

POCONO TOWNSHIP COMMISSIONERS
REGULAR MEETING AGENDA

October 3, 2016

7:00 p.m.

- 1) Pledge of Allegiance
- 2) Roll Call
- 3) Announcements:
 - a. Conditional Use Summit Heights Conditional Use Hearing was held on September 29, 2016 at 6:00pm.
 - b. No Discussion of or Action on the Brookdale Petition will be taken until after comments are received from the Township Planning Commission and County Planning Commission.
 - c. The October 13, 2016 9:00AM work session will be changed to October 14, 2016 9:00AM and held at the Township Building.

4) Public Comments on matters not on the agenda

Comments are for any item NOT on the agenda. Comments on agenda items will be taken after each item is discussed by the Board of Commissioners, but before formal action is taken. (Please limit individual comments to 3 minutes to allow time for others wishing to speak and direct all questions and comments to the President)

- 5) Approval of Minutes:
 - a. Regular meeting of 9/19/2016
 - b. Commissioners Special Meeting, September 28, 2016
 - c. Work Session meeting of 9/29/2016
- 6) Approval of Bills and Transfers
 - a. Check listing dated October 3, 2016
- 7) Report of the President
- 8) Commissioners Comments

Bob DeYoung, Vice President

Ellen Gmandt, Commissioner

Judi Coover, Commissioner

Jerry Lastowski, Commissioner

- 9) Reports:
 - a. Administration – Manager’s Report
 - i. 457 Plan Adoption Agreement and Plan Summary

- ii. Pocono Manor UGI Gas Line Extension – Letter of Support.
- iii. Ambulance Service –
 - 1. Request from Suburban to be released early from their obligations.
 - 2. Proposal from St. Luke's to begin providing service effective October 4, 2016 is attached.
- iv. Zoning Hearing Board request to hire Melissa S. Leonard as part time Board Secretary at \$17.00 per hour with no benefits. Estimated to need 5 hours per month.
- v. Library has submitted their request for use of the meeting room for 2017. Request is attached.
- vi. Budget Review Dates:
 - 1. October 31 9:00AM
 - 2. November 21 9:00AM
 - 3. December 27 7:00PM (Proposed Adoption)
- vii. Poconos Memorial American Legion Post 903 Requests
- viii. Extension of North Central Regional DUI Enforcement Project Agreement

b. Public Works Report

- i. Paving Project and Line Painting update.
- ii. Heritage Center Sidewalk and Paving.
- iii. DEP September 20 NOV
 - 1. Reports have been filed.
 - 2. NPDES and WQM Permits must be transferred from Pocono Supervisors to Pocono Commissioners.

c. Finance Committee

d. Township Solicitor Report

- i. Marchenko Motion For Re-Argument.
- ii. Motion for Continuance of Zoning Hearing sign cases.

e. Township Engineer Report

- i. SALDO Proposed Amendments.
- ii. Need for an Indemnification Agreement for Schlier drainage facilities into PennDOT Stormwater which requires Pocono Township to be the HOP Permittee.

10) Presentations:

11) Resolutions:

- a. Adoption Resolution 457 Plan Restated and Amended Plan Documents.

12) Executive Session (If Necessary)

13) Adjournment

POCONO TOWNSHIP BOARD OF COMMISSIONERS

REGULAR MEETING MINUTES

SEPTEMBER 19th, 2016 9:00 P.M.

The Regular meeting of the Pocono Township Commissioners was held on 09/19/2016 at the Pocono Township Municipal Building, Tannersville, PA, and was opened by President Harold Werkheiser at 7:00 p.m., followed by the Pledge of Allegiance.

ROLL CALL: Ellen Gndt, yes; Bob DeYoung, yes; Harold Werkheiser, yes; Jerry Lastowski, yes; and Judi Coover, yes.

Leo DeVito, Solicitor, Broughal & DeVito; present; Jon Tresslar, Twp. Engineer, present; Charles Vogt, present; and Pamela Finkbeiner, Township Secretary, were present.

ANNOUNCEMENTS:

H. Werkheiser recognized Oliver Suarez a student of MCTI.

- a. Executive Session was held on 9/12/2016 to discuss personnel matters.
- b. Conditional Use Summit Heights Conditional Use Hearing is scheduled for September 29, 2016 at 6:00pm.
- c. A Petition has been received from the prospective purchasers of the Brookdale property for an amendment to the zoning ordinance which we are referring to the Planning Commission. No action is planned at this time.

PUBLIC COMMENT:

Chris Ortolan, Tara Drive, noted the recent state ruling against the Township on short term rentals. He noted the problems of short term rentals in residential zones and requested the Board consider an ordinance to regulate short term rentals.

Maxine Turbolski, Twp. resident, question concerning the planning commission meeting.

Geoffry Roache, PMC, invited the Board to the new Urgent Care facility grand opening in Tannersville.

MINUTES:

J. Coover made a motion, seconded by H. Werkheiser, to approve the Regular meeting minutes of 09/6/2016. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

E. Gndt made a motion, seconded by B. DeYoung to approve the Work session meeting minutes of 09/15/2016. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, abstained; J. Lastowski, yes; and J. Coover, yes. Motion carried.

TRANSFERS: E. Gndt noted she requested Gina Zuvich, Twp. Treasurer, to separate the transfers and Supplemental Appropriations.

H. Werkheiser made a motion, seconded by E. Gndt, to approve the Transfers dated 09/19/2016. P. Finkbeiner explained the transfers are needed for a traffic pole repair and funds from Zoning to be moved. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

SUPPLEMENTAL APPROPRIATIONS:

J. Coover made a motion, seconded by E. Gnandt, to approve the Supplemental appropriation dated 09/19/2016. Roll call vote: E. Gnandt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

BILLS:

E. Gnandt questioned the Pocono Arts Council donation - P. Finkbeiner noted the Township donates yearly to the Art's Council.

Signal Service, H. Werkheiser noted Signal Service is a maintenance agreement and the invoice is for a damaged pole. J. Coover suggested submitting to the Twp. Insurance company.

Sundance Network Inc. - E. Gnandt suggested that a contract should be in place with Sundance for regular updates of software. Discussion on the time clocks and switching from fingerprints to code numbers. J. Coover said the time clocks are to be used by all employees.

Patrick Briegel - E. Gnandt questioned if a contract was made for Patrick Briegel, temporary Public Works director.

EEMA Invoice - E. Gnandt questioned the EEMA cost for valve failure repair. C. Vogt noted there was an emergency call out for a repair.

T&M invoices - E. Gnandt questioned the T&M engineering invoices if the work billed was for the new Contract. She requested the full report before payment for the PS#2 evaluation. She recommended not paying the T&M invoices. Discussion followed for the invoices in question.

E. Gnandt made a motion, seconded by H. Werkheiser, to approve the Bill's list dated 09/19/2016, excluding the three T&M invoices. H. Werkheiser requested C. Vogt to investigate the T&M invoices. Roll call vote: E. Gnandt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, no. Motion carried.

REPORTS:

Report of the President, none.

Commissioners Comments

Bob DeYoung, Vice President, none.

Ellen Gnandt, Commissioner

- a) 2015 Audit Draft - E. Gnandt suggested it be made public before discussion.

Judi Coover, Commissioner

Amendment to Manager's Contract - J. Coover sent a memo to the Board suggesting an amendment to the Manager's Contract to change the task list for the Twp. Manager to recommend a Public Works Director by the first meeting of November. C. Vogt requested it be moved to the second meeting in November. Discussion. J. Lastowski made a motion, seconded by B. DeYoung, to amend the Manager's contract to recommend a Public Works Director by the second meeting in November (11/21/2016) - Joe Folsom, Twp. resident, asked if the Public Works job description was changed. Roll call vote: E. Gnandt, no; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

COMMISSIONER COOVER CONT:

Sign Ordinance - J. Coover noted the Planning Commission has requested help with the sign ordinance. She requested direction from the Board if would be acceptable for her to work with the Monroe County Planning Commission on a draft Sign ordinance. The Board concurred there was no objection.

Diane Zweifel, Twp. resident, questioned why J. Coover voted no on the Bill's list. J. Coover noted she is waiting for a credit from the solicitor.

Jerry Lastowski, Commissioner, none.

EMERGENCY SERVICES REPORTS:

Pocono Township Chief Kent Werkheiser noted an incident happened by the MCTI which caused a shutdown of the school.

J. Coover questioned why there is an increase in 911 calls. K. Werkheiser noted the wireless calls are dispatched by the County with an approximate location. He noted it is difficult to locate the wireless caller since it could be a moving vehicle on Rt. 80 but they are required to investigate. Jarrod Belvin, Twp. resident, noted 1700 calls and asked what is being done to handle the additional calls. K. Werkheiser noted officers are being denied time off to handle the call volume.

J. Lastowski questioned the status of the hiring process. K. Werkheiser explained the steps for hiring and advertisement for the position.

Allan Gothard, Twp. resident, suggested contacting the Military offices for hires.

Jane Cilurso, Twp. resident, spoke in support of hiring additional police. Jarod Belvin, Twp. resident, noted the DCED report also recommended an additional staff person.

C. Vogt explained the Resolution for the North Central Highway Safety Network, Inc., originally entered into by Resolution 2015-07. E. Gndt noted she did not receive the complete package. K. Werkheiser explained it is a performance based program which pays overtime rates for officers for DIU checkpoints. Discussion followed. No action taken.

Pocono Township Volunteer Fire Company, Joe Folsom, reported the Pocono Township Police and Fire Company will be hosting the Circus October 12th at the West End Fairgrounds.

He thanked St. Luke's for inviting the Fire Company to the new Hospital, last month.

Suburban Ambulance, C. Vogt noted their report was submitted. He received a letter from Suburban's solicitor to renegotiate their contract. J. Lastowski questioned the letter and requested C. Vogt to draft a letter to Suburban to clarify their request. Discussion followed.

ADMINISTRATION REPORT:**Township Manager's Report**

New Server for Administration Building. - C. Vogt explained he is receiving quotes and appears that it will be under the \$5,000. J. Coover noted it was not budgeted. E. Gndt noted it would be a supplemental appropriation.

PA Municipal League Voting Delegate and Resolutions Committee Member Designation. - J. Coover made a motion, seconded by J. Lastowski, to appoint C. Vogt as voting delegate to the PA Municipal League Voting Delegate and Resolution Committee Member. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

PSATS Right to Know and Sunshine Act Training September 30, 2016 Pocono Manor - C. Vogt recommended he attended with P. Finkbeiner. J. Lastowski made a motion, seconded by B. DeYoung, to approve C. Vogt and P. Finkbeiner, to attend the PSATS Right to Know and Sunshine Act Training, 09/30/2016. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

C. Vogt noted he received a request for a letter of support for Pocono Manor's LSA grant to extend the natural gas line from Kalahari to the Manor. They need the letter by Friday and all construction will be on their property and not disturb any Township roadways. J. Coover and E. Gndt requested additional time to read review the information. Discussion followed. No action taken.

J. Coover questioned the Public Works Director's job description. C. Vogt noted he received comments from J. Coover and J. Lastowski. J. Lastowski questioned the qualifications. E. Gndt questioned the education requirements. C. Vogt will send out the revised job description for approval.

Public Works Report

- i. Paving Project and Line Painting update - C. Vogt noted the paving has been delayed due to an equipment problem. The line painting will be done through COG. E. Gndt questioned when or if the Contract can be cancelled if the work is not completed by fall. Dennis Purcell, Twp. resident, questioned if Wilkie Road will be paved this year.
- ii. Maintenance Building Boiler Status - Leon Clapper has repaired the Boiler and is in touch with L&I to certify the Boiler. J. Lastowski noted a pole was damaged on Fish Hill Road and electric was off in Tannersville. The Township buildings were without power. He suggested the Township budget for generators for the buildings. Shirley Demarest, Twp. resident, questioned the accident on Fish Hill Road.

REPORTS CONT:

Finance Committee - E. Gndt the finance committee met and is scheduled to meet on 09/27/2016 at 10:30a.m., and the Capital Improvement Committee will meet at 9:00 a.m.

Township Solicitor Report - L. DeVito, Twp. Solicitor, noted matters to occur in executive session.

Township Engineer Report

2. Township MS4 requirements - J. Tresslar noted he will meet with MCPC on 10/03/2016 to review details to satisfy the requirements.
- i. SALDO Proposed Amendments - J. Tresslar explained the Planning Commission has recommended approval. J. Coover questioned if the ordinance was ready for advertisement. J. Tresslar explained the changes were not sent to the Board. Discussion followed on the steps to advertise and changes to the draft. J. Tresslar will submit the recommended changes and review the changes at the work session on the 29th.

PRESENTATION:

St. Luke's Health Network - Adam Mazrick present an overview of St. Luke's new hospital and services. He requested the Board of Commissioners consider St. Luke's Ambulance as the Township's provider. Dr. Peter Favini explained the emergency department times-to-treat and hospital care. Discussion followed.

Jarrold Belvin, Bob Demarest, Chris Ortolan, Maxine Turbolski, Jake Singer, Twp. residents, commented on St. Luke's services. J. Coover questioned how current ambulance service subscription would be treated if the Township changed providers. A. Mazrick stated they would honor the current subscription and add six months, making them valid until 09/01/2017. No action taken.

