



Guidelines for Completing the Document Package

Thank you for engaging FuturePlan as your Plan Document Provider. Your document package is ready for your review and electronic signature. All required documents are included.

Action Required

Review and Sign

Please carefully review the enclosed Adoption Agreement to ensure the options selected are consistent with how you, as Plan Sponsor, intend to operate the Plan. You may wish to also have your tax or legal advisor review the documents. Please be aware this legal document is not effective until it is signed. Once executed, certain provisions cannot be changed. In some cases, changes can be made only prospectively (subject to participant notice requirements).

When you are ready to sign, follow the prompts to electronically execute and date where indicated on all documents. We recommend all applicable parties (authorized employer signer, trustees, etc.) execute as soon as possible; however, **no later than December 31, 2024.**

Once fully executed, you will receive a confirmation email with a link to download or print the executed documents. We recommend retaining a copy of all document package enclosures, including the executed documents, in your Plan files.

Distribute Participant Materials

Upon executing the documents, distribute the participant materials according to the distribution instructions on the following page. For your records and audit purposes, consider notating the date the Plan Description (PD) was distributed in your Plan files. The PD should also be made available upon request. Please refer to the *Frequently Asked Questions 457(b) Plans (FAQ)* for more detailed information regarding who should receive the participant materials.

Supplemental Information

Participating Employers

For plans with more than one employer, please note that each adopting employer must have an executed participation agreement in order to participate in the Plan. Please contact us immediately if there are any additional employers participating in the Plan and you need a participation agreement that is not enclosed in this package. Please refer to the *Frequently Asked Questions 457(b) Plans (FAQ)* for more detailed information.

Business Structure

As a reminder, if at any point your business has a change in structure of any kind (e.g., merger, acquisition, spin-off, reduction in work force, etc.), please contact your dedicated FuturePlan Consultant prior to the event so we can evaluate the regulatory impact to your Plan. Contacting us timely is particularly critical as you may have more flexibility in your approach before the transaction closes.

Thank you for the opportunity to service your retirement plan. If you have any questions, contact your dedicated FuturePlan Consultant.



Document Package

The following documents are enclosed in your document package.

| Documents to Electronically Sign |
|---|
| 1. Adoption Agreement |
| 2. Formal Record of Action |
| 3. Trust Agreement |
| 4. SECURE/CARES/CAA Amendment |

| Documents to Distribute | Distribution Instructions |
|--------------------------------|---|
| 1. Plan Description (PD) | The PD should be distributed to all Eligible Employees as soon as administratively feasible. |
| 2. Wage Deferral Agreement | The Wage Deferral Agreement should be distributed as soon as administratively feasible, allowing enough time for each Participant to complete, and the Employer to implement, the deferral elections prior to a Participant's deferral start date. |
| 3. Beneficiary Form | The Beneficiary Form should be distributed as soon as administratively feasible after the Employee becomes a Participant (and upon any change in marital status). You should collect and retain the completed and executed Beneficiary Form for each Participant. |

| Documents and Ancillary Items to Retain in your Plan Files - In addition to all above items |
|--|
| 1. Plan Highlights |
| 2. Plan (Basic Plan Document, or "BPD") |
| 3. Qualified Domestic Relations Order (QDRO) Procedure |
| 4. Loan Program |
| 5. Frequently Asked Questions 457(b) Plans (FAQ) |

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

NOTE: This Plan (Adoption Agreement and Basic Plan Document) has not been approved by the Internal Revenue Service. It must be reviewed by qualified counsel to ensure that it is appropriate for its intended use.

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as an "eligible deferred compensation plan" within the meaning of Code section 457(b). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document and any related Appendix and Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

COMPANY INFORMATION

- 1. Name of adopting employer (Plan Sponsor): City of Star
- 2. Address: 10769 West State Street
- 3. City: Star 4.State: Idaho 5. Zip: 83669
- 6. Phone number: 208-286-7247 7. Fax number: _____ - _____
- 8. Plan Sponsor EIN: 82-0499780
- 9. Plan Sponsor fiscal year end: 09/30
- 10. State of organization of Plan Sponsor: Idaho
- 11. The term "Employer" includes the Plan Sponsor.

PLAN INFORMATION

A. GENERAL INFORMATION

- 1. **Plan name:** a. City of Star 457(b) Deferred Compensation Plan
b. _____
- 2. **Effective Date:**
- 2a. Original effective date of Plan: 10/01/2008
- 2b. Is this a restatement of a previously-adopted plan?
 Yes No
- 2c. If A.2b is "Yes", effective date of Plan restatement: 02/01/2024.
NOTE: If A.2b is "No", the Effective Date shall be the date specified in A.2a, otherwise the date specified in A.2c; provided, however, that when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision.
- 3. **Plan Year** means each 12-consecutive month period ending on 12/31 (e.g. December 31).
NOTE: The Plan Year should correspond to the Participant's taxable year which in most cases is the calendar year.

Plan Type

- 4. Type of Plan:
 - i. Plan maintained by a tax-exempt entity within the meaning of Code section 457(e)(1)(B).
 - ii. Governmental Plan maintained by a state or related entity within the meaning of Code section 457(e)(1)(A).

Plan Features

- 5. Employer/Employee contributions permitted (check all that apply):
 - a. Matching Contributions.
 - b. Nonelective Contributions.
 - c. Participant Deferral Contributions.
 - d. If A.5c is selected and the Plan is a Governmental Plan, Roth Deferrals are permitted.
 - e. If Roth Deferrals are permitted, enter the effective date of the Roth Deferrals: 02/01/2024 (no earlier than January 1, 2011).

Compensation

- 6. Definition of Compensation (check all that apply):
 - a. Base salary.
 - b. The additional pay specified in A.7.
- 7. If A.6.b is selected, enter the additional pay: _____

8a. Are there any exclusions from the definition of Compensation:

Yes No

8b. If A.8a is "Yes", enter the exclusions from the definition of Compensation: _____

8c. Exclude pay earned before participation in Plan from definition of Compensation:

Yes No

Unless "No" is checked, Compensation shall include only that compensation which is actually paid to the Participant by the Company during that part of the Plan Year the Participant is eligible to participate in the Plan. Otherwise, Compensation shall include that compensation which is actually paid to the Participant by the Company during the Plan Year.

B. ELIGIBILITY

Eligible Employee

NOTE: If the Plan is not a Governmental Plan, participation in the Plan must be limited to a select group of management or highly compensated employees within the meaning of Title 1 of the ERISA.

- 1. Subject to the conditions and limitations of B.2 through B.4, the term Eligible Employee shall include Employees who are also (check all that apply):
 - a. Officers of the Company in the following positions: _____.
 - b. Other management or highly compensated employees in the following classifications/positions: _____.
 - c. Employees listed in an appendix to the Adoption Agreement.
 - d. All Employees except: _____.
 - e. All Employees.

NOTE: Only a Governmental Plan may select B.1.d or B.1.e.
- 2. Indicate whether an independent contractor may participate in the Plan:

Yes No

Eligible Employee - Other

- 3. In addition to the requirements in B.1, the following additional conditions must be met in order for an Employee to become an Eligible Employee (check all that apply):
 - a. Must be approved by the Chief Executive Officer of the Plan Sponsor.
 - b. Must be approved by the Chief Executive Officer of the Employee's employing entity.
 - c. Must be approved by the Board of the Plan Sponsor.
 - d. Must be approved by the Board of the Employee's employing entity.
 - e. Other requirements listed in B.4.
- 4. If B.3.e is selected, enter other requirements: _____

Requirements for Participation

An Eligible Employee shall become eligible to participate in the Plan upon meeting the following conditions in B.5 through B.6:

- 5. Minimum service requirement for an Eligible Employee to become eligible to be a Participant in the Plan:
 - i. None.
 - ii. Completion of: 20 Hours per week
 - iii. Other: _____
- 6. Frequency of entry dates:
 - i. first day of each calendar month
 - ii. first day of each plan quarter
 - iii. first day of the first month and seventh month of the Plan Year
 - iv. first day of the Plan Year
 - v. Other: _____

Modifications

- 7a. Indicate whether there are any modifications to the requirements specified in B.1 - B.6:

Yes No
- 7b. If B.7a is "Yes", specify the modifications: _____.

C. ELECTIONS/CONTRIBUTIONS

- 1a. If **A.5c** is selected (Participant Deferrals permitted), minimum Participant contribution: None
- 1b. If **A.5c** is selected (Participant Deferrals permitted), maximum Participant contribution: one hundred percent (100%).
2. If **A.5c** is selected (Participant Deferrals permitted), a Participant may defer accumulated sick pay, accumulated vacation pay, and back pay:
 Yes No

Matching Contributions

3. If **A.5a** is "Yes" (matching contributions are permitted), specify method to allocate matching contributions (Section 5.01(b)):
 i. Pursuant to the formula specified in **C.4**.
 ii. An amount and allocation formula as determined by the Company.
4. If **A.5a** is "Yes" (matching contributions are permitted), and **C.3.i** is selected, indicate the formula to allocate such contributions: _____.
5. If **A.5a** is "Yes" (matching contributions are permitted), indicate any requirements that must be met in the applicable Plan Year to receive an allocation of such contributions: None.
NOTE: If **C.5** is blank or "None", there are no additional requirements for a Participant to receive an allocation of matching contributions.

Nonelective Contributions

6. If **A.5b** is "Yes" (nonelective contributions are permitted), specify method to allocate nonelective contributions (Section 5.01(b)):
 i. In the ratio that each Participant's Compensation bears to the Compensation of all eligible Participants.
 ii. Pursuant to the formula specified in **C.7**.
 iii. An amount and allocation formula as determined by the Company.
7. If **A.5b** is "Yes" (nonelective contributions are permitted) and **C.6.ii** is selected, indicate the formula to allocate such contributions: _____.
8. If **A.5b** is "Yes" (nonelective contributions are permitted), indicate any requirements that must be met in the applicable Plan Year to receive an allocation of such contributions: None.
NOTE: If **C.8** is blank or "None", there are no additional requirements for a Participant to receive an allocation of nonelective contributions.

Transfers/Rollovers

9. Transfers/rollover contributions are permitted (Section 5.03 and 5.04):
 Yes No
NOTE: If the Plan is not a Governmental Plan and **C.9** is "Yes", Section 5.03 shall apply. If the Plan is a Governmental Plan and **C.9** is "Yes", Section 5.03 and 5.04 shall apply.

D. EARNINGS/TRUST

Earnings

1. A Participant's Accounts shall be credited with earnings in the following manner:
 i. Fixed rate specified in **D.2**.
 ii. Predetermined investment(s) specified in an appendix to the Adoption Agreement.
 iii. Predetermined investment(s) as specified by the Plan Administrator.
 iv. Mid-term applicable federal rate (as defined pursuant to Code section 1274(d)) for January 1 of the calendar year.
NOTE: If the Plan is a Governmental Plan, **D.1** must be a predetermined investment.
2. If **D.1.i** (fixed rate) is selected, specify the rate: _____.
NOTE: If the rate specified in **D.2** is a published rate, and the entry in **D.2** does not specify when the rate is redetermined, such rate shall be redetermined at the beginning of each Plan Year.
3. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected, specify the extent to which a Participant may choose among the predetermined investments:
 i. A Participant may not choose among predetermined investments.
 ii. As of each Valuation Date.
 iii. As of the first day of each Plan Year.
 iv. Pursuant to Plan Administrator procedures.

- 4a. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected and **D.3.ii**, **D.3.iii** or **D.3.iv** is selected (Participant direction is allowed), the Plan provides conditions and/or limitations to the Participant's right to select investments:
 Yes No
- 4b. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected and **D.3.ii**, **D.3.iii** or **D.3.iv** is selected (Participant direction is allowed) and **D.4a** is "Yes", enter the conditions and/or limitations: _____.

Grantor Trust

- 5. If the Plan is not a Governmental Plan, specify the extent to which the Company shall establish a grantor trust to pre-fund its obligations for benefits hereunder (Section 7.02(a)):
 - i. No grantor trust shall be established.
 - ii. The Company may, in its sole discretion, establish a grantor trust.
 - iii. The Company shall establish a grantor trust.

NOTE: If the Plan is a Governmental Plan, the Plan shall establish a Trust pursuant to Section 7.02(b).

Valuation Date

- 6a. Enter Valuation Date:
 - i. Last day of Plan Year
 - ii. Last day of each Plan quarter
 - iii. Last day of each month
 - iv. Each business day
 - v. Other
- 6b. If **D.6a.v** is selected, enter the Valuation Date: _____(Must be at least annually).

E. VESTING FOR COMPANY CONTRIBUTIONS

Vesting Service Rules

- 1. Indicate the method of determining vesting service: N/A.
NOTE: Unless otherwise specified in **E.1**, a Participant shall earn one year of vesting service for each calendar year in which he is credited with 1,000 hours of service with the Employer.

Vesting Exceptions

- 2. Provide for full vesting for a Participant who Terminates employment with the Employer after attainment of Normal Retirement Age while an Employee (Section 5.06):
 Yes No
- 3. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee (Section 5.06):
 Yes No
- 4. Provide for full vesting for a Participant who Terminates employment with the Employer due to disability while an Employee (Section 5.06):
 Yes No
- 5a. Provide for full vesting for a Participant upon the circumstances described in **E.5b** (Section 5.06):
 Yes No
- 5b. If **E.5a** is "Yes", describe the other circumstances: _____.
- 6a. Company contribution vesting schedule:
 100% 3-7 Year Graded 2-6 Year Graded 1-5 Year Graded 1-4 Year Graded
 5 Year Cliff 3 Year Cliff 2 Year Cliff Other Pursuant to another plan.
NOTE: If the amount of compensation deferred under the Plan during the taxable year is subject to a vesting schedule, the amount of compensation deferred that is taken into account as a Deferral in the taxable year in which the contribution vests must be adjusted to reflect gain or loss allocable to the compensation deferred until the contribution vests.
- 6b. If **E.6a** is "Other", enter other vesting schedule: _____
- 6c. If **E.6a** is "Pursuant to another plan", enter name of other plan: _____

Special Forfeiture Provisions

- 7a. Provide for special forfeiture provisions (Section 5.06(c)):
 Yes No

- 7b.** If **E.7a** is "Yes", describe any event that shall result in a complete forfeiture of that portion of the Participant's Account specified in **E.7c**: _____.
- NOTE:** If the amount of compensation deferred under the plan during the taxable year is subject to a substantial risk of forfeiture, the amount of compensation deferred that is taken into account as an annual deferral in the taxable year in which the substantial risk of forfeiture lapses must be adjusted to reflect gain or loss allocable to the compensation deferred until the substantial risk of forfeiture lapses.
- 7c.** If **E.7a** is "Yes", a Participant meeting the conditions of **E.7b** shall forfeit the following portion of his or her Account even if such Account is otherwise fully vested: _____.

F. DISTRIBUTIONS

NOTE: All distributions are subject to the minimum distribution requirements of Code section 401(a)(9).

Normal Retirement

- 1.** Normal Retirement Age means Attainment of age: 65.
- NOTE:** Normal Retirement Age must be on or after the earlier of: (i) age 65, or (ii) the age at which Participants have the right to retire under a basic defined benefit pension plan of the Employer (or money purchase plan if no defined benefit plan). An earlier age may apply for eligible plans of qualified police or firefighters. The age selected may not be later than age 70-1/2.

Time of Payment for Reasons other than Death

- 2.** Benefits may not commence later than the date specified below (Section 6.01):
- The earlier of the Required Beginning Date or the number of years specified in **F.3** after the Participant's Termination.
 - The earlier of the Required Beginning Date or Normal Retirement Age.
 - Required Beginning Date.
- NOTE:** If **F.2.ii** is selected, payment may not be made earlier than that specified in Section 6.01.
- 3.** If **F.2.i** is selected (number of years after Termination), enter the number years after the Participant's Termination during which benefits must commence (Section 6.01): 2.
- NOTE:** If zero is entered in **F.3**, distributions shall commence on the 61st day following the distribution event.

