

Board Agenda

Regular Meeting

Thursday, August 5, 2021

Camrosa Board Room

5:00 P.M.

TO BE HELD REMOTELY

In light of public health responses to the threat of COVID-19 and Governor Newsom's Executive Order N-25-20, the Camrosa office is still closed to the public. Board meetings are accessible to the public only via web-based teleconference, as described below.

To participate via the web to see the board meeting presentation, click <https://us02web.zoom.us/j/9235309144> on your computer, tablet, or smartphone. You'll need to download and install the ZOOM app before logging on.

If you'd like to make a comment, you'll have to log in via the app so we can identify you and invite you to participate.

To listen in via phone, call **(669) 900-6833**; when prompted, enter the meeting ID: **923 530 9144**.

Call to Order

Public Comments

At this time, the public may address the Board on any item not appearing on the agenda which is subject to the jurisdiction of the Board. Persons wishing to address the Board should fill out a white comment card and submit it to the Board Chairman prior to the meeting. All comments are subject to a 5-minute time limit.

Matters appearing on the Consent Agenda are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of Board or the Staff requests an opportunity to address any given item. Items removed from the Consent Agenda will be discussed at the beginning of the Administrative Items. Approval by the Board of Consent Items means that the recommendation of the Staff is approved along with the terms and conditions described in the Board Memorandum.

Consent Agenda

1. Approve Minutes of the Regular Meeting of July 22, 2021
2. **Approve Vendor Payments

Objective: Approve the payments as presented by Staff.

Action Required: Approve accounts payable in the amount of \$393,103.85.

Primary Agenda

3. ****Salary and Classification Schedule**

Objective: Adopt the Salary and Classification Schedule.

Action Required: Adopt a Resolution Adjusting the District's Salary and Classification Schedule for Employees.

4. ****Tierra Rejada Well Rehabilitation Project, Specification No. PW 21-03**

Objective: Rehabilitate the Tierra Rejada Well.

Action Required: It is recommended that the Board of Directors:

- 1) Appropriate additional funding in the amount of \$175,000.00 for the Tierra Rejada Well Rehabilitation from the potable capital replacement fund; and
- 2) Authorize the General Manager to award a contract and issue a purchase order to General Pump Company (General Pump), in the amount of \$222,223.00, for the rehabilitation of the Tierra Rejada Well in accordance with Specifications No. PW21-03.

5. ****Lobby Redesign**

Objective: Remodel lobby to improve safety and security.

Action Required: Authorize the General Manager to:

- 1) Enter into an agreement with and issue a purchase order to Apex General Contractors, Inc., in the amount of \$208,005.00, to remodel the District's lobby; and
- 2) Reimburse Apex General Contractors, Inc., for all governmental permits and fees related to the construction project, in an amount not to exceed \$2,500.00.

6. ****Prepurchase GAC Equipment**

Objective: Prepurchase granular activated carbon (GAC) vessels and carbon dioxide (CO2) dissolution system.

Action Required: Authorize the General Manager to:

- 1) Issue a purchase order in the amount of \$1,086,305.25 to AqueoUS Vets for the purchase of GAC vessels and extended warranty; and
- 2) Issue a purchase order in the amount of \$320,080.00 to Blue in Green (Chart Industries, Inc.) for the purchase of a CO2 dissolution system.

CLOSED SESSION: The Board may enter a closed session to confidentially discuss litigation matters as authorized by Government code 54956.9.

7. **Closed Session Conference with Legal Counsel – Pending Litigation**

Objective: Confer with and receive advice from counsel regarding pending litigation.

Action Required: No action necessary; for information only.

Administrative Items

8. ****Amendment and Restatement of the District's Profit Sharing Plan and Trust Agreement**

Objective: Adopt the amendment and restatement of the District's Profit Sharing Plan and Trust Agreement.

Action Required: Adopt a resolution of the Board adopting the amendment to, and complete restatement of, the District's Profit Sharing Plan and Trust Agreement.

Comments by General Manager; Comments by Directors; Adjournment

PLEASE NOTE: The Board of Directors may hold a closed session to discuss personnel matters or litigation, pursuant to the attorney/client privilege, as authorized by Government Codes. Any of the items that involve pending litigation may require discussion in closed session on the recommendation of the Board's Legal Counsel.

Note: ** indicates agenda items for which a staff report has been prepared or backup information has been provided to the Board. Copies of the full agenda are available for review at the District Office and on our website at www.camrosa.com.

August 5, 2021

Board of
Directors
Agenda Packet

Board Minutes

Regular Meeting

Thursday, July 22, 2021

Camrosa Board Room

5:00 P.M.

Call to Order The meeting was convened at 5:00 P.M.

Present: Eugene F. West, President
Terry L. Foreman, Vice-President
Al E. Fox, Director
Timothy H. Hoag, Director

Absent: Jeffrey C. Brown, Director

Staff: Tony Stafford, General Manager
Ian Prichard, Assistant General Manager
Tamara Sexton, Manager of Finance (via teleconference)
Terry Curson, District Engineer (via teleconference)
Greg Jones, Legal Counsel

Public Comments

None

Consent Agenda

1. Approve Minutes of the Regular Meeting of June 24, 2021

The Board approved the Minutes of the Regular Meeting of June 24, 2021.

Motion: Fox **Second:** Hoag **Absent:** Brown

Motion carried with four votes.

2. **Approve Vendor Payments

A summary of accounts payable in the amount of \$1,847,861.60 was provided for Board information and approval. The Board approved the payments to vendors.

Motion: Fox **Second:** Hoag **Absent:** Brown

Motion carried with four votes.

3. **Annual Disclosure of Director/Employee Reimbursements

The Board received the Annual Disclosure Report of Director/Employee Reimbursements for FY2020-21.

Motion: Fox **Second:** Hoag **Absent:** Brown

Motion carried with four votes.

4. Ventura Regional Sanitation District Sewer Maintenance

The Board authorized the General Manager to approve a purchase order to Ventura Regional Sanitation District (VRSD) not to exceed \$140,000.00, from the Fiscal Year (FY) 2021-22 operating budget for sewer maintenance and cleaning services.

Motion: Fox **Second:** Hoag **Absent:** Brown
Motion carried with four votes.

5. Biosolids Processing

The Board authorized the General Manager to approve a purchase order to WBI, Inc. not to exceed \$80,000.00, from the Fiscal Year (FY) 2021-22 operating budget for dewatering of the biosolids drying beds.

Motion: Fox **Second:** Hoag **Absent:** Brown
Motion carried with four votes.

6. Biosolids Removal at CWRP

The Board authorized the General Manager to approve a purchase order to Liberty Composting, Inc. not to exceed \$75,000.00, from the Fiscal Year (FY) 2021-22 operating budget for the removal of biosolids from CWRP.

Motion: Fox **Second:** Hoag **Absent:** Brown
Motion carried with four votes.

7. Manhole Rehabilitation

The Board authorized the General Manager to approve a purchase order to Zebron, Inc. not to exceed \$120,000.00, from the Fiscal Year (FY) 2021-22 operating budget for the rehabilitation and coating of District sewer manholes.

Motion: Fox **Second:** Hoag **Absent:** Brown
Motion carried with four votes.

8. SmartCover Sewer Monitoring System

The Board authorized the General Manager to approve a purchase order, in an amount not to exceed \$90,000.00, to SmartCover Systems for the purchase and installation of SmartCover Monitoring Systems on ten District manholes.

Motion: Fox **Second:** Hoag **Absent:** Brown
Motion carried with four votes.

Primary Agenda

9. **Salary and Classification Schedule

Director Foreman discussed the process the Ad Hoc committee, consisting of Director Foreman, President West, and Tony Stafford, went through to arrive at the salary and classification.

Motion: Foreman **Second:** Hoag
Roll-call vote: Fox: yes; Hoag: yes; Foreman: yes; West: yes; Brown: absent

10. **Reservoir 1B Communication Facility, Specification No. PW 21-02

The Board of Directors:

- 1) Appropriated additional funding in the amount of \$200,000.00 for the Reservoir 1B Communication Facility;
- 2) Authorized the General Manager to award a contract to NOHO Constructors, Inc. in the amount of \$505,101.00 to rehabilitate the Reservoir 1B Communication site, Specification No. PW 21-02;
- 3) Authorized the General Manager to issue a change order to Cannon Corporation in the amount of \$14,268.00 to provide engineering & construction support services during construction, as needed; and
- 4) Authorized the General Manager to issue a purchase order to Oakridge Geoscience, Inc. in the amount of \$6,800.00 to provide material testing services during construction, as needed.

Motion: Fox **Second:** Hoag **Absent:** Brown

Motion carried with four votes.

11. **Certificate of Achievement for Excellence in Financial Reporting

The Board received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the District's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2020.

The Board extended congratulations and appreciation to Tamara Sexton, Finance Manager, and Sandra Llamas, Senior Accountant, who are primarily responsible for assembling the CAFR.

No action necessary; for information only.

CLOSED SESSION: The Board entered into closed session at 5:20 P.M. to confidentially discuss litigation matters as authorized by Government code 54956.9.

12. Closed Session Conference with Legal Counsel – Pending Litigation

The Board returned from closed session at 5:35 P.M. with nothing to report. No action taken.

Primary Agenda (Cont.)

13. **Attorney Retainer

The Board authorized the General Manager to sign the attached engagement letter with Alston & Bird to retain the services of Edward J. Casey as special counsel, with two conditions:

- 1) The attorney must submit a detailed budget.
- 2) Expenses exceeding the General Manager's spending authority (\$25,000) must be submitted to the Board for approval.

Motion: Fox **Second:** Foreman **Absent:** Brown

Motion carried with four votes.

14. GAC Equipment Prepurchase

Staff presented preliminary information regarding the procurement of GAC vessels and a CO2 dissolution and storage system for the Conejo Wellfield treatment plant.

No action necessary; for information only.

15. Closed Session Conference with Legal Counsel – Personnel

The Board did not enter closed session.

Comments by General Manager

- The General Manager mentioned that Todd Robins will make a special presentation at the August 26, 2021 meeting.
- The General Manager scheduled an Arroyo Santa Rosa Groundwater Sustainability Agency Board meeting on August 12, 2021 at 5:00 P.M.

Comments by Directors

- Director Fox mentioned that there will be a presentation by the Federal Bureau of Investigation on cybercrime at the Ventura County Special Districts Association on August 3.

Adjournment

There being no further business, the meeting was adjourned at 5:50 P.M.

Tony L. Stafford, Secretary/Manager
Board of Directors
Camrosa Water District

Eugene F. West, President
Board of Directors
Camrosa Water District

(ATTEST)

Board Memorandum

August 5, 2021

To: General Manager

From: Sandra Llamas, Sr. Accountant

Subject: Approve Vendor Payments

Objective: Approve the payments as presented by Staff.

Action Required: Approve accounts payable in the amount of \$393,103.85.

Discussion: A summary of accounts payable is provided for Board information and approval.

Payroll PR 7-2, 2021	\$ 56,453.11
Accounts Payable 7/15/2021-7/28/2021	\$ <u>336,650.74</u>
Total Disbursements	\$ <u>393,103.85</u>

DISBURSEMENT APPROVAL

BOARD MEMBER DATE

BOARD MEMBER DATE

BOARD MEMBER DATE

Tony L. Stafford, General Manager

Camrosa Water District

Accounts Payable Period:

7/15/2021-7/28/2021

Expense	Account Description	Amount
11100	Accounts Rec-Other	
15773	Deferred Outflows-UAL Prep.	
11700	Meter Inventory	
11900	Prepaid Insurance	
11905	Prepaid Maintenance Ag	
13000	Land	
13400	Construction in Progress	171351.86
20053	Current LTD Bond 2016	
20052	Current LTD Bond 2012	
20400	Contractor's Retention	-4283.36
20250	Non-Potable Water Purchases	
23001	Refunds Payable	731.92
50110	Payroll FLSA Overtime-Retro	
50010	Water Purchases & SMP	
50020	Pumping Power	
50100	Federal Tax 941 1 st QTR	
50136	Required UAL Contribution	
50153	Social Security Tax	
50200	Utilities	
50210	Communications	1693.61
50220	Outside Contracts	71954.89
50230	Professional Services	10399.00
50240	Pipeline Repairs	11534.83
50250	Small Tool & Equipment	163.77
50260	Materials & Supplies	30694.53
50270	Repair Parts & Equip Maint	26052.69
50280	Legal Services	
50290	Dues & Subscriptions	
50300	Conference & Travel	
50310	Safety & Training	60.00
50330	Board Expenses	
50340	Bad Debt	
50350	Fees & Charges	16297.00
50360	Insurance Expense	
50500	Misc Expense	
50600	Fixed Assets	
50700	Interest Expense	
TOTAL		\$336,650.74

Vendor: HAC01 - HACH COMPANY

56974	07/27/2021	HACH COMPANY	12548573	Repair Part for the Splitter Box Composi	Repair parts & equipme	376.39
56974	07/27/2021	HACH COMPANY	12562398	Materials & Supplies - Reagents	Materials & Supplies-RN	19.47
Vendor HAC01 - HACH COMPANY Total:						395.86
56975	07/27/2021	INFOSEND, INC.	194847	Printing & Mailing of July 2021 Statements	Outsd contracts	4790.05
56976	07/22/2021	Innovyze, Inc	Q-91565	Innovyze Infowater Renewal	Outsd contracts FY22-0020	3121
56977	07/23/2021	KAYLEE MATTECHECK	00001876	Deposit Refund Act 1876 - 5324 Hidalgo Dt	Refunds payable	40.58
56978	07/22/2021	LAFCO	2021 Dues	LAFCO	Fees & charges	15297
56979	07/22/2021	LARRY WALKER ASSOCIATES, INC	00388-02-04	NPDES Climate Plan	Prof services FY21-0175	9379
56980	07/27/2021	LASER TONER & COMPUTER SUPPLY, INC	160166	Fuser Kit for Front Office Printer	Materials & supplies	303.3
56981	07/23/2021	MARILOU GALIMBA	00002055	Deposit Refund Act 2055 - 5295 Felicia St	Refunds payable	20.09
56982	07/22/2021	McMASTER-CARR SUPPLY CO	61639420	Repair Parts - VFD Fans	Repair parts & equipme	564.32
56983	07/23/2021	MICHAEL MORROW	00006621	Deposit Refund Act 6621 - 5256 Buena Mesa Ct	Refunds payable	37.17

Vendor: MNS01 - MNS ENGINEERS, INC.

56984	07/22/2021	MNS ENGINEERS, INC.	78048	Out of Scope Work	Construction in progres:FY18-0055-R4	12975
56984	07/26/2021	MNS ENGINEERS, INC.	78279	Keyed in wrong PO amount	Construction in progres:FY21-0254-R1	1688.75
56984	07/26/2021	MNS ENGINEERS, INC.	78280	Out of Scope Work	Construction in progres:FY18-0055-R4	15275
Vendor MNS01 - MNS ENGINEERS, INC. Total:						29938.75
56985	07/22/2021	MULTI W. SYSTEMS, INC	32130826	Sewer Lift Maintenance	Outsd contracts FY21-0144	13417.52
56986	07/23/2021	NASSRIN HAJI	00006926	Deposit Refund Act 6926 - 5174 Ladera Vista Dr	Refunds payable	38.92
56987	07/22/2021	NBS GOVERNMENT FINANCE GROUP	621000506	Current Usage charges April 2016	Prof services FY21-0266-R1	1020

Vendor: NOH01 - NOHO CONSTRUCTORS

56988	07/27/2021	NOHO CONSTRUCTORS	Pytm 2	Pump Station 2 - Generator Installation	Construction in progres:FY21-0219-R1	85667.13
56988	07/27/2021	NOHO CONSTRUCTORS	Pytm2-Retention	Pytm2-Retention	Contractor's retention	-4283.36
Vendor NOH01 - NOHO CONSTRUCTORS Total:						81383.77
56989	07/27/2021	NORTHSTAR CHEMICAL	200875	Materials & Supplies - RMWTP	Materials & Supplies-RN	4987.13
56990	07/22/2021	OAKRIDGE GEOSCIENCE, INC.	047-007-02	Geotechnical Services during construction	Construction in progres:FY21-0221	520
56991	07/27/2021	PRAXAIR DISTRIBUTION INC	64903240	Acetylene Gas Cylinders	Materials & supplies	59.35
56992	07/22/2021	PSI Water Technologies	INV0005308	Repair Parts Penny Well CL2 Cell	Repair parts & equipme FY21-0249-R1	5476.88
56993	07/28/2021	PURETEC INDUSTRIAL WATER	1903978	Chemicals RMWTP	Materials & Supplies-RN	21327.51

Vendor: ROY03 - ROYAL INDUSTRIAL SOLUTIONS

56994	07/27/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1006063	Sewer Lift Read Road	Construction in progres:FY22-0034	2248.71
56994	07/22/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1006064	Repair Parts PLC Power Supplies	Repair parts & equipme FY22-0015	4460.1
56994	07/27/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1008466	Repair Parts - 1B Res	Repair parts & equipme	155.05
56994	07/27/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1008492	Repair Parts - 1B Res Battery Storage	Repair parts & equipme	680.19
56994	07/27/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1008493	Repair Parts - 1B Res	Repair parts & equipme	101.52
56994	07/27/2021	ROYAL INDUSTRIAL SOLUTIONS	9009-1008623	Repair Parts - 1B Res	Repair parts & equipme	620.58
Vendor ROY03 - ROYAL INDUSTRIAL SOLUTIONS Total:						8266.15

56995	07/23/2021	SABRINA SWAN	00006856	Deposit Refund Act 6856 - 5053 Colony Dr	Refunds payable	33.64
56996	07/27/2021	SALINAS & SONS ROOTER INC	00-11780	Repair Parts - Water Heater	Repair parts & equipme	498.26
56997	07/27/2021	SAM HILL & SONS, INC.	3845	Hit Fire Hydrant	Pipeline repairs FY22-0036	9698.71
56998	07/23/2021	SEMUEL BROWN	00003519	Deposit Refund Act 3519 - 5073 Laurel Park Dr	Refunds payable	26.9
56999	07/27/2021	SHUMATE SERVICES, INC	21-046	Repair Parts - Door Repair	Repair parts & equipme	311.74

Vendor: SCF01 - SOUTHERN COUNTIES OIL

57000	07/22/2021	SOUTHERN COUNTIES OIL	1912164IN	Material & Supplies - Fuel	Materials & supplies	1149.66
57000	07/27/2021	SOUTHERN COUNTIES OIL	1917161IN	Material & Supplies - Fuel	Materials & supplies	1620.97
Vendor SCF01 - SOUTHERN COUNTIES OIL Total:						2770.63

57001	07/27/2021	STAPLES	278183476	Office Supplies	Materials & supplies	868.59
57002	07/23/2021	STATE WATER RESOURCES CONTROL BOARD	Grnd Extr 2019-2020	GW Ground Extractions	Fees & Charges	1000
57003	07/23/2021	STATE WATER RESOURCES CONTROL BOARD	T2-Cert-GM	T2 Certification Water Trmt Operator-Graham Moland	Safety & train	60

57004	07/22/2021	THE ROVISYS COMPANY	68769	DeviceNet to EtherNet/IP CIP	Construction in progres:FY20-0260-R1	19765.04
57005	07/22/2021	Trusted Tech Team, Inc	88775	Windows 10 Licenses for New Installs	Repair parts & equipme	474.95
57006	07/23/2021	TYLER HART	00007327	Deposit Refund Act 7327 - 269 Calle Orovista	Refunds payable	2.39
Vendor: UNI08 - UNIFIRST CORPORATION						
57007	07/27/2021	UNIFIRST CORPORATION	328-1293465	Uniform Cleaning Service	Outsd contracts	281.72
57007	07/27/2021	UNIFIRST CORPORATION	328-1293475	Office Cleaning Supplies - Towe-Mat Service	Outsd contracts	97.57
57007	07/27/2021	UNIFIRST CORPORATION	328-1295299	Uniform Cleaning Service	Outsd contracts	239.47
57007	07/27/2021	UNIFIRST CORPORATION	328-1295309	Office Cleaning Supplies - Towe-Mat Service	Outsd contracts	97.57
Vendor UNI08 - UNIFIRST CORPORATION Total:						716.33
Vendor: USA01 - USA BLUE BOOK						
57009	07/27/2021	USA BLUE BOOK	669578	Repair Parts - Level Transmitter SRPH	Repair parts & equipme	631.69
57009	07/27/2021	USA BLUE BOOK	669838	Laboratory Supplies	Materials & supplies	115.4
57009	07/27/2021	USA BLUE BOOK	669841	Laboratory Supplies	Materials & supplies	46.42
57009	07/28/2021	USA BLUE BOOK	674121	Laboratory Supplies	Materials & supplies	45.9
Vendor USA01 - USA BLUE BOOK Total:						839.41
57010	07/27/2021	VERIZON BUSINESS, INC	71876609	VOIP T1 (Verizon)	Communications	1262.74
Vendor: WWG01 - W W GRAINGER, INC.						
57011	07/28/2021	W W GRAINGER, INC.	9001501379	Equipment for Ground Water Sampling	Small tools & equipmen	163.77
57011	07/27/2021	W W GRAINGER, INC.	9965650691	Repair Parts - Res 1B Battery Storage	Repair parts & equipme	837.96
57011	07/27/2021	W W GRAINGER, INC.	9969421578	Materials & Supplies - Wipes	Materials & supplies	150.83
Vendor WWG01 - W W GRAINGER, INC. Total:						1152.56
Vendor: WAT04 - WATER SYSTEMS CONSULTING, INC.						
57012	07/22/2021	WATER SYSTEMS CONSULTING, INC.	5840	Out of Scope Work	Construction in progres:FY20-0206-R2	289.7
57012	07/22/2021	WATER SYSTEMS CONSULTING, INC.	5840	Training	Construction in progres:FY20-0206-R2	2687.8
Vendor WAT04 - WATER SYSTEMS CONSULTING, INC. Total:						2977.5
57013	07/22/2021	WIENHOFF DRUG TESTING	98566	Adding Chad & Jorge to DOT Program	Outsd contracts	320
Vendor: WIL08 - WILLIAM RAY CONSULTING, LLC						
57014	07/22/2021	WILLIAM RAY CONSULTING, LLC	2021-10	ELAP regulations and	Outsd contracts FY21-0059	480
57014	07/22/2021	WILLIAM RAY CONSULTING, LLC	2021-19	ELAP regulations and	Outsd contracts FY21-0059	1929.07
Vendor WIL08 - WILLIAM RAY CONSULTING, LLC Total:						2409.07

TOTAL VENDOR PAYMENTS-CAMROSA

\$ 336,650.74

Vendor: EDD01 - EMPLOYMENT DEVELOP. DEPT.					
DFT0003456	07/15/2021	EMPLOYMENT DEVELOP. DEPT.	INV0010295	Payroll-SIT	P/R-sit 6050.01
DFT0003465	07/23/2021	EMPLOYMENT DEVELOP. DEPT.	INV0010347	Payroll-SIT	P/R-sit 38.69
Vendor EDD01 - EMPLOYMENT DEVELOP. DEPT. Total:					6088.7
DFT0003460	07/23/2021	PUBLIC EMPLOYEES	INV0010342	Retirement PERS	P/R-state ret. 16524.18
Vendor: UNI10 - UNITED STATES TREASURY					
DFT0003463	07/23/2021	UNITED STATES TREASURY	INV0010345	FIT	P/R-fit 15768.34
DFT0003458	07/15/2021	UNITED STATES TREASURY	INV0010300	Payroll-Social Security Tax	P/R - ee social security 607.1
DFT0003455	07/15/2021	UNITED STATES TREASURY	INV0010294	Payroll- Medicare Tax	P/R - ee medicare 3646.18
Vendor UNI10 - UNITED STATES TREASURY Total:					20021.62
Vendor: PER05 - CAL PERS 457 PLAN					
DFT0003439	07/15/2021	CAL PERS 457 PLAN	INV0010269	Deferred Compensation	Deferred comp - ee paic 50
DFT0003440	07/15/2021	CAL PERS 457 PLAN	INV0010270	Deferred Compensation	Deferred comp - ee paic 7498.15
Vendor PER05 - CAL PERS 457 PLAN Total:					7548.15
DFT0003435	07/15/2021	COLONIAL SUPPLEMENTAL INS	INV0010265	Colonial Benefits	Colonial benefits 279.22
Vendor: HEA02 - HealthEquity					
DFT0003443	07/15/2021	HealthEquity	INV0010275	HSA-Employee Contribution	HSA Contributions Payal 480.84
DFT0003444	07/15/2021	HealthEquity	INV0010276	HSA Contributions	HSA Contributions Payal 250
Vendor HEA02 - HealthEquity Total:					730.84
839	07/15/2021	LINCOLN FINANCIAL GROUP	INV0010271	Deferred Compensation	Deferred comp - ee paic 2395
838	07/15/2021	LINCOLN FINANCIAL GROUP	INV0010289	Profit Share Contribution	Profit share contributi 2563.4
DFT0003445	07/15/2021	SYMETRA LIFE INS CO.	INV0010277	Life Insurance	Life ins. 282
56948	07/15/2021	UNITED WAY OF VENTURA CO.	INV0010264	Charity-United Way	P/R-charity 20
TOTAL PAYROLL VENDOR PAYMENTS					\$ 56,453.11

Board Memorandum

August 5, 2021

To: Board of Directors

From: General Manager

Subject: Salary and Classification Schedule

Objective: Adopt the Salary and Classification Schedule.

Action Required: Adopt a Resolution Adjusting the District's Salary and Classification Schedule for Employees.

Discussion: The Salary and Classification Schedule is to be approved by the Board of Directors if there is a change.

The Board of Directors adopted the Salary and Classification Schedule on July 22, 2021. It came to the attention of staff that the maximum salaries for two positions were incorrect due to a transposition error and rounding error.

- Senior Customer Service Representative/Specialist
Previous \$97,356 Actual \$97,365
- Water Quality and Environmental Compliance Supervisor
Previous \$142,368 Actual \$142,371

The attached salary schedule is recommended for approval.

Resolution No: 21-12

A Resolution of the Board of Directors
of Camrosa Water District

**Adjusting the District's Salary and
Classification Schedule for Employees**

Whereas, the Board of Directors shall establish by resolution a Salary and Classification Schedule consisting of salary rates allocated to salary ranges; and

Whereas, except as otherwise provided herein, employees shall receive compensation provided in the Salary and Classification Schedule for the classification of the position in which they are employed; and

Whereas, the Salary and Classification Schedule shall include a descriptive title, salary ranges, and the number of allocated positions; and

Whereas, the General Manager shall recommend to the Board of Directors changes in the Salary and Classification Schedule to meet the needs of the District; and

Whereas, such changes may include but not be limited to a salary range adjustment for the position, reclassification of the position only, or reclassification of the incumbent with the position, and must be submitted to the Board of Directors for approval; and

Whereas, the General Manager may appoint new employees within the salary range of the classifications, in accordance with the Salary and Classification Schedule; and

Whereas, the District's Salary and Classification Schedule attached hereto shall reclassify position titles and salary ranges based upon the results of the compensation and classification study;

Now, Therefore, Be It Resolved that the Camrosa Water District Board of Directors hereby adopts the Salary and Classification Schedule.

Adopted, Signed, and Approved this 5th day of August, 2021.

Eugene F. West, President
Board of Directors
Camrosa Water District

(ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

CAMROSA WATER DISTRICT SALARY SCHEDULE

SALARY AND CLASSIFICATION SCHEDULE

Effective: June 26, 2021

Position	Minimum	Maximum	FTE	FLSA	Time Base
Assistant General Manager/Water Resources & Regulatory Compliance	\$ 130,000	\$ 185,000	1	N	Annually
Chief Plant Operator	\$ 75,000	\$ 100,000	1	Y	Annually
Customer Service Manager	\$ 100,000	\$ 135,000	1	N	Annually
Customer Service Representative/ Accounts Payable Technician	\$ 45,000	\$ 67,500	1	Y	Annually
Customer Service Representative/Administrative Assistant	\$ 45,000	\$ 67,500	1	Y	Annually
District Engineer	\$ 110,000	\$ 155,000	1	N	Annually
Field Service Technician I	\$ 40,000	\$ 55,000	1	Y	Annually
Field Service Technician II	\$ 45,000	\$ 60,000	1	Y	Annually
Finance Manager	\$ 110,000	\$ 165,000	1	N	Annually
General Manager	\$ 241,020	\$ 241,020	1	N	Annually
GIS Specialist	\$ 55,000	\$ 80,000	1	Y	Annually
I.T. and Special Projects Manager	\$ 120,000	\$ 175,000	1	N	Annually
Instrumentation Technician	\$ 65,000	\$ 90,000	2	Y	Annually
Laboratory Technician	\$ 55,000	\$ 80,000	1	Y	Annually
Senior Accountant	\$ 75,000	\$ 105,000	1	N	Annually
Senior Customer Service Representative	\$ 65,000	\$ 85,000	0	Y	Annually
Senior Customer Service Representative/Specialist	\$ 70,000	\$ 97,365	1	Y	Annually
Senior Field Service Technician	\$ 55,000	\$ 70,000	0	Y	Annually
Senior System Operator	\$ 75,000	\$ 105,000	0	Y	Annually
Superintendent of Operations	\$ 115,000	\$ 155,000	1	N	Annually
System Field Supervisor	\$ 80,000	\$ 110,000	0	Y	Annually
System Operator I	\$ 55,000	\$ 75,000	2	Y	Annually
System Operator II	\$ 60,000	\$ 85,000	4	Y	Annually
Water Quality & Environmental Compliance Supervisor	\$ 100,000	\$ 142,371	1	N	Annually
Water Quality Supervisor	\$ 90,000	\$ 120,000	0	N	Annually
			25		
Board Member (per Meeting)	\$ 200.00	\$ 200.00		N	Per Meeting
Part-Time Student/Paid Internship	\$ 14.00	\$ 25.00		Y	Hourly
Part-Time/Temporary Employee	\$ 14.00	\$ 30.00		Y	Hourly
Technical Services Advisor/Sr. Inspector (ends June 30, 2021)	\$ 90,000	\$ 148,000		N	Annually
Retired Annuitant (ends June 30, 2021)	\$ 60.00	\$ 60.00			Hourly

Board Memorandum

August 5, 2021

To: General Manager

From: Terry Curson, District Engineer

Subject: Tierra Rejada Well Rehabilitation Project, Specifications No. PW 21-03

Objective: Rehabilitate the Tierra Rejada Well.

Action Required: It is recommended that the Board of Directors:

- 1) Appropriate additional funding in the amount of \$175,000.00 for the Tierra Rejada Well Rehabilitation from the potable capital replacement fund; and
- 2) Authorize the General Manager to award a contract and issue a purchase order to General Pump Company (General Pump), in the amount of \$222,223.00, for the rehabilitation of the Tierra Rejada Well in accordance with Specifications No. PW21-03.

Discussion: The Tierra Rejada Well was originally drilled in 1995. The test production rate of the well at the time of construction was 1,100 gallons per minute (gpm) with a specific capacity of 35 gpm per-foot of drawdown (gpm/ft). In 2007, production had fallen to approximately 760 gpm with a specific capacity of 14.5 gpm/ft. By June 2015, the specific capacity had further decreased to 10.3 gpm/ft. The well was pulled and a video survey was completed in December 2015 to assess the well's physical condition.

The pump assembly and column pipe showed significant wear and the casing was completely covered in organic material making evaluation of the well screens and casing impossible. In January 2016, Hopkins Groundwater Consulting (Hopkins) was contracted with to assist the District in developing a set of specifications for rehabilitation and refurbishment.

After the second phase of cleaning, a video of the casing was performed to evaluate the condition of the well screen and perforations. The video showed significant screen deterioration and small holes throughout the screen intervals. The blank casing portion appeared in good condition. Hopkins reviewed the video and recommended the insertion of a new 10-inch stainless steel screen liner with new gravel pack. The work was completed in July 2016 and was placed back into service.

The new pump was designed to operate at nearly 700 gpm, but as several months passed, the well's production was diminishing and the well was experiencing what was believed to be cavitation. The well production was reduced between 300 – 325 gpm to lower the drawdown levels and eliminate any cavitation.

In November 2020, Hopkins was contracted to re-evaluate the well, determine issues related to decreased production, and provide an overall long-term rehabilitation plan. The District provided Hopkins with all available production history, groundwater levels, and Edison testing reporting over the last several years. According to the available data, groundwater levels within the Tierra Rejada Groundwater Basin have declined approximately 75 feet since 2012. The declining basin levels have

greatly impacted the available drawdown above the current well's pump setting. Based on Hopkins' analysis and report, the existing pump will be replaced and the pump setting will be lowered by approximately 100 feet to increase capacity.

Detailed exhibits and specifications were prepared for the project and released for bid on June 4, 2021. The project was advertised on the District's website, the Ventura County Star newspaper, and through QuestCDN, an online bid management tool. Four (4) contractors requested contract plans and specifications. The following three bids were received and opened on July 8, 2021:

<u>Contractor</u>	<u>Location</u>	<u>Schedule A + B</u>
1. Weber Water Resources	Corona, CA	\$202,529.55
2. General Pump Company	Camarillo, CA	\$222,223.00
3. Layne	Redlands, CA	\$250,212.53
Engineer's Estimate		\$120,000.00

Staff reviewed the bids and qualifications for the lowest responsive bidder, Weber Water Resources (Weber). Upon review of the proposal package, it was noticed that there were some irregularities in the bid. These included a small mathematical error, several exclusions and material substitutions from the contract-specified pump, failure to provide specific information on certain materials and the freshwater lube equipment, failure to include the necessary references, and noncompliance with the required site visit. Although the District reserves the right to determine and waive any non-substantial irregularities, it is staff's opinion that Weber's bid is substantially incomplete, is therefore non-responsive, and should be withdrawn. The second lowest bidder, General Pump Company, submitted a bid that identified and acknowledged all information required in the contract specifications. Their bid is considered complete and responsive. Review of their bid proposal, qualifications, and references has determined that they are a licensed contractor having performed similar projects for various public agencies. General Pump has performed satisfactory work for the District, including the recent redevelopment and rehabilitation of the University Well.

This project is an approved FY 2021-22 Capital Improvement Project and the approximate project cost breakdown is listed as follows:

Available Budget	\$120,000.00
Appropriation Request	<u>\$175,000.00</u>
Estimated Total Project Cost	\$295,000.00

The current project appropriation and available balance is \$120,000.00. The project will require additional \$175,000.00 from the potable capital replacement fund.

CONTRACT BETWEEN THE CAMROSA WATER DISTRICT
AND GENERAL PUMP COMPANY, INC., FOR TIERRA
REJADA WELL NO. 1 REHABILITATION PROJECT,
SPECIFICATION NO. PW 21-03

THIS CONTRACT is made and entered into in the City of Camarillo on this _____ day of _____, 2021, by and between the CAMROSA WATER DISTRICT, hereinafter referred to as DISTRICT, and GENERAL PUMP COMPANY, a CORPORATION, hereinafter referred to as CONTRACTOR.

R E C I T A L S :

WHEREAS, on June 4, 2021, DISTRICT invited bids for Tierra Rejada Well No. 1 Rehabilitation Project, per Specification No. PW 21-03; and

WHEREAS, pursuant to said invitation, CONTRACTOR submitted a Proposal which was accepted by DISTRICT for said project.

NOW, THEREFORE, in consideration of their mutual promises, obligations, and covenants hereinafter contained, the parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are a part of this CONTRACT.

2. **Term.** The term of this CONTRACT shall be from the date this CONTRACT is made and entered, as first written above, and shall be completed no later than ninety (120) consecutive calendar days after the receipt of the Notice to Proceed.

3. **Incorporation By Reference.** Public Contract Code Section 22300, Specification No. PW 21-03, and contract plans, consisting of 88 pages, and all documents incorporated by reference therein, and CONTRACTOR'S Proposal are hereby incorporated by reference and made a part of this CONTRACT.

4. **Precedence of Contract Documents.** If there is a conflict between or among CONTRACT documents, the document highest in precedence shall control. The precedence shall be:

- | | |
|----------|---|
| First: | This Document consisting of six (6) pages excluding paragraph 3 |
| Second: | CONTRACTOR'S Proposal |
| Third: | Permits from other agencies as may be required by law |
| Fourth: | Special Provisions |
| Fifth: | Bid Terms and Conditions |
| Sixth: | Detailed Plans |
| Seventh: | Standard Plans |
| Eighth: | Standard Specifications Modifications |

Ninth: "Standard Specifications for Public Works Construction" (SSPWC)
Tenth: Reference Specifications

Change orders, supplemental agreements, and approved revisions to plans and specifications become a part of item First.

5. **Obligations of the District.**

A. DISTRICT shall be obligated to pay CONTRACTOR based upon the actual DISTRICT-authorized quantities in place and the unit and/or lump sum prices bid by CONTRACTOR, including but not limited to all labor, material, and equipment, rather than the CONTRACT bid price.

B. DISTRICT shall make regular progress payments to CONTRACTOR within thirty (30) days after mutual concurrence with the unit quantities and/or lump sum items of work satisfactorily performed, subject to applicable retention requirements. In no event shall the total amount paid exceed the CONTRACT bid price of Two Hundred Twenty-Two Thousand, Two Hundred Twenty-Three Dollars (\$222,223.00) unless otherwise agreed to by the parties in writing.

C. Upon receipt of an invoice for work performed to DISTRICT'S satisfaction, DISTRICT shall make progress payments within thirty (30) days of receipt of invoice. If the work is not performed satisfactorily or the invoice is defective, DISTRICT shall notify CONTRACTOR, in writing, of the reasons within seven (7) days of receipt of invoice. The intent of this Section is to comply with Public Contract Code Section 20104.50.

6. **Obligations of the Contractor.**

A. CONTRACTOR shall perform as required by this CONTRACT. CONTRACTOR also warrants on behalf of itself and all subcontractors engaged for the performance of this CONTRACT that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.

B. The CONTRACTOR shall comply with Labor Code Section 1773.2 and Federal prevailing wage requirements and a copy of the general wage rate list shall be posted at each job site. CONTRACTOR shall obey all Federal, State, local and special district laws, ordinances, and regulations. CONTRACTOR agrees to indemnify, defend, and hold DISTRICT harmless from any claim that prevailing wages should have been paid pursuant to this CONTRACT, including federal prevailing wage requirements under the Davis-Bacon Act, if applicable, and shall be liable for the payment of same and any penalties thereon.

7. **Audit.** DISTRICT shall have the option of inspecting and/or auditing all records and other written materials used by CONTRACTOR in preparing its statements to DISTRICT as a condition precedent to any payment to CONTRACTOR.

8. **Hold Harmless and Indemnification.** CONTRACTOR shall defend and provide legal defense with attorney(s) acceptable to DISTRICT, District, indemnify, and hold harmless DISTRICT, its agents, officials, officers, representatives, and employees, from and against all claims, lawsuits, liabilities, or damages of whatever nature arising out of or in connection with, or relating in any manner to any act or omission of CONTRACTOR, its agents, employees, and subcontractors, and employees thereof, pursuant to the performance or non-performance of this CONTRACT. CONTRACTOR shall thoroughly investigate any and all claims and indemnify DISTRICT and do whatever is necessary to protect DISTRICT, its agents, officials, officers, representatives, and employees as to any such claims, lawsuits, liabilities, expenses, or damages arising out of this CONTRACT.

9. **Amendments.** Any amendment, modification, or variation from the terms of this CONTRACT shall be in writing and shall be effective only upon mutual written approval by the Director of Public Works and CONTRACTOR.

10. **Anti-Discrimination.** In the performance of the terms of this CONTRACT, CONTRACTOR shall not engage in, nor permit subcontractors to engage in, discrimination in employment of persons because of the age, race, color, religious creed, sex, sexual orientation, national origin ancestry, physical disability, mental disability, medical condition, or marital status of such persons. Violation of this provision may result in the imposition of penalties referred to in Labor Code Section 1735.

11. **Termination.** If, during the term of this CONTRACT, DISTRICT determines that CONTRACTOR is not faithfully abiding by any term or condition contained herein, DISTRICT may notify CONTRACTOR in writing of such defect or failure to perform. The notice must give to the CONTRACTOR a ten (10) day period of time thereafter in which to perform said work or cure the deficiency. If CONTRACTOR has not performed the work or cured said deficiency within the ten (10) days specified in the notice, such failure shall constitute a breach of this CONTRACT, and DISTRICT may terminate this CONTRACT immediately by written notice to CONTRACTOR to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this CONTRACT except however, any and all obligations of CONTRACTOR'S surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, CONTRACTOR shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received DISTRICT'S Notice of Termination, minus any damages, including liquidated damages if so provided herein, occasioned by such breach. DISTRICT reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in DISTRICT'S sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall CONTRACTOR be entitled to receive in excess of the compensation quoted in its bid.

12. **Insurance.** CONTRACTOR shall, prior to commencing performance hereunder, submit proof of all insurance coverage as required by the Specification or other document incorporated in and made a part of this CONTRACT.

13. **Complete Contract.** This CONTRACT shall constitute the complete CONTRACT between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.

14. **Independent Contractor.** It is expressly understood between the parties to this CONTRACT that no employee/employer relationship is intended; CONTRACTOR is an independent contractor.

15. **Time of Performance.** Time is of the essence in this CONTRACT.

16. **Liquidated Damages.** Should CONTRACTOR fail to complete the project, or any part thereof, in the time agreed upon in the CONTRACT or within such extra time as may have been allowed for delays or extensions granted as provided in the CONTRACT, CONTRACTOR shall reimburse DISTRICT for the additional expense and damage for each calendar day that the CONTRACT remains uncompleted after the CONTRACT completion date. It is agreed that the amount of such additional expense and damage incurred by reason of failure to complete the CONTRACT is the per diem rate of Five Hundred Dollars (\$500.00) per calendar day. Such amounts are hereby agreed upon as liquidated damages for the loss to DISTRICT resulting from the failure of CONTRACTOR to complete the project within the allotted time and to the value of the operation of the works dependent thereon.

It is expressly understood and agreed that this amount is a reasonable amount and is established in lieu of damages, which are incapable of calculation at the inception hereof, and this amount is not to be considered in the nature of a penalty. DISTRICT shall have the right to deduct such damages from any amount due, or that may become due to CONTRACTOR, or the amount of such damages shall be due and collectible from CONTRACTOR or CONTRACTOR'S surety.

Progress payments made after the scheduled completion date shall not constitute a waiver of liquidated damages.

17. **Conflict of Interest.** Neither CONTRACTOR nor any employees, agents, or subcontractors of CONTRACTOR who will be assigned to this project, to the best of CONTRACTOR'S knowledge, own any property or interest in properties, business relationships, or sources of income which may be affected by the performance of this CONTRACT. Should one party hereto learn of any such interest, income source, or business relationship, such fact shall immediately be brought to the attention of the other party hereto. If the parties thereupon cannot mutually agree upon a means to eliminate the conflict, DISTRICT may terminate the CONTRACT immediately for non-performance pursuant to Section 11 herein.

18. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without the prior written consent of the other party, and any such assignment without said consent shall be void.

19. **Authority to Execute Contract.** Both DISTRICT and CONTRACTOR do covenant that each individual executing this CONTRACT on behalf of each party is a person duly authorized and empowered to execute contracts for such party.

20. **Jurisdiction and Venue.** Jurisdiction is in the State of California and venue lies in Ventura County.

21. **Non-Appropriation of Funds.** Payments due and payable to CONTRACTOR for current services are within the current budget and within an available, unexhausted, and unencumbered appropriation of DISTRICT. In the event DISTRICT has not appropriated sufficient funds for payment of CONTRACT services beyond the current fiscal year, this CONTRACT shall cover only those costs incurred up to the conclusion of the current fiscal year.

22. **Notices.** All written notices required by or related to this CONTRACT shall be sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed as listed below. Neither party to this CONTRACT shall refuse to accept such mail; the parties to this CONTRACT shall promptly inform the other party of any change of address. All notices required by this CONTRACT are effective on the day of receipt, unless otherwise indicated herein. The mailing address of each party to this CONTRACT is as follows:

DISTRICT	Terry Curson, District Engineer Engineering Department 7385 Santa Rosa Road Camarillo, CA 93012
----------	--

CONTRACTOR	General Pump Company Mr. Ray Reece 934 W. Verdulera Street Camarillo, CA 93010
------------	---

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

Camrosa Water District

By: _____
Tony Stafford
General Manager

General Pump Company, Inc.

By: _____
Michael Bodart
Title: President

By: _____
Ginger Campbell
Title: Secretary

Board Memorandum

August 5, 2021

To: General Manager

From: Jozi Zabarsky, Manager of Customer Accounts/Business

Subject: Lobby Redesign

Objective: Remodel lobby to improve safety and security.

Action Required: Authorize the General Manager to:

- 1) Enter into an agreement with and issue a purchase order to Apex General Contractors, Inc., in the amount of \$208,005.00, to remodel the District's lobby; and
- 2) Reimburse Apex General Contractors, Inc., for all governmental permits and fees related to the construction project, in an amount not to exceed \$2,500.00.

Discussion: The current design of the District's lobby allows unrestricted access to staff work areas. In order to improve office safety and security, the District contracted an architect to redesign the lobby. The proposed construction project includes relocating the front counter, installing protective windows, walls and access doors. Additional work includes asbestos abatement and required ADA modifications to the parking lot, entrance, and restroom.

Between March and May 2021, staff sent plans to several recommended contractors to perform the work. Several project walkthroughs occurred but ultimately, only one contractor submitted a bid. The rest stated they were unavailable due to high demand in the industry. Below is the list of all the contractors who were contacted:

Contractor	Amount
Apex	\$208,005.00
SoCalBuilders	unavailable
RB Builder	unavailable
Horizon Constructors	unavailable
Staples	unavailable

This is an approved capital improvement project in the FY 2021-22 Budget with a budgeted amount of \$300,000.00.

CONTRACT BETWEEN THE CAMROSA WATER DISTRICT AND
APEX GENERAL CONTRACTORS, INC. FOR
(Camrosa Water District Lobby Remodel)

THIS CONTRACT is made and entered into in the City of Camarillo on this 5th day of August, 2021, by and between the CAMROSA WATER DISTRICT, hereinafter referred to as DISTRICT, and APEX GENERAL CONTRACTORS, INC., a California Corporation, hereinafter referred to as CONTRACTOR.

R E C I T A L S :

WHEREAS, the DISTRICT invited bids for Camrosa Water District Lobby Remodel, and

WHEREAS, pursuant to said invitation, CONTRACTOR submitted a Proposal which was accepted by DISTRICT for said project.

NOW, THEREFORE, in consideration of their mutual promises, obligations, and covenants hereinafter contained, the parties hereto agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are a part of this CONTRACT.

2. **Term.** The term of this CONTRACT shall be from the date this CONTRACT is made and entered, as first written above, and shall be completed no later than one hundred twenty (120) consecutive calendar days after the receipt of the Notice to Proceed.

3. **Precedence of Contract Documents.** If there is a conflict between or among CONTRACT documents, the document highest in precedence shall control. The precedence shall be:

- | | |
|---------|--|
| First: | This Document consisting of eleven(11) pages excluding paragraph 3 |
| Second: | CONTRACTOR'S Proposal |
| Third: | Permits from other agencies as may be required by law |
| Fourth: | Detailed Plans |
| Fifth: | Plan Modifications |

Change orders, supplemental agreements, and approved revisions to plans and specifications become a part of item First.

4. **Obligations of the District.**

A. DISTRICT shall be obligated to pay CONTRACTOR based upon the actual DISTRICT-authorized quantities in place and the unit and/or lump sum prices bid by CONTRACTOR, including but not limited to all labor, material, and equipment, rather than the CONTRACT bid price.

B. DISTRICT shall make regular progress payments to CONTRACTOR within thirty (30) days after mutual concurrence with the unit quantities and/or lump sum items of work satisfactorily performed, subject to applicable retention requirements. In no event shall the total amount paid exceed the CONTRACT bid price of Two Hundred Eight Thousand and Five Dollars (\$208,005.00) unless otherwise agreed to by the parties in writing.

C. Upon receipt of an invoice for work performed to DISTRICT'S satisfaction, DISTRICT shall make progress payments within thirty (30) days of receipt of invoice. If the work is not performed satisfactorily or the invoice is defective, DISTRICT shall notify CONTRACTOR, in writing, of the reasons within seven (7) days of receipt of invoice. The intent of this Section is to comply with Public Contract Code Section 20104.50.

5. **Obligations of the Contractor.**

A. CONTRACTOR shall perform as required by this CONTRACT. CONTRACTOR also warrants on behalf of itself and all subcontractors engaged for the performance of this CONTRACT that only persons authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986 and other applicable laws shall be employed in the performance of the work hereunder.

B. The CONTRACTOR shall comply with Labor Code Section 1773.2 and Federal prevailing wage requirements and a copy of the general wage rate list shall be posted at each job site. CONTRACTOR shall obey all Federal, State, local and special district laws, ordinances and regulations. CONTRACTOR agrees to indemnify, defend, and hold DISTRICT harmless from any claim that prevailing wages should have been paid pursuant to this CONTRACT, including federal prevailing wage requirements under the Davis-Bacon Act, if applicable, and shall be liable for the payment of same and any penalties thereon.

6. **Audit.** DISTRICT shall have the option of inspecting and/or auditing all records and other written materials used by CONTRACTOR in preparing its statements to DISTRICT as a condition precedent to any payment to CONTRACTOR.

7. **Amendments.** Any amendment, modification, or variation from the terms of this CONTRACT shall be in writing and shall be effective only upon mutual written approval by the General Manager and CONTRACTOR.

8. **Anti-Discrimination.** In the performance of the terms of this CONTRACT, CONTRACTOR shall not engage in, nor permit subcontractors to engage in, discrimination in employment of persons because of the age, race, color, religious creed, sex, sexual orientation, national origin ancestry, physical disability, mental disability, medical condition, or marital status of such persons. Violation of this provision may result in the imposition of penalties referred to in Labor Code Section 1735.

9. **Termination.** If, during the term of this CONTRACT, DISTRICT determines that CONTRACTOR is not faithfully abiding by any term or condition contained herein, DISTRICT may notify CONTRACTOR in writing of such defect or failure to perform. The notice must give to the CONTRACTOR a ten (10) day period of time thereafter in which to perform said work or cure the deficiency. If CONTRACTOR has not performed the work or

cured said deficiency within the ten (10) days specified in the notice, such failure shall constitute a breach of this CONTRACT, and DISTRICT may terminate this CONTRACT immediately by written notice to CONTRACTOR to said effect. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this CONTRACT except however, any and all obligations of CONTRACTOR'S surety shall remain in full force and effect, and shall not be extinguished, reduced, or in any manner waived by the termination hereof. In said event, CONTRACTOR shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received DISTRICT'S Notice of Termination, minus any damages, including liquidated damages if so provided herein, occasioned by such breach. DISTRICT reserves the right to delay any such payment until completion or confirmed abandonment of the project, as may be determined in DISTRICT'S sole discretion, so as to permit a full and complete accounting of costs. In no event, however, shall CONTRACTOR be entitled to receive in excess of the compensation quoted in its bid.

10. **Insurance.** CONTRACTOR shall, prior to commencing performance hereunder, submit proof of all insurance coverage as required by this CONTRACT.

Insurance - The Contractor shall meet the following provisions (Sections 1 through 7) relating to insurance coverage:

1. **General Conditions** - Without limiting the Contractor's indemnification of District, Contractor shall provide and maintain at its own expense the insurance listed under Section 7 (Evidence of Coverage) covering its operations, subject to the following conditions:
 - a) The District and its boards, officers, agents, and employees shall be included as additional insureds in all liability insurance policies and endorsements thereto as broad as following forms CG 20 10 11 85 except for workers' compensation and professional errors and omissions. The District shall be named loss payee as its interest may appear in all property insurance.
 - b) In carrying out his/her work, the Contractor shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act. Safety precautions, as applicable, shall include but shall not be limited to: adequate life protection and life saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses; and adequate facilities for the proper inspection and maintenance of all safety measures.

- c) Any deductible or self-insured retention must be declared to and approved by Camrosa. At the option of Camrosa, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.
 - d) Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise approved by Camrosa.
 - e) In the event that the Contractor employs other contractors (sub-contractors) as part of the work covered by this agreement, it shall be the Contractor's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.
 - f) Such insurance shall be primary with respect to any insurance maintained by District and shall not call on District's insurance for contributions.
 - g) With respect to the interests of the District, the Contractor's insurance shall not be canceled nor reduced in coverage or limits until after thirty (30) days written notice shall have been sent by certified mail, return receipt requested, to the District, 7385 Santa Rosa Road, Camarillo, California 93012, and shall contain an unequivocal clause so stating.
 - h) A District approved endorsement or certified copy of insurance policies providing coverage shall be submitted to and approved by the District's Finance Manager prior to commencement of any work or tenancy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03 or ISO CG 25 04 endorsement provided to Camrosa or the general aggregate limit shall be twice the required occurrence limit.
2. Workers' Compensation - The Contractor shall procure and maintain during the life of the contract workers' compensation insurance or a valid certificate of consent to self-insure for all its employees engaged on or at the site of the project. In case any of the work is sublet the Contractor shall require all subcontractors to similarly provide workers' compensation insurance for all the latter's employees unless such employees are covered by protection afforded by workers' compensation insurance carried by the Contractor.

The Contractor and all sub-contractors shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Contractor shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

By submitting a bid pursuant to these specifications, Contractor hereby certifies that it is aware of the provisions of Section 3700 et seq., of the Labor Code which require every employer to be insured against liability for Workers' Compensation.

3. Aggregate Limits/Blanket Coverage - If any of the required insurance coverage contain aggregate limits or apply to other operations or tenancy of the Contractor outside these specifications, Contractor shall give District prompt, written notice of any incident, occurrence, claim, settlement or judgment against that insurance which may diminish the protection that such insurance affords the District. Contractor shall further take immediate steps restoring such aggregate limits or shall provide other insurance protection for such aggregate limits.
4. Modification of Coverage - The District reserves the right at any time during the term of any contract executed with the Contractor pursuant to these specifications (Contract) to change the amounts and types of insurance required hereunder by giving Contractor ninety (90) days written notice. If such change results in a premium increase in excess of ten percent (10%) to Contractor, District agrees to negotiate additional compensation proportional to the increased benefit to the District.
5. Failure to Procure or Maintain Insurance - Contractor's failure to procure or maintain required insurance program shall constitute a material breach of contract under which the District may immediately terminate the Contract or, at its discretion, procure or renew such insurance to protect the District's interests and pay any and all premiums in connection therewith, and recover all monies so paid from Contractor, or deduct all monies so paid from payments due Contractor.
6. Underlying Insurance - Contractor shall be responsible for requiring indemnification from its employees receiving mileage allowance, consultants, agents, and subcontractors, if any, to protect the District's interests and shall be responsible for ensuring that such persons comply with any applicable insurance statutes. Contractor is encouraged to seek professional advice in this regard.
7. Evidence of Coverage - Evidence of coverage (as checked below) having as a minimum the limits shown must be submitted and approved prior to commencement of work or any tenancy. Amounts shown are Combined Single Limit (CSL). Split limits may be substituted if the total per occurrence equals or exceeds the CSL amount.
8. Primary Coverage - For any claims related to this project, the Contractor's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 013 as respects to Camrosa, its directors, officers, employees, and authorized volunteers. Any insurance or self-insurance maintained by Camrosa, its directors, officers, employees, and authorized volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Description

Limits

X Workers' Compensation
(X) Employer's Liability

Statutory
\$1,000,000

- (X) Waiver of Subrogation
- (X) Endorsement showing District as loss payee

X General Liability (must be written on an Occurrence Form) \$5,000,000 CSL

- (X) Premises and Operations
- (X) Contractual Liability
- (X) Independent Contractors
- (X) Products/Completed Operations
- (X) Broad Form Property Damage
- (X) Personal Injury
- (X) Broad Form Liability Endorsement
- (X) Explosion Hazard
- (X) Collapse/Underground Hazard

X Automobile Liability (must be written on an Occurrence Form) \$2,000,000 CSL

- (X) Owned Automobiles
- (X) Nonowned/Hired Automobiles
- () Garagekeeper's Legal Liability

9. Hold Harmless –

1. To the fullest extent permitted by law, Contractor shall indemnify and hold harmless and defend Camrosa, its directors, officers, employees, or authorized volunteers, and each of them from and against:
 - a. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Camrosa and/or Contractor, or any directors, officers, employees, or authorized volunteers of Camrosa or Contractor, and damages to or destruction of property of any person, including but not limited to, Camrosa and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, regardless of any negligence of Camrosa or its directors, officers, employees, or authorized volunteers, except the sole negligence or willful misconduct or active negligence of Camrosa or its directors, officers, employees, or authorized volunteers;
 - b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Contractor,
 - c. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of

them may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the work and all of the Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party

2. Contractor shall defend, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against Camrosa or its directors, officers, employees, or authorized volunteers.
3. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Camrosa or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.
4. Contractor shall reimburse Camrosa or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
5. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Camrosa, or its directors, officers, employees, or authorized volunteers

11. **Payroll Records** - The Contractor's attention is directed to the following provisions of Labor Code Section 1776. The Contractor shall be responsible for compliance with these provisions, including compliance by subcontractors.

- (a) The Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the public work.
- (b) The payroll records required under subsection (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:
 - (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or authorized representative on request.
 - (2) A certified copy of all payroll records required in subsection (a) shall be made available for inspection or furnished upon request to a representative of the City, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.
 - (3) A certified copy of all payroll records required in subsection (a) or copies thereof shall be made available upon request to the public for inspection. However, a request by the public shall be made through the District, the

Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subsection (2), the requesting party shall, prior to being provided the records, reimburse the Contractor, subcontractor, or the entity through which the request was made, the costs of preparation of the requested documents. The public shall not be given access to such records at the principal office of the Contractor.

- (c) The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the sample information as the forms provided by the Division.
- (d) The Contractor shall file a certified copy of the records required in subsection (a) with the entity that requested such records within ten (10) days after receipt of a written request.
- (e) Any copy of records made available for inspection and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor awarded the Contract or performing the Contract shall not be marked or obliterated.
- (f) The Contractor shall inform the District of the location of the records required under subsection (a), including the street address, city, and county, and shall, within five (5) working days, provide the District a notice of a change of location and address.
- (g) In the event of noncompliance with the requirements of this section, the Contractor shall have ten (10) calendar days in which to comply with this section. Should noncompliance still exist after such ten (10) day period, the Contractor shall, as a penalty to the state or political subdivision on whose behalf the Contract is made or awarded, forfeit Twenty-Five Dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.

12. **Complete Contract.** This CONTRACT shall constitute the complete CONTRACT between the parties hereto. No oral agreement, understanding, or representation not reduced to writing and specifically incorporated herein shall be of any force or effect, nor shall any such oral agreement, understanding, or representation be binding upon the parties hereto.

13. **Independent Contractor.** It is expressly understood between the parties to this CONTRACT that no employee/employer relationship is intended; CONTRACTOR is an independent contractor.

14. **Time of Performance.** Time is of the essence in this CONTRACT.

15. **Liquidated Damages.** Waived. Five percent retention to be withheld on progress payments, until final payment. Final payment within 30 days of completion.

16. **Conflict of Interest.** Neither CONTRACTOR nor any employees, agents, or subcontractors of CONTRACTOR who will be assigned to this project, to the best of CONTRACTOR'S knowledge, own any property or interest in properties, business relationships, or sources of income which may be affected by the performance of this CONTRACT. Should one party hereto learn of any such interest, income source, or business relationship, such fact shall immediately be brought to the attention of the other party hereto. If the parties thereupon cannot mutually agree upon a means to eliminate the conflict, DISTRICT may terminate the CONTRACT immediately for non-performance pursuant to Section 11 herein.

17. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without the prior written consent of the other party, and any such assignment without said consent shall be void.

18. **Authority to Execute Contract.** Both DISTRICT and CONTRACTOR do covenant that each individual executing this CONTRACT on behalf of each party is a person duly authorized and empowered to execute contracts for such party.

19. **Jurisdiction and Venue.** Jurisdiction is in the State of California and venue lies in Ventura County.

20. **Notices.** All written notices required by or related to this CONTRACT shall be sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed as listed below. Neither party to this CONTRACT shall refuse to accept such mail; the parties to this CONTRACT shall promptly inform the other party of any change of address. All notices required by this CONTRACT are effective on the day of receipt, unless otherwise indicated herein. The mailing address of each party to this CONTRACT is as follows:

DISTRICT Jozi Zabarsky, Customer Service Manager
7385 Santa Rosa Road
Camarillo, CA 93012

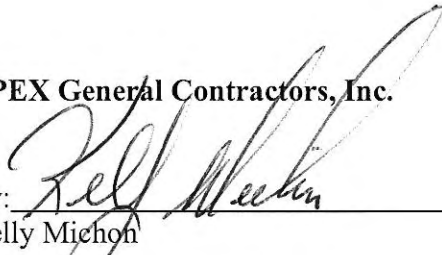
CONTRACTOR APEX General Contractors, Inc.
1250 N. Olive Street – Suite A
Ventura, CA 93001

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

Camrosa Water District

By: _____
Tony L. Stafford, General Manager
Camrosa Water District

APEX General Contractors, Inc.

By:  _____
Kelly Michon

Title: President/Treasurer

By:  _____
Jayne Marshall

Title: Corporate Secretary

WORKERS' COMPENSATION INSURANCE CERTIFICATE

Sections 1860 and 1861 of the California Labor Code require every contractor to whom a public works contract is awarded to sign and file with the awarding body the following statement:

"I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract."

By _____
Kelly Michon

Date: 7-26-2021
Title President/Treasurer

By _____
Jayne Marshall

Date: _____
Title Corporate Secretary

**PRELIMINARY**

VIA : EMAIL

July 12, 2021

Camrosa Water District
 Attn: Jozi Scholl
 7385 Santa Rosa Road
 Camarillo, California 93012

RE: Camrosa Water District – Lobby Remodel
7385 Santa Rosa Road
Camarillo, California 93012

Dear Jozi,

APEX General Contractors, Inc. is pleased to present our prevised bid proposal for planned tenant improvements, in regards to the above-referenced project address. Our Department of Industrial Relations Registration Number is 1000004103

Our bid is based upon plans drawn by J.E. Armstrong Architect, through Delta #1 dated 4/15/21. See attached estimate worksheet for additional information regarding our line items for the project.

At this time, we have not included any cost or schedule impacts for subsequent plan check comments or corrections from County of Ventura / City of Camarillo Building & Safety Department.

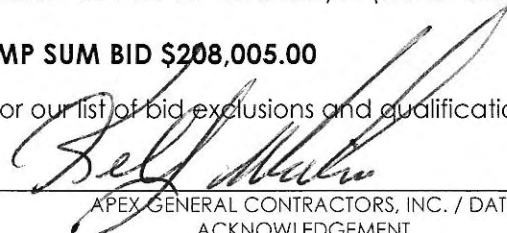
APEX Bid Notes:

- Abatement / Selective Demolition – Our revised proposal now includes environmental abatement of existing glue-up ceiling tiles and removal of drywall sections with ACM joint compound. Please see alternate bid #5 for air clearance testing/samples.
- Doors, Frames & Hardware – We have included (3) new 3'-0" x 6'-8" x 1-3/4" solid core paint grade wood doors with Timely pre-finished steel door frames in Western White finish. Lobby doors are to receive (2) LCN 4040XP door closers, (2) 24" x 30" door vision panels with 1/4" clear tempered glass, (2) 10" x 34" Stainless Steel door kick plates 1-side only, and (2) Alarm Lock PDL3000 Digital Locks with Keypad and Standard Lever Handle. See bid alternate #6 for alternative KABLA push-button locks. Men's Restroom door to receive (1) Timely frame prepped for salvaged occupancy indicator.
- Paint – Our bid scope of work includes painting of new and existing exposed drywall surfaces in New Reception and New Lobby – walls, light soffit and vaulted ceilings, (1) wall section at window in-fill in existing interior Office, (2) new interior doors, touch-up of existing Men's restroom walls and ceilings due to wall to relocation, and (2) new exterior handrails. Paint will be 100% acrylic (water-based) and will match existing paint color.

TENANT IMPROVEMENTS / LUMP SUM BID \$208,005.00

Exclusions: Please see page 3 of the budget worksheet for our list of bid exclusions and qualifications

 AUTHORIZATION TO PROCEED / DATE
 ACCEPTANCE


 APEX GENERAL CONTRACTORS, INC. / DATE
 ACKNOWLEDGEMENT

Please call me if you have any questions.

Sincerely,



Project Manager / Estimator

Cc : Josh Brink, Kelly Michon

EXHIBIT B

APEX GENERAL CONTRACTORS, INC. - PRELIMINARY ESTIMATE WORKSHEET (Page 1 of 3)

Date:	7/12/2021 (REVISED)			
Project:	B21-27 Camrosa Water District - Lobby Remodel (P.W. Tenant Improvements)			
Address:	7385 Santa Rosa Road - Camarillo, California 93012			
Line Item	Description		Amount	Comments
000 Mobilization				
001	Trash Bins - Dumpster Rental		\$ 2,000	
002	Pedestrian Barricade		\$ -	Excluded
003	Concrete wash out pits		\$ 500	
004	Protection of Existing Finishes		\$ 1,500	
005	SWPPP (Storm Water Protection)		\$ -	Excluded
006	Storage Container		\$ -	Excluded
007	Non-Destructive Testing / UG Utilities		\$ -	Excluded
008	Temp. Chain Link Fence		\$ -	Excluded
009	Equipment Rental / Aerial Lifts		\$ 500	Floor Scraper
010	Deputy Inspections		\$ -	Excluded
100 Site Work				
101A	Demolition		\$ 6,800	
101B	Abatement (ACM Remediation)		\$ 9,545	
102	Demolish Existing Concrete Topping Overlay		\$ 6,200	
103	Saw-Cutting Concrete		\$ 3,535	Remove asphalt and concrete flatwork
104	Limited Grading		\$ 1,965	
105	ADA Site Improvements/Signage & Restripe		\$ 1,250	
106	Irrigation / Landscape & Planting		\$ -	Excluded
107	Asphalt Patching & Meet ADA 2% Slope		\$ 5,588	
108	Bollards - Steel Pipe		\$ -	Excluded
200 Foundation				
201	Concrete - Slab / Foundation		\$ -	Excluded
202	Concrete - Flatwork / ADA pedestrian ramp		\$ 6,171	Includes Truncated Domes
203	Concrete - Patching		\$ -	Excluded
204	Concrete - Ramps or Approaches		\$ -	Included in #202
205	Compaction		\$ -	Excluded
300 Rough Structure				
301	Metal Framing		\$ -	Excluded
302	Rough Carpentry		\$ 6,600	Excludes Window Headers
303	Platform Framing		\$ -	Excluded
304	Structural Steel		\$ -	Excluded
305	Metal Fabrications / Supports & Handrails		\$ 3,500	
306	Fence & Gates		\$ -	Excluded
307	Blocking / Backing		\$ -	
308	Unistrut and Support		\$ -	Excluded
309	Roofing		\$ -	Excluded
400 Mechanical / Electrical / Plumbing				
401	PLUMBING		\$ -	Excluded
402	ELECTRICAL		\$ 14,850	
403	MECHANICAL		\$ -	Excluded
404	FIRE SPRINKLERS		\$ -	Excluded
405	LOW VOLTAGE / DATA CABLING		\$ -	Excluded
406	FIRE ALARM		\$ -	Excluded
407	MEP Engineering - Design/Build Plans		\$ -	Excluded
500 Rough Finishes				
501	Insulation - Walls		\$ 425	R-13
502	Insulation - Ceilings		\$ -	Excluded
503	Drywall - Hang/Tape/Finish		\$ 2,800	
504	Drywall - Repairs		\$ 1,500	includes additional repairs for Abatement
505	Specialty Doors		\$ -	Excluded
506	Doors/Frames/Hardware (3) Doors & Frames		\$ 7,727	(2) Lobby doors w/ Digital Keypads - See Alt.
507	Doors Installed		\$ 2,300	
508	Sheet Metal		\$ -	Excluded
600 Finishes				
601	Fin. Carpentry - Architectural Woodwork		\$ -	Excluded
602A	Anodized Aluminum Header for Int. Glass		\$ -	Excluded - See Alternate
602B	Sliding Glass Door Replacement		\$ 2,800	(1) Sliding Glass Door (MILGARD Aluminum)
603	Interior Glass - Bullet Resistant Level 1		\$ 12,660	Includes (3) Deal Trays - See Alternate

APEX GENERAL CONTRACTORS, INC. - BUDGET WORKSHEET (Page 2 of 3)

Date:	7/12/2021 (REVISED)			
Project:	B21-27 Camrosa Water District - Lobby Remodel (P.W. Tenant Improvements)			
Address:	7385 Santa Rosa Road - Camarillo, California 93012			
Line Item	Description		Amount	Comments
604	Electrical Finish - Fans/Specialties		\$ -	Excluded
605	Door Lock Re-Keying		\$ -	Excluded
606	Cabinetry/Casework - Plastic Laminate		\$ -	Excluded
607	Acoustical Ceilings		\$ -	Excluded
608	Repairs to Existing T-Bar Ceiling		\$ -	Excluded
609	Carpet & 4" Rubber Base	Allowance	\$ 1,600	Allowance for Carpet Material
610	Epoxy Flooring		\$ -	Excluded
611	Floor Prep*	Allowance	\$ 1,000	*Post demo inspection to confirm allowance
612	Cement Backer Board (Tile)		\$ -	Excluded
613	Tile Patching - Floor at Men's Restroom	Allowance	\$ 600	Excludes walls - Material will not match exactly
614A	Ceramic Tile - Floor @ Lobby		\$ 9,402	Excludes Tile Base
614B	Ceramic Tile - Covered Entry		\$ 13,171	Includes VI Strip at Entry (No Base)
615	Solid Surfaces		\$ 6,817	
616	Wall Coverings (Graphics)		\$ -	Excluded
617	Painting - Interior Walls, Ceilings & 3 Doors		\$ 5,988	Includes painting (2) exterior handrails
618	Painting - Exterior		\$ -	Excluded
620	FRP Paneling		\$ -	Excluded
700	Specialties			
701	Elevators Upgrades		\$ -	Excluded
702	Joints Caulking / Joint Sealants		\$ -	Excluded
703	Window Blinds / Window Film		\$ -	Excluded
704	Signage - Lettering / Non Illuminated (ADA)		\$ 200	2-door signs, 2-wall signs & 1-entry door decal
705	Fire Extinguishers		\$ -	Excluded
706	Toilet Room Accessories		\$ 900	Relocate existing partition in Men's restroom
707	Toilet Partitions & Screens		\$ -	Excluded
708	Marker Boards		\$ -	Excluded
709	Monokote / Spray-on Fire Proofing		\$ -	Excluded
710	Fire Caulking / Stopping		\$ -	Excluded
800	General Conditions			
801	Blueprinting/Reprographics		\$ 300	
802	Supervision		\$ 36,400	
803	Clean up - Rough Clean		\$ 1,000	
804	Clean up - Final Detailing		\$ 1,125	Professional Cleaning Company
805	Temporary Toilet & Wash Station		\$ 600	Based upon 2 Months
806	Temporary Power / Lighting		\$ -	Excluded
807	COVID-19 Reporting / PPE		\$ 800	
808	Project Mgmt. / Office Coordination		\$ 5,000	
809	Environmental Recycling - Light Fixtures		\$ 100	
810	Architectural Plans / Design Schematics		\$ -	Excluded
811	Permit Allowances - Building Permits		\$ -	Excluded
900	Subtotal		\$ 185,719	
901	Overhead @	6.00%	\$ 11,143	
902	Profit @	6.00%	\$ 11,143	
903	Bond @	0.00%	\$ -	Excluded - See Below
904	Contingency @	0.00%	\$ -	Excluded
905	Base Estimate Amount	12.00%	\$ 208,005	
	ALTERNATES / ALLOWANCES	ADD (+)	DEDUCT (-)	NOTES
#1	Bonding - Payment & Performance Bonds	\$ 3,120	\$ -	If required.
#2	Replace front door w/ ADA compliant door	\$ 2,900	\$ -	Not Shown on Plans
#3	Temporary Toilet & Hand Wash Station	\$ 295	\$ -	Additional Monthly rental, if required
#4	Install Drywall over existing wood beam	\$ 975	\$ -	Screwed to existing wood / Not Shown on Plans
#5	Provide Air Cleatance Test & Samples	\$ 595	\$ -	For ACM Remediation
#5	Allowance for (2) KALBA push button locks	\$ -	\$ (1,400)	In lieu of Alarm Lock PDL3000 digital lock sets
#6	Allowance for CRL Florence sliding windows	\$ -	\$ (3,000)	In lieu of bullet resistant level 1 sliding windows
#7	Aluminum Header @ Reception Counter	\$ 1,472	\$ -	Not Shown on Plans - will be necessary
#8	Delete scope for Toilet Partition Relocation	\$ -	\$ (900)	
#9	NOT USED	\$ -	\$ -	
#10	NOT USED	\$ -	\$ -	

Job: **B21-27 Camrosa Water District - Lobby Remodel (P.W. Tenant Improvements)**
7385 Santa Rosa Road - Camarillo, California 93012
Apex General Contractors, Inc.
7/12/2021 (REVISED)
Page 3 of 3

EXCLUSIONS:

1. Correction of existing base building deficiencies / existing code violations and unforeseen conditions.
2. Separate Mobilizations.
3. Asbestos / Lead / Mold remediation or associated costs, unless otherwise noted.
4. Architectural & MEP Plans, Permit/Plan Check Fees, Mitigation Fees, Specialty Inspections and Testing.
5. Temporary and/or Final Certificate of Occupancy, by Tenant.
6. Cost of Bonds, if required.
7. Service, maintenance or repair of existing HVAC equipment, including start-up and testing.
8. Major floor prep, sloping and/or leveling of floors.
9. Overtime & phasing.
10. Low voltage cabling, cable trays, terminations, racks, equipment and demo of abandoned cabling,
11. Surveillance, access controls or security equipment.
12. Mortise Door Hardware and Door Lock Re-keying.
13. Utilities Fees, including Southern California Edison and Gas Company.
14. Contingency.
15. Floor monuments (recessed combo power/data floor receptacles).
16. Rooftop Equipment Screens.
17. New electrical sub-panels.
18. TV monitor, marker boards, projector and projection screen supports.
19. Wall protection / wall bumpers / pipe bollards.
20. Fire Alarm.
21. Plumbing.
22. Fire Sprinklers.
23. Mechanical.
24. Cabinetry.
25. Planters.
26. Bullet resistant materials below counters.
27. Drinking Fountains.
28. Non-Destructive Testing.
29. Bid Alternates, unless noted and accepted by Client.
30. Warranty of re-used materials or Tenant Furnished Materials.

QUALIFICATIONS:

1. Pricing assumes that existing base building systems are adequate to accommodate proposed tenant improvements.
2. Labor includes County of Ventura Prevailing Wage and is based upon working from 7:00am to 3:30pm, Monday through Friday.
3. APEX needs to inspect floors after demolition of floor tile and exterior concrete topping to confirm allowance for floor prep.
4. We estimate that project will require a minimum of 6-8 weeks for substantial completion, which is contingent upon; receipt of executed contract, plans, permits, submittal approvals, timely building inspections, procurement of long lead-time items, material deliveries and coordination of outside vendors.
5. General conditions for the project are based upon (1) continuous mobilization without any separation mobilizations and/or delays. If the project cannot proceed within current mobilization with a delay lasting more than (7) calendar days, due to any reasons beyond APEX's direct control, we reserve the right to charge a remobilization fee along with any subcontractor fees.
6. If additional work is needed, we will require signed change order and/or daily work ticket prior to commencing extra work.
7. Our standard mark-up on change order is 15% of overhead and profit.
8. Final pricing to be determined by actual permitted plans as approved by local Agencies Having Jurisdiction (AHJ).
9. Pending approved plans from the City of Camarillo and all Governing Agencies; APEX reserves the right to charge for all time and coordination with Owners, MEP Consultants, Architect of Record, and all other Governing Agencies to correct any plan deficiencies noted. There will be a \$130.00-\$140.00 Per Hour fee assessed for any office and field coordination required.