RESOLUTION:

Resolution 2016-45 Adopting Monroe County 2016 Hazard Mitigation Plan. C. Vogt explained by adoption of the plan it allows the Township to apply to PEMA and FEMA. H. Werkheiser made a motion, seconded by J. Lastowski, to adopt Resolution 2016-45 adopting Monroe County 2016 Hazard Mitigation Plan. - J. Coover questioned the information Pocono Township provided. Roll call vote: E. Gndt, no; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried. E. Gndt noted she did not have enough information to vote on the Resolution.

Adam Mazrick, St. Luke's, asked to present their ambulance service's agreement. J. Lastowski suggested he contact C. Vogt.

ADJOURNMENT INTO EXECUTIVE SESSION: B. DeYoung made a motion, seconded by J. Coover, to convene into executive session to discuss litigation and to adjourn the meeting. Roll call vote: E. Gndt, yes; B. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

POCONO TOWNSHIP BOARD OF COMMISSIONERS

SEWER MEETING MINUTES

SEPTEMBER 28th, 2016 8:00 A.M.

The Sewer meeting of the Pocono Township Commissioners was held on 09/28/2016 at the Pocono Township Municipal Building, Tannersville, PA, and was opened by President Harold Werkheiser at 8:00 a.m., followed by the Pledge of Allegiance.

ROLL CALL: Ellen Gndt, present; Bob DeYoung, present; Harold Werkheiser, present; Jerry Lastowski, present; and Judi Coover, present.

Charles Vogt, Twp. Manager; and Pamela Finkbeiner, Twp. Secretary, were present.

ANNOUNCEMENTS:

MINUTES: Deferred to the next regular meeting on 10/03/2016.

CONTINUED DISCUSSIONS FROM SEPTEMBER 19th and 20th, 2016

SEWER COLLECTION AND CONVEYANCE SYSTEM REDESIGN AND CONSTRUCTION

J. Coover explained she would like to propose several motions.

J. Coover recommended engaging Boucher & James to review T&M's designs, scope, T&M report, plans & designs.

J. Coover noted she is recommending appointing Tim McManus as special counsel for special sanitary sewer system matters including doing a due diligent review of the PACT TWO change order, scope of this review would include a review for all emails between Jeff Clapper, Gregg Schuster, T&M, and PACT TWO and related correspondence pertaining to the PACT TWO Contract 11 from March 2015 to present. The written opinion as to if there are any concerns or legal concerns with the Township's present course of action.

J. Coover recommended a request to direct the Twp. Manager to then contact these firms for estimate of these efforts.

J. Coover recommended suspending activity by Pact Two and T&M until results are obtained.

J. Coover noted depending on the discussion of these above ideas, she would recommend to cancel the Change Order and Valve Replacement project.

J. Coover recommended directing the Twp. Manager to search for professionals whom can be retained to assist with the ongoing sewer operations. This is so the Township is prepared for any sewer related incidents should they occur.

J. Lastowski requested to address each motion, one at a time.

J. Coover made a motion, seconded by E. Gndt, to engage Boucher & James, Inc., to review and evaluate the current situation with our valves, the plans and designs provided by T&M Associates, and Boucher & James, Inc. will provide the Township of a written report of their findings and recommendations, the scope of their review will include the T&M reports, hydraulic test results, plans and designs specifications provided by T&M to PACT TWO in February 2016; PACT TWO Change Order for 1.5 Million, and related correspondence; in particular Boucher & James will identify any risk that Pocono Township faces or will assume, based on the current course of action, both short and long term. This motion does NOT include having Boucher & James, Inc., replace T&M as our sewer engineer.

H. Werkheiser was in agreement for a seconded opinion. J. Lastowski questioned the cost to engage Boucher & James, Inc. to do the review. J. Coover felt the documents can be reviewed in two to three weeks for approximately \$10,000 to \$15,000 dollars. She stated she feels it is needed to understand the risk the Township faces and if the project is a safe and wise course of action. J. Coover noted in her opinion Boucher & James, Inc., has the expertise to review the project. J. Lastowski noted he does not support the review since it may delay the repairs, and is satisfied with the current course of action. B. DeYoung noted he was not against a second opinion but was concerned it would delay the repairs. E. Gndt spoke concerning the change order and lack of line items and details. She noted the lack of detail may lead to future change orders. Discussion followed. J. Coover reread the motion (ABOVE). Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, no; and J. Coover, yes. Motion carried.

J. Coover made a motion, seconded by E. Gndt, to appoint Tim McManus as special counsel for sanitary sewer system matters, including a due diligence review of the PACT TWO Change Order. The scope will include a review of all emails between, Jeff Clapper, Gregg Schuster, T&M, and PACT TWO and related correspondence pertaining to the PACT TWO Contract 11 from March 2015 to present. McManus will issue a written opinion as to whether or not there are any procurement or legal concerns with our present course of action. C. Vogt questioned if the motion is for all sewer matters. J. Coover explained it is only for a review of the documents. She explained she had confidence in his understanding of the sewer project and procurement laws. P. Finkbeiner requested clarification if the review was for a contracted position. Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

J. Coover made a motion, seconded by H. Werkheiser, to direct the Twp. Manager to immediately contact Boucher & James, Inc. and Tim McManus, Cramer, Swetz, McManus, & Jordan, P.C., to obtain written time and cost estimates for the efforts involved in the two above motions just passed by the Board, stressing time is of the essences. Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

J. Coover made a motion, seconded by E. Gndt, to temporarily suspend the PACT TWO, LLC. Contract - H. Werkheiser questioned if it would stop the work. Discussion on the status of the valve order. B. DeYoung, H. Werkheiser, and J. Lastowski voiced concern that the engineering of the valve would be delayed.

J. Coover withdrew her motion and E. Gndt withdrew her second.

J. Coover made a motion, seconded by H. Werkheiser, to direct T&M and PACT TWO, LLC. to consult with the Board prior to placing the order for the valve pursuant to the Change Order. J. Lastowski noted the Board should meet immediately after to decide what to do if the studies are not done. He stated he is not in favor of stopping progress on the repair. Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

J. Coover made a motion, seconded by J. Lastowski, to direct the Twp. Manager to immediately begin search for professionals who can be retained to help protect the on-going operation of the Township's sanitary sewer system, until all known problems are mitigated. This protection is operational, not mere insurance, so the Township is as well prepared for any operational interruption should they occur.

J. Lastowski explained the Township should be proactive in preparing for any incidents. J. Coover noted the Township needs to have an emergency plan in place.

Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

ADDITIONAL TIME SENSITIVE MATTERS PRESENTED BY THE ZONING HEARING BOARD

a) Township to authorize an appeal of the Commonwealth Court panel decision in the Marchenko matter including a motion for re-argument en banc because the matter is time sensitive. C. Vogt explained by the 3-0 vote the ZHB requested the Board authorize the Twp. Solicitor to re-argue the decision at a cost of approximately \$1,500 to \$2,000.

J. Lastowski made a motion, seconded by B. DeYoung, to authorize the petition to be reargued en banc. E. Gndt questioned the cost and if it was only for filing it may be higher if they need to appear. J. Coover explained she did not feel this is worth the cost to pursue. She felt that the Township should regulate short term rentals. J. Lastowski spoke in favor of pursuing the re-argument and then to develop regulations. C. Vogt noted the problem with vacation rentals in residential zones are impacting residents. J. Coover noted in resort areas it is seen as a vital way to generate revenue and reduce foreclosures. B. DeYoung spoke in favor of the Board to pursuing the re-argument. Roll call vote: E. Gndt, no; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, no. Motion carried.

ZONING HEARING BOARD MATTERS CONT:

b) Adams Hearing - C. Vogt noted the zoning officer will not be available for the October meetings. J. Lastowski made a motion, seconded by H. Werkheiser, to continue the Adams Outdoor hearings until the zoning officer is available. Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

ADJOURNMENT: B. DeYoung made a motion, seconded by J. Lastowski, to adjourn the meeting at 9:20 a.m. Roll call vote: E. Gndt, yes; R. DeYoung, yes; H. Werkheiser, yes; J. Lastowski, yes; and J. Coover, yes. Motion carried.

POCONO TOWNSHIP BOARD OF COMMISSIONERS
WORK SESSION MINUTES

DATE: September 29, 2016

TIME: 9:00am

PLACE: Township Building

PRESIDING COMMISSIONER: Bob DeYoung, Vice President

ROLL CALL: Ellen Gndt, Present
Bob DeYoung, Present
Harold Werkheiser, Absent
Jerry Lastowski, Present
Judi Coover, Present by Phone for Part
Charlie Vogt, Manager, Present

NO CITIZENS APPEARED OFFICIALLY AND TESTIFIED.

NO OFFICIAL ACTIONS OR ROLL CALL VOTES WERE TAKEN.

THE WORK SESSION WAS ADJOURNED AT: 11:45pm

General Fund					
October 2016 Transfers					
	<u>Actual</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Adjusted Budget</u>	<u>Transfer</u>
400.110 · Salary & Wages - Legislative	8,867.16	16,250.00	-7,382.84		
400.192 · Legislative SSI Tax	678.31	1,243.00	-564.69		
400.260 · Minor Equipment	408.99	2,000.00	-1,591.01		
400.420 · Dues, Subscriptions & Membershi	4,338.55	4,716.00	-377.45		
400.460 · Legislaive -Meetings & Training	150.00	1,000.00	-850.00		
400.540 · Legislative - Donations	567.79	3,000.00	-2,432.21		
401.110 · Admin Salaries & Wages	70,735.61	104,734.00	-33,998.39		
401.192 · Admin SSI Taxes	5,411.27	8,415.00	-3,003.73		
401.196 · Admin Health Insurance	14,574.45	25,259.00	-10,684.55		
401.198 · Non-Uniformed Pension Plan	5,690.34	9,900.00	-4,209.66		
401.199 · Admin Life and Disability Ins	532.38	756.00	-223.62		
401.200 · Administration Allowances	1,013.06	1,250.00	-236.94		
401.220 · Admin Operating Supplies	60.00	430.00	-370.00		
401.260 · Admin Minor Equipment	246.94	1,000.00	-753.06		
401.420 · Admin Dues, Subscriptions & Mem	0.00	2,565.00	-2,565.00		
401.460 · Admin Meetings & Training	0.00	500.00	-500.00		
402.110 · Fin Admin Salaries & Wages	40,768.00	53,202.00	-12,434.00		
402.120 · Financial Admin OVT	2,713.63	4,500.00	-1,786.37		
402.192 · Fin Admin SSI Taxes	3,326.36	4,261.00	-934.64		
402.196 · Fin Admin Health Insurance	20,414.50	26,274.00	-5,859.50		
402.198 · Fin Admin Non-Uni Pension Plan	3,917.26	4,788.00	-870.74		
402.199 · Fin Admin Life & Disability Ins	603.00	804.00	-201.00		
402.220 · Fin Admin Operating Supplies	58.97	500.00	-441.03		
402.260 · Fin Admin Minor Equipment	0.00	500.00	-500.00		
402.310 · Fin Admin Professional Svcs	14,655.32	14,700.00	-44.68	15,500.00	300.00
402.420 · Fin Admin Dues, Subscriptions	760.00	770.00	-10.00		
402.460 · Fin Admin Meetings & Training	721.54	1,000.00	-278.46		
403.110 · Tax Collection Salaries & Wages	7,692.40	10,000.00	-2,307.60		
403.192 · Tax Collection SSI Taxes	588.60	765.00	-176.40		
403.215 · Tax Collection Postage	1,603.53	2,000.00	-396.47		
403.220 · Tax Collection Operating Supply	1,266.02	2,000.00	-733.98		
403.310 · Tax Collection Professional Srv	24,686.10	27,600.00	-2,913.90	32,600.00	5,000.00
403.460 · Tax Collection Meetings & Conf	0.00	625.00	-625.00		
404.310 · Township Solicitor	41,987.72	90,000.00	-48,012.28		
405.110 · Secretary Salaries & Wages	66,739.60	101,903.00	-35,163.40		
405.120 · Secretary OT	2,768.64	6,000.00	-3,231.36		
405.192 · Secretary SSI Taxes	5,292.06	8,255.00	-2,962.94		
405.196 · Secretary Insurance	28,188.10	38,414.00	-10,225.90		
405.198 · Secretary Non-Uni Pension Plan	5,170.71	7,821.00	-2,650.29		
405.199 · Secretary Life & Disability Ins	938.00	1,600.00	-662.00		
405.220 · Secretary Operating Supplies	415.27	500.00	-84.73		
405.260 · Secretary Minor Equipment	0.00	1,000.00	-1,000.00		
405.420 · Secretary Dues, Subscriptions	40.00	500.00	-460.00		
405.460 · Secretary Meetings & Training	0.00	1,000.00	-1,000.00		
406.215 · Gen Govt Postage	2,399.38	6,500.00	-4,100.62		
406.220 · Gen Govt Operation Supplies	4,520.64	7,000.00	-2,479.36		
406.310 · Gen Govt Professional Svcs	5,899.35	10,000.00	-4,100.65		
406.320 · Gen Govt Communications	5,373.81	9,000.00	-3,626.19		
406.340 · Gen Govt Advertising & Printing	2,310.58	8,000.00	-5,689.42	6,000.00	-2,000.00
406.374 · Gen Govt Office Equipment Maint	0.00	1,000.00	-1,000.00		
406.384 · Gen Govt Equipment Leases	2,000.05	6,396.00	-4,395.95		
407.252 · Computer Parts & Supplies	373.19	500.00	-126.81		
407.260 · Technology Minor Equipment	19,578.48	19,900.00	-321.52		
407.450 · Contracted Services	8,737.72	13,000.00	-4,262.28		
408.310 · Township Engineer	25,608.31	70,000.00	-44,391.69		
409.220 · Building Operating Supplies	0.00	1,000.00	-1,000.00		
409.360 · Building Utilities	20,968.27	47,000.00	-26,031.73		
409.373 · Building Maint & Repairs	10,873.33	17,000.00	-6,126.67		
409.450 · Building Contracted Services	4,604.74	7,000.00	-2,395.26		
410.120 · Police Salaries & Wages-Admin	66,256.00	86,464.00	-20,208.00		
410.130 · Police Salaries & Wages-Officer	788,875.04	1,114,911.00	-326,035.96		