Form of Payment for Reasons other than Death

- 4a.** Optional forms of payment payable for reasons other than death of the Participant (check all that apply):
- A single lump sum payment.
 - Annual installment payments for a period of years (payable on an annual basis) which extends for no longer than the number of years specified in **F.4b**.
 - Other optional form of benefit specified in **F.4c**.
- 4b.** If **F.4a.ii** (annual installments) is selected, enter the maximum number of years over which payments may be made: _____.
- NOTE:** May not extend beyond the life expectancy of the Participant and Beneficiary.
- 4c.** If **F.4a.iii** (Other) is selected, describe other optional form of benefit: _____.

Payment on Participant Death

- 5.** Distributions on account of the death of the Participant shall be made in accordance with one of the following payment forms (Section 6.05):
- Pay entire remaining Account by end of the first calendar year following the date of death.
 - Participant's Beneficiary shall be entitled to make any elections as to timing and form of distribution as were available to the Participant at the time of death subject to the minimum distribution requirements of Code section 401(a)(9).

Unforeseeable Emergency

- 6a.** A Participant may receive a distribution upon the occurrence of an unforeseeable emergency (Section 6.04):
 Yes No
- 6b.** If **F.6a** is "Yes", **A.5c** (Participant Deferral Contributions) is selected, the Plan is a Governmental Plan, and Roth Deferrals are permitted, permit unforeseeable emergency distributions from Roth Deferral Accounts:
- Yes

- ii. Yes - But only if the withdrawal from the Roth Deferral Account qualifies as a "qualified distribution" within the meaning of Code section 402A(d)(2).
- iii. No

Small Distributions

7. A Participant may make a one-time election to receive a distribution of a small balance (\$5,000 or less) as permitted by Code section 457(e)(9)(A) (Section 6.03):
 Yes No

Medium of Payment

8. Medium of distribution from the Plan:
- i. Cash only
 - ii. Cash or in-kind
 - iii. In-kind only

Transfers

- 9a. Specify whether transfers may be made to another plan (Section 6.08):
 Yes No
NOTE: A transfer shall only be permitted to the extent that it is permissible in accordance with Code section 457(e)(10) and Treas. Reg. section 1.457-10(b).
NOTE: Governmental Plans are also subject to the direct rollover rules in Section 6.09.
- 9b. If the Plan is a Governmental Plan, specify whether service credit transfers may be made to another defined benefit governmental plan (Section 6.10):
 Yes No

Death or Disability during Qualified Military Service

- 10a. For benefit accrual purposes, a Participant that dies or becomes disabled while performing qualified military service will be treated as if he had been employed by the Company on the day preceding death or disability and terminated employment on the day of death or disability pursuant to Code section 414(u)(9), Notice 2010-5 and any superseding guidance (Section 6.12):
 Yes No
- 10b. If **F.10a** is "Yes", enter the effective date: 10/01/2008 (must be on or after January 1, 2007).

Loans/Inservice

11. If the Plan is a Governmental Plan, specify whether Participant loans may be made (Section 6.13):
 Yes No
12. If the Plan is a Governmental Plan and **C.9** permits rollover contributions, specify whether a Participant may receive an inservice withdrawal of his rollover Account (Section 6.07):
 Yes No
13. Specify whether a Participant may receive an inservice withdrawal of his Account upon attainment of age 70-1/2:
 Yes No

2009 Required Minimum Distributions

- 14a. If the Plan is a Governmental Plan, indicate the extent to which participants and beneficiaries have an election to receive distributions that include 2009 RMDs:
- i. Default to continue 2009 RMDs.
 - ii. Default to discontinue 2009 RMDs.
 - iii. Other: _____.
- NOTE:** If "Other" is selected, the below provisions will not apply except to the extent specified.
- 14b. Direct Rollovers of 2009 RMDs. For purposes of the direct rollover provisions of the Plan, the following will also be treated as eligible rollover distributions in 2009:
- i. None. 2009 RMDs will not be treated as eligible rollover distributions in 2009.
 - ii. 2009 RMDs only.
 - iii. Extended 2009 RMDs only.
 - iv. 2009 RMDs and Extended 2009 RMDs.

G. PLAN OPERATIONS

Plan Administration

- 1a. Designation of Plan Administrator (Section 7.01):
 - i. Plan Sponsor
 - ii. Committee appointed by Plan Sponsor
 - iii. Other
- 1b. If G.1a.iii is selected, Name of Plan Administrator: _____
- 2a. Type of indemnification for the Plan Administrator (and if applicable, the Trustee):
 - i. Standard according to Section 7.03.
 - ii. Custom.
- 2b. If G.2a.ii (Custom) is selected, indemnification for the Plan Administrator (and if applicable, the Trustee) is provided pursuant to an Addendum to the Adoption Agreement.

H. MISCELLANEOUS

Failure to properly fill out the Adoption Agreement may result in the failure of the Plan to achieve its intended tax consequences and may further result in significant tax penalties.

The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #457B and any related Appendix and Addendum to the Adoption Agreement.

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The Plan Sponsor caused this Plan to be executed this ____ day of _____, 2024.

CITY OF STAR:

Signature: _____

Print Name: Trevor Chadwick

Title/Position: _____

CITY OF STAR
FORMAL RECORD OF ACTION

The following is a formal record of action taken by the governing body of City of Star (the "Company").

With respect to the amendment and restatement of the City of Star 457(b) Deferred Compensation Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended and restated in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company;

RESOLVED FURTHER: That Trevor Chadwick is hereby retained as the Trustee of the Plan; and

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2024.

Trevor Chadwick

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

TRUST AGREEMENT

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Goldleaf Partners
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NOTE: A 457(b) plan that is sponsored by a governmental agency must be funded by a trust, custodial accounts and/or annuity contracts. This trust agreement is intended to be used for a qualified plan that is subject to ERISA. Therefore, if this plan will be funded by a trust you will need to make significant changes to this document if you chose to use this document as the trust agreement. Please note that any trust must also comply with any state enabling legislation.

TRUST AGREEMENT

THIS TRUST AGREEMENT is amended and restated effective as of the ___ day of _____, 2024, between City of Star (the "Company"), and Trevor Chadwick (the "Trustee").

WITNESSETH

WHEREAS, the Company sponsors the City of Star 457(b) Deferred Compensation Plan (the "Plan") for the benefit of employees eligible to participate therein (the "Participants") and their beneficiaries (the "Beneficiaries");

WHEREAS, the Trustee is serving as trustee of a trust constituting a part of the Plan (the "Trust"), pursuant to which assets are being held to provide for the funding and payment of benefits under the Plan;

WHEREAS, the Company and Trustee deem it necessary and desirable to amend and restate the existing trust agreement;

WHEREAS, the Company has designated the Trustee to act as the trustee of the Plan and the Trustee is willing to continue to serve as trustee for the Plan to hold in trust those assets of the Plan that have been and will be transferred to the Trustee in accordance with the provisions of this Agreement (the "Trust Fund");

WHEREAS, the Company has designated a fiduciary to select Trust Fund investments and perform other duties with respect to the investment of the Trust Fund (the "Investment Fiduciary"); and

WHEREAS, the Company and the Trustee deem it necessary and desirable to enter into a written agreement of trust;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto, intending to be legally bound, hereby agree and declare as follows:

ARTICLE I
CONTINUATION OF THE TRUST

Section 1.01 Continuation of Trust Fund. A trust is hereby continued under the Plan and the Trustee will maintain a trust account for the Plan and, as part thereof, Participants' accounts for such individuals as the Company shall from time to time give written notice to the Trustee are Participants in the Plan. The Trustee will accept and hold in the Trust Fund such contributions on behalf of Participants as it may receive from time to time from the Company, including amounts transferred by any prior trustee of the Plan, and such earnings, income and appreciation as may accrue thereon; less losses, depreciation and payments made by the Trustee to carry out the purposes of the Plan. The Trust Fund shall be fully invested and reinvested in accordance with the applicable provisions of this Agreement.

Section 1.02 Exclusive Benefit. All contributions made to the Plan are made for the exclusive benefit of the Participants and their Beneficiaries, and such contributions shall not be used for, nor diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries (including the costs of maintaining and administering the Plan and corresponding trust).

Section 1.03 Return of Contributions. Notwithstanding any other provision of this the Plan: (i) as contributions made prior to the receipt of an initial determination letter are conditional upon a favorable determination as to the qualified status of the Plan under Code section 401(a), if the Plan receives an adverse determination with respect to its initial qualification, then any such contribution may be returned to the Company within one year after such determination, provided the application for determination is made by the time prescribed by law; (ii) contributions made by the Company based upon mistake of fact may be returned to the Company within one year of such contribution; (iii) as all contributions to the Plan are conditioned upon their deductibility under the Code, if a deduction for such a contribution is disallowed, such contribution may be returned to the Company within one year of the disallowance of such deduction; and (iv) after all liabilities under the Plan have been satisfied, the remaining assets of the Trust shall be distributed to the Company if such distribution is provided for in the Plan and does not contravene any provision of applicable law.

In the case of the return of a contribution due to mistake of fact or the disallowance of a deduction, the amount that may be returned is the excess of the amount contributed over the amount that would have been contributed had there not been a mistake or disallowance. Earnings attributable to the excess contributions may not be returned to the Company but losses attributable thereto must reduce the amount to be so returned. Any return of contribution or distribution of assets made by the Trustee pursuant to this Section shall be made only upon the direction of the Company, which shall have exclusive responsibility for determining whether the conditions of such return or distribution have been satisfied and for the amount to be returned.

Section 1.04 Assets Not Held by Trustee. The Trustee shall not be responsible for any assets of the Plan that are held outside of the Trust Fund. The Trustee is expressly hereby relieved of any responsibility or liability for any losses resulting to the Plan arising from any acts or omissions on the part of any insurance company holding assets outside of the Trust Fund.

ARTICLE II DUTIES OF THE TRUSTEE

Section 2.01 In General. The Trustee is not a party to, and has no duties or responsibilities under, the Plan other than those that may be expressly contained in this Article. The Trustee shall have no duties, responsibilities or liability with respect to the acts or omissions of any prior trustee. The Trustee shall discharge its assigned duties and responsibilities under this Article and the Plan with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 2.02 Contributions. The Trustee agrees to accept contributions that are paid to it by the Company (as well as rollover contributions and direct transfers from other qualified retirement plans) in accordance with the terms of this Article. Such contributions shall be in cash or in such other form that may be acceptable to the Trustee. The Trustee shall have no duty to determine or collect contributions under the Plan and shall have no responsibility for any property until it is received by the Trustee. The Company shall have the sole duty and responsibility for the determination of the accuracy or sufficiency of the contributions to be made under the Plan, the transmittal of the same to the Trustee and compliance with any statute, regulation or rule applicable to contributions.

Section 2.03 Distributions. The Trustee shall make distributions out of the Trust Fund pursuant to instructions described in Article IV. The Trustee shall not have any responsibility or duty under this Article for determining that such are in accordance with the terms of the Plan and applicable law, including without limitation, the amount, timing or method of payment and the identity of each person to whom such payments shall be made. The Trustee shall have no responsibility or duty to determine the tax effect of any payment or to see to the application of any payment. In making payments to service providers pursuant to instructions, the Plan Sponsor acknowledges that the Trustee is acting as a paying agent and not as the payor, for tax information reporting and withholding purposes. In the event that any dispute shall arise as to the persons to whom payment or delivery of any assets shall be made by the Trustee, the Trustee may withhold such payment or delivery until such dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.

Section 2.04 Records. The Trustee shall keep full and accurate accounts of all receipts, investments, disbursements and other transactions hereunder, including such specific records as may be agreed upon in writing between the Company and the Trustee. All such accounts, books and records shall be open to inspection and audit at all reasonable times by any authorized representative of the Company or the Plan Administrator. A Participant may examine only those individual account records pertaining directly to him.

Section 2.05 Accounting. The Trustee shall file with the Plan Administrator a written account of the administration of the Trust Fund showing all transactions effected by the Trustee subsequent to the period covered by the last preceding account and all property held at its fair market value at the end of the accounting period. The Trustee shall use its best effort to file

such written account within ninety (90) days, but not later than one hundred twenty (120) days after the end of each Plan Year. Upon approval of such accounting by the Plan Administrator, neither the Company nor the Plan Administrator shall be entitled to any further accounting by the Trustee. The Plan Administrator may approve such accounting by written notice of approval delivered to the Trustee or by failure to express objection to such accounting in writing delivered to the Trustee within six (6) months from the date on which the accounting is delivered to the Plan Administrator.

Section 2.06 Participant Eligibility. The Trustee shall not be required to determine the facts concerning the eligibility of any Participant to participate in the Plan, the amount of benefits payable to any Participant or Beneficiary under the Plan, or the date or method of payment or disbursement. The Trustee shall be fully entitled to rely in good faith solely upon the written advice and directions of the Plan Administrator as to any such question of fact.

Section 2.07 Indicia of Ownership. The Trustee shall not hold the indicia of ownership of any assets of the Trust Fund outside of the jurisdiction of the District Courts of the United States, unless in compliance with section 404(b) of ERISA and regulations thereunder.

Section 2.08 Notice. The Trustee shall provide the Company with advance notice of any legal actions the Trustee may take with respect to the Plan and Trust and shall promptly notify the Company of any claim against the Plan and Trust.

ARTICLE III GENERAL INVESTMENT POWERS

Section 3.01. In General. In addition to all powers and authority under common law, statutory authority and other provisions of this Article, the Trustee shall have the following powers and authorities to be exercised in accordance with and subject to the provisions of Section 3.02 hereof:

(a) Invest and reinvest the Trust Fund in any property, real, personal or mixed, wherever situated, and whether or not productive of income or consisting of wasting assets, including, without limitation, common and preferred stock, bonds, notes, debentures, options, mutual funds, leaseholds, mortgages (including without limitation, any collective or part interest in any bond and mortgage or note and mortgage), certificates of deposit, and oil, mineral or gas properties, royalties, interests or rights (including equipment pertaining thereto), without being limited to the classes of property in which trustees are authorized by law or any rule of court to invest trust funds and without regard to the proportion any such property may bear to the entire amount of the Trust Fund;

(b) Hold property in nominee name, in bearer form, or in book entry form, in a clearinghouse corporation or in a depository, so long as the Trustee's records clearly indicate that the assets held are a part of the Trust Fund;

(c) Collect income payable to and distributions due to the Trust Fund and sign on behalf of the Trust any declarations, affidavits, certificates of ownership and other documents

required to collect income and principal payments, including but not limited to, tax reclamations, rebates and other withheld amounts;

(d) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition;

(e) Pursuant to the terms of Article V, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

(f) Take all action necessary to pay for authorized transactions or make authorized distributions, including exercising the power to borrow or raise moneys from any lender, upon such terms and conditions as are necessary to settle such transactions or distributions;

(g) To keep such portion of the Trust Fund uninvested in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(h) To accept and retain for such time as the Trustee may deem advisable any securities or other property received or acquired as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(i) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(j) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Trust Fund, to commence or defend suits or legal or administrative proceedings, and to represent the Plan and/or Trust Fund in all suits and legal and administrative proceedings;

(k) To invest in Treasury Bills and other forms of United States government obligations;

(l) Deposit cash in interest bearing accounts in the banking department of the Trustee or an affiliated banking organization;

(m) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(n) Invest and reinvest all or any portion of the Trust Fund collectively with funds of other retirement plan trusts exempt from tax under Code section 501(a), including, without limitation, the power to invest collectively with such other funds through the medium of one or more common, collective or commingled trust funds which have been or may hereafter be operated by the Trustee, the instrument or instruments establishing such trust fund or funds, as amended from time to time, being made part of this Trust so long as any portion of the Trust Fund shall be invested through the medium thereof;

(o) Sell, either at public or private sale, option to sell, mortgage, lease for a term of years less than or continuing beyond the possible date of the termination of the Trust created hereunder, partition or exchange any real property which may from time to time constitute a portion of the Trust Fund, for such prices and upon such terms as it may deem best, and to make, execute and deliver to the purchasers thereof good and sufficient deeds of conveyance therefor and all assignments, transfers and other legal instruments, either necessary or convenient for the passing of the title and ownership thereof to the purchaser, free and discharged of all trusts and without liability on the part of such purchasers to see to the proper application of the purchase price;

(p) Repair, alter, improve or demolish any buildings which may be on any real estate forming part of the Trust Fund or to erect entirely new structures thereon;

(q) Renew, extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default, whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid on property in foreclosure, to take a deed in lieu of foreclosure with or without paying a consideration therefor, and in connection therewith to release the obligation on the bond or note secured by the mortgage; and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any mortgage or guarantee;

(r) Purchase any authorized investment at a premium or at a discount;

(s) Establish, manage and administer a securities lending program on behalf of the Trust Fund, pursuant to which the Trustee shall have authority to cause any or all securities held in the Trust Fund to be lent to such one or more borrowers as the Trustee shall determine, in accordance with Prohibited Transaction Class Exemption 81-6. The Investment Fiduciary shall enter into a written agreement with the Trustee setting forth the terms and conditions of the Trustee's appointment, including without limitation the compensation to be paid to the Trustee for its services with respect to such securities lending program, in accordance with Prohibited Transaction Class Exemption 82-63;

(t) To purchase any annuity contract pursuant to Article 7 of the Plan;

(u) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

Section 3.02 Restrictions on Discretion of Trustee

(a) Requirement for Preapproval. The powers granted the Trustee under Section 3.01 shall be exercised by the Trustee in its discretion insofar as such exercise does not contravene any written direction from the Investment Fiduciary. Any written direction of the Investment Fiduciary may be of a continuing nature, but may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall comply with any direction as promptly as possible, provided it does not contravene the terms of the Plan or the provision of any applicable law. The Investment Fiduciary, by written direction, may require the Trustee to obtain written approval of the Investment Fiduciary before exercising such of its powers as may be specified in such direction. Any such direction may be of a continuing nature or otherwise and may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall not be responsible for any loss that may result from the failure or refusal of the Investment Fiduciary to give any such required approval.