ALTERNATES:

(See Page 2 for list of alternates/allowances)

CLIENT ACCEPTANCE & DATE


APEX GENERAL CONTRACTORS, INC. / DATE

Board Memorandum

August 5, 2021

To: General Manager

From: Ian Prichard, Assistant General Manager

Subject: **Prepurchase GAC Equipment**

Objective: Prepurchase granular activated carbon (GAC) vessels and carbon dioxide (CO₂) dissolution system.

Action Required: Authorize the General Manager to:

- 1) Issue a purchase order in the amount of \$1,086,305.25 to AqueoUS Vets for the purchase of GAC vessels and extended warranty; and
- 2) Issue a purchase order in the amount of \$320,080.00 to Blue in Green (Chart Industries, Inc.) for the purchase of a CO₂ dissolution system.

Discussion: The GAC plant being designed to treat for 1,2,3,-trichloropropane (TCP) contamination at the Conejo Wellfield includes three vessel “systems,” each consisting of two 12-foot-diameter steel tanks, to house the carbon that will remove the TCP from the groundwater.

Conejo Wellfield water is high in hardness (>600 mg/L in some cases), which can negatively impact the carbon’s absorptive capacity, increasing the rate at which the carbon needs to be changed out and therefore increasing annual operational costs. Hardness effects can be mitigated by lowering the pH of the water prior to it entering the GAC systems. This will be accomplished in the Camrosa system by the introduction of carbon dioxide, which requires a CO₂ dissolution system.

Staff determined to prepurchase the GAC vessels and CO₂ equipment because they both have significant lead times (18-30 weeks). Three vendors submitted proposals for the GAC vessels: AqueoUS Vets, Loprest, and Calgon. All three are reputable companies. Two companies proposed on the CO₂ system: Blue In Green and TOMCO. Both are reputable companies and essentially the only qualified manufacturers.

Proposals were reviewed by Camrosa staff and several members on the MKN team using a nine-point rubric including equipment operation and maintenance, component quality, adherence to specifications, experience, and lead time. Cost was only one component of the scorecard (five points out of 40). The scoring rubric was similar to that used by the District on other equipment procurements. AqueoUS Vets scored highest among the GAC vessel proposers and Blue in Green among the CO₂ system proposers. AqueoUS Vets was the low price. There are substantial advantages of the Blue in Green system over the TOMCO that staff considers worth the cost increase.

<i>GAC Vessels</i>	
<u>Vendor</u>	<u>Cost Proposal</u>
AqueoUS Vets:	\$1,086,305.25
Loprest:	\$1,180,150.00
Calgon:	\$1,237,636.00

<i>CO2 Equipment</i>	
<u>Vendor</u>	<u>Cost Proposal</u>
Blue In Green:	\$320,080.00
TOMCO:	\$293,621.00

This is part of the approved Conejo Wellfield Treatment (1,2,3,-TCP) capital project in the FY2021-22 budget of \$4,275,000. There are sufficient funds available for these purchases.

**CAMROSA WATER DISTRICT**

7385 Santa Rosa Rd.

Camarillo, CA 93012

PH: (805) 482-4677

FX: (805) 987-4797

PURCHASE ORDER**PO Number:** FY22-0038**Date:** 07/27/2021**Requisition#:** FY22-0038**Vendor#:** AQU06**ISSUED TO:** AQUEOUS VETS
288 JASMINE WAY
DANVILLE, CA 94506**SHIP TO:** Camrosa Water District
7385 Santa Rosa Rd.
Camarillo, CA 93012

ITEM	UNITS	DESCRIPTION	GL ACCT#	PROJECT ACCT#	PRICE	AMOUNT
1	0	GAC vessels for Conejo Wellfield treatment plant	100-0-13400	600-20-02-Const	0.00	1,086,305.25
Terms and Conditions are described in the attached AqueoUS Vets Scope of Work						

Authorized by: _____

SUBTOTAL:	1,086,305.25
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL:	1,086,305.25

1. Payment will be net 10 days via ACH.
2. This Purchase Order number must appear on all Packages, Invoices, and Shipping papers.
3. All goods are shipped F.O.B. destination unless otherwise stated.

PRICE SCHEDULE

Camrosa Water District

GAC TREATMENT SYSTEM

Item No	Description	Quantity	Unit	Total
1	Fixed price for GAC Treatment Facility & Appurtenances per the RFP requirements and specifications	1	LS	\$984,900
2	Fixed price for applicable taxes	1	LS	\$ 71,405.25
3	Fixed price for shipping to job site	1	LS	\$15,000
Total all items	\$1,071,305.25			

Total Item Nos 1-3 \$1,071,305.25

Acknowledgement of Addendas 1, 2, 3, and 4

(Amount Written in Words)

VENDOR: AqueoUS Vets

AUTHORIZED SIGNATURE: Sarah Johnson

TITLE General Manager

PRICE SCHEDULE – PAGE 2

Camrosa Water District – GAC Treatment Facility

OPTIONAL PRICE ADDERS

The following options fall outside the specification requirements but would benefit the customer.

Item No	Description	Quantity	Units	Total
1	Offloading, Setting, and Assembly	1	LS	Included
2	Extended Warranty	1	LS	\$15,000
Total All Optional Items	\$15,000			

Offloading, Setting, and Assembly

- Based on one site location and assembly of all offered systems in a single site visit.
- Offloading and assembly of all offered systems at the project site. Estimated time is 1-2 days for 2 fabricators. This will allow the general contractor to immediately pressure test and make necessary tie-ins at system manifold. Additional time on site will be billed at a rate of \$5,000/day.
- Pricing assumes clear shots for crane to place systems onto the pad.
- Crane and operator are not included.
- System anchoring and grouting by others.

Extended Warranty

- AqueoUS Vets' standard warranty is 12 months from start-up or 18 months from delivery of equipment, whichever comes first.
- AV has offered an extend warranty option of 24 months from start-up or 30 months from delivery of equipment, whichever comes first.



Scope of Work – GAC Systems & Site Assembly

Date Prepared: July 28, 2021
Project Name: Conejo Wellfield - GAC Treatment System
AV Proposal No.: P20-0002

Prepared For: Camrosa Water District
Project Location: Camarillo, CA
Prepared By: Rachel Maupin

GRANULAR ACTIVATED CARBON SYSTEMS

No.	Description	Qty	Unit Price	Total Price
1	PF 12-520 LowPro™ GAC System	3		
2	Estimated Sales Tax @ 7.25%			
3	Freight to Project Site			
Total Price				

- Bonds are included in the pricing above, as required per Addendum 1&2
- Each system is comprised of two (2) 125 PSI ASME code adsorbers with interconnecting pipe.
- Systems are designed for operations in parallel and/or series (lead/lag) configurations with dedicated backwash supply and return lines as part of the three-tier manifold.
- Vessel volume with a carbon expansion capacity of 25% based on media volume listed in the specification.
- Seismic Criteria based on Site Class = D and Importance Factor = 1.5.
- Two pressure relief valves per GAC system for pressure relief.
- 8-inch carbon steel ring header and 8-inch carbon steel manifold.
- Nine (9) wafer-style butterfly valves with ductile iron body, 316SS disc, EPDM Seat, and 416SS Stem.
- Two ABB FEW325 magnetic flowmeters per system.
- All vessel internals will be 316SS materials.
- All nuts, bolts, and washers will be hot dipped galvanized.
- Vessels will be lined with Plasite 4110 (35-45 mils). Vessels will be coated with Carboguard 893 primer (4-6 mils) and Carbothane 134 HS topcoat (2-3 mils).
- Process pipe will be lined with Scotchkote 134 (16 mils). Process pipe will be coated with Carboguard 893 primer (4-6 mils) and Carbothane 134 HS topcoat (2-3 mils).
- Media slurry lines will be epoxy lined and coated.

OFFLOADING, SETTING & SITE ASSEMBLY

AV proposes the following services as part of our offering. We are experienced in site assembly and our services allow for the system to be assembled quickly upon arrival at the site.

No.	Description	Qty	Unit Price	Total Price
1	Offloading, Setting, and Site Assembly of GAC Systems	1		
Total Price				

- Pricing is based on one site location and assembly of all offered systems in a single site visit.
- Offloading and assembly of all offered systems at the project site. Estimated time is 1-2 days for 2 fabricators. This will allow the general contractor to immediately pressure test and make necessary tie-ins at system manifold. Additional time on site will be billed at a rate of \$5,000/day.
- Pricing assumes clear shots for crane to place systems onto the pad.
- Crane and operator are not included.
- System anchoring and grouting by others.

Site Assembly - Since AV's systems are preassembled at our manufacturing facility, it makes sense for our fabricators to set and assemble the systems on site. Our familiarity with the systems allows our staff to more efficiently and cost effectively assemble the systems on site when compared to conventional General Contractors. This provides our customers the opportunity to install our systems at a significant cost savings. See site assembly videos for similar projects here:

<http://www.aqueousvets.com/installation-videos.html>



Scope of Work – GAC Systems & Site Assembly

- California Contractor's License Number: 1037877
- Department of Industrial Relations (DIR) Number: 1000057054

EXTENDED WARRANTY

AV proposes the following option for an extended warranty.

No.	Description	Qty	Unit Price	Total Price
1	Extended Warranty (24 months from start-up, 30 months from delivery)	1		
Total Price				

- AqueoUS Vets' standard warranty is 12 months from start-up or 18 months from delivery of equipment, whichever comes first. The above option extends this warranty to 24 months from start-up or 30 months from delivery of equipment, whichever comes first.

SCOPE BY OTHERS

- All building and regulatory permits.
- Site design and related plans for construction.
- Pad suitable for selected systems (level and flat).
- Crane and operator. An 80-100 ton crane will be required. Final crane requirement will be determined based on crane proximity to concrete pad.
- Anchoring and grouting of systems and pipe stands.
- Anchor bolts.
- Any anchor bolt templates. Vessels assumed to be installed via Hilti-epoxy method.
- Final tie-ins at termination of AV's scope.
- Water source at 60 psi to fill media trailer prior to slurry loading.
- Hydrostatic and disinfection testing of provided system.
- Start-up services and any required acceptance tests.
- Any other items not specifically identified by Aqueous Vets.

PROFESSIONAL and COMMERCIAL TERMS

VALIDITY: Pricing is valid until August 9th, 2021.

DELIVERY SCHEDULE: Schedule of delivery will be as follows:
1) Submittals: 2-3 weeks from receipt of order.
2) Equipment Delivery: 16-20 weeks from receipt of approved submittals.

PAYMENT TERMS: Schedule of payment, based on total contract value, will be as follows, Net 10 days via ACH
1) 10% on receipt of approved submittals.
2) 20% on receipt of materials at AV shop.
3) 60% on Delivery and Install, not to exceed 45 days upon readiness to ship
4) 10% System Acceptance
5) 5% Retention

SHIPPING TERMS: FOB jobiste, with full freight allowed to jobsite.

TAXES & FEES: Sales taxes are included only as indicated above. Aqueous Vets shall not be responsible for any additional fees, tariffs, duties, or increased enacted by governmental agencies.

DUE TO INDUSTRY VOLATILITY FOR CARBON AND STAINLESS-STEEL MATERIALS, THE PRICING OFFERED IN THIS QUOTATION IS SUBJECT TO REVIEW AT THE TIME OF ORDER PLACEMENT. MATERIAL PRICING WILL BE SUBJECT TO ADJUSTMENT BASED UPON INCREASES OCCURRING BETWEEN THE DATE OF QUOTATION AND TIME MATERIAL IS RELEASED FOR PURCHASE. WE REGRET THE NECESSITY OF THIS ACTION AND WILL DISCONTINUE THIS PRACTICE AS SOON AS MARKET CONDITIONS PERMIT.

This Proposal is subject to the Terms and Conditions at <http://aqueousvets.com/mfg-terms-conditions.html>, which form an integral part of this Proposal. Such Terms and Conditions will govern any transaction resulting from this Proposal. Any contract resulting from this Proposal is made subject to prior acceptance by Aqueous Vets. All orders are subject to prior credit approval.

Buyer's Signature indicates acceptance of this Proposal and Seller's Terms and Conditions referred to above.



Scope of Work – GAC Systems & Site Assembly

Signature

Print Name

Date

Thank you for your business!

288 Jasmine Way, Danville, CA, 94506

Tel: (925) 331-0573

Fax: (925) 886-4352

E-mail: info@aqueousvets.com

Web: www.aqueousvets.com

**CAMROSA WATER DISTRICT**

7385 Santa Rosa Rd.

Camarillo, CA 93012

PH: (805) 482-4677

FX: (805) 987-4797

PURCHASE ORDER**PO Number:** FY22-0029**Date:** 07/27/2021**Requisition#:** FY22-0029**Vendor#:** CHA 01**ISSUED TO:** CHART, INC.
3055 TORRINGTON DR.
BALL GROUND, CA 30107**SHIP TO:** Camrosa Water District
7385 Santa Rosa Rd.
Camarillo, CA 93012

ITEM	UNITS	DESCRIPTION	GL ACCT#	PROJECT ACCT#	PRICE	AMOUNT
1	1	CO2 system for GAC plant	100-0-13400	600-20-02-Const	0.00	320,080.00
As per attached Blue in Green/Chart Terms & Conditions, with the following amendments: PAYMENT TERMS: 10% on approved submittals 80% on delivery 10% on final documents, startup, training, and warranty signoff DELIVERY will be CIP job site/F.O.B. destination at no additional cost						
Authorized by: _____					SUBTOTAL:	320,080.00
					TOTAL TAX:	0.00
					SHIPPING:	0.00
					TOTAL:	320,080.00

1. Payment will be net 30 days, per schedule above.
2. This Purchase Order number must appear on all Packages, Invoices, and Shipping papers.
3. All goods are shipped F.O.B. destination unless otherwise stated.

Option 1 – Price Schedule and Net Present Value Analysis with OPEX

PRICE SCHEDULE

Camrosa Water District

PH ADJUSTMENT TREATMENT FACILITY

OPTION 1

Item No	Description	Quantity	Unit	Total
1	CO2 skid & Appurtenances per the RFP requirements and specifications	1	LS	\$292,000.00
2	Fixed price for applicable taxes@7.25%	1	LS	\$21,170.00
3	Fixed price for shipping to job site	1	LS	\$6,910.00
Total all items				

Total Item Nos 1-3 \$320,080.00

Acknowledgement of Addendas Request for GAC Treatment Facility Equipment Proposals; Appendix A, B, C (43 32 82; 46 31 43)

(Amount Written in Words)

Three Hundred Twenty Thousand Eighty Dollars and Zero Cents

VENDOR: BlueInGreen - A Chart Company

AUTHORIZED SIGNATURE: 

TITLE Application Engineer

PH ADJUSTMENT TREATMENT FACILITY

OPTION 1

OPTION 1: CO2 SYSTEM OPEX EVALUATION FORM

PROJECT: Camrosa Water Treatment Plant in Camarillo CA

BlueInGreen - A Chart

CO2 SYSTEM SUPPLIER: Company

COMPLETED BY: Jackson Shirey - Application Engineer

Cost Assumptions	CO2Cost	Power Cost	Labor Cost
Unit CO2 Cost (\$/lb)	\$ 0.15	Unit kWh Cost (\$/kWh)	\$ 0.12
		Unit Labor Cost (\$/hr)	\$ 60.00

	Operating Scenario (lb/hr)	Annual Operating Time (%)	Estimated Annual Hours of Operation (hr)	Design Mass Transfer Efficiency (%)	Pump Power Required (hp)	Motor Efficiency (%)	Breaker Power (kW) - Panel and Pump	Breaker Power (kW) - CO2 Vaporizer	Yearly Electrical Cost for CO2 Dissolution Skid (\$/yr)	Yearly Electrical Cost for CO2 Storage Equipment (\$/yr)	Yearly CO2 Cost (\$)	Estimated Total Dissolution and Storage Opex (\$/yr)
Min Delivery of CO2	5	10%	876	98%	1.5	84%	1.42	0.15	\$ 149.42	\$ 15.77	\$ 670.41	\$ 835.60
Average Delivery of CO2 (assumed)	15	80%	7008	98%	1.5	84%	1.42	0.75	\$ 1,195.36	\$ 630.72	\$ 16,089.80	\$ 17,915.88
Max Delivery of CO2	40	10%	876	98%	1.5	84%	1.42	2	\$ 149.42	\$ 210.24	\$ 5,363.27	\$ 5,722.93
Total	--		8760	--	--	--	--	--	\$ 1,494.21	\$ 856.73	\$ 22,123.47	\$ 24,474.40

Average Annual Labor Hours for CO2 Dissolution and Storage - (hr/yr)	150
Average Annual Labor Cost for CO2 Dissolution and Storage (\$/yr)	\$ 9,000.00
Average Annual CO2 Storage Parts Cost (\$/yr)	\$ 750.00
Average Annual CO2 Dissolution Skid Parts Cost (\$/yr)	\$ 250.00
Capital Cost (Delivered to Project Site)	\$ 292,000.00

PH ADJUSTMENT TREATMENT FACILITY

OPTION 1

OPTION 1: LIFE CYCLE COST CALCULATION

PROJECT: Camrosa Water Treatment Plant in Camarillo CA

CO2 SYSTEM SUPPLIER
COMPLETED BY:

BlueInGreen - A Chart Company
Jackson Shirey - Application Engineer

Estimated Values By
BlueInGreen - A Chart
Company

Year	Equipment Cost	Debt Service (1)	Average Annual Labor Costs (2)	Average Annual Parts Costs (3)	Opex (4)	Total (1) (2) (3) (4)	Total Present Value (1) (2) (3) (4)	Summation Present Value
2021	292,000							
2022		22,000	9,000	1,000	24,474	56,474	54,040	54,040
2023		22,000	9,320	1,040	25,330	57,690	52,830	106,870
2024		22,000	9,650	1,080	26,220	58,950	51,660	158,530
2025		22,000	9,990	1,120	27,140	60,250	50,520	209,050
2026		22,000	10,340	1,160	28,090	61,590	49,420	258,470
2027		22,000	10,700	1,200	29,070	62,970	48,350	306,820
2028		22,000	11,070	1,240	30,090	64,400	47,320	354,140
2029		22,000	11,460	1,280	31,140	65,880	46,330	400,470
2030		22,000	11,860	1,320	32,230	67,410	45,360	445,830
2031		22,000	12,280	1,370	33,360	69,010	44,440	490,270
2032		22,000	12,710	1,420	34,530	70,660	43,540	533,810
2033		22,000	13,150	1,470	35,740	72,360	42,670	576,480
2034		22,000	13,610	1,520	36,990	74,120	41,820	618,300
2035		22,000	14,090	1,570	38,280	75,940	41,010	659,310
2036		22,000	14,580	1,620	39,620	77,820	40,210	699,520
2037		22,000	15,090	1,680	41,010	79,780	39,450	738,970
2038		22,000	15,620	1,740	42,450	81,810	38,710	777,680
2039		22,000	16,170	1,800	43,940	83,910	37,990	815,670
2040		22,000	16,740	1,860	45,480	86,080	37,300	852,970
2041		22,000	17,330	1,930	47,070	88,330	36,630	889,600
Totals	292,000	440,000	254,760	28,420	692,254	1,415,434	889,600	

Percent
4.5 Debt Service
3.5 Inflation
4.5 Interest

Notes:

- (1) Provided estimated payment schedule for equipment if financed. This cost will be estimated at 4.5% interest rate.
- (2) Provided estimated annual labor cost for system operation and maintenance. The cost will be inflated at 3.5% per year for the present value analysis.
- (3) Provided estimated annual parts cost for maintenance of the CO2 storage and dissolution system. The cost will be inflated at 3.5% per year for the present value analysis.
- (4) Provided estimated annual power and gas (CO2) costs for the storage and dissolution system. The cost will be inflated at 3.5% per year for the present value analysis.

Ian Prichard

From: Simon Morris <simonmorris@jbiwater.com>
Sent: Tuesday, July 27, 2021 8:46 AM
To: Tamara Sexton
Cc: 'Tarn Victor'; Ian Prichard
Subject: RE: GAC prepurchase: CO2

[EXTERNAL EMAIL-- USE CAUTION clicking links and attachments.]

Good morning Tamara, Ian,

Confirmed with Chart that they will be able to provide an insurance cert naming Camrosa downstream of a PO.

Also they have agreed to change their delivery terms to CIP job site which I believe is the domestic equivalent of FOB job site which you wanted to see. They have waived any additional cost for this. Again for the sake of consistency and paper trail the PO should be prepared reflecting this change.

Trust that this all works for you, please let me know if any questions or anything else needed in preparation for the board meeting this week.

Cheers

Simon

SIMON MORRIS
JBI Water & Wastewater Equipment
Elk Grove, CA

Cell: 916 642 5500
Email: simonmorris@jbiwater.com
Web: www.jbiwater.com

Terms and Conditions

Terms & Conditions of Sale

1. General The terms and conditions contained herein, together with any additional or different terms contained in the final, written proposal issued by the Seller, constitute the entire agreement (the "**Agreement**") between the parties with respect to the subject sale. Acceptance by Seller of Buyer's purchase order and Buyer's acceptance of Seller's proposal is expressly limited to and conditioned upon Buyer's acceptance of these Terms & Conditions of Sale, which may not be changed or waived except in writing signed by Seller. Any additional, inconsistent or different terms and conditions contained in Buyer's purchase order or other documents supplied by Buyer are hereby expressly rejected. Unless the context otherwise requires, the term "**Equipment**" as used herein shall mean all goods, equipment, parts, accessories, and software sold to Buyer by Seller. Unless the context otherwise indicates, the term "**Services**" as used herein shall mean labor, supervision, repair, refurbishment, reconditioning, and project engineering services provided by Seller. As used herein, the term "**Buyer**" shall mean only the party issuing the purchase order to Seller for Equipment or Services, regardless of whether or not the Buyer is the end user of the Equipment or Services, and the term "**Seller**" shall mean the entity selling or supplying the Equipment or Services as set forth on the order acknowledgement or invoice for Equipment or Services.

2. Payment Terms and Invoices Payment terms are net 30 days, except that all payments made by credit card are due at the time of order placement. Amounts not paid by Buyer when due shall bear interest from the date payment was due to and including the date of payment at the rate of 3.0% per annum, or at the maximum rate permitted by applicable law, whichever is less. Payment of interest shall not excuse delay in, or failure of, payment of principal. Any checks returned for non-sufficient funds and any stopped or reversed payments shall be subject to a fee. If required by Seller, Buyer will cause an irrevocable letter of credit to be established in favor of Seller on a bank approved by Seller. Seller is entitled to charge any costs associated with the letter of credit to Buyer's account. Performance schedules are conditional upon receipt of the letter of credit within 30 days of award. Buyer agrees to furnish Seller with any requested credit information. Buyer's credit limit will be set at Seller's sole discretion and may be modified at any time based upon Buyer's credit risk as determined by Seller. In the event that Buyer's credit risk increases or Buyer fails to pay timely, Seller may suspend performance and/or require alternative payment methods. Buyer shall notify Seller of any items disputed in good faith relating to an invoice within 15 days after the invoice date in writing specifying the nature of the disputed item, but in no event is Buyer entitled to withhold or set off any invoiced amounts without Seller's prior written approval. In the event it becomes necessary for Seller to refer Buyer's account to a third party for collection or for Seller to take other enforcement action of this Agreement against Buyer, Buyer agrees to pay any and all attorney and arbitrator fees, lien filing fees, collection costs and legal expenses associated therewith incurred by Seller.

3. Taxes Federal, state, local, value added, sales and use, and other applicable taxes measured on the price of Equipment or Services in any legal system by any taxing authority are not included in the price unless otherwise agreed in writing by Seller. Notwithstanding anything to the contrary herein, the price and Delivery schedule of Equipment or Services may be equitably adjusted by Seller for the imposition of new or increases in existing tariffs or limitations on imports of aluminum, steel and other commodities and variations in labor and other costs and delays associated with those causes.

4. Time Limit All quotations are valid for a period of 30 calendar days, unless otherwise extended in writing by Seller. If this Agreement is delayed or suspended in whole or in part by Buyer for more than 60 days, pricing shall either be subject to re-negotiation or the Agreement may be deemed cancelled for Buyer's convenience and subject to Section 16, at Seller's sole option.

5. Acceptance Acceptance of Equipment occurs at point of Delivery. Acceptance of any Services provided hereunder occurs at completion.

6. Warranty Seller warrants to Buyer that all Equipment manufactured by Seller shall be free from defects in material and workmanship for a period of 1 year after initial use (or placement into storage) or 18 months after the date of shipment, whichever expires first, except that parts sold as spares or for replacement are warranted for 90 days after the date of shipment or until the expiration of the warranty offered by their original manufacturer, whichever expires first. All resale products and components only carry the warranty offered by their original manufacturer. Seller warrants Services against defects in workmanship for a period of 90 days from date of their completion.

Limitations. These warranties do not cover Buyer-furnished designs, goods, equipment, services or materials and do not apply to any Equipment or Services or parts thereof which Seller determines: (1) to have been improperly installed or repaired; (2) to have been altered or modified in any way without Seller's prior written approval; (3) to have been subjected to misuse, abuse, excessive external forces, negligence or accident; (4) to have been installed, stored, used, or operated in a manner contrary to Seller's instructions, specifications and drawings, outside the specified design conditions, or not used in accordance with normal operating and maintenance practices; (5) are purchased as used Equipment, a prototype or a sample; or (6) resulted from normal wear and tear,

corrosion or erosion. Each of the foregoing shall act to void any existing warranty. Proper installation of normal maintenance parts does not constitute a modification. Buyer agrees to defend, indemnify and hold Seller harmless from any third party claims arising out of the use, resale, or lease of said furnished Equipment or Services.

7. Exclusive Remedy Should any failure to conform to the applicable warranties stated above occur during the warranty periods specified above, then Buyer shall appropriately decontaminate the Equipment and provide Seller with prompt written notice identifying the problem, but in no event shall such notice be more than 30 days after discovery of such failure. Provided that Buyer has fulfilled all of its obligations under the Agreement and complied with the procedures set forth in this Section 7, Seller shall inspect said Equipment within 10 business days after receipt of Buyer's notice. Seller's sole obligation, and Buyer's sole remedy, is for Seller to correct such nonconformity by, at Seller's option: (1) repair or replacement of the nonconforming Equipment or parts thereof; or (2) refund the purchase price of the nonconforming Equipment or parts thereof; and (3) in the case of nonconforming Services, re-perform the Services or refund the price there for. Repairs or replacements made pursuant to warranty shall be warranted for the time remaining in the original warranty period or 30 days, whichever is longer. Seller will make all arrangements to either transport such Equipment to and from Seller's repair or factory facility or go to Buyer's site, at Seller's sole option; provided, however, that Seller shall not be responsible for providing working access to the defect, including disassembly and reassembly of Equipment or for transportation costs to and from Seller's repair or factory facility, all of which shall be at Buyer's risk and expense. If it is determined by Seller that such failure was not covered by the warranty stated above, then Seller will invoice Buyer, and Buyer agrees to pay, for all such inspection and other expenses. No Seller liability exists for Equipment or Services shown to be defective until such time as the Equipment and Services have been paid for.

8. Disclaimer THE FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER CLAIMS OF RELIEF AND WARRANTIES OF QUALITY, PERFORMANCE AND DESIGN, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR THOSE ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND ALL EQUIPMENT MANUFACTURERS.

9. Termination No termination by Buyer for default shall be effective unless, within 15 days after receipt by Seller of Buyer's written notice specifying such default, Seller fails to initiate and pursue correction of such specified default.

10. Excusable Delays The schedule for Delivery of Equipment and performance of Services will be modified for delays resulting from causes beyond Seller's reasonable control, including acts of God, war, terrorism, strikes, restrictions of the United States Government or other governments having jurisdiction, delays in transportation, earthquakes, floods, named storms, hurricanes, tornados, cyclones, typhoons or other natural disasters, or inability to obtain necessary labor, materials, or manufacturing facilities.

11. Delivery and Risk of Loss or Damage Unless otherwise agreed in writing by Seller, all domestic shipments are FCA Seller's plant and all international shipments are CPT port of destination, with responsibilities as defined in INCOTERMS 2010, and "Delivery" as used herein occurs in accordance with INCOTERMS 2010. Notwithstanding anything to the contrary, all lead times quoted and accepted by Seller shall be from the date Seller accepts Buyer's purchase order. If Seller agrees in writing to prepay transportation and transit insurance charges for the account of Buyer, then Seller is entitled to include shipping, handling and any transit insurance charges on its invoice. Buyer shall indemnify, defend and hold Seller harmless from any claims by freight carriers for Buyer's failure to pay freight charges. Claims for shortages in or damage to shipment shall be deemed waived unless made in writing and received by Seller within 10 days after receipt of Equipment by Buyer or its designated consignee. Delivery dates quoted are based on Seller's best estimate of a realistic time when shipment will be made and are subject to change. Delivery dates will be confirmed on Seller's acceptance of any resulting order, and Seller will use its best efforts to meet such Delivery date. Seller may make early shipment or partial shipments and invoice Buyer accordingly. Despite any agreement with respect to delivery terms or prepayment of transportation or transit insurance charges, the risk of loss or damage shall pass to Buyer upon completion of Delivery or upon moving the Equipment into storage, whichever occurs first.

12. Laws, Codes and Standards Price and Delivery schedule are based on the applicable laws, codes, and standards stated in the Equipment specifications in effect as of the date of Seller's acceptance of the purchase order. If such laws, codes, and standards change, or if Purchaser changes the laws, codes, and standards stated in the Equipment specifications, and such change increases or decreases the cost of performing the work or impacts the Delivery schedule, then Seller will advise Buyer of the same, and the parties shall promptly negotiate in good faith and mutually agree upon any modification to the order resulting from any such change. Any local laws, statutes, codes or standards, or interpretations thereof that do not match national building codes are hereby exempt from the Agreement unless written copies are presented by Buyer to Seller as additional specifications and accepted in writing by Seller as part of this Agreement.

13. Title Seller shall retain legal and equitable title to any Equipment until Buyer has paid for such Equipment in full, and Buyer shall complete and execute all documents required to this effect upon Seller's request and allow Seller to repossess the Equipment in the event of Buyer's failure to pay after receipt of written notice by Seller.

14. Installation Installation of Equipment furnished hereunder shall be by Buyer, unless otherwise agreed to in writing signed by Seller's duly authorized representative. Installation services provided by Seller or one of its affiliates shall be pursuant to a separate agreement.

15. Field Service Field service will be provided on a per diem basis upon written authorization by Buyer and at Seller's rates in effect when such Services are provided. Buyer will provide free and unrestricted access to Seller personnel, contractors, subcontractors, equipment and any other personnel necessary in order for Seller to complete the contracted work.

16. Cancellation Cancellation of any order must be by written notice to Seller and will be subject to Seller's cancellation charges and fees, including all costs incurred through the date of cancellation, the cost for materials ordered that cannot be returned, return and cancellation fees, cost to process such cancellation, plus a reasonable overhead and profit.

17. Intellectual Property and Confidentiality All right, title and interest in any inventions, developments, improvements or modifications of the Equipment and Services made by Seller or Buyer as a result of the Agreement shall exclusively remain with Seller. Any design, reports, plans, drawings, standards, specifications or other information submitted to Buyer by Seller ("**Seller Documents**") shall remain Seller's exclusive property. Buyer shall not copy or disclose Seller Documents to any third party, and shall not use them for any purpose other than to install, own, operate, and maintain the subject Equipment or to use the Services, including, without limitation, use with any other project, or for the completion of the project contemplated by this Agreement by others. Seller Documents are not suitable for use on any other agreement or project and any reuse of Seller Documents without the express written consent of Seller will be at the sole risk of Buyer, and Buyer shall indemnify, defend and hold Seller harmless from any and all claims arising from Buyer's reuse of Seller Documents. Upon Seller's request at any time, Buyer shall promptly return all Seller Documents. If Seller's Equipment is held to infringe a United States patent in effect as of the date of this Agreement (other than any infringement resulting from Seller's compliance with Buyer's designs, specifications or instructions or from the use of the Equipment in combination with other materials or the operation of any process), then Seller may at its option procure for Buyer the right to use the Equipment, modify or replace it with non-infringing Equipment; refund the purchase price allocable to the infringing Equipment, or settle or otherwise terminate said actions on behalf of Buyer. The foregoing is Seller's entire liability and Buyer's sole remedy for patent infringements of the Equipment. Buyer shall release, defend, indemnify and hold Seller harmless from all expenses, losses and other damages resulting from any actual or alleged infringement of intellectual property rights arising from Seller's compliance with Buyer's designs, specifications or instructions, from the use of the Equipment in combination with other materials, or from the operation of any process.

18. Assignment This Agreement may not be transferred or assigned by Buyer by operation of law or otherwise without the prior express written consent of Seller. A change in majority ownership or control of Buyer shall be deemed a transfer or assignment for purposes of this Section 18. Any transfer or assignment by Buyer of any rights, duties or obligations without Seller's consent shall be void.

19. Limitation of Liability *NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL SELLER, ITS AFFILIATES, SUPPLIERS AND SUBCONTRACTORS BE LIABLE TO BUYER OR TO ANY THIRD PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, LOSS OF USE, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, DOWNTIME COSTS, COST OF DELAYS, OR FOR ANY PENALTIES, WHETHER ANY SUCH CLAIM FOR THE SAME IS BASED ON CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, INDEMNIFICATION OR OTHERWISE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, SELLER'S CUMULATIVE LIABILITY ARISING OUT OF THIS AGREEMENT FOR ANY CLAIMS WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY, INDEMNIFICATION OR OTHERWISE, OR FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH THIS AGREEMENT OR THE PERFORMANCE OR BREACH THEREOF, OR FROM ANY DESIGN, SALE, INSTALLATION, OPERATION OR USE OF THE EQUIPMENT OR PERFORMANCE OF ANY SERVICES UNDER THIS AGREEMENT, SHALL IN NO EVENT EXCEED IN THE AGGREGATE THE PURCHASE PRICE PAID TO SELLER BY BUYER FOR THE SPECIFIC EQUIPMENT OR PART THEREOF OR FOR THE SERVICES GIVING RISE TO THE CLAIM.*

20. Export Sales; Compliance with Trade Laws In no event shall Seller be required to export or deliver any technical information, data or Equipment, including where such Equipment is for incorporation into customer's end-item ("**End Item**"), if such export or Delivery is then prohibited or restricted by any law or regulation of the U.S. Government, including departments, agencies and sub-divisions thereof or of any other applicable governmental agency of any country having jurisdiction, including the country in which the Equipment, End Item, or Services to be sold will be installed, used, or performed. Should BlueInGreen performance of its obligations hereunder be prohibited by any applicable governmental agency, in whole or in part, or if the exportation or importation of the Equipment which is the subject of this Agreement be precluded because of the inability to obtain an export or import license within a reasonable time, as appropriate, then Seller's obligations hereunder shall be terminated at Seller's option, and Seller shall be entitled to reasonable cancellation charges. Unless otherwise agreed in writing by Seller, Buyer accepts all responsibility for exporting and importing any Equipment sold hereunder and any End Item outside of the U.S., will be the exporter of record and importer of record, and will be responsible for filing any documents, obtaining any licenses required by the U.S. or other government agencies, and paying all duties and taxes necessary for exportation and importation. Buyer agrees to export, re-export or import any Equipment, End Item or components thereof, technical information or data of Seller in full compliance with U.S. and other laws of countries having jurisdiction and shall cause the end user of any Equipment, End Item or

components thereof, or Services to comply with such applicable laws. Buyer warrants and represents that it is in full compliance with all such applicable export and import laws, including U.S. Sanctions Regulations, the International Traffic In Arms Regulations, the Export Administration Regulations, and all U.S. anti-boycott and embargo regulations (collectively, "**U.S. Trade Regulations**"), and Buyer shall provide Seller with such written assurances of compliance as requested by Seller from time to time. Specifically, Buyer agrees not to export, re-export, sell or lease any Equipment, End Item, or components or technical data thereof to a party identified on a restricted parties list maintained by the US Government related to US export controls and sanctions, including those designated on the Specially Designated Nationals and Blocked Persons List and entities owned 50% or more by such parties, to a country subject to comprehensive US sanctions or a US embargo, or for a prohibited use under either the U.S. Trade Regulations or any other applicable trade laws. Buyer agrees to indemnify and hold Seller harmless from and against any and all damages and expenses (including attorneys' fees) resulting from Buyer's violation of applicable export and import regulations, including the U.S. Trade Regulations.

21. Compliance with Anti-bribery Laws Buyer warrants and represents that it is familiar with the requirements of the U.S. Foreign Corrupt Practices Act and other similar anti-bribery laws, including the OECD Antibribery Convention and the UK Bribery Act, that it has not and will not violate those laws, and that it neither has nor will it offer, make, or agree to make, directly or indirectly, any gift or payment of any kind or any political contribution in violation of such laws. Buyer shall provide Seller with such written assurances of compliance with such laws as requested by Seller from time to time. Any payment, offer of payment, or agreement to make a payment that is contrary to the laws of the United States or the laws of the country in which it is made, or any other payment in conflict with this clause, will constitute a material breach of this Agreement, and any obligation of Seller hereunder shall automatically terminate upon such breach without further liability to Seller. Buyer agrees to indemnify and hold Seller harmless from and against any and all damages and expenses (including attorneys' fees) resulting from Buyer's violation of the requirements referenced in this Section.

22. Governing Law; Arbitration This Agreement and any claim, controversy or dispute arising under or related to the Agreement, the relationship of the parties, and the interpretation and enforcement of the rights and duties of the parties is exclusively governed by the laws of the State of Georgia, excluding its conflicts of law principles and excluding the United Nations Convention on Contracts for the International Sale of Goods. Buyer waives all causes of action arising under this Agreement after one year from the date of the occurrence of the event giving rise to any such claim, waives any sovereign immunity claims or defenses, and consents to and will not contest personal jurisdiction in the local and federal courts of Atlanta, Georgia. Except for account collection disputes, any disputes, controversies or claims arising out of or relating to this Agreement, or the breach thereof which cannot be resolved amicably within 60 days, shall be settled by binding arbitration. This agreement to submit to binding arbitration shall be specifically enforceable under the prevailing arbitration law. The award of the arbitrator shall be final, and a judgment may be entered upon it by any court having jurisdiction. A party desiring to invoke this arbitration provision shall serve written notice upon the other of its intention to do so and the name of an impartial individual who is knowledgeable in matters pertaining to Seller's industry to serve as an arbitrator. If the other party objects within 15 days to the arbitrator proposed, and the parties fail to agree on an arbitrator within 30 days thereafter, then the arbitrator shall be appointed by the arbitration tribunal. For domestic sales, the arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association then prevailing. For international sales, the arbitration shall be conducted in accordance with the International Arbitration Rules then prevailing of the International Centre for Dispute Resolution. Unless the parties agree otherwise, all arbitrations shall be conducted and all related documents submitted shall be in the English language in Atlanta, Georgia, and the arbitrator shall apply the substantive governing laws as specified above. All awards granted by the arbitrator shall be final and binding on the parties, and shall include interest from the date of any breach or default and from the date of the award until paid in full. Judgment may be entered on any award or decision of the arbitration panel by either party in a court of competent jurisdiction. The arbitrator may grant emergency interim relief according to the applicable arbitration rules. The prevailing party shall be entitled to recover, in addition to all other amounts and relief, its costs, fees and other expenses of the arbitration, including reasonable attorney's fees, as may be awarded by the arbitrator. If Buyer fails to promptly assume Seller's defense when requested to do so as required under this Agreement, then Seller may defend with counsel of its own choice at the expense of Buyer.

23. Miscellaneous The Agreement as defined in Section 1 constitutes the complete and exclusive agreement between Seller and Buyer and there are no agreements, understandings, restrictions, warranties, or representations between Seller and Buyer with respect to the subject matter hereof other than those set forth herein. If any provision, or any part thereof, of this Agreement is found by any court or governmental agency of competent jurisdiction to be invalid or unenforceable for any reason whatsoever, then such provision shall be deemed revised and applied to the maximum extent allowed by applicable law, and such invalidity or unenforceability shall not affect the remainder of such provision or any other provision here which shall remain in full force and effect. All obligations herein shall survive termination, expiration or completion of this Agreement. No term or condition is intended for the benefit of any third party, and Seller and Buyer do not intend any term or condition to be enforceable by a third party, including any end user of Equipment or Services. Seller's failure on any occasion to insist on strict performance of any term or condition hereof shall not constitute a waiver of compliance with such term or condition on any other occasion or a waiver of any default. References to any statutory provision, enactment, order,

regulation or other similar instrument shall be construed as a reference to the statutory provision, enactment, order, regulation or instrument as amended, replaced, consolidated or re-enacted from time to time and shall include any orders, regulations, codes of practice, instruments or other subordinate legislation made under it. The headings used throughout are for convenience only and shall be given no legal effect. Fax, portable document format (.pdf), email or other electronic transmissions or copies shall be given the full force and effect as an original. For purposes of this Agreement: (a) the words "include," "includes," and "including" are deemed to be followed by the words "but not limited to"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole; (d) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (e) words denoting any gender include all genders. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Rev 2/2020

Board Memorandum

August 5, 2021

To: Board of Directors

From: General Manager

Subject: Closed Session Conference with Legal Counsel – Pending Litigation

Objective: Confer with and receive advice from counsel regarding pending litigation.

Action Required: No action necessary; for information only.

Discussion: Pending litigation may be discussed in closed session pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9.

Board Memorandum

August 5, 2021

To: Board of Directors

From: Sandra Llamas, Senior Accountant

Subject: Amendment and Restatement of the District Profit Sharing Plan and Trust Agreement

Objective: Adopt the amendment and restatement of the District's Profit Sharing Plan and Trust Agreement.

Action Required: Adopt a resolution of the Board adopting the amendment to, and complete restatement of, the District's Profit Sharing Plan and Trust Agreement.

Discussion: The Internal Revenue Service (IRS) requires that all preapproved defined contribution plan documents be updated every six years to comply with changes to laws and regulations made since the prior restatement cycle. The Plan Document needs to be amended and restated to make the necessary changes to bring the Plan into compliance with changes in plan qualification requirements included in the "Cycle 3 Restatement." The amendment and restatement of the Plan Document does not change any design features of the Plan currently in effect.

Legal counsel also recommended some changes to the Trust Agreement, which include using the term "Employer" to refer to the Plan Administrator and differentiating between the responsibilities of the Employer as Plan Sponsor and Plan Administrator where necessary; revisions to the Indemnification section to include cross-indemnification; and removing inapplicable provisions, such as, in the governing law section, provisions regarding liability of the custodian, who is not party to the Trust Agreement, and removing the Discretionary Trustee type, which implies exclusive authority and discretion of the Trustee with respect to investments, management, or control of Plan assets and is not applicable to the District's directed Trustees.

Resolution No: 21-13

A Resolution of the Board of Directors
of Camrosa Water District

**Adopting an Amendment to, and Complete
Restatement of, the District Profit Sharing Plan
and Trust Agreement**

Whereas, the District has previously established the Camrosa Water District Profit Sharing Plan ("Plan") under Internal Revenue Code Section 401(a) for certain District personnel; and

Whereas, the Plan was most recently restated effective July 1, 2018, and is comprised of a Lincoln Retirement Services Company LLC Nonstandardized Governmental Profit Sharing/401(k) Plan Adoption Agreement #001 and Pre-Approved Governmental Defined Contribution Plan Basic Plan Document DC-BPD #03 (collectively, the "Plan Document") and the ASC Trust Agreement ("Trust Agreement"); and

Whereas, District management determined that the Plan Document and Trust Agreement should be amended and restated to make those changes necessary to bring the Plan into compliance with the changes in plan qualification requirements listed in Notice 2017-37 (the 2017 Cumulative List) (the "Cycle 3 Restatement"); and

Whereas, the District has determined that it has the authority for such amendment pursuant to California Water Code Section 31008 and the provisions of Section 14.01 of the 2018 Plan restatement; and

Whereas, the adoption and implementation of the Cycle 3 Restatement and Trust Agreement are in the best interests of the District and the participants in the Plan;

Now, Therefore, Be It Resolved by the Camrosa Water District Board of Directors that the adoption of the Cycle 3 Restatement, which is attached to this resolution as Exhibit A, is hereby approved; and

Now, Therefore, Be It Resolved that the adoption of the Trust Agreement, which is attached to this resolution as Exhibit B, and the appointment of Tony L. Stafford and Tamara Sexton as Trustees to the Plan, are hereby approved; and

Be It Further Resolved that the provisions of the Cycle 3 Restatement and Trust Agreement shall be implemented as of the effective dates set forth therein; and

Be It Further Resolved that that the proper employees of the District Company or their delegates, either individually or jointly, be and hereby are, authorized and directed to execute any and all documents and to take such other actions as they deem necessary or appropriate to implement the foregoing resolution.

Adopted, Signed, and Approved this 5th day of August 2021.

Eugene F. West President
Board of Directors
Camrosa Water District

(ATTEST)
Tony L. Stafford, Secretary
Board of Directors
Camrosa Water District

Camrosa Water District
NONSTANDARDIZED GOVERNMENTAL PROFIT SHARING/401(k) PLAN
ADOPTION AGREEMENT #001

By executing this Nonstandardized Governmental Profit Sharing/401(k) Plan Adoption Agreement (the "Adoption Agreement" or "AA"), the undersigned Employer agrees to establish or continue a Governmental Profit Sharing/401(k) Plan for its Employees. The Governmental Profit Sharing/401(k) Plan adopted by the Employer consists of the Governmental Defined Contribution Pre-Approved Plan Basic Plan Document #03 (the "BPD") and the elections made under this Adoption Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Adoption Agreement.**

SECTION 1
EMPLOYER INFORMATION

1-1 EMPLOYER INFORMATION.

Name: Camrosa Water District

Address: 7385 Santa Rosa Road
Camarillo, CA 93012-9225

Telephone: 805-482-8214

1-2 EMPLOYER IDENTIFICATION NUMBER (EIN). 95-2399052

1-3 FORM OF BUSINESS.

- ☐ State or political subdivision of a State
- ☐ State agency or instrumentality
- ☐ Indian Tribal Government
- ☒ Describe other Employer qualified to adopt a Governmental Plan: Independent special district operating under the California Water District Law

1-4 EMPLOYER'S TAX YEAR END. The Employer's tax year ends June 30

1-5 RELATED EMPLOYERS. Is the Employer part of a group of Related Employers (as defined in Section 1.83 of the Plan)?

- ☐ Yes
- ☒ No

If yes, Related Employers may be listed below. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

[Note: This AA §1-5 is for informational purposes and the Employer need not list Related Employers. The failure to identify all Related Employers will not jeopardize the qualified status of the Plan.]

SECTION 2
PLAN INFORMATION

2-1 PLAN NAME. Camrosa Water District Profit Sharing Plan

Original Effective Date: January 1, 2001

Restatement Effective Date: August 15, 2021

2-2 PLAN NUMBER. 003

2-3 TYPE OF PLAN.

- ☒ (a) This Plan is a Profit Sharing Plan. (**Note:** May also include Matching Contributions under AA §6B.)
- ☐ (b) This Plan is a Grandfathered Profit Sharing/401(k) Plan. (**Note:** To qualify as a Grandfathered Profit Sharing/401(k) Plan, the Employer must have maintained a 401(k) plan as of May 6, 1986. A Grandfathered Profit Sharing/401(k) Plan may also include a plan of an Indian Tribal Government, as defined in Section 1.58 of the Plan. See Section 1.55 of the Plan for a more detailed description of a Grandfathered Profit Sharing/401(k) Plan.)

- ☐ (c) The Plan is intended to be a FICA Replacement Plan (as described under Section 4.03 of the Plan). *[Note: If this subsection (c) is checked, elections under this AA must be consistent with the requirements of a FICA Replacement Plan as described under Section 4.03 of the Plan.]*

2-4 **PLAN YEAR.**

- ☒ (a) Calendar year.
- ☐ (b) The 12-consecutive month period ending on _____ each year.
- ☐ (c) The Plan has a Short Plan Year running from ____ to ____.

2-5 **FROZEN PLAN.** Check this AA §2-5 if the Plan is a frozen Plan to which no contributions will be made.

- ☐ This Plan is a frozen Plan effective _____. (See Section 3.02(a)(2) of the Plan.)

[Note: As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.]

2-6 **MULTIPLE EMPLOYER PLAN.** Is this Plan a Multiple Employer Plan as defined in Section 16.07 of the Plan? (See Section 16.07 of the Plan for special rules applicable to Multiple Employer Plans.)

- ☐ Yes
- ☒ No

2-7 **PLAN ADMINISTRATOR.**

- ☒ (a) The Employer identified in AA §1-1.
- ☐ (b) Name: _____

Address: _____

Telephone: _____

2-8 **DEFINITION OF DISABLED.** An individual is considered Disabled for purposes of applying the provisions of this Plan if:

- ☐ (a) The individual is covered by the Employer's disability insurance plan and is determined to be disabled under such plan.
- ☒ (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
- ☐ (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[Note: An Employer may elect any or all of (a), (b) and (c) above. If more than one of (a), (b) and (c) is selected, the hierarchy for determining whether an individual is considered Disabled is (a), then (b) and then (c), unless described otherwise under separate administrative procedures or under subsection (d) below.]

- ☐ (d) Alternative definition of Disabled: _____

[Note: Any alternative definition described in this subsection (d) will apply uniformly to all Participants under the Plan and will be applied in a nondiscretionary manner. The Employer may describe different definitions of Disabled for different purposes under the plan.]

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|-------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) No exclusions |

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Collectively Bargained Employees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Leased Employees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Employees paid on an hourly basis
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Employees paid on a salaried basis
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Employees in an elected or appointed position.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Part-Time Employees (as defined in Section 1.71 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Seasonal Employees (as defined in Section 1.89 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Temporary Employees (as defined in Section 1.93 of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) Employees eligible for another qualified plan sponsored by the Employer or a Related Employer Specify name of other qualified plan (optional): _____
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(l) Other: <u>Employees who are not paid on a salaried basis.</u>

[Note: The elections under the ER column apply to any Pick-Up Contributions and any After-Tax Employee Contributions authorized under AA §6-7, unless elected otherwise under subsection (l) above. The exclusions inserted may not result in a specifically named individual or a finite group (such as employees hired before a certain date) being the only employee or employees participating under the plan in violation of the permanency requirements or Treas. Reg. §1.401-1(b)(2). It is permissible to limit participation under the plan to an employee or employees of a specifically named position or positions.]

SECTION 4 MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below).

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(1) There is no minimum service requirement for participation in the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) ____ Year(s) of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The completion of at least ____ Hours of Service during the first ____ months of employment (or the first ____ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier. <input type="checkbox"/> (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period. <input type="checkbox"/> (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. See Section 2.03(a)(2) of the Plan for rules regarding the application of this subsection (ii).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The completion of ____ Hours of Service during an Eligibility Computation Period. <i>[Note: An Employee satisfies the service requirement immediately upon completion of the designated Hours of Service rather than at the end of the Eligibility Computation Period.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(5) Full-time Employees are eligible to participate as set forth in subsection (i) below. Employees who are “part-time” Employees must complete a Year of

Deferral	Match	ER
-----------------	--------------	-----------

Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii) below.

- (i) Full-time Employees must complete the following minimum service requirements to participate in the Plan:

- ☐ (A) There is no minimum service requirement for participation in the Plan.
- ☐ (B) The completion of at least ____ Hours of Service during the first ____ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.
- ☐ (C) Under the Elapsed Time method as defined in AA §4-3(c) below.
- ☐ (D) Describe: _____

[Note: Any conditions provided under this subsection (D) must be definitely determinable.]

- (ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:

- ☐ (A) For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:
- ☐ (I) ____ hours per week.
- ☐ (II) ____ hours per month.
- ☐ (III) ____ hours per year.

- ☐ (B) Describe part-time Employees for this purpose: _____

[Note: A part-time employee must be described as an individual who works less than a specified number of hours (no greater than 40) during a standard work week.]

- | | | | |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (6) Under the Elapsed Time method as described in AA §4-3(c) below. |
|--------------------------|--------------------------|--------------------------|---|

- | | | | |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (7) Describe eligibility conditions: _____ |
|--------------------------|--------------------------|--------------------------|--|

- (b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Deferral	Match	ER
-----------------	--------------	-----------

- | | | | |
|--------------------------|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (1) There is no minimum age for Plan eligibility. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (2) Age 21. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (3) Age ____. |

- ☐ (c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: _____

[Note: Any elections under the ER column under this AA §4-1 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions authorized under AA §6-7, unless elected otherwise under subsection (c) above. Subsection (c) above may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan. Any special rules under subsection (c) above must be definitely determinable.]

- 4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(a) Immediate. The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Semi-annual. The first day of the 1st and 7th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Quarterly. The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Monthly. The first day of each calendar month.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Payroll period. The first day of the payroll period.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) The first day of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Describe Entry Date: _____

[*Note: Entry Date under this subsection (g) must be no later than 3 years after the date described under (a).*]

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) next following satisfaction of the minimum age and service requirements.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) coinciding with or next following satisfaction of the minimum age and service requirements.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(j) nearest the satisfaction of the minimum age and service requirements.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(k) preceding the satisfaction of the minimum age and service requirements.

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution sources with respect to different groups of Employees, such different Entry Date provisions may be described below.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(l) Describe any special rules that apply with respect to the Entry Dates under this AA §4-2: _____

[*Note: The elections under the ER column under this AA §4-2 apply to any Pick-Up Contributions selected under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (l) above. Any special rules under subsection (l) above must be definitely determinable.*]

- 4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.57 of the Plan for the definition of Hour of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years. (See Section 2.03(a)(3)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years. (See Section 2.03(a)(3)(ii) of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.**

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during an Eligibility Computation Period.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Eligibility Computation Period (ECP). The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years if the Employee does not earn a Year of Service during the first Eligibility Computation Period. (See Section 2.03(a)(3)(ii) of the Plan.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Elapsed Time method. Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. (See Section 2.03(a)(6) of the Plan.) <input type="checkbox"/> (1) For Deferral, must complete a ____ period of service <input type="checkbox"/> (2) For Match, must complete a ____ period of service <input type="checkbox"/> (3) For ER, must complete a ____ period of service <i>[Note: Under the Elapsed Time method, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Eligibility Computation Period designated in Section 2.03(a)(3) of the Plan.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Equivalency Method. For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the Plan). The Equivalency Method will apply to: <input type="checkbox"/> (1) All Employees. <input type="checkbox"/> (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked. Hours of Service for eligibility will be determined under the following Equivalency Method. <input type="checkbox"/> (3) Monthly. 190 Hours of Service for each month worked. <input type="checkbox"/> (4) Weekly. 45 Hours of Service for each week worked. <input type="checkbox"/> (5) Daily. 10 Hours of Service for each day worked. <input type="checkbox"/> (6) Semi-monthly. 95 Hours of Service for each semi-monthly period worked. <input type="checkbox"/> (7) Describe Equivalency Method: _____ <i>[Note: Any description of an Equivalency Method under this subsection (7) must be definitely determinable.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Special eligibility provisions. _____

[Note: The elections under the ER column under this AA §4-3 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (e) above. Any special rules under subsection (e) above must be definitely determinable.]

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees employed on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service requirements (as designated below): <input type="checkbox"/> (a) the Effective Date of this Plan (as designated in the Employer Signature Page). <input type="checkbox"/> (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page). <input type="checkbox"/> (c) _____ <i>[insert date no earlier than the Effective Date of this Plan]</i> An Eligible Employee who is employed on the designated date will enter the Plan on the designated date without regard to the minimum age and service requirements under AA

§4-1. If both minimum age and service conditions are not waived, select subsection (d) or (e) below to designate which condition is waived under this AA §4-4.

☐ (d) This AA §4-4 only applies to the minimum service condition.

☐ (e) This AA §4-4 only applies to the minimum age condition.

The provisions of this AA §4-4 apply to all Eligible Employees employed on the designated date unless designated otherwise under subsection (f) or (g) below.

☐ (f) The provisions of this AA §4-4 apply to the following group of Employees employed on the designated date: _____

☐ (g) Describe special rules: _____

[Note: An Employee who is employed as of the designated date described in this AA §4-4 will enter the Plan as of such date unless a different Entry Date is designated under subsection (g) above. The elections under the ER column apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (g) above. Any special rules under subsection (g) above must be definitely determinable.]

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** Service with the following Predecessor Employers will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under subsection (a) or (b) below. (See Sections 2.06, 3.07(b) and 6.07 of the Plan.)

☐ (a) The Plan will count service with the following Predecessor Employers:

	Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
<input type="checkbox"/> (1)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

☐ (b) Describe any special provisions applicable to Predecessor Employer service: _____

4-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for eligibility purposes, complete this AA §4-6. (See Section 2.07 of the Plan.)

☐ (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate.

☐ (b) If an Employee incurs at least _____ Breaks in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate. *[Enter "0" if prior service will be disregarded for all rehired Employees.]*

☐ (c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.

☐ (d) Describe: _____

SECTION 5 COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.94 of the Plan for a specific definition of the various types of Total Compensation.

☒ (a) W-2 Wages

☐ (b) Code §415 Compensation

☐ (c) Wages under Code §3401(a)

[Note: For purposes of determining Total Compensation, each definition includes Elective Deferrals as defined in Section 1.36 of the Plan, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

5-2 **POST-SEVERANCE COMPENSATION.** Total Compensation includes post-severance compensation, to the extent provided in Section 1.94(b) of the Plan, unless otherwise elected below.

☒ (a) **Exclusion of post-severance compensation from Total Compensation.** The following amounts paid after a Participant's severance of employment are excluded from Total Compensation.

☒ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

☒ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[Note: Plan Compensation (as defined in Section 1.75 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) below or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(l) below.]

☐ (b) **Continuation payments for disabled Participants.** If this subsection (b) is not elected, Total Compensation does not include continuation payments for disabled Participants. If this subsection (b) is elected, Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.94(c) of the Plan.

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No exclusions.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(b) Elective Deferrals (as defined in Section 1.36 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Compensation above \$___ is excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Amounts received as a bonus are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Amounts received as commissions are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Overtime payments are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Amounts received for services performed for a non-signatory Related Employer are excluded. (See Section 2.02(c) of the Plan.)
			<i>[Note: If this subsection (h) is not elected, amounts received for services performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) "Deemed §125 compensation" as defined in Section 1.94(d) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Amounts received after termination of employment are excluded. (See Section 1.94(b) of the Plan.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) Differential Pay (as defined in Section 1.94(e) of the Plan).
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(l) Describe adjustments to Plan Compensation: <u>Any Plan Compensation above the Employer's definition of base salary.</u>

[Note: Any modification under subsection (l) must be definitely determinable and preclude Employer discretion. The elections under the ER column under this AA §5-3 apply to any Pick-Up Contributions authorized under AA §6-1(d) and any After-Tax Employee Contributions selected under AA §6-7, unless elected otherwise under subsection (l).]

5-4 PERIOD FOR DETERMINING COMPENSATION.

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. *[Note: If a period other than the Plan Year applies for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated under this AA §5-4.]*

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(1) The Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) The calendar year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The Employer's fiscal tax year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The 12-month period ending on ____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below. (See Section 1.75(b) of the Plan.)

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.02(c)(7)(i) of the Plan) will not apply unless designated otherwise under this subsection (c).

- ☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year.

SECTION 6

EMPLOYER AND EMPLOYEE CONTRIBUTIONS

- 6-1 **EMPLOYER / EMPLOYEE CONTRIBUTIONS.** The Employer/Employee may make the following contributions under the Plan:

- ☐ (a) Employer Contributions under AA §6-2
- ☐ (b) Voluntary After-Tax Employee Contributions under AA §6-7(a)
- ☐ (c) Mandatory After-Tax Employee Contributions under AA §6-7(b)
- ☒ (d) Employer Pick-Up Contributions under AA §6-7(c)
- ☐ (e) N/A. No Employer/Employee Contributions are permitted under the Plan *[Skip to Section 6A]*

- 6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-5(a) below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3.

- ☐ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- ☐ (b) **Fixed contribution.**
- ☐ (1) **Fixed percentage.** ____% of each Participant's Plan Compensation.
- ☐ (2) **Fixed dollar.** \$____ for each Participant.

- ☐ (3) **Determined in accordance with the terms of the Employment contract** between an Eligible Employee and the Employer. *[Note: If this subsection (3) is checked, the provisions of an Employment contract addressing retirement benefits will override any selection under this AA §6-2.]*
- ☐ (c) **Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make an Employer Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: _____
- [Note: Insert the appropriate contribution formula (and allocation formula, if applicable) from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]*
- ☐ (d) **Service-based contribution.** The Employer will make the following contribution:
- ☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation for each period of service designated below.
- ☐ (2) **Fixed percentage.** ____% of Plan Compensation paid for each period of service designated below.
- ☐ (3) **Fixed dollar.** \$____ for each period of service designated below.
- The service-based contribution will be based on the following periods of service:
- ☐ (4) Each Hour of Service
- ☐ (5) Each week of employment
- ☐ (6) Describe period: _____
- The service-based contribution is subject to the following rules.
- ☐ (7) Describe any special provisions that apply to service-based contribution: _____
- ☐ (e) **Describe special rules for determining contributions under Plan:** _____
- [Note: Any special rules under this subsection (e) may only describe the basis for determining a discretionary service-based contribution, such as a uniform dollar amount, and must be definitely determinable.]*

6-3 ALLOCATION FORMULA.

- ☐ (a) **Pro rata allocation.** The discretionary Employer Contribution under AA §6-2(a) will be allocated:
- ☐ (1) as a uniform percentage of Plan Compensation.
- ☐ (2) as a uniform dollar amount.
- ☐ (b) **Fixed contribution.** The fixed Employer Contribution under AA §6-2 will be allocated in accordance with the selections made with respect to fixed Employer Contributions under AA §6-2.
- ☐ (c) **Permitted disparity allocation.** The discretionary Employer Contribution under AA §6-2(a) will be allocated under the two-step method (as defined in Section 3.02(a)(1)(i)(B)(I) of the Plan), using the Taxable Wage Base (as defined in Section 1.92 of the Plan) as the Integration Level.
- To modify these default rules, complete the appropriate provision(s) below.
- ☐ (1) **Integration Level.** Instead of the Taxable Wage Base, the Integration Level is:
- ☐ (i) ____% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:
- | | |
|------------------------------------|--------------------------------------|
| <input type="checkbox"/> (A) N/A | <input type="checkbox"/> (B) \$1 |
| <input type="checkbox"/> (C) \$100 | <input type="checkbox"/> (D) \$1,000 |
- ☐ (ii) \$____ (not to exceed the Taxable Wage Base)
- ☐ (iii) 20% of the Taxable Wage Base
- [Note: See Section 3.02(a)(1)(i)(B)(IV) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]*
- ☐ (2) **Describe** special rules for applying permitted disparity allocation formula: _____
- [Note: Any special rules under subsection (2) must be definitely determinable.]*
- ☐ (d) **Uniform points allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated to each Participant in the ratio that each Participant's total points bears to the total points of all Participants. A Participant will receive the following points:
- ☐ (1) ____ point(s) for each ____ year(s) of age (attained as of the end of the Plan Year).
- ☐ (2) ____ points for each \$____ of Plan Compensation.

- ☐ (3) ____ point(s) for each ____ Year(s) of Service. For this purpose, Years of Service are determined:
- ☐ (i) In the same manner as determined for eligibility.
 - ☐ (ii) In the same manner as determined for vesting.
 - ☐ (iii) Points will not be provided with respect to Years of Service in excess of ____.
- ☐ (e) **Employee group allocation.** The Employer may make a separate discretionary Employer Contribution to the Participants in the following allocation groups. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.
- ☐ (1) A separate discretionary Employer Contribution may be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).
 - ☐ (2) A separate discretionary or fixed Employer Contribution may be made to the following allocation groups. If no fixed amount is designated for a particular allocation group, the contribution made for such allocation group will be allocated as a uniform percentage of Plan Compensation to all Participants within that allocation group, unless otherwise designated as a uniform dollar amount below.
 - ☐ The contribution made for each allocation group will be allocated as a uniform dollar amount to all Participants within the allocation group.

Group 1: _____

[Note: The Employee allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii).]
- ☐ (3) **Special rules.** Unless designated otherwise under this subsection (3), if a Participant is in more than one allocation group described in (2) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. (See Section 3.02(a)(1)(i)(D) of the Plan.)
- ☐ (i) **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group.
 - ☐ (ii) **Describe:** _____
- [Note: This subsection (ii) may only describe the amount of the Employer Contribution a Participant will receive when such Participant is in more than one allocation group. Any language under this subsection (ii) must be definitely determinable.]*
- ☐ (f) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.03 of the Plan).
- A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under subsection (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.
- ☐ (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ____% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.
 - ☐ (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: _____
 - ☐ (3) **Describe special rules applicable to age-based allocation:** _____
- [Note: See Appendix A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Subsection (3) must provide for a definitely determinable allocation method.]*
- ☐ (g) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(d) will be allocated in accordance with the selections made in AA §6-2(d).
- ☐ (h) **Describe special rules for determining allocation formula:** _____
- [Note: Any special rules under this subsection (h) must be described in a manner that precludes Employer discretion.]*

6-4 **CONTRIBUTIONS OF ACCRUED SICK, PTO AND/OR VACATION LEAVE.** *[Note: Do not complete this AA §6-4 and instead use AA§6-7(c) if this is an Employer Pick-Up Contribution.]*

☐ (a) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid sick leave, as described below: _____

☐ (b) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid vacation leave, as described below: _____

[Note: The Employer must describe an Employer Contribution of accrued unpaid sick, and/or vacation leave that meets the following requirements:

- *The leave converted under the arrangement can only be accrued unpaid leave;*
- *The leave converted can only be sick and/or vacation leave;*
- *The Employer must designate how often the conversions occur under this AA §6-4;*
- *The eligibility requirements for participation in the plan cannot be such that an Employee becomes a Participant only in the plan year in which the Employee terminates employment;*
- *The only accrued unpaid leave which can be converted under the arrangement must only be leave for which the Employee has no right to request a cash payment;*
- *The leave conversion formula can only be one which involves multiplying an Employee's current daily rate of pay against the amount of accrued unpaid leave being converted; and*
- *The leave conversion formula is definitely determinable.]*

6-5 **SPECIAL RULES.** No special rules apply with respect to Employer/Employee Contributions under the Plan, except to the extent designated under this AA §6-5. Unless designated otherwise, in determining the amount of the Employer/Employee Contributions to be allocated under this AA §6, the contribution will be based on Plan Compensation earned during the Plan Year.

☒ (a) **Period for determining Employer/Employee Contributions.** Instead of the Plan Year, Employer/Employee Contributions will be determined based on Plan Compensation earned during the following period: *[Note: The Plan Year must be used if the permitted disparity allocation method is selected under AA §6-3(c) above.]*

☐ (1) Plan Year quarter

☐ (2) calendar month

☒ (3) payroll period

☐ (4) Other: _____

[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this subsection (a).]

☐ (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:

☐ (1) ____% of Plan Compensation

☐ (2) \$____

☐ (3) A discretionary amount determined by the Employer applied in a uniform manner for all eligible Participants for the Plan Year.

☐ (c) **Offset of Employer Contribution.**

☐ (1) A Participant's allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under _____ *[insert name of plan(s)]*. (See Section 3.02(a)(1) of the Plan.)

☐ (2) In applying the offset under this subsection (c), the following rules apply: _____

☐ (d) **Special rules:** _____

[Note: Any special rules under this subsection (d) must be definitely determinable.]

6-6 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. *[Note: No allocation conditions apply to After-Tax Employee Contributions or Employer Pick-Up Contributions under AA §6-7.]*

- ☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.
- ☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- ☐ (c) **Minimum service condition.** An Employee must be credited with at least:
- ☐ (1) ____ Hours of Service during the Plan Year.
- ☐ (i) Hours of Service are determined using actual Hours of Service.
- ☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under Section 2.03(a)(5) of the Plan):
- ☐ (A) Monthly ☐ (B) Weekly
- ☐ (C) Daily ☐ (D) Semi-monthly
- ☐ (E) Describe: _____

[Note: Any description under this subsection (E) must be definitely determinable.]

- ☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.
- ☐ (d) **Exceptions.**
- ☐ (1) The above allocation condition(s) will **not** apply if the Employee:
- ☐ (i) dies.
- ☐ (ii) terminates employment due to becoming Disabled.
- ☐ (iii) becomes Disabled.
- ☐ (iv) terminates employment after attaining Normal Retirement Age.
- [Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in subsection (e) below.]*
- ☐ (v) terminates employment after attaining Early Retirement Age.
- [Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in subsection (e) below.]*
- ☐ (vi) is on an authorized leave of absence from the Employer.
- ☐ (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).
- ☐ (3) The exceptions selected under subsection (1) above do not apply to:
- ☐ (i) an employment condition under subsection (b) above.
- ☐ (ii) a minimum service condition under subsection (c) above.
- ☐ (e) **Describe** any special rules governing the allocation conditions under the Plan: _____

[Note: Any special rules under this subsection (e) must be definitely determinable.]

6-7 **AFTER-TAX EMPLOYEE CONTRIBUTIONS AND EMPLOYER PICK-UP CONTRIBUTIONS.**

- ☐ (a) **Voluntary After-Tax Employee Contributions.** If permitted under this subsection (a), a Participant may contribute any amount as Voluntary After-Tax Employee Contributions up to the Code §415 Limitation (as defined in Section 5.02 of the Plan), except as limited under this subsection (a).
- ☐ (1) **Limits on Voluntary After-Tax Employee Contributions.** If this subsection (1) is checked, the following limits apply to Voluntary After-Tax Employee Contributions:
- ☐ (i) **Maximum limit.** A Participant may make Voluntary After-Tax Employee Contributions up to:
- ☐ (A) ____% of Plan Compensation
- ☐ (B) \$_____
- for the following period:

- ☐ (C) the entire Plan Year.
- ☐ (D) the portion of the Plan Year during which the Employee is eligible to participate.
- ☐ (E) each separate payroll period during which the Employee is eligible to participate.
- ☐ (ii) **Minimum limit.** The amount of Voluntary After-Tax Employee Contributions a Participant may make for any payroll period may not be less than:
- ☐ (A) _____% of Plan Compensation
- ☐ (B) \$_____
- (2) **Change or revocation of Voluntary After-Tax Employee Contributions.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume an after-tax election will be effective as set forth under the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke an after-tax election at least once per year. Unless the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke an after-tax election (on a prospective basis) at any time. Unless designated otherwise in a Participant's after-tax election form, a Participant's affirmative election to make an After-Tax Employee Contribution will cease upon termination of employment and the Participant will need to make a new election upon rehire.
- ☐ (3) **Other limits or special rules relating to Voluntary After-Tax Employee Contributions:** _____
- [*Note: Any limits described under this subsection (3) must be consistent with the provisions of Section 3.04 of the Plan.*]
- ☐ (b) **Mandatory After-Tax Employee Contributions.** If this subsection (b) is checked, Employees are required to make Mandatory After-Tax Employee Contributions in order to participate under the Plan.
- ☐ (1) **Amount of Mandatory After-Tax Employee Contributions.** Employees are required to contribute the following amount in order to participate in the Plan:
- ☐ (i) _____% of each Employee's Total Compensation.
- ☐ (ii) \$_____ for each Participant.
- ☐ (iii) Describe rate or amount: _____
- ☐ (2) **Special rules applicable to Mandatory After-Tax Employee Contributions:** _____
- ☒ (c) **Employer Pick-Up Contributions.** Each Participant will be required to make a Pick-up Contribution to the Plan equal to the amount specified under this subsection (c). Any amounts contributed pursuant to this subsection (c) will be picked up by the Employer pursuant to Code §414(h) and will be treated as Employer Contributions under the Plan. Such contributions and earnings thereon will be 100% vested at all times. (See Section 3.03 of the Plan.)
- ☒ (1) The following amounts will be contributed to the Plan as an Employer Pick-Up Contribution:
- ☒ (i) 5 _____% of Plan Compensation.
- ☐ (ii) \$_____ per pay period.
- ☐ (iii) Any amount from _____% to _____% of Plan Compensation, as designated by the Employee.
- [*Note: This subsection (iii) may only be selected if the Employee designates the amount as a one-time irrevocable election.*]
- ☐ (2) Elect this subsection (2) if an Employee may make a one-time irrevocable election not to make Employer Pick-Up Contributions under the Plan.
- ☐ (3) Special rules applicable to Employer Pick-Up Contributions: _____
- [*Note: Any Employer Pick-Up Contributions made under this subsection (c) must satisfy the requirements of Section 3.03 of the Plan. See AA §11-4 for an Employee's ability to elect out of making Employer Pick-Up Contributions.*]

SECTION 6A SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

☐ Yes.

☒ No. [If “No” is checked, skip to Section 6B.]

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise under this AA §6A-2, a Participant may defer any amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation (as set forth in Sections 5.02 and 5.03 of the Plan).

☐ (a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:

☐ (1) _____% of Plan Compensation.

☐ (2) \$_____.

[*Note: If both subsection (1) and (2) above are checked, the deferral limit is the lesser of the amounts selected.*]

Any limit described in subsection (1) or (2) above applies with respect to the following period:

☐ (3) Plan Year.

☐ (4) the portion of the Plan Year during which the individual is eligible to participate.

☐ (5) each separate payroll period during which the individual is eligible to participate.

☐ (b) **Limits on deferrals on bonus payments.** [*Note: This §6A-2(b) only may be selected, if bonus payments are not excluded under AA §5-3.*]

☐ (1) The same limits specified in (a)(1) and (a)(2) above apply to bonus and non-bonus Plan Compensation. Employees may defer any amounts out of bonus payments, subject to the Elective Deferral Dollar Limit and the Code §415 Limitation (as defined in Sections 5.02 and 5.03 of the Plan) and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments or may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.02(c)(2) of the Plan.)

☐ (2) A Participant may defer up to _____% (*not to exceed 100%*) of any bonus payment (subject to the Elective Deferral Dollar Limit and the Code §415 Limitation), without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.02(c)(2) of the Plan.)

☐ (3) Describe special rules applicable to deferrals on bonus payments: _____

[*Note: If this subsection (b) is checked, bonus payments may not be excluded from Plan Compensation in the Deferral column under AA §5-3(e).*]

☐ (c) **Describe** any other limits that apply with respect to Salary Deferrals under the Plan: _____

6A-3 **MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

☐ (a) _____% of Plan Compensation for a payroll period.

☐ (b) \$_____ for a payroll period.

☐ (c) Describe: _____

[*Note: If more than one limit applies under this AA §6A-3, the minimum deferral rate is the lesser of the amounts designated under this AA §6A-3.*]

6A-4 **CATCH-UP CONTRIBUTIONS.** Catch-Up Contributions (as defined in Section 3.02(c)(2)(iv) of the Plan) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

☐ Catch-Up Contributions are not permitted under the Plan.

