05 of the Plan, a Participant who separates from service prior to obtaining full vesting shall forfeit that percentage of his/her Employer Contribution Account balance which has not vested as of the date such Participant incurs a Break in Service or, if earlier, the date such Participant receives distribution of the entire Nonforfeitable Interest in his/her Employer Contribution Account pursuant to an election under Sections 8.02 or 8.03 of the Plan.

Such forfeitures shall be allocated in the manner described in Section 4.02 of the Plan.

**6.07 Reinstatement of Forfeitures.** If the Participant returns to the employment of the Employer before incurring a Break in Service, any amounts forfeited pursuant to Section 6.06 of the Plan shall be reinstated to the Participant's Employer Contribution Account within a reasonable time after repayment by the Participant of the amount of the distribution. Such repayment must be made before the earlier of:

- (a) The date two years after the date of resumption of employment, or
- (b) The conclusion of a Break in Service after such resumption of employment.

## VII. BENEFITS CLAIM

**7.01 Claim of Benefits.** A Participant, Employee or Beneficiary shall notify the Plan Administrator in writing of a claim of benefits under the Plan. The Plan Administrator shall take such steps as may be necessary to facilitate the payment of such benefits to the Participant, Employee or Beneficiary.

**7.02 Appeal Procedure.** If any claim for benefits is denied by the Plan Administrator, the Plan Administrator shall notify the claimant in writing of such denial, stating forth the specific reasons and citing reference to specific provisions of the Plan upon which the denial is based. An appeal period of sixty (60) days after receipt of the notification of denial shall be granted, and said notification shall advise the claimant of the appeal procedure. The claimant may file the appeal with the Employer, whose decision shall be final, to the extent allowed by law.

## VIII. COMMENCEMENT OF BENEFITS

**8.01 Normal Commencement of Benefits.** The distribution of a Participant's accounts shall commence sixty (60) days after the close of the Plan Year during which one of the following events occurs, whichever is later:

- (a) The Participant obtains age 65 or Normal Retirement Age, whichever is earlier, or
- (b) The Participant separates from service.

Notwithstanding the foregoing, the Participant may elect, at any time prior to the commencement of distribution described in Section 8.01, to have distributions commence as provided in Section 8.02 of the Plan.

**8.02 Elective Commencement of Benefits.** Notwithstanding Section 8.01 of the Plan, a Participant who retires, becomes Disabled or separates from service for any other reason may elect by written notice to the Plan Administrator to have the distribution of benefits commence on a date earlier or later than that described in Section 8.01 of the Plan, provided that such earlier distribution complies with the age restrictions, if any, specified in the Adoption Agreement. The Employer shall place no restrictions on benefits payable upon attainment of Normal Retirement Age, Disability or death. A Participant's election shall be revocable and may be amended by the Participant.

**8.03 Rollover to Another Plan.** Notwithstanding Section 8.02 of the Plan, any Participant who terminates employment and subsequently becomes employed with another unit of state or local government, or an agency or instrumentality of one or more states or local governments, shall be entitled to receive a distribution of the Nonforfeitable Interest in all of his/her accounts for purposes of making a rollover contribution, to the maximum extent permitted under the Code, to the new Employer's plan, provided that the new Employer certifies to the Plan Administrator that its plan provides for the acceptance of a "qualifying rollover distribution."

**8.04 Latest Commencement of Benefits.** Notwithstanding Section 8.02 of the Plan, the distribution of a Participant's accounts must commence not later than the end of 1) the taxable year in which the Participant attains age 70½, or 2) if later, the year in which the Participant actually retires.

**8.05 De Minimis Accounts.** Notwithstanding the foregoing in this Article VIII, a Participant who incurs a Break in Service and who has a combined balance of less than \$5,000 in all of his/her accounts, shall be paid his/her lump sum value within 60 days after the Break in Service.

**8.06 Withdrawal of Voluntary Contributions.** A Participant may upon written request withdraw a part of or the full amount of his/her Voluntary Contribution Account. Such withdrawals may be made at any time, provided that no more than two such withdrawals may be made during any Plan Year.

**8.07 Withdrawal of Deductible Employee Contributions.** A Participant may upon written request withdraw a part of or the full amount of his/her Deductible Employee Contribution Account. Participants will incur a penalty tax for premature distribution if a withdrawal occurs prior to Disability, death or attainment of age 59½.

## IX. DEATH BENEFITS

**9.01 Pre-retirement Death Benefits.** Should the Participant die before benefits have commenced, a Beneficiary other than the Participant's surviving spouse or a Qualified Beneficiary, must receive payment of the Participant's entire Account balances within five years of the Participant's death. If benefits are payable to a surviving spouse on account of the Participant's death, and the surviving spouse dies before benefits have commenced, a Beneficiary other than a Qualified Beneficiary must receive payment of the Participant's entire Account balances within five years of the surviving spouse's death. Unless the Beneficiary elects otherwise, prior to the time distribution is to be made, the Participant's entire Account balances shall be paid in a lump sum on the last day of the fifty-ninth month after the death of the Participant or surviving spouse, whichever is applicable.