(b) Prohibited Transactions. The Trustee shall not engage in any prohibited transaction within the meaning of the Code and ERISA.

(c) Legal Actions. The Trustee is authorized to execute all necessary receipts and releases and shall be under the duty to make efforts to collect such sums as may appear to be due (except contributions hereunder); provided, however, that the Trustee shall not be required to institute suit or maintain any litigation to collect the proceeds of any asset unless it has been indemnified to its satisfaction for counsel fees, costs, disbursements and all other expenses and liabilities to which it may in its judgment be subjected by such action. Notwithstanding anything to the contrary herein contained, the Trustee is authorized to compromise and adjust claims arising out of any asset held in the Trust Fund upon such terms and conditions as the Trustee may deem just, and the action so taken by the Trustee shall be binding and conclusive upon all persons interested in the Trust Fund.

Section 3.03 Retention of Advisors. The Trustee, with the consent of the Investment Fiduciary, may retain the services of investment advisors to invest and reinvest the assets of the Trust Fund, as well as employ such legal, actuarial, medical, accounting, clerical and other assistance as may be required in carrying out the provisions of the Plan. The Trustee may also appoint custodians, subcustodians or subtrustees as to part or all of the Trust Fund.

ARTICLE IV INSTRUCTIONS

Section 4.01 Reliance on Instructions. Whenever the Trustee is permitted or required to act upon the directions or instructions of the Investment Fiduciary, Plan Administrator or

Company, the Trustee shall be entitled to act in good faith upon any written communication signed by any person or agent designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Company. Such person or agent shall be so designated either under the provisions of the Plan or in writing by the Company and their authority shall continue until revoked in writing. The Trustee shall incur no liability for failure to act in good faith on such person's or agent's instructions or orders without written communication, and the Trustee shall be fully protected in all actions taken in good faith in reliance upon any instructions, directions, certifications and communications believed to be genuine and to have been signed or communicated by the proper person.

Section 4.02 Designation of Agent. The Company shall notify the Trustee in writing as to the appointment, removal or resignation of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Company. After such notification, the Trustee shall be fully protected in acting in good faith upon the directions of, or dealing with, any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Company until it receives notice to the contrary. The Trustee shall have no duty to inquire into the qualifications of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Company.

Section 4.03 Payment of Benefits. The Trustee shall pay benefits and expenses from the Trust Fund only upon the written direction of the Plan Administrator. The Trustee shall be fully entitled to rely in good faith on such directions furnished by the Plan Administrator, and shall be under no duty to ascertain whether the directions are in accordance with the provisions of the Plan.

ARTICLE V INVESTMENT OF THE FUND

Section 5.01 Investment Funds. The Investment Fiduciary shall have the exclusive authority and discretion to select the Investment Funds available for investment under the Plan. In making such selection, the Investment Fiduciary shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Subject to the first sentence of Section 5.02 below, the available investments under the Plan shall be sufficiently diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Investment Fiduciary shall notify the Trustee in writing of the selection of the Investment Funds currently available for investment under the Plan, and any changes thereto.

Section 5.02 Participant Self-Direction. To the extent permitted by the Plan Administrator pursuant to the terms of the Plan, each Participant shall have the right, in accordance with the provisions of the Plan, to direct the investment by the Trustee of all amounts allocated to the separate accounts of the Participant under the Plan among any one or more of the available Investment Funds; provided, however, that during any transition period as may be agreed by the Investment Fiduciary and the Trustee, the Investment Fiduciary may direct the investment by the Trustee into the Investment Funds available during such period with respect to

which individual Participant's directions shall not have been made or shall not have been permitted to be made under the Plan. All investment directions by Participants shall be timely furnished to the Trustee by the Plan Administrator, except to the extent such directions are transmitted telephonically or otherwise by Participants directly to the Trustee or its delegate in accordance with rules and procedures established and approved by the Plan Administrator and communicated to the Trustee. In making any investment of the assets of the Fund, the Trustee shall be fully entitled to rely on such directions furnished to it by the Plan Administrator or by Participants in accordance with the Plan Administrator's approved rules and procedures, and shall be under no duty to make any inquiry or investigation with respect thereto. If the Trustee receives any contribution under the Plan that is not accompanied by instructions directing its investment, the Trustee shall immediately notify the Plan Administrator of that fact, and the Trustee may, in its discretion, hold all or a portion of the contribution uninvested without liability for loss of income or appreciation pending receipt of proper investment directions.

Section 5.03 Investment Managers.

(a) Appointment of Investment Managers. The Investment Fiduciary may appoint one or more Investment Managers with respect to some or all of the assets of the Trust Fund as contemplated by section 402(c)(3) of ERISA. Any such Investment Manager shall acknowledge to the Investment Fiduciary in writing that it accepts such appointment and that it is an ERISA fiduciary with respect to the Plan and the Trust Fund. The Investment Fiduciary shall provide the Trustee with a copy of the written agreement (and any amendments thereto) between the Investment Fiduciary and the Investment Manager. By notifying the Trustee of the appointment of an Investment Manager, the Investment Fiduciary shall be deemed to certify that such Investment Manager meets the requirements of section 3(38) of ERISA. The authority of the Investment Manager shall continue until the Investment Fiduciary rescinds the appointment or the Investment Manager has resigned.

(b) Separation of Duties. The assets with respect to which a particular Investment Manager has been appointed shall be specified by the Investment Fiduciary and shall be segregated in a separate account for the Investment Manager (the "Separate Account") and the Investment Manager shall have the power to direct the Trustee in every aspect of the investment of the assets of the Separate Account. The Trustee shall not be liable for the acts or omissions of an Investment Manager and shall have no liability or responsibility for acting pursuant to the direction of, or failing to act in the absence of, any direction from an Investment Manager, unless the Trustee knows that by such action or failure to act it would be itself committing a breach of fiduciary duty or participating in a breach of fiduciary duty by such Investment Manager, it being the intention of the parties that each party shall have the full protection of section 405(d) of ERISA.

Section 5.04 Proxies.

(a) Delivery of Information. The Trustee shall deliver, or cause to be delivered, to the Company or Plan Administrator all notices, prospectuses, financial statements, proxies and proxy soliciting materials received by the Trustee relating to securities held by the Trust or, if

applicable, deliver these materials to the appropriate Participant or the Beneficiary of a deceased Participant.

(b) Voting. The Trustee shall not vote any securities held by the Trust except in accordance with the written instructions of the Company, the Investment Fiduciary, Participant or the Beneficiary of the Participant, if the Participant is deceased. However, the Trustee may, in the absence of instructions, vote "present" for the sole purpose of allowing such shares to be counted for establishment of a quorum at a shareholders' meeting. The Trustee shall have no duty to solicit instructions from Participants, Beneficiaries, the Investment Fiduciary or the Company.

(c) Investment Manager. To the extent not delegated to Participants pursuant to Section 5.02, the Investment Manager shall be responsible for making any proxy voting or tender offer decisions with respect to securities held in the Separate Account and the Investment Manager shall maintain a record of the reasons for the manner in which it voted proxies or responded to tender offers.

ARTICLE VI COMPENSATION AND INDEMNIFICATION

Section 6.01 Compensation. The Trustee shall be entitled to reasonable compensation for its services as is mutually agreed upon with the Company. If approved by the Plan Administrator, the Trustee shall also be entitled to reimbursement for all direct expenses properly and actually incurred on behalf of the Plan. Such compensation or reimbursement shall be paid to the Trustee out of the Trust Fund unless paid directly by the Company.

Section 6.02 Indemnification. The Company shall indemnify and hold harmless the Trustee from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with its duties hereunder to the extent not covered by insurance, except when the same is due to the Trustee's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under this Plan or ERISA.

ARTICLE VII RESIGNATION AND REMOVAL

Section 7.01 Resignation. The Trustee may resign at any time by written notice to the Plan Administrator which shall be effective 60 days after delivery unless prior thereto a successor Trustee assumes the responsibilities of Trustee hereunder.

Section 7.02 Removal. The Trustee may be removed by the Company at any time.

Section 7.03 Successor Trustee. The appointment of a successor Trustee hereunder shall be accomplished by and shall take effect upon the delivery to the resigning or removed Trustee, as the case may be, of written notice of the Company appointing such successor Trustee, and an acceptance in writing of the office of successor Trustee hereunder executed by the successor so appointed. Any successor Trustee may be either a corporation authorized and

empowered to exercise trust powers or one or more individuals. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder. If within 45 days after notice of resignation shall have been given under the provisions of this Article a successor Trustee shall not have been appointed, the resigning Trustee or the Plan Sponsor may apply to any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.04 Transfer of Trust Fund. Upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, the amount of any compensation due to it and any sums chargeable against the Trust Fund for which it may be liable. If the sums so reserved are not sufficient for such purposes, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the Plan Sponsor.

ARTICLE VIII AMENDMENT AND TERMINATION OF THE TRUST AND THE PLAN

Section 8.01 Amendment and Termination of Agreement. The Company may, by delivery to the Trustee of an instrument in writing, amend, terminate or partially terminate this Agreement at any time; provided, however, that no amendment shall increase the duties or liabilities of the Trustee without the Trustee's consent; and, provided further, that no amendment shall divert any part of the Trust Fund to any purpose other than providing benefits to Participants and their Beneficiaries or defraying reasonable expenses of administering the Plan.

Section 8.02 Plan Termination. Should the Plan be subject to the jurisdiction of the Pension Benefit Guaranty Corporation ("PBGC") as provided under ERISA, and should the Trustee receive written notice of the termination of the Plan, the Trustee shall take no action until it has received notice from the Company that the PBGC has been notified of the termination and has not notified the Company of its disapproval, in accordance with its regulations. Thereafter, the Trustee shall distribute all assets then constituting the Trust Fund, less any fees and expenses payable from the Trust Fund, pursuant to instructions from the Plan Administrator. The Trustee shall be entitled to assume that such distributions are in full compliance with and not in violation of the terms of the Plan or any applicable law.

ARTICLE IX ADDITIONAL PROVISIONS

Section 9.01 Assignment or Alienation. Except as may be provided by the Plan, the Trust Fund shall not be subject to any form of attachment, garnishment, sequestration or other actions of collection afforded creditors of the Company, Participants or Beneficiaries under the Plan. The Trustee shall not recognize any assignment or alienation of benefits unless an instruction is received from the Plan Administrator.

Section 9.02 Plan Definitions. Unless the context of this Agreement clearly indicates otherwise, the terms defined in the Plan shall, when used herein, have the same meaning as in the Plan.

Section 9.03 No Third Party Beneficiaries. The provisions of this Agreement are intended to benefit only the parties hereto, their respective successors and assigns, and Participants and their Beneficiaries under the Plan. There are no other third party beneficiaries. Nothing contained in this Agreement or in the Plan shall require the Company or an affiliate to retain any employee in its service.

Section 9.04 Plan Document. The Trustee hereby acknowledges receipt of a copy of the Plan. The Company will cause a copy of any amendment to the Plan to be delivered to the Trustee.

Section 9.05 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the state of state of organization of the Plan Sponsor to the extent not preempted by Federal law.

Section 9.06 Successors and Assigns. Neither the Company nor the Trustee may assign this Agreement without the prior written consent of the other. This Agreement shall be binding upon, and inure to the benefit of, the Company and the Trustee and their respective successors and permitted assigns.

Section 9.07 Severability of Provisions. If any provision of the Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Agreement shall be construed and enforced as if such provisions had not been included.

Section 9.08 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement.

Section 9.09 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Section 9.10 Representations. The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind the Company or the Trustee to this Agreement.

Section 9.11 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by one counterpart.

IN WITNESS WHEREOF, the parties have caused this Trust to be executed this _____ day of _____, 2024.

CITY OF STAR:

Signature: _____

Print Name: Trevor Chadwick

Title/Position: _____

TRUSTEE:

Title: _____

CITY OF STAR
FORMAL RECORD OF ACTION

The following is a formal record of action taken by the governing body of City of Star (the "Employer").

With respect to the amendment of the City of Star 457(b) Deferred Compensation Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended in the form attached hereto, which amendment is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Employer be, and they hereby are, authorized and directed to execute said amendment on behalf of the Employer;

RESOLVED FURTHER: That the officers of the Employer be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2024.

Trevor Chadwick

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

SECURE/CARES/CAA AMENDMENT

This Amendment is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Amendment is to be construed in accordance with the Applicable Law and both the Amendment and the Applicable Law will supersede any inconsistent Plan provisions.

OPTIONAL PROVISIONS:

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Treatment of 2020 RMDs (see Section A. below)
*Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.*

Effective _____ (no earlier than 01/01/2020):

- Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.
- Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

2. 2020 RMDs as Direct Rollovers (see Section A. below)
A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

- 2020 RMDs.
- 2020 RMDs and Extended 2020 RMDs.
- 2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code section 401(a)(9)(I).

3. Qualified Birth or Adoption Distributions (see Section C. below)

The Plan does not permit qualified birth or adoption distributions as a separate distribution event.

Effective _____ (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.

The following limitations and conditions apply: _____.

4. Portability of Lifetime Income Options (see Section D. below)

The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.

The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: _____ (no earlier than the plan year beginning after 12/31/2019).

The following limitations and conditions apply: _____.

5. Time of Payment for Reasons other than Death

The existing Plan provisions, if any, remain in effect for distributions to a Participant who has not separated from employment (e.g., benefits may not commence until Required Beginning Date).

Effective _____ (no earlier than 01/01/2020), the Plan permits distributions to a Participant who has not separated from employment if the Participant attains: _____ (age cannot be less than 59-1/2).

STANDARD PROVISIONS:

A. Required Minimum Distributions

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(l) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant

and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

B. Distribution on Account of Death for Certain Eligible Retirement Plans

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

C. Qualified Birth or Adoption Distributions

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

D. Portability of Lifetime Income Investments

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or "qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

E. Disaster or Coronavirus-Related Relief

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act, 2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the relief listed below in compliance with Applicable Law.

A. Qualified Distributions

I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.

II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.

III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

B. Expanded Loan Provisions

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

IN WITNESS WHEREOF, the Employer has caused this Amendment to be executed this _____ day of _____, 2024.

CITY OF STAR:

Signature:

Print Name:

Trevor Chadwick

Title/Position:

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

PLAN DESCRIPTION

02/01/2024

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CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

PLAN DESCRIPTION

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INTRODUCTION

City of Star (the "Company") established the City of Star 457(b) Deferred Compensation Plan (the "Plan") effective 10/01/2008. This Plan Description describes the Plan as amended and restated effective 02/01/2024.