General Fund					
October 2016 Transfers					
410.140 · Police Salaries & Wages-Civilian	36,299.37	47,594.00	-11,294.63		
410.179 · Police Longevity Pay	0.00	42,824.00	-42,824.00	44,350.00	1,520.00
410.180 · Police Overtime Wages	95,890.62	125,000.00	-29,109.38		
410.187 · Police Overtime Civ Support	15.80	500.00	-484.20		
410.191 · Uniform Allowance	8,942.23	14,400.00	-5,457.77		
410.192 · Police SSI Taxes	73,965.18	108,423.00	-34,457.82		
410.196 · Police Health Insurance	354,436.97	435,076.00	-80,639.03		
410.197 · Police Pension Plan	0.00	145,320.00	-145,320.00		
410.198 · Police Life & Disability Ins	10,921.00	16,470.00	-5,549.00		
410.199 · Police Non-Uniform Pension	3,037.68	3,959.00	-921.32		
410.200 · Police 457 Contribution	0.00	5,000.00	-5,000.00	6,000.00	1,000.00
410.220 · Police Operating Supplies	3,857.68	5,000.00	-1,142.32		
410.221 · Crime Scene Supplies	412.30	1,000.00	-587.70		
410.222 · Ammunition	2,846.04	5,000.00	-2,153.96		
410.223 · K-9 Expenses	143.26	144.00	-0.74		
410.231 · Vehicle Fuel	22,306.78	45,000.00	-22,693.22		
410.260 · Police Minor Equipment	3,446.37	5,000.00	-1,553.63		
410.310 · Police Professional Services	980.00	2,500.00	-1,520.00		
410.314 · Civil Service Comm Solicitor	10,615.39	16,000.00	-5,384.61		
410.320 · Police Communications	11,736.28	15,000.00	-3,263.72		
410.341 · Police Advertising & Printing	1,347.00	4,500.00	-3,153.00	7,000.00	2,500.00
410.373 · Police Maint & Repair Bldg	6,812.83	9,000.00	-2,187.17		
410.374 · Police Equipment Maint	3,099.88	3,500.00	-400.12		
410.420 · Police Dues, Subscriptions	427.10	1,500.00	-1,072.90		
410.450 · Police Contracted Services	87,804.67	99,163.00	-11,358.33	103,163.00	10,000.00
410.451 · Police Vehicle Maintenance	15,750.27	25,000.00	-9,249.73		
410.460 · Police Meetings & Training	1,741.40	8,500.00	-6,758.60		
411.232 · Fire Department Fuel	0.00	6,150.00	-6,150.00		
411.540 · Foreign Fire Payments	0.00	104,000.00	-104,000.00		
411.541 · Disbursement to Fire Company	0.00	215,000.00	-215,000.00		
413.220 · Code Enforcement Supplies	50.00	500.00	-450.00	50.00	-450.00
413.260 · Code Enforcement Minor Equip	0.00	500.00	-500.00	0.00	-300.00
413.310 · Prof Services - BIU Building	314,156.85	400,000.00	-85,843.15		
413.311 · Prof Services - SEO	9,947.04	15,000.00	-5,052.96		
413.319 · Code Enforcement UCC Fees	564.00	1,000.00	-436.00		
413.420 · Code Enforcement Dues & Subs	0.00	250.00	-250.00		
413.460 · Code Enforcement Meetings	0.00	500.00	-500.00		
414.110 · Planning & Zoning Salaries	15,146.00	15,146.00	0.00		
414.120 · Planning & Zoning OT	68.25	69.00	-0.75		
414.192 · Planning & Zoning SSI Taxes	1,163.90	1,164.00	-0.10		
414.196 · Planning & Zoning Health Ins	5,813.90	5,814.00	-0.10		
414.198 · Planning & Zoning N-U Pension	0.00	0.00	0.00		
414.199 · Zoning Life & Disability	189.00	189.00	0.00		
414.220 · Planning & Zoning Supplies	126.78	127.00	-0.22		
414.310 · Planning & Zoning Prof Svcs	17,886.90	31,000.00	-13,113.10		
414.313 · Planning & Zoning Engineering	4,176.39	10,000.00	-5,823.61		
414.314 · Planning & Zoning Legal	17,541.32	25,000.00	-7,458.68		
414.324 · Zoning Cell Phone	70.62	71.00	-0.38		
414.331 · Zoning Officer Mileage	0.00	0.00	0.00		
414.341 · Planning & Zoning Advertising	2,556.80	3,200.00	-643.20		
414.460 · Planning & Zoning Meetings	0.00	500.00	-500.00		
415.220 · Emer Mgmt Operating Supplies	0.00	500.00	-500.00		
415.460 · Emer Mgmt Meetings & Training	0.00	200.00	-200.00		
427.220 · Solid Waste Coll Supplies	1,630.00	3,000.00	-1,370.00		
427.221 · Equip Rental - Grinder	0.00	0.00	0.00		
427.450 · Contracted Svcs - Clean-Up Days	9,684.54	20,700.00	-11,015.46		
430.110 · Public Works Salaries	307,181.38	398,645.00	-91,463.62		
430.120 · Public Works OT Wages	13,470.62	25,000.00	-11,529.38		
430.192 · Public Works SSI Taxes	24,395.12	32,409.00	-8,013.88		
430.196 · Public Works Insurance	188,249.63	223,374.00	-35,124.37		
430.198 · Public Works N-U Pension	27,016.74	34,258.00	-7,241.26		
430.199 · Public Works Life & Disab Ins	5,525.00	7,322.00	-1,797.00		
430.200 · Public Works Director Allowance	444.15	600.00	-155.85		
430.220 · Public Works Oper Supplies	5,448.30	13,300.00	-7,851.70		

General Fund					
October 2016 Transfers					
430.232 · Public Works Diesel	23,278.28	55,000.00	-31,721.72		
430.234 · Public Works Vehicle Supplies	388.17	6,000.00	-5,611.83		
430.238 · Public Works Uniforms	5,472.83	7,800.00	-2,327.17		
430.260 · Public Works Minor Equip Purch	713.81	2,000.00	-1,286.19		
430.331 · Mileage Reimbursement	259.71	1,000.00	-740.29		
430.341 · Public Works Advertising	1,510.80	1,500.00	10.80	3,500.00	2,000.00
430.373 · Public Works Maint & Rep Bldg	541.26	9,000.00	-8,458.74		
430.375 · Public Works Heavy Equip Maint	38,285.52	77,000.00	-38,714.48		
430.384 · Public Works Equip Rental	0.00	500.00	-500.00	0.00	-500.00
430.420 · Public Works Dues, Subscription	200.00	500.00	-300.00		
430.450 · Public Works Contracted Srvs	180.00	1,000.00	-820.00		
430.460 · Public Works Meetings & Trainin	132.50	750.00	-617.50		
430.650 · Public Works Hand Tool Purch	274.90	500.00	-225.10		
432.220 · Snow & Ice Rem Oper Supplies	45,082.51	125,000.00	-79,917.49		
432.375 · Snow & Ice Rem Equipment Maint	7,980.08	8,000.00	-19.92		
432.450 · Snow & Ice Rem Subcontractors	0.00	7,500.00	-7,500.00		
433.220 · Traffic Signals & Signs Supply	0.00	3,000.00	-3,000.00		
433.360 · Traffic Signals & Signs Utiliti	2,459.03	4,000.00	-1,540.97		
433.450 · Traffic Signals Contracted Srvs	13,358.34	15,250.00	-1,891.66		
438.220 · Road Maint Supplies	15,641.26	75,000.00	-59,358.74		
438.611 · Line Painting	0.00	40,000.00	-40,000.00	20,000.00	-20,000.00
438.612 · Crack Sealing	29,997.68	30,000.00	-2.32		
438.613 · Vegetation Control	1,100.00	20,000.00	-18,900.00		
452.390 · Recreation fees	126.05	300.00	-173.95		
454.110 · Park Salary & Wage	50,192.42	65,729.00	-15,536.58		
454.120 · Park OT	426.47	1,500.00	-1,073.53		
454.192 · Park SSI	3,860.78	5,142.00	-1,281.22		
454.198 · Park N-U Pension Plan	1,807.39	2,343.00	-535.61		
454.220 · Park Operating Supplies	2,652.70	3,000.00	-347.30		
454.231 · Park Vehicle Fuel	442.52	1,500.00	-1,057.48		
454.260 · Park Minor Equipment	743.36	1,500.00	-756.64		
454.310 · Park Professional Services	0.00	1,700.00	-1,700.00		
454.320 · Park Communications	687.76	800.00	-112.24		
454.340 · Park Advertising & Printing	852.13	500.00	352.13	1,500.00	1,000.00
454.360 · Park Utilities	1,590.66	2,700.00	-1,109.34		
454.373 · Park Repairs & Maintenance	9,228.50	13,850.00	-4,621.50		
454.374 · Park Equipment Maintenance	2,277.39	5,000.00	-2,722.61		
454.450 · Park Contracted Services	7,754.58	20,000.00	-12,245.42		
454.460 · Park Meetings & Training	85.00	500.00	-415.00		
454.700 · Park Capital Purchases	22,075.00	29,400.00	-7,325.00		
457.540 · Community Day Celebration	577.50	3,000.00	-2,422.50		
457.541 · Bicentennial Committee Expenses	2,057.06	7,500.00	-5,442.94		
463.540 · TIF	158,068.62	159,000.00	-931.38	158,624.00	-376.00
471.200 · Series 2006 GON (school)	24,438.94	24,523.00	-84.06		
471.350 · 2011 Case Loader	8,938.94	11,960.00	-3,021.06		
471.351 · Rogers Trailer	3,640.51	3,641.00	-0.49		
472.200 · Series 2006 GON Interest	222.06	226.00	-3.94		
472.350 · 2011 Case Loader Interest	189.76	211.00	-21.24		
472.351 · Rogers Trailer Interest	104.63	105.00	-0.37		
483.194 · Employer Pd Unemployment Comp	26,834.20	27,500.00	-665.80		
483.195 · Employer Pd Worker's Comp	113,362.00	121,000.00	-7,638.00		
483.200 · Federal Healthcare Tax	138.88	139.00	-0.12		
483.201 · Transitional Reinsurance Fee	0.00	2,874.00	-2,874.00		
486.350 · Property & Liability Insurance	92,177.00	92,177.00	0.00		
486.355 · Professional Bonds	5,650.00	6,425.00	-775.00		
489.100 · Miscellaneous Expenses	15.00	50.00	-35.00		
492.300 · Interfund Transfer to Cap Resv	1,128,094.04	1,128,094.00	0.04		
491.000 · Refund of Prior Year Revenues	1,937.51	3,155.00	-1,217.49		
					0