**9.02 Post-retirement Death Benefits.** Should the Participant die after he/she has begun receiving benefit payments, a Beneficiary other than the Participant's surviving spouse or a Qualified Beneficiary shall receive the remaining Participant's account balances, if any is payable, within five years of the Participant's death. If benefits have commenced to a surviving spouse on account of the Participant's death, a Beneficiary other than a Qualified Beneficiary shall receive the remaining Participant's account balances, if any is payable, within five years of the surviving spouse's death. Notwithstanding the foregoing, such Beneficiary may elect to continue the payment schedule if payment has commenced to the Participant (or to his/her surviving spouse, if applicable) under a period certain not extending beyond 1) the life expectancy of the Participant, 2) the joint life expectancy of the Participant and his/her spouse, if married, or 3) the life expectancy of the surviving spouse, if applicable.

**9.03 Qualified Beneficiary.** Whether benefit payments have commenced or not, if a Qualified Beneficiary commences to receive distribution within one year of the death of the Participant or the Participant's surviving spouse, if applicable, then distribution may be made over a period which is not longer than the greater of:

- (a) Five years after the death of the Participant or his/her surviving spouse, if applicable, or
- (b) The life expectancy of an individual with an age equal to the age of the Participant or his/her surviving spouse, if applicable, at the time of death.

Notwithstanding the foregoing, a Qualified Beneficiary who is under the age of 22 at the time of the death of the Participant or his/her surviving spouse, if applicable, need not commence distribution prior to attainment of age 22. Further, if the Qualified Beneficiary is permanently and totally Disabled, distribution may be made over a period which is not longer than the greater of 1) the period described in subsections (a) and (b) of this Section 9.03 or 2) the life expectancy of the Beneficiary.

If the distribution does not commence within one year of the death of the Participant or his/her surviving spouse, if applicable (or in the case of a Qualified Beneficiary under age 22, within one year of his/her attainment of age 22), then the distribution shall be made within five years of the death of the Participant or his/her surviving spouse, if applicable (or in the case of a Qualified Beneficiary under age 22, within five years of his/her attainment of age 22).

Unless the Beneficiary elects otherwise, such distribution shall be made in a lump sum on the last day of the calendar month immediately preceding the required distribution date. This Section 9.03 shall be inapplicable unless Section 401(a)(9) of the Code is amended to permit the provisions set forth herein. Unless and until such amendments are made, Sections 9.01 and 9.02 of the Plan shall apply as if no Beneficiary were a Qualified Beneficiary.

**9.04 Surviving Spouse.** A surviving spouse of a Participant may elect to commence benefits as provided in Article VIII, as though he/she were the Participant, and may elect to have benefits distributed in any manner provided for in Article X. For purposes of this Section 9.04, a surviving spouse is a Beneficiary who was married to the Participant on the date of the Participant's death.

## X. MODES OF DISTRIBUTION OF BENEFITS

**10.01 Normal Mode of Distribution.** A Participant who is entitled to a distribution pursuant to Sections 8.01 or 8.02 of the Plan or who is required to receive a distribution pursuant to Section 8.04 of the Plan, shall receive approximately equal payments over the life expectancy of the Participant, or if mar-

ried at the time the distribution commences, then over the joint life expectancy of the Participant and his/her spouse. Notwithstanding the foregoing, the Participant may elect an alternate mode of distribution as provided in Section 10.02 of the Plan.

**10.02 Elective Mode of Distribution.** A Participant may revocably elect to have his/her accounts distributed in any one of the following modes:

- (a) Equal Payments. Equal monthly, quarterly, semi-annual, or annual payments in an amount chosen by the Participant continuing until the accounts are exhausted.
- (b) Lump Sum. A lump sum payment.
- (c) Period Certain. Approximately equal monthly, quarterly, semi-annual, or annual payments, calculated to continue for a period certain chosen by the Participant.
- (d) Retirement Annuity. A part of or the entire account balances applied to purchase a single premium annuity contract which shall be distributed to the Participant. A joint and survivor annuity shall be one of the annuity options provided under any such contract.
- (e) Other. Any other sequence of payments requested by the Participant and agreed to by the Plan Administrator.