This revised Plan Description supersedes all previous Plan Descriptions. Although the purpose of this document is to summarize the more significant provisions of the Plan, the Plan document will prevail in the event of any inconsistency.

ELIGIBILITY FOR PARTICIPATION

Eligible Employee

All employees are "Eligible Employees".

In addition to being a member of an eligible class, you must also meet the following additional condition in order to become an Eligible Employee:

Your participation must be approved by the Chief Executive Officer of the Plan Sponsor.

Date of Participation

You will become a Participant eligible to participate in the Plan on the first day of the calendar month after you complete 20 Hours per week as an Eligible Employee.

ELECTIONS/CONTRIBUTIONS

Participant Contributions

When you become eligible to participate in the Plan, you may begin contributing to the Plan. All contributions will be credited to an account established in your behalf. Your contributions to the Plan are not subject to federal income tax but may be subject to social security and medicare taxes.

Please note that while you may enjoy certain tax benefits, there may be some drawbacks to participation in the Plan. You should consult with your professional tax/financial advisor to determine the consequences of your participation in this Plan.

You may elect to reduce your Compensation (defined below) and make a contribution to the Plan. You may elect to defer up to one hundred percent (100%) of your Compensation. You may also make a contribution of accumulated sick pay, accumulated vacation pay, and back pay to the Plan.

Roth Contributions

Effective 02/01/2024, the Plan allows a newer type of participant contribution to the Plan. This new type of contribution is known as a Roth Contribution and is very much like a contribution to a Roth IRA. Like a Roth IRA, the Roth Contribution to the Plan is made by you on an after-tax basis, but if certain requirements are met, a "qualified distribution" from your Roth Contribution Account in the Plan will not be taxed. However, unlike a Roth IRA, there are no income limitations on who may make a Roth Contribution.

Roth Contributions are participant contributions that are made in the same manner as your pre tax participant contributions. You must designate how much you would like to contribute on a pre-tax basis (normal contribution) and how much you would like to contribute as an after-tax Roth Contribution. You are not required to make any Roth Contributions. You may continue to designate all of your participant contributions as normal pre-tax contributions.

The sum of your Roth Contributions and regular pre-tax participant contributions may not exceed the contribution limit mentioned below.

As was mentioned above, a "qualified distribution" of your Roth Contributions (and earnings) is not taxable. A "qualified distribution" must be made more than five years after the first Roth Contribution is made and must meet at least one of the following requirements:

- (i) the distribution must be made after you attain age 59-1/2;
- (ii) the distribution must be made to your beneficiary after your death; or
- (iii) the distribution must be made on account of your disability.

Please note that Roth Contributions are not suitable for everyone. Please consult with your tax advisor before making any Roth Contributions to the Plan.

Matching Contributions

If you make a Participant contribution the Company may, in its sole discretion, make a matching contribution on your behalf in an amount determined by the Company. If the Company makes a matching contribution, it will be allocated in a manner determined by the Company.

Nonelective Contributions

The Company may, in its sole discretion, make a nonelective contribution to the Plan on your behalf. If the Company makes a nonelective contribution, it will be allocated in a manner determined by the Company.

Contribution Limit

Federal tax law places a limit on the amount that may be contributed to the Plan on your behalf each year. This limit applies to the combined total of your contributions and the Company contributions. The limit is the lesser of:

- (1) \$23,000 (in 2024); or
- (2) 100% of your total compensation for the calendar year.

Make Up Contributions

During the last 3 calendar years ending before the year in which you attain age 65, you may be able to use a higher contribution limit. This higher limit applies to the combined total of your contributions and the Company contributions. The "make up" limit is the lesser of:

- (1) 2 times the \$23,000 limit (in 2024); or
- (2) The sum of the unused portion of the \$23,000 (in 2024) limit in any prior year of participation in the Plan.

Age 50 Catch-Up Contributions

A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of contributions, up to the maximum age 50 catch-up amount for the year. The maximum dollar amount of the age 50 catch-up contributions for a year is \$7,500 (in 2024). The age 50 catch-up does not apply for any year for which a higher limitation applies under the make-up contribution described above.

Transfers/Rollover Contributions

If you are a participant, you may request to have all or a portion of an eligible rollover distribution paid to the Plan.

In addition, the Plan Administrator may accept a transfer of assets to the Plan from another section 457(b) plan. Such a transfer is permitted only if the other plan provides for such direct transfer and if such transfer is permitted by applicable federal tax regulations. The Plan Administrator may require that the transfer be in cash or other property acceptable to the Plan Administrator.

Compensation

Compensation means base salary. Compensation will include amounts which are paid to you during the Plan Year.

CREDITING EARNINGS ON PARTICIPANT ACCOUNTS

Determination of Amount

Your Account will be credited with earnings that will reflect a "market basket" of predetermined investments. You may select which investments will make up your market basket.

You may change your investment selections as of each date that earnings on your account are determined.

When Earnings Are Credited

Your account will be adjusted daily for earnings/losses.

Expenses

The Company may charge your Account with any or all of the expenses involved in the establishment or ongoing operation of the Plan.

Trust

The Company will establish a trust fund to hold all contributions to the Plan. As an alternative, the Company may invest Plan assets in custodial accounts and/or annuity contracts as permitted by federal law.

VESTING

Participant Contributions

You will have a fully vested and nonforfeitable interest in your contributions to the Plan (including rollover contributions and transfers from another plan).

Company Contributions

You will have a fully vested and nonforfeitable interest in the Company contributions to the Plan.

DISTRIBUTIONS

Time of Distribution

Upon your termination of employment with the Company, you are entitled to receive a distribution of your Account in any form of distribution permitted by the Plan.

Benefits may not commence later than the earlier of: (i) your required beginning date or (ii) 2 years after your termination date. Your required beginning date is April 1st of the calendar year following the calendar year in which you attain age 70-1/2 (for Participants born before July 1, 1949) or age 72 (for Participants born after June 30, 1949) or terminate, whichever is later.

Form of Payment

You may receive your Account in the following form of payment:

Single lump sum payment.

Payment on Participant Death

In the event of your death, the remaining balance of your Account will be distributed by the end of the first calendar year following the date of your death.

You have the right to designate one or more primary and one or more secondary Beneficiaries to receive any benefit becoming payable at your death. You are entitled to change your Beneficiaries at any time and from time to time by filing written notice of such change with the Plan Administrator. If you fail to designate a Beneficiary, or in the event that all designated primary and secondary Beneficiaries die before you, the death benefit will be payable to your spouse or, if there is no spouse, to your estate.

Payment upon Death or Disability During Qualified Military Service

Effective 10/01/2008, if you die or become disabled while performing qualified military service while a Participant in the Plan you will be treated as if you were employed by the Company on the day preceding death or disability and terminated employment on the day of death or disability. In general, this means that the Plan will contribute to the Plan as if you were employed with the Company during your qualified military service.

Unforeseeable Emergency

You may receive a distribution upon the occurrence of an unforeseeable emergency. An unforeseeable emergency is a severe financial hardship that may not otherwise be relieved by reimbursement or compensation from insurance, by liquidation of your assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan.

Your Roth Deferrals may NOT be withdrawn upon the occurrence of an unforeseeable emergency.

Small Distributions

The Plan Administrator may establish uniform guidelines under which up to \$5,000 of your Account may be distributed in a lump sum before your termination (either with or without your consent). In order to qualify for the distribution, no deferrals may have been credited to your Account in the preceding twenty-four (24) months, and no prior small distribution may have been made to you under this special rule.

Medium of Payment

You may receive a distribution from the Plan in the form of cash.

Transfers/Rollovers

The Company may transfer your account to another section 457(b) plan provided that such transfer complies with applicable federal regulations. In addition, you may roll over a distribution from the Plan to another eligible retirement plan. If the vested amount of your Account exceeds \$1,000 and you do not timely return your election forms, the Plan Administrator must transfer your Account to an IRA established in your name; unless the distribution occurs after the later of your Normal Retirement Age or age 62. The mandatory distribution will be invested in an IRA designed to preserve principal and provide a reasonable rate of return and liquidity. For further information concerning the Plan's rollover provisions, the IRA provider and the fees and expenses attendant to the IRA please contact the plan administrator at the phone number found in the "ADMINISTRATIVE INFORMATION" section at the end of this plan description.

You may rollover a distribution that otherwise qualifies for direct rollover treatment, directly into a Roth IRA, even if it does not include a Roth account. You will want to seek professional tax advice, as this type of rollover distribution will be taxable to you. (It is designed to avoid the two step conversion process previously required to convert a non-Roth IRA into a Roth IRA after paying tax on the conversion.)

Loans

You may receive a loan from the Plan. If you are interested in this loan feature, please contact the Plan Administrator for more information.

Inservice Withdrawals

Subject to any Plan Administrator procedures, you may receive an inservice withdrawal of your rollover Account.

You may receive an inservice withdrawal from your Account upon attainment of age 70-1/2 if you have not yet terminated employment.

MISCELLANEOUS

Domestic Relations Orders

Your benefits under the Plan may be assigned to other people in accordance with a qualified domestic relations order. You may obtain, without charge, a copy of the Plan's procedures regarding qualified domestic relations orders from the Plan Administrator.

Amendment and Termination

The Company may amend, terminate or merge the Plan at any time.

Fees

Your account may be charged for some or all of the costs and expenses of operating the Plan. Such expenses include, but are not limited to, investment expenses and costs to process plan distributions and domestic relations orders.

Administrator Discretion

The Plan Administrator has the authority to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities in the Plan and to supply omissions to the Plan. Any construction, interpretation or application of the Plan by the Plan Administrator is final, conclusive and binding.

Plan Year

The plan year ends on 12/31.

ADMINISTRATIVE INFORMATION

The Plan Sponsor and Plan Administrator is City of Star.

Its address is 10769 West State Street Star, Idaho 83669.

Its telephone number is 208-286-7247.

Its Employer Identification Number is 82-0499780.

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

WAGE DEFERRAL AGREEMENT

| | |
|------------------------|--|
| Participant Name | |
| Address | |
| City, State, Zip | |
| Social Security Number | |
| Date of Hire | |
| Date of Birth | |

1. Two types of contributions may be made: (i) pre-tax regular deferrals, and (ii) after-tax Roth contributions:

Regular Deferrals. You are hereby authorized to reduce my regular wages by _____% or \$_____ each pay period for contribution on a pre-tax basis to the City of Star 457(b) Deferred Compensation Plan.

Roth contributions. You are hereby authorized deduct _____% or \$_____ each pay period from my regular wages for the purpose of making a Roth Contribution on an after tax basis to the City of Star 457(b) Deferred Compensation Plan.

(The amount entered may not be greater than one hundred percent (100%) of your compensation.)

2. I understand that I may change my election to reduce compensation only as of the beginning of each month.

3. I understand that the election indicated on this agreement will continue into succeeding Plan Years unless I revoke or change the election in accordance with the rules listed above.

4. I understand that this agreement supersedes and nullifies any prior wage deferral agreements under this Plan.

5. The election indicated on this form is effective for the first day of the month beginning on or after _____, 2024.

Dated: _____

By: _____

+++++

I do not wish to participate in wage deferrals to the Plan at this time.

Dated: _____

By: _____

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

BENEFICIARY DESIGNATION

| | |
|------------------------|--|
| Participant Name | |
| Address | |
| City, State, Zip | |
| Social Security Number | |
| Date of Birth | |

As a Participant in the above Plan, I hereby revoke any prior beneficiary designation and direct that any benefits payable upon my death be paid to the following beneficiary/beneficiaries. The total share for the Primary Beneficiaries must equal 100% and the total share for the Secondary Beneficiaries, if any, must equal 100%. ***If you want any Primary Beneficiary's share to go to his/her descendants, check the box to the right titled "Per Stirpes".***

PRIMARY BENEFICIARY(IES):

| Name and Social Security Number | Share | Relation | Address | Per Stirpes |
|---------------------------------|-------|----------|---------|-------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

If none of the Primary Beneficiaries designated above survive me and the "Per Stirpes" box is not selected for any of the named Primary Beneficiaries, payment shall be made to the following Secondary Beneficiaries. ***If you want any Primary Beneficiary's share to go to his/her descendants, check the box to the right titled "Per Stirpes".***

SECONDARY BENEFICIARY(IES):

| Name and Social Security Number | Share | Relation | Address | Per Stirpes |
|---------------------------------|-------|----------|---------|-------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Unless otherwise specified above, if none of the beneficiaries designated above or their descendant (if Per Stirpes is selected) survive me, payment shall be made pursuant to the applicable provisions of the Plan.

If I am married, reside in a community property state and have not named my spouse as my sole beneficiary, I certify that I have obtained the required consents of my spouse, if any, under such community property laws.

Dated this _____ day of _____, 2024.

Signature of Participant

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN
PLAN HIGHLIGHTS

Eligibility: All employees are eligible to participate in the Plan.

You must also meet the following criteria to be eligible to participate the Plan:

Employees must be approved by the Chief Executive Officer of the Plan Sponsor to become an Eligible Employee

You must complete the following service: 20 Hours per week

You may enter the Plan at any time specified in the "Enrollment Periods" section below.

Enrollment Periods: On the first day of the calendar month after you meet the eligibility criteria specified above.

Contributions: You may elect to defer up to one hundred percent (100%) of your Compensation on a pre-tax basis. You may also elect to make special 'Roth' contributions to the Plan on an after-tax basis. You may elect to defer accumulated sick pay, accumulated vacation pay, and back pay.

Matching Contributions: The Company may, in its sole discretion, make a Matching Contribution on your behalf in an amount determined by the Company

Nonelective Contributions: The Company may, in its sole discretion, make a nonelective contribution to the Plan on your behalf.

Contribution Limit: Federal tax law places a limit on the amount that may be contributed to the Plan on your behalf each year. The limit is the lesser of: \$23,000 (in 2024) or 100% of your total compensation for the calendar year.

During the last 3 calendar years ending before the year in which you attain age 65, you may be able to use a higher contribution limit. The "make up" limit is the lesser of 2 times the \$23,000 limit (in 2024); or the sum of the unused portion of the \$23,000 (in 2024) limit in any prior year of participation in the Plan.

A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of contributions, up to the maximum age 50 catch-up amount for the year. The maximum dollar amount of the age 50 catch-up contributions for a year is \$7,500 (in 2024). The age 50 catch-up does not apply for any year for which a higher limitation applies under the make-up contribution described above.

Rollovers: The Plan may accept a rollover contribution made on behalf of any employee who is eligible to participate in the plan.

Vesting: You will be 100% vested in the amounts you contribute to the plan, including any rollover contributions.

You will have a fully vested interest in Company contributions.

Investing Plan Contributions: Your Account will be credited with earnings that will reflect a "market basket" of predetermined investments. You may select which investments will make up your market basket. You may change your investment selections as of each date that earnings on your account are determined.

Distributions: Upon your termination of employment with the Company, you are entitled to receive a distribution of your Account in any form of distribution permitted by the Plan.

Benefits may not commence later than the earlier of: (i) your required beginning date or (ii) 2 years after your termination date. Your required beginning date is April 1st of the calendar year following the calendar year in which you attain age 70-1/2 or terminate, whichever is later.

You may receive your Account in the following form:

Single lump sum payment

Distributions from the Plan may be made in cash.

You may receive a distribution upon the occurrence of an unforeseeable emergency.

You may be able to receive up to \$5,000 of your Account in a one-time lump sum before your termination (either with or without your consent) under certain conditions. Contact the Plan Administrator for more information.

You may receive an inservice withdrawal of your rollover Account at any time.

You may receive an inservice withdrawal of your Account at any time after reaching your required beginning date.

Loans: You may make a loan from the Plan. Contact the Plan Administrator for details on how loans are administered.

Contact Information: Plan Administrator:
City of Star
10769 West State Street
Star, Idaho 83669
208-286-7247

**Financial
Advisor:**

Note: These plan highlights are intended to be a very concise overview of plan features. For a detailed description of plan features, please review the Plan Description or contact the Plan Administrator for more information. The plan features described in these plan highlights are subject to change and in the event of a discrepancy between the legal plan document and these highlights (or any other summary of plan features), the plan document shall control.