Pocono Township Check Listing
October 3, 2016

<u>Date</u>	<u>Check</u>	<u>Vendor</u>	<u>Memo</u>	<u>Amount</u>
General Fund				
09/29/2016	54944	Amerihealth Casualty Services	Workman Comp - October	9,894.49
09/29/2016	54945	B. Newhart & Sons, Inc.	Tank Cleaning - Mt. View Park	450.00
09/29/2016	54946	BIU of PA, Inc.	SEO/ZO/BIU	2,795.00
09/29/2016	54947	Blue Ridge Trailer Sales & Service	Supplies	37.90
09/29/2016	54948	Boucher & James, Inc.	Engineering	2,146.07
09/29/2016	54949	D.G. Nicholas Co.	Vehicle supplies	556.73
09/29/2016	54950	Davidheiser's Inc.	Calibrate Trackers	90.00
09/29/2016	54951	Delaware Valley Retirement, Inc.	Pension Plan redo	1,250.00
09/29/2016	54952	E.M.Kutz, Inc.	Chain hooks - Trucks	428.00
09/29/2016	54953	Eckert, Seamans, Cherin & Mellott, LLC	Police Arbitration	76.98
09/29/2016	54954	Getz, Ed	Workboots allowance	139.99
09/29/2016	54955	HUNTER KEYSTONE PETERBILT	Truck #6	50.39
09/29/2016	54956	J. P. Mascaro & Sons	Garbage Twp/Park	628.78
09/29/2016	54957	Kaylee Nayman Designs	Bicentennial Invite - Advertisement	304.00
09/29/2016	54958	Kimball Midwest	Parts	91.60
09/29/2016	54959	Kresge, Daniel	Uniform Allowance	550.56
09/29/2016	54960	Monroe County Control Center	4th Quarter	20,165.96
09/29/2016	54961	Otto, Carol	Cleaning - Police/Twp/Public Works	550.00
09/29/2016	54962	PA Municipal League	Advertisement - Public Works	120.00
09/29/2016	54963	Pitney Bowes	Postage meter	117.00
09/29/2016	54964	PSATS	Job Posting - Public Works Director	100.00
09/29/2016	54965	Reed and Perrine Sales, Inc.	Fertilizer - Mt. View	347.40
09/29/2016	54966	SPW Cleaning Services	Floor Maintenance - Police	100.00
09/29/2016	54967	Staples Credit Plan	Office supplies	124.03
09/29/2016	54968	Stiff Oil Company	Diesel	3,312.00
09/29/2016	54969	STTC Service Tire Truck Centers, INC.	Tire repair	113.00
09/29/2016	54970	The Lodge at Mountain Springs Lake	Twp. Manager's reception	150.00
09/29/2016	54971	Trapasso, Charlie Lynn	Advertisement/copies - Bicentennial	72.20
09/29/2016	54972	Tulpehocken Mountain Spring Water In	Water	56.70
09/29/2016	54973	UNIFIRST Corporation	Carpets/Uniforms - Three weeks	483.11
09/29/2016	54974	Verizon Wireless	Phones	509.12
09/29/2016	54975	Vogt, Charles	Mileage	15.66
09/29/2016	54976	Wilson Products Compressed Gas Co.	Supplies	6.50
09/29/2016	54977	Steele's Hardware	Twp. Supplies	69.57
09/29/2016	54978	Steele's Hardware	Park Supplies	269.60
09/29/2016	54979	Nationwide	Voluntary supplemental pension plan	7,952.14
09/29/2016	54980	Lincoln Life	Voluntary supplemental pension plan	300.00
09/29/2016	54981	Met Life	Non Uniform pension	5,648.85
09/29/2016	54982	US Bank	Police Pension	7,306.53
09/30/2016	54984	Schwaab, Inc	Notary stamp	37.36
09/30/2016	54985	Staples Advantage	Supplies	261.59
			TOTAL General Fund	<u>\$67,678.81</u>

Pocono Township Check Listing
October 3, 2016

Sewer Operating Fund

09/29/2016 1667	Pocono Management	Patrick Briegel	800.00
09/29/2016 1668	Met Ed	Electric	280.65
09/29/2016 1669	Blue Ridge Communications	Cable	112.20
09/29/2016 1670	Boucher & James	Engineering	160.50
09/29/2016 1671	Prosser Labs	One Call Markings	2,340.00
09/29/2016 1672	JP Mascaro	Garbage pickup	90.00
09/29/2016 1673	EEMA O&M Services	Maintenance	6,103.50
09/29/2016 1674	Evoqua	Temporary Sanofi testing	5,100.00
09/29/2016 12675	Pocono Township	To repay GF for PW directors salary	10,061.06
		TOTAL Sewer Operating Fund	<u>\$25,047.91</u>

Sewer Construction Fund

09/29/2016 181	Broughal & DeVito	Legal	1,275.00
09/29/2016 182	Boucher & James	Engineering	267.50
		TOTAL Sewer Construction Fund	<u>\$1,542.50</u>

Payroll	PAY 20	\$81,848.60
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TOTAL General Fund	\$67,678.81	Transferred by:
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TOTAL Sewer

Construction Fund

TOTAL ESSA Transfer

\$1,542.50

\$69,221.31

TOTAL Sewer

Wayne Bank

\$25,047.91

Authorized by:

**ADOPTION AGREEMENT FOR
ELIGIBLE GOVERNMENTAL 457 PLAN**

The undersigned Employer, by executing this Adoption Agreement, establishes an Eligible 457 Plan ("Plan"). The Employer, subject to the Employer's Adoption Agreement elections, adopts fully the Plan provisions. This Adoption Agreement, the basic plan document and any attached Appendices, amendments, or agreements permitted or referenced therein, constitute the Employer's entire plan document. All "Election" references within this Adoption Agreement or the basic plan document are Adoption Agreement Elections. All "Article" or "Section" references are basic plan document references. Numbers in parentheses which follow election numbers are basic plan document references. Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

1. EMPLOYER (1.11).

Name: Pocono Township

Address: 112 Township Drive, P.O. Box 197
Street

Tannersville Pennsylvania 18372
City State Zip

Telephone: 570-629-1922

Taxpayer Identification Number (TIN): 24-6001526

2. PLAN NAME.

Name: Pocono Township 457 Plan

3. PLAN YEAR (1.25). Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every (Choose one of a. or b. and choose c. if applicable): [Note: Complete any applicable blanks under Election c. with a specific date, e.g., "June 30" OR "the last day of February" OR "the first Tuesday in January." In the case of a Short Plan Year or a Short Limitation Year, include the year, e.g., "May 1, 2013."]

- a. ☒ **December 31.**
- b. ☐ **Plan Year:** ending: _____.
- c. ☐ **Short Plan Year:** commencing: _____ and ending: _____.

4. EFFECTIVE DATE (1.08). The Employer's adoption of the Plan is a (Choose one of a. or b. Complete c. if new plan OR complete c. and d. if an amendment and restatement. Choose e. if applicable):

- a. ☐ **New Plan.**
- b. ☒ **Restated Plan.** The Plan is a substitution and amendment of an existing 457 plan.

Initial Effective Date of Plan

- c. ☒ June 30, 1998 (enter month day, year; hereinafter called the "Effective Date" unless 4d is entered below)

Restatement Effective Date (If this is an amendment and restatement, enter effective date of the restatement.)

- d. ☒ January 1, 2016 (enter month day, year)

Special Effective Dates: (optional)

- e. ☐ **Describe:** _____.

5. CONTRIBUTION TYPES. (If this is a frozen Plan (i.e., all contributions have ceased), choose a. only):

Frozen Plan

- a. ☐ **Contributions cease.** All Contributions have ceased or will cease (Plan is frozen).
1. **Effective date of freeze:** _____ [Note: Effective date is optional unless this is the amendment or restatement to freeze the Plan.]

Contributions. The Employer and/or Participants, in accordance with the Plan terms, make the following Contribution Types to the Plan (Choose one or more of b. through d. if applicable):

- b. ☒ **Pre-Tax Elective Deferrals.** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation, as provided in the Participant's Salary Reduction Agreement (Choose one or more as applicable.):

And will Matching Contributions be made with respect to Elective Deferrals?

1. ☒ Yes. See Question 16.

2. ☐ No.

And will Roth Elective Deferrals be made?

3. ☐ Yes. [Note: The Employer may not limit Deferrals to Roth Deferrals only.]

4. ☒ No.

- c. ☐ **Nonelective Contributions.** See Question 17.

- d. ☒ **Rollover Contributions.** See Question 30.

6. **EXCLUDED EMPLOYEE (1.10).** The following Employees are Excluded Employees and are not eligible to participate in the Plan (Choose one of a. or b.):

- a. ☐ **No exclusions.** All Employees are eligible to participate.

- b. ☒ **Exclusions.** The following Employees are Excluded Employees (Choose one or more of 1. through 4.):

1. ☒ **Part-time Employees.** The Plan defines part-time Employees as Employees who normally work less than 40 hours per week.

2. ☐ **Hourly-paid Employees.**

3. ☐ **Leased Employees.** The Plan excludes Leased Employees.

4. ☒ **Specify:** temporary or seasonal Employees.

7. **INDEPENDENT CONTRACTOR (1.16).** The Plan (Choose one of a., b. or c.):

- a. ☐ **Participate.** Permits Independent Contractors to participate in the Plan.

- b. ☒ **Not Participate.** Does not permit Independent Contractors to participate in the Plan.

- c. ☐ **Specified Independent Contractors.** Permits the following specified Independent Contractors to participate:

[Note: If the Employer elects to permit any or all Independent Contractors to participate in the Plan, the term Employee as used in the Plan includes such participating Independent Contractors.]

8. **COMPENSATION (1.05).** Subject to the following elections, Compensation for purposes of allocation of Deferral Contributions means:

Base Definition (Choose one of a., b. or c.):

- a. ☐ Wages, tips and other compensation on Form W-2.

- b. ☒ Code §3401(a) wages (wages for withholding purposes).

- c. ☐ 415 safe harbor compensation.

[Note: The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2), & 457. Compensation for an Independent Contractor means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies below.]

Modifications to Compensation definition. The Employer elects to modify the Compensation definition as follows (Choose one of d. or e.):

- d. ☐ **No modifications.** The Plan makes no modifications to the definition.

- e. ☒ **Modifications** (Choose one or more of 1. through 5.):

1. ☒ **Fringe benefits.** The Plan excludes all reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.

2. ☐ **Elective Contributions.** [1.05(E)] The Plan excludes a Participant's Elective Contributions.

3. ☐ **Bonuses.** The Plan excludes bonuses.

4. ☐ **Overtime.** The Plan excludes overtime.

5. ☐ **Specify:** _____

Compensation taken into account. For the Plan Year in which an Employee first becomes a Participant, the Plan Administrator will determine the allocation of matching and nonelective contributions by taking into account *(Choose one of f. or g.):*

f. ☒ **Plan Year.** The Employee's Compensation for the entire Plan Year.

g. ☐ **Compensation while a Participant.** The Employee's Compensation only for the portion of the Plan Year in which the Employee actually is a Participant.

9. **POST-SEVERANCE COMPENSATION (1.05(F)).** Compensation includes the following types of Post-Severance Compensation paid within any applicable time period as may be required *(Choose one of a. or b.):*

a. ☐ **None.** The Plan does not take into account Post-Severance Compensation as to any Contribution Type except as required under the basic plan document.

b. ☒ **Adjustments.** The following Compensation adjustments apply *(Choose one or more):*

1. ☒ **Regular Pay.** Post-Severance Compensation will include Regular Pay and it will apply to all Contribution Types.

2. ☐ **Leave-Cashouts.** Post-Severance Compensation will include Leave Cashouts and it will apply to all Contribution Types.

3. ☒ **Nonqualified Deferred Compensation.** Post-Severance Compensation will include Deferred Compensation and it will apply to all Contribution Types.

4. ☐ **Salary Continuation for Disabled Participants.** Post-Severance Compensation will include Salary Continuation for Disabled Participants and it will apply to all Contribution Types.

5. ☒ **Differential Wage Payments.** Post-Severance Compensation will include Differential Wage Payments (military continuation payments) and it will apply to all Contribution Types.

6. ☐ **Describe alternative Post-Severance Compensation definition, limit by Contribution Type, or limit by Participant group:** _____

10. **NORMAL RETIREMENT AGE (1.20).** A Participant attains Normal Retirement Age under the Plan *(Choose one of a. or b.):*

a. ☒ **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age 65. *[Note: The age may not exceed age 70 1/2. The age may not be less than age 65, or, if earlier, the age at which a Participant may retire and receive benefits under the Employer's pension plan, if any.]*

b. ☐ **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ and may not be later than age _____. *[Note: The age may not exceed age 70 1/2.]*

Special Provisions for Police or Fire Department Employees *(Choose c. and/or d. as applicable):*

c. ☐ **Police department employees.** [Plan Section 3.05(B)(3)] *(Choose 1. or 2.):*

1. ☐ **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. *[Note: The age may not exceed age 70 1/2 and may not be less than age 40.]*

2. ☐ **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. *[Note: The age may not exceed age 70 1/2.]*

d. ☐ **Fire department employees.** [Plan Section 3.05(B)(3)] *(Choose 1. or 2.):*

1. ☐ **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. *[Note: The age may not exceed age 70 1/2 and may not be less than age 40.]*

2. ☐ **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. *[Note: The age may not exceed age 70 1/2.]*

11. **ELIGIBILITY CONDITIONS (2.01).** *(Choose one of a. or b.):*

a. ☐ **No eligibility conditions.** The Employee is eligible to participate in the Plan as of his/her first day of employment with the employer.

b. ☒ **Eligibility conditions.** To become a Participant in the Plan, an Eligible Employee must satisfy the following eligibility conditions *(Choose one or more of 1., 2. or 3.):*

1. ☐ **Age.** Attainment of age _____.

2. ☒ **Service.** Service requirement (Choose one of a. or b.):
- a. ☐ **Year of Service.** One year of Continuous Service.
- b. ☒ **Months of Service.** six (6) month(s) of Continuous Service.

3. ☐ **Specify:** _____

12. **PLAN ENTRY DATE (1.24).** "Plan Entry Date" means the Effective Date and (Choose one of a. through d.):

- a. ☒ **Monthly.** The first day of the month coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions.
- b. ☐ **Annual.** The first day of the Plan Year coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions.
- c. ☐ **Date of hire.** The Employee's employment commencement date with the Employer.
- d. ☐ **Specify:** _____

13. **SALARY REDUCTION CONTRIBUTIONS (1.30).** A Participant's Salary Reduction Contributions under Election 5b. are subject to the following limitation(s) in addition to those imposed by the Code (Choose one of a. or b.):

- a. ☒ **No limitations.**
- b. ☐ **Limitations.** (Choose one or more of 1., 2. or 3.):
1. ☐ **Maximum deferral amount.** A Participant's Salary Reductions may not exceed: _____ (specify dollar amount or percentage of Compensation).
2. ☐ **Minimum deferral amount.** A Participant's Salary Reductions may not be less than: _____ (specify dollar amount or percentage of Compensation).
3. ☐ **Specify:** _____

[Note: Any limitation the Employer elects in b.1. through b.3. will apply on a payroll basis unless the Employer otherwise specifies in b.3.]