**10.03 Qualified Joint and Survivor Annuity Contract.**

- (a) If a Participant who has an eligible spouse requests a distribution under the Plan in the form of a life annuity contract on or after the first day of the month in which he/she attains age 55, then such contract shall be a Qualified Joint and Survivor Annuity contract.
- (b) A Participant may elect, at any time prior to the commencement of distributions under the Plan, not to have the provisions of subsection (a) of this Section 10.03 apply. Such an election must be made in writing and filed with the Employer. The Employer shall provide the Participant, at least 123 months prior to his/her attainment of Normal Retirement Age or, if later, on or about the date he/she becomes a Participant in the Plan, with a written notification, in nontechnical terms, generally explaining the terms and conditions of the Qualified Joint and Survivor Annuity contract, the availability of the election, and the financial effect of an election, with further details available upon written request. The notification may be given by posting a general notice. The Participant shall have at least 90 days after receiving the written explanation in which to make an election or request further details, and, if further details are requested, he/she shall have an additional 90 days after such details are provided in which to make an election.

An election described above may be revoked in writing by a Participant at any time prior to the commencement of distributions under the Plan. After such an election is revoked, another election may be made at any time prior to the commencement of distributions.

- (c) Notwithstanding the foregoing provisions, a Qualified Joint and Survivor Annuity contract may provide that a surviving spouse to whom annuity benefits are otherwise payable under subsection (a) of this Section 10.03 may elect to have benefits paid in any other form permitted under Section 10.02 of the Plan. At the written request of such a surviving spouse, the Employer will furnish such spouse, within a reasonable time after the request, with a written explanation, in nontechnical language, of the survivor annuity and any other form of payment that may be selected. This explanation will state the financial effect of each form of payment.

**10.04 Election of Mode.** A Participant's election of a payment option must be made at least 30 days before the payment of benefits is to commence.

**10.05 Limitation on Participant.** Upon attainment of age 70½, the payment option chosen by the Participant must provide for payments over a period not longer than the life or life expectancy of the Participant or, in case the Participant is married, then over the joint lives or life expectancy of the Participant and his/her spouse.

## XI. LOANS TO PARTICIPANTS

### 11.01 Availability of Loans to Participants.

- (a) If the Employer has elected in the Adoption Agreement to make loans available to Participants, a Participant may apply for a loan from the Plan subject to the limitations and other provisions of this Article XI.
- (b) The Employer shall establish written guidelines governing the granting of loans, provided that such guidelines are approved by the Plan Administrator and are not inconsistent with the provisions of this Article XI, and that loans are made available to all Participants on a reasonably equivalent basis.

**11.02 Terms and Conditions of Loans to Participants.** Any loan by the Plan to a Participant under Section 11.01 of the Plan shall satisfy the following requirements:

- (a) Amount of Loan. At the time the loan is made, the principal amount of the loan plus the outstanding balance (principal plus accrued interest) due on any other outstanding loans to the Participant from the Plan and from any other plans of the Employer that are qualified under Section 401(a) of the Code shall not exceed the least of (1) \$50,000, or (2) the greater of (i) \$10,000 or (ii) one-half of the value of the Participant's Nonforfeitable Interest in all of his/her accounts under this Plan except his/her Deductible Employee Account, or (3) the value of the Participant's Nonforfeitable Interest in his/her Employer Contribution, Participant Contribution, and Portable Benefits accounts.
- (b) Application for Loan. The Participant must give the Employer adequate written notice, as determined by the Employer, of the amount and desired time for receiving a loan. No more than one loan may be made by the Plan to a Participant in any Plan Year. No loan shall be approved if an existing loan from the Plan to the Participant is in default to any extent.
- (c) Length of Loan. The Participant shall be required to repay the loan in approximately equal installments of principal and interest over a period that does not exceed five years; provided, however, that if the proceeds of the loan are applied by the Participant to acquire, construct, reconstruct, or substantially rehabilitate any dwelling unit that is to be used within a reasonable time after the loan is made as the principal residence of the Participant or of a member of his/her family, the five year limit shall not apply. In this event, the period of repayment shall not exceed a reasonable period determined by the Employer. Principal installments and interest payments otherwise due may be suspended during an authorized leave of absence, if the promissory note so provides, but not beyond the original term permitted under this subsection (c), with a revised payment schedule (within such term) instituted at the end of such period of suspension.
- (d) Acceleration. The maturity of the loan shall be accelerated, and the principal amount of the loan, together with all accrued interest, shall immediately become due, when the Participant either (1) receives a distribution from his Employer Contribution Account, Participant Contribution Account, or Portable Benefits Account; or (2) incurs a Break in Service.