Goldleaf Partners

BASIC PLAN DOCUMENT #457B

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GOLDLEAF PARTNERS**TABLE OF CONTENTS**

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ARTICLE 1 INTRODUCTION

Section 1.01 PLAN

This document ("Basic Plan Document") and its related Adoption Agreement are intended to provide deferred compensation for Eligible Employees of the Company. This Plan is intended to constitute an "eligible deferred compensation plan" within the meaning of Code section 457(b) and, if the Plan is not a Governmental Plan, a top hat plan within the meaning of ERISA sections 201(2), 301(a)(3) and 401(a)(1). The provisions of this Plan are intended to comply with requirements of Code section 457 in form and operation and shall be interpreted in a manner consistent with such Code section and regulations or guidance promulgated pursuant thereto.

Section 1.02 APPLICATION OF PLAN

Except as otherwise specifically provided herein, the provisions of this Plan shall apply to those individuals who are Eligible Employees of the Company on or after the Effective Date. Except as otherwise specifically provided for herein, the rights and benefits, if any, of former Eligible Employees of the Company whose employment terminated prior to the Effective Date, shall be determined under the provisions of the Plan, as in effect from time to time prior to that date.

ARTICLE 2 DEFINITIONS

"Account" means the book entry account maintained with respect to each Participant pursuant to Article 5.

"Adoption Agreement" means the document executed in conjunction with this Basic Plan Document that contains the optional features selected by the Plan Sponsor.

"Beneficiary" means the person or persons designated by the Participant to receive distributions from the Participant's Account after the Participant's death. Upon enrollment, the Participant shall designate a Beneficiary to receive distributions from the Participant's Account in the event of the Participant's death. A Participant may change his or her designated Beneficiary at any time. A Participant may designate any person or persons as Beneficiaries. Unless otherwise provided in the Beneficiary designation form, each designated Beneficiary shall be entitled to equal shares of the benefits payable after the Participant's death. If the Participant fails to designate a Beneficiary, or if no designated Beneficiary survives the Participant for a period of fifteen (15) days, then the Participant's surviving spouse shall be the Beneficiary. If the Participant has no surviving spouse, or if the surviving spouse does not survive the Participant for a period of fifteen (15) days, then the estate of the Participant shall be the Beneficiary.

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

"Company" means the Plan Sponsor and any other entity that has adopted the Plan with the approval of the Plan Sponsor.

"Compensation" shall have the meaning set forth in the Adoption Agreement. Compensation for an independent contractor shall include payment by the Company to the independent contractor. Effective for Plan Years beginning after December 31, 2008, Compensation shall include differential wage payments (as defined in Code section 3401(h)(2)) pursuant to Code section 414(u)(12), Notice 2010-5 and any superseding guidance.

"Deferral" means, the amount of Compensation deferred, whether by salary reduction or by employer contribution. The amount of Compensation deferred under the Plan is taken into account as an annual deferral in the taxable year of the Participant in which deferred, or, if later, the year in which the amount of Compensation deferred is no longer subject to a substantial risk of forfeiture. The term "Deferral" shall not include transfers and rollovers from another plan described in Article 5. To the extent provided in the Adoption Agreement, a Participant may also defer accumulated sick pay, accumulated vacation pay, and back pay.

If the amount of Compensation deferred under the Plan during a taxable year is not subject to a substantial risk of forfeiture, the amount taken into account as an annual deferral is not adjusted to reflect gain or loss allocable to the compensation deferred. If, however, the amount of Compensation deferred under the Plan during the taxable year is subject to a substantial risk of forfeiture, the amount of Compensation deferred that is taken into account as an annual deferral in the taxable year in which the substantial risk of forfeiture lapses must be adjusted to reflect gain or loss allocable to the Compensation deferred until the substantial risk of forfeiture lapses.

"Deferral Agreement" means the agreement between an Employer and a Participant, including any amendments thereto, which specifies the amount of Deferrals to be made by the Employee. Each Deferral Agreement or amendment thereto shall be made or confirmed in writing under procedures established by the Plan Administrator.

"Effective Date" shall have the meaning set forth in the Adoption Agreement.

"Eligible Deferred Compensation Plan" means a plan maintained by any employer that constitutes an "eligible deferred compensation plan" within the meaning of Code section 457 and that has at all relevant times included the deferral limitations set forth in section 457(b).

"Eligible Employee" means any Employee employed by or performing services for the Company, subject to the modifications and exclusions described in the Adoption Agreement. If the Plan is not a Governmental Plan, it is intended that

ARTICLE 2 DEFINITIONS

participation in the Plan be limited to a select group of management or highly compensated employees within the meaning of Title 1 of the Employee Retirement Income Security Act. If an individual is subsequently reclassified as, or determined to be, an Employee by a court, the Internal Revenue Service or any other governmental agency or authority, or if the Company is required to reclassify such individual an Employee as a result of such reclassification determination (including any reclassification by the Company in settlement of any claim or action relating to such individual's employment status), such individual shall not become an Eligible Employee by reason of such reclassification or determination.

An individual who becomes employed by the Employer in a transaction between the Employer and another entity that is a stock or asset acquisition, merger, or other similar transaction involving a change in the employer of the employees of the trade or business shall not become eligible to participate in the Plan until the Plan Sponsor specifically authorizes such participation.

"Employee" means (i) any individual who is employed by the Employer and (ii) any independent contractor who performs services for the Employer within the meaning of Treas. Reg. 1.457-(2)(e). Effective for Plan Years beginning after December 31, 2008, a Participant receiving differential wage payments (as defined in Code section 3401(h)(2)) shall be treated as an Employee of the Employer making the payment pursuant to Code section 414(u)(12), Notice 2010-5 and any superseding guidance.

"Employer" means the Company or any other employer required to be aggregated with the Company under Code sections 414(b), (c), (m) or (o); provided, however, that "Employer" shall not include any entity or unincorporated trade or business prior to the date on which such entity, trade or business satisfies the affiliation or control tests described above. An Employer is limited to an entity that is a State or a Tax-Exempt Entity. The term "Employer" does not include a church as defined in Code section 3121(w)(3)(A), a qualified church-controlled organization as defined in Code section 3121(w)(3)(B), or the Federal government or any agency or instrumentality thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, all amendments thereto and all federal regulations promulgated pursuant thereto.

"Governmental Plan" means a Plan maintained by a State. The Plan shall be considered to be a Governmental Plan only to the extent provided in the Adoption Agreement.

"Includible Compensation" means, with respect to the taxable year, the Participant's compensation, as defined in Code section 415(c)(3). Includible Compensation shall be determined without regard to any community property laws.

"Normal Retirement Age" shall have the meaning set forth in the Adoption Agreement. For purposes of the special Code section 457 catch-up in Section 5.02(c), an entity sponsoring more than one eligible plan may not permit a Participant to have more than one Normal Retirement Age under the eligible plans it sponsors.

"Participant" means an Eligible Employee who participates in the Plan in accordance with Articles 3 and 4.

"Plan Administrator" means the person(s) designated pursuant to the Adoption Agreement and Section 7.01.

"Plan Sponsor" means the entity described in the Adoption Agreement.

"Plan Year" means the 12-consecutive month period described in the Adoption Agreement.

"Pre-tax Deferral" means Deferrals that are not includible in the Participant's gross income at the time deferred.

"Pre-tax Deferral Account" means so much of a Participant's Account as consists of a Participant's Pre-Tax Deferrals (and corresponding earnings) made to the Plan.

"Required Beginning Date" means April 1st of the calendar year following the calendar year of a Participant's attainment of age 70-1/2 or Termination, whichever is later.

ARTICLE 2 DEFINITIONS

"Roth Deferral" means an Deferral that is: (a) designated irrevocably by the Participant at the time of the cash or deferred election as a Roth Deferral that is being made in lieu of all or a portion of the Pre-tax Deferrals the Participant is otherwise eligible to make under the Plan; and (b) treated by the Company as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election. Except as otherwise provided, Roth Deferrals shall be subject to the same conditions and limitations as apply to Deferrals.

"Roth Deferral Account" means so much of a Participant's Account as consists of a Participant's Roth Deferrals (and corresponding earnings) made to the Plan. The Plan will maintain a record of the amount of Roth Deferrals in each Participant's Roth Deferral Account.

"State" means a state (treating the District of Columbia as a state as provided under Code section 7701(a)(10)), a political subdivision of a state, and any agency or instrumentality of a state.

"Tax-Exempt Entity" means includes any organization exempt from tax under subtitle A of the Internal Revenue Code, except that a governmental unit (including an international governmental organization) is not a tax-exempt entity.

"Termination" and "Termination of Employment" means:

- (a) Employee. The cessation of an Employee's active employment with an Employer.
- (b) Independent Contractor. An independent contractor is considered to have a Termination upon the expiration of the contract (or in the case of more than one contract, all contracts) under which services are performed if the expiration constitutes a good-faith and complete termination of the contractual relationship.

"Trust Agreement" means in the case of a Governmental Plan, the written agreement (or declaration) made by and between the Employer and the Trustee under which the Trust Fund is maintained.

"Trust Fund" means in the case of a Governmental Plan, the trust fund or custodial account (to the extent permitted under Code section 457(g) and Treas. Reg. section 1.457-8) created under and subject to the Trust Agreement.

"Trustee" means in the case of a Governmental Plan, the trustee or custodian duly appointed and currently serving under the Trust Agreement. In the case of a Plan maintained by a Tax-Exempt Entity, the trustee duly appointed and currently serving under the grantor trust.

"Valuation Date" shall have the meaning set forth in the Adoption Agreement.

ARTICLE 3 PARTICIPATION

Section 3.01 **PARTICIPATION**

Each Eligible Employee as of the Effective Date who was eligible to participate in the Plan immediately prior to the Effective Date shall be a Participant eligible to participate in the Plan pursuant to Article 4 on the Effective Date. Each other Eligible Employee who was not a Participant in the Plan prior to the Effective Date shall become a Participant eligible to participate pursuant to Article 4 on the date specified in the Adoption Agreement; provided that he is an Eligible Employee on such date.

Section 3.02 **TRANSFERS/TERMINATIONS**

If a change in job classification, Termination or a transfer results in an individual no longer qualifying as an Eligible Employee, such Employee shall cease to be a Participant for purposes of Articles 4 and 5 (or shall not become eligible to become a Participant) as of the first day of the month immediately succeeding such change of job classification or transfer; or in the case of a Termination, the effective date of the Termination. Should such Employee again qualify as an Eligible Employee or if an Employee who was not previously an Eligible Employee becomes an Eligible Employee, he shall become a Participant on the first day of the month following the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3.

Section 3.03 **PROCEDURES FOR ADMISSION**

The Plan Administrator shall prescribe such forms and may require such data from Participants as are reasonably required to enroll a Participant in the Plan or to effectuate any Participant elections. The Plan Administrator may impose other limitations and/or conditions with respect to participation in the Plan on Eligible Employees who commence or recommence participation in the Plan pursuant to Section 3.02.

ARTICLE 4 ELECTIONS

Section 4.01 **DEFERRAL ELECTIONS**

This Section shall apply only to the extent that the Adoption Agreement permits Participant Deferrals.

(a) Compensation. A Deferral Agreement shall become effective no earlier than the later of the Effective Date or first day of the calendar month following the month in which the agreement is made. A new Employee may defer Compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the Deferral is entered into on or before the first day on which the Participant performs services for the Employer.

(b) Roth Deferrals. If the Plan is a Governmental Plan and to the extent provided in the Adoption Agreement, Participants shall be eligible to irrevocably designate some or all of their Deferrals as either Pre-tax Deferrals or Roth Deferrals. All elections shall be subject to the same election procedures, limits on modifications and other terms and conditions on elections as specified in the Plan. If Roth Deferrals are not permitted, all Deferrals shall be designated as Pre-tax Deferrals.

(c) Sick, Vacation and Back Pay. To the extent provided in the Adoption Agreement, a Participant may also defer accumulated sick pay, accumulated vacation pay, and back pay. Such elections may be deferred for any calendar month only if an agreement providing for the Deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. For purposes of section 457, Compensation that would otherwise be paid for a payroll period that begins before severance from employment is treated as an amount that would otherwise be paid or made available before an Employee has a severance from employment.

Section 4.02 **ELECTION PROCEDURES**

Each Participant may execute elections pursuant to this Article 4 in the form and manner prescribed by the Plan Administrator. The Plan Administrator shall provide each Participant with the forms necessary to make such elections. Notwithstanding the foregoing, a Participant shall be eligible to make elections only to the extent such elections are permitted in the Adoption Agreement and relate to contributions and/or benefits for which the Participant has met the eligibility requirements of Article 3. The Adoption Agreement may provide additional conditions and/or limitations on Participant elections.

ARTICLE 5 ACCOUNTS/BENEFITS**Section 5.01 ESTABLISHMENT OF ACCOUNTS**

(a) **Accounts.** The Plan Administrator shall establish and maintain a book entry account on behalf of each Participant to the extent necessary to account for benefits provided hereunder. Each such book entry account shall reflect the aggregate of Participant and/or Company contributions and investment experience attributable to each such book entry account based upon the investment experience/plan expenses described in Section 5.05 below. Each book entry account shall also reflect any reductions due to expense charges applied to, and distributions made from, each such account. If the Plan is not a Governmental Plan, such account(s) shall be simply an unsecured claim against the general assets of the Company and a Participant shall have no interest in such account, which is established merely as an accounting convenience. For purposes of this Subsection, "Participant" shall mean an Eligible Employee who has met the eligibility requirements of Article 3.

(b) **Employer Contributions.** To the extent provided in the Adoption Agreement, the Company may, in its sole discretion, make additional credits to the Account of any Participant either as matching or other non-elective contributions. Except as otherwise provided, any such additional credits shall be treated as Deferrals for all purposes of the Plan. Deferrals may be made for former Employees with respect to compensation described in § 1.415(c)-2(e)(3)(ii) (relating to certain compensation paid within 2-1/2 months following severance from employment), compensation described in § 1.415(c)-2(g)(4) (relating to compensation paid to Participants who are permanently and totally disabled), and compensation relating to qualified military service under section 414(u).

(c) **Contribution to Trust Fund.** If the Plan is a Governmental Plan, Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account. For this purpose, Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant. Effective as provided in Internal Revenue Service Revenue Ruling 2011-1 (as modified by Revenue Service Notice 2012-6 and any superseding guidance), to the extent that the Plan's trust is a part of any group trust (within the meaning of Internal Revenue Service Revenue Rulings 81-100 and 2011-1), such group trust may invest in the accounts and plans described in Internal Revenue Service Revenue Ruling 2011-1; provided, that requirements of such ruling and superseding guidance are met.

(d) **USERRA.** An Employee whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military service under Code section 414(u) may elect to make additional Deferrals and receive allocations of Company contributions, if any, upon resumption of employment with the Employer equal to the maximum Deferrals that the Employee could have elected during that period (or received if Company contributions) if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

Section 5.02 LIMITATIONS

(a) **General Limitation.** Except as provided in Subsection (b) and (c), a Participant's Deferrals for a taxable year shall not exceed the lesser of:

- (1) \$15,000 (or such greater dollar limit as may be in effect under Code section 457(e)); or
- (2) One hundred percent (100%) of the Participant's Includible Compensation for the calendar year.

(b) **Age 50 Catch-Up.** If the Plan is a Governmental Plan, a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Deferrals pursuant to Code section 414(v), up to the maximum

ARTICLE 5 ACCOUNTS/BENEFITS

age 50 catch-up amount for the year. The maximum dollar amount of the age 50 catch-up Deferrals for a year is \$5,000, adjusted for cost-of-living after 2006 to the extent provided under the Code. The Age 50 Catch-up described in this Subsection does not apply for any taxable year for which a higher limitation applies under the special Code section 457 catch-up under Section 5.02(c).