Special NRA Catch-Up Contributions (3.05). The Plan (Choose one of c. or d.):

- c. ☒ **Permits.** Participants may make NRA catch-up contributions.
- AND, Special NRA Catch-Up Contributions (Choose one of 1. or 2.):**
1. ☒ will be taken into account in applying any matching contribution under the Plan.
2. ☐ will not be taken into account in applying any matching contribution under the Plan.
- d. ☐ **Does not permit.** Participants may not make NRA catch-up contributions.

Age 50 Catch-Up Contributions (3.06). The Plan (Choose one of e. or f.):

- e. ☒ **Permits.** Participants may make age 50 catch-up contributions.
- f. ☐ **Does not permit.** Participants may not make age 50 catch-up contributions.

14. **SICK, VACATION AND BACK PAY (3.02(A)).** The Plan (Choose one of a. or b.):

- a. ☐ **Permits.** Participants may make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
- b. ☒ **Does Not Permit.** Participants may not make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

15. **AUTOMATIC ENROLLMENT (3.02(B)).** Does the Plan provide for automatic enrollment (Choose one of the following) [Note: if Eligible Automatic Contribution Arrangement (EACA), select 15c and complete Questions 31 & 32]:

- a. ☒ **Does not apply.** Does not apply the Plan's automatic enrollment provisions.
- b. ☐ **Applies.** Applies the Plan's automatic enrollment provisions. The Employer as a Pre-Tax Elective Deferral will withhold _____% from each Participant's Compensation unless the Participant elects a different percentage (including zero) under his/her Salary Reduction Agreement. The automatic election will apply to (Choose one of 1. through 3.):
1. ☐ **All Participants.** All Participants who as of _____ are not making Pre-Tax Elective Deferrals at least equal to the automatic amount.
2. ☐ **New Participants.** Each Employee whose Plan Entry Date is on or following: _____.
3. ☐ **Describe Application of Automatic Deferrals:** _____

- c. ☐ EACA. The Plan will provide an Eligible Automatic Contribution Arrangement (EACA). Complete Questions 31 & 32.

16. **MATCHING CONTRIBUTIONS (3.03).** The Employer Matching Contributions is *(Choose one or more of a. through d.)*:

- a. ☐ **Fixed formula.** An amount equal to _____ of each Participant's Salary Reduction Contributions.
- b. ☐ **Discretionary formula.** An amount (or additional amount) equal to a matching percentage the Employer from time to time may deem advisable of each Participant's Salary Reduction Contributions.
- c. ☐ **Tiered formula.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Salary Reduction Contributions, determined as follows:

NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

- d. ☒ **Specify:** Fixed Formula. An amount equal to 11% of Salary Reduction Contributions up to an amount not exceeding \$600 annually, or, the matching formula as specified under the current Police Contract. Only Township Police employees shall be eligible for Matching Contributions

Time Period for Matching Contributions. The Employer will determine its Matching Contribution based on Salary Reduction Contributions made during each *(Choose one of e. through h.)*:

- e. ☒ **Plan Year.**
- f. ☐ **Plan Year quarter.**
- g. ☐ **Payroll period.**
- h. ☐ **Specify:** _____

Salary Reduction Contributions Taken into Account. In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, the following limitations apply *(Choose one of i. through l.)*:

- i. ☒ **All Salary Reduction Contributions.** The Plan Administrator will take into account all Salary Reduction Contributions.
- j. ☐ **Specific limitation.** The Plan Administrator will disregard Salary Reduction Contributions exceeding _____ % of the Participant's Compensation.
- k. ☐ **Discretionary.** The Plan Administrator will take into account the Salary Reduction Contributions as a percentage of the Participant's Compensation as the Employer determines.
- l. ☐ **Specify:** _____

Allocation Conditions. To receive an allocation of Matching Contributions, a Participant must satisfy the following allocation condition(s) *(Choose one of m. or n.)*:

- m. ☒ **No allocation conditions.**
- n. ☐ **Conditions.** The following allocation conditions apply to Matching Contributions *(Choose one or more of 1. through 4.)*:
1. ☐ **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.
 2. ☐ **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
 3. ☐ **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
 4. ☐ **Specify:** _____

17. **NONELECTIVE CONTRIBUTIONS (1.19).** The Nonelective Contributions under Election 5c. are made as follows: *(Choose one)*:

- a. ☐ **Discretionary - Pro-Rata.** An amount the Employer in its sole discretion may determine.
- b. ☐ **Fixed - Pro Rata.** _____ % of Compensation.
- c. ☐ **Other.** A Nonelective Contribution may be made as follows:

Allocation Conditions. (3.08). To receive an allocation of Nonelective Contributions, a Participant must satisfy the following allocation condition(s) *(Choose one of d. or e.)*:

- d. ☐ **No allocation conditions.**
- e. ☐ **Conditions.** The following allocation conditions apply to Nonelective Contributions *(Choose one or more of 1. through 4.)*:
 - 1. ☐ **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.
 - 2. ☐ **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
 - 3. ☐ **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
 - 4. ☐ **Specify:** _____.

18. **TIME AND METHOD OF PAYMENT OF ACCOUNT (4.02).** The Plan will distribute to a Participant who incurs a Severance from Employment his/her Vested Account as follows:

Timing. The Plan, in the absence of a permissible Participant election to commence payment later, will pay the Participant's Account *(Choose one of a. through e.)*:

- a. ☐ **Specified Date.** _____ days after the Participant's Severance from Employment.
- b. ☒ **Immediate.** As soon as administratively practicable following the Participant's Severance from Employment.
- c. ☐ **Designated Plan Year.** As soon as administratively practicable in the _____ Plan Year beginning after the Participant's Severance from Employment.
- d. ☐ **Normal Retirement Age.** As soon as administratively practicable after the close of the Plan Year in which the Participant attains Normal Retirement Age.
- e. ☐ **Specify:** _____.

Method. The Plan, in the absence of a permissible Participant election, will distribute the Participant's Account under one of the following method(s) of distribution *(Choose one or more of f. through j. as applicable)*:

- f. ☒ **Lump sum.** A single payment.
- g. ☒ **Installments.** Multiple payments made as follows: Payments over a period certain in monthly, quarterly, semi-annual or annual cash installments not to extend beyond the earlier of the Participant's life expectancy (or the joint life expectancy of the Participant and the Participant's designated Beneficiary)
- h. ☐ **Installments for required minimum distributions only.** Annual payments, as necessary under Plan Section 4.03.
- i. ☐ **Annuity distribution option(s):** _____.
- j. ☐ **Specify:** _____.

Participant Election. [Plan Sections 4.02(A) and (B)] The Plan *(Choose one of k, l. or m.)*:

- k. ☒ **Permits.** Permits a Participant, with Plan Administrator approval of the election, to elect to postpone distribution beyond the time the Employer has elected in a. through e. and also to elect the method of distribution (including a method not described in f. through j. above).
- l. ☐ **Does not permit.** Does not permit a Participant to elect the timing and method of Account distribution.
- m. ☐ **Specify:** _____.

Mandatory Distributions. Notwithstanding any other distribution election, following Severance from Employment *(Choose n. or o.)*:

- n. ☐ **No Mandatory Distributions.** The Plan will not make a Mandatory Distribution.
- o. ☒ **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$5,000 (unless a different amount selected below) as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

1. ☐ **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$_____ as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

Exclusion of rollovers in determination of \$5,000 threshold. In determining the \$5,000 threshold (or other dollar threshold above), rollover contributions will be:

- p. ☐ **included.**
 q. ☒ **excluded.**

19. **BENEFICIARY DISTRIBUTION ELECTIONS.** Distributions following a Participant's death will be made as follows (*Choose one of a. through d.*):

- a. ☐ **Immediate.** As soon as practical following the Participant's death.
 b. ☐ **Next Calendar Year.** At such time as the Beneficiary may elect, but in any event on or before the last day of the calendar year which next follows the calendar year of the Participant's death.
 c. ☒ **As Beneficiary elects.** At such time as the Beneficiary may elect, consistent with Section 4.03.
 d. ☐ **Describe:** _____.

[Note: The Employer under Election 19d. may describe an alternative distribution timing or afford the Beneficiary an election which is narrower than that permitted under Election 19c., or include special provisions related to certain beneficiaries, (e.g., a surviving spouse). However, any election under Election 19d. must require distribution to commence no later than the Section 4.03 required date.]

20. **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT (4.05).** A Participant prior to Severance from Employment may elect to receive a distribution of his/her Vested Account under the following distribution options (*Choose one of a. or b.*):

- a. ☐ **None.** A Participant may not receive a distribution prior to Severance from Employment.
 b. ☒ **Distributions.** Prior to Severance from Employment are permitted as follows (*Choose one or more of 1. through 4.*):
 1. ☒ **Unforeseeable emergency.** A Participant may elect a distribution from his/her Account in accordance with Plan Section 4.05(A).
 2. ☒ **De minimis exception.** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$5,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of a., b. or c.*):
 a. ☒ **Participant election.** The Participant may elect to receive all or any portion of his/her Account.
 b. ☐ **Mandatory distribution.** The Plan Administrator will distribute the Participant's entire Account.
 c. ☐ **Hybrid.** The Plan Administrator will distribute a Participant's Account that does not exceed \$_____ and the Participant may elect to receive all or any portion of his/her Account that exceeds \$_____ but that does not exceed \$5,000.
 3. ☒ **Age 70 1/2.** A Participant who attains age 70 1/2 prior to Severance from Employment may elect distribution of any or all of his/her Account.
 4. ☐ **Specify:** _____.

[Note: An Employer need not permit any in-service distributions. Any election must comply with the distribution restrictions of Code Section 457(d).]

21. **QDRO (4.06).** The QDRO provisions (*Choose one of a., b. or c.*):

- a. ☒ **Apply.**
 b. ☐ **Do not apply.**
 c. ☐ **Specify:** _____.

22. **ALLOCATION OF EARNINGS (5.07(B)).** The Plan allocates Earnings using the following method (*Choose one or more of a. through f.*):

- a. ☒ **Daily.** See Section 5.07(B)(4)(a).
 b. ☐ **Balance forward.** See Section 5.07(B)(4)(b).
 c. ☐ **Balance forward with adjustment.** See Section 5.07(B)(4)(c). Allocate pursuant to the balance forward method, except treat as part of the relevant Account at the beginning of the Valuation Period _____% of the contributions made during the following Valuation Period: _____.
 d. ☐ **Weighted average.** See Section 5.07(B)(4)(d). If not a monthly weighting period, the weighting period is _____.

e. ☐ Directed Account method. See Section 5.07(B)(4)(e).

f. ☐ Describe Earnings allocation method: _____.

[Note: The Employer under Election 22f. may describe Earnings allocation methods from the elections available under Election 22 and/or a combination thereof as to any: (i) Participant group (e.g., Daily applies to Division A Employees OR to Employees hired after "x" date. Balance forward applies to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., Daily applies as to Discretionary Nonelective Contribution Accounts. Participant-Directed Account applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., Balance forward applies to investments placed with vendor A and Participant-Directed Account applies to investments placed with vendor B OR Daily applies to Participant-Directed Accounts and balance forward applies to pooled Accounts).]

23. **HEART ACT PROVISIONS (1.31(C)(3)/3.13).** The Employer elects to (Choose one of a. or b. and c. or d.):

Continued Benefit Accruals.

a. ☒ Not apply the benefit accrual provisions of Section 3.13.

b. ☐ Apply the benefit accrual provisions of Section 3.13.

Distributions for deemed severance of employment (1.31(C)(3))

c. ☐ The Plan does NOT permit distributions for deemed severance of employment.

d. ☒ The Plan permits distributions for deemed severance of employment.

24. **VESTING/SUBSTANTIAL RISK OF FORFEITURE (5.11).** A Participant's Deferral Contributions are [Note: If a Participant incurs a Severance from Employment before the specified events or conditions, the Plan will forfeit the Participant's non-vested Account. Caution: if a Deferral is subject to vesting schedule or other substantial risk of forfeiture, it does not count as a deferral for purposes of the annual deferral limit until the year it is fully vested.] (Choose all that apply of a. through d.):

a. ☒ **100% Vested/No Risk of Forfeiture.** Immediately Vested without regard to additional Service and no Substantial Risk of Forfeiture. The following contributions are 100% Vested:

1. ☒ All Contributions. (skip to 25.)

2. ☐ Only the following contributions. (select all that apply):

a. ☐ Salary Reduction Contributions.

b. ☐ Nonelective Contributions.

c. ☐ Matching Contributions.

b. ☐ **Forfeiture under Vesting Schedule.** Vested according to the following:

Contributions affected. The following contributions are subject to the vesting schedule (Choose one or more of 1., 2. or 3.):

1. ☐ Salary Reduction Contributions.

2. ☐ Nonelective Contributions.

3. ☐ Matching Contributions.

4. ☐ Vesting Schedule.

Years of Service

Vested Percentage

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

For vesting purposes, a "Year of Service" means:

5. _____.

[Note: It is extremely rare to apply a vesting schedule to Salary Reduction Contributions.]

c. ☐ **Substantial Risk of Forfeiture.** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows:

Contributions affected. The following contributions are subject to the substantial risk of forfeiture under c. (Choose one or more of 1., 2. or 3.):

1. ☐ Salary Reduction Contributions. _____.