- (e) Prepayment. The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.
- (f) Note. The loan shall be evidenced by a promissory note executed by the Participant and delivered to the Employer, and shall bear interest at a reasonable rate determined by the Employer.
- (g) Security. The loan shall be secured by an assignment of the Participant's right, title and interest in and to his/her Employer Contribution Account, to the extent vested, Participant Contribution Account, and Portable Benefits Account.
- (h) Default. In the event that a loan made to a Participant is in default and the Employer determines that it is necessary for a distribution to be made under the Plan in order to cure such default, the Employer, with notice to the Participant, shall cause a distribution to be made on behalf of the Participant under the Plan, which shall be applied by the Employer to the unpaid balance of the loan, including accrued interest. Such distribution shall be charged against the Participant's Voluntary Contribution Account, his/her Participant Contribution Account, his/her Portable Benefits Account, and his/her Nonforfeitable Interest in his/her Employer Contribution Account, following separation from service, in that order of priority.
- (i) Other Terms and Conditions. The Employer shall fix such other terms and conditions of the loan as it deems necessary to comply with legal requirements, to maintain the qualification of the Plan and Trust under Section 401(a) of the Code, or to prevent the treatment of the loan for tax purposes as a distribution to the Participant. The Employer, in its discretion for any reason, may fix other terms and conditions of the loan, not inconsistent with the provisions of this Article XI.

### 11.03 Participant Loan Accounts.

- (a) Upon approval of a loan to a Participant by the Employer, an amount not in excess of the loan shall be transferred from the Participant's other investment fund(s), described in Section 5.05 of the Plan, to the Participant's Loan Account as of the Accounting Date immediately preceding the agreed upon date on which the loan is to be made.
- (b) The assets of a Participant's Loan Account may be invested and reinvested only in promissory notes received by the Plan from the Participant as consideration for a loan permitted by Section 11.01 of the Plan or in cash. Uninvested cash balances in a Participant's Loan Account shall not bear interest. No person who is otherwise a fiduciary of the Plan shall be liable for any loss, or by reason of any breach, that results from the Participant's exercise of such control.
- (c) Repayment of principal and payment of interest shall be made by payroll deduction and shall be invested in one or more other investment funds, in accordance with Section 5.05 of the Plan, as of the next Accounting Date after payment thereof to the Trust. The amount so invested shall be deducted from the Participant's Loan Account.
- (d) The Employer shall have the authority to establish other reasonable rules, not inconsistent with the provisions of the Plan, governing the establishment and maintenance of Participant Loan Accounts.

## XII. PLAN AMENDMENT, TERMINATION AND OPTIONAL PROVISIONS

**12.01 Amendment by Employer.** The Employer reserves the right, subject to Section 12.02 of the Plan, to amend the Plan from time to time by either:



- 1) Filing an amended Adoption Agreement with the ICMA Retirement Corporation to change any provision previously elected by it, or
- 2) Continuing the Plan in the form of an amended and restated Plan and Trust in any manner it considers appropriate. However, Participant account balances shall not be transferred to such amended and restated trust until the Employer certifies to the Plan Administrator that the amended and restated Plan and Trust continues to meet the requirements of a qualified plan under the Code.
- 5) To engage an independent qualified public accountant, when required to do so by law, to prepare annually the audited financial statements of the Plan's operation;
- 6) To take all actions and to communicate to the Plan Administrator in writing all necessary information to carry out the terms of the Plan and Trust; and
- 7) To notify the Plan Administrator in writing of the termination of the Plan.

**12.02 Amendment to Vesting Schedule.** If the Employer amends the vesting schedule, any Participant may within 60 days after the amendment effective date or the date of written notification of the Plan amendment, whichever is later, elect to have his/her Nonforfeitable Interest computed without regard to such amendment. If such election is made, the vesting schedule on future contributions shall also be computed without regard to such amendment. In any case, such amendment shall not reduce the Nonforfeitable Interest of any Participant accrued as of the date of the amendment or the effective date of the amendment, whichever is later.

**12.03 Termination by Employer.** The Employer reserves the right to terminate this Plan. However, in the event of such termination no part of the Trust shall be used or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries, except as provided in this Section 12.03.

Upon Plan termination, all account balances shall be valued at their fair market value and the Participant's right to his/her Employer Contribution Account shall be 100 percent vested and nonforfeitable. Such amount and any other amounts held in the Participant's other accounts shall be maintained for the Participant until paid pursuant to the terms of the Plan.

Any amounts held in the Suspense Account, after any allocations required for the Plan Year prior to the effective date of the Plan termination, shall be paid to the Employer.

**12.04 Discontinuance of Contributions.** A permanent discontinuance of contributions to the Plan by the Employer, unless an amended and restated Plan is established, shall constitute a Plan termination.

**12.05 Amendment by ICMA Retirement Corporation.** The ICMA Retirement Corporation, as sponsor of the Prototype Plan, may amend this Plan upon 30 days written notification to the Employer; provided, however, that any such amendment must be for the express purpose of maintaining compliance with applicable federal laws and regulations of the Internal Revenue Service.

**12.06 Optional Provisions.** Any provision which is optional under this Plan shall become effective if and only if jointly agreed to by the Employer and the ICMA Retirement Corporation.