6A-5 **ROTH DEFERRALS.** Roth Deferrals (as defined in Section 3.02(c)(2)(v) of the Plan) are not permitted under the Plan, unless designated otherwise under this AA §6A-5.

☐ (a) **Availability of Roth Deferrals.** Roth Deferrals are permitted under the Plan. [*Note: If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-8(b) below. Roth Deferrals may not be made prior to January 1, 2006.*]

(b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection (b), to the extent a Participant takes a distribution or withdrawal from his/her Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (As described under Section 7.11(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate

Account for corrective distributions from the Plan, such distribution may be withdrawn equally from both the Pre-Tax Salary Deferral Account and the Roth Deferral Account or the Employer may withdraw such amounts first from either the Pre-Tax Salary Deferral Account or the Roth Deferral Account.)

Alternatively, the Employer may designate the order of distributions as listed below:

- ☐ (1) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.
- ☐ (2) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.
- ☐ (3) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

- (c) **In-Plan Roth Conversions.** Unless elected under this AA §6A-5(c), the Plan does not permit a Participant to make an In-Plan Roth Conversion under the Plan. To override this provision to allow Participants to make an In-Plan Roth Conversion, subsection (1) below must be checked.

- ☐ (1) **Effective date.** Effective _____ [not earlier than 1/1/2013], a Participant may elect to convert all or any portion of his/her non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

[Note: The Plan must provide for Roth Deferrals under AA §6A-5(a) above as of the effective date designated in this subsection (1). An election under this subsection (1) does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.]

- (2) **In-Service Distribution.**

- ☐ (i) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. *[Note: If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution sources to Roth Deferrals through an In-Plan Roth Conversion.]*
- ☐ (ii) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 or AA §10 are eligible for In-Plan Roth Conversion.

- (3) **Contribution sources.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution sources under the Plan.

To override this default provision to limit the contributions sources available for In-Plan Roth Conversion, select the applicable contribution sources from which an In-Plan Roth Conversion is available:

- ☐ (i) Pre-tax Salary Deferrals
- ☐ (ii) Employer Contributions
- ☐ (iii) Matching Contributions
- ☐ (iv) After-Tax Contributions
- ☐ (v) Rollover Contributions
- ☐ (vi) Employer Pick-Up Contributions
- ☐ (vii) Describe: _____

[Note: Any contribution sources described in this subsection (vii) must be definitely determinable and not subject to Employer discretion.]

- (4) **Limits applicable to In-Plan Roth Conversions.** No limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection (4).
- ☐ (i) Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
- [Note: If an In-Plan Roth Conversion is permitted from partially-vested sources, special rules apply for determining the vested percentage of such amounts after conversion. See Section 6.09 of the Plan.]*
- ☐ (ii) A Participant may not make an In-Plan Roth Conversion of less than \$____ (may not exceed \$1,000).
- ☐ (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.
- [Note: If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution source that is eligible for conversion under subsection (3) above.]*
- ☐ (iv) Describe: _____
- [Note: Any selection in this subsection (iv) must be definitely determinable and not subject to Employer discretion.]*
- (5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection (5).
- ☐ (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 7.10 of the Plan.
- [Note: If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 7.10 of the Plan. Thus, for example, a Participant may not take an in-service distribution of amounts attributable to Salary Deferrals prior to age 59½.]*
- ☐ (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the Plan and AA §B. However, to the extent a Participant loan is not otherwise allowed and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.
- [Note: If this subsection (ii) is selected and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the Plan.]*
- (6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted at the same time as permitted for Roth Deferrals, as set forth under AA §10-1, unless designated otherwise under this subsection (6).
- ☐ (i) In-service distributions will not be permitted from an In-Plan Roth Conversion Account.
- ☐ (ii) An in-service distribution may be made from the In-Plan Roth Conversion Account at any time.
- ☐ (iii) Describe distribution options: _____
- ☐ (d) **Describe** any special rules that apply to Roth Deferrals under the Plan: _____

6A-6 SALARY DEFERRAL ELECTIONS.

- (a) **Change or revocation of deferral election:** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume a deferral election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke a deferral election at least once per year. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a deferral election (on a prospective basis) at any time.
- (b) **Salary deferral elections of rehired participants:** Unless designated otherwise below, a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment and the Participant will need to make a new election upon rehire.

- ☐ **Participant's affirmative election does not cease upon termination of employment.** If this subsection (b) is selected, a terminated Participant's affirmative election to defer (or to not defer) **will not cease** upon termination of employment and the Participant's affirmative election to defer (or to not defer) in effect at the time of employment termination will apply upon rehire.

[Note: The Employer may modify the rules applicable to rehired employees under the Salary Reduction Agreement or other administrative procedures.]

6A-7 **AUTOMATIC CONTRIBUTION ARRANGEMENT.** No automatic contribution provisions apply under Section 3.02(c)(2)(iii) of the Plan, unless provided otherwise under this AA §6A-7.

- ☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), a Participant will be deemed to have entered into a Salary Deferral Election for each payroll period, unless the Participant completes a Salary Deferral Election (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.

- ☐ (1) **Effective date of Automatic Contribution Arrangement.** The automatic deferral provisions under this AA §6A-7 are effective as of:

- ☐ (i) The Effective Date of this Plan as set forth under the Employer Signature Page.
- ☐ (ii) _____ *[insert date no earlier than the Effective Date of the Plan]*
- ☐ (iii) As set forth under a prior Plan document. *[Note: If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-7 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-7, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.]*

- ☐ (2) **Automatic Contribution Arrangement.** Check this subsection (2) if the Plan is designated as an Automatic Contribution Arrangement, as described under Section 3.02(c)(2)(iii) of the Plan. *[Note: Unless an election is made under this AA §6A-7 that is inconsistent with the requirements of an Eligible Automatic Contribution Arrangement (EACA), the Automatic Contribution Arrangement will qualify as an EACA, as described in Code §414(w).]*

- ☐ (i) **Automatic deferral amount.**

- ☐ (A) ____% of Plan Compensation.
- ☐ (B) \$_____.

- ☐ (ii) **Automatic increase.** If elected under this subsection (ii), the automatic deferral amount will increase each Plan Year by the following amount.

- ☐ (A) ____% of Plan Compensation.
- ☐ (B) \$_____.
- ☐ (C) If this (C) and subsection (3)(iii) below (relating to the expiration of affirmative deferral elections) are both elected, the automatic increase will apply to all Participants, including those Participants whose affirmative deferral elections have expired and no subsequent affirmative election is made.

Any automatic increase elected under this subsection (ii) will not cause the automatic deferral amount to exceed:

- ☐ (D) ____% of Plan Compensation.
- ☐ (E) \$_____.
- ☐ (F) Describe: _____

[Note: Any special application of the automatic increase provisions must be definitely determinable and must provide for Employer discretion.]

- ☐ (3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants and existing Participants as set forth under this subsection (3):

- (i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date.
- (ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:

- ☐ (A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).
- ☐ (B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(i) above. Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount or who have not made a Salary Deferral Election will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.
- ☐ (C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (i) above are subject to the automatic deferral provisions.
- ☐ (D) Describe: _____
- ☐ (iii) **Expiration of affirmative deferral elections.** Unless this subsection (iii) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant's affirmative elective deferral election will not expire. If this subsection (iii) is elected, a Participant's affirmative deferral election will expire:
- ☐ (A) at the end of each Plan Year.
- ☐ (B) Describe date that the affirmative election will expire: _____
- [Note: The date must be definite and not discriminate in favor of Highly Compensated Employees.]*
- If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.
- ☐ (iv) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iv).
- ☐ Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. *[Note: This subsection (iv) may only be checked if Roth Deferrals are permitted under AA §6A-5.]*
- ☐ (v) **Special rules:** _____
- [Note: Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions.]*
- ☐ (4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(ii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.
- ☐ (i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) above takes effect as of the appropriate date within the first Plan Year following the date automatic contributions begin.
- ☐ (ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) above takes effect as of the appropriate date within the ____ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.
- ☐ (iii) **Effective date.** The automatic increase described under subsection (2)(ii) above is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:
- ☐ (A) The anniversary of the Participant's date of hire.
- ☐ (B) The anniversary of the Participant's first automatic deferral contribution.
- ☐ (C) The first day of each calendar year.
- ☐ (D) Other date: _____

- ☐ (iv) **Special rules:** _____
- (5) **Treatment of terminated Employees who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA §6A-7, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee terminated employment).
- ☐ (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA §6A-7, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant's deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.
- ☐ (ii) **Describe special rules applicable to rehired employees:** _____
- [Note: Any special rules under this subsection (ii) must satisfy the rules applicable to automatic enrollment under Treas. Reg. §1.401(k)-1, if applicable.]*
- (b) **Permissible Withdrawals under Automatic Contribution Arrangement.**
- ☐ (1) **Permissible withdrawals allowed.** An Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under this AA §6A-7 may elect to withdraw such contributions (and earnings attributable thereto) within 90 days after the date such Salary Deferrals would otherwise have been included in gross income, unless designated otherwise under subsection (3) below. Unless elected otherwise below, if an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Employee to take a permissible withdrawal, but only with respect to default contributions made after the Employee's return to employment.).
- ☐ The ability to take permissible withdrawals does not apply to rehired Employees, even if such Employees have not made automatic deferrals to the Plan for an entire Plan Year due to termination of employment.
- ☐ (2) **No permissible withdrawals.** The permissible withdrawal provisions under this subsection (b) are not available.
- ☐ (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than _____ days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.
- ☐ (c) **Other automatic deferral provisions:** _____

6A-8 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-8, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.02(c)(2)(i) of the Plan.)

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-8.

- ☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:
- ☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
- ☐ (2) _____ (insert date no earlier than the date the Plan is executed by the Employer).
- ☐ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of _____. *[If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-8, unless a later date is designated under this subsection.]*

SECTION 6B MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

- ☐ **Yes.**
- ☒ **No.** *[If "No" is checked, skip to Section 7.]*

6B-2 **MATCHING CONTRIBUTION FORMULA:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-6 below. [See AA §6B-3 for the definition of Eligible Contributions for purposes of the Matching Contributions under the Plan.]

- ☐ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount will be allocated as a uniform percentage of Eligible Contributions, unless designated otherwise below. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)

☐ (1) Discretionary matching contributions will be allocated as a flat dollar amount.

- ☐ (2) Allocation of discretionary Matching Contribution determined by written instructions to Plan Administrator (or Trustee). If a discretionary Matching Contribution formula applies (i.e., a formula that provides an Employer with discretion regarding how to allocate a Matching Contribution to Participants) and the Employer makes a discretionary Matching Contribution to the Plan, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing: (1) how the discretionary Matching Contribution formula will be allocated to Participants (e.g., a uniform percentage of Eligible Contributions or a flat dollar amount), (2) the computation period(s) to which the discretionary Matching Contribution formula applies (unless otherwise designated under AA §6B-5), and (3) if applicable, a description of each business location or business classification subject to separate discretionary Matching Contribution allocation formulas.

Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Participants who receive discretionary Matching Contributions no later than 60 days following the last date on which the discretionary Matching Contribution is made to the Plan for the Plan Year. If this AA §6B-2(a)(2) is elected, the written instruction requirement does not take effect until the first day of the Plan Year following the Plan Year in which this Plan's Cycle 3 restatement is executed.

- ☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ____ % of Eligible Contributions made for each period designated in AA §6B-5 below.

☐ (2) \$ ____ for each period designated in AA §6B-5 below.

- ☐ (c) **Matching Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make a Matching Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: _____

[**Note:** Insert the appropriate Matching Contribution formula from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]

- ☐ (d) **Tiered match.** The Employer may make a Matching Contribution to all Participants based on the following tiers of Eligible Contributions as a percentage of Plan Compensation. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each tier.

Eligible Contributions	Fixed Match	Discretionary Match
<input type="checkbox"/> (1) Up to ____ % of Plan Compensation	_____ %	<input type="checkbox"/>
<input type="checkbox"/> (2) From ____ % up to ____ % of Plan Compensation	_____ %	<input type="checkbox"/>
<input type="checkbox"/> (3) From ____ % up to ____ % of Plan Compensation	_____ %	<input type="checkbox"/>
<input type="checkbox"/> (4) From ____ % up to ____ % of Plan Compensation	_____ %	<input type="checkbox"/>

- ☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Eligible Contributions to all Participants based on Years of Service with the Employer. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Year of Service level.

Years of Service	Fixed Match	Discretionary Match
<input type="checkbox"/> (1) From ____ up to ____ Years of Service	_____ %	<input type="checkbox"/>
<input type="checkbox"/> (2) From ____ up to ____ Years of Service	_____ %	<input type="checkbox"/>

Years of Service	Fixed Match	Discretionary Match
------------------	-------------	---------------------

☐ (3) From ____ up to ____ Years of Service _____%

☐ (4) From ____ up to ____ Years of Service _____%

☐ (5) Years of Service equal to and above _____%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: _____

[Note: Any alternative definition of a Year of Service must meet the requirements of a Year of Service as defined in Section 2.03(a)(1) of the Plan.]

- ☐ (f) **Different Employee groups.** The Employer may make a different Matching Contribution to the Employee groups designated under subsection (1) below. The Matching Contribution will be allocated separately to each designated Employee group in accordance with the formula designated under subsection (2) below.

(1) **Designated Employee groups.**

[Note: Each group designation must describe a group of Employees which is definitely determinable with no Employer discretion.]

(2) **Matching Contribution formulas.**

- ☐ (i) **Discretionary Matching Contribution.** The Employer may make a different discretionary Matching Contribution for each Employee group designated under subsection (1) above. The discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Employee group. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)

- ☐ (ii) **Different Matching Contribution formula.** The following Matching Contribution will apply for each Employee group designated under subsection (1) above.

[Note: Each separate rate of Matching Contribution must be definitely determinable and will be allocated uniformly to the members of the group.]

- ☐ (g) **Describe special rules for determining Matching Contribution formula:** _____

[Note: Any special rules may not provide for a discretionary Matching Contribution allocation formula, must be described in a manner that precludes Employer discretion and must satisfy the definitely determinable requirements of Treas. Reg. §1.401-1.]

6B-3 ELIGIBLE CONTRIBUTIONS. Unless designated otherwise under this AA §6B-3, the Matching Contribution described in AA §6B-2 will apply to all Eligible Contributions authorized under AA §6-7 and/or AA §6A.

- ☐ (a) **Designated Eligible Contributions.** If this subsection (a) is checked, the Matching Contribution described in AA §6B-2 will apply only to the Eligible Contributions selected below:

- ☐ (1) Pre-tax Salary Deferrals under AA §6A.
- ☐ (2) Roth Deferrals under AA §6A-5.
- ☐ (3) Catch-Up Contributions under AA §6A-4.
- ☐ (4) Voluntary After-Tax Employee Contributions under AA §6-7(a).
- ☐ (5) Mandatory After-Tax Employee Contributions under AA §6-7(b).
- ☐ (6) Employer Pick-Up Contributions under AA §6-7(c).

- ☐ (b) **Elective deferrals under another plan.** If this subsection (b) is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.

- ☐ (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: _____
- ☐ (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1) above: _____

[Note: This subsection (b) may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another qualified plan or Code §403(b) or Code §457(b) plan.]

- (c) **Calculation of Matching Contributions if Plan uses dual eligibility and/or multiple entry dates.** Unless designated otherwise below, if the Plan has dual eligibility and/or multiple entry dates (or the Employer chooses to use the Plan's optional true-up provisions), the Matching Contribution formula(s) will be based on Eligible Contributions and Plan Compensation for the period designated under AA §6B-5.

☐ The Plan will make Matching Contributions only on Salary Deferrals and After-Tax Employee Contributions (if applicable) made after the Participant becomes eligible for Matching Contributions, regardless of the period designated under AA §6B-5.

- ☐ (d) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: _____

[Note: Any special rules under this subsection (d) must be definitely determinable.]

- 6B-4 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, all Eligible Contributions designated under AA §6B-3 are eligible for Matching Contributions, unless elected otherwise under this AA §6B-4.

- ☐ (a) **Limit on amount of Eligible Contributions.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Eligible Contributions under AA §6B-3 that do not exceed:

☐ (1) _____% of Plan Compensation.

☐ (2) \$_____.

☐ (3) A discretionary amount determined by the Employer that will be applied in a uniform manner for all eligible Participants for the Plan Year.

[Note: If both subsections (1) and (2) above are selected, the limit under this subsection (a) is the lesser of the percentage selected in subsection (1) or the dollar amount selected in subsection (2).]

- ☐ (b) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:

☐ (1) _____% of Plan Compensation.

☐ (2) \$_____.

- ☐ (c) **Special limits applicable to Matching Contributions:** _____

- 6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Eligible Contributions under AA §6B-3 and Plan Compensation for the Plan Year. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-4, complete this AA §6B-5.

☐ (a) payroll period

☐ (b) Plan Year quarter

☐ (c) calendar month

☐ (d) Other: _____

[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this AA §6B-5.]

[Note: In determining the amount of Matching Contributions for a particular period, if the Employer actually makes Matching Contributions to the Plan on a more frequent basis than the period selected in this AA §6B-5, a Participant will be entitled to a true-up contribution to the extent he/she does not receive a Matching Contribution based on the Eligible Contributions and/or Plan Compensation for the entire period selected in this AA §6B-5. If a period other than the Plan Year is selected under this AA §6B-5, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Plan Year was selected under this AA §6B-5. See Section 3.02(c)(3)(iii) of the Plan.]

- 6B-6 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6B-6 to receive an allocation of Matching Contributions under the Plan.

- ☐ (a) **Application of allocation conditions.**

- ☐ (1) **No allocation conditions** apply with respect to Matching Contributions under the Plan.
- ☐ (2) Allocation conditions only apply to discretionary Matching Contributions under the Plan.
- ☐ (3) Allocation conditions only apply to fixed Matching Contributions under the Plan.
- [Note: (2) or (3) above should be selected only if the Plan provides for both Fixed and Discretionary Matching Contributions.]*
- ☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- ☐ (c) **Minimum service condition.** An Employee must be credited with at least:
- ☐ (1) ____ Hours of Service during the Plan Year.
- ☐ (i) Hours of Service are determined using actual Hours of Service.
- ☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):
- | | |
|--|---|
| <input type="checkbox"/> (A) Monthly | <input type="checkbox"/> (B) Weekly |
| <input type="checkbox"/> (C) Daily | <input type="checkbox"/> (D) Semi-monthly |
| <input type="checkbox"/> (E) Describe: _____ | |
- [Note: Any description under subsection (E) above must be definitely determinable.]*
- ☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.
- ☐ (d) **Exceptions.**
- ☐ (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:
- ☐ (i) dies.
- ☐ (ii) terminates employment due to becoming Disabled.
- ☐ (iii) becomes Disabled.
- ☐ (iv) terminates employment after attaining Normal Retirement Age.
- [Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in (e) below.]*
- ☐ (v) terminates employment after attaining Early Retirement Age.
- [Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule in (e) below.]*
- ☐ (vi) is on an authorized leave of absence from the Employer.
- ☐ (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).
- ☐ (3) The exceptions selected under subsection (1) above do not apply to:
- ☐ (i) an employment condition designated under subsection (b) above.
- ☐ (ii) a minimum service condition designated under subsection (c) above.
- ☐ (e) **Describe** any special rules governing the allocation conditions under the Plan: _____

SECTION 7 RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE.** Normal Retirement Age under the Plan is:

- ☒ (a) Age 65 (not to exceed 65).
- ☐ (b) The later of age ____ (not to exceed 65) or the ____ (not to exceed 5th) anniversary of:
- ☐ (1) the Employee's participation commencement date (as defined in Section 1.68 of the Plan).
- ☐ (2) the Employee's employment commencement date.
- ☐ (c) Describe Normal Retirement Age: _____

[Note: The Normal Retirement Age must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. A Normal Retirement Age of at least age 62 is deemed to be reasonable while a Normal Retirement Age under age 55 is presumed not to satisfy this requirement unless facts and circumstances show otherwise. Whether a Normal Retirement Age between 55 and 62 satisfies this requirement depends on the facts and circumstances. A Governmental Plan must comply with the final Normal Retirement Age regulations under Treas. Reg. §1.401(a)-1, as amended, effective for Annuity Starting Dates occurring in Plan Years beginning on or after the later of the two dates described in IRS Notice 2012-29. The Employer may use AA §7-1(c), for example, to describe a reasonable Normal Retirement Age that is between age 55 and 62 that takes into account service as well as age.]

7-2 **EARLY RETIREMENT AGE.** Unless designated otherwise under this AA §7-2, there is no Early Retirement Age under the Plan.

- ☒ (a) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
- ☒ (1) Attainment of age 55
- ☐ (2) The ____ anniversary of the date the Employee commenced participation in the Plan, and/or
- ☐ (3) The completion of ____ Years of Service, determined as follows:
- ☐ (i) Same as for eligibility.
- ☐ (ii) Same as for vesting
- ☐ (b) Describe. _____

SECTION 8 VESTING AND FORFEITURES

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for any Employer and/or Matching Contributions that are subject to a vesting schedule under AA §8-2?

- ☐ Yes
- ☒ No [If "No" is checked, skip to Section 9.]

[Note: "Yes" should be checked under this AA §8-1 if the Plan provides for Employer Contributions and/or Matching Contributions that are subject to a vesting schedule, even if such contributions are always 100% vested under AA §8-2. "No" should be checked if the only contributions under the Plan are Salary Deferrals, After-Tax Employee Contributions and/or Employer Pick-Up Contributions. If the Plan holds Employer Contributions and/or Matching Contributions that are subject to vesting but the Plan no longer provides for such contributions, see Sections 6.03(d) and 6.11(e) of the Plan for default rules for applying the vesting and forfeiture rules to such contributions.]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under the Plan. See Section 6.02 of the Plan for a description of the various vesting schedules under this AA §8-2.

- ☐ (a) **Vesting schedule for Employer Contributions and Matching Contributions:**

ER	Match	
<input type="checkbox"/>	<input type="checkbox"/>	(1) Full and immediate vesting.
<input type="checkbox"/>	<input type="checkbox"/>	(2) Three-year cliff vesting schedule
<input type="checkbox"/>	<input type="checkbox"/>	(3) Six-year graded vesting schedule

ER Match☐☐

(4) Modified vesting schedule

____ % immediately on Plan participation

____ % after 1 Year of Service

____ % after 2 Years of Service

____ % after 3 Years of Service

____ % after 4 Years of Service

____ % after 5 Years of Service

____ % after 6 Years of Service

____ % after 7 Years of Service

____ % after 8 Years of Service

____ % after 9 Years of Service

100% after 10 Years of Service

☐☐

(5) Other: vesting schedule: _____

[Note: If a modified vesting schedule is selected under this subsection (a), the vested schedule must satisfy the pre-ERISA Code vesting requirements.]☐ (b) **Special provisions applicable to vesting schedule:** _____*[Note: This subsection (b) may be used to apply a different vesting schedule for different contribution formulas or different Employee groups under the Plan. Any special provision must satisfy the pre-ERISA Code vesting requirements.]*

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, all service with the Employer counts for vesting purposes, unless designated otherwise under this AA §8-3.

☐ (a) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.☐ (b) Service completed before the Employee's ____ birthday is excluded.☐ (c) Describe vesting service exclusions: _____*[Note: See Section 6.07 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]*

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

☐ (a) dies☐ (b) terminates employment due to becoming Disabled☐ (c) becomes Disabled☐ (d) reaches Early Retirement Age☐ (e) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. *[Note: No election should be made under this AA §8-5 if all contributions are 100% vested.]*

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.57 of the Plan for the definition of Hour of Service.)

- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

- | ER | Match | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during a Vesting Computation Period. |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) Vesting Computation Period. Instead of the Plan Year, the Vesting Computation Period is: <ul style="list-style-type: none"> <input type="checkbox"/> (1) The 12-month period beginning with the Employee's Employment Commencement Date and, for subsequent Vesting Computation Periods, the 12-month period beginning with the anniversary of the Employee's Employment Commencement Date. <input type="checkbox"/> (2) Describe: _____ <p><i>[Note: Any Vesting Computation Period described in this subsection (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]</i></p> |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) Elapsed Time Method. Instead of determining vesting service based on actual Hours of Service, vesting service will be determined under the Elapsed Time Method. If this subsection (c) is checked, service will be measured from the Employee's Employment Commencement Date (or Reemployment Commencement Date, if applicable) without regard to the Vesting Computation Period designated in Section 6.05 of the Plan. (See Section 6.04(b) of the Plan.) |
| <input type="checkbox"/> | <input type="checkbox"/> | (d) Equivalency Method. For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 6.04(a)(2) of the Plan). The Equivalency Method will apply to: <ul style="list-style-type: none"> <input type="checkbox"/> (1) All Employees. <input type="checkbox"/> (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked. <p>Hours of Service for vesting will be determined under the following Equivalency Method.</p> <ul style="list-style-type: none"> <input type="checkbox"/> (3) Monthly. 190 Hours of Service for each month worked. <input type="checkbox"/> (4) Weekly. 45 Hours of Service for each week worked. <input type="checkbox"/> (5) Daily. 10 Hours of Service for each day worked. <input type="checkbox"/> (6) Semi-monthly. 95 Hours of Service for each semi-monthly period. <input type="checkbox"/> (7) Describe Equivalency Method: _____ <p><i>[Note: Any description of an Equivalency Method must be definitely determinable.]</i></p> |
| <input type="checkbox"/> | <input type="checkbox"/> | (e) Special rules: _____
<i>[Note: Any special rules under this subsection (e) must be definitely determinable.]</i> |

8-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for vesting purposes, complete this AA §8-6. (See Section 6.08 of the Plan.)

- ☐ (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining vesting under the Plan.
- ☐ (b) If an Employee incurs at least _____ consecutive Breaks in Service, the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of determining vesting under the Plan. *[Enter "0" if prior service will be disregarded for all rehired Employees.]*
- ☐ (c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- ☐ (d) Describe any special rules for applying the vesting Break in Service rules: _____
[Note: Any special rules under this subsection (d) must be definitely determinable.]

8-7 **ALLOCATION OF FORFEITURES.**

The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-7 how forfeitures occurring during a Plan Year will be treated. (See Section 6.11 of the Plan.)

ER Match

- ☐ ☐ (a) N/A. All contributions are 100% vested. *[Do not complete the rest of this AA §8-7.]*
- ☐ ☐ (b) Reallocated as additional Employer Contributions or as additional Matching Contributions.
- ☐ ☐ (c) Used to reduce Employer and/or Matching Contributions.

For purposes of subsection (b) or (c) above, forfeitures will be applied:

- ☐ ☐ (d) for the Plan Year in which the forfeiture occurs.
- ☐ ☐ (e) for the Plan Year following the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under subsection (b) or (c):

- ☐ ☐ (f) Forfeitures may be used to pay Plan expenses. (See Section 6.11(d) of the Plan.)
- ☐ ☐ (g) Forfeitures may not be used to pay Plan expenses.

In determining the amount of forfeitures to be allocated under subsection (b) above, the same allocation conditions apply as for the source for which the forfeiture is being allocated, unless designated otherwise below.

- ☐ ☐ (h) Forfeitures are not subject to any allocation conditions.
- ☐ ☐ (i) Forfeitures are subject to a last day of employment allocation condition.
- ☐ ☐ (j) Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-7, the following special rules apply:

- ☐ ☐ (k) Describe: _____

8-8 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.

- (a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 6.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-8(a).

- ☐ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 6.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-8(b).

- ☐ A forfeiture will occur upon the completion of ____ consecutive Breaks in Service (as defined in Section 6.08 of the Plan).

- (c) **Repayment of Cash-Out Distribution.** Unless elected otherwise under this AA §8-8(c), if a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution.

- ☐ If a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may NOT repay to the Plan the amount received as a Cash-Out Distribution and the provisions of Section 6.10(a)(2) do not apply.

8-9 SPECIAL RULE FOR FORFEITURE UPON DEATH OF A PARTICIPANT. Unless elected below, no vested benefits are forfeited upon the death of a Participant.

To modify this default forfeiture rule, check to box below.

- ☐ The Plan will forfeit benefits (including vested benefits) upon the death of a Participant, if not precluded by law. In no event may the Plan forfeit any amounts attributable to a Participant's Salary Deferrals or After-Tax Employee Contributions under the Plan or if the Plan has commenced distributions prior to the Participant's death.

SECTION 9

DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 AVAILABLE FORMS OF DISTRIBUTION.

Lump sum distribution. A Participant may take a distribution of his/her entire vested Account Balance in a single lump sum upon termination of employment. In addition, the Plan Administrator may permit a Participant to take partial distributions or installment distributions solely to the extent necessary to satisfy the required minimum distribution rules under Section 8 of the Plan.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1.

- ☐ (a) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).
- ☐ (b) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.
 - ☐ Minimum distribution amount. A Participant may not take a partial lump sum distribution of less than \$_____.
- ☐ (c) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 7.01 of the Plan.
- ☐ (d) **Describe distribution options:** _____

[Note: Any distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 PARTICIPANT AND SPOUSAL CONSENT.

- ☒ (a) **Involuntary Cash-Out Distribution.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, unless elected otherwise under this AA §9-2. If a Participant's vested Account Balance exceeds \$5,000, the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-2. See Section 7.03 of the Plan for additional rules regarding the Participant consent requirements under the Plan.
 - ☐ (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.02(b) of the Plan for special rules upon Plan termination.)
 - ☐ (2) **Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to \$_____.
 - ☒ (3) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 7.05 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000, unless elected otherwise under this subsection (3). If this subsection (3) is checked, the Automatic Rollover provisions apply to all Involuntary Cash-Out Distributions (including those below \$1,000).
 - ☐ (4) **Distribution upon attainment of stated age.** Participant consent will not be required with respect to distributions made upon attainment of Normal Retirement Age (or age 62, if later), regardless of the value of the Participant's vested Account Balance.
 - ☒ (5) **Treatment of Rollover Contributions.** Unless elected otherwise under this subsection (5), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and the Automatic Rollover provisions under Section 7.05 of the Plan. To include Rollover Contributions in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, check this subsection (5).
- ☐ (b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate beneficiary, unless designated otherwise under this subsection (b). See Section 9.02 of the Plan for rules regarding Spousal consent under the Plan.
 - ☐ (1) **Distribution consent.** A Participant's Spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds \$_____.
 - ☐ (2) **Beneficiary consent.** A Participant's Spouse must consent to naming someone other than the Spouse as beneficiary under the Plan.
- ☐ (c) **Describe** any special rules affecting Participant or Spousal consent: _____

[*Note: Any special rules under this subsection (c) must be definitely determinable.*]

9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:

- ☒ (1) the date the Participant terminates employment.
☐ (2) the last day of the Plan Year during which the Participant terminates employment.
☐ (3) the first Valuation Date following the Participant's termination of employment.
☐ (4) the end of the calendar quarter following the date the Participant terminates employment.
☐ (5) attainment of Normal Retirement Age, death or becoming Disabled.
☐ (6) Describe: _____

[*Note: Any special rules under this subsection (6) must be definitely determinable.*]

- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 will receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:

- ☒ (1) the date the Participant terminates employment.
☐ (2) the last day of the Plan Year during which the Participant terminates employment.
☐ (3) the first Valuation Date following the Participant's termination of employment.
☐ (4) the end of the calendar quarter following the date the Participant terminates employment.
☐ (5) Describe: _____

[*Note: Any special rules under this subsection (5) must be definitely determinable.*]

- ☐ (c) **Alternate Cash-Out distribution threshold.** Instead of a vested Account Balance Cash-Out threshold of \$5,000, for purposes of applying the Cash-Out distribution provisions under this AA §9-3, the threshold for distributions upon termination of employment will be based on a vested Account Balance of \$_____.

- ☐ (d) **Describe additional distribution options:** _____

[*Note: Any additional distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.*]

9-4 DISTRIBUTION UPON DISABILITY. Unless designated otherwise under this AA §9-4, a Participant who terminates employment on account of becoming Disabled may receive a distribution of his/her vested Account Balance in the same manner as a regular distribution upon termination.

- ☐ (a) **Immediate distribution upon termination of employment.** Distribution will be made as soon as reasonable following the date the Participant terminates employment on account of becoming Disabled.
☐ (b) **Following year distribution upon termination of employment.** Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates employment on account of becoming Disabled.
☐ (c) **Describe:** _____

[*Note: Any distribution event described in this subsection (c) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.*]

9-5 DETERMINATION OF BENEFICIARY.

- (a) **Default beneficiaries.** Under Section 7.07(c) of the Plan, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) and is not designated under the terms of the Investment Arrangement(s) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.

- ☐ If this subsection (a) is checked, the default beneficiaries under Section 7.07(c) of the Plan are modified as follows:

- ☐ (1) The Plan adopts the default beneficiary rules under Section 7.07(c) of the Plan, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.
- ☐ (2) Describe other modifications to the default beneficiaries under Section 7.07(c) of the Plan: _____
- [Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.]*
- (b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving Spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).
- ☐ If this subsection (b) is checked, in order to be considered the surviving Spouse, the Participant and surviving Spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving Spouse are not married for at least one year as of the date of the Participant's death, the Spouse will not be treated as the surviving Spouse for purposes of applying the distribution provisions of the Plan. (See Section 9.03 of the Plan.)
- (c) **Divorce of Spouse.** Unless elected otherwise under this subsection (c), if a Participant designates his/her Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 7.07(c)(6) of the Plan.
- ☐ If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and Spouse.
- [Note: Section 7.07(c)(6) of the Plan and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 7.07(c)(6) of the Plan.]*

SECTION 10

IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

- 10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this AA §10-1. If more than one option is selected for a particular contribution source under this AA §10-1, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this AA §10-1.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age _____. (Not greater than age 70 1/2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship that satisfies the safe harbor rules under Section 7.10(e)(1) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 7.10(e)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(h) The Participant has participated in the Plan for at least ____ (cannot be less than 60) months.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(i) The amounts being withdrawn have been held in the Trust for at least two years.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Upon a Participant becoming Disabled (as defined in AA §9-4(b)).
<input type="checkbox"/>	N/A	N/A	(k) As a Qualified Reservist Distribution.
<input type="checkbox"/>	N/A	N/A	(l) Upon a deemed separation of employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services.

Deferral **Match** **ER**

☐ ☐ ☐ (m) Describe: _____

[Note: No in-service distribution of Salary Deferrals is permitted prior to age 59½, except for Hardship, or Disability. If Normal Retirement Age or Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for purposes of determining eligibility to distribute Salary Deferrals (if subsection (f) or (g) above is checked under the Deferral column). If this Plan has accepted a transfer of assets from a pension plan (e.g., a money purchase plan), no in-service distribution from amounts attributable to such transferred assets is permitted prior to age 62, except for Disability.]

- 10-2 **APPLICATION TO OTHER CONTRIBUTION SOURCES.** If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6-7, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from his/her Rollover Account and After-Tax Employee Contribution Account at any time. Employer Pick-Up Contributions will not be eligible for in-service distribution.

Alternatively, if this AA §10-2 is completed, the following in-service distribution provisions apply for Rollover Contributions, After-Tax Employee Contributions and/or Employer Pick-Up Contributions:

Rollover	After-Tax	Pick-Up	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age _____. (Not greater than age 70 1/2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship (that satisfies the safe harbor rules under Section 7.10(e)(1) of the Plan).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 7.10(e)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Upon a Participant becoming Disabled (as defined in AA §9-4(b)).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Describe: _____

- 10-3 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-3.

- ☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the source from which the withdrawal is taken.
- ☐ (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.
- ☐ (c) A Participant may not take an in-service distribution of less than \$____.
- ☐ (d) A Participant may not take an in-service distribution of more than \$____.
- ☐ (e) Unless elected otherwise under this subsection (e), the hardship distribution provisions of the Plan are not expanded to cover primary beneficiaries as set forth in Section 7.10(e)(5) of the Plan. If this subsection (e) is checked, the hardship provisions of the Plan will apply with respect to individuals named as primary beneficiaries under the Plan.
- ☐ (f) In determining whether a Participant has an immediate and heavy financial need for purposes of applying the non-safe harbor Hardship provisions under Section 7.10(e)(2) of the Plan, the following modifications are made to the permissible events listed under Section 7.10(e)(1) of the Plan: _____
- [Note: This subsection (f) may only be used to the extent a non-safe harbor Hardship distribution is authorized under AA §10-1 or AA §10-2.]*
- ☒ (g) If the Plan includes Accounts that hold inactive sources of contributions, the Employer may designate under this AA §10-3(g) the in-service distribution options available to such Accounts: A Participant may withdraw all or any portion of his/her vested Account Balance attributable to Matching Contributions, which were previously known as Employer Contributions, made to this Plan prior to 1-1-2015 upon attainment of age 59 1/2.
- ☐ (h) Other distribution rules: _____

- 10-4 **REQUIRED MINIMUM DISTRIBUTIONS.**

- (a) **Required distributions after death.** If a Participant dies before distributions begin and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule (as described in

Section 8.06(a) of the Plan) or the life expectancy method described under Sections 8.02 of the Plan applies. See Section 8.06(b) of the Plan for rules regarding the timing of an election authorized under this AA §10-4.

Alternatively, if selected under this subsection (a), any death distributions to a Designated Beneficiary will be made only under either the 5-year rule or the life expectancy method, as elected below:

- ☐ (1) The five-year rule under Section 8.06(a) of the Plan applies (instead of the life expectancy method). Thus, the entire death benefit must be distributed by the end of the fifth year following the year of the Participant's death. Death distributions to a Designated Beneficiary may not be made under the life expectancy method.
- ☐ (2) The life expectancy method under Sections 8.02 and 8.04 of the Plan (and not the 5-year rule).
- ☐ (b) **Describe any special rules applicable to required minimum distributions:** _____

[Note: Any special rule under this subsection (b) must satisfy the requirements of Code §401(a)(9). This subsection (b) may be used to override the default provision under Section 8.06(b) of the Plan. For example, the Employer may designate the life expectancy rules as the default rather than the five-year rule when a Participant or Beneficiary fails to make an election.]

SECTION 11 MISCELLANEOUS PROVISIONS

11-1 PLAN VALUATION. The Plan is valued **annually**, as of the last day of the Plan Year.

- ☒ (a) **Additional valuation dates.** In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(1) Daily. The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) Monthly. The Plan is valued at the end of each month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) Quarterly. The Plan is valued at the end of each Plan Year quarter.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) Describe: _____

[Note: The Employer may elect operationally to perform interim valuations, regardless of any selection in this subsection (a).]

- ☒ (b) **Special rules.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: Matching Contributions, which were previously known as Employer Contributions, made for Plan Years prior to 1-1-2015 shall be valued at the end of each business day during which the New York Stock Exchange is open.

11-2 SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION. The provisions under Section 5.02 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-2 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.02 of the Plan.

- ☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending _____.
[Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.]
- ☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Participant who terminates employment on account of becoming disabled. (See Section 5.02(c)(7)(ii) of the Plan.)
- ☐ (c) **Special rules:** _____

[Note: Any special rules under this subsection (c) must be consistent with the requirements of Code §415.]

11-3 MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS. The benefit accrual provisions under Section 15.04 of the Plan do not apply. To apply the benefit accrual provisions under Section 15.04 of the Plan, check the box below.

- ☐ (a) **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.04 of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

- (b) **Deemed separation from service.** Unless otherwise elected under AA§10-1(I), an individual shall not be treated as having been severed from employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §401(k)(2)(B)(i)(I).

- 11-4 **ELECTION NOT TO PARTICIPATE (see Section 2.08 of the Plan).** All Participants share in any allocation under this Plan and no Employee may waive out of Plan participation.

To allow Employees to make a one-time irrevocable waiver, check below.

- ☐ An Employee may make a one-time irrevocable election not to participate under the Plan.

- 11-5 **TREATMENT OF CERTAIN BENEFITS.** The protected benefits rules under Code §411(d)(6)) do not apply to the Plan. However, the Employer may describe below (or in a separate addendum attached to this Adoption Agreement) the treatment of certain benefits following events such as plan merger or consolidation, transfer of assets or similar events.

Describe treatment of benefits: _____

[Note: If the benefit described here in the Plan or a plan being merged into the Plan is not either (i) available as a provision through the Pre-Approved Plan or (ii) the subject of a prior determination, advisory, or opinion letter, the Employer cannot rely on the Pre-Approved Plan Provider's opinion letter for qualification with respect to such benefit. If the benefit described here in the Plan or a plan being merged into the Plan is not permitted in a pre-approved plan, as described in Section 6.03 of Revenue Procedure 2017-41, such provision must be discontinued no later than the date the Employer adopts this Pre-Approved Plan or, in the case of a merger, the merger date.]

- 11-6 **SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.07 of the Plan apply.

- ☐ The following special rules apply with respect to Multiple Employer Plans: _____

[Note: Any special rules under this AA §11-6 must satisfy the nondiscrimination requirements under Code §401(a)(4) and must satisfy the rules applicable to Multiple Employer Plans under Code §413(c).]

APPENDIX A
SPECIAL EFFECTIVE DATES

[Note: This Appendix A may be used to memorialize prior Plan provisions that pertain to sources that no longer accept new contributions under the Plan.]

- ☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

- ☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

- ☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

- ☐ A-4 **Employer Contributions.** The Employer Contribution provisions under the Plan are effective as follows:

- ☐ A-5 **After-Tax Employee and Pick-Up Contributions.** The provisions of the Plan addressing Employee After-Tax Contributions and Pick-Up Contribution provisions under the Plan are effective as follows:

- ☐ A-6 **Salary Deferrals.** The Salary Deferral provisions under AA §6A are effective as follows:

- ☐ A-7 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

- ☐ A-8 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

- ☒ A-9 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:
Matching Contributions, which were previously known as Employer Contributions, made for Plan Years prior to 1-1-2015 shall be 100% vested.

- ☐ A-10 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

- ☐ A-11 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:

- ☐ A-12 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

- ☐ A-13 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, as follows:

- ☐ A-14 **Other special effective dates:**

- ☐ A-15 **Special effective dates for restated pre-approved plans:** Use this A-15 to memorialize plan operational changes that have occurred after the general effective date of the plan and the actual plan restatement adoption date. Adopting employers may use the above Special Effective Date options (A-1 through A-14) to memorialize these changes or they may use this A-15.
-

APPENDIX B LOAN POLICY

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to this Appendix B, or any modifications to a separate loan policy describing the loan provisions selected under the Plan, will not affect an Employer's reliance on the IRS Favorable Letter. Loans are subject to any internal limitations or rules imposed by the Investment Arrangement or the service provider or platform.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- ☐ (a) Yes
☒ (b) No

B-2 **LOAN PROCEDURES.**

- ☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.
☐ (b) Loans will be provided under a separate written loan policy. [**Note:** If this subsection (b) is checked, do not complete the rest of this Appendix B.]

B-3 **AVAILABILITY OF LOANS.** Participant loans are available to all active Participants and Beneficiaries. Participant loans are not available to a former Employee or Beneficiary (including an Alternate Payee under a QDRO). To override this default provision, complete this AA §B-3:

- ☐ (a) A former Employee or Beneficiary (including an Alternate Payee) who has a vested Account Balance may request a loan from the Plan.
☐ (b) A "limited participant" as defined in Section 3.05 of the Plan may not request a loan from the Plan.
☐ (c) An officer or director of the Employer, as defined for purposes of the Sarbanes-Oxley Act, may **not** request a loan from the Plan.
☐ (d) Describe limitations on receiving loans under the Plan: _____
[**Note:** Any limitation under subsection (d) must be definitely determinable and not provide any Employer discretion.]

B-4 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

- ☐ A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance.
[**Note:** If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]

B-5 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete subsection (a) or (b) below.

- ☐ (a) A Participant may have ____ loans outstanding at any time.
☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

- ☐ (a) There is no minimum loan amount.
☐ (b) The minimum loan amount is \$_____.
☐ (c) The maximum loan amount is \$_____.

B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

- ☐ (a) The prime interest rate plus ____ percentage point(s).
☐ (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.
☐ (c) Describe: _____

[*Note: Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.*]

- B-8 PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-8.
- ☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 7.10(e)(1)(i) of the Plan.
- ☐ (b) A Participant may only receive a Participant loan under the following circumstances: _____
- B-9 APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.
- ☐ The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.
- B-10 CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.
- ☐ The cure period for determining when a Participant loan is treated as in default will be _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.
- ☐ (b) The cure period for determining when a Participant loan is treated as in default will be the greater of _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed or the last day of the second calendar quarter following the calendar quarter in which the missed payment was due.
- ☐ (c) The cure period for determining when a loan is treated as in default will be _____ days (cannot exceed 90) following the first missed loan payment.
- B-11 PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years. To override this default provision, complete this AA §B-11.
- ☐ (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.
- ☐ (b) The loan repayment period for the purchase of a principal residence may not exceed _____ years (may not exceed 30).
- ☐ (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans.
- B-12 TERMINATION OF EMPLOYMENT.** Section 13.10(a) of the Plan provides that a Participant loan becomes due and payable in full upon the Participant's termination of employment. To override this default provision, complete this AA §B-12.
- ☐ A Participant loan will not become due and payable in full upon the Participant's termination of employment.
- B-13 DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the Plan provides that upon termination of employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.
- ☐ A Participant may **not** request the Direct Rollover of the loan note upon termination of employment.
- B-14 LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.
- ☐ (a) A Participant may **not** renegotiate the terms of a loan.
- ☐ (b) The following special provisions apply with respect to renegotiated loans: _____
- B-15 SOURCE OF LOAN.** Participant loans may be made from all available contribution sources, to the extent vested, unless designated otherwise under this AA §B-15.
- ☐ Participant loans will not be available from the following contribution sources: _____
- ☐ Participant loans will only be available from the following contribution sources: _____
- B-16 SPOUSAL CONSENT.** Spousal consent is not required for a Participant to receive a loan, unless required by State law. To override this provision, complete this AA §B-16.
- ☐ Spousal consent is required to receive a Participant loan.

B-17 MODIFICATIONS TO DEFAULT LOAN PROVISIONS.

☐ The following special rules will apply with respect to Participant loans under the Plan: _____

[Note: Any provision under this AA §B-17 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.]

APPENDIX C

ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix C with new elections. The provisions selected under this Appendix C do not create qualification issues and any changes to the provisions under this Appendix C will not affect the Employer's reliance on the IRS Favorable Letter.

C-1 DIRECTION OF INVESTMENTS. Are Participants permitted to **direct investments**? (See Section 10.07 of the Plan.)

☐ (a) No

☒ (b) Yes, but subject to the following restrictions:

☒ (1) No restrictions apply

☐ (2) Only for Accounts that are 100% vested

☐ (3) Specify Accounts: _____

☐ (4) Describe any special rules that apply for purposes of direction of investments: _____

[Note: This subsection (4) may be used to describe special investment provisions for specific types of investments.]

C-2 ROLLOVER CONTRIBUTIONS. Does the Plan accept **Rollover Contributions**? (See Section 3.05 of the Plan.)

☐ (a) No

☒ (b) Yes

☒ (1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan.

☐ (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.

☐ (3) Describe any special rules for accepting Rollover Contributions: _____

[Note: The Employer may designate in this subsection (3), or in separate written procedures, the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]

C-3 LIFE INSURANCE. Are **life insurance** investments permitted? (See Section 10.08 of the Plan.)

☒ (a) No

☐ (b) Yes

C-4 QDRO PROCEDURES. Although the requirements of Code §414(p) do not apply to the Plan, the Employer may elect to apply the procedures set forth under Section 11.05 of the Plan (which are patterned after the rules under Code §414(p)) by electing subsection (a) below or may elect not to apply the procedures set forth under Section 11.05 of the Plan and instead, describe the Plan's procedures for addressing domestic relations orders below or in separate administrative procedures.

☒ (a) The Employer elects to have the requirements of Section 11.05 of the Plan apply to its Plan.

☐ (b) The requirements of Section 11.05 of the Plan do not apply to the Plan. The procedures for addressing the receipt of domestic relations orders are either set forth below or in separate administrative procedures.

Describe domestic relations procedures: _____

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed for Camrosa Water District Profit Sharing Plan to effect:

- ☐ (a) The adoption of a **new plan**, effective [insert Effective Date of Plan]. [**Note:** Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- ☒ (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
- (1) Effective date of restatement: 8-15-2021. [**Note:** Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.]
- (2) Name of plan(s) being restated: Camrosa Water District Profit Sharing Plan
- (3) The original effective date of the plan(s) being restated: 1-1-2001
- ☐ (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-41). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: _____
- (2) Name of plan being amended/restated: _____
- (3) The original effective date of the plan being amended/restated: _____
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: _____

PRE-APPROVED PLAN PROVIDER INFORMATION. The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

Name of Pre-Approved Plan Provider (or authorized representative): Lincoln Retirement Services Company LLC

Address: 1301 S. Harrison Street, Fort Wayne, IN 46802

Telephone number: 800-248-0838

IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the Internal Revenue Service to the Pre-Approved Plan Provider as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #03. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs, or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

Camrosa Water District

(Name of Employer)

Sandra Llamas

(Name of authorized representative)

(Title)

(Signature)

(Date)



TRUST DECLARATION

This Trust Declaration may be used to identify and adopt the Trust associated with the Plan.

[Note: The Internal Revenue Service does not review the Trust Declaration, or the trust provisions associated with Pre-Approved Plans. Therefore, the provisions of the Trust Declaration, ASC Trust Agreement or any separate Trust agreement have not been approved by the IRS and the IRS opinion letter does not cover such Trust Agreement. The Provider, the Trustee and the adopting Employer should review the applicable Trust provisions, and any modifications thereto, with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

Name of Plan. Camrosa Water District Profit Sharing Plan

Name of Employer. Camrosa Water District

Effective date of Trust Agreement: 8-15-2021

(a) The Trust terms are:

- ☒ (1) **Determined under the Trust provisions contained in the ASC Trust Agreement - Standard.**

[Note: Trustee must complete the Trustee Signature section under Section (b) below.]

- ☒ (i) **Directed Trustee.** The Trustee may only invest Plan assets as directed by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

- ☐ (ii) **Discretionary Trustee.** The Trustee has discretion to invest Plan assets, unless specifically directed otherwise by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

[Modification of ASC Trust Agreement Provisions. The Employer may amend the Trust provisions as provided under Section 1.18 of the ASC Trust Agreement. Plan provisions will override any conflicting provisions in the Trust Agreement, including any modification thereto. The Provider and the adopting Employer should review any modifications of the ASC Trust Agreement with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

- ☐ (2) **Determined under a separate Trust agreement(s).** The Trust provisions are contained in a separate Trust Agreement that has been furnished to the Employer. Notwithstanding the terms of the Plan, the terms of the Trust Agreement shall control the rights and responsibilities of the Trustee with respect to the Trust and the assets held in such Trust.

Name of Trustee. _____

Title of Trust Agreement. _____

Address of Trustee. _____

[Note: In using a separate Trust Agreement, the Trustee may adopt such Trust Agreement by either completing the Trustee Signature section under Section (b) below or may execute the separate Trust Agreement. In either case, the information above – Name of Trustee, Title of Trust Agreement and Address of Trustee – must be completed.]

- ☐ (3) **Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.** There is no Trust associated with the Plan because the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts.

[Note: No signature is required under this Trust Declaration if the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts. The Employer or Plan Administrator may enter into a separate agreement with the custodian or insurance company. Such separate agreement must be consistent with the terms of the Plan.]

(b) Trustee/Employer Signatures.

- (1) **Trustee Signature.** By signing below, the designated Trustee(s) accept the responsibilities and obligations set forth under the Trust Agreement specified in this Trust Declaration. By signing this Trust Declaration Page, the individual(s) below represent that they have the authority to sign on behalf of the Trustee.

Tony L. Stafford
(Print name of Trustee)

(Signature of Trustee or authorized representative)

(Date)




Tamara Sexton*(Print name of Trustee)*

*(Signature of Trustee or authorized representative)**(Date)*Sign and Date

- (2) **Employer Signature.** By signing below, the Employer accepts the terms of the Trust Agreement, as specified in this Trust Declaration. By signing this Trust Declaration, the individual below represents that he/she has the authority to adopt the Trust Agreement and sign on behalf of the Employer as sponsor of the Plan.

*(Signature of Employer's authorized representative)**(Date)*Sandra Llamas

(Print name of Employer's authorized representative)Sign and Date

(Title of Employer's authorized representative)

PRE-APPROVED GOVERNMENTAL DEFINED CONTRIBUTION PLAN

BASIC PLAN DOCUMENT

[DC-BPD #03]

TABLE OF CONTENTS

PLAN DEFINITIONS

1.01	Account.....	1
1.02	Account Balance	1
1.03	Actuarial Factor.....	1
1.04	Adoption Agreement (“Agreement” or “AA”).....	1
1.05	After-Tax Employee Contributions.....	1
1.06	Alternate Payee.....	1
1.07	Anniversary Years.....	1
1.08	Annual Additions.....	1
1.09	Annuity Contract.....	1
1.10	Annuity Starting Date	2
1.11	Beneficiary	2
1.12	Break in Service.....	2
1.13	Cash-Out Distribution.....	2
1.14	Catch-Up Contributions.....	2
1.15	Catch-Up Contribution Limit.....	2
1.16	Code.....	2
1.17	Code §415 Limitation	2
1.18	Collectively Bargained Employee.....	2
1.19	Compensation Limit.....	2
1.20	Computation Period	3
	(a) Eligibility Computation Period	3
	(b) Vesting Computation Period	3
1.21	Custodian	3
1.22	Defined Benefit Plan.....	3
1.23	Defined Contribution Plan.....	3
1.24	Designated Beneficiary.....	3
1.25	Differential Pay	3
1.26	Directed Account	3
1.27	Directed Trustee	3
1.28	Direct Rollover.....	3
1.29	Disabled	3
1.30	Discretionary Trustee.....	3
1.31	Distribution Calendar Year	3
1.32	Early Retirement Age.....	3
1.33	Effective Date	3
1.34	Elapsed Time.....	3
1.35	Elective Deferral Dollar Limit.....	3
1.36	Elective Deferrals.....	4
1.37	Eligible Employee	4
1.38	Eligible Retirement Plan	4
1.39	Eligible Rollover Distribution.....	4
1.40	Employee	4
1.41	Employer	4
1.42	Employer Contributions	4
1.43	Employer Pick-up Contributions	4
1.44	Employment Commencement Date.....	4
1.45	Entry Date	4
1.46	Equivalency Method.....	4
1.47	ERISA.....	4
1.48	Excess Amount.....	4
1.49	Excess Compensation	4
1.50	Excess Deferrals	4
1.51	Favorable IRS Letter.....	4
1.52	FICA Replacement Plan.....	4
1.53	General Trust Account.....	4
1.54	Governmental Plan.....	4
1.55	Grandfathered 401(k) Arrangement.....	4
1.56	Hardship.....	5
1.57	Hour of Service	5
	(a) Performance of duties	5

Pre-Approved Governmental Defined Contribution Plan
Table of Contents

	(b) Nonperformance of duties	5
	(c) Back pay award	5
	(d) Related Employers/Leased Employees	5
	(e) Maternity/paternity/FMLA/military leave.....	5
1.58	Indian Tribal Government.....	6
1.59	Insurer	6
1.61	Integration Level.....	6
1.62	Leased Employee	6
1.63	Limitation Year	6
1.65	Matching Contributions.....	6
1.66	Maximum Disparity Rate.....	6
1.67	Normal Retirement Age	6
1.68	Participant.....	6
1.69	Participating Employer	7
1.70	Participating Employer Adoption Page	7
1.71	Part-Time Employee.....	7
1.72	Period of Severance	7
1.73	Plan	7
1.74	Plan Administrator.....	7
1.75	Plan Compensation.....	7
	(a) Determination period.....	7
	(b) Partial period of participation.....	7
1.76	Plan Year.....	8
1.77	Predecessor Employer	8
1.78	Pre-Tax Deferrals	8
1.79	Provider	8
1.80	Qualified Domestic Relations Order (QDRO).....	8
1.82	Reemployment Commencement Date	8
1.83	Related Employer	8
1.84	Required Beginning Date.....	8
1.85	Rollover Contribution	8
1.86	Roth Deferrals.....	8
1.87	Salary Deferral Election.....	8
1.88	Salary Deferrals	8
1.89	Seasonal Employee	8
1.90	Short Plan Year	8
1.91	Spouse.....	8
1.92	Taxable Wage Base.....	9
1.93	Temporary Employee.....	9
1.94	Total Compensation	9
	(a) Total Compensation definitions	9
	(b) Post-severance compensation	10
	(c) Continuation payments for disabled Participants	10
	(d) Deemed \$125 compensation.....	10
	(e) Differential Pay	10
1.95	Trust	11
1.96	Trustee.....	11
1.97	Valuation Date	11
1.98	Year of Service.....	11

**SECTION 2
ELIGIBILITY AND PARTICIPATION**

2.01	Eligibility	12
2.02	Eligible Employees.....	12
	(a) Only Employees may participate in the Plan	12
	(b) Excluded Employees	12
	(c) Employees of Related Employers.....	12
	(d) Ineligible Employee becomes Eligible Employee	12
	(e) Eligible Employee becomes ineligible Employee.....	13
	(f) Improper exclusion of eligible Participant.....	13
2.03	Minimum Age and Service Conditions	13
	(a) Application of age and service conditions	13
	(b) Entry Dates.....	16

Pre-Approved Governmental Defined Contribution Plan
Table of Contents

2.04	Participation on Effective Date of Plan.....	16
2.05	Rehired Employees.....	16
2.06	Service with Predecessor Employers.....	16
2.07	Break in Service Rules.....	16
2.08	Waiver of Participation.....	16

**SECTION 3
PLAN CONTRIBUTIONS**

3.01	Types of Contributions.....	17
3.02	Employer Contribution Formulas.....	17
	(a) Contribution formulas (Profit Sharing Plan).....	17
	(b) Employer Contribution formulas (Money Purchase Plan).....	20
	(c) Contribution formulas (Grandfathered 401(k) Plan).....	22
3.03	Employer Pick-Up Contributions.....	28
3.04	After-Tax Employee Contributions.....	29
3.05	Rollover Contributions.....	29
3.06	Deductible Employee Contributions	30
3.07	Allocation Conditions	30
	(a) Special rule for year of Plan termination	30
	(b) Service with Predecessor Employers	30
3.08	Contribution of Property	30

**SECTION 4
SPECIAL RULES AFFECTING GOVERNMENTAL PLANS AND INDIAN TRIBAL GOVERNMENT PLANS**

4.01	Governmental Plan.....	31
	(a) Governmental Plan exemptions	31
	(b) Adoption Agreement elections	31
4.02	Plan of Indian Tribal Government Treated as Governmental Plan	31
4.03	FICA Replacement Plan.....	31

**SECTION 5
LIMITS ON CONTRIBUTIONS**

5.01	Limits on Employer Contributions	33
	(a) Limitation on total Employer Contributions	33
	(b) Limitation on Salary Deferrals	33
5.02	Code §415 Limitation	33
	(a) No other plan participation	33
	(b) Participation in another plan	33
	(c) Definitions.....	34
	(d) Restorative payments.....	35
	(e) Corrective provisions	35
	(f) Change of Limitation Year	35
5.03	Elective Deferral Dollar Limit.....	35
	(a) Excess Deferrals	36
	(b) Correction of Excess Deferrals.....	36

**SECTION 6
PARTICIPANT VESTING AND FORFEITURES**

6.01	Vesting of Contributions	38
6.02	Vesting Schedules	38
6.03	Special vesting rules.....	38
	(a) Normal Retirement Age.....	38
	(b) 100% vesting upon death, disability, or Early Retirement Age	38
	(c) Vesting upon merger, consolidation or transfer	38
	(d) Vesting schedules applicable to prior contributions.....	38
	(e) Different Vesting Schedules for Different Sources	39
6.04	Year of Service.....	39
	(a) Hours of Service	39
	(b) Elapsed Time method	39
6.05	Vesting Computation Period.....	40
6.06	Excluded service	40
	(a) Service before the Effective Date of the Plan	40
	(b) Service before a specified age.....	40
6.07	Service with Predecessor Employers.....	40
6.08	Break in Service Rules.....	40

6.09	Special Vesting Rule - In-Service Distribution When Account Balance is Less than 100% Vested	40
6.10	Forfeiture of Benefits.....	41
	(a) Cash-Out Distribution	41
	(b) Five-Year Forfeiture Break in Service	42
	(c) Missing Participant or Beneficiary	42
	(d) Excess Deferrals	43
6.11	Allocation of Forfeitures	43
	(a) Reallocation as additional contributions under Profit Sharing Plan Adoption Agreement.....	43
	(b) Reallocation as additional Employer Contributions under Money Purchase Plan Adoption Agreement	43
	(c) Reduction of contributions	43
	(d) Payment of Plan expenses.....	44
	(e) Forfeiture rules for other contribution types	44

SECTION 7 PLAN DISTRIBUTIONS

7.01	Available Forms of Distribution	45
7.02	Amount Eligible for Distribution	45
7.03	Participant Consent.....	45
	(a) Involuntary Cash-Out threshold.....	45
	(b) Participant notice	45
	(c) Special rules.....	46
7.04	Direct Rollovers	46
	(a) Definitions	46
	(b) Direct Rollover notice	47
	(c) Direct Rollover by non-Spouse beneficiary	47
	(d) Direct Rollover of non-taxable amounts.....	47
	(e) Rollovers to Roth IRA	47
7.05	Automatic Rollover.....	48
	(a) Automatic Rollover requirements.....	48
	(b) Involuntary Cash-Out Distribution	48
	(c) Treatment of Rollover Contributions.....	48
7.06	Distribution Upon Termination of Employment.....	48
	(a) Account Balance not exceeding Cash-Out threshold.....	48
	(b) Account Balance exceeding Cash-Out threshold	48
7.07	Distribution Upon Death.....	48
	(a) Death after commencement of benefits	48
	(b) Death before commencement of benefits.....	48
	(c) Determining a Participant's Beneficiary	49
7.08	Distribution to Disabled Employees	50
7.09	Qualified Distributions for Retired Public Safety Officers	50
	(a) Qualified health insurance premiums	50
	(b) Eligible retired public safety officer	50
7.10	In-Service Distributions	50
	(a) After-Tax Employee Contributions and Rollover Contributions.....	50
	(b) Employer Contributions and Matching Contributions.....	50
	(c) Salary Deferrals under Grandfathered 401(k) Arrangement.....	51
	(d) Penalty-free withdrawals for individuals called to active duty.....	51
	(e) Hardship distribution	51
7.11	Sources of Distribution.....	53
	(a) Exception for Hardship withdrawals.....	53
	(b) Roth Deferrals	53
	(c) In-kind distributions	54
7.12	Correction of Qualification Defects.....	54

SECTION 8 REQUIRED MINIMUM DISTRIBUTIONS

8.01	Required Minimum Distributions	55
8.02	Death of Participant before required distributions begin	55
	(a) Surviving Spouse is sole Designated Beneficiary	55
	(b) Surviving Spouse is not the sole Designated Beneficiary	55
	(c) No Designated Beneficiary.....	55
	(d) Death of surviving Spouse	55
8.03	Required Minimum Distributions during Participant's lifetime	55
	(a) Amount of Required Minimum Distribution for each Distribution Calendar Year.....	55

Pre-Approved Governmental Defined Contribution Plan
Table of Contents

	(b) Lifetime Required Minimum Distributions continue through year of Participant's death	56
8.04	Required Minimum Distributions After Participant's Death	56
	(a) Death on or after date required distributions begin	56
	(b) Death before date required distributions begin	56
8.05	Definitions	57
	(a) Designated Beneficiary	57
	(b) Distribution Calendar Year	57
	(c) Life expectancy	57
	(d) Account Balance	57
	(e) Required Beginning Date	57
8.06	Special Rules	57
	(a) Election to apply 5-year rule to required distributions after death	57
	(b) Election to allow Participants or Beneficiaries to elect 5-year rule	57
	(c) Forms of Distribution	57
	(d) Treatment of trust beneficiaries as Designated Beneficiaries	58
	(e) Special rules applicable to trust beneficiaries	58
8.07	Transitional Rule	59
	(a) The following provisions modify the required minimum distribution rules under this	59
	(b) Effective/Applicability Dates	60
	(c) Account Balance for Determining Minimum Distributions	60
	(d) Rules Applicable to Qualifying Longevity Annuity Contracts.	60

**SECTION 9
SPOUSAL CONSENT RULES**

9.01	Application of Joint and Survivor Annuity Rules	64
9.02	Spousal consent	64
9.03	One-year marriage rule	64

**SECTION 10
PLAN ACCOUNTING AND INVESTMENTS**

10.01	Participant Accounts	65
10.02	Valuation of Accounts	65
	(a) Periodic valuation	65
	(b) Daily valuation	65
	(c) Interim valuations	65
10.03	Adjustments to Participant Accounts	65
	(a) Distributions and forfeitures from a Participant's Account	65
	(b) Life insurance premiums and dividends	65
	(c) Contributions and forfeitures allocated to a Participant's Account	65
	(d) Net income or loss	65
10.04	Share or unit accounting	66
10.05	Suspense accounts	66
10.06	Investments under the Plan	66
	(a) Investment options	66
	(b) Investment of tax deductible Employee contributions in life insurance and collectibles.	66
10.07	Participant-directed investments	66
	(a) Limits on participant investment direction	66
	(b) Failure to direct investment	67
10.08	Investment in Life Insurance	67
	(a) Incidental Life Insurance Rules	67
	(b) Ownership of Life Insurance Policies	67
	(c) Evidence of Insurability	67
	(d) Distribution of Insurance Policies	67
	(e) Discontinuance of Insurance Policies	68
	(f) Protection of Insurer	68
	(g) No Responsibility for Act of Insurer	68

**SECTION 11
PLAN ADMINISTRATION AND OPERATION**

11.01	Plan Administrator	69
11.02	Designation of Alternative Plan Administrator	69
	(a) Acceptance of responsibility by designated Plan Administrator	69
	(b) Multiple alternative Plan Administrators	69
	(c) Resignation or removal of designated Plan Administrator	69

Pre-Approved Governmental Defined Contribution Plan
Table of Contents

	(d) Employer responsibilities	69
	(e) Indemnification of Plan Administrator	69
11.03	Duties, Powers and Responsibilities of the Plan Administrator.....	69
	(a) Delegation of duties, powers and responsibilities	69
	(b) Specific Plan Administrator responsibilities.....	69
11.04	Plan Administration Expenses.....	70
	(a) Reasonable Plan administration expenses.....	70
	(b) Plan expense allocation.....	70
	(c) Expenses related to administration of former Employee or surviving Spouse.....	70
11.05	Qualified Domestic Relations Orders (QDROs).....	70
	(a) In general.....	70
	(b) Definitions related to Qualified Domestic Relations Orders (QDROs).....	70
	(c) Recognition as a QDRO	71
	(d) Contents of QDRO	71
	(e) Impermissible QDRO provisions	71
	(f) Immediate distribution to Alternate Payee	71
	(g) Fee for QDRO determination.....	71
	(h) QDRO procedure	71
11.06	Claims Procedure.....	73

SECTION 12

TRUST AND OTHER PLAN FUNDING

12.01	Establishment of Trust or Other Funding Mechanism	74
12.02	Conflicting Trust Provisions	74
12.03	More than One Trustee	74
12.04	Annual Valuation.....	74
12.05	Appointment of Custodian	74
12.06	Custodial Accounts, Annuity Contracts and Insurance Contracts.....	74

SECTION 13

PARTICIPANT LOANS

13.01	Availability of Participant Loans.....	75
13.02	Must be Available in Reasonably Equivalent Manner.....	75
13.03	Loan Limitations.....	75
13.04	Limit on Amount and Number of Loans.....	75
	(a) Loan renegotiation	75
	(b) Participant must be creditworthy.....	75
13.05	Reasonable Rate of Interest	75
13.06	Adequate Security.....	76
13.07	Periodic Repayment	76
	(a) Leave of absence.....	76
	(b) Military leave.....	76
13.08	Designation of Accounts.....	76
13.09	Procedures for Loan Default	76
13.10	Termination of Employment.....	77
	(a) Offset of outstanding loan.....	77
	(b) Direct Rollover	77
13.11	Mergers, Transfers or Direct Rollovers from another Plan/Change in Loan Record Keeper	77
13.12	Amendment of Plan to Eliminate Participant Loans.....	77

SECTION 14

PLAN AMENDMENTS, TERMINATION, MERGERS AND TRANSFERS

14.01	Plan Amendments.....	78
	(a) Amendment by the Provider	78
	(b) Amendment by the Employer	78
	(c) Method of amendment.....	78
	(d) Effective date of Plan Amendments.....	79
14.02	Plan Termination.....	79
	(a) Full and immediate vesting.....	79
	(b) Distribution upon Plan termination.....	79
	(c) Missing Participants.....	79
	(d) Partial Termination	79
14.03	Merger or Consolidation.....	79
14.04	Transfer of Assets	80

(a) Trustee's right to refuse transfer	80
(b) Transfer of Plan to unrelated Employer	80
SECTION 15	
MISCELLANEOUS	
15.01 Exclusive Benefit.....	81
15.02 Return of Employer Contributions	81
(a) Mistake of fact	81
(b) Failure to initially qualify	81
15.03 Participants' Rights	81
15.04 Military Service	81
(a) Death benefits under qualified military service.....	81
(b) Benefit accruals	81
(c) Plan distributions	82
(d) Make-Up Contributions.....	82
15.05 Annuity Contract.....	82
15.06 Use of IRS Compliance Programs	82
15.07 Governing Law	83
15.08 Waiver of Notice	83
15.09 Use of Electronic Media	83
15.10 Severability of Provisions.....	83
15.11 Binding Effect	83
SECTION 16	
PARTICIPATING EMPLOYERS	
16.01 Participation by Participating Employers	84
16.02 Participating Employer Adoption Page.....	84
(a) Application of Plan provisions.	84
(b) Plan amendments.	84
(c) Trustee designation.	84
16.03 Compensation of Related Employers.....	84
16.04 Allocation of Contributions and Forfeitures	84
16.05 Discontinuance of Participation by a Participating Employer.....	84
16.06 Operational Rules for Related Employer Groups.....	84
16.07 Multiple Employer Plans	85
(a) Application of qualification rules to Multiple Employer Plans	85
(b) Definitions that apply to Multiple Employer Plans	85
(c) Special rules for Multiple Employer Plans.....	86
APPENDIX A	
ACTUARIAL FACTORS	
Actuarial Factor Table.....	88
APPENDIX B	
INTERIM AMENDMENT #1	
FINAL REGULATIONS RELATING TO HARDSHIP DISTRIBUTIONS	
B-1.01 Change in Hardship Distribution Requirements.....	89
B-2.01 Acceptance of Rollover Contributions.....	89
B-3.01 Relief for Victims of Certain Qualified Natural Disasters	91
B-3.02 Qualified Natural Disasters	91
B-3.03 General Rules	91

PLAN DEFINITIONS

This Section contains definitions for common terms that are used throughout the Plan. All capitalized terms under the Plan are defined in this Section or in the relevant section of the Plan document where such term is used.

1.01 Account. The separate Account maintained for each Participant under the Plan by the Plan Administrator, Plan service provider, Custodian or insurance company. A Participant may have any (or all) of the following separate Accounts, to the extent authorized under the Plan:

- Employer Contribution Account
- Matching Contribution Account
- After-Tax Employee Contribution Account
- Employer Pick-Up Contribution Account
- Rollover Contribution Account
- Transfer Account

In addition, if this Plan qualifies as a Grandfathered 401(k) Arrangement (as defined in Section 1.55), a Participant also may have any (or all) of the following separate Accounts:

- Pre-Tax Salary Deferral Account
- Roth Deferral Account
- Roth Rollover Contribution Account

The Plan Administrator may establish other Accounts, as it deems necessary, for the proper administration of the Plan.

1.02 Account Balance. Account Balance shall mean a Participant's balances in all of the Accounts maintained by the Plan on his or her behalf.

1.03 Actuarial Factor. A Participant's Actuarial Factor is used for purposes of determining the Participant's allocation under the age-based formula under AA §6-3(f) of the Profit Sharing Plan Adoption Agreement or under the age-based contribution formula under AA §6-2(e) of the Money Purchase Plan Adoption Agreement. See Section 3.02(a)(1)(i)(E) or 3.02(b)(4).

1.04 Adoption Agreement ("Agreement" or "AA"). The Adoption Agreement contains the elective provisions that an Employer may complete to supplement or modify the provisions under the Plan. Each adopting Employer must complete and execute the Adoption Agreement. If the Plan covers Employees of an Employer other than the Employer that executes the Employer Signature Page of the Adoption Agreement, such additional Employer(s) must execute a Participating Employer Adoption Page under the Adoption Agreement. (See Section 16 for rules applicable to adoption by Participating Employers.) An Employer may adopt more than one Adoption Agreement associated with this Plan document. Each executed Agreement is treated as a separate Plan. The Employer may adopt a Profit Sharing Plan Adoption Agreement or a Money Purchase Plan Adoption Agreement. The Employer also may elect under the Profit Sharing Plan Adoption Agreement to provide for a Grandfathered 401(k) Arrangement under the Plan. Any reference to the Profit Sharing Plan Adoption Agreement includes the Grandfathered 401(k) Plan Adoption Agreement, unless specifically provided otherwise.

1.05 After-Tax Employee Contributions. Employee Contributions that may be made to the Plan by a Participant that are included in the Participant's gross income in the year such amounts are contributed to the Plan and are maintained under a separate After-Tax Employee Contribution Account to which earnings and losses are allocated. See Section 3.04. For this purpose, Roth Deferrals are not considered as After-Tax Employee Contributions.

1.06 Alternate Payee. A person designated to receive all or a portion of the Participant's benefit pursuant to a QDRO. See Section 1.80.

1.07 Anniversary Years. An alternative period for measuring Eligibility Computation Periods (under Section 2.03(a)(3)) and Vesting Computation Periods (under Section 6.05). An Anniversary Year is any 12-month period which commences with the Employee's Employment Commencement Date, or which commences with the anniversary of the Employee's Employment Commencement Date.

1.08 Annual Additions. The amounts taken into account under a Defined Contribution Plan for purposes of applying the limitation on allocations under Code §415. See Section 5.02(c)(1) for the definition of Annual Additions.

1.09 Annuity Contract. A nontransferable group annuity certificate or individual contract as defined in Code §401(g) that is issued by an insurance company qualified to issue annuities in a State and that includes payment in the form of an annuity and that meets the following requirements: (a) An Annuity Contract may only be offered by an Insurance Company; (b) The Annuity Contract may be owned by the Participant, and a group Annuity Contract may be held by the Trustee or Employer (if a

Pre-Approved Governmental Defined Contribution Plan
Section 1 – Plan Definitions

qualified trust substitute under Code §401(f)); and (c) An Annuity Contract may be fixed, variable, or a combination of fixed and variable.

A life insurance contract, an endowment contract, a health or accident insurance contract, or a property, casualty, or liability insurance contract do not constitute an Annuity Contract. However, this does not apply for contracts issued before September 24, 2007.