2. ☐ Nonelective Contributions.

3. ☐ Matching Contributions.

Risk Provisions: Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows (Choose one of 4. or 5.):

4. ☐ The Participant must remain employed by the Employer until _____, unless earlier Severance from Employment occurs on account of death or disability, as the Plan Administrator shall establish.

5. ☐ Specify: _____.

Additional Provisions (Choose d. if applicable)

d. ☐ Specify: _____.

FORFEITURE ALLOCATION. [Plan Sections 5.11(A) and 5.14] The Plan Administrator will allocate any Plan forfeitures (Choose one of the following):

e. ☐ **Additional Contributions.** As the following contribution type (Choose one of 1. or 2.):

1. ☐ **Nonelective.** As an additional Nonelective Contribution.

2. ☐ **Matching.** As an additional Matching Contribution.

f. ☐ **Reduce Fixed Contributions.** To reduce the following fixed contribution (Choose one of 1. or 2.):

1. ☐ **Nonelective.** To reduce the Employer's fixed Nonelective Contribution.

2. ☐ **Matching.** To reduce the Employer's fixed Matching Contribution.

g. ☐ Specify: _____.

25. **TRUST PROVISIONS.** The following provisions apply to Article VIII of the Plan (Choose as applicable; leave blank if not applicable):

a. ☐ **Modifications.** The Employer modifies the Article VIII Trust provisions as follows: _____. The remaining Article VIII provisions apply.

b. ☐ **Substitution.** The Employer replaces the Trust with the Trust Agreement attached to the Plan.

26. **CUSTODIAL ACCOUNT/ANNUITY CONTRACT (8.16).** The Employer will hold all or part of the Deferred Compensation in one or more custodial accounts or annuity contracts which satisfy the requirements of Code §457(g) (Choose a. or b., c. if applicable):

a. ☒ **Custodial account(s).**

b. ☐ **Annuity contract(s).**

c. ☐ Specify: _____.

[Note: The Employer under c. may wish to identify the custodial accounts or annuity contracts or to designate a portion of the Deferred Compensation to be held in such vehicles versus held in the Trust.]

27. **VALUATION.** In addition to the last day of the Plan Year, the Trustee (or Plan Administrator as applicable) must value the Trust Fund (or Accounts) on the following Valuation Date(s) (Choose one of a. or b.):

a. ☐ **No additional Valuation Dates.**

b. ☒ **Additional Valuation Dates.** (Choose one or more of 1., 2. or 3.):

1. ☒ **Daily Valuation Dates.** Each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee or Employer is conducting business.

2. ☐ **Last day of a specified period.** The last day of each _____ of the Plan Year.

3. ☐ **Specified Valuation Dates:** _____.

[Note: The Employer under Election 26b.3. may describe Valuation Dates from the elections available under Election 26b. and/or a combination thereof as to any: (i) Participant group (e.g., No additional Valuation Dates apply to Division A Employees OR to Employees hired after "x" date. Daily Valuation Dates apply to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., No additional Valuation Dates apply as to Discretionary Nonelective Contribution Accounts. The last day of each Plan Year quarter applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., No additional Valuation Dates apply to investments placed with vendor A and Daily Valuation Dates apply to investments placed with vendor B OR Daily Valuation Dates apply to Participant-Directed Accounts and no additional Valuation Dates apply to pooled Accounts).]

28. TRUSTEE (Select all that apply; leave blank if not applicable.):

- a. ☒ Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)

Title(s)

Regina Zuvich

Trustee

Charles Vogt

Trustee

Address and Telephone number (Choose one of 1. or 2.):

1. ☒ Use Employer address and telephone number.
2. ☐ Use address and telephone number below:

Address: _____ Street

City

State

Zip

Telephone: _____

- b. ☐ Corporate Trustee

Name: _____

Address: _____ Street

City

State

Zip

Telephone: _____

AND, the Corporate Trustee shall serve as:

- c. ☐ a Directed (nondiscretionary) Trustee over all Plan assets except for the following:

- d. ☐ a Discretionary Trustee over all Plan assets except for the following:

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29. PLAN LOANS (5.02(A)). The Plan permits or does not permit Participant Loans (*Choose one of a. or b.*):

- a. ☐ Does not permit.
- b. ☒ Permitted pursuant to the Loan Policy.

30. ROLLOVER CONTRIBUTIONS (3.09). The Plan permits Rollover Contributions subject to approval by the Plan Administrator and as further described below:

Who may roll over (Choose one of a. or b.):

- a. ☐ Participants only.
- b. ☒ Eligible Employees or Participants.

Sources/Types. The Plan will accept a Rollover Contribution (Choose one of c. or d.):

- c. ☒ **All.** From any Eligible Retirement Plan and as to all Contribution Types eligible to be rolled into this Plan.
- d. ☐ **Limited.** Only from the following types of Eligible Retirement Plans and/or as to the following Contribution Types:

Distribution of Rollover Contributions (Choose one of e., f. or g.):

- e. ☒ **Distribution without restrictions.** May elect distribution of his/her Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.
- f. ☐ **No distribution.** May not elect to receive distribution of his/her Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.
- g. ☐ **Specify:** _____

31. EACA Automatic Deferral Provisions (3.14).

Participants subject to the Automatic Deferral Provisions. The Automatic Deferral Provisions apply to Employees who become Participants after the Effective Date of the EACA (except as provided in d. below). Employees who became Participants prior to such Effective Date are subject to the following (a. – d. are optional):

- a. ☐ **All Participants.** All Participants, regardless of any prior Salary Reduction Agreement, unless and until a Participant makes an Affirmative Election after the Effective Date of the EACA.
- b. ☐ **Election of at least Automatic Deferral amount.** All Participants, except those who, on the Effective Date of the EACA, are deferring an amount which is at least equal to the Automatic Deferral Percentage.
- c. ☐ **No existing Salary Reduction Agreement.** All Participants, except those who have in effect a Salary Reduction Agreement on the effective date of the EACA regardless of the Salary Reduction Contribution amount under the Agreement.
- d. ☐ **Describe:** _____

Automatic Deferral Percentage. Unless a Participant makes an Affirmative Election, the Employer will withhold the following Automatic Deferral Percentage (select e. or f.):

- e. ☐ **Constant.** The Employer will withhold _____% of Compensation each payroll period.
- Escalation of deferral percentage (select one or leave blank if not applicable)**
1. ☐ **Scheduled increases.** This initial percentage will increase by _____% of Compensation per year up to a maximum of _____ of Compensation.
2. ☐ **Other (described Automatic Deferral Percentage):** _____

Automatic Deferral Optional Elections

- f. ☐ **Optional elections** (select all that apply or leave blank if not applicable)

Suspended Salary Reduction Contributions. If a Participant's Salary Reduction Contributions are suspended pursuant to a provision of the Plan (e.g., distribution due to military leave covered by the HEART Act), then a Participant's Affirmative Election will expire on the date the period of suspension begins unless otherwise elected below.

1. ☐ A Participant's Affirmative Election will resume after the suspension period.

Special Effective Date. Provisions will be effective as of the earlier of the Effective Date of the EACA provisions of Sections 2.2. or 2.3 unless otherwise specified below.

2. ☐ **Special Effective Date:** _____

32. In-Plan Roth Rollover Contributions.

- a. ☐ **Yes, allowed.**

33. In-Plan Roth Rollover Transfers.

- a. ☐ **Yes, allowed.**

This Plan is executed on the date(s) specified below:

Use of Adoption Agreement. Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer only may use this Adoption Agreement only in conjunction with the corresponding basic plan document.

EMPLOYER: Pocono Township

By: _____

Regina Zuvich

DATE SIGNED

TRUSTEE

Charles Vogt

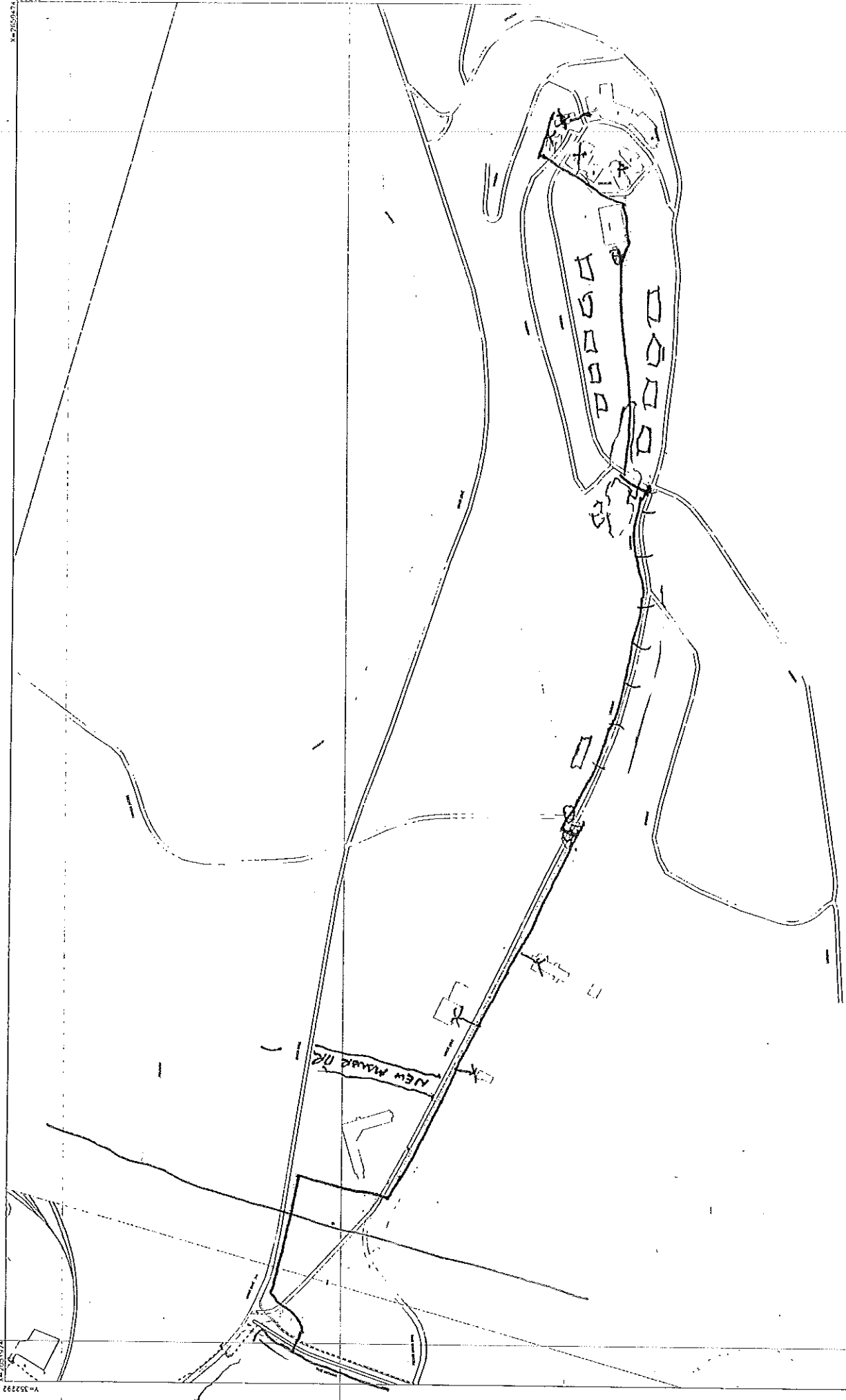
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TRUSTEE

DATE SIGNED

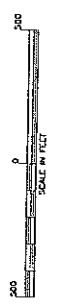
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Pennsylvania North MA027 (N)

UGI UTILITIES INC.

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POCONO TOWNSHIP

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October 4, 2016

Monroe County Industrial Development Authority
Attn: Michelle Bisbing, Director of Marketing
Pocono Mountains Economic Development Corporation
300 Community Drive, Suite D
Tobyhanna, PA 18466

**Re: Monroe County, Tobyhanna Township, PA
Pocono Manor Investors
Natural Gas Lines Extension Project**

Dear Mrs. Bisbing:

The Pocono Township Board of Commissioners, at their October 3, 2016 meeting, has authorized a letter be sent to your office in support of seeking grant funding for the extension of natural gas main from the terminus of the Coolbaugh-Tobyhanna natural gas line at Kalahari Boulevard to Pocono Manor Inn along the pathway within the Pocono Manor property and for the conversion of the boilers from propane and fuel oil to natural gas.

The Board believes that the proposed natural gas main extension will provide a more environmentally friendly and economical energy supply to the Pocono Manor Inn.

The Pocono Township Board of Commissioners supports Pocono Manor Investors in bringing this needed extension of an energy source and economic development to our township.

Sincerely,

Charles J. Vogt
Township Manager

/clb

AGREEMENT FOR PROVISION OF EMERGENCY MEDICAL SERVICES

THIS AGREEMENT FOR PROVISION OF EMERGENCY MEDICAL SERVICES (the "Agreement") is made as of October 4, 2016, between St Luke's Emergency and Transportation Services, Inc., a Pennsylvania not-for-profit corporation ("Provider") and the TOWNSHIP OF POCONO, a First Class Township and political subdivision of the Commonwealth of Pennsylvania (the "Municipality").