### XIII. ADMINISTRATION

**13.01 Powers of the Employer.** The employer shall have the following powers and duties:

- 1) To appoint and remove, with or without cause, the Plan Administrator;
- 2) To amend or terminate the Plan pursuant to the provisions of Article XII;
- 3) To appoint a committee to facilitate administration of the Plan and communications to Participants;
- 4) To decide all questions of eligibility 1) for Plan participation and 2) upon appeal by any Participant, Employee, or Beneficiary, for the payment of benefits;

**13.02 Duties of the Plan Administrator.** The Plan Administrator shall have the following powers and duties:

- 1) To construe and interpret the provisions of the Plan;
- 2) To maintain and provide such returns, reports, schedules, descriptions, and individual account statements as are required by law within the times prescribed by law; and to furnish to the Employer, upon request, copies of any or all such materials, and further, to make copies of such instruments, reports, descriptions, and statements as are required by law available for examination by Participants and such of their Beneficiaries who are or may be entitled to benefits under the Plan in such places and in such manner as required by law;
- 3) To obtain from the Employer such information as shall be necessary for the proper administration of the Plan;
- 4) To determine the amount, manner, and time of payment of benefits hereunder;
- 5) To appoint and retain such agents, counsel, and accountants for the purpose of properly administering the Plan;
- 6) To distribute assets of the Trust to each Participant and Beneficiary as provided in Section 5.04 of the Plan payable in accordance with Article X of the Plan;
- 7) To pay expenses from the Trust pursuant to Section 5.03 of the Plan; and
- 8) To do such other acts reasonably required to administer the Plan in accordance with its provisions or as may be provided for or required by law.

**13.03 Protection of the Employer.** The Employer shall not be liable for the acts or omissions of the Plan Administrator, but only to the extent that such acts or omissions do not result from the Employer's failure to provide accurate or timely information as required or necessary for proper administration of the Plan.

**13.04 Protection of the Plan Administrator.** The Plan Administrator may rely upon any certificate, notice or direction purporting to have been signed on behalf of the Employer which the Plan Administrator believes to have been signed by a duly designated official of the Employer.

**13.05 Resignation or Removal of Plan Administrator.** The Plan Administrator may resign at any time effective upon sixty (60) days prior written notice to the Employer. The Plan Administrator may be removed by the Employer at any time upon sixty (60) days prior written notice to the Plan Administrator. Upon the resignation or removal of the Plan Administrator, the Employer may, if it so elects, appoint a successor Plan Administrator having such powers and duties as may be agreed upon by the Employer and any such Plan Administrator; otherwise, the Employer shall assume the powers and duties of the former Plan Administrator and any Trust assets formerly invested by or held in the name of the Plan Administrator shall be returned to the Employer in cash or property, at fair market value, except that the return of Trust assets invested in a contract issued by an insurance company shall be governed by the terms of that contract.

**13.06 No Termination Penalty.** The Plan Administrator shall have no authority or discretion to impose any termination penalty upon its removal.

#### XIV. MISCELLANEOUS

**14.01 Nonguarantee of Employment.** Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of an Employee to be continued in the employment of the Employer, as a limitation of the right of the Employer to discharge any of its Employees, with or without cause.

**14.02 Rights to Trust Assets.** No Employee or Beneficiary shall have any right to, or interest in, any assets of the Trust upon termination of his/her employment or otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable under the Plan to such Employee or Beneficiary out of the assets of the Trust. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Trust and none of the fiduciaries shall be liable therefor in any manner.

**14.03 Nonalienation of Benefits.** Except as provided in Section 8.01 of the Plan, benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder, shall be void. The Trust shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder.

Notwithstanding the above, amounts may be paid from a Participant's accounts pursuant to a court order requiring deductions from a Participant's benefit payments hereunder, but only if such deductions are for alimony or child support and only if the Participant's benefit payments have commenced under the terms of the Plan.

**14.04 Nonforfeiture of Benefits.** Subject only to the specific provisions of this Plan, nothing shall be deemed to divest a Participant of his/her right to the Nonforfeitable Interest to which he/she becomes entitled in accordance with the provisions of the Plan.

**14.05 Incompetency of Payee.** In the event any benefit is payable to a minor or incompetent, to a person otherwise under legal disability, or to a person who, in the sole judgment of the Employer, is by reason of advanced age, illness, or other physical or mental incapacity incapable of handling the disposition of his/her property, the Employer may apply the whole or any part of such benefit directly to the care, comfort, maintenance, support, education, or use of such person or pay or distribute the whole or any part of such benefit to:

- (a) The parent of such person;
- (b) The guardian, committee, or other legal representative, wherever appointed, of such person;
- (c) The person with whom such person resides;

- (d) Any person having the care and control of such person; or
- (e) Such person personally.

The receipt of the person to whom any such payment or distribution is so made shall be full and complete discharge therefor.