(c) **Catch-up Limitation.** If the applicable year is one of a Participant's last 3 calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Subsection (c) exceeds the amount computed under Subsection (a) and if a Governmental Plan Subsection (b), then the annual Deferral limit under this Section 5.02 shall be the lesser of:

(1) An amount equal to 2 times the Subsection (a)(1) applicable dollar amount for such year; or

(2) The sum of:

(A) An amount equal to (x) the aggregate Subsection (a) limit for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Eligible Employee under the Plan, minus (y) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus

(B) An amount equal to (x) the aggregate limit referred to in Code section 457(b)(2) for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Eligible Employee, minus (y) the aggregate contributions to Pre-2002 Coordination Plans for such years.

The amounts under this Subsection 5.02(c) shall be determined in accordance with Treas. Reg. section 1.457-4(c)(3).

(d) **Participant Covered By More Than One Eligible Plan.** If the Participant is or has been a participant in one or more other eligible plans within the meaning of section 457(b) of the Code, then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 5.02. For this purpose, the Plan Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(e) **Pre-Participation Years.** In applying Subsection (c), a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the basic annual limitation described in Subsection (a) or any other plan ceiling required by section 457(b) of the Code.

(f) **Pre-2002 Coordination Plans.** For purposes of Subsection (c)(2)(B)(y), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code section 457(b) plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension (SARSEP), Code section 403(b) annuity contract, and Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c)(18) of the Code, including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Subsection (c)(2)(B)(y) to the extent that the total of such contributions does not exceed the aggregate limit referred to in section 457(b)(2) of the Code for that year.

(g) **Disregard Excess Deferral.** For purposes of Subsections (a), (b) and (c), an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess Deferrals under the Plan are distributed, as described in Subsection (h). To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess Deferral for those prior years.

(h) **Correction of Excess Deferrals.** If the annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation

ARTICLE 5 ACCOUNTS/BENEFITS

plan under Code section 457(b) for which the Participant provides information that is accepted by the Plan Administrator, then the annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively feasible. If the annual Deferral made on behalf of a Participant for any calendar year exceeds the limitations described above and the Plan is not a Governmental Plan the excess (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant no later than April 15 of the subsequent taxable year. If the vesting of a Participant's Account pursuant to Section 5.06 may cause the limitations of this Section to be exceeded, the Plan Administrator may elect to defer such vesting and/or refund or reduce Deferrals.

Section 5.03 TRANSFERS

This Section shall apply to the extent that the Adoption Agreement permits transfers from Eligible Deferred Compensation Plans. At the direction of the Company, the Plan Administrator may accept a transfer of assets to the Plan as provided in this Section. Such a transfer is permitted only if the other plan provides for such direct transfer. The Plan Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Plan Administrator and may require such documentation from the other plan as it deems necessary to effectuate the transfer. A transfer shall only be permitted to the extent that it is permissible in accordance with Code section 457(e)(10) and Treas. Reg. section 1.457-10(b).

Section 5.04 GOVERNMENTAL PLAN ROLLOVERS

This Section shall apply only to the extent that the Plan is a Governmental Plan and the Adoption Agreement permits rollovers.

(a) In General. A Participant (or in the discretion of the Plan Administrator an Eligible Employee) who is an Employee and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Plan Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code section 402(c)(8)(B).

To the extent permitted by the Plan Administrator, to the extent the Plan permits Roth Deferrals and to the extent permitted by Code section 402A(c), Notice 2010-84 and any superseding guidance, a distribution from the Plan other than from a designated Roth Account that is an eligible rollover distribution (as defined in Code section 408A(e)) may be rolled over to a designated Roth Account maintained under this Plan for the benefit of the individual to whom the distribution is made.

(b) Eligible Rollover Distribution.

(1) For purposes of Subsection (a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (A) any installment payment for a period of 10 years or more, (B) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (C) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code section 401(a)(9).

(2) In addition, an eligible retirement plan means an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a) or 403(b), or an eligible governmental plan described in Code section 457(b), that accepts the eligible rollover distribution.

(3) If the Plan permits Roth Deferrals, the Plan may accept a rollover contribution to a Roth Deferral Account only if it is a direct rollover from another Roth deferral account under an applicable retirement plan described in Code section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code section 402(e).

(c) Separate Accounting. The Plan shall establish and maintain for the Participant a separate Account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under

ARTICLE 5 ACCOUNTS/BENEFITS

Code section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate Account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code section 457(b).

Section 5.05 EARNINGS/EXPENSES

(a) Earnings. A Participant's Accounts shall be credited with earnings in the manner specified in the Adoption Agreement. The Plan Administrator shall credit investment experience to each Participant's Account as of each Valuation Date specified in the Adoption Agreement. Except as provided in Subsection (c), if the Adoption Agreement provides for predetermined investments, such investments are to be used for measurement purposes only and there is no obligation for the Plan Administrator or Company to set aside, fund or actually purchase any investments.

(b) Expenses. The expenses of administering the Plan, including (i) expenses incurred by the Plan Administrator in the administration of the Plan, (ii) fees and expenses approved by the Plan Administrator for investment advisory, custodial, recordkeeping, and other plan administration and communication services, and (iii) any other expenses or charges allocable to the Plan that have been approved by the Plan Administrator may be charged, at the discretion of the Plan Administrator, to Participants' Account balances. If amounts are deposited into an account or trust owned by the Employer, brokerage fees, transfer taxes, and any other costs incident to the purchase or sale of securities or other investments shall be deemed to be part of the cost of such securities or investments or deducted in computing the sales proceeds therefrom and shall be accounted for accordingly.

(c) Governmental Plan. If the Plan is a Governmental Plan, the earnings/losses shall be determined with respect to the Participant's allocable share of the earnings and losses of the Trust Fund.

Section 5.06 VESTING

(a) A Participant shall have a fully vested and nonforfeitable interest in his Accounts relating to Participant contributions.

(b) Subject to the provisions of Section 5.02(h), the Participant's interest in his Accounts relating to Company contributions shall vest based on his years of vesting service in accordance with the terms of the Adoption Agreement.

For purposes of the Adoption Agreement, "3-7 Year Graded", "2-6 Year Graded", "1-5 Year Graded", "1-4 Year Graded", "5 Year Cliff", "3 Year Cliff" and "2 Year Cliff" shall be determined in accordance with the following schedules:

| | Years of Vesting Service | Vesting Percentage |
|--------------------|--------------------------------------|--------------------|
| "3-7 Year Graded": | Less than Three Years | 0% |
| | Three Years but less than Four Years | 20% |
| | Four Years but less than Five Years | 40% |
| | Five Years but less than Six Years | 60% |
| | Six Years but less than Seven Years | 80% |
| | Seven or More Years | 100% |
| "2-6 Year Graded": | Less than Two Years | 0% |
| | Two Years but less than Three Years | 20% |
| | Three Years but less than Four Years | 40% |
| | Four Years but less than Five Years | 60% |
| | Five Years but less than Six Years | 80% |
| | Six or More Years | 100% |

ARTICLE 5 ACCOUNTS/BENEFITS

"1-5 Year Graded":

| | |
|--------------------------------------|------|
| Less than One Year | 0% |
| One Year but less than Two Years | 20% |
| Two Years but less than Three Years | 40% |
| Three Years but less than Four Years | 60% |
| Four Years but less than Five Years | 80% |
| Five or More Years | 100% |

"1-4 Year Graded":

| | |
|--------------------------------------|------|
| Less than One Year | 0% |
| One Year but less than Two Years | 25% |
| Two Year but less than Three Years | 50% |
| Three Years but less than Four Years | 75% |
| Four or More Years | 100% |

"5 Year Cliff":

| | |
|----------------------|------|
| Less than Five Years | 0% |
| Five or More Years | 100% |

"3 Year Cliff":

| | |
|-----------------------|------|
| Less than Three Years | 0% |
| Three or More Years | 100% |

"2 Year Cliff":

| | |
|---------------------|------|
| Less than Two Years | 0% |
| Two or More Years | 100% |

In addition, the Adoption Agreement may provide that a Participant will become fully (100%) vested upon: (i) his attainment of Normal Retirement Age while an Employee, (ii) his death while an Employee, (iii) his suffering a disability while an Employee, or (iv) other event as specified in the Adoption Agreement.

(c) Special Forfeitures. Notwithstanding any provision to the contrary, a Participant shall also forfeit his or her Account pursuant to any special forfeiture provisions in the Adoption Agreement. Such special forfeiture provisions may include, without limitation, a provision requiring complete forfeiture of Participant's Account upon the occurrence of a specified event.

Section 5.07 FORFEITURES

- (a) Non Governmental Plan. If the Plan is not a Governmental Plan, all forfeitures shall revert to the Company.
- (b) Governmental Plan. If the Plan is a Governmental Plan, forfeitures shall be used to reduce Company contributions or to pay Plan expenses.

ARTICLE 6 DISTRIBUTIONS**Section 6.01** **TIME OF DISTRIBUTION**

(a) Non Governmental Plan. If the Plan is not a Governmental Plan and except as provided in Sections 6.03 and 6.04, benefits shall commence no earlier than the sixty-first (61st) day following: (i) the date of the Participant's Termination or, (ii) if earlier and so provided in the Adoption Agreement, the date the Participant attains age 70-1/2. Not later than sixty (60) days following the date the Participant becomes eligible to commence distributions, the Participant may elect a commencement date for all of the Participant's Account balance. A Participant's election of a benefit commencement date under this Section shall be irrevocable, provided, however, the Participant may, at least 30 days prior to such commencement date, elect a deferred commencement date as permitted under Code section 457(e)(9)(B). Any Participant who has made such a second election of a deferred commencement date may not thereafter revoke or modify that election. Benefits may not commence later than the date specified in the Adoption Agreement.

(b) Governmental Plan. If the Plan is a Governmental Plan and except as provided in Sections 6.03, 6.04 and 6.07, upon (i) Termination or (ii) if earlier and so provided in the Adoption Agreement, the date the Participant attains age 70-1/2, a Participant shall be entitled to receive a distribution of his or her Account under any form of distribution permitted under Section 6.02 commencing at the date elected by the Participant. Benefits may not commence later than the date specified in the Adoption Agreement.

(c) Participants Receiving Differential Wage Payments During Service in the Uniformed Service. A Participant receiving differential wage payments (as defined in Code section 3401(h)(2)) shall be treated as having Terminated from employment during any period of services described in Code section 3401(h)(2)(A). If a Participant elects to receive a distribution by reason of this paragraph, the Participant may not make a Participant Contribution during the 6-month period beginning on the date of distribution.

(d) Ordering Rule. The Plan Administrator shall determine the ordering rule for distributions; provided that such ordering rule is nondiscriminatory. Such ordering rule may provide that the Participant or Beneficiary may elect to have payments made first or last from his Roth Deferral Account and any other Account.

Section 6.02 **FORM OF DISTRIBUTION**

(a) In General. A Participant's benefit under the Plan may only be paid in the forms and medium specified in the Adoption Agreement and permitted under Code section 457 and regulations promulgated thereunder. No election of a distribution form under this Section may be made or changed after the commencement date for such distribution form. If an election is not made prior to the date benefits commence under Section 6.01, distributions shall be made in a single lump sum payment as soon as practicable thereafter.

(b) Limitations. No distribution option may be selected by a Participant or Beneficiary under this Article 6 unless it satisfies the requirements of Code sections 401(a)(9) and 457(d).

(c) Cash Outs. The Plan Administrator reserves the right to adopt guidelines under which Account balances below a specified level may be distributed in a lump sum upon Termination or at a deferred commencement date and to establish minimum amounts of installment payments.

Section 6.03 **SMALL DISTRIBUTIONS**

To the extent provided in the Adoption Agreement, the Plan Administrator reserves the right, subject to the limitations of Code section 457(e)(9)(A), to establish uniform guidelines under which all or a portion of a Participant's Account balances may be distributed in a lump sum before the Participant's Termination, and either with or without the Participant's consent,

ARTICLE 6 DISTRIBUTIONS

provided that (i) the amount of the distribution does not exceed \$5,000 (or the dollar limit under Code section 411(a)(11), if greater), (ii) no Deferral has been credited to the Participant's Account in the preceding twenty-four (24) months, and (iii) no prior payment has been made to the Participant under this Section.

Section 6.04 UNFORESEEABLE EMERGENCIES

(a) In General. If the Participant has an unforeseeable emergency before retirement or other Termination, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Plan Administrator to be permitted to be distributed under this Section.

(b) Unforeseeable Emergency Defined. An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from:

(1) an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code section 152 determined without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B));

(2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);

(3) the need to pay for the funeral expenses of the Participant's spouse, Beneficiary or dependent (as defined in Code section 152 determined without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B));

(4) or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, the cost of prescription drug medication, and other similar situations, such as those described in Revenue Ruling 2010-27 (significant water damage from a water leak and funeral expenses for an adult child who is not a dependent; credit card debt is not considered unforeseeable), may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

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

(d) Distribution Necessary to Satisfy Emergency Need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

Section 6.05 DEATH

(a) In General. Payments to the Participant's Beneficiary shall be subject to the election procedures in Section 6.01 and shall be made in the time and form specified in the Adoption Agreement.

(b) Death Benefits Under USERRA. Effective January 1, 2007, if the Adoption Agreement specifies the Plan is a Governmental Plan, and a Participant dies while performing qualified military service (as defined in Code section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the plan had the Participant resumed and then Terminated employment on account of death

ARTICLE 6 DISTRIBUTIONS

pursuant to Code section 401(a)(37), Notice 2010-5 and any superseding guidance. For example, this may include full vesting for death while an Employee under Section 5.06(b) if provided under the Adoption Agreement.

Section 6.06 WITHHOLDING

To the extent required by applicable law, income and other taxes shall be withheld from each payment, and payments shall be made reported to the appropriate governmental agency or agencies.

Section 6.07 DISTRIBUTIONS FROM ROLLOVER ACCOUNT

If the Plan is a Governmental Plan and a Participant has a separate Account attributable to rollover contributions to the Plan, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover Account to the extent provided in the Adoption Agreement.

Section 6.08 TRANSFERS

This Section shall apply to the extent that the Adoption Agreement permits transfers to another Eligible Deferred Compensation Plan. At the direction of the Company, the Plan Administrator may transfer assets to the other Plan as provided in this Section. Such a transfer is permitted only if the other plan provides for such direct transfer. The Plan Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer. A transfer shall only be permitted to the extent that it is permissible in accordance with Code section 457(e)(10) and Treas. Reg. section 1.457-10(b).

Section 6.09 DIRECT ROLLOVERS - GOVERNMENTAL PLANS

(a) In General. This Section shall only apply to a Governmental Plan. A Participant, the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p)), or a non-spouse beneficiary who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Plan Administrator, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover. A non-spouse beneficiary must be a designated beneficiary within the meaning of Code section 401(a)(9)(E) and such direct rollovers shall be subject to the terms and conditions of IRS Notice 2007-7 and superseding guidance, including but not limited to the provision in Q&A-17 regarding required minimum distributions.

(b) Eligible Rollover Distribution. For purposes of this Section, an eligible rollover distribution means any distribution of all or any portion of a Participant's Account, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more (2) any distribution made as a result of an unforeseeable emergency, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a) or 403(b), an eligible governmental plan described in Code section 457(b), or a Roth IRA (subject to Code sections 408A(c)(3)(B) and 457(e)(16)) that accepts the eligible rollover distribution.

If any portion of an eligible rollover distribution is attributable to payments or distributions from a Roth Deferral Account, an eligible retirement plan shall only include another Roth deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA described in Code section 408A and only to the extent the rollover is permitted under the rules of Code section 402(c).

(c) Mandatory Rollover. In the event of a mandatory distribution greater than \$1,000 in accordance with the provisions of Sections 6.02 and 6.03, if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

ARTICLE 6 DISTRIBUTIONSSection 6.10 SERVICE CREDIT TRANSFERS

(a) This Section shall only apply to a Governmental Plan. If permitted in the Adoption Agreement and a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account transferred to the defined benefit governmental plan. A transfer under this Section may be made before the Participant has Terminated.