- 1.10 Annuity Starting Date.** The date an Employee commences distribution from the Plan. If a Participant commences distribution with respect to a portion of his/her Account Balance, a separate Annuity Starting Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Annuity Starting Date is the first day of the first period for which annuity payments are made.
- 1.11 Beneficiary.** A person designated by the Participant (or by the terms of the Plan) to receive a benefit under the Plan upon the death of the Participant. See Section 7.07(c) for the applicable rules for determining a Participant's Beneficiaries under the Plan.
- 1.12 Break in Service.** The Computation Period (as defined in Section 2.03(a)(3) for purposes of eligibility and Section 6.05 for purposes of vesting) during which an Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects under AA §4-3(a) or AA §8-5(a) to require less than 1,000 Hours of Service to earn a Year of Service for eligibility or vesting purposes, a Break in Service will occur for any Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn a Year of Service for eligibility or vesting purposes, as applicable. However, if the Elapsed Time method applies under AA §4-3(c) (for purposes of eligibility) or AA §8-5(c) (for purposes of vesting), an Employee will incur a Break in Service if the Employee incurs at least a one-year Period of Severance (as defined under Section 1.72). (See Section 2.07 for a discussion of the eligibility Break in Service rules and Section 6.08 for a discussion of the vesting Break in Service rules.)
- 1.13 Cash-Out Distribution.** A total distribution made to a terminated Participant in accordance with Section 6.10(a).
- 1.14 Catch-Up Contributions.** Salary Deferrals that may be made under a Grandfathered 401(k) Arrangement that are in excess of an otherwise applicable Plan limit and that are made by a Participant who is age 50 or over by the end of his/her taxable year. See Section 3.02(c)(2)(iv).
- 1.15 Catch-Up Contribution Limit.** The annual limit applicable to Catch-Up Contributions as set forth in Section 3.02(c)(2)(iv)(A).
- 1.16 Code.** The Internal Revenue Code of 1986, as amended.
- 1.17 Code §415 Limitation.** The limit on the amount of Annual Additions a Participant may receive under the Plan during a Limitation Year. See Section 5.02.
- 1.18 Collectively Bargained Employee.** An Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining. Such Employees may be excluded from the Plan if designated under AA §3-1(b). See Section 2.02(b)(1) for additional requirements related to the exclusion of Collectively Bargained Employees.
- 1.19 Compensation Limit.** The maximum amount of compensation that can be taken into account for any Plan Year for purposes of determining a Participant's Plan Compensation. The Compensation Limit is \$200,000, as adjusted for cost-of-living, increased in accordance with Code §401(a)(17)(B). For 2019, the Compensation Limit is \$280,000. In determining the Compensation Limit for any applicable period (the "determination period"), the cost-of-living adjustment in effect for a calendar year applies to any determination period that begins with or within such calendar year.

If a determination period consists of fewer than 12 months, the Compensation Limit for such period is an amount equal to the otherwise applicable Compensation Limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. A determination period will not be considered to be less than 12 months merely because compensation is taken into account only for the period the Employee is a Participant. If Salary Deferrals, Matching Contributions, or After-Tax Employee Contributions are separately determined on the basis of specified periods within the determination period (e.g., on the basis of payroll periods), no proration of the Compensation Limit is required with respect to such contributions.

If compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the compensation for such prior determination period is subject to the applicable Compensation Limit in effect for that prior period.

In determining the amount of a Participant's Salary Deferrals under a Grandfathered 401(k) Arrangement, a Participant may defer with respect to Plan Compensation that exceeds the Compensation Limit, provided the total deferrals made by the Participant satisfy the Elective Deferral Dollar Limit and any other limitations under the Plan.

- 1.20 Computation Period.** The 12-consecutive month period used for measuring whether an Employee completes a Year of Service for eligibility or vesting purposes.
- (a) **Eligibility Computation Period.** The 12-consecutive month period used for measuring Years of Service for eligibility purposes. See Section 2.03(a)(3).
- (b) **Vesting Computation Period.** The 12-consecutive month period used for measuring Years of Service for vesting purposes. See Section 6.05.
- 1.21 Custodian.** An organization that has custody of all or any portion of the Plan assets in a custodial account as described in Code §401(f). See Section 12.05.
- 1.22 Defined Benefit Plan.** A plan under which a Participant's benefit is based solely on the Plan's benefit formula without the establishment of separate Accounts for Participants.
- 1.23 Defined Contribution Plan.** A plan that provides for individual Accounts for each Participant to which all contributions, forfeitures, income, expenses, gains and losses under the Plan are credited or deducted. A Participant's benefit under a Defined Contribution Plan is based solely on the fair market value of his/her vested Account Balance.
- 1.24 Designated Beneficiary.** A Beneficiary who is designated by the Participant (or by the terms of the Plan) and whose life expectancy is taken into account in determining minimum distributions under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4. See Section 8.05(a).
- 1.25 Differential Pay.** Certain payments made by the Employer to an individual while the individual is performing service in the Uniformed Services. See Section 1.94(e).
- 1.26 Directed Account.** The Plan assets under a Trust which are held for the benefit of a specific Participant. See Section 10.03(d)(2).
- 1.27 Directed Trustee.** A Trustee is a Directed Trustee to the extent that the Trustee's investment powers are subject to the direction of another person.
- 1.28 Direct Rollover.** A rollover, at the Participant's direction, of all or a portion of the Participant's vested Account Balance directly to an Eligible Retirement Plan. See Section 7.04.
- 1.29 Disabled.** An individual is considered Disabled for purposes of applying the provisions of this Plan if the individual meets the definition of Disabled elected by the Employer under AA §2.8.
- 1.30 Discretionary Trustee.** A Trustee is a Discretionary Trustee to the extent the Trustee has exclusive authority and discretion to invest, manage or control the Plan assets without direction from any other person.
- 1.31 Distribution Calendar Year.** A calendar year for which a minimum distribution is required. See Section 8.05(b).
- 1.32 Early Retirement Age.** The age and/or Years of Service set forth in AA §7-2. Early Retirement Age may be used to determine distribution rights and/or vesting rights. If a Participant separates from service before satisfying the age requirement for early retirement, but has satisfied the service requirement, the Participant will be entitled to elect an early retirement benefit upon satisfaction of such age requirement. The Plan is not required to have an Early Retirement Age.
- 1.33 Effective Date.** The date this Plan, including any restatement or amendment of this Plan, is effective. The Effective Date of the Plan is designated on the Employer Signature Page under the Adoption Agreement.
- 1.34 Elapsed Time.** A special method for crediting service for eligibility or vesting. See Section 2.03(a)(6) for more information on the Elapsed Time method of crediting service for eligibility purposes and Section 6.04(b) for more information on the Elapsed Time method of crediting service for vesting purposes. Also see Section 3.07 for the ability to use the Elapsed Time method for applying allocation conditions under the Plan.
- 1.35 Elective Deferral Dollar Limit.** The maximum amount of Elective Deferrals a Participant may make for any calendar year. See Section 5.03.

Pre-Approved Governmental Defined Contribution Plan
Section 1 – Plan Definitions

- 1.36 Elective Deferrals.** A Participant's Elective Deferrals is the sum of all Salary Deferrals (as defined in Section 1.88) and other contributions made pursuant to a Salary Deferral Election under a SARSEP described in Code §408(k)(6), a SIMPLE IRA plan described in Code §408(p), a plan described under Code §501(c)(18), and a custodial account or other arrangement described in Code §403(b). Elective Deferrals shall not include any amounts properly distributed as an Excess Amount under Code §415.
- 1.37 Eligible Employee.** An Employee who is not excluded from participation under Section 2.02 of the Plan or AA §3-1.
- 1.38 Eligible Retirement Plan.** A qualified retirement plan or IRA that may receive a rollover contribution. See Section 7.04(a)(2).
- 1.39 Eligible Rollover Distribution.** An amount distributed from the Plan that is eligible for rollover to an Eligible Retirement Plan. See Section 7.04(a)(1).
- 1.40 Employee.** An Employee is any individual employed by the Employer (including any Related Employers). An independent contractor is not an Employee. An Employee is not eligible to participate under the Plan if the individual is not an Eligible Employee under Section 2.02. A Leased Employee is also treated as an Employee of the recipient organization, as provided in Section 2.02(b)(3).
- 1.41 Employer.** Except as otherwise provided, Employer means the Employer that adopts this Plan and any Related Employer. The Employer must be qualified to maintain a Governmental Plan under Code §414(d). (See Section 2.02(c) for rules regarding coverage of Employees of Related Employers. Also see Section 16 for rules that apply to Employers that execute a Participating Employer Adoption Page.)
- 1.42 Employer Contributions.** Contributions the Employer makes pursuant to AA §6. See Section 3.02.
- 1.43 Employer Pick-up Contributions.** Contributions made by the Employee and picked up by the Employer in accordance with Code §414(h)(2). See Section 3.03.
- 1.44 Employment Commencement Date.** The date the Employee first performs an Hour of Service for the Employer.
- 1.45 Entry Date.** The date on which an Employee becomes a Participant upon satisfying the Plan's minimum age and service conditions. See Section 2.03(b).
- 1.46 Equivalency Method.** An alternative method for crediting Hours of Service for purposes of eligibility and vesting. See Section 2.03(a)(5) for eligibility provisions and Section 6.04(a)(2) for vesting provisions.
- 1.47 ERISA.** The Employee Retirement Income Security Act of 1974, as amended.
- 1.48 Excess Amount.** Amounts which exceed the Code §415 Limitation. See Section 5.02(c)(4).
- 1.49 Excess Compensation.** The amount of Plan Compensation that exceeds the Integration Level for purposes of applying the permitted disparity allocation formula. See Section 3.02(a)(1)(i)(B) (Profit Sharing Plan) and Section 3.02(b)(2) (Money Purchase Plan).
- 1.50 Excess Deferrals.** Elective Deferrals that exceed the Elective Deferral Dollar Limit (as defined in Section 5.03). (See Section 5.03(b) for rules regarding the correction of Excess Deferrals.)
- 1.51 Favorable IRS Letter.** An opinion letter issued by the IRS pursuant to Rev. Proc. 2017-41 (or its successor) to a Provider as to the qualified status of a Pre-Approved Plan.
- 1.52 FICA Replacement Plan.** This Plan may qualify as a FICA Replacement Plan under Code §3121(b)(7)(F) if the requirements under Section 4.03 are satisfied.
- 1.53 General Trust Account.** The Plan assets under a Trust which are held for the benefit of all Plan Participants as a pooled investment. See Section 10.03(d)(1).
- 1.54 Governmental Plan.** A plan established and maintained for its Employees by any State or political subdivision of a State, any State agency or instrumentality, or an Indian Tribal Government (provided the requirements under Section 4.02 of the Plan are satisfied), as provided under Code §414(d).
- 1.55 Grandfathered 401(k) Arrangement.** An arrangement under Code §401(k) maintained by a governmental employer that was in existence on May 6, 1986. If a governmental entity adopted a 401(k) plan before May 6, 1986, then all 401(k) plans adopted by the governmental entity are treated as adopted before such date, including a 401(k) plan that is actually adopted after such date. A Grandfathered 401(k) Arrangement also may be adopted by an Indian Tribal Government, as defined in Section 1.58.

The Employer may elect to provide a Grandfathered 401(k) Arrangement under AA §2-3 of the Profit Sharing Plan Adoption Agreement. Any such election under AA §2-3 will be null and void if the Employer does not satisfy the requirements for maintaining a Grandfathered 401(k) Arrangement. If the Employer elects a Grandfathered 401(k) Arrangement under AA §2-3, the Employer may authorize Employees to make Salary Deferrals under the Plan in addition to Matching Contributions, Employer Contributions and After-Tax Employee Contributions, to the extent provided under AA §6 - §6B of the Adoption Agreement.

1.56 Hardship. A heavy and immediate financial need which meets the requirements of Section 7.10(e).

1.57 Hour of Service. Each Employee of the Employer will receive credit for each Hour of Service he/she works for purposes of applying the eligibility and vesting rules under the Plan. An Employee will not receive credit for the same Hour of Service under more than one category listed below.

- (a) **Performance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed. In the case of Hours of Service to be credited to an Employee in connection with a period of no more than 31 days which extends beyond one computation period, all such Hours of Service may be credited to the first computation period or the second computation period. Hours of Service under this subsection (a) must be credited consistently for all Employees within the same job classifications.
- (b) **Nonperformance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 hours of service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single Computation Period). Hours under this paragraph will be calculated and credited pursuant to §2530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference.
- (c) **Back pay award.** Hours of Service include each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under subsection (a) or subsection (b) above, as the case may be, and under this subsection (c). These hours will be credited to the Employee for the Computation Period(s) to which the award or agreement pertains rather than the Computation Period(s) in which the award, agreement or payment is made.
- (d) **Related Employers/Leased Employees.** Hours of Service will be credited for employment with any Related Employer. Hours of Service also include hours credited as a Leased Employee or as an employee under Code §414(o).
- (e) **Maternity/paternity/FMLA/military leave.** Solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work for maternity or paternity reasons will receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence:
 - (1) by reason of the pregnancy of the individual,
 - (2) by reason of a birth of a child of the individual,
 - (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or
 - (4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

The Hours of Service credited under this paragraph will be credited in the Computation Period in which the absence begins if the crediting is necessary to prevent a Break in Service in that period, or in all other cases, in the following Computation Period.

In addition, solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work due to events described under the Family and Medical Leave Act (FMLA) and as required under DOL Reg. §825.215 will receive credit for the Hours of Service which would have been credited to such individual but for the absence. In addition, solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work due to military leave described under the Uniformed Services Employment and Reemployment Rights Act and as required under Code §414(u)(8)(A) and DOL Reg. 20 CFR

Pre-Approved Governmental Defined Contribution Plan
Section 1 – Plan Definitions

§1002.259 will receive credit for the Hours of Service which would have been credited to such individual but for the absence.

- 1.58 Indian Tribal Government.** The governing body of any tribe, band, community, village, or group of Indians, or (if applicable) Alaska Natives, which is determined by the Secretary of Treasury, after consultation with the Secretary of Interior, to exercise governmental functions, as defined under Code §7701(a)(40) and regulations thereunder. See Section 4.02 of the Plan for special rules applicable to Indian Tribal Governments.
- 1.59 Insurer.** Any insurance company or affiliate or subsidiary thereof, or any legal reserve insurance company, which issues one or more contracts under the Plan in accordance with the requirements under Sections 10.07 and 10.08.
- 1.60 Investment Arrangement.** The investments under the Plan as described in Section 10.06 of this Plan document. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with Code Section 401(a), are hereby incorporated by reference into the Plan. In the event of any conflict between the terms of the Plan (including, but not limited to, any elections under the Adoption Agreement) and the terms of the Investment Arrangement, the terms of the Plan shall control, except that the terms of the Plan may not alter or construe the terms of the Investment Arrangement or enlarge the obligations of the issuer or provider of the Investment Arrangement without the consent of the issuer or provider.
- 1.61 Integration Level.** The amount used for purposes of applying the permitted disparity allocation formula. The Integration Level is the Taxable Wage Base, unless the Employer designates a different amount under the Adoption Agreement. See Section 3.02(a)(1)(i)(B) (Profit Sharing Plan) and Section 3.02(b)(2) (Money Purchase Plan).
- 1.62 Leased Employee.** An individual who performs services for the Employer pursuant to an agreement between the Employer and a leasing organization, and who satisfies the definition of a Leased Employee under Code §414(n). See Section 2.02(b)(3) for rules regarding the treatment of a Leased Employee as an Employee of the Employer.
- 1.63 Limitation Year.** The measuring period for determining whether the Plan satisfies the Code §415 Limitation under Section 5.02. See Section 5.02(c)(5).
- 1.64 Mass Submitter.** The Mass Submitter, as described under Rev. Proc. 2017-41 or its successor, of this Pre-Approved Plan is ASC Institute, LLC.
- 1.65 Matching Contributions.** Matching Contributions are contributions made by the Employer on behalf of a Participant on account of other contributions made by the Participant under this Plan or another plan maintained by the Employer. See Section 3.02(c)(3).
- 1.66 Maximum Disparity Rate.** The maximum amount that may be allocated with respect to Excess Compensation under the permitted disparity allocation formula. See Section 3.02(a)(1)(i)(B) (Profit Sharing Plan) and Section 3.02(b)(2) (Money Purchase Plan).
- 1.67 Normal Retirement Age.** The age selected under AA §7-1. For purposes of applying the Normal Retirement Age provisions under AA §7-1, an Employee's participation commencement date is the first day of the first Plan Year in which the Employee commenced participation in the Plan. The Normal Retirement Age must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. A Normal Retirement Age of at least age 62 is deemed to be reasonable while a Normal Retirement Age under age 55 is presumed not to satisfy this requirement, unless facts and circumstances show otherwise. Whether a Normal Retirement Age between 55 and 62 satisfies this requirement depends on the facts and circumstances. A Governmental Plan must comply with the final Normal Retirement Age regulations under Treas. Reg. §1.401(a)-1, as amended, effective for Annuity Starting Dates occurring in Plan Years beginning on or after the later of the two dates described in IRS Notice 2012-29. The Employer may use AA §7-1(c), for example, to describe a reasonable Normal Retirement Age that is between age 55 and 62 that takes into account service as well as age.
- 1.68 Participant.** Except as provided under AA §3-1, a Participant is an Employee (or former Employee) who has satisfied the conditions for participating under the Plan, as described in Section 2.03 and AA §4-1. A Participant also includes any Employee (or former Employee) who has an Account Balance under the Plan, including an Account Balance derived from a rollover or transfer from another qualified plan or IRA. A Participant is entitled to share in an allocation of contributions or forfeitures under the Plan for a given year only if the Participant is an Eligible Employee as defined in Section 2.02, and satisfies the allocation conditions set forth in Section 3.07.

An Employee is treated as a Participant with respect to Salary Deferrals and After-Tax Employee Contributions once the Employee has satisfied the eligibility conditions under AA §4-1 for making such contributions, even if the Employee chooses not to actually make such contributions to the Plan. An Employee is treated as a Participant with respect to Matching Contributions once the Employee has satisfied the eligibility conditions under AA §4-1 for receiving such contributions, even if

the Employee does not receive a Matching Contribution because of the Employee's failure to make contributions eligible for the Matching Contribution.

- 1.69 Participating Employer.** An Employer that adopts this Plan by executing the Participating Employer Adoption Page under the Adoption Agreement. See Section 16 for the rules applicable to contributions and deductions for contributions made by a Participating Employer.
- 1.70 Participating Employer Adoption Page.** The signature page in the Adoption Agreement for a Related Employer to adopt the Plan as a Participating Employer.
- 1.71 Part-Time Employee.** Unless designated otherwise under AA 3-1(h), a Part-Time Employee is an Employee who is normally scheduled to work 20 or fewer hours per week. Notwithstanding the foregoing, if the Employer is a post-secondary educational institution, an Employee who is a teacher shall not be considered a Part-Time Employee if he/ she normally has classroom hours of one-half or more of the number of classroom hours designated by the Employer as constituting full-time employment, provided that such designation is reasonable under all of the facts and circumstances.
- 1.72 Period of Severance.** A continuous period of time during which the Employee is not employed by the Employer and which is used to determine an Employee's Participation under the Elapsed Time method. See Section 2.03(a)(6) for rules regarding eligibility and Section 6.04(b) for rules regarding vesting.
- 1.73 Plan.** The Plan is the retirement plan established or continued by the Employer for the benefit of its Employees under this Plan document. The Plan consists of the basic plan document and the elections made under the Adoption Agreement. The basic plan document is the portion of the Plan that contains the non-elective provisions. The Employer may supplement or modify the basic plan document through its elections in the Adoption Agreement or by separate governing documents that are expressly authorized by the Plan. If the Employer adopts more than one Adoption Agreement under this Plan, then each executed Adoption Agreement represents a separate Plan. The Employer may adopt the Plan, under the appropriate Adoption Agreement, as a Profit Sharing Plan (with or without provisions for a Grandfathered 401(k) Arrangement) or as a Money Purchase Plan.
- 1.74 Plan Administrator.** The Plan Administrator is the person designated to be responsible for the administration and operation of the Plan. Unless otherwise designated by the Employer, and until such designation is accepted by the designee, the Plan Administrator is the Employer. If another Employer has executed a Participating Employer Adoption Page, the Employer referred to in this Section is the Employer that executes the Employer Signature Page of the Adoption Agreement. A Plan Administrator also includes a Qualified Termination Administrator (QTA) that assumes the responsibilities of Plan Administrator.
- 1.75 Plan Compensation.** Plan Compensation is Total Compensation, as modified under AA §5-3, which is actually paid to an Employee during the determination period (as defined in subsection (a) below). In determining Plan Compensation, the Employer may elect under AA §5-3(b) to exclude all Elective Deferrals (as defined in Section 1.36), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4). In addition, the Employer may elect under AA §5-3 to exclude other designated elements of compensation.

Plan Compensation generally includes amounts an Employee earns with a Participating Employer and amounts earned with a Related Employer (even if the Related Employer has not executed a Participating Employer Adoption Page under the Adoption Agreement). However, the Employer may elect under AA §5-3(h) to exclude all amounts earned with a Related Employer that has not executed a Participating Employer Adoption Page.

In no case may Plan Compensation for any Participant exceed the Compensation Limit (as defined in Section 1.19).

- (a) **Determination period.** Unless designated otherwise under AA §5-4(a), Plan Compensation is determined based on the Plan Year. Alternatively, the Employer may elect under AA §5-4(a) to determine Plan Compensation on the basis of the calendar year ending in the Plan Year or any other 12-month period ending in the Plan Year. If the determination period is the calendar year or other 12-month period ending in the Plan Year, for any Employee whose date of hire is less than 12 months before the end of the designated 12-month period, Plan Compensation will be determined over the Plan Year.
- (b) **Partial period of participation.** If an Employee is a Participant for only part of a Plan Year, Plan Compensation may be determined over the entire Plan Year or over the period during which such Employee is a Participant. In determining whether an Employee is a Participant for purposes of applying this subsection (b), the Employee's status will be determined solely with respect to the contribution type for which the definition of Plan Compensation is being determined. Plan Compensation does not include any amounts earned for any period while an individual is not an Eligible Employee (as defined in Section 2.02).

Pre-Approved Governmental Defined Contribution Plan
Section 1 – Plan Definitions

- 1.76 Plan Year.** The 12-consecutive month period designated under AA §2-4 on which the records of the Plan are maintained. The Plan Year can be a 52-53 week period by designating the appropriate ending date in AA §2-4(b). If the Plan Year is amended to create a Short Plan Year, or if a new Plan has an initial Short Plan Year, the Employer may document such Short Plan Year under AA §2-4(c).
- 1.77 Predecessor Employer.** An employer that previously employed the Employees of the Employer. See Sections 2.06 (eligibility), 3.07(b) (allocation conditions) and 6.07 (vesting) for the rules regarding the crediting of service with a Predecessor Employer.
- 1.78 Pre-Tax Deferrals.** Pre-tax Deferrals are a Participant's Salary Deferrals that are not includible in the Participant's gross income at the time deferred.
- 1.79 Provider.** An entity defined under §4.08 of Rev. Proc. 2017-41, or its successor, that provides this Plan to adopting Employers.
- 1.80 Qualified Domestic Relations Order (ODRO).** A domestic relations order that provides for the payment of all or a portion of the Participant's benefits to an Alternate Payee and satisfies the requirements under Code §414(p). See Section 11.05.
- 1.81 Qualifying Longevity Annuity Contract (QLAC).** An annuity contract that is purchased from an insurance company for a Participant and that satisfies the requirements under Treas. Reg. §1.401(a)(9)-6, Q&A-17.
- 1.82 Reemployment Commencement Date.** The first date upon which an Employee is credited with an Hour of Service following a Break in Service (or Period of Severance, if the Plan is using the Elapsed Time method of crediting service).
- 1.83 Related Employer.** A Related Employer includes all members of a controlled group of corporations (as defined in Code §414(b)), all commonly controlled trades or businesses (as defined in Code §414(c)) or affiliated service groups (as defined in Code §414(m)) of which the Employer is a part, and any other entity required to be aggregated with the Employer pursuant to regulations under Code §414(o). For purposes of applying the provisions under this Plan, the Employer and any Related Employers are treated as a single Employer, unless specifically stated otherwise. See Section 16.06 for operating rules that apply when the Employer is a member of a Related Employer group. Also see Section 16 for rules regarding participation of Employees of Related Employers.
- 1.84 Required Beginning Date.** The date by which minimum distributions must commence under the Plan. See Section 8.05(e).
- 1.85 Rollover Contribution.** A contribution made by an Employee to the Plan attributable to an Eligible Rollover Distribution (as defined in Section 7.04(a)(1) from another qualified plan or IRA. See Section 3.05 for rules regarding the acceptance of Rollover Contributions under this Plan.
- 1.86 Roth Deferrals.** Roth Deferrals are Salary Deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Deferrals in the Participant's Salary Deferral Election. A Participant's Roth Deferrals will be maintained in a separate Account containing only the Participant's Roth Deferrals and gains and losses attributable to those Roth Deferrals. See Section 3.02(c)(2)(v).
- 1.87 Salary Deferral Election.** An agreement between a Participant and the Employer, whereby the Participant elects to have a specific percentage or dollar amount withheld from his/her Plan Compensation, and the Employer agrees to contribute such amount into the Plan. A Salary Deferral Election may only be made if the Plan qualifies as a Grandfathered 401(k) Arrangement as designated under AA §2-3 of the Profit Sharing Plan Adoption Agreement. See Section 3.02(c)(2)(i).
- 1.88 Salary Deferrals.** Amounts contributed under a Grandfathered 401(k) Arrangement at the election of the Participant, in lieu of cash compensation, which are made pursuant to a Salary Deferral Election or other deferral mechanism. Salary Deferrals include Roth Deferrals and Pre-Tax Deferrals. Salary Deferrals shall not include any amounts properly distributed as an Excess Amount under Code §415 pursuant to Section 5.02(c)(4). An Employee's Salary Deferrals are treated as employer contributions for all purposes under this Plan, except as otherwise provided under the Code or Treasury regulations. See Section 3.02(c)(2).
- 1.89 Seasonal Employee.** An Employee who normally works on a full-time basis less than five months during any year.
- 1.90 Short Plan Year.** Any Plan Year that is less than 12 months long, either because of the amendment of the Plan Year, or because the Effective Date of a new Plan is less than 12 months prior to the end of the first Plan Year.
- 1.91 Spouse.** Subject to any additional guidance by the IRS, other Federal agency or court, or applicable State law, a Spouse is any individual who is lawfully married to the Participant under a state or foreign jurisdiction. However, a former Spouse of the Participant will be treated as the Spouse or surviving Spouse, and any current Spouse will not be treated as the Spouse or

surviving Spouse to the extent provided under a valid QDRO. The Plan Administrator may interpret the meaning of Spouse for purposes of this Plan as such term is applicable to Governmental Plans under the Code.

1.92 Taxable Wage Base. The maximum amount of wages taken into account for Social Security purposes. The Taxable Wage Base is used to determine the Integration Level for purposes of applying the permitted disparity allocation formula. See Section 3.02(a)(1)(i)(B) (Profit Sharing Plan) and Section 3.02(b)(2) (Money Purchase Plan).

1.93 Temporary Employee. Any Employee performing services under a contractual arrangement with the Employer of two years or less duration. Possible contract extensions may be considered in determining the duration of a contractual arrangement, but only if, under the facts and circumstances, there is a significant likelihood that the Employee's contract will be extended. Future contract extensions are considered significantly likely to occur for purposes of this rule if:

- (a) on average 80 percent of similarly situated Employees have had bona fide offers to renew their contracts in the immediately preceding two academic or calendar years; or
- (b) the Employee with respect to whom the determination is being made has a history of contract extensions with respect to his or her current position.

An Employee is not considered a Temporary Employee solely because he or she is included in a unit of Employees covered by a collective bargaining agreement of two years or less duration.

1.94 Total Compensation. A Participant's compensation for services with the Employer, as defined in this Section 1.94. Total Compensation may be defined in AA §5-1 to be either W-2 Wages, Wages under Code §3401(a), or Code §415 Compensation. Each definition of Total Compensation includes Elective Deferrals (as defined in Section 1.36), elective contributions to a cafeteria plan under Code §125 or to an eligible deferred compensation plan under Code §457, Employer Pick-Up Contributions under Code §414(h)(2), and elective contributions that are not includible in the Employee's gross income as a qualified transportation fringe under Code §132(f)(4).

(a) **Total Compensation definitions.** The Employer may elect under AA §5-1 to define Total Compensation as any of the following definitions:

- (1) **W-2 Wages.** Wages within the meaning of Code §3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d), 6051(a)(3), and 6052, determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.
- (2) **Wages under Code §3401(a).** Wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.
- (3) **Code §415 Compensation.** Wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer (without regard to whether or not such amounts are paid in cash) to the extent that the amounts are includible in gross income, including amounts that are includible in the gross income of an Employee under the rules of Code §409A or §457(f)(1)(A) or because the amounts are constructively received by the Employee. Such amounts include, but are not limited to, commissions, compensation for services on the basis of a percentage of profits, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c)), and excluding the following:
 - (i) Employer contributions (other than elective contributions described in Code §402(e)(3), §408(k)(6), §408(p)(2)(A)(i), or §457(b)) to a plan of deferred compensation (including a SEP described in Code §408(k) or a SIMPLE IRA described in Code §408(p), and whether or not qualified) to the extent such contributions are not includible in the Employee's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);
 - (ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture.
 - (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.

- (iv) Other amounts which received special tax benefits, or contributions made by the Employer (other than Elective Deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).
- (b) **Post-severance compensation.** Effective for the first Limitation Year beginning on or after July 1, 2007, Total Compensation includes compensation that is paid after an Employee severs employment with the Employer, provided the compensation is paid by the later of 2½ months after severance from employment with the Employer maintaining the Plan or the end of the Limitation Year that includes such date of severance from employment. For this purpose, compensation paid after severance of employment may only be included in Total Compensation to the extent such amounts would have been included as compensation if they were paid prior to the Employee's severance from employment.

For purposes of applying this subsection (b), unless designated otherwise under AA §5-2(a), the following amounts that are paid after a Participant's severance of employment are included in Total Compensation:

- (1) **Regular pay.** Compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;
- (2) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and
- (3) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment, and only to the extent that the payment is includible in the Employee's gross income.

Other post-severance payments (such as severance pay, parachute payments within the meaning of Code §280G(b)(2), or post-severance payments under a nonqualified unfunded deferred compensation plan that would not have been paid if the Employee had continued in employment) are not included as Total Compensation, even if such amounts are paid within the time period described in this subsection (b).

In determining the amount of a Participant's Employer Contributions, Matching Contributions or Salary Deferrals, Plan Compensation may not include any amounts that do not satisfy the requirements of this subsection (b) or subsection (c) below. If Total Compensation is defined to include post-severance compensation, the Employer may elect to exclude all such compensation paid after termination of employment from the definition of Plan Compensation under AA §5-3(j) or may elect to exclude any of the specific types of post-severance compensation defined in subsections (1), (2) and/or (3) above, by designating such compensation types under AA §5-3(l). The exclusion of post-severance compensation from the definition of Plan Compensation that is otherwise includible in Total Compensation may cause the Plan to fail the nondiscriminatory compensation rules under Treas. Reg. §1.414(s)-1.

- (c) **Continuation payments for disabled Participants.** Unless designated otherwise under AA §5-2(b), Total Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)). If elected under AA §5-2(b), the Plan may take into account compensation the Participant would have received for the year if the Participant was paid at the rate of compensation paid immediately before becoming permanently and totally disabled (if such compensation is greater than the Participant's compensation determined without regard to this subsection (c)), provided contributions made with respect to amounts treated as compensation under this subsection (c) are nonforfeitable when made. If so elected under AA §5-2(b), payment to disabled Participants will be included as Total Compensation, notwithstanding the rules under subsection (b) above.
- (d) **Deemed §125 compensation.** A reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. Such deemed §125 compensation will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan. If the Employer elects under AA §5-3(i) to exclude deemed §125 compensation from the definition of Plan Compensation, such exclusion also will apply for purposes of determining Total Compensation under this Section 1.94.
- (e) **Differential Pay.** Effective for years beginning on or after January 1, 2009, in the case of an individual who receives Differential Pay from the Employer:
 - (1) such individual will be treated as an Employee of the Employer making the payment, and

- (2) the Differential Pay shall be treated as wages and will be included in calculating an Employee's Total Compensation under the Plan.

If all Employees performing service in the Uniformed Services are entitled to receive Differential Pay on reasonably equivalent terms and are eligible to make contributions based on the payments on reasonably equivalent terms, the Plan shall not be treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) by reason of any contribution or benefit based on Differential Pay. However, for purposes of applying this subparagraph, the provisions of Code §§410(b)(3), (4), and (5) shall apply. The Employer may elect to exclude Differential Pay from the definition of Plan Compensation under AA §5-3(k).

For purposes of this subsection (e), Differential Pay means any payment which is made by an Employer to an individual while the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days, and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing services for the Employer. In applying the provisions of this subsection (e), Uniformed Services are services as described in Code §3401(h)(2)(A).

- 1.95** **Trust.** The Trust is the separate funding vehicle under the Plan.
- 1.96** **Trustee.** The Trustee is the person or persons (or any successor to such person or persons) identified in the Adoption Agreement or under a separate Trust document. The Trustee may be a Discretionary Trustee or a Directed Trustee. See Section 12 for the rights and duties of a Trustee under this Plan.
- 1.97** **Valuation Date.** The date or dates upon which Plan assets are valued. Plan assets will be valued as of the last day of each Plan Year. In addition, the Employer may elect under AA §11-1 to establish additional Valuation Dates. Notwithstanding any election under AA §11-1, Plan assets may be valued on a more frequent basis within the complete discretion of the Employer. See Section 10.02.
- 1.98** **Year of Service.** A Year of Service is a 12-consecutive month Computation Period during which an Employee completes 1,000 Hours of Service. For purposes of applying the eligibility rules under Section 2.03 of the Plan, an Employee will earn a Year of Service if he/she completes 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in Section 2.03(a)(3)). For purposes of applying the vesting rules under Section 6, an Employee will earn a Year of Service if he/she completes 1,000 Hours of Service with the Employer during a Vesting Computation Period (as defined in Section 6.05). The Employer may elect under AA §4-3(a) (for eligibility purposes) and AA §8-5(a) (for vesting purposes) to require the completion of any lesser number of Hours of Service to earn a Year of Service. Alternatively, the Employer may elect to apply the Elapsed Time method (for eligibility and/or vesting purposes) in calculating an Employee's Years of Service under the Plan.

SECTION 2

ELIGIBILITY AND PARTICIPATION

- 2.01 Eligibility.** In order to participate in the Plan, an Employee must be an Eligible Employee (as defined in Section 2.02) and must satisfy the Plan's minimum age and service conditions (as defined in Section 2.03). Once an Employee satisfies the Plan's minimum age and service conditions, such Employee shall become a Participant on the appropriate Entry Date (as selected in AA §4-2). An Employee who meets the minimum age and service requirements set forth herein, but who is not an Eligible Employee, will be eligible to participate in the Plan only upon becoming an Eligible Employee. For purposes of determining eligibility to make Salary Deferrals, an Employee will be deemed to commence participation on a timely basis if the Employee is permitted to commence making Salary Deferrals as soon as administratively feasible after satisfying the eligibility conditions under the Plan.
- 2.02 Eligible Employees.** Unless specifically excluded under AA §3-1 or under this Section 2.02, all Employees of the Employer are Eligible Employees. AA §3-1 lists various classes of Employees that may be excluded from Plan participation. If an Employee is not an Eligible Employee (e.g., such Employee is a member of a class of Employees excluded under AA §3-1), that individual may not participate under the Plan, unless he/she subsequently becomes an Eligible Employee.
- (a) **Only Employees may participate in the Plan.** To participate in the Plan, an individual must be an Employee. If an individual is not an Employee (e.g., the individual performs services with the Employer as an independent contractor) such individual may not participate under the Plan. If an individual who is classified as a non-Employee is later determined by the Employer, or by a court or other government agency, to be an Employee of the Employer, the reclassification of such individual as an Employee will not create retroactive rights to participate in the Plan. Thus, for example, if the IRS or DOL should find that an independent contractor is really an Employee, such individual will be eligible to participate in the Plan as of the date the IRS or DOL issues a final determination declaring such individual to be an Employee (provided the individual has satisfied all conditions for participating in the Plan (as described in this Section 2)). For periods prior to the date of such final determination, the reclassified Employee will not have any rights to accrued benefits under the Plan, except as agreed to by the Employer, or mandated by a court or government agency, or as set forth in an amendment adopted by the Employer.
 - (b) **Excluded Employees.** The Employer may elect under AA §3-1 to exclude designated classes of Employees. Since a governmental plan is exempt from minimum coverage testing, the Employer may elect to exclude any class of Employees without subjecting the Plan to minimum coverage or nondiscrimination testing.
 - (1) **Collectively Bargained Employees.** The Employer may elect under AA §3-1(b) to exclude Collectively Bargained Employees. For this purpose, a Collectively Bargained Employee is an Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining.
 - (2) **Nonresident aliens.** The Employer may elect under AA §3-1(c) to exclude Employees who are nonresident aliens. For this purpose, a nonresident alien is neither a citizen of the United States nor a resident of the United States for U.S. tax purposes (as defined in Code §7701(b)), and who does not have any earned income (as defined in Code §911) for the Employer that constitutes U.S. source income (within the meaning of Code §861). If a nonresident alien Employee has U.S. source income, he/she is treated as satisfying this definition if all of his/her U.S. source income from the Employer is exempt from U.S. income tax under an applicable income tax treaty.
 - (3) **Leased Employees.** The Employer may elect under AA §3-1(d) to exclude Leased Employees. For this purpose, a Leased Employee is any person (other than an Employee of the Employer) who, pursuant to an agreement between the recipient Employer and a leasing organization, performs services for the recipient Employer on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the recipient Employer. (See Code §414(n) for rules applicable to the determination of Leased Employees.)
 - (c) **Employees of Related Employers.** If the Employer is a member of a Related Employer group, Employees of each member of the Related Employer group may participate under this Plan, provided the Related Employer executes a Participating Employer Adoption Page under the Adoption Agreement. If a Related Employer does not execute a Participating Employer Adoption Page, any Employees of such Related Employer are not eligible to participate in the Plan. See Section 16.06 for operating rules that apply when the Employer is a member of a Related Employer group. Also see Section 16 for rules regarding participation of Employees of Related Employers.
 - (d) **Ineligible Employee becomes Eligible Employee.** If an Employee changes status from an ineligible Employee to an Eligible Employee, such Employee will become a Participant immediately on the date he/she changes status to an Eligible Employee, provided the Employee has satisfied the Plan's minimum age and service conditions and has passed

the Entry Date (as defined in AA §4-2) that would otherwise have applied had the Employee been an Eligible Employee. If the Employee's original Entry Date (determined as if the Employee was always an Eligible Employee) has not passed as of the date the Employee becomes an Eligible Employee, the Employee will not become a Participant until such Entry Date. If an ineligible Employee has not satisfied the Plan's minimum age and service conditions at the time such Employee becomes an Eligible Employee, such Employee will become a Participant on the appropriate Entry Date following satisfaction of the Plan's minimum age and service requirements. The requirements for the timing of participation under this subsection (d) is deemed satisfied with respect to Salary Deferrals if the Employee is permitted to commence making Salary Deferrals under the Plan as soon as administratively feasible after the Employee is eligible to participate in the Plan.

- (e) **Eligible Employee becomes ineligible Employee.** If an Employee ceases to qualify as an Eligible Employee (i.e., the Employee changes status from an eligible class to an ineligible class of Employees), such Employee will immediately cease to participate in the Plan. If such Employee should subsequently become an Eligible Employee, he/she will be able to participate in the Plan in accordance with subsection (d) above.
- (f) **Improper exclusion of eligible Participant.** If the Plan improperly excludes a Participant who has satisfied the requirements under this Section 2 for participating under the Plan, the Employer may take reasonable action to correct such violation, provided such corrective action is consistent with the requirements of the Employee Plans Compliance Resolution System (EPCRS) program.

2.03 Minimum Age and Service Conditions. AA §4-1 contains specific elections as to the minimum age and service conditions which an Employee must satisfy prior to becoming eligible to participate under the Plan. A Governmental Plan is exempt from both the ERISA and pre-ERISA eligibility requirements. Therefore, the Plan may provide any minimum age and service requirements under AA §4-1 without the need to comply with the requirements of Code §410(a).

The Employer may elect to apply different minimum age and service requirements for different groups of Employees or for different contribution formulas under AA §4-1(c). In addition, the Employer may select different age and service conditions under AA §4-1 for Salary Deferrals, Matching Contributions, and/or Employer Contributions if the Plan qualifies as a Grandfathered 401(k) Arrangement.

- (a) **Application of age and service conditions.** The Employer may elect under AA §4-1 to impose minimum age and service conditions that an Employee must satisfy in order to participate under the Plan.
 - (1) **Year of Service.** In applying the minimum service requirements under AA §4-1, unless designated otherwise under AA §4-3, an Employee will earn a Year of Service if the Employee completes at least 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in subsection (3) below). The Employer may modify the definition of Year of Service under AA §4-3(a) to require a different number of Hours of Service to earn a Year of Service. An Employee will receive credit for a Year of Service, as of the end of the Eligibility Computation Period during which the Employee completes the required Hours of Service needed to earn a Year of Service. Unless otherwise provided under AA §4-3, an Employee need not be employed for the entire Eligibility Computation Period to receive credit for a Year of Service, provided the Employee completes the required Hours of Service during such period.
 - (2) **Months of service.** The Employer may elect under AA §4-1(a) to require a specific number of Hours of Service during a designated number of months of employment. If an Employee is required under AA §4-1(a) to complete a certain number of Hours of Service during a designated period, an Employee generally will satisfy the eligibility conditions as of the end of the designated period, regardless of whether the Employee is employed during the entire period. Alternatively, the Employer may elect under AA §4-1(a)(3)(ii) to require an Employee to be employed continuously throughout the designated period provided the Employee is eligible to participate in the Plan upon completing a Year of Service as defined in subsection (1) above.

If an Employee does not complete the required Hours of Service during the designated period, or does not work continuously during the designated period, if required under AA §4-1(a)(3)(ii), the Employee will satisfy eligibility upon completion of a Year of Service as defined in subsection (1) above. For purposes of applying the Year of Service requirement, an Employee need not be employed during the entire measuring period as long as the Employee completes the required Hours of Service, as specified under subsection (1) above. For example, an Employee who is not employed throughout the designated period, if required under AA §4-1(a)(3)(ii), would still satisfy the eligibility conditions as of the end of the Eligibility Computation Period if the Employee completes a Year of Service, regardless of whether the Employee is employed during the entire period.
 - (3) **Eligibility Computation Periods.** Unless provided otherwise under AA §4-3, in determining whether an Employee has earned a Year of Service for eligibility purposes, an Employee's initial Eligibility Computation Period is the 12-month period beginning on the Employee's Employment Commencement Date. Subsequent

Eligibility Computation Periods will either be based on Plan Years or Anniversary Years (as set forth in AA §4-3).

- (i) **Plan Years.** If the Employer elects under AA §4-3 to base subsequent Eligibility Computation Periods on Plan Years, the Plan will begin measuring Years of Service on the basis of Plan Years beginning with the first Plan Year commencing after the Employee's Employment Commencement Date. Thus, for the first Plan Year following the Employee's Employment Commencement Date, the initial Eligibility Computation Period and the first Plan Year Eligibility Computation Period may overlap.
- (ii) **Anniversary Years.** If the Employer elects under AA §4-3(b) to base subsequent Eligibility Computation Periods on Anniversary Years, the Plan will measure Years of Service after the initial Eligibility Computation Period on the basis of 12-month periods commencing with the anniversaries of the Employee's Employment Commencement Date.
- (iii) **Rehired Employee.** If an Employee is rehired following a Break in Service, the Employee's initial Eligibility Computation Period following the Employee's return to employment will be measured from the Employee's Reemployment Commencement Date. Subsequent Eligibility Computation Periods will be measured based on the Plan Year or anniversaries of the Reemployment Commencement Date, as designated under subsection (i) or (ii) above. For this purpose, an Employee's Reemployment Commencement Date is the first day the Employee is entitled to be credited with an Hour of Service after the first Eligibility Computation Period in which the Employee incurs a Break in Service.
- (4) **Hours of Service.** In calculating an Employee's Hours of Service for purposes of applying the eligibility rules under this Section 2.03, the Employer will count the actual Hours of Service an Employee works during the year. (See Section 1.57 for the definition of Hour of Service). The Employer may elect under AA §4-3 to use an alternative method for crediting service, such as the Equivalency Method or Elapsed Time method (instead of counting the actual Hours of Service an Employee works). (See subsections (5) and (6) below for a description of the Equivalency Method and Elapsed Time method of crediting service.)
- (5) **Equivalency Method.** Instead of counting actual Hours of Service in applying the minimum service conditions under this Section 2.03, the Employer may elect under AA §4-3(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period worked with the Employer.
 - (i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.
 - (ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.
 - (iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.
 - (iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.
 - (v) **Other Equivalency Method.** The Employer may describe an alternative Equivalency Method in the Adoption Agreement, provided any description of an Equivalency Method is definitely determinable.
- (6) **Elapsed Time method.** Instead of counting actual Hours of Service in applying the minimum service requirements under this Section 2.03, the Employer may elect under AA §4-3(c) to apply the Elapsed Time method for calculating an Employee's service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or reemployment, if applicable) and ending on the date the Employee terminates employment with the Employer. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days.

In calculating an Employee's aggregate period of service, the Employer may credit an Employee with service for any Period of Severance that lasts less than 12 consecutive months. For this purpose, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month

anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge. In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence

- (i) by reason of the pregnancy of the Employee,
- (ii) by reason of the birth of a child of the Employee,
- (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or
- (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

(7) **Amendment of age and service requirements.** If the Plan's minimum age and service conditions are amended, the amendment may consider an Employee who is a Participant immediately prior to the effective date of the amendment as satisfying the amended requirements or may require all Employees to satisfy the amended minimum age and service conditions. If an Employee has not satisfied the minimum age and service conditions as of the effective date of the amendment, the Employee must satisfy the eligibility requirements as amended. This provision may be modified under the special Effective Date provisions under Appendix A of the Adoption Agreement or under a separate amendment implementing the updated minimum age and service provisions.

(i) **Change to Elapsed Time method.** If the service crediting method is changed from an Hours of Service method to the Elapsed Time method, the amount of service credited to an Employee will equal the sum of the service under subsections (A) and (B) below. For this purpose, a change in service crediting method will occur if the Plan is amended to change the service crediting method or if the service crediting method is changed as a result of an Employee's change in employment status.

(A) The number of Years of Service equal to the number of Years of Service credited under the Hours of Service method before the Eligibility Computation Period during which the change to the Elapsed Time method occurs.

(B) For the Eligibility Computation Period in which the change occurs, the greater of:

- (I) the period of service that would be credited under the Elapsed Time method from the first day of that Eligibility Computation Period through the date of the change, or
- (II) the service that would be taken into account under the Hours of Service method for the Eligibility Computation Period which includes the date of the change.

If the period of service described in subsection (I) is the greater amount, then subsequent periods of service are credited under the Elapsed Time method beginning with the date of the change. If the period of service described in subsection (II) applies, the Elapsed Time method will be used beginning with the first day of the Eligibility Computation Period that would have followed the Eligibility Computation Period in which the change to the Elapsed Time method occurred.

If the change to the Elapsed Time method occurs as of the first day of an Eligibility Computation Period, the use of the Elapsed Time method begins as of the date of the change, and the calculation in subsection (B) above does not apply. In such case, the Employee's service is determined under subsection (A) above plus the subsequent periods of service determined under the Elapsed Time method, starting with the effective date of the change.

(ii) **Change to Hours of Service method.** If the service crediting method is changed from the Elapsed Time method to an Hours of Service method, the Employee's Elapsed Time service earned as of the date of the change is converted into Years of Service under the Hours of Service method, determined as the sum of subsections (A) and (B), below. For this purpose, a change in service crediting method will occur if the Plan is amended to change the service crediting method or if the service crediting method is changed as a result of an Employee's change in employment status.

(A) A number of Years of Service is credited that equals the number of 1-year periods of service credited under the Elapsed Time method as of the date of the change.

- (B) For the Eligibility Computation Period which includes the date of the change, the Employee is credited with an equivalent number of Hours of Service, using one of the Equivalency Methods defined in subsection (5) above for any fractional year that was credited under the Elapsed Time method as of the date of the change.

For the portion of the Eligibility Computation Period following the date of the change, actual Hours of Service are counted. The Hours of Service credited for the portion of the Eligibility Computation Period in which the Elapsed Time method was in effect are added to the actual Hours of Service credited for the remaining portion of the Eligibility Computation Period to determine if the Employee has a Year of Service for that Eligibility Computation Period.

- (b) **Entry Dates.** Once an Eligible Employee satisfies the minimum age and service conditions (as set forth in AA §4-1), the Employee will be eligible to participate under the Plan as of his/her Entry Date (as set forth in AA §4-2). If the Employer adopts a Grandfathered 401(k) Arrangement as designated under AA §2-3 of the Profit Sharing Plan Adoption Agreement, the Employer may elect different Entry Dates with respect to Salary Deferrals, Matching Contributions, and Employer Contributions.

- 2.04 Participation on Effective Date of Plan.** Unless designated otherwise under AA §4-4, an Eligible Employee who has satisfied the minimum age and service conditions and reached his/her Entry Date as of the Effective Date of the Plan will be eligible to participate in the Plan as of such Effective Date. If an Employee has satisfied the minimum age and service conditions as of the Effective Date of the Plan but has not yet reached his/her Entry Date, the Employee will be eligible to participate on the appropriate Entry Date. The Employer may modify this rule under AA §4-4 by electing to treat all Employees employed on the Effective Date of the Plan as Participants (regardless of whether they have satisfied the Plan's minimum age and service conditions) or by designating a specific date as of which all Eligible Employees will be deemed to be a Participant, (regardless of whether the Employee has otherwise satisfied the minimum age and service conditions).
- 2.05 Rehired Employees.** Subject to the Break in Service rules under Section 2.07, if a terminated Employee is subsequently rehired, such Employee will be eligible to participate in the Plan on his/her reemployment date, if the Employee is an Eligible Employee and the Employee had satisfied the Plan's minimum age and service conditions prior to his/her termination of employment. If a rehired Employee had not satisfied the Plan's minimum age and service conditions prior to termination of employment, such Employee is eligible to participate in the Plan on the appropriate Entry Date following satisfaction of the eligibility requirements under this Section 2.
- 2.06 Service with Predecessor Employers.** To the extent provided under AA §4-5, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan.
- 2.07 Break in Service Rules.** Generally, an Employee will be credited with all service earned for the Employer, including service earned prior to the effective date of the Plan and service earned while the Employee is an ineligible Employee. However, the Employer may elect under AA §4-6 to disregard an Employee's service with the Employer under the Break in Service rules. For this purpose, an Employee incurs a Break in Service for any Eligibility Computation Period (as defined in Section 2.03(a)(3)) during which the Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects to require less than 1,000 Hours of Service to earn a Year of Service for eligibility purposes, a Break in Service will occur for any Eligibility Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn an eligibility Year of Service.
- 2.08 Waiver of Participation.** An Employee may not waive participation under the Plan unless specifically permitted under AA §11-4. For this purpose, the mere failure to make Salary Deferrals or After-Tax Employee Contributions is not a waiver of participation. The Employer may elect under AA §11-4 to permit Employees to make a one-time irrevocable election to not participate under the Plan. The Employer may elect under AA §6-7(c)(2) to permit Employees to make a one-time irrevocable election to waive any Employer Pick-Up Contributions under the Plan.

SECTION 3 PLAN CONTRIBUTIONS

This Section 3 describes the type of contributions that may be made to the Plan. The type of contributions that may be made to the Plan and the method for allocating such contributions may vary depending on the type of Plan involved. (See Section 5 for a discussion of the limits that apply to any contributions made under the Plan.)

3.01 Types of Contributions. An Employer may designate under the Adoption Agreement the amount and type of contributions that may be made under the Plan. The Plan may provide for Employer Contributions (as authorized under AA §6) and, if so elected under AA §6-7, After-Tax Employee Contributions. In addition, the Profit Sharing Plan may provide for Matching Contributions with respect to any After-Tax Employee Contributions under the Plan or Elective Deferrals made under another plan maintained by the Employer. If the Plan qualifies as a Grandfathered 401(k) Arrangement (as designated under AA §2-3 of the Profit Sharing Plan Adoption Agreement, the Plan may provide for Salary Deferrals, Employer Contributions, Matching Contributions and After-Tax Employee Contributions.

To share in a contribution under the Plan, an Employee must satisfy all of the conditions for being a Participant (as described in Section 2) and must satisfy any allocation conditions (as described in Section 3.07) applicable to the particular type of contribution. The Employer may designate under AA §2-5 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions or Matching Contributions with respect to Plan Compensation earned after the date identified in AA §2-5 and no Participant will be permitted to make Salary Deferrals or Employee After-Tax Employee Contributions to the Plan for any period following the effective date of the freeze as identified in AA §2-5.

3.02 Employer Contribution Formulas. If permitted under AA §6, the Employer may make an Employer Contribution to the Plan, in accordance with the contribution formula selected under AA §6-2. Subsection (a) below describes the Employer Contributions that may be selected under the Profit Sharing Plan Adoption Agreement, subsection (b) below describes the Employer Contributions that may be made under the Money Purchase Plan Adoption Agreement and subsection (c) below describes the Employer Contributions that may be made under a Grandfathered 401(k) Arrangement. Since a governmental plan is exempt from the nondiscrimination requirements, the contribution formulas described in this Section 3.02 need not satisfy the nondiscrimination tests under Code §401(a)(4) or the regulations thereunder.

(a) **Contribution formulas (Profit Sharing Plan).** The Employer may elect under AA §6-2 of the Profit Sharing Plan Adoption Agreement to make any of the following Employer Contributions. If the Employer elects more than one Employer Contribution formula, each formula is applied separately. The Employer's aggregate Employer Contribution for a Plan Year will be the sum of the Employer Contributions under all such formulas. Any reference to the Adoption Agreement under this subsection (a) is a reference to the Profit Sharing Plan Adoption Agreement.

(1) **Employer Contributions.** An Employer may designate under AA §6 of the Profit Sharing Adoption Agreement the amount of Employer Contributions that may be made under the Plan. Any Employer Contributions selected under AA §6 will be made in accordance with the contribution formula selected under AA §6-2. Any Employer Contribution must be allocated in accordance with a definite allocation formula as set forth in AA §6-3. To receive an allocation of Employer Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.07 below.

In determining the amount of Employer Contributions to be allocated to Participants under the Plan, the Plan will take into account Plan Compensation (as defined in Section 1.75) for the Plan Year. The Employer may designate under AA §6-5(a) alternative periods for determining the allocation of Employer Contributions. If alternative periods are designated under AA §6-5(a), a Participant's allocation of Employer Contributions will be determined separately for each designated period based on Plan Compensation earned during such period. If an alternative period is designated under AA §6-5(a), the Employer need not actually make the Employer Contribution during the designated period, provided the total Employer Contribution for the Plan Year is allocated based on the proper Plan Compensation. (If the permitted disparity allocation method applies under AA §6-3(c), the allocation will be based on the Plan Year.)

If the Employer maintains any other qualified plan(s) which cover any Participants under this Plan, the Employer may elect under AA §6-5(c) to reduce such Participants' allocation under this Plan to take into account the benefits provided under the Employer's other qualified plan(s). The Employer describe how the offset will be applied under AA §6-5(c)(2).

(i) **Discretionary Employer Contribution.** If a discretionary contribution is selected under AA §6-2(a), the Employer may decide on an annual basis how much (if any) it wishes to contribute to the Plan as an Employer Contribution. If the Employer elects to make a discretionary contribution, such amount may be allocated under the pro rata, permitted disparity, Employee group, age-based or uniform points allocation method (as selected in AA §6-3).

- (A) **Pro rata allocation formula.** Under the pro rata allocation formula, a pro rata share of the Employer Contribution is allocated to each Participant's Employer Contribution Account. A Participant's pro rata share may be determined based on the ratio such Participant's Plan Compensation bears to the total Plan Compensation of all Participants or as a uniform dollar amount, as designated in AA§6-3(a).
- (B) **Permitted disparity allocation formula.** Under the permitted disparity allocation formula, the Employer Contribution is allocated to Participants' Employer Contribution Accounts using a two-step method. The Employer may not elect the permitted disparity allocation formula under the Plan if the Employer maintains another qualified plan, covering any of the same Employees, which uses permitted disparity in determining the allocation of contributions or the accrual of benefits under such plan.
- (I) **Two-step method.** Under the two-step method, the discretionary Employer Contribution is allocated under the following method:
- (a) **Step one.** The Employer Contribution is allocated to each Participant's Employer Contribution Account in the ratio that the sum of each Participant's Plan Compensation plus Excess Compensation (as defined in subsection (II) below) bears to the sum of the total Plan Compensation plus Excess Compensation of all Participants, but not in excess of the Maximum Disparity Rate (as defined in subsection (IV) below).
- (b) **Step two.** Any Employer Contribution remaining after the allocation in subsection (a) above will be allocated in the ratio that each Participant's Plan Compensation bears to the total Plan Compensation of all Participants.
- (II) **Excess Compensation.** The amount of Plan Compensation that exceeds the Integration Level.
- (III) **Integration Level.** The Taxable Wage Base, unless specified otherwise under AA §6-3(c)(1).
- (IV) **Maximum Disparity Rate.** The Maximum Disparity Rate is the maximum amount that may be allocated with respect to Excess Compensation. Unless provided otherwise under AA §6-3(c)(2), the maximum amount that may be allocated as a percentage of Plan Compensation and Excess Compensation under step one of the two-step allocation method under subsection (I) above, may not exceed the following percentage:
- | <u>Integration Level</u>
<u>(as a percentage of the Taxable Wage Base)</u> | <u>Maximum</u>
<u>Disparity Rate</u> |
|---|---|
| 100% | 5.7% |
| More than 80% but less than 100% | 5.4% |
| More than 20% and not more than 80% | 4.3% |
| 20% or less | 5.7% |
- The Employer may elect to apply a greater Maximum Disparity Rate under AA §6-3(c)(2).
- (V) **Taxable Wage Base.** The maximum amount of wages that are considered for Social Security purposes as in effect at the beginning of the Plan Year.
- (C) **Uniform points allocation.** Under the uniform points allocation, the Employer will allocate the discretionary Employer Contribution on the basis of each Participant's total points for the Plan Year, as determined under AA §6-3(d). A Participant's allocation of the Employer Contribution is determined by multiplying the Employer Contribution by a fraction, the numerator of which is the Participant's total points for the Plan Year and the denominator of which is the sum of the points for all Participants for the Plan Year.

A Participant will receive points for each year(s) of age and/or each Year(s) of Service designated under AA §6-3(d). In addition, a Participant also may receive points based on his/her Plan Compensation. Each Participant will receive the same number of points for each designated year of age and/or service and the same number of points for each designated level of Plan Compensation.

- (D) **Employee group allocation.** Under the Employee group allocation method, the Employer may make a different discretionary contribution to each Participant's Employer Contribution Account based on the Employee allocation groups designated under AA §6-3(e). The Employer Contribution made for an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If the Employer Contribution is allocated as a percentage of Plan Compensation, the amount that will be allocated to each Participant within an allocation group is determined by multiplying the Employer Contribution made for that allocation group by the following fraction:

$$\frac{\text{Participant's Plan Compensation}}{\text{Plan Compensation of all Participants in the allocation group}}$$

Alternatively, the Employer may set forth in the description of the Employee groups under AA §6-3(e)(2) a fixed contribution amount for a designated Employee group. If a fixed contribution is provided for a specific Employee group, the amount designated as the fixed contribution will be allocated to each Participant within the designated Employee group.

The Employer must designate how much of the Employer Contribution is made for each of the Employee allocation groups and whether such amounts are allocated on the basis of Plan Compensation or as a uniform dollar amount. The portion of the Employer Contribution designated for a specific allocation group will be allocated only to Participants within that allocation group. If a Participant is in more than one allocation group during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. In the event a Participant is in two or more allocation groups on the last day of the Plan Year, the Participant will receive an Employer Contribution based on the first allocation group listed under AA §6-3(e)(2) in which the Participant is a part. The Employer can provide for a different treatment of Employees in multiple groups under AA §6-3(e)(3)(i).

- (E) **Age-based allocation formula.** Under the age-based allocation formula, the Employer will allocate the discretionary Employer Contribution on the basis of each Participant's adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor. A Participant's Actuarial Factor is determined based on standard actuarial assumptions using a testing age that is the later of Normal Retirement Age or the Employee's current age. Unless designated otherwise under AA §6-3(f), a Participant's Actuarial Factor is determined based on an 8.5% interest rate and the UP-1984 mortality table. (See Appendix A of the Plan for the Actuarial Factors associated with an 8.5% interest rate and the UP-1984 mortality table and a testing age of 65. If an interest rate other than 8.5% or a mortality table other than the UP-1984 mortality table is selected under AA §6-3(f), or if a testing age other than age 65 is used, the Plan must determine the appropriate Actuarial Factors based on the designated interest rate, mortality table and testing age.)
- (ii) **Fixed Employer Contribution.** The Employer may elect under AA §6-2(b) to make a fixed contribution to the Plan. The Employer may elect under AA §6-2(b)(1) or (2) to make a fixed contribution as a designated percentage of Plan Compensation or as a uniform dollar amount. If a fixed contribution is selected under AA §6-2(b)(1) or (2), the Employer Contribution will be allocated under the fixed contribution formula under AA §6-3(b) in accordance with the selections made in AA §6-2(b).
- (iii) **Service-based Employer Contribution.** If elected in AA §6-2(d), the Employer may make a contribution based on an Employee's service with the Employer during the Plan Year (or other period designated under AA §6-5(a)). The Employer may elect to make the service-based contribution as a discretionary contribution or as a fixed contribution. Any such contribution will be allocated on the basis of Participants' Hours of Service, weeks of employment or other measuring period selected under AA §6-2(d). The Employer Contribution will be allocated under the service-based allocation formula under AA §6-3(g).

- (iv) **Contributions of Accrued Sick/Vacation Leave.** The Employer may elect under AA §6-4 to provide Employer Contributions of accrued sick and/or vacation leave, provided the following requirements are satisfied:
- (A) The leave converted under the arrangement can only be accrued unpaid leave;
 - (B) The leave converted can only be sick and/or vacation leave;
 - (C) The Employer designates how often the conversions occur;
 - (D) The eligibility requirements for participation in the plan cannot be such that an Employee becomes a Participant only in the plan year in which the Employee terminates employment;
 - (E) The only accrued unpaid leave which can be converted under the arrangement must only be leave for which the Employee has no right to request a cash payment;
 - (F) The leave conversion formula can only be one which involves multiplying an Employee's current daily rate of pay against the amount of accrued unpaid leave being converted; and
 - (G) The leave conversion formula is definitely determinable.
- (2) **Frozen Plan.** The Employer may designate under AA §2-5 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions with respect to Plan Compensation earned after the date identified in AA §2-5. If the Plan holds any unallocated forfeitures at the time the Plan is frozen, such forfeitures may be allocated to all eligible Participants in accordance with Section 6.11 in the year the Plan is frozen, regardless of any contrary selections under AA §8-7.
- (b) **Employer Contribution formulas (Money Purchase Plan).** The Employer may elect under AA §6 of the Money Purchase Plan Adoption Agreement to make any of the following Employer Contributions. Each Participant will receive an allocation of Employer Contributions equal to the amount determined under the contribution formula elected under AA §6-2. Any reference to the Adoption Agreement under this subsection (b) is a reference to the Money Purchase Plan Adoption Agreement. To receive an allocation of Employer Contributions, a Participant must satisfy any allocation conditions designated under the Plan, as described in Section 3.07 below.

In determining the amount of Employer Contributions to be allocated to Participants under the Plan, the Plan will take into account Plan Compensation (as defined in Section 1.75) for the Plan Year. The Employer may designate under AA §6-4 alternative periods for determining the allocation of Employer Contributions. If alternative periods are designated under AA §6-4, a Participant's allocation of Employer Contributions will be determined separately for each designated period based on Plan Compensation earned during such period. If an alternative period is designated under AA §6-4, the Employer need not actually make the Employer Contribution during the designated period, provided the total Employer Contribution for the Plan Year is allocated based on the proper Plan Compensation. (If the permitted disparity allocation method applies under AA §6-2(c), the allocation will be based on the Plan Year.)

If the Employer maintains any other qualified plan(s) which cover any Participants under this Plan, the Employer may elect under AA §6-3(b) to reduce such Participants' allocation under this Plan to take into account the benefits provided under the Employer's other qualified plan(s). The Employer may describe under AA §6-3(b)(2) how the offset will be applied.

- (1) **Uniform Employer Contribution.** If elected under AA §6-2(a), the Employer will make a contribution to each Participant under the Plan as a uniform percentage of Plan Compensation or as a uniform dollar amount, as designated in AA§6-2(a).
- (2) **Permitted disparity contribution formula.** If elected under AA §6-2(c), the Employer will make a permitted disparity contribution to each Participant using either the individual or group method. The Employer may not elect the permitted disparity contribution formula under the Plan if the Employer maintains another qualified plan, covering any of the same Employees, which uses permitted disparity in determining the allocation of contributions or the accrual of benefits under such plan.
 - (i) **Individual method.** Under the individual method, each Participant will receive an allocation of the Employer Contribution equal to the amount determined under the contribution formula under AA §6-2(c)(1). A Participant may not receive an allocation with respect to Excess Compensation that exceeds the Maximum Disparity Rate.

Pre-Approved Governmental Defined Contribution Plan
Section 3 – Plan Contributions

- (A) **Excess Compensation.** The amount of Plan Compensation that exceeds the Integration Level.
- (B) **Integration Level.** The Taxable Wage Base, unless specified otherwise under AA §6-2(c)(3).
- (C) **Maximum Disparity Rate.** The Maximum Disparity Rate is the maximum amount that may be allocated with respect to Excess Compensation under the permitted disparity formula. Unless provided otherwise under AA §6-2(c)(3), the maximum amount that may be allocated as a percentage of Plan Compensation and Excess Compensation is the following percentage:

<u>Integration Level</u> <u>(as a percentage of the Taxable Wage Base)</u>	<u>Maximum</u> <u>Disparity Rate</u>
100%	5.7%
More than 80% but less than 100%	5.4%
More than 20% and not more than 80%	4.3%
20% or less	5.7%

The Employer may elect to apply a greater Maximum Disparity Rate under AA §6-2(c)(3)(ii).

- (D) **Taxable Wage Base.** The maximum amount of wages that are considered for Social Security purposes as in effect at the beginning of the Plan Year.
- (ii) **Group method.** Under the group method, the Employer contributes a fixed percentage of total Plan Compensation of all Participants. The Employer Contribution is then allocated under the two-step method (as described in subsection (a)(1)(i)(B)(I) above). In determining Excess Compensation, the Integration Level is the Taxable Wage Base, unless designated otherwise under AA §6-2(c)(3).
- (3) **Employee group contribution formula.** Under the Employee group contribution formula, the Employer may make a different contribution to each Participant's Employer Contribution Account based on the designated Employee groups identified under AA §6-2(d).

The Employer Contribution made for a designated Employee group will be allocated to each eligible Participant in such group as a uniform percentage of Plan Compensation or as a uniform dollar amount, as designated in AA §6-2(d)(2). The Employer also may elect to allocate an amount to each eligible Participant in a designated Employee group the maximum amount permissible under Code §415. See Section 5.02.

The Employee groups designated in AA §6-2(d) must be clearly defined in a manner that will not violate the definite determinable requirement of Treas. Reg. §1.401-1(b)(1)(ii). The portion of the Employer Contribution designated for a specific Employee group will be allocated only to Participants within that group. If a Participant is in more than one Employee group during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. In the event a Participant is in two or more Employee groups on the last day of the Plan Year, the Participant will receive an Employer Contribution based on the first Employee group listed under AA §6-2(d) in which the Participant is a part. The Employer can provide for a different treatment of Employees in multiple groups as part of the group description in AA §6-2(d)(1).

- (4) **Age-based contribution formula.** Under the age-based contribution formula, the Employer will contribute a specific percentage of each Participant's adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor. A Participant's Actuarial Factor must be determined based on standard actuarial assumptions using a testing age that is the later of Normal Retirement Age or the Employee's current age. Unless designated otherwise under AA §6-2(e), a Participant's Actuarial Factor is determined based on an 8.5% interest rate and the UP-1984 mortality table. (See Appendix A of the Plan for the Actuarial Factors associated with an 8.5% interest rate and the UP-1984 mortality table and a testing age of 65. If an interest rate other than 8.5% or a mortality table other than the UP-1984 mortality table is selected under AA §6-2(e), or if a testing age other than age 65 is used, the Plan must determine the appropriate Actuarial Factors based on the designated interest rate, mortality table and testing age.)
- (5) **Service-based Employer Contribution.** If elected in AA §6-2(f), the Employer will make a contribution based on an Employee's service with the Employer during the Plan Year (or other period designated under AA §6-4.)

The Employer Contribution will be allocated on the basis of Participants' Hours of Service, weeks of employment or other measuring period selected under AA §6-2(f).

- (6) **Frozen Plan.** The Employer may designate under AA §2-5 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions with respect to Plan Compensation earned after the date identified in AA §2-5. If the Plan holds any unallocated forfeitures at the time of the termination, such forfeitures may be allocated to all eligible Participants in accordance with Section 6.11 in the year of the termination, regardless of any contrary selections under AA §8-7.
- (c) **Contribution formulas (Grandfathered 401(k) Plan).** If the Employer is eligible to maintain a Grandfathered 401(k) Arrangement (as defined under AA §2-3), the Employer may elect under the Adoption Agreement to make Employer Contributions, Matching Contributions and/or Salary Deferrals. Any reference to the Adoption Agreement under this subsection (c) is a reference to the Grandfathered 401(k) Plan Adoption Agreement.
- (1) **Employer Contributions.** An Employer may designate under AA §6 of the Grandfathered 401(k) Plan Adoption Agreement the amount of Employer Contributions that may be made under the Plan. The same rules apply with respect to Employer Contributions under the Grandfathered 401(k) Arrangement as apply under the Profit Sharing Plan, as set forth under subsection (a), above. If the Employer elects more than one Employer Contribution formula, each formula is applied separately. The Employer's aggregate Employer Contribution for a Plan Year will be the sum of the Employer Contributions under all such formulas.
- (2) **Salary Deferrals.** The Employer may elect under AA §6A of the Grandfathered 401(k) Plan Adoption Agreement to authorize Participants to make Salary Deferrals under the Plan. A Participant's total Salary Deferrals may not exceed the lesser of any limitation designated under AA §6A-2, the Elective Deferral Dollar Limit described under Section 5.03, or the amount permitted under the Code §415 Limitation described under Section 5.02. The Employer may elect under AA §6A-2(b) of the Grandfathered 401(k) Plan Adoption Agreement to apply a different limit on Salary Deferrals to the extent such Salary Deferrals are withheld from a Participant's bonus payments.
- (i) **Salary Deferral Election.** In order to make Salary Deferrals under the Plan, a Participant must enter into a Salary Deferral Election which authorizes the Employer to withhold a specific dollar amount or a specific percentage from the Participant's Plan Compensation. The Salary Deferral Election may permit a Participant to specify a different percentage or dollar amount be withheld from specified components of Plan Compensation, such as base pay, bonuses, commissions, etc. In addition, the Salary Deferral Election may provide the conditions on which an Employee's affirmative Salary Deferral Election will expire. If an Employee's Salary Deferral Election expires, such Employee can always complete a new affirmative election and designate a new deferral percentage. If the Plan is not an Automatic Contribution Arrangement and an Employee's affirmative election expires, the Salary Deferral Election may provide that the Employee's expiring deferral election remains in effect and may increase by a designated amount unless the Employee affirmatively elects otherwise. The Employer will deposit any amounts withheld from a Participant's Plan Compensation as Salary Deferrals into the Participant's Salary Deferral Account under the Plan. A Salary Deferral Election may only relate to Plan Compensation that is not currently available at the time the Salary Deferral Election is completed. In determining the amount to be withheld from a Participant's Plan Compensation, a Salary Deferral election may be rounded to the next highest or lowest whole dollar amount.

The Employer may designate under AA §6A-8 of the Grandfathered 401(k) Plan Adoption Agreement to apply a special effective date as of which Participants may begin making Salary Deferrals under the Plan. Regardless of any special effective date designated under AA §6A-8, a Salary Deferral Election may not be effective prior to the later of:

- (A) the date the Employee becomes a Participant;
- (B) the date the Participant executes the Salary Deferral Election; or
- (C) the date the Plan is first adopted or effective.

In addition, Salary Deferrals made pursuant to a Salary Deferral Election may not be made earlier than the date the Participant performs the services to which such Salary Deferrals relate or the date the compensation subject to such Salary Deferral Election would be currently available to the Participant absent the deferral election (if earlier). Regardless of when a Participant elects to commence making Salary Deferrals, the Employer may delay commencement for a reasonable period of time in order to implement the Salary Deferral election.

A Salary Deferral Election is valid even though it is executed by an Employee before he/she actually has qualified as a Participant, so long as the Salary Deferral Election is not effective before the date the Employee is a Participant.

- (ii) **Change in deferral election.** An Employee must be permitted to enter into a new Salary Deferral Election or to modify or terminate an existing Salary Deferral Election at least once a year. The Employer may designate additional dates on the Salary Deferral Election form (or other written procedures) as to when a Participant may modify or terminate a Salary Deferral Election. Any election to modify or terminate a Salary Deferral Election will take effect within a reasonable period following such election and will apply only on a prospective basis. The Employer may allow an Employee to increase his/her deferral election up to the Elective Deferral Dollar Limit at any time during the last two months of the Plan Year.
- (iii) **Automatic Contribution Arrangement.** The Employer may elect under AA §6A-7 of the Grandfathered 401(k) Plan Adoption Agreement to provide for an automatic deferral election under the Plan. If the Employer elects to apply an automatic deferral election, the Employer will automatically withhold the amount designated under AA §6A-7 from Participants' Plan Compensation, unless the Participant completes a Salary Deferral Election electing a different deferral amount (including a zero deferral amount). Unless provided otherwise under AA §6A-7, an Employee who is automatically enrolled under a prior plan document will continue to be automatically enrolled under the current Plan document.
 - (A) **Automatic increase.** The Plan may provide under AA §6A-7 of the Grandfathered 401(k) Plan Adoption Agreement that the automatic deferral amount will automatically increase by a designated percentage each Plan Year. Unless designated otherwise under AA §6A-7(a)(4), in applying any automatic deferral increase under AA §6A-7, the initial deferral amount will apply for the period that begins when the employee first participates in the automatic contribution arrangement and ends on the last day of the following Plan Year. The automatic increase will apply for each Plan Year beginning with the Plan Year immediately following the initial deferral period and for each subsequent Plan Year.
 - (B) **Annual notice requirement.** Each eligible Employee must receive a written notice describing the Participant's rights and obligations under the Plan which is sufficiently accurate and comprehensive to apprise the Employee of such rights and obligations and is written in a manner calculated to be understood by the average Plan Participant. The annual notice only needs to be provided to those Employees who are covered under the Automatic Contribution Arrangement. If it is impractical to provide the annual notice to a newly eligible Participant before the date such individual becomes eligible to participate under the Plan, the notice will be treated as timely if it is provided as soon as practicable after such date and the Employee is permitted to defer from Plan Compensation earned beginning on the date of participation.
 - (C) **Timing of annual notice.** The annual notice must be provided within a reasonable period before the beginning of each Plan Year (or, in the year an Employee becomes an eligible Employee, within a reasonable period before the Employee becomes an eligible Employee). In addition, a notice satisfies the timing requirements only if it is provided sufficiently early so that the Employee has a reasonable period of time after receipt of the notice and before the first Salary Deferral made under the arrangement to make an alternative deferral election. The annual notice will be deemed timely if it is provided to each eligible Employee at least 30 days (and no more than 90 days) before the beginning of each Plan Year. In the case of an Employee who does not receive the notice within such period because the Employee becomes an eligible Employee after the 90th day before the beginning of the Plan Year, the timing requirement is deemed to be satisfied if the notice is provided no more than 90 days before the Employee becomes an eligible Employee (and no later than the date the Employee becomes an eligible Employee).
 - (D) **Timing of automatic deferral.** Generally, the automatic deferral will commence as of the date the Employee is otherwise eligible to make Salary Deferrals under the Plan, if the Employee had completed a Salary Deferral Election. However, an automatic deferral will be treated as timely if the deferral is made pursuant to reasonable administrative procedures established by the Plan Administrator. If the Plan provides an Employee with a written notice as described in Section 3.03(c)(2)(i)(D) above no later than 30 days after his/her Entry Date, provides the Employee with the opportunity to make an affirmative Salary Deferral Election up to 30 days after the notice is provided, and, in the absence of the Employee's affirmative Salary Deferral Election, provides

that automatic deferrals will commence as soon as administratively practicable following the last day of the 30 day period, then the Plan will be treated as having a reasonable administrative procedure.