**14.06 Inability to Locate Payee.** Anything to the contrary herein notwithstanding, if the Employer is unable, after reasonable effort, to locate any Participant or Beneficiary to whom an amount is payable hereunder, such amount shall be forfeited and held in the Trust for application against the next succeeding Employer contribution or contributions required to be made hereunder. Notwithstanding the foregoing, however, such amount shall be reinstated, by means of an additional Employer contribution, if and when a claim for the forfeited amount is subsequently made by the Participant or Beneficiary or if the Employer receives proof of death of such person, satisfactory to the Employer. Any benefits lost by reason of escheat under applicable state law shall be considered forfeited and shall not be reinstated.

**14.07 Mergers, Consolidations, and Transfer of Assets.** The Plan shall not be merged into or consolidated with any other plan, other than a plan which amends and restates this Plan, nor shall any of its assets or liabilities be transferred into any such other plan, unless each Participant in the Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer that is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated).

**14.08 Employer Records.** Records of the Employer as to an Employee's or Participant's Period of Service, termination of service and the reason therefor, leaves of absence, reemployment, Earnings and Compensation will be conclusive on all persons, unless determined to be incorrect.

**14.09 Commonly Controlled Employers.** For all purposes of this Plan, the term Employer shall include:

- (a) All corporations that are members of a controlled group of corporations [within the meaning of Code Section 1563(a), determined without regard to Code Section 1563(a)(4) and (e)(3)(C)] that includes the Employer; and
- (b) All trades or businesses (whether or not incorporated) that are under common control [within the meaning of Code Section 414(c)] with the Employer.

**14.10 Gender And Number.** The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.

**14.11 Applicable Law.** The Plan shall be construed under the laws of the State where the Employer is located and is established with the intent that it meets the requirements as a Money Purchase Plan under Section 401(a) of the Code. The provisions of this Plan shall be interpreted whenever possible in conformity with the requirements of the Code.

# EMPLOYEE LISTING FORM

# ICMA RETIREMENT CORPORATION

Note to Employers: Use this form to list all employees initially eligible to participate in your Money Purchase Plan. Submit periodically to update your account when new employees are hired or become eligible.

Suite 700  
1120 G Street, NW  
Washington, DC 20005

(202) 637-3311  
Toll Free (800) 424-9249

Employer: \_\_\_\_\_

Name	Social Security Number	Date of Employment	Date of Termination **	Amount of Mandatory Contribution		Salary	Birthdate
				Employer	Employee*		

\*RC is currently not accepting Voluntary Employee Contributions.

\*\*If applicable. Remaining information not needed.

# ICMA RETIREMENT CORPORATION

Suite 700 (202) 637-3311  
1120 G Street, NW Toll Free (800) 424-9249  
Washington, DC 20005

## EMPLOYEE DATA FORM

For use with 401(a) plans administered  
by the ICMA Retirement Corporation.

Check appropriate box:

New Agreement     Change of Beneficiary     Change of Address

The information below  
pertains to \_\_\_\_\_ 's 401 Plan.  
(print name of employer)

### PART A. ESSENTIAL EMPLOYEE INFORMATION

Miss  
Full Name  Mrs. \_\_\_\_\_  
 Mr.                      First                      Middle                      Last  
 Ms.

Sex  M     F    Date of Birth Mo: \_\_\_\_\_ Day: \_\_\_\_\_ Year: \_\_\_\_\_ Social Security No. \_\_\_\_\_  
Date employed: \_\_\_\_\_

Marital Status: \_\_\_\_\_ Office phone number: \_\_\_\_\_ Home phone number: \_\_\_\_\_

Job title and department: \_\_\_\_\_

Home Address: \_\_\_\_\_  
No.                      Street                      City                      State                      Zip

Mailing Address: \_\_\_\_\_  
(If different from above) No.                      Street                      City                      State                      Zip

### PART B. DESIGNATION OF BENEFICIARY

Primary Beneficiary(ies) (Class I):	Date of Birth	Relationship to You
Contingent Beneficiary(ies) (Class II), if any:		

NOTE: If no Primary Beneficiary (Class I) is living at time of your death, account assets are payable to the Contingent Beneficiary(ies) (Class II). If a Class includes more than one person, the assets are divided equally among the living beneficiaries of the Class. The right to change beneficiaries is reserved to you. Please see reverse side of this form for instructions.

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

ICMA-RC COPY

RC Deferred Compensation Plan  
Format for Tape Transfer

I. Submitting the Tape

- A. RC can send periodic Contribution Statements as a review of current data. RC will also send a tape for your use at this time.
- B. In the format described above, use the tape to enter or make changes in your contribution data.
- C. Mail the tape and the contribution check back to RC in a protective envelope to RC's lock-box address:

ICMA Retirement Corporation  
P.O. Box 35002  
North Capitol and Mass. Avenue Station  
Washington, D.C. 20013

- D. In a separate envelope, mail a printout of tape data and any changes in status (joinder agreements, amendments, etc.), to RC's Washington address:

ICMA Retirement Corporation  
1120 G Street, NW, Suite 700  
Washington, DC 20005

- E. If you wire the contribution check, send the tape and the printout of tape data directly to RC (address in D) in separate envelopes. Do not mail the printout of tape data with the tape.
- F. After processing, RC will return the tape to you for re-use.