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

Section 6.11 QUALIFIED HEALTH INSURANCE PREMIUMS FOR RETIRED PUBLIC SAFETY OFFICERS

If the Adoption Agreement specifies that the Plan is a Governmental Plan, the Plan Administrator may allow retired public safety officers to elect to have distributions used to pay for qualified health insurance premiums as provided in Code section 402(l). Such distributions shall be subject to the terms and conditions of IRS Notice 2007-7 and superseding guidance.

Section 6.12 DEATH OR DISABILITY DURING QUALIFIED MILITARY SERVICE

If provided in the Adoption Agreement, a Participant that dies or becomes disabled while performing qualified military service (as defined in Code section 414(u)) will be treated as if he had been employed by the Company on the day preceding death or disability and Terminated employment on the day of death or disability and receive benefit accruals related to the period of qualified military service as provided under Code section 414(u)(8), subject to paragraphs (a) and (b) below:

(a) All Participants eligible for benefits under the Plan by reason of this section shall be provided benefits on reasonably equivalent terms.

(b) For the purposes of applying Code section 414(u)(8)(C), a Participant's contributions shall be determined based on the Participant's average actual contributions for:

- (1) the 12-month period of service with the Employer immediately prior to qualified military service,
- or
- (2) if service with the Employer is less than such 12-month period, the actual length of continuous service with the employer.

Section 6.13 LOANS

(a) In General. If the Plan is a Governmental Plan and if the Adoption Agreement so provides, a Participant who is an Employee may apply for and receive a loan from his or her Account as provided in this Section. Any such loan may not be for an amount less than the minimum amount specified by the Administrator. If not specified by the Plan Administrator, the minimum loan amount shall be \$1,000.

(b) Maximum Loan Amount. No loan to a Participant hereunder may exceed the lesser of: (x) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Plan Administrator (not taking into account any payments made during such one-year period), or (y) one half of the value of the Participant's vested Account (as of the Valuation Date immediately preceding the date on which such

ARTICLE 6 DISTRIBUTIONS

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

(c) Terms of Loan. The terms of the loan shall:

(1) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on a bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of Code section 414(u) or for the duration of a leave which is due to qualified military service;

(2) require that the loan be repaid within five years unless the Participant certifies in writing to the Plan Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant; and

(3) provide for interest at a rate equal to one percentage point above the prime rate as published in the *Wall Street Journal* on the first business day of the month in which the loan is approved by the Plan Administrator.

(d) Security for Loan; Default.

(1) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's interest in the Plan invested in such loan.

(2) Default. In the event that a Participant fails to make a loan payment under this Section within 90 days after the date such payment is due, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable, (ii) effective as of the first day of the calendar month next following the month in which any such loan default occurs, the interest rate for such loan shall be (if higher than the rate otherwise applicable) the rate being charged on loans from the Plan that are approved by the Plan Administrator in the month in which such default occurs, (iii) no contributions shall be made on such Participant's behalf prior to the first payroll period that follows by 12 calendar months the date of repayment in full of such loan, and (iv) the Participant shall be permanently ineligible for any future loans from the Plan. In the case of any default on a loan to a Participant, the Plan Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Termination. In addition, the Plan Administrator shall take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account of the Participant.

(e) Death. Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

(f) Repayment. The Participant may be required, as a condition to receiving a loan, to enter into an irrevocable agreement authorizing the Employer to make payroll deductions from his or her Compensation as long as the Participant is an Employee and to transfer such payroll deduction amounts to the Trustee in payment of such loan plus interest. Repayments of a loan shall be made by payroll deduction of equal amounts (comprised of both principal and interest) from each paycheck, with the first such deduction to be made as soon as practicable after the loan funds are disbursed; provided however, that a Participant may prepay the entire outstanding balance of his loan at any time (but may not make a partial prepayment); and provided, further, that if any payroll deductions cannot be made in full because a Participant is on an unpaid leave of absence or is no longer employed by a participating employer (that has consented to make payroll deductions for this purpose) or the Participant's paycheck is insufficient for any other reason, the Participant shall pay directly to the Plan the full amount that would have been deducted from the Participant's paycheck, with such payment to be made by the last business day of the calendar month in which the amount would have been deducted.

Section 6.14 **REFUNDS/INDEMNIFICATION**

If the Plan Administrator determines that any person has directly or indirectly received excess payments under the Plan, the Plan Administrator shall notify such person and such person shall repay such excess amount as soon as possible, but in no event later than 30 days after the date of notification. A person receiving excess payments shall indemnify and reimburse the Company for any liability the Company may incur for making such payments. If a person fails to timely repay an excess amount and/or make sufficient indemnification, the Plan Administrator may: (i) to the extent permitted by applicable law, offset the person's salary or wages, and/or (ii) offset other benefits payable hereunder.

Section 6.15 **CLAIMS PROCEDURE**

(a) If the Adoption Agreement specifies that the Plan is a Governmental Plan, claims procedures shall be established by the policies and procedures of the Plan Administrator and/or Company and any other applicable law.

(b) If the Adoption Agreement specifies that the Plan maintained by a tax-exempt entity, claims procedures shall be established by the policies and procedures of the Plan Administrator and/or Company in conformance with ERISA section 503 and comply with the provisions below.

(1) **Application for Benefits.** A Participant or any other person entitled to benefits from the Plan (a "Claimant") may apply for such benefits by completing and filing a claim with the Plan Administrator. Any such claim shall be in writing and shall include all information and evidence that the Plan Administrator deems necessary to properly evaluate the merit of and to make any necessary determinations on a claim for benefits. The Plan Administrator may request any additional information necessary to evaluate the claim.

(2) **Timing of Notice of Denied Claim.** The Plan Administrator shall notify the Claimant of any adverse benefit determination within a reasonable period of time, but not later than 90 days (45 days if the claim relates to a disability determination) after receipt of the claim. This period may be extended one time by the Plan for up to 90 days (30 additional days if the claim relates to a disability determination), provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial review period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If the claim relates to a disability determination, the period for making the determination may be extended for up to an additional 30 days if the Plan Administrator notifies the Claimant prior to the expiration of the first 30-day extension period.

(3) **Content of Notice of Denied Claim.** If a claim is wholly or partially denied, the Plan Administrator shall provide the Claimant with a written notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) any material or information needed to grant the claim and an explanation of why the additional information is necessary, and (4) an explanation of the steps that the Claimant must take if he wishes to appeal the denial including a statement that the Claimant may bring a civil action under ERISA.

(4) **Appeals of Denied Claim.** If a Claimant wishes to appeal the denial of a claim, he shall file a written appeal with the Plan Administrator on or before the 60th day (180th day if the claim relates to a disability determination) after he receives the Plan Administrator's written notice that the claim has been wholly or partially denied. The written appeal shall identify both the grounds and specific Plan provisions upon which the appeal is based. The Claimant shall be provided, upon request and free of charge, documents and other information relevant to his claim. A written appeal may also include any comments, statements or documents that the Claimant may desire to provide. The Plan Administrator shall consider the merits of the Claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator may deem relevant. The Claimant shall lose the right to appeal if the appeal is not timely made. The Plan Administrator shall ordinarily rule on an appeal within 60 days (45 days if the claim relates to a disability determination). However, if special circumstances require an extension and the Plan Administrator furnishes the Claimant with a written extension notice during the initial period, the Plan Administrator may take up to 120 days (90 days if the claim relates to a disability determination) to rule on an appeal.

ARTICLE 6 DISTRIBUTIONS

(5) Denial of Appeal. If an appeal is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits, and (4) a statement describing the Claimant's right to bring an action under section 502(a) of ERISA. The determination rendered by the Plan Administrator shall be binding upon all parties.

(6) Determinations of Disability. If the claim relates to a disability determination, determinations of the Plan Administrator shall include the information required under applicable United States Department of Labor regulations.

Section 6.16 MINOR OR LEGALLY INCOMPETENT PAYEE

If a distribution is to be made to an individual who is either a minor or legally incompetent, the Plan Administrator may direct that such distribution be paid to the legal guardian. If a distribution is to be made to a minor and there is no legal guardian, payment may be made to a parent of such minor or a responsible adult with whom the minor maintains his residence, or to the custodian for such minor under the Uniform Transfer to Minors Act, if such is permitted by the laws of the state in which such minor resides. Such payment shall fully discharge the Plan Administrator and the Company from further liability on account thereof.

Section 6.17 MISSING PAYEE

If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participants or other person after reasonable efforts have been made to identify or locate such person, such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited one year after the date any such payment first became due.

Section 6.18 2009 REQUIRED MINIMUM DISTRIBUTIONS

Notwithstanding other provisions of the Plan to the contrary; to the extent provided by the Adoption Agreement and by Code section 401(a)(9), IRS Notice 2009-82 and any superseding guidance, a participant or beneficiary who would have been required to receive 2009 RMDs or Extended 2009 RMDs will receive those distributions for 2009 unless the participant or beneficiary chooses not to receive such distributions. Participants and beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(a) In addition, notwithstanding other provisions of the Plan to the contrary, and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009, as chosen above, will be treated as eligible rollover distributions.

(b) Definitions:

(1) "2009 RMDs" are required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Code;

(2) "Extended 2009 RMDs" are one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the participant, the joint lives (or joint life expectancy) of the participant and the participant's designated beneficiary, or for a period of at least 10 years.

ARTICLE 7 PLAN ADMINISTRATION**Section 7.01 PLAN ADMINISTRATOR**

(a) Designation. The Plan Administrator shall be specified in the Adoption Agreement. In the absence of a designation in the Adoption Agreement, the Plan Sponsor shall be the Plan Administrator. If a Committee is designated as the Plan Administrator, the Committee shall consist of one or more individuals who may be Employees appointed by the Plan Sponsor and the Committee shall elect a chairman and may adopt such rules and procedures as it deems desirable. The Committee may also take action with or without formal meetings and may authorize one or more individuals, who may or may not be members of the Committee, to execute documents in its behalf.

(b) Authority and Responsibility of the Plan Administrator. The Plan Administrator shall be the Plan "administrator" as such term is defined in section 3(16) of ERISA, and as such shall have total and complete discretionary power and authority:

(i) to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities and inconsistencies therein and to supply omissions thereto. Any construction, interpretation or application of the Plan by the Plan Administrator shall be final, conclusive and binding;

(ii) to determine the amount, form or timing of benefits payable hereunder and the recipient thereof and to resolve any claim for benefits in accordance with Article 6;

(iii) to determine the amount and manner of any allocations and/or benefit accruals hereunder;

(iv) to maintain and preserve records relating to Participants, former Participants, and their Beneficiaries and alternate payees;

(v) to prepare and furnish to Participants, Beneficiaries and alternate payees all information and notices required under applicable law or the provisions of this Plan;

(vi) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(vii) to approve and enforce any loan hereunder including the repayment thereof;

(viii) to provide directions to the trustee of a trust established in conjunction with this Plan (if any) with respect to timing and methods of benefit payment, valuations at dates other than regular valuation dates and on all other matters where called for in the Plan or requested by the trustee;

(ix) to hire such professional assistants and consultants as it, in its sole discretion, deems necessary or advisable; and shall be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by same;

(x) to determine all questions of the eligibility of Employees and of the status of rights of Participants, Beneficiaries and alternate payees;

(xi) to adjust Accounts in order to correct errors or omissions;

(xii) to determine the status and effect of any domestic relations order and to take such action as the Plan Administrator deems appropriate in light of such domestic relations order;

ARTICLE 7 PLAN ADMINISTRATION

(xiii) to retain records on elections and waivers by Participants, their spouses and their Beneficiaries and alternate payees;

(c) Procedures. The Plan Administrator may adopt such rules and procedures as it deems necessary, desirable, or appropriate for the administration of the Plan, including but not limited to, procedures relating to requirements for advance notice of any election or modification of an election, minimum and maximum amount of contributions, the types of compensation that may be deferred, the minimum amounts or percentages that may be allocated among investment options, and the timing and frequency of changes to investment elections. When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished to it. The Plan Administrator's decisions shall be binding and conclusive as to all parties.

(d) Allocation of Duties and Responsibilities. The Plan Administrator may designate other persons to carry out any of his duties and responsibilities under the Plan.

(e) Compensation. The Plan Administrator shall serve without compensation for its services.

(f) Expenses. All direct expenses of the Plan, the Plan Administrator and any other person in furtherance of their duties hereunder shall be paid or reimbursed by the Company.

(g) Allocation of Fiduciary Duties. A Plan fiduciary shall have only those specific powers, duties, responsibilities and obligations as are explicitly given him under the Plan. It is intended that each fiduciary shall not be responsible for any act or failure to act of another fiduciary. A fiduciary may serve in more than one fiduciary capacity with respect to the Plan.

Section 7.02 FUNDED STATUS

(a) Unfunded Plan. This Subsection applies if the Plan is not a Governmental Plan. The Plan is intended to constitute an unfunded plan. Any amount due and payable pursuant to the terms of the Plan shall be paid out of the general assets of the Company except to the extent that it is paid from a grantor trust. All assets of the Plan shall be subject to the claims of creditors of the Company. Participants and Beneficiaries shall not have an interest in any specific asset of the Company or in any specific asset held in a grantor trust or a Company account established as a result of participation in this Plan. Except as may be provided under the terms of a grantor trust, the Company shall have no obligation to set aside any funds for the purpose of making any benefit payments under this Plan. Nothing contained herein shall give any Participant any rights that are greater than those of an unsecured creditor of the Company with respect to any unpaid amount as to which the Participant has a vested interest. No action taken pursuant to the terms of this Plan shall be construed to create a funded arrangement, a plan asset, or fiduciary relationship among the Company, its designee and a Participant or Beneficiary.

(b) Trust Fund. This Subsection applies if the Plan is a Governmental Plan.

(1) Assets Held in Trust. All contributions, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan and the Trust Agreement. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement. The Trustee shall ensure that all investments, amounts, property, and rights held under the Trust Fund are held for the exclusive benefit of Participants and their Beneficiaries. The Trust Fund shall be held in trust pursuant to the Trust Agreement for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. It shall be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

(2) Custodial Accounts and Annuity Contracts. For purposes of the trust requirement of this Subsection (b), custodial accounts and annuity contracts described in Code section 401(f) that satisfy the requirements of Treas. Reg. 1.457-8(a)(3) are treated as trusts under rules similar to the rules of Code section 401(f).

ARTICLE 7 PLAN ADMINISTRATION

(3) Creditors. Except as expressly provided in the Plan, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors.

(4) IRS Levy. the Plan Administrator may pay from a Participant's or Beneficiary's Account balance the amount that the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

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

Section 7.03 INDEMNIFICATION

Unless otherwise provided in the Adoption Agreement, the Company shall indemnify and hold harmless any person serving as the Plan Administrator and, if applicable, the Trustee (and their delegates) from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by such persons in connection with their duties hereunder to the extent not covered by insurance, except when the same is due to such person's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under this Plan.

Section 7.04 COMMUNICATIONS

All enrollments, elections, designations, applications and other communications by or from an employee, Participant, Beneficiary, or legal representative of any such person regarding that person's rights under the Plan shall be made in the form and manner established by the Plan Administrator. Neither the Plan Administrator nor the Company shall be required to give effect to any such communication that is not made on the prescribed form and in the prescribed manner and that does not contain all information called for on the prescribed form.

ARTICLE 8 AMENDMENT AND TERMINATION

Section 8.01 AMENDMENT/TERMINATION

The provisions of the Plan may be amended and or terminated in writing at any time and from time to time by the Plan Sponsor. Notwithstanding the foregoing, an amendment/termination shall have no effect to the extent that it impermissibly accelerates a benefit payment or otherwise does not comply with Code section 457 and the regulations promulgated thereunder. Distributions may be made upon termination of the Plan to the extent such payments comply with Treas. Reg. section 1.457-10(a). No amendment or termination specified in this Article 8 shall result in a reduction or forfeiture of a Participant's Account unless such reduction or forfeiture is expressly provided under the terms of the Plan.

ARTICLE 9 MISCELLANEOUS

Section 9.01 NONALIENATION OF BENEFITS

No Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan.

Section 9.02 QDRO

Notwithstanding Section 9.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

Section 9.03 NO RIGHT TO EMPLOYMENT

Nothing contained in this Plan shall be construed as a contract of employment between the Company and the Participant, or as a right of any Employee to continue in the employment of the Company, or as a limitation of the right of the Company to discharge any of its Employees, with or without cause.