WITNESSETH THAT:

WHEREAS, Provider is licensed to provide emergency and non-emergency ambulance services by the Department of Health of the Commonwealth of Pennsylvania;

WHEREAS, Provider has agreed to provide the services specified in this Agreement and has agreed not to request any form of funding from the Municipality with respect to such services;

WHEREAS, the Municipality desires to designate Provider as the primary provider of emergency medical services within the Municipality, and Provider desires to provide such services subject to and in accordance with the terms and conditions of this Agreement; and

WHEREAS, the parties hereto desire to commemorate their understanding and agreement by means of this instrument.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

1. All "WHEREAS" clauses are incorporated by reference herein as if fully set forth at length and are made a part of this Agreement.

2. This Agreement shall be effective as of the date first written above and shall continue in effect until March 16, 2018 (the "Initial Term"), unless terminated pursuant to the provisions hereof. Upon the expiration of the Initial Term, this Agreement shall automatically renew for an additional term of two (2) years ("Renewal Term") on such terms and conditions contained in this Agreement, unless either party gives the other written notice sixty (60) days prior the expiration of the Initial Term.

3. Municipality acknowledges that Provider is investing significant resources to provide an ambulance dedicated to the Municipality and for the infrastructure required to meet its obligations herein. Therefore, Municipality agrees that it has no right to terminate this Agreement during the Initial Term, except for a breach by Provider hereunder, and as set forth herein.

4. For the term of this Agreement and any renewal hereof, the Municipality hereby designates Provider as the primary provider of emergency medical services and 911 response to residents of, and visitors to, the Municipality on a twenty- four hour per day, seven-day per week basis. The primary dispatch and response area shall generally include the geographical area encompassed by the Municipality.

5. Provider shall provide Advanced Life Support and Basic Life Support services utilizing properly equipped and staffed ambulances licensed by the Pennsylvania Department of Health or any successor licensing agency. All personnel staffing the emergency ambulances shall be properly certified by the Pennsylvania Department of Health or any successor certifying agency.

6. Provider shall station one Advanced Life Support ambulance and crew on duty in the Municipality at all times, and such ambulance and crew shall not be made unavailable for emergency calls due to the provider taking a prescheduled non-emergency transport unless another Advanced Life Support ambulance crew is available to provide emergency response. When dispatched to an emergency by the communications center, if an ambulance is available, it shall be en route to the scene of the emergency within two minutes from the time of dispatch.

7. Provider shall adhere to all Pennsylvania Department of Health ALS/BLS treatment protocols including medical command communications, and shall adhere to all communication guidelines established by the Monroe County Control Center.

8. In the event additional emergency medical resources are required to provide mutual aid coverage for any emergency situation, Provider shall have the authority to request such mutual aid coverage in accordance with the current radio operating guidelines set forth by the Monroe County Control Center at the time the resources are required.

9. Provider shall offer a subscription program to the residents of the Municipality in accordance with its ordinary practices. All fees charged to patients shall be in accordance with applicable laws and regulations, specifically including those laws and regulations relating to the Medicare and Medical Assistance programs. Provider shall honor Suburban Emergency Medical Services subscription program through June 30, 2017. Provider will adhere to all applicable billing and privacy regulations applicable to it, specifically including Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, Subtitle F – Administrative Simplification, Sections 261, et seq., as amended (HIPAA).

10. Provider shall provide a monthly report to the Municipality that shall include, the number of emergency calls dispatched to which it responded within the Municipality during the prior month, as well as those calls for assistance from neighboring communities, average response time, average on-route time and monthly EMS system report detailing customer satisfaction. Provider will provide education to the police department, fire department, township employees and the community at large, as mutually agreed upon by the parties. This includes but is not limited to CPR, First Aid, AED; Narcan/Naloxone and any other educational opportunities that our instructors are authorized to teach. Further, Provider shall make provisions for (i) the disposal of found, confiscated and turned in biohazards such as pills and needles and (ii) decontamination stations for personnel at hazardous response scenes as well as protective clothing. Provider shall inspect and restock first aid kits at municipal buildings as required and attend the Municipality's Board of Commissioner's meetings when requested. Provider shall participate in the Municipality's community events as mutually agreed upon by the parties.

11. Provider agrees to defend, indemnify, and hold the Municipality harmless from and against all claims, liabilities, damages and costs arising from (i) Provider's breach of this Agreement, (ii) Provider's failure to comply with any law, regulation or order applicable to its performance under this Agreement and/or (iii) any claim of negligence made by any third party against Provider.

12. Provider shall maintain appropriate automotive, property, liability and workers compensation insurance coverage as is necessary to operate its business. Provider shall maintain minimum insurance coverages as follows:

Workers Compensation	As required by statute
Vehicle Liability	\$1,000,000.00
Professional Malpractice	\$1,000,000.00
Errors and Omissions	\$1,000,000.00
Directors and Officers	\$ 500,000.00
General Liability	\$1,000,000.00

Upon request Provider shall provide evidence of such insurances to the Municipality. Provider currently has in force and in effect the insurance coverage delineated on the Certificate of Insurance attached hereto and made part hereof by this reference and marked Exhibit "A".

13. The Municipality shall receive from Provider its yearly financial review.

14. In the event the Municipality believes that Provider has materially breached any provision of this Agreement, the Municipality shall provide written notice to Provider, which notice shall specify the exact nature of the alleged breach. Provider shall then have ten (10) days to respond to the alleged breach and/or to cure the breach, if one exists. If a material breach does exist which cannot be fully cured within the ten (10) day period but Provider has begun a course of performance which, when completed, will then cure the breach, this Agreement will continue in full force and effect unless such cure is not effected in a reasonable period of time. Nothing in this Paragraph shall prevent the Municipality's Township Manager or the Municipality's designee from taking immediate action to designate a temporary primary responder in the event that the Township Manager or the Municipality's designee reasonably determines in their reasonable discretion that circumstances involving Provider render Provider unable to perform its obligations under the terms of this Agreement.

15. Notwithstanding any other provision in this Agreement, in the event (i) either party reasonably determines that any federal or state law or regulation makes it unlawful for such party to be bound by the terms of this Agreement; (ii) either party has materially misrepresented any fact on which the other party has relied in entering into this Agreement; (iii) Provider determines that one or more of the provisions of this Agreement may jeopardize its participation in, or payments under, Medicare, Medical Assistance, any successors to these programs, or any other material payer arrangement; (iv) there is a change in any federal, state or local law regulation, rule or policy which adversely affects Provider with regard to the services provided under this Agreement, (v) there is any change in dispatch protocols which effectively limits the primary dispatch area or reduces the number of calls to which Provider is dispatched. If, after thirty (30) days of such negotiations, the parties cannot reach agreement, either party may terminate this agreement upon ninety (90) days written notice to the other party.

16. Any notice or other communication to be provided from one party to another shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and mailed or delivered to the addresses listed on the last page of this Agreement. The Municipality's Township Manager shall be immediately notified if Provider experiences any issues which would significantly impact Provider's ability to provide services as required by this Agreement.

17. Provider is an independent contractor under this Agreement and this Agreement

does not establish a partnership, agency, joint venture or any other joint entity or enterprise between Provider and the Municipality. No party to this Agreement is empowered to represent, act as agent for or legally bind any other party.

18. Provider will not subcontract or assign this Agreement or any of its obligations or right hereunder without the prior written consent of the Municipality.

19. This Agreement may not be amended except in a written document signed by the authorized representatives of all parties.

20. All disputes between the parties to this Agreement, whether arising from the Agreement itself or the interpretation of its provisions, or arising from alleged facts outside the provisions of this Agreement whether prior to, during or subsequent to this Agreement, including without limitation, negligence, misrepresentation, or any other alleged tort or violation of this Agreement ("Dispute"), shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without reference to choice of law principles or the legal theory upon which such Dispute is asserted. All Disputes shall be resolved by binding arbitration before one neutral arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association then pertaining. The parties hereby consent to the holding of arbitration in Lehigh County, Pennsylvania, and consent to the jurisdiction of the courts in the Commonwealth of Pennsylvania for the enforcement of these provisions and the entry of judgment on any award rendered hereunder. Should the chosen court in the Commonwealth of Pennsylvania for any reason lack jurisdiction, any court with jurisdiction shall enforce this provision and enter judgment on any award. The arbitration proceedings, together with all discovery made pursuant thereto and statements or documents exchanged by the parties in connection therewith, shall be kept confidential and shall only be used by such parties in connection with the arbitration proceedings. THE ARBITRATOR SHALL NOT AWARD ANY PARTY PUNITIVE OR EXEMPLARY DAMAGES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO SEEK SUCH DAMAGES. All costs of arbitration shall be evenly divided between the parties, exclusive of each party's legal fees and expenses associated with the arbitration, each of which shall be borne by the party that incurs them. This provision shall survive the termination or expiration of this Agreement for any reason, and may be enforced by a party after such event.

21. This Agreement shall be binding on the parties hereto, regardless of any

subsequent change in administration or elected or appointed officials in the Municipality.

22. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which counterparts together will constitute one and the same instrument. The reproduction of signatures upon execution of this Agreement by means of a facsimile will be treated as though such reproductions are executed originals.

23. Provider will not be responsible or liable for, or deemed in breach hereof because of, any delay in the performance of its obligations under this Agreement due to the circumstances beyond its reasonable control including, but not limited to, acts of God; war; riots; requirements, actions or failures to act on the part of governmental authorities preventing performance; inability despite due diligence to obtain any required license or permit. Delays experienced by Provider as a result of its default or negligence will be excepted from this provision and Provider shall remain responsible for the same.

24. Notices required hereunder, or any correspondence concerning this Agreement shall be directed to the following addresses and shall be deemed properly given (a) if delivered by hand; (b) if sent by certified mail, return receipt requested, postage prepaid, or by recognized overnight courier service (including, without limitation, Federal Express or United Parcel Service overnight service), charges prepaid;

If to Provider:

St. Luke's Emergency & Transport Service, Inc.
1st Floor Room B120
1110 St. Luke's Way
Allentown, PA 18109
ATTN: Executive Director of Ambulance and Transportation Services

With a copy to:

St. Luke's University Health Network
801 Ostrum Street
Bethlehem, PA 18031
Attention: General Counsel

If to Municipality:

Township of Pocono
112 Township Drive
Tannersville PA 18372
Attention: Manager

Notices and communications hereunder shall be deemed sufficiently given when dispatched pursuant to the foregoing provisions. Notices and communications delivered by hand shall be effective upon receipt; notices and communications sent by recognized overnight courier service shall be effective on the business day following dispatch; and notices sent by certified mail shall be effective on the third business day following dispatch. The parties hereto may, by a notice given hereunder, designate any further or different addresses to which any subsequent notice or communication hereunder shall be sent.

25. This Agreement constitutes the entire agreement between the parties hereto and the parties hereto shall not be liable or bound in any manner whatsoever by express or implied warranties, guarantees, promises, statements, representations, or information unless expressly set forth herein.

26. A Modification or waiver of any of the provisions of this Agreement shall be effective only if made in writing and executed with the same formality as this Agreement.

27. Exhibits to this Agreement are an integral part hereof and are incorporated herein by this reference just as if reproduced and republished at length herein.

28. Any provision of this Agreement which may prove unenforceable under any law shall not affect the validity of any other provision hereof.

29. Each party hereto acknowledges, represents, and warrants that: (i) it has participated in the negotiation of this Agreement; (ii) no provision of this Agreement shall be construed against or be interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, dictated or drafted such provision; (iii) they have had at all times access to an attorney of their choice in the negotiation of the terms of and in the preparation and execution of this Agreement; (iv) they have had the opportunity to review and analyze this Agreement for a sufficient period of time prior to the execution and delivery thereof; (v) the terms of this Agreement were negotiated at arm's length; (vi) this Agreement was prepared and executed without fraud, duress, undue influence or coercion of any kind asserted by any of the parties upon the others; and (vii) the execution and delivery of this Agreement is the free and voluntary act of each of the parties hereto.

~Signature page follows~

**SIGNATURE PAGE TO
AGREEMENT FOR PROVISION OF EMERGENCY MEDICAL SERVICES**

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have caused this Agreement to be executed by persons authorized to bind each respective party.

St. Luke's Emergency & Transport Services, Inc.

By: St. Luke's Health Network, Inc., its sole member

By: *Thomas P. Lichtenwalner* 9/30/16

Name: Thomas P. Lichtenwalner

Title: Senior Vice President, Finance

JLA
9.29.16

Township of Pocono

By: _____

Name: _____

Title: _____

Thank you for allowing the library to use the township room for children's programming. We are currently finalizing our program schedule for 2017. We would like to use Pocono Township's meeting room for the dates listed below. Can you please let me know if these dates are available and book them on your calendar? Thank you!