- (E) **Permissible Withdrawals.** If so elected under AA §6A-7(b) of the Grandfathered 401(k) Plan Adoption Agreement, effective for Plan Years beginning on or after January 1, 2008, any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of this subsection (E). A permissible withdrawal under this subsection (E) may be made without regard to any elections under AA §10 and will not cause the Plan to fail the prohibition on in-service distribution applicable to Salary Deferrals under Section 7.10(c).

- (I) **Amount of distribution.** A distribution satisfies the requirement of this subsection (E) if the distribution is equal to the amount of Salary Deferrals made pursuant to the automatic deferral election through the effective date of the withdrawal election (as described in subsection (III) below) adjusted for allocable gains and losses as of the date of the distribution.

The distribution amount determined under this subsection (I) may be reduced by any generally applicable fees. However, the Plan may not charge a greater fee for a permissible distribution under this subsection (E) than applies with respect to other Plan distributions.

- (II) **Timing of permissible withdrawal election.** An election to withdraw Salary Deferrals under this subsection (E) must be made no later than 90 days after the date of the first default Salary Deferral. The date of the first default Salary Deferral is the date that the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. The Employer may designate an alternative period for making permissible withdrawals under AA §6A-7(b)(3).

- (III) **Effective date of permissible withdrawal.** The effective date of a permissible withdrawal election cannot be later than the pay date for the second payroll period that begins after the election is made or, if earlier, the first pay date that occurs at least 30 days after the election is made. If an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Employee to take a permissible withdrawal, but only with respect to default contributions made after the Employee's return to employment.

- (IV) **Consequences of permissible withdrawal.** Any amount distributed under this subsection (E) is includible in the Employee's gross income for the taxable year in which the distribution is made. However, the portion of any distribution consisting of Roth Deferrals is not included in an Employee's gross income a second time. In addition, a permissible withdrawal under this subsection (E) is not subject to any penalty tax under Code §72(t). Unless the Employee affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to stop having Salary Deferrals made on the Employee's behalf as of the date specified in subsection (III) above.

- (iv) **Catch-Up Contributions.** If permitted under AA §6A-4 of the Grandfathered 401(k) Plan Adoption Agreement, a Participant who is aged 50 or over by the end of his/her taxable year beginning in the calendar year may make Catch-Up Contributions, provided such Catch-Up Contributions are in excess of an otherwise applicable limit under the Plan. For this purpose, an otherwise applicable Plan limit is a limit in the Plan that applies to Salary Deferrals without regard to Catch-up Contributions, such as a Plan-imposed Salary Deferral limit under AA §6A-2, the Code §415 Limitation (described in Section 5.02), or the Elective Deferral Dollar Limit (described in Section 5.03).

- (A) **Catch-Up Contribution Limit.** Catch-up Contributions for a Participant for a taxable year may not exceed the Catch-Up Contribution Limit. The Catch-Up Contribution Limit for taxable years beginning in 2010 through 2014 is \$5,500. For taxable years beginning after 2014, the Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). The Employer may operationally limit Catch-Up Contributions so that a Participant's total Catch-Up Contributions, when added to other Salary Deferrals, may not exceed 75 percent of the Participant's Plan Compensation for the taxable year.

- (B) **Special treatment of Catch-Up Contributions.** Catch-up Contributions are not subject to the Elective Deferral Dollar Limit or the Code §415 Limitation.
- (v) **Roth Deferrals.** For Plan Years beginning on or after January 1, 2006, if permitted under AA §6A-5 of the Grandfathered 401(k) Plan Adoption Agreement, a Participant may designate all or a portion of his/her Salary Deferrals as Roth Deferrals. For this purpose, a Roth Deferral is a Salary Deferral that satisfies the following conditions.
- (A) **Irrevocable election.** The Participant makes an irrevocable election (at the time the Participant enters into his/her Salary Deferral Election) designating all or a portion of his/her Salary Deferrals as Roth Deferrals. The irrevocable election applies with respect to Salary Deferrals that are made pursuant to such election. A Participant may modify or change a Salary Deferral Election to increase or decrease the amount of Salary Deferrals designated as Roth Deferrals, provided such change or modification applies only with respect to Salary Deferrals made after such change or modification. (See subsection (ii) above for rules regarding the timing of permissible changes or modifications to a Participant's Salary Deferral Election.)
- (B) **Subject to immediate taxation.** To the extent a Participant designates all or a portion of his/her Salary Deferrals as Roth Deferrals, such amounts will be includible in the Participant's income at the time the Participant would have received the contribution amounts in cash if the Employee had not made the Salary Deferral election.
- (C) **Separate account.** Any amounts designated as Roth Deferrals will be maintained by the Plan in a separate Roth Deferral Account. The Plan will credit and debit all contributions and withdrawals of Roth Deferrals to such separate Account. The Plan will separately allocate gains, losses, and other credits and charges to the Roth Deferral Account on a reasonable basis that is consistent with such allocations for other Accounts under the Plan. However, in no event may the Plan allocate forfeitures under the Plan to the Roth Deferral Account. The Plan will separately track Participants' accumulated Roth Deferrals and the earnings on such amounts.
- (D) **Satisfaction of Salary Deferral requirements.** Roth Deferrals are subject to the same requirements as apply to Salary Deferrals. Thus Roth Deferrals are subject to the following requirements:
- (I) Roth Deferrals are always 100% vested, as provided in Section 6.01.
- (II) Roth Deferrals are subject to the Elective Deferral Dollar Limit, as described in Section 5.03. For this purpose, all Salary Deferrals (both Pre-Tax Salary Deferrals and Roth Deferrals) are aggregated in applying the Elective Deferral Dollar Limit.
- (III) Roth Deferrals are subject to the same distribution restrictions as apply to Salary Deferrals under Section 7.10(c). See Section 7.11(b) for special distribution provisions applicable to Roth Deferrals.
- (IV) Roth Deferrals are subject to the required minimum distribution requirements under Code §401(a)(9), as set forth in Section 8.
- (E) **Rollover of Roth Deferrals.**
- (I) **Rollovers from this Plan.** For purposes of the rollover rules under Section 7.04, a Direct Rollover of a distribution from a Participant's Roth Deferral Account will only be made to another Roth Deferral Account under a qualified plan described in Code §401(a) or an annuity contract or custodial account described in Code §403(b) or to a Roth IRA described in §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).
- (II) **Rollovers to this Plan.** Subject to the provisions under Section 3.05, a Participant may make a Rollover Contribution to his/her Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account under a qualified retirement plan (as described in Section 3.05) and only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth

IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Account.

- (III) **Minimum rollover amount.** The Plan Administrator may decide whether or not to provide for a Direct Rollover (including an Automatic Rollover) for distributions from a Participant's Roth Deferral Account if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200. In addition, the Plan Administrator may decide whether or not to take into account any distribution from a Participant's Roth Deferral Account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than \$200 during a year. For purposes of applying the Automatic Rollover provisions under Section 8.06, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as accounts held under separate plans. (See Treas. Reg. §1.401(k)-1(f)(4)(ii).)
- (IV) **Separate treatment of Roth Deferrals.** The provisions under Section 7.04 that allow a Participant to elect a Direct Rollover of only a portion of an Eligible Rollover Distribution, but only if the amount rolled over is at least \$500, is applied by treating any amount distributed from the Participant's Roth Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.
- (vi) **In-Plan Roth Conversions.** Effective on or after January 1, 2013, the Employer may elect under AA §6A-5(c) of the Profit Sharing/401(k) Plan Adoption Agreement to permit In-Plan Roth Conversions under the Plan. For this purpose, an In-Plan Roth Conversion is a conversion of amounts held in a Participant's Plan Account, other than a Roth Deferral Account or Roth Rollover Account, into the Participant's In-Plan Roth Conversion Account under the Plan, pursuant to Code §402A(c)(4). Any election to make an In-Plan Roth Conversion during a taxable year may not be changed after the In-Plan Roth Conversion is completed. (For In-Plan Roth Conversions completed prior to January 1, 2013, a Participant had to be eligible to receive a distribution of the converted amounts at the time of the In-Plan Roth Conversion. The provisions of this Section 3.03(c)(vi) do not affect an In-Plan Roth Conversion completed prior to January 1, 2013.)

An In-Plan Roth Conversion may be elected by a Participant, a Spousal beneficiary, or an Alternate Payee who is a Spouse or former Spouse. To the extent the term "Participant" is used for purposes of determining eligibility to make an In-Plan Roth Conversion, such term will also include a Spousal beneficiary and an Alternate Payee who is a Spouse or former Spouse.

- (A) **Amounts Eligible for In-Plan Roth Conversion.** If permitted under AA §6A-5(c) of the Profit Sharing/401(k) Adoption Agreement, a Participant may convert any portion of his/her vested Account Balance (other than amounts attributable to Roth Deferrals or Roth Deferral rollovers) to an In-Plan Roth Conversion Account. Unless elected otherwise under AA §6A-5(c), a Participant need not be eligible to receive a distribution from the Plan at the time of the In-Plan Roth Conversion.

In addition, an In-Plan Roth Conversion will not be treated as a distribution for the following purposes:

- (I) **Participant loans.** A Participant loan directly transferred in an In-Plan Roth Conversion without changing the repayment schedule is not treated as a new loan.
- (II) **Spousal consent.** An In-Plan Roth Conversion is not treated as a distribution for purposes of applying the spousal consent requirements under Code §401(a)(11). Thus, a married Plan Participant is not required to obtain spousal consent in connection with an election to make an In-Plan Roth Conversion, even if the Plan is otherwise subject to the spousal consent requirements under Code §401(a)(11).
- (III) **Participant consent.** An In-Plan Roth Conversion is not treated as a distribution for purposes of applying the participant consent requirements under Code §411(a)(11). Thus, amounts that are converted as part of an In-Plan Roth Conversion continue to be taken into account in determining whether the Participant's vested Account Balance exceeds \$5,000 for purposes of applying the Involuntary Cash-Out provisions and will not trigger the requirement for a notice of the Participant's right to defer receipt of the distribution.

(IV) **Mandatory withholding.** An In-Plan Roth Conversion is not subject to 20% mandatory withholding under Code §3405(c).

(V) **Distribution restrictions.** Generally, a distribution will be permitted from the In-Plan Roth Conversion Account to the extent permitted for regular Roth Deferrals under AA §10-1. The distribution restrictions normally applicable to Roth Deferrals, as described in Section 7.10(c) of the Plan, do not apply to the extent the conversion is from a contribution source that is not otherwise subject to the distribution restrictions applicable to Roth Deferrals. In addition, distribution restrictions that otherwise apply with respect to a specific contribution source will continue to apply if such contribution source is converted to Roth Deferrals. For example, if Traditional Safe Harbor Contributions are converted to Roth Deferrals, such amounts may not be distributed on account of hardship or other event not otherwise permitted under Section 7.10(c) of the Plan, unless permitted otherwise under IRS guidance.

(B) **Effect of In-Plan Roth Conversion.** A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion. For this purpose, the taxable amount of an In-Plan Roth Conversion is the fair market value of the distribution, reduced by any basis in the converted amounts. If the distribution includes Employer securities, the fair market value includes any net unrealized appreciation within the meaning of Code §402(e)(4). If an outstanding loan is rolled over as part of an In-Plan Roth Conversion, the amount includible in gross income includes the balance of the loan.

Generally, the taxable amount of an In-Plan Roth Conversion is includible in gross income in the taxable year in which the conversion occurs.

(C) **Application of Early Distribution Penalty under Code §72(t).** An In-Plan Roth Conversion is not subject to the early distribution penalty under Code §72(t) at the time of the conversion. However, if an amount allocable to the taxable amount of an In-Plan Roth Conversion is subsequently distributed within the 5-taxable-year period beginning with the first day of the Participant's taxable year in which the conversion was made, the amount distributed is treated as includible in gross income for purposes of applying the Code §72(t) early distribution penalty. For this purpose, the 5-taxable-year period ends on the last day of the Participant's fifth taxable year in the period. This subsection (C) will not apply to the extent the distribution is rolled over to a Roth account in another qualified plan or is rolled over to a Roth IRA. However, the rule under this subsection (C) will apply to any subsequent distributions made from such other Roth account or Roth IRA within the 5-taxable-year period.

(D) **Contribution Sources.** Unless elected otherwise under AA §6A-5(c), an In-Plan Roth Conversion may be made from any contribution source under the Plan, other than a Roth Deferral Account or Roth Rollover Account. The Employer may elect in AA §6A-5(c) to limit the contribution sources that are eligible for In-Plan Roth Conversion. In addition, the Employer may elect in AA §6A-5(c) to limit In-Plan Roth Conversions to contribution accounts that are 100% vested.

(3) **Matching Contributions.** The Employer may elect under AA §6B of the Grandfathered 401(k) Plan Adoption Agreement to authorize Matching Contributions under the Plan. If the Employer elects more than one Matching Contribution formula under AA §6B-2, each formula is applied separately. A Participant's aggregate Matching Contributions will be the sum of the Matching Contributions under all such formulas. Any Matching Contribution made under the Plan will be allocated to Participants' Matching Contribution Account. To receive an allocation of Matching Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.07 below.

(i) **Contributions eligible for Matching Contributions.** The Matching Contribution formula(s) apply to Salary Deferrals, Catch-Up Contributions, After-Tax Employee Contributions and/or Employer Pick-Up Contributions made under the Plan, to the extent authorized under the Adoption Agreement. In addition, the Employer may elect under AA §6B-3(b) to match Elective Deferrals under another qualified plan, 403(b) plan or 457(b) plan maintained by the Employer. If the Employer elects to make a Matching Contribution based on the Employee's Elective Deferrals or Roth Deferrals under another qualified plan, 403(b) plan or 457(b) plan, the Employer shall make a Matching Contribution on behalf of any eligible Participant who makes Elective Deferrals or Roth Deferrals to the plan designated under AA §6B-3(b). Any such Matching Contribution made to the Plan will be allocated in accordance with any special

provisions added under AA §6B-3(b). Any such Matching Contributions will be in addition to any Matching Contributions made with respect to Salary Deferrals, After-Tax Employee Contributions, Catch-Up Contributions and/or Employer Pick-Up Contributions under this Plan.

- (ii) **Period for determining Matching Contributions.** AA §6B-5 sets forth the period for which the Matching Contribution formula(s) applies. For this purpose, the period designated in AA §6B-5 applies for purposes of determining the amount of Salary Deferrals, Catch-Up Contributions, After-Tax Employee Contributions, and/or Employer Pick-Up Contributions taken into account in applying the Matching Contribution formula(s) and in applying any limits on the amount of Salary Deferrals that may be taken into account under the Matching Contribution formula(s). (See subsection (iii) below for rules applicable to true-up contributions where the Employer contributes Matching Contributions to the Plan on a different period than selected under AA §6B-5.)

If the Employer elects a discretionary Matching Contribution under the Plan, the Employer may elect to make a different Matching Contribution for each period for which Matching Contributions are determined under the Plan. Thus, for example, if the discretionary Matching Contribution is based on the Plan Year quarter, the Employer may elect to make a different level of Matching Contribution for each Plan Year quarter. The Matching Contribution for the full Plan Year must be taken into account in applying the ACP Test with respect to such Plan Year.

- (iii) **True-up contributions.** If the Employer makes Matching Contributions more frequently than annually, the Employer may need to make true-up contributions for Participants. True-up contributions will be required if the Employer actually contributes Matching Contributions to the Plan on a more frequent basis than the period that is used to determine the amount of the Matching Contributions under AA §6B-5. For example, if Matching Contributions apply with respect to Salary Deferrals made for the Plan Year, but the Employer contributes the Matching Contributions on a quarterly basis, the Employer may have to make a true-up contribution to any Participant based on Salary Deferrals for the Plan Year. If a true-up contribution is required under this subsection (iii), the Employer may make such additional contribution as required to satisfy the contribution requirements under the Plan. If true-up contributions will not be made for any Participant under the Plan, payroll period should be selected under AA §6B-5(a).

If Matching Contributions are determined on a period other than the Plan Year, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Matching Contributions were determined on a Plan Year basis. If an additional discretionary Matching Contribution is made under this subsection (iii), such contribution must be provided to all eligible Participants who would otherwise be entitled to a true-up contribution based on Plan Compensation for the Plan Year.

- 3.03 Employer Pick-Up Contributions.** The Employer may elect under AA §6-7(c) to make Employer Pick-Up Contributions. An Employer Pick-Up Contribution is a contribution made by an Employee that is “picked up” by the Employer in accordance with Code §414(h)(2). If the Employer elects to provide Employer Pick-Up Contributions under AA §6-7(c), a Participant who meets the eligibility requirements of AA §4-1 shall be deemed to have authorized the Employer to deduct the amount designated under AA §6-7(c) from the Participant’s Plan Compensation prior to payment. Contributions picked-up under this Section 3.03 will be withheld from the Employee’s compensation and deposited into the Participant’s Employer Pick-up Contribution Account. Contributions that are picked up under this Section 3.03 will be treated as Employer Contributions under the Plan and such contributions and earnings thereon will be 100% vested at all times.

To constitute an Employer Pick-up Contribution under this Section 3.03, the Employer must:

- (a) specify that the contributions, although designated as Employee contributions, are being paid by the Employer in lieu of contributions by the Employee;
- (b) take the action necessary to effectuate the pick-up, which must be completed before the period to which such contributions relate;
- (c) exclude from the Employee’s gross income the contributions picked up by the Employer until such time as they are distributed to the Employee; and
- (d) prohibit an Employee from opting out of the Employer Pick-up Contribution and prohibit the receipt of the contributed amounts directly instead of having them paid by the Employer to the Plan.

To satisfy the requirements of this Section 3.03, the Employer Pick-Up Contributions must be effectuated by a person duly authorized to take such action with respect to the Employer and must be evidenced by a contemporaneous written document,

such as minutes from a meeting, a resolution, an ordinance or this Plan document. Any Participating Employee may not enter into a cash or deferred election (within the meaning of Treas. Reg. § 1.401(k)-1(a)(3)) with respect to the designated Employee contributions, at any time from or after the date of the implementation of the Employer Pick-Up Contribution. For example, a Participant may not opt out of the Employer Pick-Up Contribution or receive the contributed amounts directly instead of having them paid by the Employer into the Plan.

- 3.04** **After-Tax Employee Contributions.** The Employer may elect under AA §6-7 to allow Participants to make After-Tax Employee Contributions under the Plan. If permitted under AA §6-7, a Participant's compensation will be reduced by the amount the Participant elects to contribute as an After-Tax Employee Contribution. The After-Tax Employee Contributions may be Voluntary After-Tax Employee Contributions, as designated under AA §6-7(a), or may be Mandatory After-Tax Employee Contributions, as designated under AA §6-7(b). Any After-Tax Employee Contributions made under the Plan will be held in Participants' After-Tax Employee Contribution Account, which is always 100% vested.

A Participant's election to change or resume an after-tax election will be effective as set forth under the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator. An Employee must be permitted to modify or terminate an existing After-Tax Employee Contribution election at least once a year. The Employer may designate additional dates on the After-Tax Employee Contribution election form (or other written procedures) as to when a Participant may commence, modify or terminate After-Tax Employee Contributions. Any election to modify or terminate an After-Tax Employee Contribution election will take effect within a reasonable period following such election and will apply only on a prospective basis.

A Participant may withdraw amounts from his/her After-Tax Employee Contribution Account at any time, in accordance with the distribution rules under Section 7.10(a), except as otherwise provided under AA §10. No forfeitures will occur solely as a result of an Employee's withdrawal of After-Tax Employee Contributions. The Employer may collect Participants' After-Tax Employee Contributions using payroll reduction or other collection procedures. The Employer may designate in the Adoption Agreement or in separate administrative procedures any special rules regarding the acceptance of After-Tax Employee Contributions. Any separate procedures will apply uniformly to all Participants under the Plan.

- 3.05** **Rollover Contributions.** An Employee (or former Employee) may make a Rollover Contribution to this Plan from a qualified retirement plan or from an IRA, if the acceptance of rollovers is permitted under AA §C-2 or if the Plan Administrator adopts administrative procedures regarding the acceptance of Rollover Contributions. Subject to the provisions under Section 3.02(c)(2)(v)(E) relating to rollovers of Roth Deferrals, any Rollover Contribution an Employee (or former Employee) makes to this Plan will be held in the Employee's Rollover Contribution Account, which is always 100% vested. A Participant may withdraw amounts from his/her Rollover Contribution Account at any time, in accordance with the distribution rules under Section 7, except as prohibited under AA §10. Any amounts received as a Rollover Contribution under this Section 3.05 will not be treated as an Annual Addition for purposes of applying the Code §415 Limitation described in Section 5.02.

For purposes of this Section 3.05, a qualified retirement plan is a tax-qualified retirement plan described in Code §401(a) or Code §403(a), an annuity contract described in §403(b) of the Code, or an eligible plan under §457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. To qualify as a Rollover Contribution under this Section, the Rollover Contribution must be transferred directly from the qualified retirement plan or IRA in a Direct Rollover or must be transferred to the Plan by the Employee within the requisite period of time for Rollover Contributions from the qualified plan or IRA.

The Plan Administrator may accept any Rollover Contribution that satisfies the requirements, including the time period to make Rollover Contributions, under Code §402(c) and applicable IRS regulations and other guidance. Thus, for example, the Plan Administrator may accept a Rollover Contribution as provided under Revenue Procedure 2016-47 relating to the waiver of the 60-day rollover period and acceptable self-certification by an Employee and the Plan may accept a Rollover Contribution of qualified plan loan offset amounts within the applicable time period.

If permitted under AA §C-2 or other administrative procedures, an Employee (or former Employee) may make a Rollover Contribution to the Plan even if the Employee is not a Participant with respect to any or all other contributions under the Plan. An Employee who makes a Rollover Contribution to this Plan prior to becoming a Participant shall be treated as a Participant only with respect to such Rollover Contribution Account, but shall not be treated as a Participant with respect to other contribution sources under the Plan until he/she otherwise satisfies the eligibility conditions under the Plan. To the extent Participant loans are authorized under the Plan, a "limited Participant" under this paragraph may request a Participant loan from the Rollover Contribution Account, unless provided otherwise under AA §B-3 or separate administrative procedures adopted by the Plan Administrator.

The Plan Administrator may refuse to accept a Rollover Contribution if the Plan Administrator reasonably believes the Rollover Contribution:

- (a) is not being made from a proper plan or IRA;

- (b) is not being made within sixty (60) days from receipt of the amounts from a qualified retirement plan or IRA;
- (c) could jeopardize the tax-exempt status of the Plan; or
- (d) could create adverse tax consequences for the Plan or the Employer.

Prior to accepting a Rollover Contribution, the Plan Administrator may require the Employee to provide satisfactory evidence establishing that the Rollover Contribution meets the requirements of this Section.

If the Plan accepts an invalid Rollover Contribution, the contribution will be treated, for purposes of applying the qualification requirements of Code §401(a) to the Plan, as if it were a valid Rollover Contribution if two conditions are satisfied:

- (a) When accepting the amount from the Employee as a Rollover Contribution, the Plan Administrator must reasonably conclude that the contribution is a valid Rollover Contribution; and
- (b) If the Plan Administrator later determines that the contribution was an invalid Rollover Contribution, the Plan Administrator must distribute the amount of the invalid Rollover Contribution, plus any earnings attributable thereto, to the Employee within a reasonable time after such determination.

The Plan Administrator may use the criteria set forth in IRS Revenue Ruling 2014-9, as well as other evidence, in reasonably determining whether a Rollover Contribution is valid. Thus, the Plan Administrator may access the EFAST2 database maintained by the Department of Labor to assist in determining whether a potential Rollover Contribution was distributed by a plan intended to be a qualified plan. If the Plan Administrator later determines that the Rollover Contribution was not valid, the Plan Administrator must have the amount rolled over plus any attributable earnings distributed within a reasonable period of time after such determination.

The Plan Administrator may apply different conditions for accepting Rollover Contributions from qualified retirement plans and IRAs. For example, the Plan Administrator may decide in its discretion whether to accept a Direct Rollover of a loan note from another qualified plan. Any conditions on Rollover Contributions must be applied uniformly to all Employees under the Plan.

3.06 Deductible Employee Contributions. The Plan Administrator will not accept deductible employee contributions that are made for a taxable year beginning after December 31, 1986. Contributions made prior to that date will be maintained in a separate Account which will be nonforfeitable at all times. The Account will share in the gains and losses under the Plan in the same manner as described in Section 10.03(d). No part of the deductible voluntary contribution Account will be used to purchase life insurance. The Participant may withdraw any part of the deductible voluntary contribution Account by making a written application to the Plan Administrator.

3.07 Allocation Conditions. In order to receive an allocation of Employer Contributions and/or Matching Contributions, a Participant must satisfy any allocation conditions designated under the Adoption Agreement with respect to such contributions. If the Employer elects to apply a minimum service requirement for Employer Contributions and/or Matching Contributions, the Employer may elect to base such minimum service requirement on the basis of Hours of Service or on the basis of consecutive days of employment under the Elapsed Time method.

- (a) **Special rule for year of Plan termination.** A last day employment condition automatically applies for any Plan Year in which the Plan is terminated, regardless of whether the Employer has elected to apply a last day employment condition under the Adoption Agreement. Thus, the Employer will not be obligated to make an Employer Contribution or Matching Contribution for the Plan Year in which the Plan terminates, unless the Employer provides for an Employer Contribution and/or Matching Contribution in its termination amendment. If there are unallocated forfeitures at the time of Plan termination, such forfeitures will be allocated to Participants under the Plan's procedures for allocating forfeitures.
- (b) **Service with Predecessor Employers.** To the extent provided by the Employer under AA §4-5, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the allocation conditions under this Section 3.07.

3.08 Contribution of Property. Subject to the consent of the Trustee, the Employer may make its contribution to the Plan in the form of property.

SECTION 4

SPECIAL RULES AFFECTING GOVERNMENTAL PLANS AND INDIAN TRIBAL GOVERNMENT PLANS

4.01 **Governmental Plan.** Provided the Plan is properly adopted by an entity that meets the requirements for establishing and maintaining a Governmental Plan under Code §414(d), this Plan is a qualified plan under Code §401(a).

- (a) **Governmental Plan exemptions.** As a Governmental Plan, this Plan is exempt from Title I of ERISA and certain qualification rules under Code §401(a), including:
- (1) The minimum age and service rules under Code §410(a) and the minimum coverage rules under Code §410(b).
 - (2) The minimum vesting requirements of Code §411, including minimum vesting schedules, consent requirements for plan distributions, and the anti-cutback rule under Code §411(d)(6).
 - (3) The nondiscrimination requirements under Code §§401(a)(4), 401(k) and 401(m).
 - (4) The top-heavy rules under Code §416.
 - (5) The joint and survivor annuity rules under Code §§401(a)(11) and 417.
 - (6) The requirements for protecting benefits pursuant to a plan merger or a transfer of plan assets and liabilities, as prescribed by Code §401(a)(12).
 - (7) The anti-assignment rule under Code §401(a)(13). However, the Code provisions relating to the taxability of benefits distributed pursuant to a Qualified Domestic Relations Order (QDRO) are applicable to benefits payable to an alternate payee under the QDRO. See Code §414(p)(11).
 - (8) The commencement of benefit requirements under Code §401(a)(14).
 - (9) The protections under Code §401(a)(19).
- (b) **Adoption Agreement elections.** An Employer's election of provisions similar to requirements applicable to plans covered under Title I of ERISA, or to otherwise inapplicable qualification requirements under Code §401(a), will not affect the Plan's status as a Governmental Plan under Section 1.54. Provided the Employer is qualified to maintain a Governmental Plan, the Plan remains exempt from ERISA and certain Code requirements as a Governmental Plan.

4.02 **Plan of Indian Tribal Government Treated as Governmental Plan.** A Plan established and maintained by:

- (a) an Indian Tribal Government, as defined in Code §7701(a)(40);
- (b) a subdivision of an Indian Tribal Government, determined in accordance with Code §7871(d); or
- (c) an agency or instrumentality of either subsection (a) or (b) above

is treated as a Governmental Plan, provided the conditions in this Section 4.02 are satisfied.

To qualify as a Governmental Plan, the Plan must cover only Employees substantially all of whose services are in the performance of essential government functions, but not in the performance of commercial activities (whether or not essential government functions). The interpretation of these conditions, including the meaning of essential government function and commercial activities, is determined under applicable regulations. Provided the requirements of this Section 4.02 are satisfied, the Plan may include a cash or deferred arrangement as provided under Code §401(k).

4.03 **FICA Replacement Plan.** An Employee who satisfies the requirements as a Qualified Participant under subsection (b) below will be exempt from FICA tax as provided under Code §3121(b)(7)(F) if the requirements under this Section 4.03 are satisfied. The Plan may be identified as a FICA Replacement Plan under AA §2-3.

- (a) **Minimum benefit requirement.** The Plan must provide a minimum retirement benefit as set forth under this subsection (a). For this purpose, the Plan satisfies the minimum retirement benefit requirement with respect to an Employee if allocations to the Employee's Account (without regard to any earnings allocated to the Employee's Account) are at least 7.5% of the Employee's Plan Compensation for service with the Employer. Matching Contributions by the Employer may be taken into account for this purpose.

Pre-Approved Governmental Defined Contribution Plan
Section 4 – Special Rules Affecting Governmental Plans and Indian Tribal Government Plans

- (1) **Definition of Plan Compensation.** The definition of Plan Compensation used in determining whether the minimum retirement benefit requirement under this subsection (a) is satisfied must be at least equal to the Employee's base pay, provided such designation is reasonable under all the facts and circumstances. Thus, the Employer may elect under AA §5-3 to exclude items such as overtime pay, bonuses, or fringe benefits. In addition, the Employer may elect under AA §5-3(l) to exclude any compensation in excess of the contribution base described in Code §3121(x) as of the beginning of the Plan Year.
 - (2) **Reasonable rate of earnings.** An Employee's Account must be credited with a reasonable rate of earnings. This requirement is satisfied if Employees' Accounts are held in a separate trust that is subject to general fiduciary standards and are credited with actual earnings under the Plan.
 - (3) **Employee Contributions.** Contributions from both the Employer and Employee may be used to make up the 7.5% allocation requirement under this subsection (a). If the Plan only provides for Employee Contributions, the Plan will satisfy the minimum benefit requirement under this subsection (a) if the total Employee Contributions are at least 7.5% of Plan Compensation.
- (b) **Qualified Participant.** An Employee is a Qualified Participant under the Plan with respect to the services performed on a given day if, on that day, the Employee has satisfied all conditions (other than vesting) for receiving an allocation under the Plan that meets the minimum retirement benefit requirement under subsection (a) above. An Employee will be a Qualified Participant on any day with respect to compensation earned during a period ending on that day and beginning on or after the beginning of the Plan Year, regardless of whether the allocations were made or accrued before the effective date of Code §3121(b)(7)(F).
- (1) **Part-Time, Seasonal and Temporary Employees.** A Part-Time, Seasonal, or Temporary Employee is not a Qualified Participant on a given day unless any benefit relied upon to meet the minimum benefit requirement under subsection (a) above is 100% vested. A Part-Time, Seasonal or Temporary Employee's benefit is considered 100% vested on a given day if on that day the Employee is unconditionally entitled to a single-sum distribution on account of death or separation from service of an amount that is at least equal to 7.5% of Plan Compensation for all periods of service taken into account in determining whether the Employee's benefit meets the minimum retirement benefit requirement under subsection (a) above.
 - (2) **Alternative lookback rule.** The Employer may elect to apply the alternative lookback rule described in Treas. Reg. §31.3121(b)(7)-2(d)(3) in determining whether an Employee is a Qualified Participant. Under the alternative lookback rule, an Employee may be treated as a Qualified Participant throughout a calendar year if the Employee is a Qualified Participant at the end of the Plan Year ending in the previous calendar year. For this purpose, if the alternative lookback rule is used, an Employee may be treated as a Qualified Participant on any given day during the first Plan Year of participation if it is reasonable on such day to believe that the Employee will be a Qualified Participant on the last day of such Plan Year.
- (c) **Special rule for short period.** An Employee may not be treated as a Qualified Participant if Plan Compensation for less than a full plan year or other 12-month period is regularly taken into account in determining allocations to the Employee's Account for the Plan Year unless, under all of the facts and circumstances, such arrangement is not a device to avoid the imposition of FICA taxes. For example, an arrangement under which Plan Compensation taken into account under AA §5-3 is limited to the contribution base described in section 3121(x)(1) is not considered a device to avoid FICA taxes by reason of such limitation.

SECTION 5

LIMITS ON CONTRIBUTIONS

5.01 Limits on Employer Contributions. Any contributions the Employer makes under the Plan are subject to the limitations set forth in this Section 5.

- (a) **Limitation on total Employer Contributions.** All Employer Contributions the Employer makes under the Plan are subject to the Code §415 Limitation, as described in Section 5.02 below. For purposes of applying the Code §415 Limitation, Employer Contributions include any Employer Contributions, Matching Contributions, or Salary Deferrals made under the Plan. See the definition of Annual Additions under Section 5.02(c)(1) below.
- (b) **Limitation on Salary Deferrals.** If the Employer adopts the Grandfathered 401(k) Arrangement, any Salary Deferrals made under the Plan are subject to the Elective Deferral Dollar Limit, as described in Section 5.03 below.

5.02 Code §415 Limitation.

- (a) **No other plan participation.** If the Participant does not participate in, and has never participated in, another qualified retirement plan, a welfare benefit fund (as defined under Code §419(e)), an individual medical account (as defined under Code §415(l)(2)), or a SEP (as defined under Code §408(k)) maintained by the Employer which provides an Annual Addition as defined in subsection (c)(1) below, then the amount of Annual Additions which may be credited to the Participant's Account for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan.

If an Employer Contribution that would otherwise be contributed or allocated to a Participant's Account will cause that Participant's Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount to be contributed or allocated to such Participant will be reduced so that the Annual Additions allocated to such Participant's Account for the Limitation Year will equal the Maximum Permissible Amount. However, if a contribution or allocation is made to a Participant's Account in an amount that exceeds the Maximum Permissible Amount, such excess Annual Additions may be corrected pursuant to the correction procedures outlined under the IRS' Employee Plans Compliance Resolution System (EPCRS) as set forth in Rev. Proc. 2013-12.

- (b) **Participation in another plan.** This subsection (b) applies if, in addition to this Plan, the Participant receives an Annual Addition during any Limitation Year from another Defined Contribution Plan, a welfare benefit fund (as defined under Code §419(e)), an individual medical account (as defined under Code §415(l)(2)), or a SEP (as defined under Code §408(k)) maintained by the Employer.
 - (1) **This Plan's Code §415 Limitation.** The Annual Additions that may be credited to a Participant's Account under this Plan for any Limitation Year will not exceed the Maximum Permissible Amount (defined in subsection (c)(6) below), reduced by the Annual Additions credited to a Participant's Account under any other Defined Contribution Plan, welfare benefit fund, individual medical account, or SEP maintained by the Employer for the same Limitation Year.
 - (2) **Annual Additions reduction.** If the Annual Additions with respect to the Participant under any other Defined Contribution Plan, welfare benefit fund, individual medical account, or SEP maintained by the Employer are less than the Maximum Permissible Amount and the Annual Additions that would otherwise be contributed or allocated to the Participant's Account under this Plan would exceed the Code §415 Limitation for the Limitation Year, the amount contributed or allocated will be reduced so that the Annual Additions under all such Plans and funds for the Limitation Year will equal the Maximum Permissible Amount. However, if a contribution or allocation is made to a Participant's Account in an amount that exceeds the Maximum Permissible Amount, such excess Annual Additions may be corrected pursuant to the correction procedures outlined under the IRS' Employee Plans Compliance Resolution System (EPCRS) as set forth in Rev. Proc. 2013-12.
 - (3) **No Annual Additions permitted.** If the Annual Additions with respect to the Participant under such other Defined Contribution Plan(s), welfare benefit fund(s), individual medical account(s), or SEP(s), in the aggregate are equal to or greater than the Maximum Permissible Amount, no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year. However, if a contribution or allocation is made to a Participant's Account in an amount that exceeds the Maximum Permissible Amount, such excess Annual Additions may be corrected pursuant to the correction procedures outlined under the IRS' Employee Plans Compliance Resolution System (EPCRS) as set forth in Rev. Proc. 2013-12.

(c) **Definitions.**

- (1) **Annual Additions.** The amounts credited to a Participant's Account for the Limitation Year that are taken into account in applying the Code §415 Limitation, including:

- (i) Employer Contributions, including Matching Contributions, Salary Deferrals and Employer Pick-Up Contributions;
- (ii) After-Tax Employee Contributions;
- (iii) Forfeitures;
- (iv) Amounts allocated to an individual medical account (as defined in Code §415(l)(2)), which is part of a pension or annuity plan maintained by the Employer;
- (v) Amounts derived from contributions paid or accrued which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)) under a welfare benefit fund (as defined in Code §419(e)) maintained by the Employer; and
- (vi) Allocations under a SEP (as defined in Code §408(k)).

An Annual Addition is credited to a Participant's Account for a particular Limitation Year if such amount is allocated to the Participant's Account as of any date within that Limitation Year. An Annual Addition will not be deemed credited to a Participant's Account for a particular Limitation Year unless such amount is actually contributed to the Plan no later than the 15th day of the tenth calendar month following the end of the calendar year or fiscal year (as applicable, depending on the basis on which the Employer keeps its books) with or within which the particular Limitation Year ends. In the case of After-Tax Employee Contributions, such amount shall not be deemed credited to a Participant's Account for a particular Limitation Year unless the contributions are actually contributed to the Plan no later than 30 days after the close of that Limitation Year.

- (2) **Defined Contribution Dollar Limitation.** \$40,000, as adjusted under Code §415(d). For 2019, the Defined Contribution Dollar Limit is \$56,000.
- (3) **Employer.** For purposes of this Section 5.02, Employer shall mean the Employer that adopts this Plan, and all members of a controlled group of corporations (as defined in §414(b) of the Code, as modified by §415(h)), all commonly controlled trades or businesses (as defined in §414(c) of the Code, as modified by §415(h)) or affiliated service groups (as defined in §414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to regulations under §414(o) of the Code.
- (4) **Excess Amount.** The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.
- (5) **Limitation Year.** The Plan Year, unless the Employer elects another 12-consecutive month period under AA §11-2(a). If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made. If the Plan has an initial Plan Year that is less than 12 months, the Limitation Year for such first Plan Year is the 12-month period ending on the last day of that Plan Year, unless otherwise specified in AA §11-2(a).

If an Employer has multiple Limitation Years (e.g., due to the maintenance of multiple Defined Contribution Plans by a group of Related Employers), and a Participant is credited with Annual Additions in only one Defined Contribution Plan, the Code §415 Limitation is applied only with respect to that Plan. If a Participant is credited with Annual Additions in more than one Defined Contribution Plan, each such Plan satisfies the Code §415 Limitation based on Annual Additions for the Limitation Year with respect to such plan, plus any amounts credited to the Participant's Account under all other plans required to be aggregated pursuant to Code §415(f).

- (6) **Maximum Permissible Amount.** The maximum Annual Additions that may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year shall not exceed the lesser of:
- (i) the Defined Contribution Dollar Limitation; or
 - (ii) 100 percent of the Participant's Total Compensation for the Limitation Year.

The Total Compensation limitation referred to in subsection (ii) above shall not apply to any contribution for

medical benefits (within the meaning of Code §401(h) or §419A(f)(2)) which is otherwise treated as an Annual Addition.

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the Maximum Permissible Amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

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

If a short Limitation Year is created because the Plan has an *initial* Plan Year that is less than 12 months, no proration of the Defined Contribution Dollar Limitation is required, unless provided otherwise under AA §11-2(c). (See subsection (5) above for the rule allowing the use of a full 12-month Limitation Year for the first year of the Plan, thereby avoiding the need to prorate the Defined Contribution Dollar Limitation.)

- (7) **Total Compensation.** The amount of compensation as defined under Section 1.94, subject to the Employer's election under AA §5-1.
- (i) **Total Compensation actually paid or made available.** For purposes of applying the limitations of this Section 5.02, Total Compensation for a Limitation Year is the Total Compensation actually paid or made available to an Employee during such Limitation Year. However, if elected in AA §5-4(c), the Employer may include in Total Compensation for a Limitation Year amounts earned but not paid in the Limitation Year because of the timing of pay periods and pay days, but only if:
- (A) the amounts are paid during the first few weeks of the next Limitation Year,
 - (B) such amounts are included on a uniform and consistent basis with respect to all similarly-situated employees, and
 - (C) no amounts are included in Total Compensation in more than one Limitation Year.
- (ii) **Disabled Participants.** Total Compensation does not include any imputed compensation for the period a Participant is disabled. However, the Employer may elect under AA §11-2(b) to include under the definition of Total Compensation, the amount a terminated Participant who is permanently and totally disabled (as described under Treas. Reg. §1.415(c)-2(g)(4)) would have received for the Limitation Year if the Participant had been paid at the rate of Total Compensation paid immediately before becoming permanently and totally disabled. If the Employer elects under AA §11-2(b) to include imputed compensation for a disabled Participant, a disabled Participant will receive an allocation of any Employer Contribution the Employer makes to the Plan based on the Employee's imputed compensation for the Plan Year. Any Employer Contributions made to a disabled Participant under this subsection (ii) are fully vested when made and will be made only to Non-Highly Compensated Employees.
- (d) **Restorative payments.** Restorative payments are not considered Annual Additions for any Limitation Year. For this purpose, restorative payments are payments made to restore losses to the Plan resulting from actions (or a failure to act) by a fiduciary for which there is a reasonable risk of liability under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments.
- (e) **Corrective provisions.** The Plan is amended to eliminate any specific correction methods for correcting excess annual additions. If the Plan is eligible for self-correction under the IRS' EPCRS program, the Employer may use reasonable correction methods (including the correction methods described in § 1.415-6(b)(6) of the 1981 IRS regulations) to the extent permitted under the IRS' EPCRS program.
- (f) **Change of Limitation Year.** Where there is a change of Limitation Year, a "short" Limitation Year exists for the period beginning with the first day of the Limitation Year and ending on the day before the change in Limitation Year is effective. For this purpose, if the Plan is terminated effective as of a date other than the last day of the Limitation Year, the Plan is treated as if it were amended to change its Limitation Year.

5.03 Elective Deferral Dollar Limit. The Elective Deferral Dollar Limit under this Section 5.03 applies with respect to Salary Deferrals under the Grandfathered 401(k) Arrangement. Under this Elective Deferral Dollar Limit, an Employee may not make Elective Deferrals under this Plan (and any other plan, contract or arrangement maintained by the Employer) during any calendar year in an amount that exceeds the Elective Deferral Dollar Limit in effect for the Participant's taxable year beginning

in such calendar year. Additional restrictions apply if a Participant participates in a plan maintained by an unrelated employer. (See subsection (b)(6) below.)

The Elective Deferral Dollar Limit is the limit under Code §402(g)(1). The Elective Deferral Dollar Limit is \$19,000 for taxable years beginning in 2019. The Elective Deferral Dollar Limit will be adjusted for cost-of-living increases under Code §402(g)(4). Any such adjustments will be in multiples of \$500.

If a Participant is aged 50 or over by the end of the taxable year, the Elective Deferral Dollar Limit is increased by the Catch-Up Contribution Limit (as defined in Section 3.02(c)(2)(iv)(A)). If the Plan does not provide for Catch-up Contributions, the Elective Deferral Dollar Limit is not increased by the Catch-Up Contribution Limit.

- (a) **Excess Deferrals.** Excess Deferrals are Elective Deferrals made during the Participant's taxable year that exceed the Elective Deferral Dollar Limit (as described above) for such year; counting only Elective Deferrals made under this Plan and any other plan, contract or arrangement maintained by the Employer. (See subsection (b)(6) below for provisions that apply when a Participant makes Elective Deferrals to a plan of an unrelated Employer.)
- (b) **Correction of Excess Deferrals.** If a Participant makes Excess Deferrals (i.e., Elective Deferrals in excess of the Elective Deferral Dollar Limit) under this Plan and any other plan maintained by the Employer, such Excess Deferrals (plus allocable income or loss) shall be distributed to the Participant. A distribution of Excess Deferrals may be made at any time (subject to the correction provisions under the IRS' EPCRS program as described in Rev. Proc. 2013-12 or subsequent guidance). If the corrective distribution of Excess Deferrals is made by April 15 of the calendar year following the year the Excess Deferrals are made to the Plan, such amounts will be taxable in the year of deferral but not in the year of distribution. If a corrective distribution of Excess Deferrals is made after April 15 of the following calendar year, such amounts will be taxable in both the year of deferral and the year of distribution. See subsection (3) below.
 - (1) **Amount of corrective distribution.** The amount to be distributed from this Plan as a correction of Excess Deferrals equals the amount of Elective Deferrals the Participant contributes during the taxable year to this Plan and any other plan maintained by the Employer in excess of the Elective Deferral Dollar Limit, reduced by any corrective distribution of Excess Deferrals the Participant receives during the calendar year from this Plan or other plan(s) maintained by the Employer. If a Participant has both a Pre Tax-Deferral Account and a Roth Deferral Account, the Participant may designate the extent to which the corrective distribution of Excess Deferrals is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account under AA §6A-5. If a Participant does not designate the Account(s) from which the distribution will be made, the corrective distribution will be made first from the Participant's Pre-Tax Deferral Account.
 - (2) **Allocable gain or loss.** A corrective distribution of Excess Deferrals must include any allocable gain or loss for the taxable year in which the Excess Deferrals are contributed to the Plan. The gain or loss allocable to Excess Deferrals may be determined in any reasonable manner, provided the manner used to determine allocable gain or loss is applied consistently for all Participants and in a manner that is reasonably reflective of the method used by the Plan for allocating income to Participants' Accounts. A corrective distribution of Excess Deferrals will not include any income or loss allocable to the period between the end of the taxable year and the date of distribution.
 - (3) **Taxation of corrective distribution.** If a corrective distribution of Excess Deferrals is made by April 15 of the following calendar year, amounts attributable to the Excess Deferrals will be includible in the Participant's gross income in the taxable year in which such amounts are deferred under the Plan and amounts attributable to income or loss on the Excess Deferrals will be includible in gross income in the year of distribution. However, a corrective distribution of Excess Deferrals will not be included in gross income to the extent such distribution is comprised of Roth Deferrals. A Roth Deferral is treated as an Excess Deferral only to the extent that the total amount of Roth Deferrals for an individual exceeds the applicable limit for the taxable year or the Roth Deferrals are identified as Excess Deferrals and the individual receives a distribution of the Excess Deferrals and allocable income under this paragraph.

If a corrective distribution of Excess Deferrals is made after April 15, the amount of the corrective distribution attributable to Excess Deferrals will be includible in the Participant's gross income in both the taxable year in which such amounts are deferred under the Plan and the taxable year in which such amounts are distributed. (See Section 7.11(b)(2) for a discussion of the ordering rules for determining the Accounts from which the corrective distribution is made where a Participant has both a Pre-Tax Deferral Account and a Roth Deferral Account.)

If a corrective distribution of Excess Deferrals made after April 15 of the following calendar year apply to Excess Deferrals that are Roth Deferrals, such amounts are includible in gross income (without adjustment for

any return of investment in the contract under Code §72(e)(8)). In addition, such distribution cannot be a “qualified distribution” as described in Code §402A(d)(2) and is not an Eligible Rollover Distributions (within the meaning of Code §402(c)(4)). For this purpose, if a Roth Deferral account includes any Excess Deferrals, any distributions from the Roth Deferral account are treated as attributable to those Excess Deferrals until the total amount distributed from the Roth Deferral account equals the total of such Excess Deferrals and attributable income.

- (4) **Coordination with other provisions.** A corrective distribution of Excess Deferrals made by April 15 of the following calendar year may be made without consent of the Participant or the Participant’s Spouse, and without regard to any distribution restrictions applicable under Section 7. A corrective distribution of Excess Deferrals made by the appropriate April 15 also is not treated as a distribution for purposes of applying the required minimum distribution rules under Section 8.
- (5) **Suspension of Salary Deferrals.** If a Participant’s Salary Deferrals under this Plan, in combination with any Elective Deferrals the Participant makes during the calendar year under any other plan maintained by the Employer, equal or exceed the Elective Deferral Dollar Limit, the Employer may suspend the Participant’s Salary Deferrals under this Plan for the remainder of the calendar year without the Participant’s consent.
- (6) **Correction of Excess Deferrals under plans not maintained by the Employer.** The correction provisions under this subsection (b) apply only if a Participant makes Excess Deferrals under this Plan (or under this Plan and other plans maintained by the Employer). However, if a Participant has Excess Deferrals for a calendar year on account of making Elective Deferrals to a plan of an unrelated employer, the Participant may assign to this Plan any portion of his/her Elective Deferrals made under all plans during the calendar year to the extent such Elective Deferrals exceed the Elective Deferral Dollar Limit. The Participant must notify the Plan Administrator in writing on or before March 1 of the following calendar year of the amount of the Excess Deferrals to be assigned to this Plan. If any Roth Deferrals were made to a plan, the notification must also identify the extent to which, if any, the Excess Deferrals are comprised of Roth Deferrals.

Upon receipt of a timely notification, the Excess Deferrals assigned to this Plan will be distributed (along with any allocable income or loss) to the Participant in accordance with the corrective distribution provisions under this subsection (b). A Participant is deemed to notify the Plan Administrator of Excess Deferrals (including any portion of Excess Deferrals that are comprised of Roth Deferrals) to the extent such Excess Deferrals arise only under this Plan and any other plan maintained by the Employer.

SECTION 6

PARTICIPANT VESTING AND FORFEITURES

- 6.01 Vesting of Contributions.** A Participant's vested interest in his/her Employer Contribution Account and Matching Contribution Account is determined based on the vesting schedule elected in AA §8. A Participant is always fully vested in his/her Employer Pick-Up Contribution Account, Salary Deferral Account, After-Tax Employee Contribution Account, and Rollover Contribution Account.
- 6.02 Vesting Schedules.** A Participant's vested interest in his/her Employer Contribution Account and/or Matching Contribution Account is determined by multiplying the Participant's vesting percentage (determined under the applicable vesting schedule selected in AA §8) by the total amount under the applicable Account.
- (a) **Full and immediate vesting schedule.** Under the full and immediate vesting schedule, the Participant is always 100% vested in his/her Account Balance.
 - (b) **6-year graded vesting schedule.** Under the 6-year graded vesting schedule, an Employee vests in his/her Employer Contribution Account and/or Matching Contribution Account in the following manner:
 - After 2 Years of Service – 20% vesting
 - After 3 Years of Service – 40% vesting
 - After 4 Years of Service – 60% vesting
 - After 5 Years of Service – 80% vesting
 - After 6 Years of Service – 100% vesting
 - (c) **3-year cliff vesting schedule.** Under the 3-year cliff vesting schedule, an Employee is 100% vested after 3 Years of Service. Prior to the third Year of Service, the vesting percentage is zero.
 - (d) **Modified vesting schedule.** Under the modified vesting schedule, the Employer may designate the vesting percentage that applies for each Year of Service. As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA. For this purpose, the modified vesting schedule must be at least as favorable as one of the following safe harbor vesting schedules:
 - (1) **15-year cliff vesting schedule.** The Participant is fully vested after 15 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.
 - (2) **20-year graded vesting schedule.** The Participant is fully vested based on a graded vesting schedule of 5 to 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.
 - (3) **20-year cliff vesting for qualified public safety employees.** Participant is fully vested after 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service. The safe harbor schedule is available only with respect to the vesting schedule applicable to a group in which substantially all of the participants are qualified public safety employees (within the meaning of Code §72(t)(10)(B)).
- 6.03 Special vesting rules.**
- (a) **Normal Retirement Age.** Unless designated otherwise under AA §8-2(b), regardless of the Plan's vesting schedule, an Employee's right to his/her Account Balance is fully vested upon the date he/she attains Normal Retirement Age (as defined in AA §7-1), provided the Employee is still employed at such time.
 - (b) **100% vesting upon death, disability, or Early Retirement Age.** The Employer may elect under AA §8-4 to allow a Participant's vesting percentage to automatically increase to 100% if the Participant dies, becomes Disabled, and/or attains Early Retirement Age while employed by the Employer.
 - (c) **Vesting upon merger, consolidation or transfer.** No accelerated vesting will be required solely because a Defined Contribution Plan is merged with another Defined Contribution Plan, or because assets are transferred from a Defined Contribution Plan to another Defined Contribution Plan.
 - (d) **Vesting schedules applicable to prior contributions.** If the Plan holds Employer Contributions and/or Matching Contributions that are subject to vesting, but the Plan no longer provides for such contributions, the Plan will continue to apply the vesting schedule applicable to those contributions as determined under the prior Plan document. See

Section 6.11(e) for the rules applicable to forfeitures of such prior contributions. The Employer may document any prior vesting schedule in AA §A-8.

- (e) **Different Vesting Schedules for Different Sources.** The Employer may designate different vesting schedules for different sources (e.g., Matching Contributions and/or Employer Contributions).

6.04 Year of Service. An Employee's position on the vesting schedule is dependent on the Employee's Years of Service with the Employer. Generally, an Employee will earn a vesting Year of Service for each Vesting Computation Period (as defined in Section 6.05) during which the Employee completes at least 1,000 Hours of Service (or the Hours of Service designated under AA §8-5(a)). Alternatively, the Employer may elect to calculate Years of Service using the Elapsed Time method (as defined in subsection 6.04(b) below).

- (a) **Hours of Service.** Unless the Employer elects to use the Elapsed Time method under AA §8-5(c), vesting Years of Service will be determined based on an Employee's Hours of Service earned during the Vesting Computation Period.
- (1) **Actual Hours of Service.** In determining an Employee's vesting Years of Service, the Employer will credit an Employee with the actual Hours of Service earned during the Vesting Computation Period, unless the Employer elects under AA §8-5(d) to determine Hours of Service using the Equivalency Method.
 - (2) **Equivalency Method.** Instead of counting actual Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period worked with the Employer.
 - (i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.
 - (ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.
 - (iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.
 - (iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.
 - (v) **Other Equivalency Method.** The Employer may describe an alternative Equivalency Method in the Adoption Agreement, provided any description of an Equivalency Method is definitely determinable.
 - (3) **Employee need not be employed for entire Vesting Computation Period.** Unless provided otherwise under AA §8-5(e), if an Employee completes the required Hours of Service during a Vesting Computation Period, the Employee will receive credit for a Year of Service as of the end of such Vesting Computation Period, even if the Employee is not employed for the entire Vesting Computation Period.
- (b) **Elapsed Time method.** Instead of using Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(c) to apply the Elapsed Time method for calculating an Employee's vesting service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or reemployment, if applicable) and ending on the date the Employee terminates employment with the Employer. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days.

In calculating an Employee's aggregate period of service, the Employer may credit an Employee with service for any Period of Severance that lasts less than 12 consecutive months. For this purpose, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge. In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence:

- (1) by reason of the pregnancy of the Employee;
- (2) by reason of the birth of a child of the Employee;
- (3) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee; or
- (4) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

For purposes of applying the Elapsed Time method, unless otherwise provided, service will be credited for employment with any Related Employer.

6.05 Vesting Computation Period. Generally, the Vesting Computation Period is the Plan Year. Alternatively, the Employer may elect under AA §8-5(b) to use the 12-month period commencing on the Employee's date of hire (or reemployment date, if applicable) and each subsequent 12-month period commencing on the anniversary of such date or the Employer may elect to use any other 12-consecutive month period as the Vesting Computation Period.

6.06 Excluded service. Generally, all service with the Employer counts for purposes of applying the Plan's vesting schedules. However, the Employer may elect under AA §8-3 to exclude certain service with the Employer in calculating an Employee's vesting Years of Service.

- (a) **Service before the Effective Date of the Plan.** The Employer may elect under AA §8-3(a) to exclude service earned during any period prior to the date the Employer established the Plan or a Predecessor Plan. For this purpose, a Predecessor Plan is a qualified plan maintained by the Employer that is terminated within the 5-year period immediately preceding or following the establishment of this Plan. A Participant's service under a Predecessor Plan must be counted for purposes of determining the Participant's vested percentage under this Plan.
- (b) **Service before a specified age.** The Employer may elect under AA §8-3(b) to exclude service before an Employee attains a specified age. An Employee will be credited with a Year of Service for the Vesting Computation Period during which the Employee attains the required age, provided the Employee satisfies all other conditions required for a Year of Service.

6.07 Service with Predecessor Employers. To the extent provided, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan.

6.08 Break in Service Rules. In addition to any service excluded under Section 6.06, the Employer may elect under AA §8-6 to disregard an Employee's vesting service with the Employer earned prior to a Break in Service. For this purpose, an Employee incurs a Break in Service for any Vesting Computation Period (as defined in Section 6.05) during which the Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects to require less than 1,000 Hours of Service to earn a vesting Year of Service, a Break in Service will occur for any Vesting Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn a vesting Year of Service.

6.09 Special Vesting Rule - In-Service Distribution When Account Balance is Less than 100% Vested. If amounts are distributed from a Participant's Employer Contribution Account or Matching Contribution Account at a time when the Participant's vested percentage in such amounts is less than 100% and the Participant may increase the vested percentage in the Account Balance:

- (a) A separate Account will be established for the Participant's interest in the Plan as of the time of the distribution; and
- (b) At any relevant time the Participant's vested portion of the separate Account will be equal to an amount ("X") determined by the formula:

$$X = P (AB + D) - D$$

Where:

P is the vested percentage at the relevant time;

AB is the Account Balance at the relevant time; and

D is the amount of the distribution.

6.10 Forfeiture of Benefits. A Participant will forfeit the nonvested portion of his/her Employer Contribution and/or Matching Contribution Account upon the occurrence of any of the events described below or at any such time as the Plan Administrator determines. The Plan Administrator has the responsibility to determine the amount of a Participant's forfeiture. Until an amount is forfeited pursuant to this Section 6.10, a Participant's entire Account must remain in the Plan and continue to share in gains and losses of the Trust. A Participant will not forfeit any of his/her nonvested Account until the occurrence of one of the following events.

- (a) **Cash-Out Distribution.** Following termination of employment, a Participant may receive a total distribution of his/her vested benefit under the Plan (a Cash-Out Distribution) in accordance with the distribution provisions under Section 7. If a Participant receives a Cash-Out Distribution upon termination of employment, the Participant's nonvested benefit under the Plan will be forfeited in accordance with subsection 6.10(a)(1) below. If at the time of termination, a Participant is totally nonvested in his/her entire Account Balance, the Participant will be deemed to receive a total Cash-Out Distribution of his/her entire vested Account Balance (i.e., a deemed Cash-Out Distribution of zero dollars) as of the date of termination, subject to the forfeiture provisions under subsection 6.10(a)(1) below.

A Cash-Out Distribution does not occur until such time as the Participant receives a distribution of his/her entire vested Account Balance, including amounts attributable to Salary Deferrals. If a Participant receives a distribution of less than the entire vested portion of his/her Account Balance (including any additional amounts to be allocated under subsection 6.10(a)(1)(ii) below), the Participant will not be treated as receiving a Cash-Out Distribution until such time as the Participant receives a distribution of the remainder of the vested portion of his/her Account Balance.

- (1) **Timing of forfeiture.** Unless elected otherwise under AA §8-8(b), if a Participant receives a Cash-Out Distribution of his/her vested Account Balance (as defined in subsection (a) above), the Participant will immediately forfeit the nonvested portion of such Account Balance, as of the date of the distribution or deemed distribution (as determined under subsection (i) or (ii) below, whichever applies). (See Section 6.11 below for a discussion of the treatment of forfeitures under the Plan.)
- (i) **No further allocations.** For purposes of applying the Cash-Out Distribution rules, a terminated Participant who receives a total distribution of his/her vested Account Balance will be treated as receiving the Cash-Out Distribution as of the date the Participant receives such distribution (or in the case of a deemed Cash-Out Distribution (as described in subsection (a) above) as of the date the Participant terminates employment), provided the Participant is not entitled to any further allocations under the Plan for the Plan Year in which the Participant terminates employment. The Participant will forfeit his/her nonvested benefit as of the date the Participant receives the Cash-Out Distribution, in accordance with the provisions under Section 6.11.
- (ii) **Additional allocations.** For purposes of applying the Cash-Out Distribution rules, if upon termination of employment, a Participant is entitled to an additional allocation for the Plan Year in which the Participant terminates, such Participant will not be deemed to receive a Cash-Out Distribution until such time as the Participant receives a distribution of his/her entire vested Account Balance, including any amounts that are still to be allocated under the Plan. Thus, a terminated Participant who is entitled to an additional allocation (e.g., an additional Employer Contribution) for the Plan Year of termination will not be deemed to have a total Cash-Out Distribution until the Participant receives a distribution of such additional amounts. In the case of a deemed Cash-Out Distribution (as described in subsection (a) above), if the Participant is entitled to an additional allocation under the Plan for the Plan Year in which the Participant terminates employment, the deemed Cash-Out Distribution is deemed to occur on the first day of the Plan Year following the Plan Year in which the termination occurs, provided the Participant is still totally nonvested in his/her Account Balance.
- (iii) **Modification of Cash-Out Distribution rules.** The Employer may elect under AA §8-8(a) to modify the Cash-Out Distribution provision under subsection (ii) above to provide that the Cash-Out Distribution and related forfeiture occur immediately upon distribution (or deemed distribution) of the terminated Participant's vested Account Balance, without regard to whether the Participant is entitled to an additional allocation under the Plan.
- (2) **Repayment of Cash-Out Distribution.** Unless elected otherwise under AA §8-8(c), if a Participant receives a Cash-Out Distribution (as defined in subsection (a) above) that results in a forfeiture under subsection (1) above, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution. For this purpose, unless elected otherwise under AA §8-6, to be entitled to a restoration of benefits (as described in subsection (3) below), the Participant must repay the entire amount of the Cash-Out Distribution, including any amounts attributable to Salary Deferrals. A Participant will only be permitted to repay his/her Cash-Out Distribution if such repayment is made before the earlier of:

- (i) five (5) years after the first date on which the Participant is subsequently re-employed by the Employer; or
- (ii) the date the Participant incurs a Five-Year Forfeiture Break in Service (as defined in subsection (b) below).

If a Participant receives a deemed Cash-Out Distribution (as described in subsection (a) above), and the Participant resumes employment covered under this Plan before the date the Participant incurs a Five-Year Forfeiture Break in Service, the Participant is deemed to repay the Cash-Out Distribution immediately upon his/her reemployment.

- (3) **Restoration of forfeited benefit.** If a rehired Participant repays a Cash-Out Distribution in accordance with subsection (2) above, any amounts that were forfeited on account of such Cash-Out Distribution (unadjusted for any interest that might have accrued on such amounts after the distribution date) will be restored to the Plan no later than the end of the Plan Year following the Plan Year in which the Participant repays the Cash-Out Distribution (or is deemed to repay the Cash-Out Distribution under subsection (2) above). No amount will be restored under the Plan, however, until such time as the Participant repays the entire amount of the Cash-Out Distribution. (However, see subsection (d) below for a discussion of special rules that apply if a Participant's Cash-Out Distribution includes a distribution of Salary Deferrals.) In no event will a Participant be entitled to a restoration under this subsection (3) if the Participant returns to employment after incurring a Five-Year Forfeiture Break in Service (as defined in subsection (b) below).
- (4) **Sources of restoration.** If a Participant's forfeited benefit is required to be restored under subsection (3) above, the restoration of such forfeited benefits will occur from the following sources. If the following sources are not sufficient to completely restore the Participant's benefit, the Employer must make an additional contribution to the Plan.
 - (i) Any unallocated forfeitures for the Plan Year of the restoration.
 - (ii) Any unallocated earnings for the Plan Year of the restoration.
 - (iii) Any portion of a discretionary Employer Contribution to the extent such contribution has not been allocated to Participants' Accounts for the Plan Year of the restoration.
- (5) **Application of forfeiture rules under the Plan.** As a Governmental Plan (which is not subject to the rules under Code §411, the Plan Administrator has discretion on the manner in which the forfeiture and Cash-Out Distribution rules apply under the Plan.
- (b) **Five-Year Forfeiture Break in Service.** If a Participant has five (5) consecutive one-year Breaks in Service (a Five-Year Forfeiture Break in Service), all Years of Service after such Breaks in Service will be disregarded for the purpose of vesting in the portion of the Participant's Employer Contribution Account and/or Matching Contribution Account that accrued before such Breaks in Service. A Participant who incurs a Five-Year Forfeiture Break in Service will forfeit the nonvested portion of his/her Employer Contribution and/or Matching Contribution Account as of the end of the Vesting Computation Period in which the Participant incurs the fifth consecutive Break in Service. Except as provided under Section 6.08, a Participant who is rehired after incurring a Five-Year Forfeiture Break in Service will be credited with both pre-break and post-break service for purposes of determining his/her vested percentage in amounts that accrue under the Plan after the Five-Year Forfeiture Break in Service.
- (c) **Missing Participant or Beneficiary.** If a Participant or Beneficiary cannot be located within a reasonable period following a reasonable diligent search, the missing Participant's or Beneficiary's Account may be forfeited. An Employer will be deemed to have performed a reasonable diligent search if it performs the actions described in subsection (1) below. However, the Employer or Plan Administrator will be deemed to have waited a reasonable period following a reasonable diligent search if the Employer or Plan Administrator waits at least 6 months following the completion of the actions described in subsection (1) below.
 - (1) **Reasonable diligent search.** The Employer or Plan Administrator will be deemed to have performed a reasonable diligent search if it performs the following actions:
 - (i) Send a certified letter to the Participant's or Beneficiary's last known address.
 - (ii) Check related plan records of the Employer (e.g., health plan records) to determine if a more current address exists for the Participant or Beneficiary.

- (iii) If the Participant cannot be located, the Employer or Plan Administrator may attempt to identify and contact any individual that the Participant has designated as a Beneficiary under the Plan for updated information concerning the location of the missing Participant.
- (iv) In addition to the search methods discussed above, the Employer or Plan Administrator may use other search methods, including the use of Internet search tools, commercial locator services, and credit reporting agencies to locate the missing Participant.
- (2) **Forfeiture of Account of missing Participant or Beneficiary.** If a Participant or Beneficiary is deemed to be missing (as described in this subsection (c)), the Plan Administrator may forfeit the distributable amount attributable to such missing Participant or Beneficiary, as permitted under applicable laws and regulations. If, after an amount is forfeited under this subsection (2), the missing Participant or Beneficiary is located, the Plan will restore the forfeited amount (unadjusted for gains or losses) to such Participant or Beneficiary within a reasonable time. However, if a missing Participant or Beneficiary has not been located by the time the Plan terminates, the forfeiture of such Participant's or Beneficiary's distributable amount will be irrevocable.
- (3) **Expenses attributable to search for missing Participant.** Reasonable expenses attendant to locating a missing Participant may be charged to such Participant's Account, provided that the amount of such expenses is reasonable. The Plan Administrator may take into account the size of a Participant's Account in relation to the cost of the search when deciding how extensive a search is required before declaring such Participant as missing under this subsection (c).
- (d) **Excess Deferrals.** If a Participant receives a distribution of Excess Deferrals, the portion of his/her Matching Contribution Account (whether vested or not) which is attributable to such distributed amounts will be forfeited. A forfeiture of Matching Contributions under this subsection (d) occurs in the Plan Year in which the Participant receives the distribution of Excess Deferrals.

6.11 Allocation of Forfeitures. The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under AA §8-7 how forfeitures occurring during a Plan Year will be treated. Under AA §8-7, the Employer may elect to use forfeitures in the Plan Year in which the forfeitures occur or in the Plan Year following the Plan Year in which the forfeitures occur. The Employer may elect under AA §8-7 to allocate forfeitures in any manner permitted under this Section 6.11.

- (a) **Reallocation as additional contributions under Profit Sharing Plan Adoption Agreement.** The Employer may elect in AA §8-7 to reallocate forfeitures as additional contributions under the Plan. If the Employer elects under the Profit Sharing Plan Adoption Agreement to reallocate forfeitures as additional contributions, the Employer may allocate such amounts as additional Employer Contributions and/or additional Matching Contributions. If the forfeitures allocated under this subsection (a) relate to discretionary contributions, such amounts may be allocated in the same manner as selected under AA §6-3 with respect to the contribution type being allocated. If the forfeitures relate to fixed contributions, such amounts may be allocated in addition to such fixed contributions in the ratio that the Plan Compensation of each Participant bears to the Plan Compensation of all Participants. In allocating forfeitures under this subsection (a), the Employer may take into account any limits under AA §6B-4 in determining the amount of forfeitures to be allocated as additional Matching Contributions. In applying the provisions of this subsection (a), no allocation of forfeitures will be made to any Participant with respect to forfeitures that arise out of his/her own Account. A Participant may share in any additional forfeitures to the extent the Participant is eligible to receive an allocation of such forfeitures under AA §8-7.
- (b) **Reallocation as additional Employer Contributions under Money Purchase Plan Adoption Agreement.** The Employer may elect in AA §8-7 to reallocate forfeitures as additional Employer Contributions under the Plan. If the Employer elects under the Money Purchase Plan Adoption Agreement to reallocate forfeitures as additional Employer Contributions, such amounts will be allocated in the ratio that the Plan Compensation of each Participant bears to the Plan Compensation of all Participants. In applying the provisions of this subsection (b), no allocation of forfeitures will be made to any Participant with respect to forfeitures that arise out of his/her own Account.
- (c) **Reduction of contributions.** The Employer may elect in AA §8-7 to use forfeitures to reduce Employer Contributions and/or Matching Contributions under the Plan. If the Employer elects to use forfeitures to reduce contributions, the Employer may, in its discretion, use such forfeitures to reduce Employer Contributions, Matching Contributions, or both. The Employer may adjust its contribution deposits in any manner, provided the total Employer Contributions and/or Matching Contributions made for the Plan Year properly take into account the forfeitures that are to be used to reduce such contributions for that Plan Year. If contributions are allocated over multiple allocation periods, the Employer may reduce its contribution for any allocation periods within the Plan Year in which the forfeitures are to be allocated so that the total amount allocated for the Plan Year is proper. If the Plan provides for a discretionary Employer or Matching Contribution and the Employer elects not to make an Employer or Matching Contribution for the Plan

Year, any forfeitures will be allocated to eligible Participants as an additional Employer or Matching Contribution, as provided under subsection (a) above.

- (d) **Payment of Plan expenses.** The Employer may elect under AA §8-7 to use forfeitures to pay Plan expenses for the Plan Year in which the forfeitures would otherwise be applied. If any forfeitures remain after the payment of Plan expenses under this subsection, the remaining forfeitures will be allocated as selected under AA §8-7. This subsection (d) only applies to the extent Plan expenses are paid by the Plan. Nothing herein affects the ability of the Employer to pay Plan expenses, as authorized under Section 11.04(a). In determining the Plan expenses that may be offset by Plan forfeitures, the Employer may use any reasonable method to determine the Plan expenses attributable to a particular year. In addition, the Employer may elect to use forfeitures first to reduce Employer and/or Matching Contributions or as an additional allocation (as set forth in AA §8-7) prior to using forfeitures to pay Plan expenses.
- (e) **Forfeiture rules for other contribution types.**
- (1) **Prior Employer and/or Matching Contributions.** If the Plan maintains Employer Contribution and/or Matching Contribution Accounts, but the Plan no longer provides for such contributions, such amounts will continue to vest under the vesting schedule applicable to such contributions under the prior Plan or under any vesting schedule designated under Appendix A of the Adoption Agreement. If there are any forfeitures related to such prior contributions, such amounts may be reallocated as an additional Employer Contribution or as an additional Matching Contribution in accordance with the provisions of subsection (a) or (b) above, to the extent such contributions are authorized under the Plan, or may be used to reduce any Employer Contribution or Matching Contribution, consistent with the provisions of subsection (c) above. If the Plan does not provide for either Employer Contributions or Matching Contributions, the Employer may reallocate forfeitures of prior contributions as an Employer Contribution (using the pro rata allocation formula) or as a discretionary Matching Contribution under the Profit Sharing Plan Adoption Agreement, as applicable, or as a fixed contribution under the Money Purchase Plan Adoption Agreement. Alternatively, the Employer may use such forfeitures to pay Plan expenses as authorized under subsection (d) above. The Employer may elect to use such forfeitures in the Plan Year the forfeiture occurs or in the following Plan Year.
- (2) **Other contributions.** If a Participant has any other amounts under the Plan which are treated as forfeited (e.g. a forfeiture for a missing Participant under Section 6.10(c)), and no selections are made under AA §8-7 regarding the treatment of forfeitures under the Plan, such amounts may be forfeited in accordance with any of the forfeiture options described in this Section 6.11.

SECTION 7 PLAN DISTRIBUTIONS

A Participant may receive a distribution of his/her vested Account Balance at the time and in the manner provided under this Section 7. Upon reaching the Required Beginning Date (defined in Section 8.05(e)), a Participant must begin receiving distributions under the Plan (in accordance with the provisions of Section 8.)

7.01 Available Forms of Distribution. The Employer may elect under AA §9-1 the forms of distribution that are available to a Participant or Beneficiary under the Plan. Different distribution options may apply depending on whether a distribution is made upon termination of employment, death, disability or as an in-service withdrawal. Available distribution options under AA §9-1 may include a lump sum of all or a portion of the Participant's vested Account Balance, an in-kind distribution of an Annuity Contract, partial lump sums, installments, annuity payments, or any other form designated in AA §9-1. In addition, distribution options may be available as provided under a guaranteed income product to the extent such distribution options are consistent with qualification requirements applicable to such distributions. Any distribution options selected under the Plan must comply with the required minimum distribution rules under Section 8.

If the Plan provides for installment payments as an optional form of distribution, such payments may be made in monthly, quarterly, semi-annual, or annual payments over a period not exceeding the life expectancy of the Participant and his/her designated Beneficiary. The Plan Administrator may permit a Participant or Beneficiary to accelerate the payment of all, or any portion, of an installment distribution. If the Plan provides for annuity payments, the Plan must purchase an annuity that provides for payments over a period that does not extend beyond either the life of the Participant (or the lives of the Participant and his/her designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and his/her designated Beneficiary). (The availability of installments and/or annuity payments may be restricted under AA §9-1(d).)

If the Plan holds Employer Contributions and/or Matching Contributions, but the Plan no longer provides for such contributions, the Plan may continue to apply the distribution options applicable to those contributions as determined under the prior Plan document, unless elected otherwise. The Employer may document any prior distribution options in AA Appendix A or AA §10-3.