II. General Specifications

- A. Block size: 20 records per block
- B. Record length: 80 columns
- C. Label:
  - 1. Standard IBM-OS or no-label tape, identified on tape
  - 2. Nine-track, 1600 b.p.i., EBCDIC, identified on tape
- D. All information identified on tape must be on securely affixed labels.
- E. Records may be grouped in any order convenient to the employer; they do not have to follow the order given below.

Format

A. Each tape will have two EMPLOYER records.

First EmployER Record:

<u>Field Name</u>	<u>Assigned Columns</u>	<u>Field Length</u>	<u>Description of Field Contents</u>
1. Plan Code	1-8	8	00xxxx01, where xxxx is replaced by the first four digits of the RC account number
2. Record Code	9-12	4	0001
3. Currently unused	13-16	4	Blank
4. Legal ID Number	17-25	9	IRS-assigned employer number, without hyphens
5. Employer Name	26-80	55	Employer name

Second EmployER Record:

<u>Field Name</u>	<u>Assigned Columns</u>	<u>Field Length</u>	<u>Description of Field Contents</u>
1. Plan Code	1-8	8	00xxxx01, where xxxx is replaced by the first four digits of the RC account number
2. Record Code	9-12	4	0002
3. Currently unused	13-16	4	Blank
4. Legal ID Number	17-25	9	IRS-assigned employer number, without hyphens
5. Total Remitted Amount	26-35	10	Numeric fields, no decimals, amount in pennies, right justified
6. Currently unused	36-60	33	Blank
7. Version Code	61-62	2	01
8. Currently unused	63-68	6	Blank

3. Currently unused	13-14	2	Blank
4. Contribution Code	15-16	2	Two-digit code (01, 02, 03, etc.). Use to identify contributions, especially if more than one contribution is made, e.g. if tape is sent monthly but payroll is bi-weekly.
5. Legal ID Number	17-25	9	Social Security number, 999999999 format (no hyphens)
6. Allocated Amount	26-36	10	Numeric field, no decimals, amount in pennies, right justified
7. Annual Salary	36-45	10	Numeric field, no decimals, amount in pennies, right justified
8. Currently unused	36-80	4	Blank

Example

RC Account Number 1999

Ruler	1	2	3	4	5	6	7	8
	1234567890123456789012345678901234567890123456789012345678901234567890							
	0019999010002	111223333	33275					013184
	0019999010001	111223333	Concord Board of Power and Light	01				
	0019999020001	01 444556666	William, Charles, Rover, Jr.					
	0019999020002	01 444556666	30000					
	0019999020001	01 777889999	Robert, Allen, Jones					
	0019999020002	01 777889999	3275					

The above shows the input for the Concord Board of Power and Light for two employees, William Charles Rover, Jr., and Robert Allen Jones. The first eight digits on each line identify the record as an employee or employer record, and the next four digits identify the transaction. In this case, the employer records are at the head of the file.

The total contribution for all employees is \$332.75 (record 1, columns 17-25), deducted from the payroll of January 31, 1984 (record 1, columns 69-74). Mr. Rover contributed \$300.00, and Mr. Jones contributed \$32.75.

9. Payroll Cycle  
Date 69-74 6 Date in "mmddyy" format

B. Each participating employee will have two EMPLOYEE records.

First Employee Record:

<u>Field Name</u>	<u>Assigned Columns</u>	<u>Field Length</u>	<u>Description of Field Contents</u>
1. Plan Code	1-8	8	00xxxx02, where xxxx is replaced by the first four digits of the RC account number
2. Record Code	9-12	4	0001
3. Currently unused	13-14	2	Blank
4. Contribution Code	15-16	2	Two-digit code (01, 02, 03, etc.). Use to identify contribution, especially if more than one contribution is made, e.g. if tape is sent monthly but payroll is bi-weekly.
5. Legal ID Number	17-25	9	Social Security number, without hyphens
6. Employee Name	26-80	55	First name, middle name, last name, and suffix (Jr., Sr., etc.), separated by commas (no spaces). Maximum number of names allowed is three. If no middle initial or name is to be used, use ,, to separate the first and last names.