Section 9.04 GOVERNING LAW

The Plan shall be construed in accordance with and governed by the laws of the state or commonwealth of organization of the Plan Sponsor to the extent not preempted by Federal law.

Section 9.05 TAX EFFECT

The Company does not represent or guarantee that any particular federal, state or local income, payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation. Furthermore, the Company does not represent or guarantee investment returns with respect to any predetermined investment options and shall not be required to restore any loss which may result from such investment or lack of investment.

Section 9.06 ASSIGNMENT

The Company may transfer, assign or encumber any of its rights, privileges, duties or obligations under this Agreement.

Section 9.07 SEVERABILITY OF PROVISIONS

If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

ARTICLE 9 MISCELLANEOUS

Section 9.08 HEADINGS AND CAPTIONS

The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

Section 9.09 GENDER AND NUMBER

Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

PROCEDURES FOR DETERMINING THE
QUALIFIED STATUS OF A DOMESTIC RELATIONS ORDER

1. Upon receipt of a written notice of a domestic relations order ("DRO"), the Plan Administrator will, within a reasonable amount of time, send a written notice of receipt of the order as well as a copy of these procedures to the affected participant, each named alternate payee and any legal counsel representing the parties.
2. Upon receipt of the DRO, the Plan Administrator will separately account for, and will place a freeze on, the participant's benefit which would be payable to the alternate payee as if the DRO is qualified. The freeze will remain on the participant's benefit until the earlier of: (i) 18 months from the date the benefit was frozen, (ii) the date the distribution is made to the alternate payee, (iii) the date the Plan Administrator receives a court order releasing the participant's benefit from the freeze, or (iv) as of the end of the 30 day appeal period specified in Paragraph 5 if no appeal is filed within such period. In no event will a participant's benefit be frozen for longer than 18 months. If the DRO is not found to be qualified within the period specified above, the Plan Administrator will remove the freeze on the participant's benefit and may treat the participant's benefit as if there had been no DRO.
3. After receipt of the DRO, the Plan Administrator will determine whether the order is qualified by ascertaining whether the order meets all of the statutory requirements, the requirements set forth in any procedures established by the Plan Administrator and by using the attached checklist. The determination and notification under this Paragraph 3 will be made within a reasonable period to be fixed by the Plan Administrator.
4. If the Plan Administrator determines that the DRO meets the requirements set forth in Paragraph 3 and is a qualified domestic relations order ("QDRO"), the Plan Administrator will notify in writing the affected participant, each named alternate payee and any legal counsel representing the parties. The Plan Administrator will create an account in the name of each alternate payee, if necessary, and shall arrange for the benefits to be paid to the alternate payee in accordance with the QDRO. The following rules shall apply to the account of the Alternate Payee:
 - (a) Distribution. The Plan Administrator may distribute the benefit of an alternate payee before to the date the participant has a termination of employment or prior to the date the participant attains his earliest retirement age.
 - (b) Investment Funds. If the DRO does not specify the participant's accounts or investment funds to be set aside to an alternate payee, any amount transferable under the DRO, other than amounts used as security for a plan loan, will be segregated on a pro rata basis.
 - (c) Default Rules. Unless a QDRO provides to the contrary:
 - (1) Investment Returns. An alternate payee will be credited with the same rate of gain/loss as the account of the participant from the effective date of the account division to the date the order is processed by the plan.
 - (2) Death Benefits. An alternate payee has the right to designate a beneficiary who shall receive benefits payable to an alternate payee which have not been distributed at the time of the alternate payee's death.
 - (3) Investment Direction. An alternate payee has the right to direct the investment of its account created by the QDRO in the same manner as the participant.
 - (d) Loans. An alternate payee is not permitted to make a loan from the plan.

5. If the Plan Administrator determines that the DRO does not meet the requirements set forth in Paragraph 3, the Plan Administrator will notify in writing the affected participant, each named alternate payee and any legal counsel representing the parties. The notification will include the reasons why the DRO does not meet the requirements of Paragraph 3. The affected participant or alternate payee may file a claim with the Plan Administrator for a review of the Plan Administrator's determination under Paragraph 3, in accordance with the Plan's procedures for the filing and review of claims, except that any such claim must be filed with the Plan Administrator within 30 days after the date such participant or alternate payee receives written notice of the Plan Administrator's determination under Paragraph 3.
6. These Procedures may be amended at any time.

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

QUALIFIED DOMESTIC RELATIONS ORDER CHECKLIST

1. Does the order specify that it is made in accordance with a state domestic relations law?

Yes

No. Required Changes: _____

Comments. A QDRO may take the form of a judgment, decree, or court order (including a court approval of a property settlement agreement) made pursuant to a state domestic relations law (including community property law). It must relate to the provision of a child support, alimony or material property rights to a spouse (present or former), child, or other dependent of the participant.

2. Does the order specify the plan or plans to which it applies?

Yes

No. Required Changes: _____

Comments. A QDRO must clearly specify each plan to which it applies. If multiple plans are specified, the order of payment should be included if appropriate, e.g., which of the plans should be used for satisfying specific obligations.

3. Does the order specify the plan participant and each alternate payee by name, social security number and mailing address (or does the Plan Administrator have reason to know the participant's/alternate payee's address)?

Yes

No. Required Changes: _____

Comments. A QDRO must specify the name and address of the participant and each alternate payee. The last known mailing address (if any) is sufficient.

4. Does the order create or recognize the alternate payee's right to all or part of the participant's benefits under the plan?

Yes

No. Required Changes: _____

Comments. A QDRO must create or recognize the existence of an alternate payee's right to, or assign to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under a plan.

5. Does the order specify the amount or percentage of the participant's benefit to be paid by the plan to each alternate payee and the date on which such determination is made (or clearly designate the manner to determine the amount or percentage)?

Yes

No. Required Changes: _____

Comments. A QDRO must clearly specify the amount or percentage of the participant's benefits to be paid to each alternate payee, or the manner in which this can be determined.

If the order relates to a defined contribution plan, the order must provide how gains and losses accrued between the account division date and the date the order is processed are to be allocated between the participant and the alternate payee.

6. Is it clear that the total benefits payable to the alternate payees do not exceed the value of the participant's benefit less any amount used as security for a loan?

Yes

No. Required Changes: _____

Comments. A QDRO cannot require a plan to provide increased benefits or pay amounts in excess of the participant's liquid assets.

7. Are all benefit payments and the timing of distributions provided for in the order consistent with the types or forms of benefits or options provided under the Plan or required to be offered by law?

Yes

No. Required Changes: _____

Comments. The QDRO may specify when the benefit should be paid to the alternate payee. The QDRO may also provide for payments to be made in other permissible forms as directed by the order and as permitted under the plan.

8. Is the order consistent with all other QDROs received by the Plan with respect to the participant?

Not applicable

Yes

No. Required Changes: _____

Comments. A QDRO cannot require benefits to be paid to an alternate payee that are required to be paid to another alternate payee under a prior QDRO.

9. Is the order free of any unnecessary conditions, obligations or representations that would appear to bind the Plan Administrator if it approved the order?

Yes

No. Required Changes: _____

Comments. If the order includes conditions, obligations or representations applicable to the Plan Administrator that are not required for an order to be a QDRO, but which may impose liability or unacceptable administrative burdens on the Plan Administrator, the order will be rejected.

Date: _____

TO:
Participant
Attorney for Participant
Alternate Payee
Attorney for Alternate Payee

Re: Domestic Relations Order submitted to the
City of Star 457(b) Deferred Compensation Plan

OPTION - DRAFT

We have received the proposed domestic relations order submitted in your correspondence of _____. This order will be evaluated in accordance with the terms of the enclosed qualified domestic relations order procedures.

OPTION - FINAL

We have received the domestic relations order submitted in your correspondence of _____. This order will be evaluated in accordance with the terms of the enclosed qualified domestic relations order procedures. Please note that Paragraph 2 of the enclosed procedures provides that the Plan administrator will separately account for, and will place a freeze on, the participant's benefit which would be payable to the alternate payee as if the order is qualified.

If you have any questions, please call.

Very truly yours,

Plan Administrator

Date: _____

TO:
Participant
Attorney for Participant
Alternate Payee
Attorney for Alternate Payee

Re: Domestic Relations Order submitted to the
City of Star 457(b) Deferred Compensation Plan

OPTION - ACCEPT DRAFT

We have determined that the proposed domestic relations order submitted in your correspondence of _____ would be accepted by the plan as a qualified domestic relations order. This determination is subject to the receipt of a valid, final domestic relations order in the same form as presented.

OPTION - ACCEPT FINAL

We have determined that the domestic relations order submitted in your correspondence of _____ will be accepted by the plan as a qualified domestic relations order. Please contact the undersigned for further information about the payment of benefits to the alternate payee.

OPTION - ACCEPT

Acceptance of the domestic relations order relates solely to the division of the participant's benefit in the plan. Nothing contained herein shall be construed as a representation or warranty by the Plan Administrator or any other party as to any particular legal or tax effect other than that specified in the preceding sentence. The Plan Administrator accepts no duty or responsibility in addition to that required of it by applicable law.

OPTION - DENY

We have determined that the domestic relations order submitted in your correspondence of _____ will not be accepted by the plan as a qualified domestic relations order.

Please review the enclosed qualified domestic relations order procedures for more information.

If you have any questions, please call.

Very truly yours,

Plan Administrator

CITY OF STAR 457(B) DEFERRED COMPENSATION PLAN

SAMPLE LOAN PROCEDURES

This document contains important information about the procedures for obtaining a loan from the Plan. The following rules shall apply to the loan program:

Procedure for Applying for a Loan. If you are an active Participant in the City of Star 457(b) Deferred Compensation Plan, you may apply for a loan from the Plan. You must complete a loan application form and submit the completed form and supporting materials to the Plan Administrator. All loan applications will be reviewed on a uniform and nondiscriminatory basis and your loan will be approved if the Plan Administrator determines that you have the ability to repay the loan and that the loan is adequately secured. Loan application forms may be obtained from the Plan Administrator.

Administration of the Plan Loan Program. The Plan loan program is administered by the Plan Administrator.

Promissory Note. If your loan is approved, you will be required to sign a promissory note.

Type and Amount of Loan. The Plan does not restrict the purposes for which loans may be made. However, the Plan does set maximum and minimum limits on the amount of a loan.

Maximum Amount of Loan. A loan cannot be greater than 50% of the vested accrued benefit under the Plan. Additionally, the loan cannot exceed \$50,000, reduced by the excess (if any), of the highest outstanding balance of loans from the Plan during the 12-month period ending on the day before the date a new loan is made, over the outstanding balance of loans from the Plan on the date the new loan is made.

Roth Contribution Account. The Plan Administrator will determine whether you may receive a loan from your Roth Deferral Account. If the Plan Administrator allows loans from your Roth Deferral Account, the Plan Administrator will specify an ordering rule for loans. The ordering rule will determine whether loans will be made first or last from your Roth Deferral Account or in any combination of your Roth Deferral Account and any other Account.

Repayment. Loans must be paid in equal payments over a period not extending beyond five years from the date of the loan; unless you certify in writing to the Plan Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as your principal residence. If you go on a leave of absence or go on active service in the military, you may be able to suspend loan repayments. Please contact the Plan Administrator to determine whether your leave of absence qualifies. You must repay a loan in accordance with the repayment schedule or you may repay the loan in full. Partial early loan payoffs are not permitted. The loan will become payable in full on your termination of employment.

Maximum Number of Loans. The maximum number of loans outstanding at any one time is one.

Minimum Loan Amount. The minimum loan amount is \$1,000.

Interest Rate. This Plan uses the prime interest rate listed in The Wall Street Journal plus 1%. However, you may qualify for a lower interest rate if you are on active duty in the military. If you are on active duty, please contact the Plan Administrator to determine whether you qualify for the lower interest rate.

Collateral. Your vested accrued benefit under the Plan will serve as collateral for the loan. However, a maximum of 50% of your vested accrued benefit may be used as collateral.

Payroll Deduction. Payments will be made through payroll deduction from each regular paycheck.

Fees. The Plan charges a loan processing fee of \$ _____. This amount will be deducted from the proceeds of the loan.

Default. Your loan will be in default if a scheduled payment becomes 90 days overdue. Upon default, the entire balance of the loan will be immediately due and entire balance be a treated as a taxable distribution to you. In addition, your vested accrued benefit may be reduced by the amount of the outstanding principal and interest on the loan. In other cases, this offset will not occur until you are entitled to receive benefits (for example, upon your termination of employment).

[Delete or modify the following paragraphs to the extent they are not necessary or not applicable to the plan]

Coronavirus-related loans. The following provisions only apply to qualified individuals who satisfy one of the following criteria: (1) they were diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively as COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); (2) their spouse or their dependent was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); or (3) they have experienced adverse financial consequences because: (i) they, their spouse, or a member of their household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; (ii) they, their spouse, or a member of their household was unable to work due to lack of childcare due to COVID-19; (iii) a business owned or operated by them, their spouse, or a member of their household closed or reduced hours due to COVID-19; or (iv) they, their spouse, or a member of their household had a reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19.

- Coronavirus-related loans are available for qualified individuals from March 27, 2020 through September 22, 2020. A coronavirus-related loan may be up to the lesser of: (i) 100% of the vested account balance under the Plan; or (ii) \$100,000 minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made.
- Qualified individuals may use 100% of their vested account balance as collateral for coronavirus-related loans.
- Qualified individuals impacted by the coronavirus may suspend any loan payment due by December 31, 2020 for up to one year. Interest on the loan will continue to accrue during this suspension. The loan end date and maximum term will be adjusted accordingly.
- Qualified individuals impacted by the coronavirus will not be in default for missing a scheduled payment from March 27, 2020 through December 31, 2020. Interest on the loan will continue to accrue and the loan end date and maximum term will be adjusted accordingly.

Frequently Asked Questions (FAQ) - 457 plans

Definition of Employee, Eligible Employee, and Participant

Who is an Employee?

"Employee" means any person who is employed by the Employer. The term "Employee" shall also include any person who is an Employee of an Affiliated Employer and any Leased Employee deemed to be an Employee as provided in Internal Revenue Code §414(n) or (o).

Who is an Eligible Employee?

"Eligible Employee" means all Employees who are expressly included in the Plan based on the Adoption Agreement or Basic Plan Document.

Who is a Participant?

"Participant" means any Eligible Employee or former Employee who has satisfied the eligibility requirements of the Plan and entered the Plan and is eligible to accrue benefits under the Plan. In addition, the term "Participant" also includes any individual who was a Participant (as defined in the preceding sentence) and who must continue to be taken into account under a particular provision of the Plan (e.g., because the individual has an account balance in the Plan). A "Participant" includes:

- An active Employee who is eligible to participate in the Plan and is participating in the Plan.
- An active Employee who is eligible to participate in the Plan but has chosen not to participate.
- A former Employee (including a retired Employee) with a current balance in their account.
- Any beneficiary of a deceased Employee who is receiving, or is entitled to receive, benefits from the Plan.

Beneficiary Designation

Are Participant Beneficiary Forms Current?

It is good practice to direct participants to periodically review and update their beneficiary information as needed (e.g., upon change in marital status, adoption/birth of a child, death of a current beneficiary, etc.).

Participating Employers

If there are participating employer(s), what do the participating employer(s) need to do?

If the primary employer signer is not the authorized signer for each participating employer, then in addition to the primary employer signer, an authorized signer for each participating employer must sign and date their Participating Employer Form. Once all signatures have been secured, the participating employers should distribute the participant materials (such as the Plan Description (PD)) to their participants as directed on the *Guidelines for Completing the Document Package*.

Future Document Requirements

Will there be additional required interim or good faith amendments going forward?

Yes, the IRS will continue to require that interim amendments be adopted for legislative and regulatory changes. We will provide these to you as necessary.

Can I make changes to my plan document provisions?

Yes, you can adopt "discretionary" amendments. The timing of any operational changes will depend on the design of your retirement plan and applicable regulations.

Who do I contact with questions or updates on my plan?
Please contact your dedicated FuturePlan consultant.