7.02 Amount Eligible for Distribution. For purposes of determining the amount a Participant or Beneficiary may receive as a distribution from the Plan, a Participant's Account Balance is determined as of the Valuation Date (as specified in AA §11-1) immediately preceding the date the Participant or Beneficiary receives his/her distribution from the Plan. For this purpose, the Account Balance must be increased for any contributions allocated to the Participant's Account since the most recent Valuation Date and must be reduced for any distributions made from the Participant's Account since the most recent Valuation Date. A Participant or Beneficiary does not share in any allocation of gains or losses attributable to the period between the most recent Valuation Date and the date of the distribution, unless provided otherwise under uniform funding and valuation procedures established by the Plan Administrator. See Section 10.03.

7.03 Participant Consent. To the extent elected under AA §9-2, if the value of a Participant's entire vested Account Balance exceeds the Involuntary Cash-Out threshold (as defined in subsection (a) below), the Participant must consent to any distribution of such Account Balance prior to his/her Required Beginning Date (as defined in Section 8.05(e)) or, if so provided in AA §9-2(a)(4), as of the date the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or age 62. A failure by the Participant (and Spouse, if applicable) to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this section.

(a) **Involuntary Cash-Out threshold.** For purposes of determining whether a distribution is subject to the Participant consent requirements as described in Section 7.03, the Involuntary Cash-Out threshold is \$5,000 unless a different amount is designated under AA §9-2(a). (See Section 7.05 for a discussion of the Automatic Rollover rules that apply if a Participant does not consent to a distribution that is otherwise available without Participant consent.) For purposes of determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, the value of the Participant's vested Account Balance shall be determined without regard to that portion of the Account Balance that is attributable to Rollover Contributions (and earnings allocable thereto) within the meaning of Code §§402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16). The Employer may elect in AA §9-2(a)(5) to include Rollover Contributions (and earnings allocable thereto) in determining whether the Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold.

(b) **Participant notice.** If a distribution is subject to Participant consent, the Participant must consent in writing to the distribution within a reasonable period prior to the Annuity Starting Date (as defined in Section 1.10). For this purpose, any consent made within the 180-day period ending on the Annuity Starting Date will be deemed to be made within a reasonable period. If the distribution is subject to spousal consent under AA §9-2(b), the Participant's Spouse also must consent to the distribution in accordance with Section 9.02.

Prior to receiving a distribution from the Plan, a Participant must be notified of his/her right to defer any distribution from the Plan. The notification shall include a general description of the material features and the relative values of the optional forms of benefit available under the Plan (consistent with the requirements under Code §417(a)(3)). Effective for Plan Years beginning on or after January 1, 2007, the Participant notice must include a description of the consequences of a Participant's decision not to defer the receipt of a distribution. The notice must be provided no less than 30 days and no more than 180 days prior to the Participant's Annuity Starting Date. However, distribution may commence less than 30 days after the notice is given, if the Participant is clearly informed of his/her right to take 30 days after receiving the notice to decide whether or not to elect a distribution (and, if applicable, a particular distribution option), and the Participant, after receiving the notice, affirmatively elects to receive the distribution prior to the expiration of the 30-day minimum period. The notice requirements described in this paragraph may be satisfied by providing a summary of the required information, so long as the conditions described in applicable regulations for the provision of such a summary are satisfied, and the full notice is also provided (without regard to the 180-day period described in this subsection).

- (c) **Special rules.** The consent rules under this Section 7.03 apply to distributions made after the Participant's termination of employment and to distributions made prior to the Participant's termination of employment. However, the consent of the Participant (and the Participant's Spouse, if applicable) shall not be required to the extent that a distribution is required to satisfy the required minimum distribution rules under Section 8 or to satisfy the requirements of Code §415, as described in Section 5.02. A Participant also will not be required to consent to a corrective distribution of Excess Deferrals.

7.04 Direct Rollovers. Notwithstanding any provision in the Plan to the contrary, a Participant may elect, at the time and the manner prescribed by the Plan Administrator, to have all or any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan in a Direct Rollover. If an Eligible Rollover Distribution is less than \$500, the Participant may not elect a Direct Rollover of only a portion of such distribution (i.e., a Participant must elect a complete Direct Rollover if the Eligible Rollover Distribution is less than \$500). For purposes of this Section 7.04, a Participant includes a Participant or former Participant. In addition, this Section applies to any distribution from the Plan made to a Participant's surviving Spouse or to a Participant's Spouse or former Spouse who is the Alternate Payee under a QDRO, as defined in Section 1.80. This Section 7.04 also applies to distributions made to a Participant's non-Spouse beneficiary, as set forth in subsection (c) below.

(a) **Definitions.**

- (1) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of a Participant's Account Balance, except an Eligible Rollover Distribution does not include:
- (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's Beneficiary, or for a specified period of ten years or more;
 - (ii) any distribution to the extent such distribution is a required minimum distribution under Code §401(a)(9), as described under Section 8;
 - (iii) any Hardship distribution, as described in Section 7.10(e);
 - (iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to Employer securities);
 - (v) any distribution if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200;
 - (vi) a distribution made to satisfy the requirements of Code §415 (as described in Section 5.02) or a distribution to correct Excess Deferrals.
- (2) **Eligible Retirement Plan.** For purposes of applying the Direct Rollover provisions under this Section 7.04, an Eligible Retirement Plan is:
- (i) a qualified plan described in Code §401(a);
 - (ii) an individual retirement account described in Code §408(a);
 - (iii) an individual retirement annuity described in Code §408(b);

- (iv) an annuity plan described in Code §403(a);
- (v) an annuity contract described in Code §403(b);
- (vi) an eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; or
- (vii) for rollovers made on or after December 31, 2015, a SIMPLE IRA described in Code §408(p). However, the following restrictions apply: (1) the provision does not allow SIMPLE IRAs to accept rollovers from designated Roth accounts, and (2) the change applies only to rollovers made after the two-year period beginning on the date the Participant first participated in their employer's SIMPLE IRA plan.

The definition of Eligible Retirement Plan also applies in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a QDRO.

To the extent any portion of an Eligible Rollover Distribution is attributable to Roth Deferrals (as defined in Section 3.02(c)(2)(v)), an Eligible Retirement Plan with respect to such portion of the distribution shall include only another designated Roth account of the Participant or a Roth IRA. To the extent any portion of an Eligible Rollover Distribution is attributable to After-Tax Employee Contributions, an Eligible Retirement Plan with respect to such portion of the distribution shall include only an individual retirement account or annuity described in Code §408(a) or (b) or a qualified Defined Contribution Plan described in Code §401(a) or §403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

- (3) **Direct Rollover.** A Direct Rollover is a payment made directly from the Plan to the Eligible Retirement Plan specified by the Participant. The Plan Administrator may develop reasonable procedures for accommodating Direct Rollover requests.
 - (b) **Direct Rollover notice.** A Participant entitled to an Eligible Rollover Distribution must receive a written explanation of his/her right to a Direct Rollover, the tax consequences of not making a Direct Rollover, and if applicable, any available special income tax elections. The notice must be provided within 30 –180 days prior to the Participant's Annuity Starting Date in the same manner as described in Section 7.03(b). The Direct Rollover notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than \$200.
- If a Participant terminates employment and is eligible for a distribution which is not subject to Participant consent, and the Participant does not respond to the Direct Rollover notice indicating whether a Direct Rollover is desired and the name of the Eligible Retirement Plan to which the Direct Rollover is to be made, the Plan Administrator may distribute the Participant's entire vested Account Balance in the form of an Automatic Rollover (pursuant to Section 7.05). If a distribution would qualify for Automatic Rollover, the Direct Rollover notice must describe the procedures for making an Automatic Rollover, including the name, address, and telephone number of the IRA trustee and information regarding IRA maintenance and withdrawal fees and how the IRA funds will be invested. The Direct Rollover notice also must describe the timing of the Automatic Rollover and the Participant's ability to affirmatively opt out of the Automatic Rollover.
- (c) **Direct Rollover by non-Spouse beneficiary.** The Plan must permit a non-Spouse beneficiary (as defined in Code §401(a)(9)(E)) to make a direct rollover of an eligible rollover distribution to an individual retirement account under Code §408(a) or an individual retirement annuity under Code §408(b) that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code §402(c)(11). A non-Spouse rollover will be subject to the direct rollover requirements under Code §401(a)(31), the rollover notice requirements under Code §402(f) or the mandatory withholding requirements under Code §3405(c).
 - (d) **Direct Rollover of non-taxable amounts.** Notwithstanding any other provision of the Plan, an Eligible Rollover Distribution may include the portion of any distribution that is not includible in gross income. For this purpose, an Eligible Retirement Plan includes a Defined Contribution or Defined Benefit Plan qualified under Code §401(a) and a tax-sheltered annuity plan under Code §403(b), provided the rollover is accomplished through a direct rollover and the recipient Eligible Retirement Plan separately accounts for any amounts attributable to the rollover of any nontaxable distribution and earnings thereon.
 - (e) **Rollovers to Roth IRA.** A Participant or beneficiary (including a non-spousal beneficiary to the extent permitted under subsection (c) above), may rollover an Eligible Rollover Distribution (as defined in subsection (a)(1) above) to a Roth

IRA, provided the Participant (or beneficiary) satisfies the requirements for making a Roth contribution under Code §408A(c)(3)(B). Any amounts rolled over to a Roth IRA will be included in gross income to the extent such amounts would have been included in gross income if not rolled over (as required under Code §408A(d)(3)(A)). For purposes of this subsection (e), the Plan Administrator is not responsible for assuring the Participant (or beneficiary) is eligible to make a rollover to a Roth IRA.

7.05 Automatic Rollover.

- (a) **Automatic Rollover requirements.** If a Participant is entitled to an Involuntary Cash-Out Distribution (as defined in subsection (b) below), and the Participant does not elect to receive a distribution of such amount (either as a Direct Rollover to an Eligible Retirement Plan or as a direct distribution to the Participant), then the Plan Administrator may pay the distribution in a Direct Rollover to an individual retirement plan (IRA) designated by the Plan Administrator. (The Automatic Rollover provisions under this subsection (a) apply to any Involuntary Cash-Out Distribution for which the Participant fails to consent to a distribution, without regard to whether the Participant can be located. See Section 6.10(c) for alternatives if the Participant cannot be located after a reasonable diligent search.). For purposes of applying the Automatic Rollover provisions under this Section 7.05, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as accounts held under separate plans. (See Treas. Reg. §1.401(k)-1(f)(4)(ii).)
- (b) **Involuntary Cash-Out Distribution.** An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. Unless elected otherwise under AA §9-2(a)(3), an Involuntary Cash-Out Distribution, for purposes of applying the Automatic Rollover requirements under this Section 7.05 does not include any amounts below \$1,000. (See Section 7.03 for the Participant consent requirements with respect to distributions under the Plan.) The Plan Administrator may decide whether or not to provide for an Automatic Rollover for a distribution if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200.
- (c) **Treatment of Rollover Contributions.** Unless elected otherwise under AA §9-2(a)(5), for purposes of determining whether a mandatory distribution is greater than \$1,000, the portion of the Participant's distribution attributable to any Rollover Contribution is excluded.

7.06 Distribution Upon Termination of Employment. Subject to the required minimum distribution provisions under Section 8, a Participant who terminates employment for any reason (other than death) is entitled to receive a distribution of his/her vested Account Balance in accordance with this Section 7.06. (See Section 7.07 for the applicable rules when a Participant dies before distribution of his/her vested Account Balance is completed.)

- (a) **Account Balance not exceeding Cash-Out threshold.** If a Participant's vested Account Balance does not exceed \$5,000 (or other Cash-Out threshold designated under AA §9-2(a)(2)) at the time of distribution, the only distribution option available under the Plan is a lump sum option. The Participant will be eligible to receive a distribution of his/her vested Account Balance as of the date selected in AA §9-3(b).
- (b) **Account Balance exceeding Cash-Out threshold.** If a Participant's vested Account Balance exceeds \$5,000 (or other Cash-Out threshold designated under AA §9-2(a)(2)) at the time of distribution, the Participant may elect to receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1. The Participant will be eligible to receive a distribution of his/her vested Account Balance as of the date selected in AA §9-3(a). The Employer may elect to accelerate the distribution to Employees upon special circumstances, such as termination after attainment of Normal Retirement Age or other special circumstances.

7.07 Distribution Upon Death. Subject to the Required Minimum Distribution rules in Section 8, a Participant's vested Account Balance will be distributed to the Participant's Beneficiary(ies) in accordance with this Section 7.07. (See subsection (c) below for rules regarding the determination of Beneficiaries upon the death of the Participant.) The form of benefit payable with respect to a deceased Participant will depend on whether the Participant dies before or after distribution of his/her Account Balance has commenced.

- (a) **Death after commencement of benefits.** If a Participant begins receiving a distribution of his/her benefits under the Plan, and subsequently dies prior to receiving the full value of his/her vested Account Balance, the remaining benefit will continue to be paid to the Participant's Beneficiary(ies) in accordance with the form of payment that has already commenced. If a Participant commences distribution prior to death only with respect to a portion of his/her Account Balance, then the rules in subsection (b) below apply to the rest of the Account Balance.
- (b) **Death before commencement of benefits.** If a Participant dies before commencing distribution of his/her benefits under the Plan, the form and timing of any death benefits will depend on whether the value of the death benefit exceeds \$5,000 (or other threshold designated under AA §9-2(a)(2)).

- (1) **Death benefit not exceeding \$5,000.** If the value of the death benefit does not exceed \$5,000, such benefit will be paid to the Participant's Beneficiary(ies) in a single sum as soon as administratively feasible following the Participant's death.
- (2) **Death benefit exceeding \$5,000.** If the value of the death benefit exceeds \$5,000, such benefit will be paid in a lump sum as soon as administratively feasible following the Participant's death. However, the death benefit may be payable in a different form if prescribed by the Participant's Beneficiary designation, or the Beneficiary, before a lump sum payment of the benefit is made, elects to receive the distribution in an alternative form of benefit permitted under Section 7.01.

In no event will any death benefit be paid in a manner that is inconsistent with the Required Minimum Distribution rules under Section 8. The Beneficiary of any pre-retirement death benefit described in this subsection (b) may postpone the commencement of the death benefit to a date that is not later than the latest commencement date permitted under Section 8.

- (c) **Determining a Participant's Beneficiary.** The determination of a Participant's (or Beneficiary's, if applicable) Beneficiary(ies) to receive any death benefits under the Plan will be based on the Participant's (or Beneficiary's, if applicable) Beneficiary designation under the Plan. If a Participant (or Beneficiary, if applicable) does not designate a Beneficiary to receive the death benefits under the Plan, distribution will be made to the default Beneficiaries, as set forth in subsection (3) below.
 - (1) **Post-retirement death benefit.** If a Participant dies after commencing distribution of benefits under the Plan (but prior to receiving a distribution of his/her entire vested Account Balance under the Plan), the Beneficiary of any post-retirement death benefit is determined in accordance with the Beneficiary selected under the distribution option in effect prior to death.
 - (2) **Pre-retirement death benefit.** If a Participant dies before commencing distribution of his/her benefits under the Plan, the surviving Spouse (determined at the time of the Participant's death) will be treated as the sole Beneficiary, unless:
 - (i) there is a valid contrary Beneficiary designation;
 - (ii) there is no surviving Spouse (determined under applicable laws at the time of Participant's death); or
 - (iii) the Spouse makes a valid disclaimer.
 - (3) **Default beneficiaries.** To the extent a Beneficiary has not been named by the Participant, and is not designated under the terms of the Investment Arrangement(s), this Plan, or the Adoption Agreement to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If a Participant is legally divorced, the former Spouse is not considered the default Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate. The Employer may modify the default beneficiary rules described in this subparagraph under AA §9-5(a).
 - (4) **Identification of Beneficiaries.** The Plan Administrator may request proof of the Participant's death and may require the Beneficiary to provide evidence of his/her right to receive a distribution from the Plan in any form or manner the Plan Administrator may deem appropriate. The Plan Administrator's determination of the Participant's death and of the right of a Beneficiary to receive payment under the Plan shall be conclusive. If a distribution is to be made to a minor or incompetent Beneficiary, payments may be made to the person's legal guardian or conservator recognized under state law, or custodian in accordance with the Uniform Gifts to Minors Act or similar law as permitted under the laws of the state where the Beneficiary resides. The Plan Administrator or Trustee will not be liable for any payments made in accordance with this subsection (4) and will not be required to make any inquiries with respect to the competence of any person entitled to benefits under the Plan. (See Section 9.03 for a special one-year marriage rule that may apply under AA §9-5(b).)
 - (5) **Death of Beneficiary.** Unless specified otherwise in the Participant's (or Beneficiary's, if applicable) Beneficiary designation form or under AA §9-5, if a Beneficiary does not predecease the Participant but dies before distribution of the death benefit is made to the Beneficiary, the death benefit will be paid to the Beneficiary's estate. If the Participant and the Participant's Beneficiary die simultaneously, and the Participant's

Beneficiary designation form does not address simultaneous death, the determination of the death beneficiary will be determined under any state simultaneous death laws, to the extent applicable. If no applicable state law applies, the death benefit will be paid to the contingent beneficiaries named under the Participant's beneficiary designation. If there are no contingent beneficiaries, the death benefit will be paid to the Participant's default beneficiaries, as described in subsection (3) above.

- (6) **Divorce from Spouse.** Except as otherwise provided in an Investment Arrangement, and unless designated otherwise under AA §9-5(c), if a Participant designates his/her Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded unless specifically provided otherwise under a divorce decree or QDRO, or unless the Participant enters into a new Beneficiary designation naming the prior Spouse as Beneficiary. In addition, the provisions under this subsection (6) will not apply if the Participant has entered into a Beneficiary designation that specifically overrides the provisions of this subsection (6).
- (d) **Slayer Rule.** Notwithstanding anything to the contrary in the Plan, if the Plan Administrator receives notice prior to distribution of a Participant's vested Account that an individual is responsible for the death of such Participant, then no payment of benefits with respect to such Participant will be made under any provision of the Plan to such individual. An individual will be treated as being responsible for the death of a Participant for purposes of the foregoing sentence only if, by virtue of such individual's involvement in the death of the Participant, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable state law, including, without limitation, laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such responsible individual will be deemed to have predeceased the Participant. The Plan Administrator shall withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this section.

7.08 Distribution to Disabled Employees. Unless elected otherwise under AA §9-4, no special distribution rules apply to Disabled Employees. However, the Employer may elect in AA §9-4 to permit a distribution at an earlier date for Disabled Employees.

7.09 Qualified Distributions for Retired Public Safety Officers. If permitted under separate administrative procedures, a Participant who is an eligible retired public safety officer may elect, after separation from service, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or group health plan. The distribution may be excluded from the Participant's gross income to the extent that the aggregate amount of the distribution does not exceed the lesser of the amount used to pay the qualified health insurance premiums of the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code §152), or \$3,000, determined by aggregating all distributions with respect to the Participant that are used to pay qualified health insurance premiums from all eligible retirement plans of the Employer as defined in Code §414(d).

- (a) **Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code §152) by an accident or health insurance plan (including under a self-insured plan) or qualified long-term care insurance contract (within the meaning of Code §7702B(b)).
- (b) **Eligible retired public safety officer.** The term "eligible retired public safety officer" means an individual who separated from service, either by reason of disability or after attainment of Normal Retirement Age, as a public safety officer with the Employer. For this purpose, a public safety officer is an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew.

7.10 In-Service Distributions. The Employer may elect under AA §10 to permit in-service distributions under the Plan. Except to the extent provided under subsection (a) below, if an in-service distribution is not specifically permitted under AA §10, a Participant may not receive a distribution from the Plan until termination of employment, death or disability.

- (a) **After-Tax Employee Contributions and Rollover Contributions.** Unless designated otherwise under AA §10-2, a Participant may withdraw at any time, upon written request, all or any portion of his/her Account Balance attributable to After-Tax Employee Contributions or Rollover Contributions. No forfeiture will occur solely as a result of an Employer's withdrawal of After-Tax Employee Contributions.
- (b) **Employer Contributions and Matching Contributions.** The Employer may elect under AA §10 the extent to which in-service distributions will be permitted from Employer Contributions (including Matching Contributions, if applicable) under the Plan. If permitted under AA §10 of the Profit Sharing Plan Adoption Agreement, Employer Contributions may be withdrawn upon the occurrence of a specified event (such as attainment of a designated age or the occurrence of a Hardship, as defined in subsection (e) below). In addition, a Participant may withdraw his/her Employer

Contributions (and Matching Contributions, if applicable) upon the completion of a certain number of years, provided no distribution solely on account of years may be made with respect to Employer Contributions that have been accumulated in the Plan for less than 2 years, unless the Participant has been a Participant in the Plan for at least 5 years. (See Section 6.09 for special vesting rules that apply if a Participant takes an in-service distribution prior to becoming 100% vested in such contributions.)

For Plan Years beginning after January 1, 2007, if the Plan is a pension plan (e.g., a money purchase plan or if the Plan holds transferred assets from a money purchase plan), a Participant may not receive an in-service distribution of his/her vested Account Balance prior to the earlier of the attainment of Normal Retirement Age or age 62 (to the extent permitted under AA §10-1 or AA §10-2).

- (c) **Salary Deferrals under Grandfathered 401(k) Arrangement.** If the Plan qualifies as a Grandfathered 401(k) Arrangement, as designated under AA §2-3 of the Profit Sharing Adoption Agreement, any Salary Deferrals (including any earnings on such amounts) generally may not be distributed prior to the Participant's severance from employment, death, or disability. However, the Employer may elect under AA §10 to permit an in-service distribution of such amounts upon attainment of a specified age (no earlier than age 59½, upon a Hardship (as defined in subsection (e) below) or upon a Qualified Reservist Distribution, as defined under subsection (d) below.

If Normal Retirement Age or Early Retirement Age is earlier than age 59½ and an in-service distribution is permitted upon attainment of Normal Retirement Age or Early Retirement Age from Salary Deferrals, the Normal Retirement Age and/or Early Retirement Age will be deemed to be age 59½ for purposes of determining eligibility to distribute Salary Deferrals.

- (d) **Penalty-free withdrawals for individuals called to active duty.** Effective September 11, 2001, the distribution provisions applicable to Salary Deferrals include a Qualified Reservist Distribution, as defined in subsection (1) below. If a Participant takes a Qualified Reservist Distribution, such distributions will not be subject to the 10% penalty tax under Code §72(t). A Qualified Reservist Distribution is only available if permitted under AA §10-1.

- (1) **Qualified Reservist Distribution.** For purposes of this subsection (d), a Qualified Reservist Distribution means any distribution to an individual if:

- (i) such distribution is from amounts attributable to elective deferrals described in Code §402(g)(3)(A) or (C) or Code §501(c)(18)(D)(iii),
- (ii) such individual was (by reason of being a member of a reserve component (as defined in §101 of Title 37 of the United States Code)) ordered or called to active duty for a period in excess of 179 days or for an indefinite period, and
- (iii) such distribution is made during the period beginning on the date of such order or call, and ending at the close of the active duty period.

- (2) **Active duty.** A Qualified Reservist Distribution will only be available for individuals who are ordered or called into active duty after September 11, 2001.

- (e) **Hardship distribution.** The Employer may elect under AA §10-1 or AA §10-2 of the Profit Sharing Plan Adoption Agreement to authorize an in-service distribution upon the occurrence of a Hardship event. A Hardship distribution of Salary Deferrals must meet the requirements of a safe harbor Hardship as described under subsection (1) below. For other contribution types, the Employer may elect to apply the safe harbor Hardship rules under subsection (1) below or the non-safe harbor Hardship provisions under subsection (2) below.

- (1) **Safe harbor Hardship distribution.** To qualify for a safe harbor Hardship, a Participant must demonstrate an immediate and heavy financial need, as described in subsection (i) below, and the distribution must be necessary to satisfy such need, as described in subsection 0 below.

- (i) **Immediate and heavy financial need.** To be considered an immediate and heavy financial need, the Hardship distribution must be made to satisfy one of the following financial needs:
 - (A) to pay expenses incurred or necessary for medical care (as described in Code §213(d)) of the Participant, the Participant's Spouse or dependents (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);
 - (B) for the purchase (excluding mortgage payments) of a principal residence for the Participant;

- (C) for payment of tuition and related educational fees (including room and board) for the next 12 months of post-secondary education for the Participant, the Participant's Spouse, children or dependents;
- (D) to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;
- (E) to pay funeral or burial expenses for the Participant's deceased parent, Spouse, child or dependent;
- (F) to pay expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code § 165 (determined without regard to whether the loss exceeds the 10% of adjusted gross income limit); or
- (G) for any other event that the IRS recognizes as a safe harbor Hardship distribution event under ruling, notice or other guidance of general applicability.

For purposes of determining eligibility of a Hardship distribution under this subsection (i), a dependent is determined under Code § 152. However, for taxable years beginning on or after January 1, 2005, the determination of dependent for purposes of tuition and education fees under subsection (C) above will be made without regard to Code § 152(b)(1), (b)(2), and (d)(1)(B), and the determination of dependent for purposes of funeral or burial expenses under subsection (E) above will be made without regard to Code § 152(d)(1)(B).

A Participant must provide the Plan Administrator with a written request for a Hardship distribution. The Plan Administrator may require written documentation, as it deems necessary, to sufficiently document the existence of a proper Hardship event.

- (ii) **Distribution necessary to satisfy need.** A distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Participant if:
 - (A) The distribution is not in excess of the amount of the immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);
 - (B) The Participant has obtained all available distributions, other than Hardship distributions, and all nontaxable loans under the Plan and all plans maintained by the Employer; and
 - (C) The Participant is suspended from making Salary Deferrals (and After-Tax Employee Contributions) for at least 6 months after the receipt of the Hardship distribution.
- (2) **Non-safe harbor Hardship distribution.** The Employer may elect in AA § 10-1(e) or AA § 10-2(e) of the Profit Sharing Plan Adoption Agreement to permit Participants to take a Hardship distribution without satisfying the requirements of subsection (1) above.
 - (i) **Immediate and heavy financial need.** For purposes of determining whether a Hardship exists under this subsection (2), the same Hardship distribution events described in subsection (1)(i) will qualify as a Hardship distribution event under this subsection (2). The Employer may modify the permissible Hardship distribution events under AA § 10-3(f) of the Profit Sharing Plan Adoption Agreement.
 - (ii) **Distribution necessary to satisfy need.** A Hardship distribution under this subsection (2) need not satisfy the requirements under subsection (1)(ii) above. Instead, all relevant facts and circumstances are considered to determine whether the Employee has other resources reasonably available to relieve or satisfy the need. For this purpose, resources include assets of the Employee's Spouse and minor children that are reasonably available to the Employee. In addition, the amount withdrawn for hardship may include amounts necessary to pay federal, state or local income taxes, or penalties reasonably anticipated to result from the distribution.

The Employer or Plan Administrator may rely upon the Employee's written representation that the need cannot be reasonably relieved through the following sources:

- (A) Reimbursement or compensation by insurance;

- (B) Liquidation of the Employee's assets;
- (C) Cessation of Salary Deferrals or After-Tax Employee Contributions under the Plan;
- (D) Other currently available distributions or nontaxable loans from the Plan or any other plan maintained by the Employer (or any other employer);
- (E) Borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need.

The Employer or Plan Administrator may not rely upon the written representation under this subsection (ii) if the Employer has actual knowledge to the contrary.

- (3) **Amount available for Hardship distribution.** A Participant may receive a Hardship distribution of any portion of his/her vested Employer Contribution Account or Matching Contribution Account (including earnings thereon), as permitted under AA §10. A Participant may receive a Hardship distribution of Salary Deferrals provided such distribution, when added to other Hardship distributions from Salary Deferrals, does not exceed the total Salary Deferrals the Participant has made to the Plan (increased by income allocable to such Salary Deferrals as of the later of December 31, 1988 or the end of the last Plan Year ending before July 1, 1989).
- (4) **Availability to terminated Employees.** If a Hardship distribution is permitted under AA §10-1 or AA §10-2, a Participant may take such a Hardship distribution after termination of employment to the extent no other distribution is available from the Plan.
- (5) **Application of Hardship distributions rules with respect to primary beneficiaries.** If elected under AA §10-3(e), if the Plan otherwise permits Hardship distributions based on the safe harbor hardship provisions under subsection (1), the existence of an immediate and heavy financial need under subsection (1)(i) may be determined with respect to a primary beneficiary under the Plan. For this purpose, a primary beneficiary is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of a Participant's Account Balance upon the death of the Participant. Hardship distributions with respect to primary beneficiaries under this subsection (5) are limited to Hardship distributions on account of medical expenses, educational expenses and funeral expenses (as described in subsections (1)(i)(A), (1)(i)(C) and (1)(i)(E), above)). Any Hardship distribution with respect to a primary beneficiary must satisfy all the other requirements applicable to Hardship distributions under subsection (e).

7.11 Sources of Distribution. Except as otherwise provided in the Investment Arrangement, and unless provided otherwise in separate administrative provisions adopted by the Plan Administrator, in applying the distribution provisions under this Section 7, distributions will be made on a pro rata basis from all Accounts from which a distribution is permitted. Alternatively, the Plan Administrator may permit Participants to direct the Plan Administrator as to which Account the distribution is to be made. Regardless of a Participant's direction as to the source of any distribution, the tax effect of such a distribution will be governed by Code §72 and the regulations thereunder.

- (a) **Exception for Hardship withdrawals.** If the Plan permits a Hardship withdrawal from both Salary Deferrals (including Roth Deferrals) and Employer Contributions, a Hardship distribution will first be treated as having been made from a Participant's Employer Contribution Account and then from the Employer's Matching Contribution Account, to the extent such Hardship distribution is available with respect to such Accounts. Only when all available amounts have been exhausted under the Participant's Employer Contribution Account and/or Matching Contribution Account will a Hardship distribution be made from a Participant's Pre-Tax Salary Deferral Account and/or Roth Deferral Account. (See subsection (b) below for the ordering rules for distributions from the Pre-Tax Salary Deferral and Roth Deferral Accounts.) The Plan Administrator may modify the ordering rules under this subsection (a) under separate administrative procedures.
- (b) **Roth Deferrals.** If a Participant has both a Pre-Tax Salary Deferral Account and a Roth Deferral Account, withdrawals and loans from such Accounts will be made in accordance with this subsection (b).
 - (1) **Distributions and withdrawals.** Unless designated otherwise under AA §6A-5 of the Grandfathered 401(k) Plan Adoption Agreement or separate administrative procedures, if a Participant has both a Pre-Tax Salary Deferral Account and a Roth Deferral Account, the Participant may designate the extent to which a distribution or withdrawal of Salary Deferrals will come from the Pre-Tax Salary Deferral Account or the Roth Deferral Account. Alternatively, the Employer may provide under AA §6A-5 of the Grandfathered 401(k) Plan Adoption Agreement (or under separate administrative procedures) that any distribution or withdrawal of Salary Deferrals will be made on a pro rata basis from the Pre-Tax Salary Deferral Account and the Roth Deferral Account.

Alternatively, the Employer may designate any other order of distribution and withdrawals under AA §6A-5 or separate administrative procedures.

- (2) **Distribution of Excess Deferrals.** Unless designated otherwise under AA §6A-5 of the Grandfathered 401(k) Plan Adoption Agreement or separate administrative procedures, if a Participant has both a Pre-Tax Salary Deferral Account and a Roth Deferral Account, and the Plan is required to make a corrective distribution of Excess Deferrals to such Participant, the Participant may designate whether the Plan will make such corrective distribution of Excess Deferrals from the Pre-Tax Salary Deferral Account or the Roth Deferral Account. Alternatively, the Employer may elect under AA §6A-5 of the Grandfathered 401(k) Plan Adoption Agreement (or under separate administrative procedures) that corrective distributions of Salary Deferrals to correct Excess Deferrals will be made pro rata from the Pre-Tax Salary Deferral Account and Roth Deferral Account or first from the Pre-Tax Salary Deferral Account or first from the Roth Deferral Account.

Unless designated otherwise under separate administrative procedures, if a Participant is permitted to designate the extent to which a corrective distribution is made from the Pre-Tax Salary Deferral Account or the Roth Deferral Account, and the Participant fails to designate the appropriate Account by the date the corrective distribution is made from the Plan, such corrective distribution may be withdrawn equally from both the Pre-Tax Salary Deferral Account and the Roth Deferral Account, or the Employer may withdraw such amounts first from either the Pre-Tax Salary Deferral Account or the Roth Deferral Account.

- (c) **In-kind distributions.** Nothing in this Section 7 precludes the Plan Administrator from making a distribution in the form of property, or other in-kind distribution. If the Plan invests in Annuity Contracts, the Plan Administrator may make a distribution in the form of distributed Annuity Contracts. An in-kind distribution is only available to the extent such investments are held in the Participant's Account at the time of the distribution. This subsection does not give any Participant the right to request an in-kind distribution if not otherwise authorized by the Plan Administrator.

- 7.12 Correction of Qualification Defects.** Nothing in this Section 7 precludes the Plan Administrator from making a distribution to a Participant to correct a qualification defect consistent with the correction procedures under the IRS' voluntary compliance programs. Thus, for example, if an Employee is permitted to enter the Plan prior to his/her proper Entry Date under Section 2.03(b) and the Plan Administrator determines that a corrective distribution is a proper means of correcting the operational violation, nothing in this Section 7 would prevent the Plan from making such corrective distribution. Any such distribution must be made in accordance with the correction procedures applicable under the IRS' voluntary correction programs under Rev. Proc. 2013-12 (or successive guidance).

SECTION 8

REQUIRED MINIMUM DISTRIBUTIONS

8.01 Required Minimum Distributions. Unless specified otherwise under Appendix A of the Adoption Agreement, the provisions of this Section apply to calendar years beginning on or after January 1, 2003. A Participant's entire interest under the Plan will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date (as defined in Section 8.05(e)). All distributions required under this Section 8 will be determined and made in accordance with the regulations under Code §401(a)(9) and the minimum distribution incidental benefit requirement of Code §401(a)(9)(G). For purposes of applying the required minimum distribution rules under this Section 8, any distribution made in a form other than a lump sum must be made over one of the following periods (or a combination thereof):

- (a) the life of the Participant;
- (b) the life of the Participant and a Designated Beneficiary;
- (c) a period certain not extending beyond the life expectancy of the Participant; or
- (d) a period certain not extending beyond the joint and last survivor life expectancy of the Participant and a Designated Beneficiary.

8.02 Death of Participant before required distributions begin. If the Participant dies before required distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (a) **Surviving Spouse is sole Designated Beneficiary.** Unless designated otherwise under AA §10-4, if the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the surviving Spouse may elect to take distributions under the five-year rule (as described in Section 8.06(a) below) or under the life expectancy method. If the life expectancy method applies, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.
- (b) **Surviving Spouse is not the sole Designated Beneficiary.** Unless designated otherwise under AA §10-4, if the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary may elect to take distributions under the five-year rule (as described in Section 8.06(a) below) or under the life expectancy method. If the life expectancy method applies, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died. If the Designated Beneficiary does not elect to commence distributions by December 31 of the calendar year immediately following the calendar year in which the Participant dies, a complete distribution must be made by December 31 of the calendar year containing the fifth anniversary of the Participant's death. See Section 8.06(a) below.
- (c) **No Designated Beneficiary.** If there is no Designated Beneficiary as of the date of the Participant's death who remains a Beneficiary as of September 30 of the year immediately following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (d) **Death of surviving Spouse.** If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 8.02 (other than subsection (a) above) will apply as if the surviving Spouse were the Participant.

For purposes of this Section 8.02 and AA §10-4, unless subsection (d) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If subsection (d) above applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under subsection (a) above. If distributions under an annuity purchased from an insurance company irrevocably commence to the participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under subsection (a) above), the date distributions are considered to begin is the date distributions actually commence.

8.03 Required Minimum Distributions during Participant's lifetime.

- (a) **Amount of Required Minimum Distribution for each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
 - (1) the quotient obtained by dividing the Participant's Account Balance by the distribution period set forth in the Uniform Lifetime Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-2, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

- (2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, Q&A-3, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
- (b) **Lifetime Required Minimum Distributions continue through year of Participant's death.** Required Minimum Distributions will be determined under this subsection (b) beginning with the first Distribution Calendar Year and continuing up to, and including, the Distribution Calendar Year that includes the Participant's date of death.

8.04 **Required Minimum Distributions After Participant's Death.**

(a) **Death on or after date required distributions begin.**

- (1) **Participant survived by Designated Beneficiary.** If the Participant dies on or after the date required distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's Designated Beneficiary, determined as follows:
 - (i) The Participant's remaining life expectancy is calculated in accordance with the Single Life Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-1, using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (ii) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining life expectancy of the surviving Spouse is calculated using the Single Life Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-1, for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving Spouse's death, the remaining life expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
 - (iii) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining life expectancy is calculated under the Single Life Table using the age of the Designated Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (2) **No Designated Beneficiary.** If the participant dies on or after the date required distributions begin and there is no Designated Beneficiary as of the Participant's date of death who remains a Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining life expectancy under the Single Life Table calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) **Death before date required distributions begin.**

- (1) **Participant survived by Designated Beneficiary.** Unless designated otherwise under AA §10-4, if the Participant dies before the date required distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining life expectancy of the Participant's Designated Beneficiary, determined as provided in subsection (a) above.
- (2) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of the date of death of the Participant who remains a Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (3) **Death of surviving Spouse before distributions to surviving Spouse are required to begin.** If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 8.02(a), this subsection (b) will apply as if the surviving Spouse were the Participant.

8.05 Definitions.

- (a) **Designated Beneficiary.** A Beneficiary designated by the Participant (or the Plan), whose life expectancy may be taken into account to calculate minimum distributions, pursuant to Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4.
- (b) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 8.02. The Required Minimum Distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The Required Minimum Distribution for other Distribution Calendar Years, including the Required Minimum Distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
- (c) **Life expectancy.** For purposes of determining a Participant's Required Minimum Distribution amount, life expectancy is computed using one of the following tables, as appropriate: (1) Single Life Table, (2) Uniform Life Table, or (3) Joint and Last Survivor Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-1.
- (d) **Account Balance.** For purposes of determining a Participant's Required Minimum Distribution, the Participant's Account Balance is determined based on the Account Balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (the "valuation calendar year"), increased by the amount of any contributions or forfeitures allocated to the Account Balance as of dates in the calendar year after the Valuation Date, and decreased by distributions made in the calendar year after the Valuation Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year, if distributed or transferred in the valuation calendar year.
- (e) **Required Beginning Date.** Unless designated otherwise under AA §10-4, a Participant's Required Beginning Date under the Plan is April 1 that follows the end of the calendar year in which the later of the following two events occurs:
 - (1) the Participant attains age 70½; or
 - (2) the Participant terminates employment.

A Participant may begin in-service distributions prior to his/her Required Beginning Date only to the extent authorized under Section 7.10 and AA §10. However, if this Plan were amended to add the Required Beginning Date rules under this subsection (e), a Participant who attained age 70½ prior to January 1, 1999 (or, if later, January 1 following the date the Plan is first amended to contain the Required Beginning Date rules under this subsection (e)) may receive in-service minimum distributions in accordance with the terms of the Plan in existence prior to such amendment.

8.06 Special Rules.

- (a) **Election to apply 5-year rule to required distributions after death.** If the Participant dies before distributions begin and there is a Designated Beneficiary, the Employer may elect under AA §10-4, instead of applying the provisions of Sections 8.02 and 8.04, to require the Participant's entire interest to be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to either the Participant or the surviving Spouse begin, this election will apply as if the surviving Spouse were the Participant.
- (b) **Election to allow Participants or Beneficiaries to elect 5-year rule.** If a Participant or Designated Beneficiary is permitted under AA §10-4 to elect whether to apply the life expectancy rule under Section 8.02 above or the five year rule under subsection (a) above, the election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 8.02 or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving Spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with the five-year rule under subsection (a) above, unless the Employer specifies otherwise under AA §10-4(b).
- (c) **Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a lump sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 8.02 and 8.04. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the regulations.

- (d) **Treatment of trust beneficiaries as Designated Beneficiaries.** If a trust is properly named as a Beneficiary under the Plan, the beneficiaries of the trust will be treated as the Designated Beneficiaries of the Participant solely for purposes of determining the distribution period under this Section 8 with respect to the trust's interests in the Participant's vested Account Balance. The beneficiaries of a trust will be treated as Designated Beneficiaries for this purpose only if, during any period during which required minimum distributions are being determined by treating the beneficiaries of the trust as Designated Beneficiaries, the following requirements are met:

- (1) the trust is a valid trust under state law, or would be but for the fact there is no corpus;
- (2) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant;
- (3) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in the Participant's vested Account Balance are identifiable from the trust instrument; and
- (4) the Plan Administrator receives the documentation described in subsection (e)(1) below.

If the foregoing requirements are satisfied and the Plan Administrator receives such additional information as it may request, the Plan Administrator may treat such beneficiaries of the trust as Designated Beneficiaries.

- (e) **Special rules applicable to trust beneficiaries.**

- (1) **Information that must be supplied to Plan Administrator.**

- (i) **Required minimum distribution before death where Spouse is sole beneficiary.** If a Participant designates a trust as the beneficiary of his/her entire benefit and the Participant's Spouse is the sole beneficiary of the trust, the Participant must provide the information under (A) or (B) below to satisfy the information requirements under subsection (d)(4) above.
 - (A) The Participant must provide to the Plan Administrator a copy of the trust instrument and agree that if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Plan Administrator a copy of each such amendment; or
 - (B) The Participant must:
 - (I) provide to the Plan Administrator a list of all of the beneficiaries of the trust (including contingent and remaindermen beneficiaries with a description of the conditions on their entitlement sufficient to establish that the Spouse is the sole beneficiary) for purposes of Code §401(a)(9);
 - (II) certify that, to the best of the Participant's knowledge, the list under subsection (I) above is correct and complete and that the requirements of subsection (d) above are satisfied;
 - (III) agree that, if the trust instrument is amended at any time in the future, the Participant will, within a reasonable time, provide to the Plan Administrator corrected certifications to the extent that the amendment changes any information previously certified; and
 - (IV) agree to provide a copy of the trust instrument to the Plan Administrator upon demand.
- (ii) **Required minimum distribution after death.** In order to satisfy the documentation requirement of subsection (d)(4) above for required minimum distributions after the death of the Participant (or Spouse in a case to which Treas. Reg. §.401(a)(9)-3, Q&A-5 applies), the trustee of the trust must satisfy the requirements of subsection (A) or (B) below by October 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (A) The trustee of the trust must:
 - (I) provide the Plan Administrator with a final list of all beneficiaries of the trust (including contingent and remaindermen beneficiaries with a description of the conditions on their entitlement) as of September 30 of the calendar year following the calendar year of the Participant's death;

**Pre-Approved Governmental Defined Contribution Plan
Section 8 – Required Minimum Distributions**

(II) certify that, to the best of the trustee's knowledge, the list in subsection (I) above is correct and complete and that the requirements of subsection (d) above are satisfied; and

(III) agree to provide a copy of the trust instrument to the Plan Administrator upon demand.

(B) The trustee of the trust must provide the Plan Administrator with a copy of the actual trust document for the trust that is named as a beneficiary of the Participant under the Plan as of the Participant's date of death.

(2) **Relief for discrepancy.** If required minimum distributions are determined based on the information provided to the Plan Administrator in certifications or trust instruments described in subsection (1) above, the Plan will not fail to satisfy Code §401(a)(9) merely because the actual terms of the trust instrument are inconsistent with the information in those certifications or trust instruments previously provided to the Plan Administrator, provided the Plan Administrator reasonably relied on the information provided and the required minimum distributions for calendar years after the calendar year in which the discrepancy is discovered are determined based on the actual terms of the trust instrument.

8.07 Transitional Rule. Notwithstanding the other requirements of this Section 8, distribution on behalf of any Employee may be made in accordance with all of the following requirements (regardless of when such distribution commences):

- (a) The distribution by the Plan is one that would not have disqualified the Plan under Code §401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984;
- (b) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a Beneficiary of such Participant;
- (c) Such designation was in writing, was signed by the Participant or the beneficiary, and was made before January 1, 1984;
- (d) The Participant had accrued a benefit under the Plan as of December 31, 1983; and
- (e) The method of distribution designated by the Participant or the beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the beneficiaries of the Participant listed in order of priority.

A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in subsections (a) - (e) above.

If a designation is revoked any subsequent distribution must satisfy the requirements of Code §401(a)(9) and the proposed regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code §401(a)(9) and the proposed regulations thereunder, but for the TEFRA §242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life). In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Treas. Reg. §1.401(a)(9)-8, Q&A-14 and Q&A-15 shall apply.

8.08 Modification of Minimum Distribution Rules Relating to Qualified Longevity Annuity Contracts. The following provisions modify the required minimum distribution rules under this Section 8 of the Plan to conform the rules to final Treasury Regulation §1.401(a)(9)-6 relating to the purchase of Qualifying Longevity Annuity Contracts (QLACs). The Plan will apply the provisions consistent with the requirements under the Treas. Reg. §§1.401(a)(9)-5 and 1.401(a)(9)-6, as amended.

- (a) The following provisions modify the required minimum distribution rules under this Section 8 of the Plan to conform the rules to final Treasury Regulation §1.401(a)(9)-6 relating to the purchase of Qualifying Longevity Annuity

Contracts (QLACs). The Plan will apply the provisions consistent with the requirements under the Treas. Reg. §§1.401(a)(9)-5 and 1.401(a)(9)-6, as amended.

(b) **Effective/Applicability Dates.**

- (1) **General effective dates.** This Section 8.08 applies to contracts purchased on or after July 2, 2014. If on or after July 2, 2014 an existing contract is exchanged for a contract that satisfies the requirements of this Section 8.08, the new contract will be treated as purchased on the date of the exchange, and the fair market value of the contract that is exchanged for a QLAC will be treated as a premium paid with respect to the QLAC.
- (2) **Delayed applicability date for requirement that contract state that it is intended to be QLAC.** An annuity contract purchased before January 1, 2016, will not fail to be a QLAC merely because the contract does not satisfy the requirement of subsection (d)(1)(vi), provided that:
 - (i) When the contract (or a certificate under a group annuity contract) is issued, the Employee is notified that the annuity contract is intended to be a QLAC; and
 - (ii) The contract is amended (or a rider, endorsement or amendment to the certificate is issued) no later than December 31, 2016, to state that the annuity contract is intended to be a QLAC.

- (c) **Account Balance for Determining Minimum Distributions.** For purposes of determining a Participant's Required Minimum Distribution as described under this Section 8.08 of the Plan, the Participant's Account Balance as defined under Section 8.05(d) of the Plan, does not include the value of any Qualifying Longevity Annuity Contract (QLAC), described under subsection (d) below and Treas. Reg. §1.401(a)(9)-6, Q&A - 17, that is held under the Plan.

(d) **Rules Applicable to Qualifying Longevity Annuity Contracts.**

- (1) **Definition of Qualifying Longevity Annuity Contracts.** A Qualifying Longevity Annuity Contract (QLAC) is an annuity contract that is purchased from an insurance company for an Employee and that, in accordance with the rules of application of this Article II and Treas. Reg. §1.401(a)(9)-6, Q&A - 17, satisfies each of the following requirements:
 - (i) Premiums for the contract satisfy the requirements of subsection (2) of this subsection (d);
 - (ii) The contract provides that distributions under the contract must commence not later than a specified annuity starting date that is no later than the first day of the month next following the 85th anniversary of the Employee's birth;
 - (iii) The contract provides that, after distributions under the contract commence, those distributions must satisfy the requirements of this Article and Treas. Reg. §1.401(a)(9) (other than the requirement that annuity payments commence on or before the Required Beginning Date);
 - (iv) The contract does not make available any commutation benefit, cash surrender right, or other similar feature;
 - (v) No benefits are provided under the contract after the death of the employee other than the benefits described in Subsection (3) of this subsection (d);
 - (vi) When the contract is issued, the contract (or a rider or endorsement with respect to that contract) states that the contract is intended to be a QLAC; and
 - (vii) The contract is not a variable contract under Code §817, an indexed contract, or a similar contract, except to the extent provided by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.

(2) **Limitations on premiums.**

- (i) **In general.** The premiums paid with respect to the contract on a date satisfy the requirements of this subsection (2) if they do not exceed the lesser of the dollar limitation in subsection (ii) below or the percentage limitation in subsection (iii) below.
- (ii) **Dollar limitation.** The dollar limitation is an amount equal to the excess of:
 - (A) \$125,000 (as adjusted under Section (d)(2) of Treas. Reg. §1.401(a)(9)-6, Q&A - 17), over
 - (B) The sum of:
 - (I) The premiums paid before that date with respect to the contract, and
 - (II) The premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is purchased for the Employee under the Plan, or any other plan, annuity, or account described in Code §§ 401(a), 403(a), 403(b), or 408 or eligible governmental plan under Code §457(b).
- (iii) **Percentage limitation.** The percentage limitation is an amount equal to the excess of:
 - (A) 25 percent of the Employee's Account Balance under the Plan (including the value of any QLAC held under the plan for the Employee) as of that date, determined in accordance with Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (d)(1)(iii), over
 - (B) The sum of:
 - (I) The premiums paid before that date with respect to the contract, and
 - (II) The premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is held or was purchased for the employee under the plan.

(3) **Payments after death of the Employee.**

- (i) **Surviving spouse is sole beneficiary.**
 - (A) **Death on or after annuity starting date.** If the Employee dies on or after the annuity starting date for the contract, and the Employee's surviving spouse is the sole beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that is payable to the Employee.
 - (B) **Death before annuity starting date.**
 - (I) **Amount of annuity.** If the employee dies before the annuity starting date and the employee's surviving spouse is the sole beneficiary under the contract then, except as provided in paragraph in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the surviving spouse commence. However, the annuity is permitted to exceed 100 percent of the periodic annuity payment that would have been payable to the employee to the extent necessary to satisfy the requirement to provide a Qualified Preretirement Survivor Annuity.
 - (II) **Commencement date for annuity.** Any life annuity payable to the surviving spouse under Subsection (I) above must commence no later than the date on which the annuity payable to the Employee would have commenced under the contract if the Employee had not died.
- (ii) **Surviving spouse is not sole beneficiary.**

- (A) **Death on or after annuity starting date.** If the Employee dies on or after the annuity starting date for the contract and the Employee's surviving spouse is not the sole beneficiary under the contract then, except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the designated beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under paragraph Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(2)(iii)) of the periodic annuity payment that is payable to the Employee.
- (B) **Death before annuity starting date.**
- (I) **Amount of annuity.** If the Employee dies before the annuity starting date and the Employee's surviving spouse is not the sole beneficiary under the contract then, except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the designated beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under Treas. Reg. §1.401(a)(9)-6, Q&A - 17(c)(2)(iii)) of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the designated beneficiary commence under this subsection (I)
- (II) **Commencement date for annuity.** In any case in which the employee dies before the annuity starting date, any life annuity payable to a designated beneficiary under this subsection (II) must commence by the last day of the calendar year immediately following the calendar year of the Employee's death.
- (4) **Rules of application.**
- (i) **Rules relating to premiums.**
- (A) **Reliance on representations.** For purposes of the limitation on premiums described in Subsections (2)(ii) and (2)(iii) above, unless the Plan Administrator has actual knowledge to the contrary, the Plan Administrator may rely on an Employee's representation (made in writing or such other form as may be prescribed by the Commissioner of the Internal revenue Service) of the amount of the premiums described in subsections (2)(ii)(B)(II) and (2)(iii)(B)(II) above, but only with respect to premiums that are not paid under a plan, annuity, or contract that is maintained by the Employer or Related Employer.
- (B) **Consequences of excess premiums.**
- (I) **General Rule.** If an annuity contract fails to be a QLAC solely because a premium for the contract exceeds the limits under subsection (II) below, then the contract is not a QLAC beginning on the date that premium payment is made unless the excess premium is returned to the non-QLAC portion of the Employee's account in accordance with Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (d)(1)(ii)(B). If the contract fails to be a QLAC, then the value of the contract may not be disregarded under A-3(d) of Treas. Reg. §1.401(a)(9)-5 as of the date on which the contract ceases to be a QLAC.
- (II) **Correction in year following year of excess.** If the excess premium is returned (either in cash or in the form of a contract that is not intended to be a QLAC) to the non-QLAC portion of the Employee's account by the end of the calendar year following the calendar year in which the excess premium was originally paid, then the contract will not be treated as exceeding the limits under this subsection (II) at any time, and the value of the contract will not be included in the Employee's Account Balance. If the excess premium (including the fair market value of an annuity contract that is not intended to be a QLAC, if applicable) is returned to the non-QLAC portion of the Employee's account after the last valuation date for the calendar year in which the excess premium was originally paid, then the Employee's account balance for that calendar year must be increased to reflect that excess premium in the same manner as an Employee's Account Balance is increased under Treas. Reg. §1.401(a)(9)-7, A-2 to reflect a rollover received after the last valuation date.
- (III) **Return of excess premium not a commutation benefit.** If the excess premium is returned to the non-QLAC portion of the Employee's account as described in Treas. Reg.

§1.401(a)(9)-6, Q&A - 17 (d)(1)(ii)(B), it will not be treated as a violation of the requirement in subsection (d)(1)(iv) that the contract not provide a commutation benefit.

- (C) **Application of 25-percent limit.** For purposes of the 25-percent limit under subsection (2)(iii)(A) above, an Employee's Account Balance on the date on which premiums for a contract are paid is the account balance as of the last valuation date preceding the date of the premium payment, adjusted as follows. The Account Balance is increased for contributions allocated to the account during the period that begins after the valuation date and ends before the date the premium is paid, and decreased for distributions made from the account during that period.
- (ii) **Dollar and age limitations subject to adjustments.**
 - (A) **Dollar limitation.** In the case of calendar years beginning on or after January 1, 2015, the \$125,000 amount under subsection (2)(ii)(A) above will be adjusted at the same time and in the same manner as the limits are adjusted under Code §415(d), except that the base period shall be the calendar quarter beginning July 1, 2013, and any increase under this subsection that is not a multiple of \$10,000 will be rounded to the next lowest multiple of \$10,000.
 - (B) **Age limitation.** The maximum age set forth in subsection (1)(ii) above may be adjusted to reflect changes in mortality, with any such adjusted age to be prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.
 - (C) **Prospective application of adjustments.** If a contract fails to be a QLAC because it does not satisfy the dollar limitation in subsection (2)(ii) above, or the age limitation in subsection (1)(ii) above, any subsequent adjustment that is made pursuant to Subsections (A) or (B) above will not cause the contract to become a QLAC.
- (iii) **Determination of whether contract is intended to be a QLAC.** If a contract fails to be a QLAC at any time for a reason other than an excess premium described in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (d)(1)(ii), then as of the date of purchase the contract will not be treated as a QLAC (for purposes of A-3(d) of Treas. Reg. §1.401(a)(9)-5), or as a contract that is intended to be a QLAC as of the date of purchase.
- (iv) **Group annuity contract certificates.** The requirement under subsection (d)(1)(vi) above, that the contract state that it is intended to be a QLAC when issued is satisfied if a certificate is issued under a group annuity contract and the certificate, when issued, states that the Employee's interest under the group annuity contract is intended to be a QLAC.

SECTION 9
SPOUSAL CONSENT RULES

- 9.01** **Application of Joint and Survivor Annuity Rules.** As a Governmental Plan, the Qualified Joint and Survivor Annuity rules under Code §§401(a)(11) and 417 do not apply to the Plan. The Employer may elect to require spousal consent for Plan distributions under AA §9-2(b).
- 9.02** **Spousal consent.** If the Employer elects under AA §9-2(b) to require spousal consent to a Plan distribution, the Spouse's consent will be required with respect to a distribution as designated in AA §9-2(b). A Spouse's consent, if required, must be provided pursuant to a Qualified Election. For this purpose, a Qualified Election is a written election signed by both the Participant and the Participant's Spouse that specifically acknowledges the effect of the election. The Spouse's consent must be witnessed by a plan representative or notary public. If the Qualified Election permits the Participant to change a payment form or Beneficiary designation without any further consent by the Spouse, the Qualified Election must acknowledge that the Spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit, as applicable, and that the Spouse voluntarily elects to relinquish either or both of such rights.
- 9.03** **One-year marriage rule.** The Employer may elect under AA §9-5(b), for purposes of identifying a Beneficiary under Section 7.07(c) and for purposes of applying the spousal consent rules under this Section 9, that an individual will not be considered the surviving Spouse of the Participant if the Participant and the surviving Spouse have not been married for the entire one-year period ending on the date of the Participant's death.

SECTION 10

PLAN ACCOUNTING AND INVESTMENTS

10.01 Participant Accounts. The Plan Administrator will maintain a separate Account for each Participant to reflect the Participant's entire interest under the Plan. The Plan Administrator may maintain any (or all) of the following separate sub-Accounts:

- Employer Contribution Account
- Matching Contribution Account
- After-Tax Employee Contribution Account
- Rollover Contribution Account
- Transfer Account.

In addition, if this Plan qualifies as a Grandfathered 401(k) Arrangement (as designated under AA §2-3 of the Profit Sharing Plan Adoption Agreement), the Plan Administrator may also maintain the following separate Accounts:

- Pre-Tax Salary Deferral Account
- Roth Deferral Account
- Roth Rollover Contribution Account
- In-Plan Roth Conversion Account

The Plan Administrator may establish other Accounts, as it deems necessary, for the proper administration of the Plan.

10.02 Valuation of Accounts. A Participant's portion of the Trust assets is determined as of each Valuation Date under the Plan. The value of a Participant's Account consists of the fair market value of the Participant's share of the Trust assets. The Trustee must value Plan assets at least annually. The Trustee's determination of the value of Trust assets shall be final and conclusive.

- (a) **Periodic valuation.** The Employer may elect under AA §11-1 or may elect operationally to value assets on a periodic basis. The Trustee and the Plan Administrator may adopt reasonable procedures for performing such valuations.
- (b) **Daily valuation.** The Employer may elect under AA §11-1 or may elect operationally to value assets on a daily basis. The Plan Administrator may adopt reasonable procedures for performing such valuations. Unless otherwise set forth in the written procedures, a daily valued Plan will have its assets valued at the end of each business day during which the New York Stock Exchange is open. The Plan Administrator has authority to interpret the provisions of this Plan in the context of a daily valuation procedure. This includes, but is not limited to, the determination of the value of the Participant's Account for purposes of Participant loans, distribution and consent rights, and corrective distributions.
- (c) **Interim valuations.** The Plan Administrator may request the Trustee to perform interim valuations.

10.03 Adjustments to Participant Accounts. Unless the Plan Administrator adopts other reasonable administrative procedures, as of each Valuation Date under the Plan, each Participant's Account is adjusted in the following manner.

- (a) **Distributions and forfeitures from a Participant's Account.** A Participant's Account will be reduced by any distributions, forfeitures and other reductions from the Account since the previous Valuation Date.
- (b) **Life insurance premiums and dividends.** A Participant's Account will be reduced by the amount of any life insurance premium payments under the Plan made for the benefit of the Participant since the previous Valuation Date. The Account will be credited with any dividends or credits paid on any life insurance policy held by the Trust for the benefit of the Participant.
- (c) **Contributions and forfeitures allocated to a Participant's Account.** A Participant's Account will be credited with any contribution, forfeiture or other additions allocated to the Participant since the previous Valuation Date.
- (d) **Net income or loss.** A Participant's Account will be adjusted for any net income or loss in accordance with any reasonable procedures that the Plan Administrator may establish. Such procedures may be reflected in a funding agreement governing the applicable investments under the Plan. To the extent the Plan Administrator does not establish separate written procedures, net income or loss will be allocated to Participants' Accounts in accordance with the following provisions.
 - (1) **Net income or loss attributable to General Trust Account.** To the extent a Participant's Account is invested as part of a General Trust Account, such Account is adjusted for its allocable share of net income or loss experienced by the General Trust Account. The net income or loss of the General Trust Account is allocated to the Participant Accounts in the ratio that each Participant's Account bears to all Accounts, based on the value of each Participant's Account as of the prior Valuation Date, as adjusted in subsections (a) - (c) above. In

determining Participant Account Balances as of the prior Valuation Date, the Employer may apply a weighted average method that credits each Participant's Account with a portion of the contributions made since the prior Valuation Date. The Plan's investment procedures may designate the specific type(s) of contributions eligible for a weighted allocation of net income or loss and may designate alternative methods for determining the weighted allocation. If the Employer elects to apply a weighted average method, such method will be applied uniformly to all Participant Accounts under the General Trust Account.

- (2) **Net income or loss attributable to a Directed Account.** If the Participant or Beneficiary is entitled to direct the investment of all or part of his/her Account (see Section 10.07), the Account (or the portion of the Account which is subject to such direction) will be maintained as a Directed Account, which reflects the value of the directed investments as of any Valuation Date. The assets held in a Directed Account may be (but are not required to be) segregated from the other investments held in the Trust. Net income or loss attributable to the investments made by a Directed Account is allocated to such Account in a manner that reasonably reflects the investment experience of such Directed Account. Where a Directed Account reflects segregated investments, the manner of allocating net income or loss shall not result in a Participant (or Beneficiary) being entitled to distribution from the Directed Account that exceeds the value of such Account as of the date of distribution.

10.04 Share or unit accounting. The Plan's investment procedures may provide for share or unit accounting to reflect the value of Accounts, if such method is appropriate for the investments allocable to such Accounts.

10.05 Suspense accounts. The Plan's investment procedures also may provide for special valuation procedures for suspense accounts that are properly established under the Plan.

10.06 Investments under the Plan.

- (a) **Investment options.** The person(s) responsible for the investment of Plan assets is authorized to invest Plan assets in any prudent investment. Investment options include, but are not limited to, the following:
- common and preferred stock or other equity securities (including stock bought and sold on margin);
 - corporate bonds;
 - open-end or closed-end mutual funds (including funds for which a Volume Submitter Sponsor, Trustee, or affiliate serves as investment advisor or other capacity);
 - money market accounts;
 - certificates of deposit;
 - debentures;
 - commercial paper;
 - put and call options;
 - limited partnerships;
 - mortgages;
 - U.S. Government obligations, including U.S. Treasury notes and bonds;
 - real and personal property having a ready market;
 - life insurance or annuity policies;
 - commodities;
 - savings accounts;
 - notes; and
 - securities issued by the Trustee and/or its affiliates, as permitted by law.
- (b) **Investment of tax deductible Employee contributions in life insurance and collectibles.** No portion of any voluntary, tax deductible Employee contributions being held under the Plan (or any earnings thereon) may be invested in life insurance contracts or, as with any Participant-directed investment, in tangible personal property characterized by the IRS as a collectible.
- 10.07 Participant-directed investments.** Unless otherwise indicated in the Adoption Agreement or in separate procedures, and except as otherwise required in an Investment Arrangement, each Participant shall have the exclusive right, in accordance with the provisions of the Plan, to direct the investment of all or a portion of the amounts allocated to the separate Accounts of the Participant under the Plan. (A reference to Participant under this Section 10.07 also applies to any Beneficiary or Alternate Payee eligible to direct investments under the Plan.)
- (a) **Limits on participant investment direction.** The Employer may elect under AA §C-1 or under separate investment procedures to limit Participant direction of investment to specific types of contributions or with respect to specific

investment options. The terms of an Investment Arrangement may impose additional limitations. In no case may Participants direct that investments be made in collectibles, other than U.S. Government or State issued gold and silver coins. (See Section 10.03(d)(2) for rules regarding allocation of net income or loss to a Directed Account.)

- (b) **Failure to direct investment.** If Participant direction of investments is permitted, the Plan Administrator will designate how accounts will be invested in the absence of proper affirmative direction from the Participant. The Plan or Plan Administrator may designate a default fund under the Plan on behalf of Participants who have been identified by the Plan Administrator as having not specified investment choices under the Plan.

10.08 Investment in Life Insurance. A group or individual life insurance policy purchased by the Plan may be issued on the life of a Participant, a Participant's Spouse, a Participant's child or children, a family member of the Participant, or any other individual with an insurable interest. If this Plan is a money purchase plan, a life insurance policy may only be issued on the life of the Participant. A life insurance policy includes any type of policy, including a second-to-die policy, provided that the holding of a particular type of policy is not prohibited under rules applicable to qualified plans.

Any premiums on life insurance held for the benefit of a Participant will be charged against such Participant's vested Account Balance. Unless directed otherwise, the Plan Administrator will reduce each of the Participant's Accounts under the Plan equally to pay premiums on life insurance held for such Participant's benefit. Any premiums paid for life insurance policies must satisfy the incidental life insurance rules under subsection (a) below.

- (a) **Incidental Life Insurance Rules.** Any life insurance purchased under the Plan must meet the following requirements:
- (1) **Ordinary life insurance policies.** The aggregate premiums paid for ordinary life insurance policies (i.e., policies with both nondecreasing death benefits and nonincreasing premiums) for the benefit of a Participant must be at any time less than 50% of the aggregate amount of Employer Contributions (including Salary Deferrals) and forfeitures that have been allocated to the Account of such Participant.
 - (2) **Life insurance policies other than ordinary life.** The aggregate premiums paid for term, universal or other life insurance policies (other than ordinary life insurance policies) for the benefit of a Participant shall not at any time exceed 25% of the aggregate amount of Employer Contributions (including Salary Deferrals) and forfeitures that have been allocated to the Account of such Participant.
 - (3) **Combination of ordinary and other life insurance policies.** The sum of one-half (½) of the aggregate premiums paid for ordinary life insurance policies plus all the aggregate premiums paid for any other life insurance policies for the benefit of a Participant shall not at any time exceed 25% of the aggregate amount of Employer Contributions (including Salary Deferrals) and forfeitures which have been allocated to the Account of such Participant.
 - (4) **Exception for certain Profit Sharing Plans.** If the Plan is a Profit Sharing Plan, the limitations in this Section do not apply to the extent life insurance premiums are paid only with Employer Contributions and forfeitures that have been accumulated in the Participant's Account for at least two years or are paid with respect to a Participant who has been a Participant for at least five years. For purposes of applying this special limitation, Employer Contributions do not include any Salary Deferrals, QMACs, QNECs or Safe-Harbor Contributions under a 401(k) plan.
 - (5) **Exception for After-Tax Employee Contributions and Rollover Contributions.** The Plan Administrator also may invest, with the Participant's consent, any portion of the Participant's After-Tax Employee Contribution Account or Rollover Contribution Account in a group or individual life insurance policy for the benefit of such Participant, without regard to the incidental life insurance rules under this Section.
- (b) **Ownership of Life Insurance Policies.** The Trustee is the owner of any life insurance policies purchased under the Plan. Any life insurance policy purchased under the Plan must designate the Trustee as owner and beneficiary under the policy. The Trustee will pay all proceeds of any life insurance policies to the Beneficiary of the Participant for whom such policy is held in accordance with the distribution provisions under Section 7. In no event shall the Trustee retain any part of the proceeds from any life insurance policies for the benefit of the Plan.
- (c) **Evidence of Insurability.** Prior to purchasing a life insurance policy, the Plan Administrator may require the individual whose life is being insured to provide evidence of insurability, such as a physical examination, as may be required by the Insurer.
- (d) **Distribution of Insurance Policies.** Life insurance policies under the Plan, which are held on behalf of a Participant, must be distributed to the Participant or converted to cash upon the later of the Participant's Annuity Starting Date (as defined in Section 1.10) or termination of employment. Any life insurance policies that are held on behalf of a

terminated Participant must continue to satisfy the incidental life insurance rules under subsection (a) above. If a life insurance policy is purchased on behalf of an individual other than the Participant, and such individual dies, the Participant may withdraw any or all life insurance proceeds from the Plan, to the extent such proceeds exceed the cash value of the life insurance policy determined immediately before the death of the insured individual.

- (e) **Discontinuance of Insurance Policies.** Investments in life insurance may be discontinued at any time, either at the direction of the Trustee or other fiduciary responsible for making investment decisions. If the Plan provides for Participant direction of investments, life insurance as an investment option may be eliminated at any time by the Plan Administrator. Where life insurance investment options are being discontinued, the Plan Administrator, in its sole discretion, may offer the sale of the insurance policies to the Participant, or to another person, provided that the prohibited transaction exemption requirements prescribed by the Department of Labor are satisfied.
- (f) **Protection of Insurer.** An Insurer (as defined in Section 1.59) that issues a life insurance policy under the terms of this Section 10.08, shall not be responsible for the validity of this Plan and shall be protected and held harmless for any actions taken or not taken by the Trustee or any actions taken in accordance with written directions from the Trustee or the Employer (or any duly authorized representatives of the Trustee or Employer). An Insurer shall have no obligation to determine the propriety of any premium payments or to guarantee the proper application of any payments made by the insurance company to the Trustee.

The Insurer is not and shall not be considered a party to this Plan and is not a fiduciary with respect to the Plan solely as a result of the issuance of life insurance policies under this Section 10.08.

- (g) **No Responsibility for Act of Insurer.** Neither the Employer, the Plan Administrator nor the Trustee shall be responsible for the validity of the provisions under a life insurance policy issued under this Section 10.08 or for the failure or refusal by the Insurer to provide benefits under such policy. The Employer, the Plan Administrator and the Trustee are also not responsible for any action or failure to act by the Insurer or any other person which results in the delay of a payment under the life insurance policy or which renders the policy invalid or unenforceable in whole or in part.

SECTION 11

PLAN ADMINISTRATION AND OPERATION

- 11.01 Plan Administrator.** The Employer is the Plan Administrator, unless the Employer designates in writing an alternative Plan Administrator. The Plan Administrator has the responsibilities described in this Section 11.
- 11.02 Designation of Alternative Plan Administrator.** The Employer may designate another person or persons as the Plan Administrator by name, by reference to the person or group of persons holding a particular position, by reference to a procedure under which the Plan Administrator is designated, or by reference to a person or group of persons charged with the specific responsibilities of Plan Administrator.
- (a) **Acceptance of responsibility by designated Plan Administrator.** If the Employer designates an alternative Plan Administrator, the designated Plan Administrator must accept its responsibilities in writing. The Employer and the designated Plan Administrator jointly will determine the time period for which the alternative Plan Administrator will serve.
 - (b) **Multiple alternative Plan Administrators.** If the Employer designated more than one person as an alternative Plan Administrator, such Plan Administrators shall act by majority vote, unless the group delegates particular Plan Administrator duties to a specific person.
 - (c) **Resignation or removal of designated Plan Administrator.** A designated Plan Administrator may resign by delivering a written notice of resignation to the Employer. The Employer may remove a designated Plan Administrator by delivering a written notice of removal. If a designated Plan Administrator resigns or is removed, and no new alternative Plan Administrator is designated, the Employer is the Plan Administrator.
 - (d) **Employer responsibilities.** If the Employer designates an alternative Plan Administrator, the Employer will provide in a timely manner all appropriate information necessary for the Plan Administrator to perform its duties. This information includes, but is not limited to, Participant compensation data, Employee employment, service and termination information, and other information the Plan Administrator may require. The Plan Administrator may rely on the accuracy of any information and data provided by the Employer.
 - (e) **Indemnification of Plan Administrator.** The Employer will indemnify, defend and hold harmless the Plan Administrator (including the individual members of any administrative committee appointed by the Employer to handle administrative functions of the Plan or any Employees who have administrative responsibility for the Plan) with respect to any liability, loss, damage or expense resulting from any act or omission (except willful misconduct or gross negligence) in their official capacities in the administration of this Plan, including attorney, accountant and advisory fees and all other expenses reasonably incurred in their defense.
- 11.03 Duties, Powers and Responsibilities of the Plan Administrator.** The Plan Administrator will administer the Plan for the exclusive benefit of the Plan Participants and Beneficiaries, and in accordance with the terms of the Plan. If the terms of the Plan are unclear, the Plan Administrator may interpret the Plan, provided such interpretation is consistent with the rules of Code §401(a) and subject to the limitations of the Investment Arrangement(s). This right to interpret the Plan is an express grant of discretionary authority to resolve ambiguities in the Plan document and to make discretionary decisions regarding the interpretation of the Plan's terms, including who is eligible to participate under the Plan, and the benefit rights of a Participant or Beneficiary. Unless an interpretation or decision is determined to be arbitrary and capricious, the Plan Administrator will not be held liable for any interpretation of the Plan terms or decision regarding the application of a Plan provision.
- (a) **Delegation of duties, powers and responsibilities.** The Plan Administrator may delegate its duties, powers or responsibilities to one or more persons. Such delegation must be in writing and accepted by the person or persons receiving the delegation. The Employer must agree to such delegation by an alternative Plan Administrator.
 - (b) **Specific Plan Administrator responsibilities.** The Plan Administrator has the general responsibility to control and manage the operation of the Plan. This responsibility includes, but is not limited to, the following:
 - (1) To interpret and enforce the provisions of the Plan, including those related to Plan eligibility, vesting and benefits;
 - (2) To communicate with the Trustee and other responsible persons with respect to the crediting of Plan contributions, the disbursement of Plan distributions and other relevant matters;
 - (3) To develop separate procedures (if necessary) consistent with the terms of the Plan to assist in the administration of the Plan, including the adoption of a separate or modified loan policy (see Section 13), procedures for direction of investment by Participants (see Section 10.07), procedures for determining whether domestic

relations orders are QDROs, and procedures for the determination of investment earnings to be allocated to Participants' Accounts (see Section 10.03(d));

- (4) To maintain all records necessary for tax and other administration purposes;
- (5) To furnish and to file all appropriate notices, reports and other information to Participants, Beneficiaries, the Employer, the Trustee and government agencies (as necessary);
- (6) To provide information relating to Plan Participants and Beneficiaries;
- (7) To retain the services of other persons, including investment managers, attorneys, consultants, advisers and others, to assist in the administration of the Plan;
- (8) To review and decide on claims for benefits under the Plan; and
- (9) To correct any defect or error in the operation of the Plan;

11.04 **Plan Administration Expenses.**

- (a) **Reasonable Plan administration expenses.** All reasonable expenses related to plan administration may be paid from Plan assets, except to the extent the expenses are paid (or reimbursed) by the Employer. For this purpose, Plan expenses include, but are not limited to, all reasonable costs, charges and expenses incurred by the Trustee in connection with the administration of the Trust (including such reasonable compensation to the Trustee as may be agreed upon from time to time between the Employer or Plan Administrator and the Trustee and any fees for legal services rendered to the Trustee).
- (b) **Plan expense allocation.** The Plan Administrator may allocate plan expenses among the accounts of Plan Participants. The Plan Administrator has authority to allocate these expenses either proportionally based on the value of the Account Balances or pro rata based on the number of Participants in the Plan. The Plan Administrator will determine the proper method for allocating expenses in accordance with such reasonable nondiscriminatory rules as the Plan Administrator deems appropriate under the circumstances. Unless the Plan Administrator decides otherwise, the following expenses will be allocated to the Participant's Account relative to which the expense is incurred: distribution expenses, including those relating to lump sums, installments, QDROs, hardship, in-service and required minimum distributions; loan expenses; participant direction expenses, including brokerage fees; and benefit calculations.
- (c) **Expenses related to administration of former Employee or surviving Spouse.** The Plan may charge reasonable Plan administrative expenses to the Account of that former Employee or surviving Spouse, but only if the administrative expenses are on a pro rata basis. Under the pro rata basis, the expenses are based on the amount in each account of a former Employee or surviving Spouse receiving benefits from the Plan. The Plan Administrator may use another reasonable basis for charging the expenses.
- (d) **Reimbursement Spending Account.** The Employer may maintain a reimbursement spending account to hold certain miscellaneous amounts that are remitted to the Plan. Any amounts allocated to the reimbursement spending account will be applied to pay reasonable Plan expenses no later than the end of the Plan Year following the Plan Year in which such amounts were allocated to the reimbursement spending account and any remaining amounts held in the reimbursement spending account may be allocated to Participants as an allocation of earnings for the Plan Year. Such excess amounts held under the reimbursement spending account may be allocated in a reasonable manner. For example, such excess amounts may be allocated to all Participants under the Plan pro-rata on the basis of Account Balances or under any other reasonable method.