Second Employee Record:

<u>Field Name</u>	<u>Assigned Columns</u>	<u>Field Length</u>	<u>Description of Field Contents</u>
1. Plan Code	1-8	8	00xxxx02, where xxxx is replaced by the first four digits of the RC account number
2. Record Code	9-12	4	0002



# ICMA RETIREMENT CORPORATION

Suite 700 (202) 637-8311  
1120 G Street, NW Toll Free (800) 424-9249  
Washington, DC  
20005-3664

July 17, 1987

Finance Director  
City of Grand Junction  
250 North 5th Street  
Grand Junction, CO 81501

Dear Sir/Madam:

We are pleased to accept the City of Grand Junction, Colorado, as a participating member in RC's 401(a) Plan. Enclosed is a signed copy of the Adoption Agreements for your files. We have also enclosed a supply of data forms and employee listings for your future use.

If you have any questions, please call toll-free at 800-424-9249.

Sincerely,

*Tracy A. Pallman*

Tracy A. Pallman  
Services Associate

/asb

Enclosure

cc: John Tobin, South Central Regional Manager



The ICMA Retirement Corporation is the administrator of retirement plans for state and local government under the sponsorship of: International City Management Association • Government Finance Officers Association • National Institute of Municipal Law Officers • National League of Cities • American Society for Public Administration • American Planning Association • American Public Works Association • American Public Power Association • Building Officials and Code Administrators International • American Association of Airport Executives • International Institute of Municipal Clerks • American Public Gas Association • International Association of Assessing Officers • American Public Transit Association

# ICMA RETIREMENT CORPORATION

## 401 PLAN WITHDRAWAL FORM

**Instructions:** Complete, sign, and submit to employer for approval.

Name: \_\_\_\_\_  
Employer: \_\_\_\_\_ RC Account # \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Social Sec. # \_\_\_\_\_  
Daytime Phone Number: \_\_\_\_\_ Marital Status: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Effective Date of Employment: \_\_\_\_\_ Last Date of Employment: \_\_\_\_\_

**Type of Withdrawal:**

\_\_\_\_\_ Retirement \_\_\_\_\_ Rollover to Another Plan  
\_\_\_\_\_ Employment Termination \_\_\_\_\_ Death Benefits: attach death certificate  
\_\_\_\_\_ Disability \_\_\_\_\_ Beneficiary's Name \_\_\_\_\_  
\_\_\_\_\_ Beneficiary's Soc. Sec. # \_\_\_\_\_

**Starting Payment Date:** Please select a month and year for payments to begin. This selection may be changed at any time, but cannot be later than 1) the year you reach age 70½, or 2) if later, the year of your retirement.

Month \_\_\_\_\_ Year \_\_\_\_\_

**Payment Schedule:** Check one:

\_\_\_\_\_ Qualified Joint and Survivor Annuity (unless waived, mandatory for married participants with account balances over \$3500)  
\_\_\_\_\_ Lump sum  
\_\_\_\_\_ Periodic payment schedule: Please describe \_\_\_\_\_  
\_\_\_\_\_

**Note:** Periodic schedules may be revised as needed.

**Waiver for Married Participants:**

As spouse of the above-named participant, I hereby waive my right to receive a Qualified Joint and Survivor Annuity.

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public

**Note:** RC disburses payments on the last working day of the month.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Do you want taxes withheld? \_\_\_ yes \_\_\_ no

**Employer Authorization** (must be signed by official plan coordinator):

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Mail to: ICMA Retirement Corporation, 1120 G Street Northwest, Suite 700, Washington, D.C. 20005.



## Instructions

Use this statement to transmit contributions. While not an invoice, the statement should report accurate contribution information and a correct due date.

If a contribution for any employee differs from the amount appearing in columns C, D, E, or F, or if an employee is being added, please do the following:

1. Enter the correct amount on the shaded line under the incorrectly-reported amount.
2. Enter beside the corrected amount the explanation code which accurately explains the nature of the change. Please refer to the Code Explanation Section below.

Code Explanation	Columns Affected
1. <b>Permanent increase</b> or decrease in salary.	C, D
2. <b>Termination</b> of employee participation. (Enter both code 2 and date of separation.)	C, D, E
3. <b>One time only or rollover contributions</b> from the retirement plan of a previous employer <i>only</i> .	F
4. <b>New Participants.</b> Enter employee's name in column A and the normal contributions in columns C, D, or E. Enclose the new participant's Employee Data Form. In addition, submit the information requested on the Employee Listing Form for each new participant. (You may send the Listing to RC on a less frequent basis, e.g. Quarterly, after a number of employees become eligible.)	C, D, E, F
5. <b>Other.</b> Please explain special circumstances on a separate sheet and attach to this statement.	C, D, E, F
6. <b>Previously Reported Change or Addition.</b> Change was indicated by you on a previous statement. Please enter code 6 under the incorrect column and correct amount of contributions. If it involves an added employee, please also enter employee's name in column A.	C, D, F
7. <b>Irregular</b> contribution due to variable earnings.	C, D, E