11.05 **Qualified Domestic Relations Orders (QDROs).** As a Governmental Plan, the requirements of Code §414(p) do not apply to the Plan. The Employer may elect under AA §C-4 to use the rules set forth below (which are patterned after the rules under Code §414(p)) for domestic relations orders or may elect under AA §C-4 or under separate administrative procedures to develop its process for addressing domestic relations orders received by the Plan.

- (a) **In general.** Upon receipt of an order which appears to be a QDRO, the Plan Administrator will notify the Participant involved and each Alternate Payee under the order. The Plan Administrator will determine whether the order is a QDRO and will notify each affected individual of such determination.
- (b) **Definitions related to Qualified Domestic Relations Orders (QDROs).**
 - (1) **QDRO.** A QDRO is a domestic relations order that creates or recognizes the existence of an Alternate Payee's right to receive, or assigns to an Alternate Payee the right to receive, all or a portion of the benefits payable with

respect to a Participant under the Plan. The QDRO must contain certain information and meet other requirements described in this Section 11.05.

- (2) **Domestic relations order.** A domestic relations order is a judgment, decree, or order (including the approval of a property settlement) that is made pursuant to state domestic relations law (including community property law).
- (3) **Alternate Payee.** An Alternate Payee must be a Spouse, former Spouse, child, or other dependent of a Participant.
- (c) **Recognition as a QDRO.** To be a QDRO, an order must be a domestic relations order (as defined in subsection (b)(2) above) that relates to the provision of child support, alimony payments, or marital property rights for the benefit of an Alternate Payee. The Plan Administrator is not required to determine whether the court or agency issuing the domestic relations order had jurisdiction to issue an order, whether state law is correctly applied in the order, whether service was properly made on the parties, or whether an individual identified in an order as an Alternate Payee is a proper Alternate Payee under state law.

A domestic relations order otherwise meeting the requirements to be a QDRO shall not fail to be treated as a QDRO solely because:

- (1) the order is issued after, or revises, another domestic relations order or QDRO; or
- (2) of the time at which the order is issued, including orders issued after the death of the Participant.

Any QDRO described in this Section 11.05 shall be subject to the same requirements and protections which apply to QDROs under Code §414(p)(7).

- (d) **Contents of QDRO.** A QDRO must contain the following information:
 - (1) the name and last known mailing address of the Participant and each Alternate Payee;
 - (2) the name of each plan to which the order applies;
 - (3) the dollar amount or percentage (or the method of determining the amount or percentage) of the benefit to be paid to the Alternate Payee; and
 - (4) the number of payments or time period to which the order applies.
- (e) **Impermissible QDRO provisions.**
 - (1) The order must not require the Plan to provide an Alternate Payee or Participant with any type or form of benefit, or any option, not otherwise provided under the Plan;
 - (2) The order must not require the Plan to provide for increased benefits (determined on the basis of actuarial value);
 - (3) The order must not require the Plan to pay benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a QDRO; and
 - (4) The order must not require the Plan to pay benefits to an Alternate Payee in the form of a Qualified Joint and Survivor Annuity for the lives of the Alternate Payee and his or her subsequent Spouse.
- (f) **Immediate distribution to Alternate Payee.** Even if a Participant is not eligible to receive an immediate distribution from the Plan, an Alternate Payee may receive a QDRO benefit immediately in a lump sum, provided such distribution is consistent with the QDRO provisions.
- (g) **Fee for QDRO determination.** The Plan Administrator may condition the making of a QDRO determination on the payment of a fee by a Participant or an Alternate Payee (either directly or as a charge against the Participant's Account).
- (h) **QDRO procedure.**
 - (1) **Access to information.** The Plan Administrator will provide access to Plan and Participant benefit information sufficient for a prospective Alternate Payee to prepare a QDRO. Such information might include the summary plan description, other relevant plan documents, and a statement of the Participant's benefit entitlements. The

disclosure of this information is conditioned on the prospective Alternate Payee providing to the Plan Administrator information sufficient to reasonably establish that the disclosure request is being made in connection with a domestic relations order.

- (2) **Notifications to Participant and Alternate Payee.** The Plan Administrator will promptly notify the affected Participant and each Alternate Payee named in the domestic relations order of the receipt of the order. The Plan Administrator will send the notification to the address included in the domestic relations order. Along with the notification, the Plan Administrator will provide a copy of the Plan's procedures for determining whether a domestic relations order is a QDRO.
- (3) **Alternate Payee representative.** The prospective Alternate Payee may designate a representative to receive copies of notices and Plan information that are sent to the Alternate Payee with respect to the domestic relations order.
- (4) **Evaluation of domestic relations order.** Within a reasonable period of time, the Plan Administrator will evaluate the domestic relations order to determine whether it is a QDRO. A reasonable period will depend on the specific circumstances. The domestic relations order must contain the information described in subsection (d) above. If the order is only deficient in a minor respect, the Plan Administrator may supplement information in the order from information within the Plan Administrator's control or through communication with the prospective Alternate Payee.
 - (i) **Separate accounting.** Upon receipt of a domestic relations order, the Plan Administrator will separately account for and preserve the amounts that would be payable to an Alternate Payee until a determination is made with respect to the status of the order. During the period in which the status of the order is being determined, the Plan Administrator will take whatever steps are necessary to ensure that amounts that would be payable to the Alternate Payee, if the order were a QDRO, are not distributed to the Participant or any other person. The separate accounting requirement may be satisfied, at the Plan Administrator's discretion, by a segregation of the assets that are subject to separate accounting.
 - (ii) **Separate accounting until the end of 18-month period.** The Plan Administrator will continue to separately account for amounts that are payable under the QDRO until the end of an 18-month period. The 18-month period will begin on the first date following the Plan's receipt of the order upon which a payment would be required to be made to an Alternate Payee under the order. If, within the 18-month period, the Plan Administrator determines that the order is a QDRO, the Plan Administrator must pay the Alternate Payee in accordance with the terms of the QDRO. If, however, the Plan Administrator determines within the 18-month period that the order is not a QDRO, or, if the status of the order is not resolved by the end of the 18-month period, the Plan Administrator may pay out the amounts otherwise payable under the order to the person or persons who would have been entitled to such amounts if there had been no order. If the order is later determined to be a QDRO, the order will apply only prospectively; that is, the Alternate Payee will be entitled only to amounts payable under the order after the subsequent determination.
 - (iii) **Preliminary review.** The Plan Administrator will perform a preliminary review of the domestic relations order to determine if it is a QDRO. If this preliminary review indicates the order is deficient in some manner, the Plan Administrator will allow the parties to attempt to correct any deficiency before issuing a final decision on the domestic relations order. The ability to correct is limited to a reasonable period of time.
 - (iv) **Notification of determination.** The Plan Administrator will notify in writing the Participant and each Alternate Payee of the Plan Administrator's decision as to whether a domestic relations order is a QDRO. In the case of a determination that an order is not a QDRO, the written notice will contain the following information:
 - (A) references to the Plan provisions on which the Plan Administrator based its decision;
 - (B) an explanation of any time limits that apply to rights available to the parties under the Plan (such as the duration of any protective actions the Plan Administrator will take); and
 - (C) a description of any additional material, information, or modifications necessary for the order to be a QDRO and an explanation of why such material, information, or modifications are necessary.

- (v) **Treatment of Alternate Payee.** If an order is accepted as a QDRO, the Plan Administrator will act in accordance with the terms of the QDRO as if it were a part of the Plan. Except as designated otherwise under this subsection (v), an Alternate Payee will be considered a Beneficiary under the Plan and be afforded the same rights as a Beneficiary. The Plan Administrator will provide any appropriate disclosure information relating to the Plan to the Alternate Payee. In determining the rights of an Alternate Payee, unless designated otherwise under AA §C-4(b), the following rules apply:
- (A) **Loans.** An Alternate Payee is not permitted to take a loan from the Plan.
- (B) **Death benefits.** If an Alternate Payee dies prior to receiving the entire amount designated under the QDRO, such benefits will be paid in accordance with Section 7.07, treating the Alternate Payee as the Beneficiary. If the Alternate Payee dies without a designated Beneficiary, the benefits will be paid to the Alternate Payee's estate. Any death benefit will be paid in a single sum as soon as administratively feasible after the Alternate Payee's death.
- (C) **Direction of investments.** An Alternate Payee has the right to direct the investment of the portion of the Participant's benefit that is segregated for the Alternate Payee's benefit pursuant to a QDRO in the same manner as the Participant.

11.06 Claims Procedure. The Plan Administrator may establish procedures for administering benefit claims. Such benefit claims procedures should provide claimants with a reasonable opportunity to have a full and fair review of a denied claim. The Plan Administrator is authorized to conduct an examination of the relevant facts to determine the merits of a Participant's or Beneficiary's claim for Plan benefits.

SECTION 12

TRUST AND OTHER PLAN FUNDING

- 12.01 Establishment of Trust or Other Funding Mechanism.** In conjunction with the establishment of this Plan, the Employer will establish and maintain a domestic Trust in the United States consisting of such sums as shall from time to time be paid to the Trustee under the Plan and such earnings, income and appreciation as may accrue thereon.

The Employer, in lieu of a Trust, may establish an alternative funding mechanism, as allowed for plans qualified under Code §401(a).

- 12.02 Conflicting Trust Provisions.** In the event of any conflict between the terms of this Plan and any conflicting provision contained in any associated Trust, custodial account document or any document that is incorporated by reference, the terms of this Plan will govern.

- 12.03 More than One Trustee.** If the Plan has more than one person acting as Trustee, the Trustees may allocate the Trustee responsibilities by mutual agreement. The Trustees may agree to make decisions by a majority vote or may permit any one of the Trustees to make any decision, undertake any action or execute any documents affecting this Trust without the approval of the remaining Trustees. The Trustees may agree to the allocation of responsibilities in a separate trust agreement or other binding document.

- 12.04 Annual Valuation.** The Plan assets will be valued at least on an annual basis. The Employer may designate more frequent Valuation Dates under AA §11-1. Notwithstanding any election under AA §11-1, the Trustee and Plan Administrator may agree to value the Trust on a more frequent basis, and/or to perform an interim valuation of the Trust.

- 12.05 Appointment of Custodian.** The Plan Administrator may appoint a Custodian to hold all or any portion of the Plan assets. A Custodian has the powers, rights and responsibilities similar to those of a Directed Trustee. The Custodian will be protected from any liability with respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, an investment manager, or other third party with authority to provide direction to the Custodian. The Employer may enter into a separate agreement with the Custodian. Such separate agreement must be consistent with the responsibilities and obligations set forth in this Plan document.

- 12.06 Custodial Accounts, Annuity Contracts and Insurance Contracts.** As provided under Code §401(f), a custodial account, an annuity contract or a contract issued by an Insurer is treated as a qualified trust under the Plan if (i) the custodial account or contract would, except for the fact that it is not a trust, constitute a qualified trust under Code §401(a) and (ii) in the case of a custodial account the assets thereof are held by a bank (as defined in Code §408(n)) or another person who demonstrates to the IRS that the manner in which the assets are held are consistent with the requirements of Code §401(a).

No insurance contract will be purchased under the Plan unless such contract or a separate definite written agreement between the Employer and the Insurer provides that no value under contracts providing benefits under the Plan or credits determined by the Insurer (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) with respect to such contracts may be paid or returned to the Employer or diverted to or used for other than the exclusive benefit of the Participants or their Beneficiaries. However, any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

If this Plan is funded by individual contracts that provide a Participant's benefit under the Plan, such individual contracts shall constitute the Participant's Account Balance. If this Plan is funded by group contracts, under the group annuity or group insurance contract, premiums or other consideration received by the insurance company must be allocated to Participants' accounts under the Plan.

SECTION 13
PARTICIPANT LOANS

- 13.01 Availability of Participant Loans.** The Employer may elect under Appendix B of the Adoption Agreement to permit Participants to take loans from their vested Account Balance under the Plan. Participant loans may be treated as a segregated investment on behalf of each individual Participant for whom the loan is made or may be treated as a general investment of the Plan. If the Employer elects to permit loans under the Plan, the Employer may elect to use the default loan policy under this Section 13, as modified under Appendix B of the Adoption Agreement, or an outside loan policy for purposes of administering Participant loans under the Plan. If a separate written loan policy is adopted, the terms of such separate loan policy will control over the terms of this Plan with respect to the administration of any Participant loans. Any separate written loan policy must satisfy the requirements under Code §72(p) and the regulations thereunder. All loans are subject to the terms of the Investment Arrangement(s)

To receive a Participant loan, a Participant must sign (including, where applicable, using electronic or other means recognized as sufficient) a promissory note along with a pledge or assignment of the portion of the Account Balance used for security on the loan. The loan will be evidenced by a legally enforceable agreement which specifies the amount and term of the loan, and the repayment schedule.

- 13.02 Must be Available in Reasonably Equivalent Manner.** Participant loans must be made available to Participants in a reasonably equivalent manner. The Employer may elect under AA §B-8 to limit the availability of Participant loans to specified events. For example, the availability of Participant loans may be limited to the occurrence of a hardship event as described in Section 7.10(e)(1)(i).

- 13.03 Loan Limitations.** A Participant loan may not be made to the extent such loan (when added to the outstanding balance of all other loans made to the Participant) exceeds the lesser of:

- (a) \$50,000 (reduced by the excess, if any, of the Participant's highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan is made, over the Participant's outstanding balance of loans from the Plan as of the date such loan is made) or
- (b) one-half (½) of the Participant's vested Account Balance, determined as of the Valuation Date coinciding with or immediately preceding such loan, adjusted for any contributions or distributions made since such Valuation Date.

If so elected under AA §B-4, a Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance. However, if a Participant takes a loan in excess of 50% of the Participant's vested Account Balance, such loan is still subject to the adequate security requirements under Section 13.06.

In applying the limitations under this Section 13.03, all plans maintained by the Employer are aggregated and treated as a single plan. In addition, any assignment or pledge of any portion of the Participant's interest in the Plan and any loan, pledge, or assignment with respect to any insurance contract purchased under the Plan will be treated as loan under this Section.

- 13.04 Limit on Amount and Number of Loans.** Unless elected otherwise under AA §B-5 and/or AA §B-6, or under a separate written loan policy, a Participant may not receive a Participant loan of less than \$1,000 nor may a Participant have more than one Participant loan outstanding at any time.

- (a) **Loan renegotiation.** Unless designated otherwise under AA §B-14, a Participant may be permitted to renegotiate a loan without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate requirement under Section 13.05, the adequate security requirement under Section 13.06, and the periodic repayment requirement under Section 13.07) and the renegotiated loan does not exceed the limitations under Section 13.03 above, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the limitations under Section 13.03 above.
- (b) **Participant must be creditworthy.** The Plan Administrator may refuse to make a loan to any Participant who is determined to be not creditworthy. For this purpose, a Participant is not creditworthy if, based on the facts and circumstances, it is reasonable to believe that the Participant will not repay the loan. A Participant who has defaulted on a previous loan from the Plan and has not repaid such loan (with accrued interest) at the time of any subsequent loan will be treated as not creditworthy until such time as the Participant repays the defaulted loan (with accrued interest).

- 13.05 Reasonable Rate of Interest.** All Participant loans will be charged a reasonable rate of interest. Alternative methods for determining a reasonable rate of interest may be identified under AA §B-7 or under a separate written loan policy. The interest rate assumptions must be periodically reviewed to ensure the interest rate charged on Participant loans is reasonable.

If a Participant is in military service while he/she has an outstanding Participant loan, the applicable interest charged on such loan during the period while the Participant is in military service will not exceed 6% per year provided the Participant provides written notice and a copy of his/her call-up or extension orders to the Plan Administrator within 180 days following the Participant's termination or release from military service. For this purpose, military service is as defined in the Soldier's and Sailor's Civil Relief Act of 1940 as modified by the Servicemembers Civil Relief Act of 2003. The Participant may voluntarily waive this 6% interest limitation and the Plan Administrator may petition the court to retain the original interest rate if the ability to repay is not affected by the Participant's activation to military duty.

13.06 Adequate Security. All Participant loans must be adequately secured. The Participant's vested Account Balance shall be used as security for a Participant loan provided the outstanding balance of all Participant loans made to such Participant does not exceed 50% of the Participant's vested Account Balance, determined immediately after the origination of each loan. The Plan Administrator may require a Participant to provide additional collateral to receive a Participant loan if the Plan Administrator determines such additional collateral is required to protect the interests of Plan Participants. A separate loan policy or written modifications to this loan policy may prescribe alternative rules for obtaining adequate security.

13.07 Periodic Repayment. A Participant loan must provide for level amortization with payments to be made not less frequently than quarterly. A Participant loan must be payable within a period not exceeding five (5) years, unless the loan is for the purchase of the Participant's principal residence, in which case the loan may be payable within ten (10) years or such longer period that is commensurate with the repayment period permitted by commercial lenders for similar loans. Loan repayments must be made through payroll withholding, ACH and/or coupon payment.

(a) **Leave of absence.** A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant's pay is insufficient to fully repay the required loan payments. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be re-amortized over the remaining period of such loan to make up for the missed payments. The re-amortized loan may extend beyond the original loan term so long as the loan is paid in full by whichever of the following dates comes first:

- (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner); or
- (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

Alternatively, upon a Participant's return to employment (or after the end of the 12-month period, if earlier), the Plan Administrator may allow the Participant's outstanding loan payments to resume at the same loan payment amount as of the time of the loan suspension, with a balloon payment of the remaining balance due by the earlier of (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

(b) **Military leave.** A Participant with an outstanding Participant loan also may suspend loan payments for any period such Participant is on military leave, in accordance with Code §414(u)(4). Upon the Participant's return from military leave (or the expiration of five years from the date the Participant began his/her military leave, if earlier), loan payments will recommence under the amortization schedule in effect prior to the Participant's military leave, without regard to the five-year maximum loan repayment period. Alternatively, the loan may be re-amortized to require a different level of loan payment, as long as the amount and frequency of such payments are not less than the amount and frequency under the amortization schedule in effect prior to the Participant's military leave.

13.08 Designation of Accounts. A Participant loan will be treated as a segregated investment on behalf of the individual Participant for whom the loan is made or may be treated as a general investment of the Plan. Unless designated otherwise under AA §B-9 or under a separate loan procedure, loan amounts may be taken from any available contribution source under the Plan. The Plan Administrator may determine the contribution sources from which a loan is taken or may follow directions of the Participant.

Each payment of principal and interest paid by a Participant on his/her Participant loan shall be credited to the same Participant Accounts and investment funds within such Accounts from which the loan was taken.

13.09 Procedures for Loan Default. Except as otherwise provided in the Investment Arrangement and in any loan agreement, and subject to applicable requirements in Code §72(p) and the regulations thereunder, the following loan default provisions will apply. A Participant will be considered to be in default with respect to a loan if any scheduled repayment with respect to such loan is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. The Employer may apply a shorter cure period under AA §B-10.

If a Participant defaults on a Participant loan, the Plan may not offset the Participant's Account Balance until the Participant is otherwise entitled to an immediate distribution of the portion of the Account Balance which will be offset and such amount

being offset is available as security on the loan, pursuant to Section 13.06. For this purpose, a loan default is treated as an immediate distribution event to the extent the law does not prohibit an actual distribution of the type of contributions which would be offset as a result of the loan default). The Participant may repay the outstanding balance of a defaulted loan (including accrued interest through the date of repayment) at any time.

Pending the offset of a Participant's Account Balance following a defaulted loan, the following rules apply to the amount in default.

- (a) Interest continues to accrue on the amount in default until the time of the loan offset or, if earlier, the date the loan repayments are made current or the amount is satisfied with other collateral.
- (b) A subsequent offset of the amount in default is not reported as a taxable distribution, except to the extent the taxable portion of the default amount was not previously reported by the Plan as a taxable distribution.
- (c) The post-default accrued interest included in the loan offset is not reported as a taxable distribution at the time of the offset.

A separate loan policy or written modifications to this loan policy may modify the procedures for determining a loan default.

13.10 **Termination of Employment.**

- (a) **Offset of outstanding loan.** If permitted under the Investment Arrangement, the loan agreement and any loan policy and unless elected otherwise under AA §B-12 or if a Participant requests a Direct Rollover as allowed under Section 13.10(b), a Participant loan becomes due and payable in full immediately upon the Participant's termination of employment. Upon a Participant's termination, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following termination of employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan to the extent such Account Balance is available as security on the loan, pursuant to Section 13.06, and the remaining vested Account Balance will be distributed in accordance with the distribution provisions under Section 7. If the outstanding loan balance of a deceased Participant is not repaid, the outstanding loan balance shall be treated as a distribution to the Participant and shall reduce the death benefit amount payable to the Beneficiary under Section 7.07.
- (b) **Direct Rollover.** Unless elected otherwise under AA §B-13, upon termination of employment, a Participant may request a Direct Rollover of the loan note (provided the distribution is an Eligible Rollover Distribution as defined in Section 7.04(a)(1)) to another qualified plan which agrees to accept a Direct Rollover of the loan note. A Participant may not engage in a Direct Rollover of a loan to the extent the Participant has already received a deemed distribution with respect to such loan. (See the rules regarding deemed distributions upon a loan default under Section 13.09.)

- 13.11 **Mergers, Transfers or Direct Rollovers from another Plan/Change in Loan Record Keeper.** Except as otherwise provided in an Investment Arrangement and related loan agreement, and subject to applicable requirements in Code §72(p) and the regulations thereunder, any Participant loan transferred into the Plan as the result of a merger, consolidation, or plan to plan transfer, or rolled over to the Plan from another plan, shall be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of the loan to the extent necessary to ensure the administration of such loan continues to satisfy the requirements of Code §72(p) and the regulations thereunder. In addition, if there is a change in the person or persons to whom the record keeping of Participant loans has been delegated, a loan shall continue to be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of a loan to the extent necessary to ensure the administration of the loan after the change in the loan record keeper continues to satisfy the requirements of Code §72(p) and the regulations thereunder, regardless of any contrary election under AA §B-14.

- 13.12 **Amendment of Plan to Eliminate Participant Loans.** The Plan may be amended at any time to eliminate Participant loans on a prospective basis. However, the elimination of a Participant loan feature may not result in the acceleration of payment of any existing Participant loans, unless the terms of the Participant loan permit such acceleration.

SECTION 14

PLAN AMENDMENTS, TERMINATION, MERGERS AND TRANSFERS

14.01 Plan Amendments.

- (a) **Amendment by the Provider.** The Provider (as described in §4.08 of Revenue Procedure 2017-41 or its successor) may amend any part of the plan. However, for purposes of reliance on an Opinion Letter, the Provider will no longer have the authority to amend the plan on behalf of the Employer as of the date (1) the employer amends the plan to incorporate a type of plan described in §6.03 of Rev. Proc. 2017-41 that is not permitted under the Pre-approved Plan program, or (2) the Internal Revenue Service notifies the employer, in accordance with §8.06(3) of Rev. Proc. 2017-41, that the Plan is an individually designed plan due to the nature and extent of Employer amendments to the Plan.

For purposes of Provider amendments, the Mass Submitter shall be recognized as the agent of the Provider. If the Provider does not adopt the amendments made by the Mass Submitter, it will no longer be identical to or a minor modifier of the Mass Submitter plan.

The Provider will maintain, or have maintained on its behalf, a record of the Employers that have adopted the Plan, and the Provider will make reasonable and diligent efforts to ensure that adopting Employers have actually received and are aware of all Plan amendments and that such Employers adopt new documents when necessary.

- (b) **Amendment by the Employer.** The Employer shall have the right at any time to amend the Adoption Agreement in the following manner without affecting the Plan's status as a Pre-Approved Plan. (The ability to amend the Plan as authorized under this subsection (b) applies only to the Employer that executes the Employer Signature Page of the Adoption Agreement. Any amendment to the Plan by the Employer under this subsection (b) also applies to any other Employer that participates under the Plan as a Participating Employer.)

- (1) The Employer may change any optional selections under the Adoption Agreement.
- (2) The Employer may add overriding language to the Adoption Agreement when such language is necessary to satisfy Code §415 because of the required aggregation of multiple plans.
- (3) The Employer may change the Employer Information in Section 1 of the Adoption Agreement and/or the administrative selections under Appendix C of the Adoption Agreement by replacing the appropriate page(s) within the Adoption Agreement. Such amendment does not require re-execution of the Employer Signature Page of the Adoption Agreement and any such change will not affect the Employer's reliance on the Favorable IRS Letter.
- (4) The Employer may amend administrative provisions of the trust or custodial document, including the name of the Plan, Employer, Trustee or Custodian, Plan Administrator and other fiduciaries, the trust year, and the name of any pooled trust in which the Plan's trust will participate.
- (5) The Employer may add certain sample or model amendments published by the IRS which specifically provide that their adoption will not cause the Plan to be treated as an individually designed plan.
- (6) The Employer may add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan.
- (7) The Employer may adopt any amendments that it deems necessary to satisfy the requirements for resolving qualification failures under the IRS' compliance resolution programs.

The Employer may amend the Plan at any time for any other reason. If such amendment is not deemed to be significant, the Plan will not lose its status as a Pre-Approved Plan. However, if the Employer modifies the language of the Plan or Adoption Agreement (other than the completion of optional selections (e.g., Describe lines), the Employer will not be able to rely on the Favorable IRS Letter issued with respect to the Plan and will need to submit the Plan to the IRS for a favorable determination letter to retain reliance. If an amendment to the Plan is deemed significant, such amendment could cause the Plan to lose its status as a Pre-Approved Plan and become an individually designed plan.

- (c) **Method of amendment.** An amendment to the Plan may be adopted as a modification to the Adoption Agreement and/or Basic Plan Document or as a separate snap-on amendment. An amendment to the Plan may be adopted as part of

a properly executed board resolution. Any such amendment must be executed by the board of directors or an authorized representative of the Employer.

- (d) **Effective date of Plan Amendments.** If the Plan is restated or amended, such restatement or amendment is generally effective as of the Effective Date of the restatement or amendment (as designated on the Employer Signature Page with respect to such amendment), except where the context indicates a reference to an earlier Effective Date. The Employer may designate special effective dates for individual provisions under the Plan where provided in the Adoption Agreement or under Appendix A of the Adoption Agreement.
- (1) **Retroactive Effective Date.** If the Plan is amended retroactively (e.g., to add language required to comply with IRS guidance or law), the provisions of this Plan generally override the provisions of any prior Plan. However, if the provisions of this Plan are different from the provisions of the Employer's prior plan and, after the retroactive Effective Date of this Plan, the Employer operated in compliance with the provisions of the prior plan, the provisions of such prior plan are incorporated into this Plan for purposes of determining whether the Employer operated the Plan in compliance with its terms, provided operation in compliance with the terms of the prior plan do not violate any qualification requirements under the Code, regulations, or other IRS guidance.
- (2) **Retroactive effect of certain provisions.** This Plan is designed to comply with the Code, regulations, and general guidance applicable to qualified retirement plans in effect as of the Effective Date of the Plan. Certain provisions of the Plan are retroactively effective as indicated in the specific provisions. If the Plan is being restated within the remedial amendment period for retroactive compliance, the special effective dates for such provisions will apply, even if such special effective dates precede the Effective Date of the restatement designated on the Employer Signature Page of the Adoption Agreement. If the Effective Date of this restatement or amendment is later than the applicable special effective date, such special effective dates will apply and any prior plan being replaced by this Plan will be considered to have been timely amended for the applicable provisions.
- (3) **Merged plans.** Except for retroactive application of the provisions under this subsection (d), if one or more qualified retirement plans have been merged into this Plan, the provisions of the merging plan(s) will remain in full force and effect until the Effective Date of the Plan merger(s), unless provided otherwise under Appendix A of the Adoption Agreement.

14.02 Plan Termination. The Employer may terminate this Plan at any time by delivering to the Trustee and Plan Administrator written notice of such termination.

- (a) **Full and immediate vesting.** Upon a full or partial termination of the Plan (or in the case of a Profit Sharing Plan, the complete discontinuance of contributions), all amounts credited to an affected Participant's Account become 100% vested, regardless of the Participant's vested percentage determined under Section 6.02. The Plan Administrator has discretion to determine whether a partial termination has occurred.
- (b) **Distribution upon Plan termination.** Upon the termination of the Plan, the Plan Administrator shall direct the distribution of Plan assets to Participants in accordance with the provisions under Section 7. For purposes of applying the provisions of this subsection (b), distribution may be delayed until the Employer receives a favorable determination letter from the IRS as to the qualified status of the Plan upon termination, provided the determination letter request is made within a reasonable period following the termination of the Plan. Until all Plan assets have been distributed from the Plan, the Employer must amend the Plan in order to comply with current laws and regulations and may take any other actions necessary to retain the qualified status of the Plan.
- (c) **Missing Participants.** Upon termination of the Plan, if any Participant cannot be located after a reasonable diligent search (as defined in Section 6.10(c)(1)), the Plan Administrator may make a direct rollover to an IRA selected by the Plan Administrator. For this purpose, the Plan Administrator will adopt procedures similar to the procedures required under Section 7.05 for making Automatic Rollovers in applying the provisions under this subsection (c). An Automatic Rollover under this subsection (c) may be made on behalf of any missing Participant, regardless of the value of his/her vested Account Balance under the Plan.
- (d) **Partial Termination.** In determining whether a Plan has experienced a partial termination, the Plan Administrator will apply the principals set forth under IRS Revenue Ruling 2007-43.

14.03 Merger or Consolidation. In the event the Plan is merged or consolidated with another plan, each Participant must be entitled to a benefit immediately after such merger or consolidation that is at least equal to the benefit the Participant was entitled to immediately before such merger or consolidation (had the Plan terminated).

Pre-Approved Governmental Defined Contribution Plan
Section 14 – Plan Amendments, Termination, Mergers and Transfers

If the Employer amends the Plan from one type of Defined Contribution Plan (e.g., a Money Purchase Plan) into another type of Defined Contribution Plan (e.g., a Profit Sharing Plan) that will not result in a partial termination or any other event that would require full vesting of some or all Plan Participants.

- 14.04** **Transfer of Assets.** Subject to the terms governing the applicable Investment Arrangement, the Plan Administrator may, but is not required to, permit plan-to-plan transfers to and from the Plan.

The Plan Administrator may, but is not required to, accept a transfer of assets from another qualified retirement plan on behalf of any Employee, even if such Employee is not eligible to receive other contributions under the Plan. If a transfer of assets is made on behalf of an Employee prior to the Employee's becoming a Participant, the Employee shall be treated as a Participant for all purposes with respect to such transferred amount. Any assets transferred to this Plan from another plan must be accompanied by written instructions designating the name of each Employee for whose benefit such amounts are being transferred, the current value of such assets, and the sources from which such amounts are derived. The Plan Administrator will deposit any transferred assets in the appropriate Participant's Transfer Account. The Transfer Account will contain any sub-Accounts necessary to separately track the sources of the transferred assets. Each sub-Account will be treated in the same manner as the corresponding Plan Account.

If the Plan is a Profit Sharing Plan or a Grandfathered 401(k) Arrangement and the Plan accepts a transfer of assets from a money purchase plan, the amounts transferred (and any gains attributable to such transferred amounts) continue to be subject to the distribution restrictions applicable to money purchase plan assets under the transferor plan. Such amounts may not be distributed for reasons other than death, disability, attainment of Normal Retirement Age, attainment of age 62, or termination of employment, regardless of any distribution provisions under this Plan that would otherwise permit a distribution prior to such events.

The Plan Administrator may refuse to accept a transfer of assets if the Plan Administrator reasonably believes the transfer (1) is not being made from a proper qualified plan; (2) could jeopardize the tax-exempt status of the Plan; or (3) could create adverse tax consequences for the Plan or the Employer. Prior to accepting a transfer of assets, the Plan Administrator may require evidence documenting that the transfer of assets meets the requirements of this Section. The Trustee will have no responsibility to determine whether the transfer of assets meets the requirements of this Section; to verify the correctness of the amount and type of assets being transferred to the Plan; or to perform a due diligence review with respect to such transfer.

- (a) **Trustee's right to refuse transfer.** If the assets to be transferred to the Plan under this Section 14.04 are not susceptible to proper valuation and identification or are of such a nature that their valuation is incompatible with other Plan assets, the Trustee may refuse to accept the transfer of all or any specific asset, or may condition acceptance of the assets on the sale or disposition of any specific asset.
- (b) **Transfer of Plan to unrelated Employer.** The Employer may not transfer sponsorship of the Plan to an unrelated employer if the transfer is not in connection with a transfer of business assets or operations from the Employer to the unrelated employer.

SECTION 15
MISCELLANEOUS

- 15.01 Exclusive Benefit.** Plan assets will not be used for, or diverted to, a purpose other than the exclusive benefit of Participants or their Beneficiaries.

No amendment may authorize or permit any portion of the assets held under the Plan to be used for or diverted to a purpose other than the exclusive benefit of Participants or their Beneficiaries, except to the extent such assets are used to pay taxes or administrative expenses of the Plan. An amendment also may not cause or permit any portion of the assets held under the Plan to revert to or become property of the Employer.

- 15.02 Return of Employer Contributions.** Upon written request by the Employer, the Trustee may return any Employer Contributions provided that the circumstances and the time frames described below are satisfied. The Trustee may request the Employer to provide additional information to ensure the amounts may be properly returned. Any amounts returned shall not include earnings, but must be reduced by any losses.

- (a) **Mistake of fact.** Any Employer Contributions made because of a mistake of fact must be returned to the Employer within one year of the contribution.
- (b) **Failure to initially qualify.** Employer Contributions to the Plan are made with the understanding, in the case of a new Plan, that the Plan satisfies the qualification requirements of Code §401(a) as of the Plan's Effective Date. In the event that the Internal Revenue Service determines that the Plan is not initially qualified under the Code, any Employer Contributions (and allocable earnings) made incident to that initial qualification must be returned to the Employer within one year after the date the initial qualification is denied, but only if the application for the qualification is made by the time prescribed by law for filing the employer's return for the taxable year in which the Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

- 15.03 Participants' Rights.** The adoption of this Plan by the Employer does not give any Participant, Beneficiary, or Employee a right to continued employment with the Employer and does not affect the Employer's right to discharge an Employee or Participant at any time. This Plan also does not create any legal or equitable rights in favor of any Participant, Beneficiary, or Employee against the Employer, Plan Administrator or Trustee. Unless the context indicates otherwise, any amendment to this Plan is not applicable to determine the benefits accrued (and the extent to which such benefits are vested) by a Participant or former Employee whose employment terminated before the effective date of such amendment, except where application of such amendment to the terminated Participant or former Employee is required by statute, regulation or other guidance of general applicability. Where the provisions of the Plan are ambiguous as to the application of an amendment to a terminated Participant or former Employee, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

- 15.04 Military Service.** To the extent required under Code §414(u), an Employee who returns to employment with the Employer following a period of qualified military service will receive any contributions, benefits and service credit required under Code §414(u), provided the Employee satisfies all applicable requirements under the Code and regulations. In determining the amount of contributions under Code §414(u), Plan Compensation will be deemed to be the compensation the Employee would have received during the period while in military service based on the rate of pay the Employee would have received from the Employer but for the absence due to military leave. If the compensation the Employee would have received during the leave is not reasonably certain, Plan Compensation will be equal to the Employee's average compensation from the Employer during the twelve (12) month period immediately preceding the military leave, or, if shorter, the Employee's actual period of employment with the Employer.

- (a) **Death benefits under qualified military service.** In the case of a Participant who dies while performing qualified military service (as defined in Code §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 as though the Participant resumed and then terminated employment on account of death.
- (b) **Benefit accruals.** If elected under AA §11-3, for benefit accrual purposes, the Plan will treat an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service (as defined in Code §414(u)) with respect to the Employer, as if the individual has resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA) on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.
 - (1) This subsection (b) shall apply only if all individuals performing qualified military service with respect to the Employer maintaining the Plan who die or became disabled as a result of performing qualified military service prior to reemployment by the employer are credited with service and benefits on reasonably equivalent terms.

- (2) The amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed under this subsection (b) shall be determined on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of:
- (i) the 12-month period of service with the Employer immediately prior to qualified military service; or
 - (ii) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.
- (c) **Plan distributions.** Notwithstanding the provisions regarding the treatment of Differential Pay and unless otherwise elected under AA §10-1(l), an individual may be treated as having been severed from employment during any period the individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §401(k)(2)(B)(i)(I). If an individual elects to receive a distribution while on military leave, the individual may not make Salary Deferrals or Employee After-Tax Employee Contributions under the Plan during the 6-month period beginning on the date of the distribution. However, a distribution under this provision that is also a Qualified Reservist Distribution is not subject to the 6-month suspension.
- (d) **Make-Up Contributions.** A Participant who is reemployed following a qualified military leave shall have the right to make up any Salary Deferrals or After-Tax Employee Contributions to which he/she would have been entitled but for the fact the Participant was on qualified military leave. To the extent a Participant returning from qualified military leave would have been required to make Employer Pick-Up Contributions, as described in Section 3.03, the Participant will be required to make such Employer Pick-Up Contributions upon his/her return to employment based on the amount that would have been contributed but for the fact the Participant was on qualified military leave. The Employer will also make any Employer Contributions and Matching Contributions the Participant would have earned during the period of qualified military leave had the Participant remained employed during such period. The Employer will only be required to make Matching Contributions if the reemployed Participant makes up the underlying contributions that were eligible for the Matching Contributions.

In determining the amount of Make-Up Contributions a Participant may make under this subsection (d), a Participant will be treated as earning Plan Compensation during the period the Participant was on qualified military leave equal to:

- (1) the rate of pay the Participant would have received from the Employer during such period had the Participant not been on qualified military leave; or
- (2) if the Plan Compensation the Participant would have received during such period was not reasonably certain, the Participant's average Plan Compensation during the 12-month period immediately preceding the qualified military leave (or the entire period of employment, if shorter).

If the Employer is required under this subsection (d) to make Employer Contributions for a reemployed Participant, the Employer must make such Employer Contributions not later than 90 days after the date of reemployment or the date the Employer Contributions are otherwise due for the year in which the military service was performed. For Salary Deferrals and After-Tax Employee Contributions, a Participant who is reemployed following a qualified military leave may make up such contributions during the period beginning on the date of reemployment and ending on the earlier of the date that is three times the length of the military service period or 5 years from the date of reemployment. Any required Matching Contributions must be made in the same manner as other Matching Contributions under the Plan following the Participant's contribution of the amounts eligible for the Matching Contributions.

Any make up contributions under this subsection (d) are subject to the Code §415 Limitation under Section 5.02 and the Elective Deferral Dollar Limitation under Section 5.03 for the year for which the make-up contribution would have been made had the Participant not been on qualified military leave.

- 15.05 Annuity Contract.** Any annuity contract distributed under the Plan must be nontransferable. In addition, the terms of any annuity contract purchased and distributed to a Participant, or to a Participant's Spouse, must comply with all requirements under the Code and regulations thereunder.
- 15.06 Use of IRS Compliance Programs.** Nothing in this Plan document should be construed to limit the availability of the IRS' voluntary compliance programs. An Employer may take whatever corrective actions are permitted under the IRS voluntary compliance programs, as is deemed appropriate by the Plan Administrator or Employer. If the Employer's Plan fails to attain or retain qualification, such Plan will no longer participate in this Volume Submitter Plan and will be considered an individually designed plan.

- 15.07 Governing Law.** The provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state in which the Trustee has its principal place of business. The foregoing provisions of this Section shall not preclude the Employer and the Trustee from agreeing to a different state law with respect to the construction, administration and enforcement of the Plan.
- 15.08 Waiver of Notice.** Any person entitled to a notice under the Plan may waive the right to receive such notice, to the extent such a waiver is not prohibited by law, regulation or other pronouncement.
- 15.09 Use of Electronic Media.** The Employer, Plan Administrator, Trustee and any other designated individual responsible for providing applicable notices or disclosures under the Plan, and any Participant or beneficiary making an election under the Plan may use telephonic or electronic media to satisfy any notice requirements required by this Plan. Any use of electronic medium under the Plan must comply with the requirements outlined in Treas. Reg. §1.401(a)-21 or other general guidance concerning the use of telephonic or electronic media. The Plan Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) Salary Deferral Elections, electing (and changing) investment allocations, applying for Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).
- 15.10 Severability of Provisions.** In the event that any provision of this Plan shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions under the Plan shall be construed as if the illegal, invalid or unenforceable provisions had never been included in the Plan.
- 15.11 Binding Effect.** The Plan, and all actions and decisions made thereunder, shall be binding upon all applicable parties, and their heirs, executors, administrators, successors and assigns.

SECTION 16 PARTICIPATING EMPLOYERS

- 16.01 Participation by Participating Employers.** An Employer (other than the Employer that executes the Employer Signature Page of the Adoption Agreement) may elect to participate under this Plan by executing a Participating Employer Adoption Page under the Adoption Agreement. A Participating Employer (including a Related Employer defined in Section 1.83) may not contribute to this Plan unless it (or its authorized representative) executes the Participating Employer Adoption Page.
- 16.02 Participating Employer Adoption Page.**
- (a) **Application of Plan provisions.** By executing a Participating Employer Adoption Page, a Participating Employer adopts all the provisions of the Plan, including the elective choices made by the signatory Employer under the Adoption Agreement. The Participating Employer may elect under the Participating Employer Adoption Page to modify the elective provisions under the Adoption Agreement as they apply to the Participating Employer.
 - (b) **Plan amendments.** In addition, unless provided otherwise under the Participating Employer Adoption Page, a Participating Employer is bound by any amendments made to the Plan in accordance with Section 14.01.
 - (c) **Trustee designation.** The Participating Employer agrees to use the same Trustee as is designated on the Trust Declaration under the Agreement, except as provided in a separate trust agreement.
- 16.03 Compensation of Related Employers.** In applying the provisions of this Plan, Total Compensation (as defined in Section 1.94) includes amounts earned with a Related Employer, regardless of whether such Related Employer executes a Participating Employer Adoption Page. The Employer may elect under AA §5-3(h) to exclude amounts earned with a Related Employer that does not execute a Participating Employer Adoption Page for purposes of determining an Employee's Plan Compensation.
- 16.04 Allocation of Contributions and Forfeitures.** Unless selected otherwise under the Participating Employer Adoption Page, any contributions made by a Participating Employer (and any forfeitures relating to such contributions) will be allocated to all Participants employed by the Employer and Participating Employers in accordance with the provisions under this Plan. A Participating Employer may elect under the Participating Employer Adoption Page to allocate its contributions (and forfeitures relating to such contributions) only to the Participants employed by the Participating Employer making such contributions. If so elected, Employees of the Participating Employer will not share in an allocation of contributions (or forfeitures relating to such contributions) made by any other Participating Employer (except in such individual's capacity as an Employee of that other Participating Employer). Thus, for example, a Participating Employer may make a different discretionary contribution and allocate such contribution only to its Employees. Where contributions are allocated only to the Employees of a contributing Participating Employer, a separate accounting must be maintained of Employees' Account Balances attributable to the contributions of a particular Participating Employer. This separate accounting is necessary only for contributions that are not 100% vested, so that the allocation of forfeitures attributable to such contributions can be allocated for the benefit of the appropriate Employees.
- 16.05 Discontinuance of Participation by a Participating Employer.** A Participating Employer may discontinue its participation under the Plan at any time. To document a Participating Employer's cessation of participation, the following procedures should be followed:
- (a) the Participating Employer should adopt a resolution that formally terminates active participation in the Plan as of a specified date;
 - (b) the Employer that has executed the Employer Signature Page of the Adoption Agreement should re-execute such page, indicating an amendment by page substitution through the deletion of the Participating Employer Adoption Page executed by the withdrawing Participating Employer; and
 - (c) the withdrawing Participating Employer should provide any notices to its Employees that are required by law.
- Discontinuance of participation means that no further benefits accrue after the effective date of such discontinuance with respect to employment with the withdrawing Participating Employer. The portion of the Plan attributable to the withdrawing Participating Employer may continue as a separate plan, under which benefits may continue to accrue, through the adoption by the Participating Employer of a successor plan (which may be created through the execution of a separate Adoption Agreement by the Participating Employer) or by spin-off of the portion of the Plan attributable to such Participating Employer followed by a merger or transfer into another existing plan, as specified in a merger or transfer agreement.
- 16.06 Operational Rules for Related Employer Groups.** If an Employer has one or more Related Employers, the Employer and such Related Employer(s) constitute a Related Employer group. In such case, the following rules apply to the operation of the Plan.

- (a) If the term Employer is used in the context of administrative functions necessary to the operation, establishment, maintenance, or termination of the Plan, only the Employer executing the Employer Signature Page under the Adoption Agreement, and any Related Employer executing a Participating Employer Adoption Page, is treated as the Employer.
- (b) Hours of Service are determined by treating all members of the Related Employer group as the Employer.
- (c) The term Excluded Employee is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.
- (d) Compensation is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.
- (e) An Employee is not treated as terminated from employment if the Employee is employed by any member of the Related Employer group.
- (f) The Code §415 Limitation described in Section 5.02 is applied by treating all members of the Related Employer group as the Employer.

In all other contexts, the term Employer generally means a reference to all members of the Related Employer group, unless the context requires otherwise. If the terms of the Plan are ambiguous with respect to the treatment of the Related Employer group as the Employer, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

16.07 Multiple Employer Plans. Regardless of any election under AA §2-6, if an Employer (other than a Related Employer) executes a Participating Employer Adoption Page under the Adoption Agreement, the Plan is treated as a Multiple Employer Plan. Treatment of the Plan as a Multiple Employer Plan will not affect reliance on the Favorable IRS Letter issued to the Provider or any determination letter issued on the Plan.

- (a) **Application of qualification rules to Multiple Employer Plans.** If the Plan is a Multiple Employer Plan, the following qualification rules apply, as applicable to a Governmental Plan.
 - (1) **Eligibility requirements.** If the Plan is a Multiple Employer Plan, the eligibility rules under the Plan are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.
 - (2) **Vesting rules.** If the Plan is a Multiple Employer Plan, the vesting rules under the Plan are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.
 - (3) **Code §415 Limit.** If the Employer is a Multiple Employer Plan, the Code §415 Limit under the Plan is applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer. Thus, if a Participant receives contributions from more than one Employer within the Multiple Employer Plan, such contributions must be aggregated for purposes of applying the Code §415 Limit. For this purpose, Total Compensation from all Participating Employers may be considered in applying the Code §415 Limit.
 - (4) **Other rules applicable to Multiple Employer Plans.** To the extent not addressed in this Section 16.07, the rules under Code §413(c) and applicable regulations will apply to a Governmental Multiple Employer Plan.
- (b) **Definitions that apply to Multiple Employer Plans.**
 - (1) **Lead Employer.** The signatory Employer under the Adoption Agreement. See subsection (c)(2) below for rules regarding the ability of the Lead Employer to amend the Plan on behalf of Participating Employers.
 - (2) **Participating Employer.** An Employer which, with the consent of the Lead Employer, executes a Participating Employer Adoption Page. To the extent permitted by the Lead Employer, a Participating Employer may modify the selections made by the Lead Employer under the Adoption Agreement. Any modifications made by a Participating Employer may be described as an attachment to the Participating Employer Signature Page for that Participating Employer.
 - (3) **Professional Employer Organization (PEO).** An organization described in Rev. Proc. 2002-21 and any successor legislation or regulation. If the Lead Employer is a PEO, each Participating Employer is a Client Organization as defined in Rev. Proc. 2002-21. Any Employee on the PEO's payroll who receives amounts from the PEO for providing services pursuant to a service agreement between the PEO and the Client Organization shall be deemed to be the Employee of the Client Organization for whom the Employee performs services, and

not of the PEO. Any amounts paid by a PEO to an Employee of a Client Organization shall be treated as paid by the Client Organization for all purposes under the Plan.

- (c) **Special rules for Multiple Employer Plans.** The Lead Employer is the Plan Administrator under the Plan, unless specifically designated otherwise under AA §11-12 or under separate written procedures assigning such responsibilities to another party. The underlying Participating Employers are co-sponsors of the Multiple Employer Plan.
- (1) **Allocation of contributions.** Any contributions (and forfeitures relating to such contributions) made by a Participating Employer will be allocated only to the Participants employed by the Participating Employer making such contributions. By adopting the Plan, a Participating Employer agrees to make any contributions required under the Plan to maintain the qualified status of the Plan.
 - (2) **Amendment of Plan document.** The Lead Employer reserves the right to amend the Plan on behalf of all Participating Employers. Each Employer signing a Participating Employer Signature Page shall be bound by the provisions in this Plan document and any selections made under the Adoption Agreement, except to the extent the Participating Employer makes a contrary election under the Adoption Agreement, as set forth under subsection (b)(2) above.
 - (i) **Plan amendments.** The Lead Employer shall be responsible for ensuring the Plan is updated for any required amendments. Unless provided otherwise under the Participating Employer Signature Page, a Participating Employer is bound by any amendments made to the Plan by the Lead Employer.
 - (ii) **Trustee designation.** The Participating Employer agrees to use the same Trustee as is designated on the Trust Declaration under the Lead Employer Adoption Agreement, except as provided in a separate trust agreement.
 - (iii) **Plan termination.** The Lead Employer may terminate this Plan at any time by delivering to the Trustee and each Participating Employer a written notice of such termination.
 - (iv) **Execution of Participating Employer Adoption Page.** The Employer that has executed the Employer Signature Page of the Adoption Agreement, or its designated representative, is authorized to sign the Participating Employer Adoption Page on behalf of a Participating Employer to adopt an amendment or subsequent Plan restatement, unless otherwise provided under the Participating Employer Adoption Page.
 - (3) **Ability of Lead Employer to Remove Participating Employers.** The Lead Employer may remove any Participating Employer from the Plan if the Participating Employer refuses to correct a qualification defect under the Plan maintained by such Participating Employer. Upon removal from the Plan, the Participating Employer may continue to maintain its portion of the Plan as a single-Employer Plan. Upon removal of a Participating Employer, Employees of such terminated Participating Employer will cease to be eligible to accrue additional benefits under this Plan with respect to Plan Compensation earned on or after the date of termination.

The Lead Employer may develop reasonable administrative procedures outlining the procedures for removing a Participating Employer from the Plan. By adopting this Plan, each Participating Employer authorizes the Lead Employer to exercise the option to remove a Participating Employer from the Plan in accordance with such administrative procedures.

Upon removal of a Participating Employer, the terminated Participating Employer may elect to have the assets associated with Accounts of its Employees to be transferred to a separate Defined Contribution Plan maintained by the terminated Participating Employer consistent with the requirements under Code §414(l). If the Participating Employer does not establish a Defined Contribution Plan to accept the transfer of assets from this Plan, the Lead Employer may establish a new Defined Contribution Plan on behalf of the Participating Employer to which the assets attributable to the Employees of the terminating Participating Employer may be transferred consistent with the requirements under Code §414(l). Any new plan established by the Lead Employer will contain provisions consistent with the selections applicable to the Participating Employer under this Plan. The terminated Participating Employer will be responsible for designating the Trustee of the new Plan. If no such designation is made, the Trustee will be the highest ranking officer or representative of the Employer or such other financial institution designated by the Lead Employer to protect the interests of Plan Participants. Reasonable expenses associated with the establishment of the new plan may be charged to the Accounts of Participants of the terminated Participating Employer.

- (4) **Withdrawal from Plan.** Upon thirty (30) days written notice to the other party, either the Lead Employer or Participating Employer may voluntarily withdraw from the Plan. If a Participating Employer withdraws from the Plan, the Participating Employer may continue to maintain the Plan as a single-Employer Plan. Plan assets

attributable to the Employees of the Participating Employer will be transferred to the Participating Employer's Plan, consistent with the requirements of Code §414(l). No distributions will be permitted from the Plan solely on account of a Participating Employer's withdrawal from the Plan. The withdrawing Employer will bear all reasonable costs associated with the withdrawal and transfer of assets to a new plan. Employees of a withdrawing Employer will cease to be eligible to accrue additional benefits under this Plan with respect to Plan Compensation earned on or after the date of withdrawal. The withdrawal of a Participating Employer from the Plan is not considered a Plan termination which allows distributions to the Participants of the withdrawing Participating Employer.

- (5) **Indemnification of Lead Employer.** Each Participating Employer will indemnify and hold harmless the Plan Administrator, the Lead Employer and its subsidiaries; officers, directors, shareholders, employees, and agents of the Lead Employer; the Plan; the Trustees, Fiduciaries, Participants and Beneficiaries of the Plan, as well as their respective successors and assigns, against any cause of action, loss, liability, damage, cost, or expense of any nature whatsoever (including, but not limited to, attorney's fees and costs, whether or not suit is brought, as well as IRS plan disqualifications, other sanctions or compliance fees) arising out of, or relating to, the Participating Employer's noncompliance with any of the Plan's terms or requirements; any intentional or negligent act or omission the Participating Employer commits with regard to the Plan; and any omission or provision of incorrect information with regard to the Plan which causes the Plan to fail to satisfy the requirements of a tax-qualified plan.

APPENDIX A
ACTUARIAL FACTORS
(For use with age-based contribution formula)

Actuarial Factor Table. The following table sets forth Actuarial Factors based on a testing age of 65, an interest rate of 8.5% and an UP-1984 mortality table. The Actuarial Factors in this table must be modified if the Employer uses a testing age other than age 65 or selects a different interest rate or mortality table under the age-based contribution formula. To determine a Participant's Actuarial Factor, use the factor corresponding to the number of years to the Participant's testing age. The number of years to the testing age is determined by counting the number of years from the last day of the current plan year to the last day of the Plan Year in which the Participant reaches the testing age. If the Participant has reached the testing age as of the last day of the current Plan Year, the number of years is 0 for that year and all subsequent years.

Years to Testing Age	Actuarial Factor		Years to Testing Age	Actuarial Factor
0	0.07949		25	0.01034
1	0.07326		26	0.00953
2	0.06752		27	0.00878
3	0.06223		28	0.00810
4	0.05736		29	0.00746
5	0.05286		30	0.00688
6	0.04872		31	0.00634
7	0.04490		32	0.00584
8	0.04139		33	0.00538
9	0.03814		34	0.00496
10	0.03516		35	0.00457
11	0.03240		36	0.00422
12	0.02986		37	0.00389
13	0.02752		38	0.00358
14	0.02537		39	0.00330
15	0.02338		40	0.00304
16	0.02155		41	0.00280
17	0.01986		42	0.00258
18	0.01831		43	0.00238
19	0.01687		44	0.00219
20	0.01555		45	0.00202
21	0.01433		46	0.00186
22	0.01321		47	0.00172
23	0.01217		48	0.00158
24	0.01122		49	0.00146

APPENDIX B
INTERIM AMENDMENT #1
FINAL REGULATIONS RELATING TO HARDSHIP DISTRIBUTIONS

B-1.01 Change in Hardship Distribution requirements. The IRS has issued Final Regulations that amend the rules relating to Hardship distributions from the Plan. This Interim Amendment #1 (Interim Amendment) sets forth the provisions of the Final Regulations and their application to the Plan by amending Section 7.10(e) of the Plan and providing appropriate Elective Provisions under Interim Amendment - Hardship Distributions Elective Provisions in the Adoption Agreement (Elective Provisions). The Plan Administrator shall administer the provisions of this Interim Amendment, and its Elective Provisions, consistent with a good-faith interpretation of the requirements of the Final Regulations as set forth under Treas. Reg. §§1.401(k)-1, 1.401(k)-3 and 1.401(m)-3, as amended.

- (a) **Effective Dates.** Except as otherwise provided in this Interim Amendment, and its Elective Provisions, the Final Regulations and this Interim Amendment apply to Hardship distributions made on or after January 1, 2020. For Hardship distributions made before January 1, 2020, the rules applicable to Hardship distributions prior to the Final Regulations apply, unless the Employer elects earlier application as permitted under subsections (a) and (b) below.
 - (1) **Options for earlier application.** If elected under the Elective Provisions, the provisions of this Interim Amendment may be applied to distributions made in Plan Years beginning after December 31, 2018. The Employer may elect to apply the prohibition on the suspension of Salary Deferrals and After-Tax Employee Contributions as of the first day of the first Plan Year beginning after December 31, 2018, even if the Hardship distribution was made in a prior year. In addition, the Employer may operationally apply the revised deemed immediate and heavy financial need expenses under Section 7.10(e)(1) of the Plan, as amended by this Interim Amendment, to distributions made on or after a date as early as January 1, 2018.
 - (2) **Certain rules optional in 2019.** If, in accordance with the provisions of Section B-1.01(a)(1) of this Interim Amendment, the Employer applies certain Hardship distribution provisions to distributions made before January 1, 2020, then the Employer may disregard the rules relating to the employee representation, as described under Section 7.10(e)(3)(ii)(B) of the Plan, as amended by this Interim Amendment, and the rules prohibiting the suspension of contributions, as described under Section 7.10(e)(3)(iii) of the Plan, as amended by this Interim Amendment, to such distributions.
 - (3) **2020 effective date for employee representations and suspension prohibition.** In any event, the rules relating to the employee representation, as described under Section 7.10(e)(3)(ii)(B) of the Plan, as amended by this Interim Amendment, and the rules prohibiting the suspension of contributions, as described under Section 7.10(e)(3)(iv) of the Plan, as amended by this Interim Amendment, are formally made effective for Hardship distributions made on or after January 1, 2020.

B-2.01 Amendment of Section 7.10(e) of the Plan. Section 7.10(e) of the Plan is deleted and replaced with the following:

- (e) **Hardship distribution.** The Employer may elect under AA §10-1 or AA §10-2 of the Profit Sharing/401(k) Plan Adoption Agreement or under Section HD-1 of the Elective Provisions to authorize an in-service distribution upon the occurrence of Hardship. A distribution is made on account of Hardship only if the distribution both is made on account of an immediate and heavy financial need and is necessary to satisfy the financial need.
 - (1) **Deemed immediate and heavy financial need.** A distribution is deemed to be made on account of an immediate and heavy financial need of the Employee if the distribution satisfies one of the following needs:
 - (i) Expenses incurred or necessary for medical care (as described in Code §213(d)) of the Participant, the Participant's Spouse or dependents (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);
 - (ii) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;
 - (iii) Payment of tuition, related educational fees and room and board for up to the next 12 months of post-secondary education for the Participant, the Participant's Spouse, children or dependents;
 - (iv) Payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;
 - (v) Payments for funeral or burial expenses for the Participant's deceased parent, Spouse, child or dependent;
 - (vi) Expenses for the repair of damage to the Participant's principal residence that would qualify for the

casualty deduction under Code §165 (determined without regard to Code §165(h)(5) and whether the loss exceeds 10% of adjusted gross income);

- (vii) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or
- (viii) for any other event that the IRS recognizes as a deemed immediate and heavy financial need Hardship distribution event under ruling, notice or other guidance of general applicability.

For purposes of determining eligibility for a Hardship distribution under this subsection (1), a dependent is determined under Code §152. However, the determination of dependent for purposes of tuition and related educational fees under subsection (iii) above will be made without regard to Code §§152(b)(1), (b)(2), and (d)(1)(B) and the determination of dependent for purposes of funeral or burial expenses under subsection (v) above will be made without regard to Code §152(d)(1)(B).

A Participant must provide the Plan Administrator with a written request for a Hardship distribution. The Plan Administrator may require written documentation, as it deems necessary, to sufficiently document the existence of a proper Hardship event.

- (2) **Non-deemed immediate and heavy financial need.** The Employer may elect under in the Profit Sharing/401(k) Plan Adoption Agreement to permit Participants to take a Hardship distribution without satisfying one of the needs in subsection (1) above by setting forth nondiscriminatory and objective standards under AA §10-3(f).
- (3) **Distribution necessary to satisfy financial need.**
 - (i) **Distribution may not exceed amount of need.** A distribution is treated as necessary to satisfy an immediate and heavy financial need of an Employee only to the extent the amount of the distribution is not in excess of the amount required to satisfy the financial need (including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).
 - (ii) **No alternative means reasonably available.** A distribution is not treated as necessary to satisfy an immediate and heavy financial need of an employee unless each of the following requirements is satisfied:
 - (A) The Employee has obtained all other currently available distributions (including distributions of ESOP dividends under Code §404(k), but not Hardship distributions) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer;
 - (B) The Employee has provided to the Plan Administrator a representation in writing (including the use of an electronic medium as defined in Treas. Reg. §1.401(a)-21(e)(3)), or in such other form as may be prescribed by the IRS, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and
 - (C) The Plan Administrator does not have actual knowledge that is contrary to the representation.
 - (iii) **Additional conditions.** The Plan generally may provide for additional conditions to demonstrate that a distribution is necessary to satisfy an immediate and heavy financial need of an employee. For example, a plan may provide that, before a Hardship distribution may be made, an Employee must obtain all nontaxable loans (determined at the time a loan is made) available under the Plan and all other plans maintained by the Employer.
 - (iv) **No suspensions allowed for Hardship distributions made on or after January 1, 2020.** The Plan may not provide for a suspension of an Employee's Salary Deferrals or After-Tax Employee Contributions under any plan described in Code §§401(a) or 403(a), any Code §403(b) plan, or any eligible governmental plan described in Treas. Reg. §1.457-2(f) as a condition of obtaining a Hardship distribution for Hardship distributions made on or after January 1, 2020.
- (4) **Sources for Hardship distributions.** For Plan Years beginning after December 31, 2018 (or such later date specified under the AA §10-1 or under §HD-1(a) and/or (b) of Elective Provisions, the Employer may permit Hardship distributions from the vested portion of a Participant's Employer Contribution Account, Matching

Contribution Account, Pre-Tax Salary Deferral Account, Roth Deferral Account, Qualified Nonelective Employer Contribution (QNEC) Account, Qualified Matching Contribution (QMAC) Account, Safe Harbor Employer Contribution Account, Safe Harbor Matching Contribution Account, QACA Safe Harbor Contribution Account and QACA Safe Harbor Matching Contribution Account. The Hardship distribution may include earnings on these Accounts, regardless of when amounts were contributed or earned. The Employer may designate the Accounts (including earnings) from which a Participant may receive a Hardship distribution under §HD-1 of the Elective Provisions. The Plan Administrator may adopt distribution ordering rules consistent with the sources available for Hardship distributions under separate administrative procedures. This subsection (4) supersedes any contrary provisions under the Plan, including any provision that limits the sources for Hardship distribution.

- (5) **Availability to terminated Employees.** If a Hardship distribution is permitted under AA §10-1 or AA §10-2 or under §HD-1 of the Interim Amendment, a Participant may take such a Hardship distribution after termination of employment to the extent no other distribution is available from the Plan.
- (6) **Application of Hardship distributions rules with respect to primary beneficiaries.** If elected under AA §10-3(e) of the Profit Sharing/401(k) Plan, if the Plan otherwise permits Hardship distributions based on the deemed immediate and heavy needs under subsection 7.10(e)(1)(i) (medical expenses), (1)(iii) (educational expenses) or (1)(v) (funeral expenses) above, the existence of an immediate and heavy financial need may be determined with respect to a primary beneficiary under the Plan. For this purpose, a primary beneficiary is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of a Participant's Account Balance upon the death of the Participant. Any Hardship distribution with respect to a primary beneficiary must satisfy all the other requirements applicable to Hardship distributions under Section 7.10(e) of the Plan, as amended by this Interim Amendment.

B-3.01 Relief for Victims of Certain Qualified Natural Disasters. Notwithstanding other provisions of the Plan, the Employer may operate the Plan to provide relief from certain qualification rules relating to Hardship distributions and loans for Participants who are victims of certain Qualified Natural Disasters, as set forth under applicable IRS or legislative guidance.

B-3.02 Qualified Natural Disasters. For purposes of this section, Qualified Natural Disasters, in addition to the Qualified Natural Disasters listed under the 2017 Pre-Approved Defined Contribution Plan Interim Amendment previously adopted by the Pre-Approved Plan Provider, include Hurricane Michael and Hurricane Florence, as provided under the preamble to the Final Regulations.

B-3.03 General Rules. If the Employer and the Plan Administrator make good-faith efforts to apply the Plan provisions in conformance with the relief provided under applicable guidance, the Plan will not be treated as failing to satisfy the requirements of the Code or regulations. In general, the following rules apply:

- (a) In order to make a loan or distribution (including a Hardship distribution), the Plan must provide for loans or distributions, as applicable.
- (b) Participants (victims) for whom the relief is available are determined under the appropriate IRS or legislative guidance.
- (c) The amount available for Hardship distribution is limited to the maximum amount that would be available for a Hardship distribution under the Plan. However, the relief provided applies to any Hardship distribution of the Participant and no post-distribution contribution restrictions apply.
- (d) To qualify for relief under this section, a Hardship distribution must be made on account of a Hardship resulting from the applicable Qualified Natural Disaster and within the time frame provided under the applicable guidance relating to the Qualified Natural Disaster.
- (e) The Plan will not be treated as failing to follow Plan procedural requirements for loans or distributions during the periods provided under guidance relating to the applicable Qualified Natural Disaster, which for Hurricane Michael and Hurricane Florence ended on March 15, 2019.

ASC TRUST AGREEMENT (GOVERNMENTAL)

- 1.01 Establishment of Trust.** In conjunction with the establishment and/or maintenance of the Camrosa Water District Profit Sharing Plan, effective as of 8-15-2021, the Employer and the Trustee (as identified in the executed Trust Declaration associated with the Plan's Adoption Agreement) agree to establish and maintain a domestic Trust in the United States consisting of such sums as shall from time to time be paid to the Trustee under the Plan and such earnings, income and appreciation as may accrue thereon. The Trustee shall carry out the duties and responsibilities herein specified but shall be under no duty to determine whether the amount of any contribution by the Employer or any Participant is in accordance with the terms of the Plan.

The Trust shall be held, invested, reinvested and administered by the Trustee in accordance with the terms of the Plan and this ASC Trust Agreement (Governmental) solely in the interest of Participants and their Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan. Except as provided in Section 15.02 of the Plan, no assets of the Plan shall inure to the benefit of the Employer.

Capitalized terms under this ASC Trust Agreement (Governmental) have the same meaning as defined under the Plan.

- 1.02 Types of Trustees.** The Trustee may act either as a Directed Trustee or as a Discretionary Trustee, as designated in the Trust Declaration.
- (a) **Directed Trustee.** A Directed Trustee is subject to the direction of the Plan Administrator, the Employer, a properly appointed investment manager, or a Plan Participant. A Directed Trustee does not have any discretionary authority with respect to the investment of Plan assets. In addition, a Directed Trustee is not responsible for the propriety of any directed investment made pursuant to this ASC Trust Agreement (Governmental) and shall not be required to consult with or advise the Employer regarding the investment quality of any directed investment held under the Plan.
- (1) **Delegation of powers.** The Directed Trustee shall be advised in writing regarding the retention of investment powers by the Employer or the appointment of an investment manager or other properly authorized person with power to direct the investment of Plan assets. Any such delegation of investment powers will remain in force until such delegation is revoked or amended in writing. The Employer is deemed to have retained investment powers under this subsection to the extent the Employer directs the investment of Participant Accounts for which affirmative investment direction has not been received.
- (2) **Direction of Trustee.** Any investment direction shall be made in writing by the Employer, investment manager, or other properly authorized person, as applicable. A Directed Trustee must act solely in accordance with the direction of the Plan Administrator, the Employer, any employees or agents of the Employer, a properly appointed investment manager or other fiduciary of the Plan, a Plan Participant or other properly authorized person. (See Section 10.07 of the Plan and Section 1.04 of this ASC Trust Agreement (Governmental) relating to Participant-directed investments.)
- (3) **Restriction on Trustee.** The Employer may direct the Directed Trustee to invest in any media in which the Trust may invest. However, the Employer may not borrow from the Trust or pledge any of the assets of the Trust as security for a loan to itself; buy property or assets from or sell property or assets to the Trust; charge any fee for services rendered to the Trust; or receive any services from the Trust on a preferential basis.
- (b) **Discretionary Trustee.** A Discretionary Trustee has exclusive authority and discretion with respect to the investment, management or control of Plan assets. Notwithstanding a Trustee's designation as a Discretionary Trustee, a Trustee's discretion is limited, and the Trustee shall be considered a Directed Trustee, to the extent the Trustee is subject to the direction of the Plan Administrator, the Employer, or a properly appointed investment manager under an agreement between the Plan Administrator and the Trustee. A Trustee also is considered a Directed Trustee to the extent the Trustee is subject to investment direction of a Plan Participant. (See Section 10.07 of the Plan and Section 1.04 of this ASC Trust Agreement (Governmental) relating to Participant-directed investments.)

- 1.03 Responsibilities of the Trustee.** In addition to the powers, rights and responsibilities enumerated under this ASC Trust Agreement (Governmental), the Trustee has all powers necessary to carry out its duties in a prudent manner. The Trustee's powers, rights and responsibilities may be modified, supplemented or limited by a separate trust agreement or addendum, investment policy, funding agreement, or other binding document entered into between the Trustee and the Plan Administrator or Employer. Such binding document must designate the Trustee's responsibilities with respect to the Plan. A separate trust agreement or addendum, investment policy, funding agreement, or other binding document must be consistent with the terms of the Plan and must comply with all qualification requirements under the Code and regulations. To the extent the exercise of any power, right or responsibility is subject to discretion, such exercise by a Directed Trustee must be made at the direction of the Plan Administrator, the Employer, an investment manager, a Plan Participant or other properly authorized person.

(a) Responsibilities regarding administration of the Trust.

- (1) The Trustee, the Employer and the Plan Administrator shall each discharge their assigned duties and responsibilities under this ASC Trust Agreement (Governmental) and the Plan solely in the interest of Participants and their Beneficiaries in the following manner:
 - (i) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;
 - (ii) 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; and
 - (iii) by diversifying the available investments under the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- (2) The Trustee will receive all contributions, earnings and other amounts made to and under the terms of the Plan. The Trustee is not obligated in any manner to ensure that such amounts are correct in amount or that such amounts comply with the terms of the Plan or the Code. The Trustee is not liable for the manner in which such amounts are deposited or the allocation between Participant's Accounts, to the extent the Trustee follows the written direction of the Plan Administrator or Employer.
- (3) The Trustee will make distributions (and Participant loans, if authorized under the Plan) from the Trust in accordance with the written directions of the Plan Administrator or other authorized representative. To the extent the Trustee follows such written direction, the Trustee is not obligated in any manner to ensure a distribution (or Participant loan) complies with the terms of the Plan, that a Participant or Beneficiary is entitled to such a distribution (or Participant loan), or that the amount distributed (or loaned) is proper under the terms of the Plan. If there is a dispute as to a payment from the Trust, the Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or the Trustee has been indemnified to its satisfaction.
- (4) The Trustee may employ agents, attorneys, accountants and other third parties to provide counsel on behalf of the Plan, where the Trustee deems advisable. The Trustee may reimburse such persons from the Trust for reasonable expenses and compensation incurred as a result of such employment. The Trustee shall not be liable for the actions of such persons, provided the Trustee acted prudently in the employment and retention of such persons. In addition, the Trustee will not be liable for any actions taken as a result of good faith reliance on the advice of such persons.
- (5) 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 Employer 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 Employer or the Plan Administrator. A Participant may examine only those individual account records pertaining directly to such Participant.
- (6) Except as provided in Section 15.02 of the Plan, at no time prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries under the Plan shall any part of the corpus or income of the Fund be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries, or for defraying reasonable expenses of administering the Plan.

(b) Responsibilities regarding investment of Plan assets.

- (1) The Trustee shall be responsible for holding the assets of the Trust in accordance with the provisions of the Plan.
- (2) The Trustee may invest and reinvest, manage and control the Plan assets in a manner that is consistent with the Plan's funding policy and investment objectives of the Plan. The Trustee may invest in any investment, as authorized under this subsection (b), which the Trustee deems advisable and prudent, subject to the proper written direction of the Plan Administrator, the Employer, a properly appointed investment manager, a Plan Participant or other properly authorized person. The Trustee is not liable for the investment of Plan assets to the extent the Trustee is following the proper direction of the Plan Administrator, the Employer, a Participant, an investment manager, or other person or persons duly appointed by the Employer to provide investment direction. In addition, the Trustee does not guarantee the Trust in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Trust to meet and discharge any or all liabilities of the Plan.
- (3) The Trustee may hold any securities or other property in the name of the Trustee or in the name of the Trustee's nominee, and may hold any investments in bearer form, provided the books and records of the Trustee at all

times show such investment to be part of the Trust.

- (4) The Trustee may retain such portion of the Plan assets 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.
- (5) The Trustee may collect and receive any and all moneys and other property due the Plan and to settle, compromise, or submit to arbitration any claims, debts, or damages with respect to the Plan, and to commence or defend on behalf of the Plan any lawsuit, or other legal or administrative proceedings. Any such arbitration cannot be used to resolve any claim, debt or damage with respect to the Plan arising from a dispute with a Plan Participant.
- (6) The Trustee may pay expenses out of Plan assets as necessary to administer the Trust and as authorized under the Plan.
- (7) The Trustee may borrow or raise money on behalf of the Plan in such amount, and upon such terms and conditions, as the Trustee deems advisable. The Trustee may issue a promissory note as Trustee to secure the repayment of such amounts and may pledge all, or any part, of the Trust as security.
- (8) The Trustee is authorized to execute, acknowledge and deliver all documents of transfer and conveyance, receipts, releases, and any other instruments that the Trustee deems necessary or appropriate to carry out its powers, rights and duties hereunder.
- (9) The Trustee, upon the written direction of the Employer or Plan Administrator, is authorized to enter into a transfer agreement with the Trustee of another qualified retirement plan and to accept a transfer of assets from such retirement plan on behalf of any Employee of the Employer. The Trustee is also authorized, upon the written direction of the Employer or Plan Administrator, to transfer some or all of a Participant's vested Account Balance to another qualified retirement plan on behalf of such Participant.
- (10) If the Employer maintains more than one Plan, the assets of such Plans may be commingled for investment purposes. The Trustee must separately account for the assets of each Plan.
- (11) If the Trustee is a bank or similar financial institution, the Trustee is authorized to invest in any type of deposit of the Trustee (including its own money market fund) at a reasonable rate of interest.
- (12) The Trustee is authorized to invest Plan assets in a common/collective trust fund, or in a group trust fund that satisfies the requirements of IRS Revenue Ruling 81-100, as modified by Revenue Ruling 2004-67, Revenue Ruling 2014-24 and subsequent IRS guidance. All of the terms and provisions of any such common/collective trust fund or group trust into which Plan assets are invested are incorporated by reference into the provisions of the Trust for the Plan. The assets in a group trust may be pooled with the assets of a custodial account under Code §403(b)(7), a retirement income account under Code §403(b)(9), and a Code §401(a)(24) governmental plan without affecting the tax status of the group trust, subject to the requirements under Rev. Rul. 2011-1 (as modified by Notice 2012-6).

1.04 Trustee to Follow Participant Investment Direction. To the extent the Plan allows Participants to direct investment of their Accounts, the Trustee is authorized to follow the Participant's written direction (or other form of direction deemed acceptable by the Trustee).

- (a) **Exceptions to following Participant investment direction.** The Trustee may decline to follow a Participant's investment direction to the extent such direction would:
 - (1) Result in a prohibited transaction;
 - (2) Cause the assets of the Plan to be maintained outside the jurisdiction of the U.S. courts;
 - (3) Jeopardize the Plan's tax qualification;
 - (4) Be contrary to the Plan's governing documents;
 - (5) Cause the assets to be invested in collectibles within the meaning of Code §408(m);
 - (6) Generate unrelated business taxable income; or
 - (7) Result (or could result) in a loss exceeding the value of the Participant's Account.

- (b) **Other conditions relating to Participant investment direction.** The Trustee will not be responsible for any loss or expense resulting from a failure to follow a Participant's direction in accordance with the requirements of this paragraph. Participants' directions will be processed as soon as administratively practicable following receipt of such directions by the Trustee. The Trustee, Plan Administrator, or Employer will not be liable for a delay in the processing of a Participant direction that is caused by a legitimate business reason (including, but not limited to, a failure of computer systems or programs, failure in the means of data transmission, the failure to timely receive values or prices, or other unforeseen problems outside of the control of the Trustee, Plan Administrator, or Employer).

- 1.05 **Responsibilities of the Employer.** The Employer will provide to the Trustee written notification of the appointment of any person or persons as Plan Administrator, investment manager, or other Plan fiduciary, and the names, titles and authorities of any individuals who are authorized to act on behalf of such persons. The Trustee shall be entitled to rely upon such information until it receives written notice of a change in such appointments or authorizations.

The Employer may authorize the Trustee to enter into a merger or consolidation agreement with the Trustee of another plan to effect such merger or consolidation.

- 1.06 **Effect of Plan Amendment.** Any amendment that affects the rights, duties or responsibilities of the Trustee or Plan Administrator may only be made with the Trustee's or Plan Administrator's written consent. Any amendment to the Plan must be in writing and a copy of the resolution (or similar instrument) setting forth such amendment (with the applicable effective date of such amendment) must be delivered to the Trustee.

- 1.07 **More than One Trustee.** If the Plan has more than one person acting as Trustee, the Trustees may allocate the Trustee responsibilities by mutual agreement. The Trustees may agree to make decisions by a majority vote or may permit any one of the Trustees to make any decision, undertake any action or execute any documents affecting this Trust without the approval of the remaining Trustees. The Trustees may agree to the allocation of responsibilities in a separate trust agreement or other binding document.

- 1.08 **Annual Valuation.** The Plan assets will be valued at least on an annual basis. The Employer may designate more frequent Valuation Dates under §11-1 of the Plan's Adoption Agreement. Notwithstanding any election under §11-1 of the Plan's Adoption Agreement, the Trustee and Plan Administrator may agree to value the Trust on a more frequent basis, and/or to perform an interim valuation of the Trust.

- 1.09 **Reporting to Plan Administrator and Employer.** Within a reasonable time after the end of each Plan Year or within a reasonable time after its removal or resignation, the Trustee shall file with the Plan Administrator a written account of the administration of the Trust showing all transactions effected by the Trustee from the last preceding accounting to the end of such Plan Year or date of removal or resignation. The accounting will include a statement of cash receipts, disbursements and other transactions effected by the Trustee since the date of its last accounting, and such further information as the Trustee and/or Employer deems appropriate. Upon approval of such accounting by the Plan Administrator, neither the Employer nor the Plan Administrator shall be entitled to any further accounting by the Trustee. The Trustee shall have a reasonable time following its receipt of a written disapproval from the Employer to provide the Employer with a written explanation of the terms in question. If the Employer again disapproves of the accounting, the Trustee may file its accounting with a court of competent jurisdiction for audit and adjudication.

- 1.10 **Reasonable Compensation.** The Trustee shall be paid reasonable compensation in an amount agreed upon by the Plan Administrator and Trustee. The Trustee also will be reimbursed for any reasonable expenses or fees incurred in its function as Trustee. The Plan will pay the reasonable compensation and expenses incurred by the Trustee, unless the Employer pays such compensation and expenses. Any compensation or expense paid directly by the Employer to the Trustee is not an Employer Contribution to the Plan.

- 1.11 **Resignation and Removal of Trustee.** The Trustee may resign at any time by delivering to the Employer a written notice of resignation at least thirty (30) days prior to the effective date of such resignation, unless the Employer consents in writing to a shorter notice period. The Employer and Trustee may agree to a longer notification period prior to the resignation of the Trustee. The Employer may remove the Trustee at any time, with or without cause, by delivering written notice to the Trustee at least 30 days prior to the effective date of such removal. The Employer may remove the Trustee upon a shorter written notice period if the Employer reasonably determines such shorter period is necessary to protect Plan assets or to ensure the Plan is being operated for the exclusive benefit of Participants and their Beneficiaries. Upon the resignation, removal, death or incapacity of a Trustee, the Employer may appoint a successor Trustee which, upon accepting such appointment, will have all the powers, rights and duties conferred upon the preceding Trustee. In the event there is a period of time following the effective date of a Trustee's removal or resignation before a successor Trustee is appointed, the Employer is deemed to be the Trustee. During such period, the Trust continues to be in existence and legally enforceable, and the assets of the Plan shall continue to be protected by the provisions of the Trust.

- 1.12 **Indemnification of Trustee.** Except to the extent that it is judicially determined that the Trustee has acted with gross negligence or willful misconduct, the Employer shall indemnify the Trustee (whether or not the Trustee has resigned or been removed) against any liabilities, losses, damages, and expenses, including attorney, accountant, and other advisory fees,

incurred as a result of:

- (a) any action of the Trustee taken in good faith in accordance with any information, instruction, direction, or opinion given to the Trustee by the Employer, the Plan Administrator, investment manager, or legal counsel of the Employer, or any person or entity appointed by any of them and authorized to give any information, instruction, direction, or opinion to the Trustee;
- (b) the failure of the Employer, the Plan Administrator, investment manager, or any person or entity appointed by any of them to make timely disclosure to the Trustee of information which any of them or any appointee knows or should know if it acted in a reasonably prudent manner; or
- (c) any breach of fiduciary duty by the Employer, the Plan Administrator, investment manager, or any person or entity appointed by any of them, other than such a breach which is caused by any failure of the Trustee to perform its duties under this Trust.

- 1.13 Liability of Trustee.** The duties and obligations of the Trustee shall be limited to those expressly imposed upon it by the Plan and Trust or as subsequently agreed upon by the parties. Responsibility for administrative duties required under the Plan or applicable law not expressly imposed upon or agreed to by the Trustee shall rest solely with the Plan Administrator and the Employer.

The Employer agrees that the Trustee shall have no liability with regard to the investment or management of illiquid Plan assets transferred from a prior Trustee, and shall have no responsibility for investments made before the transfer of Plan assets to it, or for the viability or prudence of any investment made by a prior Trustee, including those represented by assets now transferred to the custody of the Trustee, or for any dealings whatsoever with respect to Plan assets before the transfer of such assets to the Trustee. The Employer shall indemnify and hold the Trustee harmless for any and all claims, actions or causes of action for loss or damage, or any liability whatsoever relating to the assets of the Plan transferred to the Trustee by any prior Trustee of the Plan, including any liability arising out of or related to any act or event, including prohibited transactions, occurring prior to the date the Trustee accepts such assets, including all claims, actions, causes of action, loss, damage, or any liability whatsoever arising out of or related to that act or event, although that claim, action, cause of action, loss, damage, or liability may not be asserted, may not have accrued, or may not have been made known until after the date the Trustee accepts the Plan assets. Such indemnification shall extend to all applicable periods, including periods for which the Plan is retroactively restated to comply with any tax law or regulation.

- 1.14 Conflicting Trust Provisions.** In the event of any conflict between the terms of the Plan and any conflicting provision contained in any associated Trust, including this ASC Trust Agreement (Governmental), or custodial account document, the terms of the Plan will govern.

- 1.15 Governing Law.** The provisions of this Plan and this ASC Trust Agreement (Governmental) shall be construed, administered, and enforced in accordance with the provisions of applicable federal and/or state law in which the Trustee has its principal place of business. The foregoing provisions of this section shall not preclude the Employer and the Trustee from agreeing to a different state law with respect to the construction, administration and enforcement of the Plan, which may be reflected herein as a modification to this ASC Trust Agreement (Governmental).

- 1.16 Severability of Provisions.** In the event that any provision of this ASC Trust Agreement (Governmental) shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions herein shall be construed as if the illegal, invalid or unenforceable provisions had never been included in this ASC Trust Agreement (Governmental).

- 1.17 Appointment of Custodian.** The Employer, Plan Administrator or Trustee may appoint a Custodian to hold all or any portion of the Plan assets. A Custodian has the powers, rights and responsibilities similar to those of a Directed Trustee. The Custodian will be protected from any liability with respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, an investment manager, or other third party with authority to provide direction to the Custodian. The Employer, Plan Administrator or Trustee also may enter into a separate agreement with the Custodian. Such separate agreement must be consistent with the terms of the Plan.

- 1.18 Modification of ASC Trust Agreement (Governmental) Provisions.** The Employer and the Trustee may amend this ASC Trust Agreement (Governmental), provided the amended provisions are not in conflict with any provision of the Plan and do not cause the Plan to fail to qualify under Code §401(a). The Employer and Trustee may document any modification to the ASC Trust Agreement (Governmental) below or under a separate Trust addendum.



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Plan Description: Non-Standardized Pre-Approved Profit Sharing Plan With CODA
FFN: 317D185BH03-001 Case: 201900810 EIN: 35-2134263
Letter Serial No: Q703425a
Date of Submission: 12/31/2018

LINCOLN RETIREMENT SERVICES COMPANY LLC
1300 S. CLINTON STREET, SUITE 500
FORT WAYNE, IN 46802

Contact Person:
Janell Hayes
Telephone Number:
513-975-6319
In Reference To: TEGE:EP:7521
Date: 06/30/2020

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable for use by employers for the benefit of their employees under Internal Revenue Code (IRC) Section 401.

We considered the changes in qualification requirements in the 2017 Cumulative List of Notice 2017-37, 2017-29 Internal Revenue Bulletin (IRB) 89. Our opinion relates only to the acceptability of the form of the plan under the IRC. We did not consider the effect of other federal or local statutes.

You must provide the following to each employer who adopts this plan:

- . A copy of this letter
- . A copy of the approved plan
- . Copies of any subsequent amendments including their dates of adoption
- . Direct contact information including address and telephone number of the plan provider

Our opinion on the acceptability of the plan's form is a determination as to the qualification of the plan as adopted by a particular employer only under the circumstances, and to the extent, described in Revenue Procedure (Rev. Proc.) 2017-41, 2017-29 I.R.B. 92. The employer who adopts this plan can generally rely on this letter to the extent described in Rev. Proc. 2017-41. Thus, Employee Plans Determinations, except as provided in Section 12 of Rev. Proc. 2020-4, 2020-01 I.R.B. 148 (as updated annually), will not issue a determination letter to an employer who adopts this plan. Review Rev. Proc. 2020-4 to determine the eligibility of an adopting employer, and the items needed, to submit a determination letter application. The employer must also follow the terms of the plan in operation.

Except as provided below, our opinion doesn't apply to the requirements of IRC Sections 401(a)(4), 401(l), 410(b), and 414(s). Our opinion doesn't apply to IRC Sections 415 and 416 if an employer maintains or ever maintained another qualified plan for one or more employees covered by this plan. For this purpose, we will not consider the employer to have maintained another defined contribution plan provided both of the following are true:

- . The employer terminated the other plan before the effective date of this plan
- . No annual additions have been credited to any participant's account under the other plan as of any date within the limitation year of this plan

Also, for this purpose, we'll consider an employer as maintaining another defined contribution plan, if the employer maintains any of the following:

- . A welfare benefit fund defined in IRC Section 419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees as defined in IRC Section 419A(d)

LINCOLN RETIREMENT SERVICES COMPANY LLC

FFN: 317D185BH03-001

Page: 2

- . An individual medical account as defined in IRC Section 415(l)(2), which is part of a pension or annuity plan maintained by the employer
- . A simplified employee pension plan

Our opinion doesn't apply to Treasury Regulations Section 1.401(a)-1(b)(2) requirements for a money purchase plan or target benefit plan where the normal retirement age under the employer's plan is lower than age 62.

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(d) governmental plan. This letter is not a ruling with respect to the tax treatment to be given contributions which are picked up by the governmental employing unit within the meaning of IRC Section 414(h)(2).

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(e) church plan.

Our opinion may not be relied on by a non-electing church plan for rules governing pre-ERISA participation and coverage.

Our opinion applies to the requirements of IRC Section 410(b) if 100 percent of all non-excludable employees benefit under the plan.

Employers who choose a safe harbor allocation formula and a safe harbor compensation definition may also rely on this opinion letter for the non-discriminatory amounts requirement under IRC Section 401(a)(4).

If this plan includes a cash or deferred arrangement (CODA) or otherwise provides for contributions subject to IRC Sections 401(k) and/or 401(m), the employer may rely on the opinion letter regarding the form of the non-discrimination tests of IRC Sections 401(k)(3) and 401(m)(2), if the employer uses a safe harbor compensation definition. For plans described in IRC Sections 401(k)(12) or (13) and/or 401(m)(11) or (12), employers may rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections unless the plan provides for the safe harbor contribution to be made under another plan. For SIMPLE plans described in IRC Sections 401(k)(11) and 401(m)(10), employers may also rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections.

The provisions of this plan override any conflicting provision contained in the trust or custodial account documents used with the plan, and an adopting employer may not rely on this letter to the extent that provisions of a trust or custodial account that are a separate portion of the plan override or conflict with the provisions of the plan document. This opinion letter does not cover any provisions in trust or custodial account documents.

An employer who adopts this plan may not rely on this letter when:

- . the plan is being used to amend or restate a plan of the employer which was not previously qualified
- . the employer's adoption of the plan precedes the issuance of the letter
- . the employer doesn't correctly complete the adoption agreement or other elective provisions in the plan
- . the plan is not identical to the pre-approved plan (that is, the employer has made amendments that cause the plan not to be considered identical to the pre-approved plan, as described in Section 8.03 of Rev. Proc. 2017-41)

Our opinion doesn't apply to what is contained in any documents referenced outside the plan or adoption agreement, if applicable, such as a collective bargaining agreement.

Our opinion doesn't consider issues under Title I of the Employee Retirement Income Security Act (ERISA) which are administered by the Department of Labor.

If you, the pre-approved plan provider, have questions about the status of this case, you can call the telephone number at the top of the first page of this letter. This number is only for the provider's use.

LINCOLN RETIREMENT SERVICES COMPANY LLC

FFN: 317D185BH03-001

Page: 3

Individual participants or adopting eligible employers with questions about the plan should contact you.

You must include your address and telephone number on the pre-approved plan or the plan's adoption agreement, if applicable, so that adopting employers can contact you directly.

If you write to us about this plan, provide your telephone number and the best time to call if we need more information. Whether you call or write, refer to the letter serial number and file folder number at the top of the first page of this letter.

Let us know if you change or discontinue sponsorship of this plan.

Keep this letter for your records.

Sincerely Yours,

A handwritten signature in black ink that reads "Khin M. Chow". The signature is written in a cursive, flowing style.

Khin M. Chow
Director, EP Rulings & Agreements

Letter 6186 (June-2020)
Catalog Number 72434C

**SUMMARY PLAN DESCRIPTION
FOR**

Camrosa Water District Profit Sharing Plan

August 15, 2021

Table of Contents

Article 1	Introduction
Article 2	General Plan Information and Key Definitions
Article 3	Description of Plan
Article 4.....	Eligibility Requirements
Article 5	Plan Contributions
Article 6	Limit on Contributions
Article 7	Determination of Vested Benefit
Article 8	Participant Loans
Article 9.....	Plan Distributions
Article 10	Plan Administration and Investments
Article 11	Plan Amendments and Termination

Camrosa Water District Profit Sharing Plan

SUMMARY PLAN DESCRIPTION

ARTICLE 1 INTRODUCTION

Camrosa Water District has adopted the Camrosa Water District Profit Sharing Plan (the “Plan”) to help its employees save for retirement. If you are an employee of Camrosa Water District, you may be entitled to participate in the Plan, provided you satisfy the conditions for participation as described in this Summary Plan Description.

This Summary Plan Description (“SPD”) is designed to help you understand the retirement benefits provided under the Plan and your rights and obligations with respect to the Plan. This Summary Plan Description contains a summary of the major features of the Plan, including the conditions you must satisfy to participate under the Plan, the amount of benefits you are entitled to as a Plan participant, when you may receive distributions from the Plan, and other valuable information you should know to understand your Plan benefits. We encourage you to read this SPD and contact the Plan Administrator if you have any questions regarding your rights and obligations under the Plan. (See Article 2 below for the name and address of the Plan Administrator.)

This SPD does not replace the formal Plan document, which contains all of the legal and technical requirements applicable to the Plan. However, this SPD does attempt to explain the Plan language in a non-technical manner that will help you understand your retirement benefits. If the non-technical language under this SPD and the technical, legal language under the Plan document conflict, the Plan document always governs. If you have any questions regarding the provisions contained in this SPD or if you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan document may be amended or modified due to changes in law, to comply with pronouncements by the Internal Revenue Service (IRS) or due to other circumstances. If the Plan is amended or modified in a way that changes the provisions under this SPD, you will be notified of such changes.

This SPD does not create any contractual rights to employment nor does it guarantee the right to receive benefits under the Plan. Benefits are payable under the Plan only to individuals who have satisfied all of the conditions under the Plan document for receiving benefits.

ARTICLE 2 GENERAL PLAN INFORMATION AND KEY DEFINITIONS

This Article 2 contains information regarding the day-to-day administration of the Plan as well as the definition of key terms used throughout this Summary Plan Description.

Plan Name: Camrosa Water District Profit Sharing Plan

Plan Number: 003

Employer:

Name: Camrosa Water District

Address: 7385 Santa Rosa Road

City, State, Zip Code: Camarillo, CA 93012-9225

Telephone number: 805-482-8214

Employer Identification Number (EIN): 95-2399052

Plan Administrator:

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, provides you with forms necessary to request a distribution from the Plan, and directs the payment of your vested benefits when required under the Plan. The Plan Administrator may designate another person or persons to perform the duties of the Plan Administrator. The Plan Administrator or its delegate, as the case may be, has full discretionary authority to interpret the Plan, including the authority to resolve ambiguities in the Plan document and to interpret the Plan's terms, including who is eligible to participate under the Plan and the benefit rights of participants and beneficiaries. All interpretations, constructions and determinations of the Plan Administrator or its delegate shall be final and binding on all persons, unless found by a court of competent jurisdiction to be arbitrary and capricious. The Plan Administrator also will allow you to review the formal Plan document and other materials related to the Plan.

The Employer listed above is acting as Plan Administrator. The Plan Administrator may designate other persons to carry on the day-to-day operations of the Plan. If you have any questions about the Plan or your benefits under the Plan, you should contact the Plan Administrator or other Plan representative.

Trustee:

All amounts contributed to the Plan are held by the Plan Trustee in a qualified Trust. The Trustee is responsible for the safekeeping of the trust funds and must fulfill all Trustee duties in a prudent manner and in the best interest of you and your beneficiaries. The trust established on behalf of the Plan will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

The following is the name and address of the Plan Trustee(s):

- **Name:** Tony L. Stafford
Address: 7385 Santa Rosa Road
City, State, Zip Code: Camarillo, CA 93012-9225
- **Name:** Tamara Sexton
Address: 7385 Santa Rosa Road
City, State, Zip Code: Camarillo, CA 93012-9225

Service of Legal Process:

Service of legal process may be made upon the Employer. In addition, service of legal process may be made upon the Plan Trustee or Plan Administrator.

Effective Date of Plan:

This Plan is a restatement of an existing Plan to comply with current law. This Plan was originally effective 1-1-2001. However, unless designated otherwise, the provisions of the Plan as set forth in this Summary Plan Description are effective as of 8-15-2021.

Plan Year:

Many of the provisions of the Plan are applied on the basis of the Plan Year. For this purpose, the Plan Year is the calendar year running from January 1 – December 31.

Plan Compensation:

In applying the contribution formulas under the Plan (as described in Section 5 below), your contributions may be determined based on Plan Compensation earned during the Plan Year. However, in determining

Plan Compensation, no amount will be taken into account to the extent such compensation exceeds the compensation dollar limit set forth under IRS rules. For 2021, the compensation dollar limit is \$290,000. Thus, for Plan Years beginning in 2021, no contribution may be made under the Plan with respect to Plan Compensation above \$290,000. For subsequent plan years, the compensation dollar limit may be adjusted for cost-of-living increases.

For purposes of determining Plan Compensation, your total taxable wages or salary is taken into account including any pre-tax salary reduction contributions you may make under any other plans we may maintain, which may include any pre-tax contributions you make under a medical reimbursement plan or "cafeteria" plan. Plan Compensation also generally includes compensation for services that is paid after termination of employment, as long as such amounts are paid by the end of the year or within 2½ months following termination of employment, if later. However, for purposes of determining contributions under the Plan, Plan Compensation does not include the following types of compensation:

- Payments for unused leave, such as unused sick leave, vacation, or other leave that is paid after severance of employment. Also, certain amounts paid pursuant to a nonqualified unfunded deferred compensation plan
- Continuation payments to disabled Participants paid after severance of employment
- Any Plan Compensation above the Employer's definition of base salary.

For purposes of determining Plan Compensation, only compensation you earn while you are a participant in the Plan will be taken into account. Thus, any compensation you earn while you are not eligible to participate in the Plan will not be considered in determining Plan Compensation.

Normal Retirement Age:

You will reach Normal Retirement Age under the Plan when you turn age 65.

Early Retirement Age:

You will reach Early Retirement Age under the Plan when you attain all of the following:

- Age 55

Disabled:

You generally will be considered Disabled for purposes of applying certain Plan rules, such as those that may apply to Plan distributions, vesting and allocations, if you are determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.

ARTICLE 3 DESCRIPTION OF PLAN

Type of Plan. This Plan is a special type of retirement plan commonly referred to as a profit sharing plan. A profit sharing plan allows us to make contributions to the Plan on your behalf without having to include such amounts in income. If you have satisfied all of the eligibility conditions described in Article 4 for receiving a Plan Contribution, we will deposit such contribution directly into the Plan on your behalf. Because this money is not reported as income, you do not have to pay any income tax while the money is held in the Plan, and any earnings on such contributions are not taxed while they stay in the Plan. (See Article 5 below for a description of the Plan Contributions authorized under the Plan.)

ARTICLE 4

ELIGIBILITY REQUIREMENTS

This Article sets forth the requirements you must satisfy to participate under the Plan. To qualify as a participant under the Plan, you must:

- be an Eligible Employee
- satisfy the Plan's minimum age and service conditions and
- satisfy any allocation conditions required under the Plan.

Employees who are residents of Puerto Rico may not participate in the Plan unless otherwise specifically included below.

Eligible Employee

To participate under the Plan, you must be an Eligible Employee. For this purpose, you are considered an Eligible Employee if you are an employee of Camrosa Water District, provided you are not otherwise excluded from the Plan.

Excluded Employees. For purposes of determining whether you are an Eligible Employee, the Plan excludes from participation certain designated employees. If you fall under any of the excluded employee categories, you will not be eligible to participate under the Plan (until such time as you no longer fall into an excluded employee category). [See below for a discussion of your rights upon changing to or from an excluded employee classification.]

The following categories of employees are not eligible to participate in the Plan:

- Employees who are not paid on a salaried basis.

Minimum Age and Service Requirements

In order to participate in the Plan, you must satisfy certain age and service conditions under the Plan.

- **Minimum age requirement.** There is no minimum age requirement for participation in the Plan.
- **Minimum service requirement.** There is no minimum service requirement to participate under the Plan. Thus, you will be eligible to participate in the Plan (provided you are an Eligible Employee) as of the first Entry Date following your date of employment.

Entry Date. Once you have satisfied the eligibility conditions described above, you will be eligible to participate under the Plan on your Entry Date. For this purpose, your Entry Date is your date of employment. Thus, you will be eligible to participate immediately upon your date of hire, provided you are an Eligible Employee.

Crediting eligibility service. In determining whether you satisfy any minimum age or service conditions under the Plan, all service you perform during the year is counted. In addition, if you go on a maternity or paternity leave of absence (including a leave of absence under the Family Medical Leave Act) or a military leave of absence, you may receive credit for service during your period of absence for certain purposes under the Plan. You should contact the Plan Administrator to determine the effect of a maternity/paternity or military leave of absence on your eligibility to participate under the Plan.

Eligibility upon rehire or change in employment status. If you terminate employment after satisfying the minimum age and service requirements under the Plan and you are subsequently rehired as an Eligible Employee, you will enter the Plan on the later of your rehire date or your Entry Date. If you terminate employment prior to satisfying the minimum age and service requirements, and you are subsequently rehired, you will have to meet the eligibility requirements as if you are a new Employee in order to participate under the Plan.

If you are not an Eligible Employee on your Entry Date, but you subsequently change status to an eligible class of Employee, you will be eligible to enter the Plan immediately (provided you have already satisfied the minimum age and service requirements). If you are an Eligible Employee and subsequently become ineligible to participate in the Plan, all contributions under the Plan will cease as of the date you become ineligible to participate. However, all service earned while you are employed, including service earned while you are ineligible, will be counted when calculating your vested percentage in your account balance.

Allocation Conditions

If you are an Eligible Employee and have satisfied the minimum age and service requirements described above, you are entitled to share in the contributions described in Article 5, provided you satisfy the allocation conditions described below.

Employer Pick-Up Contributions. You do not need to satisfy any additional allocation conditions to make Employer Pick-Up Contributions under the Plan. Thus, if you satisfy the eligibility conditions described above, you will be eligible to make Employer Pick-Up Contributions regardless of how many hours you work during the year or whether you terminate employment during the year. However, you may not continue to make Employer Pick-Up Contributions after you terminate employment.

ARTICLE 5 PLAN CONTRIBUTIONS

The Plan provides for the contributions listed below. Article 4 discusses the requirements you must satisfy to receive the contributions described in this Article 5. Article 7 describes the vesting rules applicable to your plan benefits. Special rules also may apply if you leave employment to enter qualified military service. See your Plan Administrator if you have questions regarding the rules that apply if you are on military leave.

“Pick-Up” Contributions

If you have satisfied the conditions for participating under the Plan (as described in Article 4) you are eligible to make “Pick-Up” contributions to the Plan. A Pick-Up contribution is a contribution you make to the Plan which is “picked-up” by us and treated as an Employer contribution. As a Pick-Up contribution, you make a contribution to the Plan and we pick up the tax liability with respect to that contribution. Thus, if you make a Pick-Up contribution to the Plan, you will not have to pay income taxes on such amounts or on any earnings until you withdraw those amounts from the Plan. If you make a Pick-Up contribution to the Plan, we will deduct the amount of the contribution from your paycheck and contribute such amount directly to the Plan. Any Pick-Up contributions you make to the Plan will be invested in accordance with the Plan’s investment policies. You will be 100% vested in all amounts contributed to your Pick-Up contribution account.

If you are eligible to make a Pick-Up contribution to the Plan, we will automatically withhold 5% of your compensation from each paycheck and contribute those amounts into the Plan. You may not opt out of the Pick-Up contribution or receive the contributed amounts directly instead of having them paid into the Plan. You may contact the Plan Administrator if you have questions regarding the application of the Pick-Up contribution provisions under the Plan.

Rollover Contributions

If you have an account balance in another qualified retirement plan or an IRA, you may move those amounts into this Plan, without incurring any tax liability, by means of a “rollover” contribution. You are always 100% vested in any amounts you contribute to the Plan as a rollover from another qualified plan or IRA. This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses under the Plan.

You may accomplish a rollover in one of two ways. You may ask your prior plan administrator or trustee to directly rollover to this Plan all or a portion of any amount which you are entitled to receive as a distribution from your prior plan. Alternatively, if you receive a distribution from your prior plan, you may elect to deposit

into this plan any amount eligible for rollover within 60 days of your receipt of the distribution. Any rollover to the Plan will be credited to your Rollover Contribution Account. See Article 9 below for a description of the distribution provisions applicable to rollover contributions.

Generally, the Plan will accept a rollover contribution from another qualified retirement plan or IRA. The Plan Administrator may adopt separate procedures limiting the type of rollover contributions it will accept. For example, the Plan Administrator may impose restrictions on the acceptance of After-Tax Contributions or Salary Deferrals (including Roth Deferrals) or may restrict rollovers from particular types of plans. In addition, the Plan Administrator may, in its discretion, accept rollover contributions from Employees who are not currently participants in the Plan. You also must be a current Employee to make a Rollover Contribution to the Plan. Any procedures affecting the ability to make Rollover Contributions to the Plan will not be applied in a discriminatory manner.

If you have questions about whether you can rollover a prior plan distribution, please contact the Plan Administrator or other designated Plan representative.

ARTICLE 6 LIMIT ON CONTRIBUTIONS

The IRS imposes limits on the amount of contributions you may receive under this Plan, as described below.

IRS limit on total contributions under the Plan. The IRS imposes a maximum limit on the total amount of contributions you may receive under this Plan. This limit applies to all contributions we make on your behalf, all contributions you contribute to the Plan, and any forfeitures allocated to any of your accounts during the year. Under this limit, the total of all contributions under the Plan cannot exceed a specific dollar amount or 100% of your annual compensation, whichever is less. For 2021, the dollar limit is \$58,000. (For years after 2021, this amount may be increased for inflation.) For purposes of applying the 100% of compensation limit, your annual compensation includes all taxable compensation, increased for any pre-tax contributions you may make to any other plan we may maintain, such as a cafeteria health plan.

Example: Suppose in 2021 you earn compensation of \$50,000. The maximum amount of contributions you may receive under the Plan for 2021 is \$50,000 (the lesser of \$58,000 or 100% of \$50,000).

ARTICLE 7 DETERMINATION OF VESTED BENEFIT

Vested account balance. When you take a distribution of your benefits under the Plan, you are only entitled to withdraw your *vested* account balance. For this purpose, your *vested* account balance is the amount held under the Plan on your behalf for which you have earned an ownership interest. You earn an ownership interest in your Plan benefits if you have earned enough service with us to become *vested* based on the Plan's vesting schedule. If you terminate employment before you become fully vested in any of your Plan benefits, those non-vested amounts may be forfeited. (See below for a discussion of the forfeiture rules that apply if you terminate with a non-vested benefit under the Plan.)

The following describes the vesting schedule applicable to contributions under the Plan.

- **Employer Pick-Up Contributions.** You are always 100% vested in your Employer Pick-Up Contributions. In other words, you have complete ownership rights to your Employer Pick-Up Contributions under the Plan. Thus, you will never lose your Employer Pick-Up Contributions once they are contributed to the Plan. It is possible that your Employer Pick-Up Contributions account will decrease as a result of investment losses. If your Employer Pick-Up Contribution account decreases because of investment losses, you will only be entitled to the amount in your Employer Pick-Up Contribution account at the time of distribution.

- **Rollover Contributions.** If you rollover amounts from an IRA or another qualified plan to this Plan, you will be 100% vested in such amounts. Thus, you will never lose your rollover contributions once they are rolled over to this Plan. If your rollover contribution account decreases because of investment losses, you will only be entitled to the amount in your rollover contribution account at the time of distribution.

Protection of vested benefit. Once you are vested in your benefits under the Plan, you have an ownership right to those amounts. While you may not be able to immediately withdraw your vested benefits from the Plan due to the distribution restrictions described under Article 9 below, you generally will never lose your right to those vested amounts. However, it is possible that your benefits under the Plan will decrease as a result of investment losses. If your benefits decrease because of investment losses, you will only be entitled to the vested amount in your account at the time of distribution.

Special rules. The vesting and forfeiture provisions are effective as follows: Matching Contributions, which were previously known as Employer Contributions, made for Plan Years prior to 1-1-2015 shall be 100% vested.

ARTICLE 8 PARTICIPANT LOANS

The Plan does not permit Participants to take a loan from the Plan. To access Plan assets, you must be eligible to receive a distribution from the Plan, as described in Article 9.

ARTICLE 9 PLAN DISTRIBUTIONS

The Plan contains detailed rules regarding when you can receive a distribution of your benefits from the Plan. As discussed in Article 7 above, if you qualify for a Plan distribution, you will only receive your vested benefits. This Article 9 describes when you may request a distribution and the tax effects of such a distribution.

Distribution upon termination of employment. When you terminate employment, you may be entitled to a distribution from the Plan. The availability of a distribution will depend on the amount of your vested account balance.

- **Vested account balance in excess of \$5,000.** If your total vested account balance exceeds \$5,000 as of the distribution date, you may receive a distribution from the Plan within a reasonable period following your termination of employment. If you do not consent to a distribution of your vested account balance, your balance will remain in the Plan. If you receive a distribution of your vested benefits when you are only partially-vested in your Plan benefits, your non-vested benefits will be forfeited.

You may elect to take your distribution in any of the following forms. Prior to receiving a distribution from the Plan, you will receive a distribution package that will describe the distribution options that are available to you. If you have any questions regarding your distribution options under the Plan, please contact the Plan Administrator.

- **Lump sum.** You may elect to take a distribution of your entire vested account balance in a lump sum. If you take a lump sum distribution, you may elect to rollover all (or any portion) of your distribution to an IRA or to another qualified plan. See the *Special Tax Notice*, which you may obtain from the Plan Administrator, for more information regarding your ability to rollover your plan distribution.
- **Vested account balance of \$5,000 or less.** If your total vested account balance under the Plan is \$5,000 or less as of the distribution date, you will be eligible to receive a distribution of your entire vested account balance in a lump sum within a reasonable period following your termination of

employment. If you receive a distribution of your vested benefits when you are partially-vested in your Plan benefits, your non-vested benefits will be forfeited.

You may elect to receive your distribution in cash or you may elect to rollover your distribution to an IRA or to another qualified plan.

If your total vested benefit under the Plan is \$5,000 or less as of the distribution date and you do not consent to a distribution of your vested account balance, your vested benefit automatically will be rolled over to an IRA selected by the Plan Administrator. If your total vested benefit exceeds \$5000, no distribution will be made from the Plan without your consent.

If your benefit is automatically rolled over to an IRA selected by the Plan Administrator, such amounts will be invested in a manner designed to preserve principal and provide a reasonable rate of return. Common types of investment vehicles that may be used include money market accounts, certificates of deposit or stable value funds. Reasonable expenses may be charged against the IRA account for expenses associated with the establishment and maintenance of the IRA. Any such expenses will be no greater than similar fees charged for other IRAs maintained by the IRA provider. For further information regarding the automatic rollover requirements, including further information regarding the IRA provider and the applicable fees and expenses associated with the automatic rollover IRA, please contact the Plan Administrator or other designated Plan representative.

In-service distributions. Generally, you may withdraw contributions from the plan at any time. In addition, special in-distribution rules apply for certain contribution types under the Plan:

- **Employer Pick-Up Contributions.** You may withdraw amounts attributable to Employer Pick-Up Contributions while you are still employed only upon the following events:
 - You are at least age 59½ at the time of the distribution.

Limits on in-service distributions. In addition to the requirements described above for receiving an in-service distribution, the Plan contains additional limits which may limit your ability to take an in-service withdrawal. For example:

- In-service distributions are available on the following inactive contribution accounts: A Participant may withdraw all or any portion of his/her vested Account Balance attributable to Matching Contributions, which were previously known as Employer Contributions, made to this Plan prior to 1-1-2015 upon attainment of age 59 1/2.

The Plan Administrator may impose additional limitations on in-service distributions as authorized under the Plan.

Required distributions. If you have not begun taking distributions before you attain your Required Beginning Date, the Plan generally must commence distributions to you as of such date. For this purpose, your Required Beginning Date is April 1 following the end of the calendar year in which you attain age 70½ (age 72, if you were born after June 30, 1949), or terminate employment, whichever is later.

Once you attain your Required Beginning Date, the Plan Administrator will commence distributions to you as required under the Plan. The Plan Administrator will inform you of the amount you are required to receive once you attain your Required Beginning Date.

Distribution upon disability. If you should terminate employment because you are disabled, you will be eligible to receive a distribution of your vested account balance under the Plan's normal distribution rules.

Distributions upon death. If you should die before taking a distribution of your entire vested account balance, your remaining benefit will be distributed to your beneficiary or beneficiaries, as designated on the appropriate designated beneficiary election form. You may request a designated beneficiary election form from the Plan Administrator.

If you are married, your spouse generally is treated as your beneficiary, unless you properly designate an alternative beneficiary to receive your benefits under the Plan. The Plan Administrator will provide you with

information concerning the availability of death benefits under the Plan and your rights (and your spouse's rights) to designate an alternative beneficiary for such death benefits. For purposes of determining your beneficiary to receive death distributions under the Plan, any designation of your spouse as beneficiary is automatically revoked upon a formal divorce decree unless you re-execute a new beneficiary designation form or enter into a valid Qualified Domestic Relations Order (QDRO).

Default beneficiaries. If you do not designate a beneficiary to receive your benefits upon death, your benefits will be distributed first to your spouse. If you have no spouse at the time of death, your benefits will be distributed equally to your surviving children. If you have no children at the time of your death, your benefits will be distributed to your estate.

Taxation of distributions. Generally, you must include any Plan distribution in your taxable income in the year you receive the distribution. More detailed information on tax treatment of Plan distributions is contained in the "Special Tax Notice" which you may obtain from the Plan Administrator.

Distributions before age 59½. If you receive a distribution before age 59½, you generally will be subject to a 10% penalty tax in addition to regular income taxation on the amount of the distribution that is subject to taxation. You may avoid the 10% penalty tax by rolling your distribution into another plan or IRA. Certain exceptions to the penalty tax may apply. For more information, please review the "Special Tax Notice," which may be obtained from the Plan Administrator.

Rollovers and withholding. You may "roll over" most Plan distributions to an IRA or another qualified plan and avoid current taxation. You may accomplish a rollover either directly or indirectly. In a direct rollover, you instruct the Plan Administrator that you wish to have your distribution deposited directly into another plan or an IRA. In an indirect rollover, the Plan Administrator actually makes the distribution to you and you may rollover that distribution to an IRA or another qualified plan within 60 days after you receive the Plan distribution.

If you are eligible to directly rollover a distribution but choose not to, the Plan Administrator must withhold 20% of the taxable distribution for federal income tax withholding purposes. The Plan Administrator will provide you with the appropriate forms for choosing a direct rollover. For more information, see the "Special Tax Notice," which may be obtained from the Plan Administrator.

Certain benefit payments are not eligible for rollover and therefore will not be subject to 20% mandatory withholding. The types of benefit payments that are not "eligible rollover distributions" include:

- annuities paid over your lifetime,
- installments payments for a period of at least ten (10) years,
- minimum required distributions at age 70½ (age 72, if you were born after June 30, 1949),
- hardship withdrawals, and
- Certain "corrective" distributions.

[Note: All of the above distribution options may not be available under this Plan.]

Non-assignment of benefits and Qualified Domestic Relations Orders (QDROs) Your benefits cannot be sold, used as collateral for a loan, given away, or otherwise transferred, garnished, or attached by creditors, except as provided by law. However, if required by applicable state domestic relations law, certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This type of court order is known as a Qualified Domestic Relations Order (QDRO). As soon as you become aware of any court proceedings that might affect your Plan benefits, please contact the Plan Administrator. You may request a copy of the procedures concerning QDROs, including those procedures governing the qualification of a domestic relations order, without charge, from the Plan Administrator.

ARTICLE 10

PLAN ADMINISTRATION AND INVESTMENTS

Investment of Plan assets. You have the right to direct the investment of Plan assets held under the Plan on your behalf. The Plan Administrator will provide you with information on the amounts available for direction, the investment choices available to you, the frequency with which you can change your investment choices and other investment information. Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. If you have any questions about the investment of your Plan accounts, please contact the Plan Administrator or other Plan representative.

Although you have the opportunity to direct the investment of your benefits under the Plan, the Plan Administrator may decline to implement investment directives where it deems it is appropriate in fulfilling its role as a fiduciary under the Plan. The Plan Administrator may adopt rules and procedures to govern Participant investment elections and directions under the Plan.

Valuation Date. To determine your share of any gains or losses incurred as a result of the investment of Plan assets, the Plan is valued on a regular basis. For this purpose, the Plan is valued on a daily basis. Thus, you will receive an allocation of gains or losses under the Plan at the end of each business day during which the New York Stock Exchange is open.

Special rules. In addition, the following special rules apply in determining the amount of income or loss allocated to Participants' accounts: Matching Contributions, which were previously known as Employer Contributions, made for Plan Years prior to 1-1-2015 shall be valued at the end of each business day during which the New York Stock Exchange is open.

Plan fees. There may be fees or expenses related to the administration of the Plan or associated with the investment of Plan assets that will affect the amount of your Plan benefits. Any fees related to the administration of the Plan or associated with the investment of Plan assets may be paid by the Plan or by the Employer. If the Employer does not pay Plan-related expenses, such fees or expenses will generally be allocated to the accounts of Participants either proportionally based on the value of account balances or as an equal dollar amount based on the number of participants in the Plan. If you direct the investment of your benefits under the Plan, you will be responsible for any investment-related fees incurred as a result of your investment decisions. Prior to making any investment, you should obtain and read all available information concerning that particular investment, including financial statements, prospectuses, and other available information.

In addition to general administration and investment fees that are charged to the Plan, you may be assessed fees directly associated with the administration of your account. For example, if you terminate employment, your account may be charged directly for the pro rata share of the Plan's administration expenses, regardless of whether the Employer pays some of these expenses for current Employees. Other fees that may be charged directly against your account include:

- Fees related to the processing of distributions upon termination of employment.
- Fees related to the processing of in-service distributions (including hardship distributions).
- Fees related to the processing of required minimum distributions at age 70½ (age 72, if you were born after June 30, 1949), or termination of employment, if later.
- Charges related to processing of a Qualified Domestic Relation Order (QDRO) where a court requires that a portion of your benefits is payable to your ex-spouse or children as a result of a divorce decree.

If you are permitted to direct the investment of your benefits under the Plan, each year you will receive a separate notice describing the fees that may be charged under the Plan. In addition, you will also receive a separate notice describing any actual fees charged against your account. Please contact the Plan Administrator if you have any questions regarding the fees that may be charged against your account under the Plan.

ARTICLE 11
PLAN AMENDMENTS AND TERMINATION

Plan amendments. We have the authority to amend this Plan at any time. Any amendment, including the restatement of an existing Plan, may not decrease your vested benefit under the Plan, except to the extent permitted under the Internal Revenue Code, and may not reduce or eliminate any “protected benefits” (except as provided under the Internal Revenue Code or any regulation issued thereunder) determined immediately prior to the adoption or effective date of the amendment (whichever is later). However, we may amend the Plan to increase, decrease or eliminate benefits on a prospective basis.

Plan termination. Although we expect to maintain this Plan indefinitely, we have the ability to terminate the Plan at any time. For this purpose, termination includes a complete discontinuance of contributions under the Plan or a partial termination. If the Plan is terminated, all amounts credited to your account shall become 100% vested, regardless of the Plan’s current vesting schedule. In the event of the termination of the Plan, you are entitled to a distribution of your entire vested benefit. Such distribution shall be made directly to you or, at your direction, may be transferred directly to another qualified retirement plan or IRA. If you do not consent to a distribution of your benefit upon termination of the Plan, the Plan Administrator will transfer your vested benefit directly to an IRA that we will establish for your benefit. Except as permitted by Internal Revenue Service regulations, the termination of the Plan shall not result in any reduction of protected benefits.

A partial termination may occur if either a Plan amendment or severance from service excludes a group of employees who were previously covered by this Plan. Whether a partial termination has occurred will depend on the facts and circumstances of each case. If a partial termination occurs, only those Participants who cease participation due to the partial termination will become 100% vested. The Plan Administrator will advise you if a partial termination occurs and how such partial termination affects you as a Participant.



Summary Plan Description and Summary of Material Modifications guidelines

Background

The Employee Retirement Income Security Act (ERISA) requires most employers who sponsor a qualified retirement plan to provide employees and participants information that describes their retirement plan's rules, as well as the operation and administration of the plan. An employer sponsoring a retirement plan subject to ERISA must provide a Summary Plan Description (SPD) when the plan is established and upon each full plan restatement. If the plan is amended (changed), affected employees and participants must be informed of the changes by receiving either a revised SPD or a Summary of Material Modifications (SMM).

Content

Modifying the Summary Plan Description (SPD) and/or Summary of Material Modifications (SMM)

Any change or deletion should be carefully reviewed to ensure it matches the provisions of your current plan document. An incorrect SPD and/or SMM could provide participants additional rights that could be adverse to the plan sponsor.

If you decide to modify the wording in the SPD and/or SMM, please be sure to keep record of all changes. These changes may be needed for future updates. Subsequent SPDs and/or SMMs prepared by Lincoln will not contain such modifications.

Required information that may not be removed

Certain information must be included in the SPD and/or SMM and may not be deleted. Examples of items that may not be deleted include eligibility requirements, contribution requirements, vesting provisions, distribution rules, claim procedures, intention (if applicable) of plan to be an ERISA 404(c) plan, Qualified Domestic Relations Order (QDRO) procedures, and effect on participants' rights if plan is terminated.

Delivery

SPD and/or SMM recipient requirements

After reviewing the SPD and/or SMM, it should be provided to all active participants, retirees, beneficiaries of deceased participants receiving benefits and terminated participants with vested benefit rights (i.e., all participants and any beneficiary who has an account balance).

Please note: The SPD and/or SMM do not have to be provided to retired participants, beneficiaries of deceased participants receiving benefits, or terminated participants with vested benefit rights, if the modification or change in no way affects such person's rights under the plan.

Required deadlines

For a new plan, the SPD and SMM (if applicable) must be provided within 120 days after the plan becomes subject to the reporting and disclosure requirements of ERISA.

For an updated, modified, or restated plan, the SPD and/or SMM must be provided within 210 days after the close of the plan year in which the change, modification, or restatement was adopted.

For newly-covered participants, the SPD and/or SMM must be provided within 90 days after the participant first becomes covered under the plan.

Delivery methods

The Department of Labor (DOL) disclosure requirements state that you must use a delivery method that is reasonably calculated to ensure delivery.

- Acceptable delivery methods:
 - In-hand delivery at the workplace.
 - As an insert in periodicals provided to employees such as a company publication or union newsletter.
 - First-class postal mail delivery. Second or third-class delivery is also acceptable if return and forwarding postage is guaranteed and address correction is requested.
 - Electronic media delivery with certain restrictions (see Appendix A – Electronic delivery guidelines).
- Unacceptable delivery methods:
 - Posting on a bulletin board at the work site.
 - Furnishing via a computer kiosk at the work site.



Have questions?

If you have questions about this information, please contact your Lincoln representative.

For plan sponsor use only. Not for use with plan participants.

This material is designed to provide information regarding the subject matter covered. It is provided with the understanding that Lincoln affiliates, their distributors, and their respective employees, representative, and/or insurance agents are not engaged in rendering legal or tax advice.

Affiliates of Lincoln National Corporation include, but are not limited to, The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York, and Lincoln Retirement Services Company, LLC.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

Appendix A – Electronic delivery guidelines

Acceptable types of electronic media

- Company website
- Third party website
- Documents delivered as an email attachment

Paper copy must be provided, if requested

All recipients who are required to receive the Summary Plan Description (SPD) and/or Summary of Material Modifications (SMM) must have the right to request the document in a paper form. The document must be provided free of charge.

Confirmation of actual receipt of electronic SPD and/or SMM

It is the plan administrator's responsibility to take the necessary steps and appropriate measures to ensure the electronic method selected results in the actual receipt by the participants. There are two ways to satisfy this requirement:

- Use the return receipt electronic mail feature.
- Conduct periodic reviews or surveys to confirm the integrity of the electronic delivery system.

Notice to those receiving the SPD and/or SMM electronically

At the time the document is transmitted electronically, all individuals need to be informed of the significance of the document, unless otherwise reasonably evident as transmitted. For example, if an individual receives the SPD and/or SMM as an attachment to an electronically transmitted message, or in the form of a message and hyperlink to the plan's website or a third party website, the individual must be notified in the message that the communication contains important plan information. As stated above, this notice must inform the individual of the right to request a paper copy, free of charge.

Consent from those receiving the SPD and/or SMM electronically

- Delivery to active participants:
 - This group includes active participants whose duties require the accessing of an electronic information system including participants who work at home (provided accessing the employer's (plan sponsor's) electronic information system is an integral part of the participant's duties).
 - Participant consent is not needed for those in this group.
- Delivery to other participants and beneficiaries:
 - This group covers a participant, a beneficiary of a deceased participant, or other person entitled to documents such as an alternate payee under a Qualified Domestic Relations Order (QDRO).
 - Participant consent is needed for this group. If the hardware or software requirements are changed, the person must receive notice giving him/her the opportunity to withdraw consent.

For additional information on electronic delivery, visit the DOL website at www.dol.gov/agencies/ebsa/laws-and-regulations/laws/erisa/new-electronic-disclosure-rule.

For plan sponsor use only. Not for use with plan participants.

This material is designed to provide information regarding the subject matter covered. It is provided with the understanding that Lincoln affiliates, their distributors, and their respective employees, representative, and/or insurance agents are not engaged in rendering legal or tax advice.

Affiliates of Lincoln National Corporation include, but are not limited to, The Lincoln National Life Insurance Company, Lincoln Life & Annuity Company of New York, and Lincoln Retirement Services Company, LLC.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

ASC TRUST AGREEMENT (GOVERNMENTAL)

- 1.01 Establishment of Trust.** In conjunction with the establishment and/or maintenance of the Camrosa Water District Profit Sharing Plan (the “Plan”), effective as of 8-15-2021, Camrosa Water District, in each of its separate capacities as Plan Sponsor and Plan Administrator (the “Employer”) (“Employer” shall refer to Plan Administrator unless otherwise specified herein)) and the Trustee (as identified in the executed Trust Declaration associated with the Plan’s Adoption Agreement and as signatory hereto) agree to establish and maintain a domestic Trust in the United States consisting of such sums as shall from time to time be paid to the Trustee under the Plan and such earnings, income and appreciation as may accrue thereon. The Trustee shall carry out the duties and responsibilities herein specified but shall be under no duty to determine whether the amount of any contribution by the Employer or any Participant is in accordance with the terms of the Plan.

The Trust shall be held, invested, reinvested and administered by the Trustee in accordance with the terms of the Plan and this ASC Trust Agreement (Governmental) solely in the interest of Participants and their Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan. Except as provided in Section 15.02 of the Plan, no assets of the Plan shall inure to the benefit of the Employer.

Capitalized terms under this ASC Trust Agreement (Governmental) have the same meaning as defined under the Plan.

- 1.02 Types of Trustees.** The Trustee shall act as a Directed Trustee, as designated in the Trust Declaration.

- (a) **Directed Trustee.** A Directed Trustee is subject to the direction of the Plan Administrator, the Employer, a properly appointed investment manager, or a Plan Participant. A Directed Trustee does not have any discretionary authority with respect to the investment of Plan assets. In addition, a Directed Trustee is not responsible for the propriety of any directed investment made pursuant to this ASC Trust Agreement (Governmental) and shall not be required to consult with or advise the Employer regarding the investment quality of any directed investment held under the Plan.
- (1) **Delegation of powers.** The Directed Trustee shall be advised in writing regarding the retention of investment powers by the Employer or the appointment of an investment manager or other properly authorized person with power to direct the investment of Plan assets. Any such delegation of investment powers will remain in force until such delegation is revoked or amended in writing. The Employer is deemed to have retained investment powers under this subsection to the extent the Employer directs the investment of Participant Accounts for which affirmative investment direction has not been received.
- (2) **Direction of Trustee.** Any investment direction shall be made in writing by the Employer, investment manager, Plan Participant, or other properly authorized person, as applicable. A Directed Trustee must act solely in accordance with the direction of the Employer, any employees or agents of the Employer, a properly appointed investment manager or other fiduciary of the Plan, a Plan Participant or other properly authorized person. (See Section 10.07 of the Plan and Section 1.04 of this ASC Trust Agreement (Governmental) relating to Participant-directed investments.)
- (3) **Restriction on Trustee.** The Employer may direct the Directed Trustee to invest in any media in which the Trust may invest. However, the Employer may not borrow from the Trust or pledge any of the assets of the Trust as security for a loan to itself; buy property or assets from or sell property or assets to the Trust; charge any fee for services rendered to the Trust; or receive any services from the Trust on a preferential basis.

- 1.03 Responsibilities of the Trustee.** In addition to the powers, rights and responsibilities enumerated under this ASC Trust Agreement (Governmental), the Trustee has all powers necessary to carry out its duties in a prudent manner. The Trustee’s powers, rights and responsibilities may be modified, supplemented or limited by a separate trust agreement or addendum, investment policy, funding agreement, or other binding document entered into between the Trustee and the Plan Administrator or Employer. Such binding document must designate the Trustee’s responsibilities with respect to the Plan. A separate trust agreement or addendum, investment policy, funding agreement, or other binding document must be consistent with the terms of the Plan and must comply with all qualification requirements under the Code and regulations. To the extent the exercise of any power, right or responsibility is subject to discretion, such exercise by a Directed Trustee must be made at the direction of the Employer, an investment manager, a Plan Participant or other properly authorized person.

(a) Responsibilities regarding administration of the Trust.

- (1) The Trustee, the Employer and the Plan Administrator shall each discharge their assigned duties and responsibilities under this ASC Trust Agreement (Governmental) and the Plan solely in the interest of Participants and their Beneficiaries in the following manner:
 - (i) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;
 - (ii) 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; and
 - (iii) by diversifying the available investments under the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- (2) The Trustee will receive all contributions, earnings and other amounts made to and under the terms of the Plan. The Trustee is not obligated in any manner to ensure that such amounts are correct in amount or that such amounts comply with the terms of the Plan or the Code. The Trustee is not liable for the manner in which such amounts are deposited or the allocation between Participant's Accounts, to the extent the Trustee follows the written direction of the Employer.
- (3) The Trustee will make distributions (and Participant loans, if authorized under the Plan) from the Trust in accordance with the written directions of the Plan Administrator or other authorized representative. To the extent the Trustee follows such written direction, the Trustee is not obligated in any manner to ensure a distribution (or Participant loan) complies with the terms of the Plan, that a Participant or Beneficiary is entitled to such a distribution (or Participant loan), or that the amount distributed (or loaned) is proper under the terms of the Plan. If there is a dispute as to a payment from the Trust, the Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or the Trustee has been indemnified to its satisfaction.
- (4) The Trustee may employ agents, attorneys, accountants and other third parties to provide counsel on behalf of the Plan, where the Trustee deems advisable. The Trustee may reimburse such persons from the Trust for reasonable expenses and compensation incurred as a result of such employment. The Trustee shall not be liable for the actions of such persons, provided the Trustee acted prudently in the employment and retention of such persons. In addition, the Trustee will not be liable for any actions taken as a result of good faith reliance on the advice of such persons.
- (5) 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 Employer 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 Employer. A Participant may examine only those individual account records pertaining directly to such Participant.
- (6) Except as provided in Section 15.02 of the Plan, at no time prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries under the Plan shall any part of the corpus or income of the Fund be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries, or for defraying reasonable expenses of administering the Plan.

(b) Responsibilities regarding investment of Plan assets.

- (1) The Trustee shall be responsible for holding the assets of the Trust in accordance with the provisions of the Plan.
- (2) The Trustee may invest and reinvest, manage and control the Plan assets in a manner that is consistent with the Plan's funding policy and investment objectives of the Plan. The Trustee may invest in any investment, as authorized under this subsection (b), which the Trustee deems advisable and prudent, subject to the proper written direction of the Employer, a properly appointed investment manager, a Plan Participant or other properly authorized person. The Trustee is not liable for the investment of Plan assets to the extent the Trustee is following the proper direction of the Employer, a Participant, an investment manager, or other person or persons duly appointed by the Employer to provide investment direction. In addition, the Trustee does not guarantee the Trust in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Trust to meet and discharge any or all liabilities of the Plan.
- (3) The Trustee may hold any securities or other property in the name of the Trustee or in the name of the Trustee's nominee, and may hold any investments in bearer form, provided the books and records of the Trustee at all

times show such investment to be part of the Trust.

- (4) The Trustee may retain such portion of the Plan assets 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.
- (5) The Trustee may collect and receive any and all moneys and other property due the Plan and to settle, compromise, or submit to arbitration any third party claims, debts, or damages with respect to the Plan, and to commence or defend on behalf of the Plan any lawsuit, or other legal or administrative proceedings. Any such arbitration cannot be used to resolve any claim, debt or damage with respect to the Plan arising from a dispute with a Plan Participant.
- (6) The Trustee may pay expenses out of Plan assets as necessary to administer the Trust and as authorized under the Plan.
- (7) The Trustee may borrow or raise money on behalf of the Plan in such amount, and upon such terms and conditions, as the Trustee deems advisable. The Trustee may issue a promissory note as Trustee to secure the repayment of such amounts and may pledge all, or any part, of the Trust as security.
- (8) The Trustee is authorized to execute, acknowledge and deliver all documents of transfer and conveyance, receipts, releases, and any other instruments that the Trustee deems necessary or appropriate to carry out its powers, rights and duties hereunder.
- (9) The Trustee, upon the written direction of the Employer, is authorized to enter into a transfer agreement with the Trustee of another qualified retirement plan and to accept a transfer of assets from such retirement plan on behalf of any Employee of the Employer. The Trustee is also authorized, upon the written direction of the Employer, to transfer some or all of a Participant's vested Account Balance to another qualified retirement plan on behalf of such Participant.
- (10) If the Employer maintains more than one Plan, the assets of such Plans may be commingled for investment purposes. The Trustee must separately account for the assets of each Plan.
- (11) If the Trustee is a bank or similar financial institution, the Trustee is authorized to invest in any type of deposit of the Trustee (including its own money market fund) at a reasonable rate of interest.
- (12) The Trustee is authorized to invest Plan assets in a common/collective trust fund, or in a group trust fund that satisfies the requirements of IRS Revenue Ruling 81-100, as modified by Revenue Ruling 2004-67, Revenue Ruling 2014-24 and subsequent IRS guidance. All of the terms and provisions of any such common/collective trust fund or group trust into which Plan assets are invested are incorporated by reference into the provisions of the Trust for the Plan. The assets in a group trust may be pooled with the assets of a custodial account under Code §403(b)(7), a retirement income account under Code §403(b)(9), and a Code §401(a)(24) governmental plan without affecting the tax status of the group trust, subject to the requirements under Rev. Rul. 2011-1 (as modified by Notice 2012-6).

1.04 Trustee to Follow Participant Investment Direction. To the extent the Plan allows Participants to direct investment of their Accounts, the Trustee is authorized to follow the Participant's written direction (or other form of direction deemed acceptable by the Trustee).

- (a) **Exceptions to following Participant investment direction.** The Trustee may decline to follow a Participant's investment direction to the extent such direction would:
 - (1) Result in a prohibited transaction;
 - (2) Cause the assets of the Plan to be maintained outside the jurisdiction of the U.S. courts;
 - (3) Jeopardize the Plan's tax qualification;
 - (4) Be contrary to the Plan's governing documents;
 - (5) Cause the assets to be invested in collectibles within the meaning of Code §408(m);
 - (6) Generate unrelated business taxable income; or
 - (7) Result (or could result) in a loss exceeding the value of the Participant's Account.

(b) **Other conditions relating to Participant investment direction.** The Trustee will not be responsible for any loss or expense resulting from a failure to follow a Participant's direction in accordance with the requirements of this paragraph. Participants' directions will be processed as soon as administratively practicable following receipt of such directions by the Trustee. The Trustee or Employer will not be liable for a delay in the processing of a Participant direction that is caused by a legitimate business reason (including, but not limited to, a failure of computer systems or programs, failure in the means of data transmission, the failure to timely receive values or prices, or other unforeseen problems outside of the control of the Trustee or Employer).

1.05 Responsibilities of the Employer. The Employer will provide to the Trustee written notification of the appointment of any person or persons as Plan Administrator, investment manager, or other Plan fiduciary, and the names, titles and authorities of any individuals who are authorized to act on behalf of such persons. The Trustee shall be entitled to rely upon such information until it receives written notice of a change in such appointments or authorizations.

The Employer may authorize the Trustee to enter into a merger or consolidation agreement with the Trustee of another plan to effect such merger or consolidation.

1.06 Effect of Plan Amendment. Any amendment that affects the rights, duties or responsibilities of the Trustee or Plan Administrator may only be made with the Trustee's or Plan Administrator's written consent. Any amendment to the Plan must be in writing and a copy of the resolution (or similar instrument) setting forth such amendment (with the applicable effective date of such amendment) must be delivered to the Trustee.

1.07 More than One Trustee. If the Plan has more than one person acting as Trustee, the Trustees may allocate the Trustee responsibilities by mutual agreement. The Trustees may agree to make decisions by a majority vote or may permit any one of the Trustees to make any decision, undertake any action or execute any documents affecting this Trust without the approval of the remaining Trustees. The Trustees may agree to the allocation of responsibilities in a separate trust agreement or other binding document.

1.08 Annual Valuation. The Plan assets will be valued at least on an annual basis. The Employer may designate more frequent Valuation Dates under §11-1 of the Plan's Adoption Agreement. Notwithstanding any election under §11-1 of the Plan's Adoption Agreement, the Trustee and Plan Administrator may agree to value the Trust on a more frequent basis, and/or to perform an interim valuation of the Trust.

1.09 Reporting to Employer. Within a reasonable time after the end of each Plan Year or within a reasonable time after its removal or resignation, the Trustee shall file with the Employer a written account of the administration of the Trust showing all transactions effected by the Trustee from the last preceding accounting to the end of such Plan Year or date of removal or resignation. The accounting will include a statement of cash receipts, disbursements and other transactions effected by the Trustee since the date of its last accounting, and such further information as the Trustee and/or Employer deems appropriate. Upon approval of such accounting by the Employer, the Employer shall not be entitled to any further accounting by the Trustee except as reasonably agreed upon by the Employer and the Trustee. The Trustee shall have a reasonable time following its receipt of a written disapproval from the Employer to provide the Employer with a written explanation of the terms in question. If the Employer again disapproves of the accounting, the Trustee may file its accounting with a court of competent jurisdiction for audit and adjudication.

1.10 Reasonable Compensation. The Trustee may be paid reasonable compensation in an amount agreed upon by the Plan Administrator and Trustee. The Trustee may also be reimbursed for any reasonable expenses or fees incurred in its function as Trustee. The Plan will pay the reasonable compensation and expenses incurred by the Trustee, unless the Employer pays such compensation and expenses. Any compensation or expense paid directly by the Employer to the Trustee is not an Employer Contribution to the Plan.

1.11 Resignation and Removal of Trustee. The Trustee may resign at any time by delivering to the Employer a written notice of resignation at least thirty (30) days prior to the effective date of such resignation, unless the Employer consents in writing to a shorter notice period. The Employer and Trustee may agree to a longer notification period prior to the resignation of the Trustee. The Employer may remove the Trustee at any time, with or without cause, by delivering written notice to the Trustee at least 30 days prior to the effective date of such removal. The Employer may remove the Trustee upon a shorter written notice period if the Employer reasonably determines such shorter period is necessary to protect Plan assets or to ensure the Plan is being operated for the exclusive benefit of Participants and their Beneficiaries. Upon the resignation, removal, death or incapacity of a Trustee, the Employer may appoint a successor Trustee which, upon accepting such appointment, will have all the powers, rights and duties conferred upon the preceding Trustee. In the event there is a period of time following the effective date of a Trustee's removal or resignation before a successor Trustee is appointed, the Employer is deemed to be the Trustee. During such period, the Trust continues to be in existence and legally enforceable, and the assets of the Plan shall continue to be protected by the provisions of the Trust.

1.12 Indemnification. Each Party shall indemnify and hold the other Party harmless against any and all third-party claims asserted against the other Party at any time to extent such claim results from the indemnifying Party's negligence or willful misconduct under or breach of the terms of this Trust Agreement. Except as specifically provided otherwise in the preceding

ASC Trust Agreement (Governmental)
Camrosa Water District Profit Sharing Plan

sentence, Employer shall indemnify and hold Trustee harmless against any loss of third-party claims asserted against Trustee to the extent that such loss results from Trustee having acted upon Employer directions, having failed to act as a result of Employer directions not to act, or having otherwise acted in accordance with the terms of the Trust Agreement. For purposes hereof, any reference to Employer or Trustee as an indemnified Party shall be deemed to include their respective directors, officers, affiliates, and subsidiaries and each reference to Employer as the indemnitor shall be the Plan Sponsor.

- 1.13 Liability of Trustee.** The duties and obligations of the Trustee shall be limited to those expressly imposed upon it by the Plan and this Trust Agreement or as subsequently agreed upon by the parties. Responsibility for administrative duties required under the Plan or applicable law not expressly imposed upon or agreed to by the Trustee shall rest solely with the Employer.

The Employer agrees that the Trustee shall have no liability with regard to the investment or management of illiquid Plan assets transferred from a prior Trustee, and shall have no responsibility for investments made before the transfer of Plan assets to it, or for the viability or prudence of any investment made by a prior Trustee, including those represented by assets now transferred to the custody of the Trustee, or for any dealings whatsoever with respect to Plan assets before the transfer of such assets to the Trustee. The Employer shall indemnify and hold the Trustee harmless for any and all claims, actions or causes of action for loss or damage, or any liability whatsoever relating to the assets of the Plan transferred to the Trustee by any prior Trustee of the Plan, including any liability arising out of or related to any act or event, including prohibited transactions, occurring prior to the date the Trustee accepts such assets, including all claims, actions, causes of action, loss, damage, or any liability whatsoever arising out of or related to that act or event, although that claim, action, cause of action, loss, damage, or liability may not be asserted, may not have accrued, or may not have been made known until after the date the Trustee accepts the Plan assets. Such indemnification shall extend to all applicable periods, including periods for which the Plan is retroactively restated to comply with any tax law or regulation.

- 1.14 Conflicting Trust Provisions.** In the event of any conflict between the terms of the Plan and any conflicting provision contained in any associated Trust, including this ASC Trust Agreement (Governmental), or custodial account document, the terms of the Plan will govern.

- 1.15 Governing Law.** The provisions of this Plan and this ASC Trust Agreement (Governmental) shall be construed, administered, and enforced in accordance with the provisions of applicable federal and/or California state law.

- 1.16 Severability of Provisions.** In the event that any provision of this ASC Trust Agreement (Governmental) shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions herein shall be construed as if the illegal, invalid or unenforceable provisions had never been included in this ASC Trust Agreement (Governmental).

- 1.17 Appointment of Custodian.** The Employer may appoint a Custodian to hold all or any portion of the Plan assets. A Custodian has the powers, rights and responsibilities similar to those of a Directed Trustee. The Employer also may enter into a separate agreement with the Custodian. Such separate agreement must be consistent with the terms of the Plan.

- 1.18 Modification of ASC Trust Agreement (Governmental) Provisions.** The Employer and the Trustee may amend this ASC Trust Agreement (Governmental), provided the amended provisions are not in conflict with any provision of the Plan and do not cause the Plan to fail to qualify under Code §401(a). The Employer and Trustee may document any modification to the ASC Trust Agreement (Governmental) below or under a separate Trust addendum.

Camrosa Water District

Trustee

By: _____
Authorized Signatory

By: _____
Tony L. Stafford

Name: _____

Date: _____

Title: _____

By: _____
Tamara Sexton

Date: _____

Date: _____

The following material is provided to members of the Board for information only and is not formally a part of the published agenda.

- A. Quarterly Investment Report (As of 6/30/21)
- B. 2021 Board Calendar

CAMROSA WATER DISTRICT
Statement of Investments
FY 20-21
For Quarter Ending: 6/30/21 (7/15/21)

LAIF	N/A	State Treasurer	Date Of Deposit	Call Date	Beginning of Year Investment	Opening Balance	Closing Balance	Value at Maturity	
			Daily	Daily	13,774,265	27,570,311	\$ 27,663,071	100.00%	\$27,663,071
Total Laif					13,774,265	27,570,311	27,663,071	100.00%	27,663,071
OTHER INVESTMENT TOTALS:					-	-	-	0.00%	-
TOTAL OF ALL INVESTMENTS:					13,774,265	27,570,311	27,663,071	100.00%	

ACTIVITY FOR THE QUARTER:

LAIF

Transfers of fund to General Operations. 1,130,000
Transfer from Cash Receipts to LAIF 1,200,000
Quarterly Interest as of 06/30/21 for Qtr ending 7/15/21 22,760

LAIF Performance Report

Apportionment Rate	0.33%	Effective Yield	
Earnings Ratio	0.00000897371743018	April 2021	0.339
Daily	0.22%	May 2021	0.315
Quarter to Date	0.30%	June 2021	0.262

TREASURY BILL RATES (06/30/21)

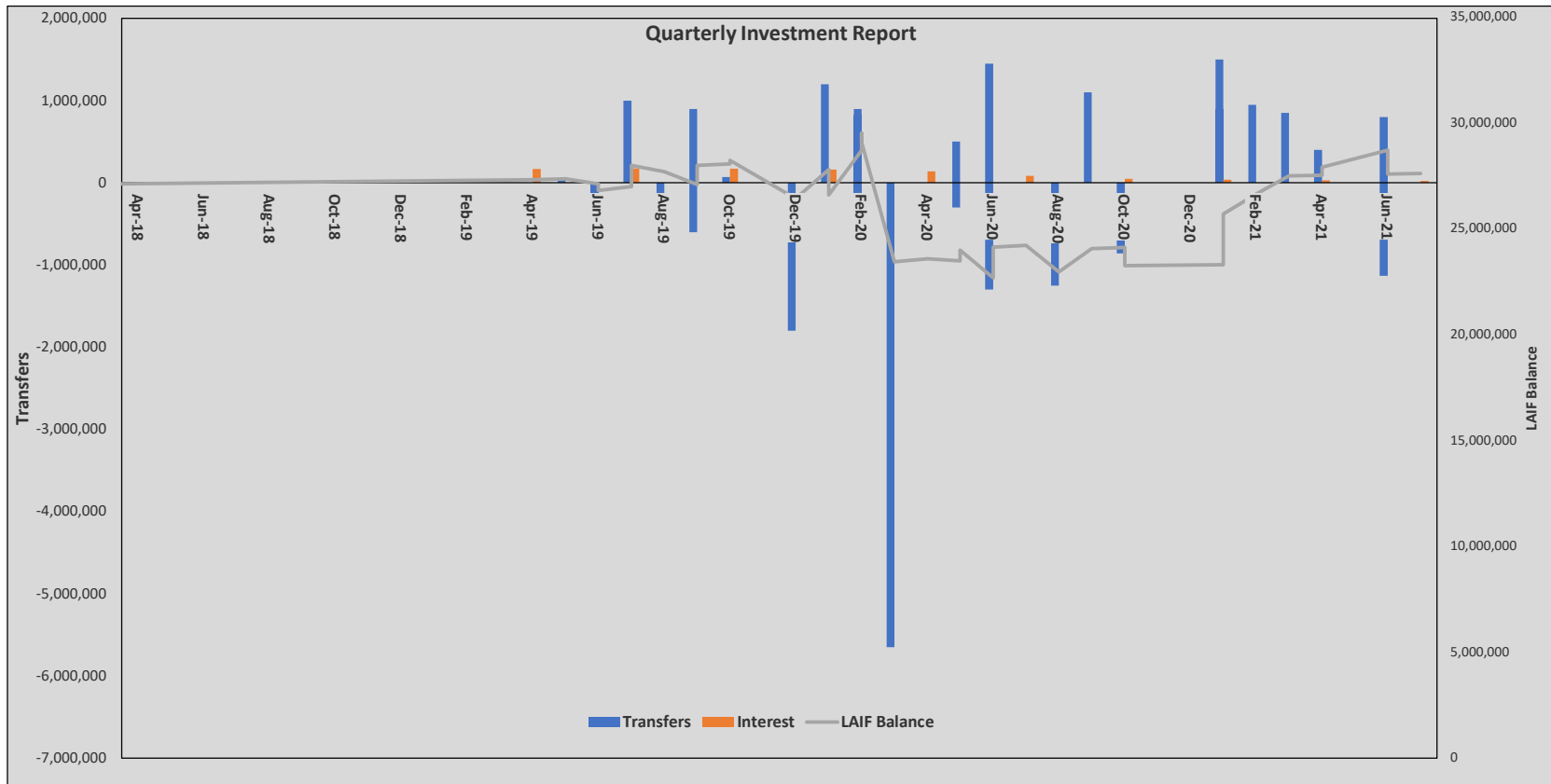
1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
0.05	0.05	0.05	0.09	0.25	0.47	0.89	1.24	1.48	2.01	2.07

BOND RESERVES

	TYPE OF INVESTMENT	INSTITUTION	DATE OF DEPOSIT	DATE OF MATURITY		PRINCIPAL INVESTMENT	ACCRUED INCOME	RATE OF RETURN
W & WW Rev Bonds Series 2016	LIQUIDITY FUNDS	BLACKROCK	10/19/2016	N/A		\$ 879,529	\$ 15.31	0.03%
						\$ 879,529	\$ 15.31	

BOND ACQUISITION FUNDS

	TYPE OF INVESTMENT	INSTITUTION	DATE OF DEPOSIT	DATE OF MATURITY		PRINCIPAL INVESTMENT	ACCRUED INCOME	RATE OF RETURN
W&WW Rev Bonds Series 2016	WATER ACQUISITION FUND	BLOCKROCK	10/19/2016	N/A		\$ 3,831,796	\$ 66.59	0.03%
W&WW Rev Bonds Series 2016	INSURED CASH SHELTER ACCOUNT WASTE WATER	WILMINGTON TRUST	N/A	N/A		\$ 13,792		0.15%
						\$ 3,845,589	\$ 67	



2021 Camrosa Board Calendar

JANUARY							FEBRUARY							MARCH							2021 Observed Holidays						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	January 1 st - New Year's Day						
					1	2		1	2	3	4	5	6		1	2	3	4	5	6	February 15 th - President's Day						
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13	May 31 st - Memorial Day						
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20	July 5 th - Independence Day (Observed)						
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27	September 6 th - Labor Day						
24	25	26	27	28	29	30	28							28	29	30	31				November 11 th - Veteran's Day						
31																					November 25 th & 26 th - Thanksgiving						
APRIL							MAY							JUNE							December 23 rd & 24 th - Christmas						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	December 31 st - New Year's Eve						
				1	2	3							1			1	2	3	4	5	2021 Conferences						
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12	CASA Winter Conf. (**Virtual Event**) - Jan. 27 th - 28 th						
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19	ACWA Spring Conf. (Monterey) - May 4 th - 7 th						
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26	CASA 66th Annual Conf. (San Diego) - Aug. 11 th - 13 th						
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30				ACWA Fall Conf. (Pasadena) - Nov. 30 th - Dec. 3 rd						
							30	31													2021 AWA Meetings						
JULY							AUGUST							SEPTEMBER							"Water Issues" Third Tuesday (except Apr., Aug., Dec.)						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	Waterwise Breakfast (See yellow on calendar)						
				1	2	3	1	2	3	4	5	6	7	</td>													

Camrosa Water District
7385 Santa Rosa Road
Camarillo, CA 93012

Note: Board of Directors meetings are highlighted in **RED**. Board Meetings are held on the **2nd & 4th Thursday** of each month at 5pm unless indicated.

Calleguas Board Meetings are held 1st & 3rd Wednesday - 5:00 PM