Thursday mornings:

January 12 to May 11, 8:30 am - 11:00 am

June 15 to August 10, 8:30 - 12:00 pm (Summer programs require longer set-up and clean-up)

September 14 to December 14, 8:30 am - 11:00 am

Wednesday evenings, 5:00-7:30 pm:

January 18

February 8

March 8

April 19

May 10

September 20

October 8

November 8

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Julie Bonser, Head of Youth Services
Eastern Monroe Public Library

Poconos Memorial American Legion Post 903

PO Box 580

MT. Pocono PA 18344

RECEIVED
SEP 28 2016
POCONO TOWNSHIP

Sept. 27, 2016

Commander
Thomas Bowditch
570-595-7145

Adjutant
DB Bennett
570-420-1105

To: Pamela Finkbeiner, Secretary/Manager
From: Thomas Bowditch
Subject: Tannersville War Memorial

Enclosed is a copy of our newsletter. We are working on a Vietnam monument and would like to have it up by Veterans Day. Looking from the street it will be to the left of the Memorial. For Veterans Day we also want to put up a banner for our Ceremony. In 2017 we are planning 2 Ceremonies. First, on Saturday June 10th a Flag Retirement Ceremony. Our Post was also Chartered In 1947 and a post birthday at the same time. Second the US entered WW I on April of 1917. We are plaque on the back of the WW I Monument for all those from Monroe County who died in the War. We are planning a Ceremony sometime in August 2017. It will start with a Ceremony and wreath laying at the Tannersville War Memorial. From there we will go to ESU and the WWI Memorial and do a Ceremony, then to Court House Sq for a Ceremony & return to Tannersville for a BBQ & fundraiser. On Sunday September 24th I meet with members of the Pocono/ Jackson Historical Society. They are donating a park bench in memory of all those who served. They are also donating part of the cost for the plaque listing the names who died in WWI.

At this time we are talking with the Mt. Pocono Rotary about a WWII & Korea Monuments in the future.

We would like to go in front of the Township Commissioners for permission for all our events.

As always we are hoping that the Township will donate or sell us the property this side of the stream. TLC Park will keep the name of TLC with all signs. We will make sure there is always plenty of parking for the park & ball field. Our goal would be to build a post home. This would help us fund our events & maintain the grounds. The post could also be used as a shelter during any type of emergency. We would also put in a pavilion for Ceremonies & outside bathrooms for use with the park.

Again Thank You & the Commissioners for all your help.


Thomas Bowditch, Commander

570-595-7145 cell 570-460-5094

tbow49@aol.com



ATTACHMENT A

**NORTH CENTRAL REGIONAL DUI ENFORCEMENT PROJECT
CONDITIONS OF AGREEMENT DEPARTMENT EXTENSION**

The agreement between the North Central Highway Safety Network, Inc and the Pocono Top Police Dept
Police Department, dated 09 / 30 / 20 16 will be extended upon mutual agreement for a period
from 10 / 01 / 2016 to 9 / 30 / 2017. The DEPARTMENT will continue to carry out enforcement, public awareness
and education within their jurisdiction; as part of the "North Central Regional DUI Enforcement Project".
The NETWORK will then execute a Department extension with the DEPARTMENT from 10 / 1 / 20 16 to 9 / 30 / 20 17

Any modification to the original Conditions of Agreement will be added as an Amendment to this Condition of
Agreement Department Extension.

IN WITNESS WHEREOF, the North Central Highway Safety Network Inc, and the Pocono Top Police Dept
Police Department as evidence of their assent to the Cooperation Agreement dated 09 / 30 / 20 16
have caused this document to be extended, be signed and executed by their duly authorized officials this
29th day of September, 20 16.

 _____ ELECTED OFFICIAL OR DESIGNEE Signature & Title	 _____ North Central Highway Safety Network Inc. Signature & Title
<u>Charles J. Vogt</u> _____ Printed Name	 _____ Printed Name
 _____ POLICE CHIEF OR DEPARTMENT DESIGNEE Signature & Title	<u>chief</u>
<u>Kent J. Werkheiser</u> _____ Printed Name	

CONDITIONS OF AGREEMENT

BETWEEN

Pocono Township POLICE DEPARTMENT

AND

NORTH CENTRAL HIGHWAY SAFETY NETWORK, INC.

PA AGGRESSIVE DRIVING ENFORCEMENT & EDUCATION PROJECT (PAADEEP)

THIS CONDITIONS OF AGREEMENT made the 29th day of December, 2014, by and between the Pocono Township Police Department, 110 Township Dr Danversville, PA 18372 (Department Address) hereinafter referred to as DEPARTMENT and the North Central Highway Safety Network, Inc., 405 West Norwegian Street, Pottsville, Pennsylvania 17901-2934, hereinafter referred to as the NETWORK.

The NETWORK has received funds from the Pennsylvania Department of Transportation, Bureau of Maintenance and Operations, to implement the "PA Aggressive Driving Enforcement & Education Project", The NETWORK will then execute an agreement with the DEPARTMENT to carry out enforcement, public awareness and education within their jurisdiction;

WHEREAS, this agreement will be effective from October 1, 2014 to September 30, 2015. This agreement may be extended, upon mutual agreement, for an additional grant or Wave period. A *CONDITIONS OF AGREEMENT GRANT EXTENSION FORM* (ATTACHMENT B) must be signed and dated by both parties prior to beginning any grant extension. Any amendment to this Conditions of Agreement for the extension period will be added to *CONDITIONS OF AGREEMENT GRANT EXTENSION FORM*.

NOW THEREFORE, the parties hereto, in consideration of the mutual covenants herein contained and of the benefits conferred by this Agreement and the NETWORK as a result of the DEPARTMENT'S undertaking of the "PA Aggressive Driving Enforcement & Education Project", and intending to be legally bound hereby, agree that:

1. Grantee Compliance

The DEPARTMENT hereby assures the NETWORK that all activities relating to the above referenced project will be undertaken by the DEPARTMENT to fulfill the goals and objectives based on the proposed plan described in the **PROJECT DESCRIPTION (ATTACHMENT A)**, and complete other activities to meet the goals and objectives as required by the Pennsylvania Aggressive Driving Enforcement and Education Project (PA ADEEP). This grant is made to grantee subject to grantee's compliance with 2 CFR Part 225 and 49 CFR Part 18.

- a. Administration of the grant is also subject to Grantee laws and procedures governing the award of contracts, bids, purchases, and payments. Any contracts executed under this grant must be awarded in compliance with the requirements of 49 CFR Part 18. It is the responsibility of the grantee to ensure such compliance.

- b. This is a cost reimbursement grant. The DEPARTMENT must pay 100% of all costs associated with the grant. Documentation supporting the costs must then be submitted to the NETWORK for processing.
- c. No profits may be gained under this grant.

2. **Discrimination**

The DEPARTMENT ensures that recipients of services, employees and contractors will not be discriminated against on the basis of race, color, religious creed, ancestry, national origin, age, handicap or gender.

3. **Equal Opportunity for the Handicapped**

The DEPARTMENT agrees to abide by Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (Public Law 93-112, 29 U.C.S. 793 and 794, as amended) and implementing federal regulations. The DEPARTMENT assures that any benefits, service, or employment available through the DEPARTMENT to the public by way of this Agreement's funds shall not be denied handicapped persons who are otherwise qualified or eligible for benefits, services or employment available as a result of this contract.

The DEPARTMENT further agrees to comply with all provisions of the Americans with Disabilities Act of July 26, 1990, as amended, and, to the extent applicable, the Pennsylvania Human Relations Act, as amended.

4. **Responsibility**

The DEPARTMENT certifies that it is not currently under suspension or debarment by the Commonwealth, any other State, or the Federal Government, as per Single Audit Bulletin SAB-96-01, Contractor Responsibility Provisions Debarment and Suspension, of August 19, 1996

5. **Signatures**

A "Conditions of Agreement", "Contact Form", "Conditions Agreement Grant Extension Form" and "Seat Belt Policy" must be on file with the NETWORK and must be updated by the DEPARTMENT if there are any changes to elected officials, department chief, fiscal officer or project coordinator.

The DEPARTMENT must identify a Department Project Coordinator to serve as the liaison between the Network and his or her Agency.

6. **In-kind**

The DEPARTMENT agrees to contribute at least 10% of funded hours as in-kind resources to the PA Aggressive Driving Enforcement & Education Project. These resources must be provided as enforcement activities conducted during a Wave period or any outside the Wave as directed by the NETWORK. In-kind does not need to be overtime, but regular duty hours can be included.

7. **Crash Reports**

The DEPARTMENT agrees to complete and submit crash reports to PennDOT as per, Vehicle Code 3751. Compliance to this condition is mandatory to apply, receive, and continue existing funding. (See ATTACHMENT D)

8. **Establish and Enforce an Agency Seat Belt Policy**

The DEPARTMENT must have an approved and enforceable Seat Belt policy. The DEPARTMENT must provide the NETWORK with a copy of its seat belt use policy. Departments who do not enforce seat belt policies or the Pennsylvania seat belt law will not be considered for funding.

9. Reimbursements

- a. Requests for reimbursement must be submitted upon the completion of each enforcement Wave. The DEPARTMENT will have 7 days to submit all forms for reimbursement, unless otherwise directed. No reimbursements will be accepted after 7 days.
- b. A fiscal officer must be identified by the DEPARTMENT and cannot be a police officer. Reimbursements can only be made to the municipality, there can be no exceptions.
- c. Personnel cost: Enforcement cost eligible for reimbursement include:
 - 1) Those costs incurred within the enforcement Wave, unless prior approval was given in writing.
 - 2) Only personnel time will be reimbursed (no employer cost i.e., benefits, FICA, health care, etc).
 - 3) The DEPARTMENT cannot use grant funds to supplant existing officer time. Supplanting includes: replacing routine and/or existing department officers time with grant funds.
 - 4) Reimbursement CANNOT exceed hourly rates paid directly to the employee.
 - 5) Payment must be made to the officers before NETWORK can reimburse the DEPARTMENT (unless prior approval is granted in writing.)
 - 6) Any rate over the regular overtime rate, of time and a half, must receive prior approval before enforcement begins.
 - 7) The officer must receive payment for the amount appearing on the reimbursement form.
 - 8) Comp Time will only be considered for reimbursement if ALL of the following conditions are met; (1) prior written approval by NETWORK, (2) the DEPARTMENT must have a written and approved comp time policy (a copy of the policy must be submitted to the NETWORK) and (3) the officer's reimbursed comp time hours must be recorded and traceable through payroll records. All cost relating to comp time hours found not to be in compliance and all comp time hours not used or reimbursed to the officer will be returned to the NETWORK.
 - 9) Payroll documentation must be kept for 5 years, from the date the DEPARTMENT was reimbursed, and made available upon request. (See item 14 for audit information)
 - 10) The DEPARTMENT will be responsible for the payment of all project expenditures deemed, by the NETWORK, to be ineligible.
 - 11) The DEPARTMENT is responsible for implementing strategies for enforcing the Pennsylvania Vehicle Code's. The amount of funding provided to each department depends upon the efforts put forth by both the DEPARTMENT and its personnel. The PA Aggressive Driving Enforcement & Education Project will not provide funding or reimbursement to those departments who schedule operations, but complete or document little or no activity associated with those tasks. You should discuss these project expectations with your Law Enforcement Liaisons (LELs) prior to beginning enforcement operations.
 - 12) It is the DEPARTMENT'S responsibility to utilize its personnel in a manner that reflects commitment to the goals of the PA Aggressive Driving Enforcement & Education Project; to save lives and reduce injuries through Aggressive Driving enforcement and education. (See ATTACHMENT A)

10. Enforcement Initiative

- a. Enforcement Reports and reimbursement are required to be submitted for each enforcement Wave. The forms and instructions for completing these reports are available on the PA Aggressive Driving Enforcement & Education Project website www.stopaggressivedriving.org. The DEPARTMENT will be provided a user name and password to log on. A report of activities and statistics including: all funded officer time, details by type, contact/citation data, and in-kind contributions must be submitted immediately following the completed Wave.
- b. The DEPARTMENT must participate in each scheduled enforcement Wave. Not completing a Wave without prior approval could eliminate the DEPARTMENT from the Project. Approval must be received in writing by your LEL prior to the Wave.
- c. The DEPARTMENT must use the approved Aggressive Driving equipment and signage for each enforcement detail. If this condition conflicts with the DEPARTMENT'S policy, the conflict will be reviewed by the NETWORK and an exemption could be issued in writing.
- d. The DEPARTMENT agrees to use equipment purchased under this agreement only for the specific intended enforcement and awareness activities as described in the proposal.
- e. A "0" Tolerance must be adhered to for all violations of PA's Safety Belt Laws during funded Aggressive Driving Enforcement Wave.
- f. The DEPARTMENT'S Aggressive Driving Coordinator or representative must attend any Regional Aggressive Driving meetings scheduled during the grant period.
- g. It is strongly recommended that the DEPARTMENT focus their activities based on PennDOT Aggressive Driving crash data, information and Regional Planning.
- h. Enforcement activities can take place 24 hours a day. You may receive a crash data profile for your jurisdiction that will identify aggressive driving fatalities or crashes. Your enforcement hours can be then utilized at those times and on those roadways.

11. Liability Insurance

The Department shall purchase and maintain, at its expense, during the term of this grant and any renewals or extensions thereof, the following types of insurance issued by companies acceptable to the Commonwealth:

- a. Workmen's compensation insurance sufficient to cover all of the employees of the grantee working to fulfill this grant, as required by the laws of the Commonwealth.
- b. Comprehensive general liability insurance, property damage insurance, and, where appropriate, automobile liability insurance. The minimum amounts of coverage shall be \$250,000 per person and \$1,000,000 per occurrence for bodily injury, including death, and \$250,000 per person and \$1,000,000 per occurrence for property damage.
- c. The DEPARTMENT shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania or the NETWORK from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania or NETWORK as a result of the DEPARTMENT failure to comply with the provisions of paragraph (a) above.

12. Evaluation/Termination

- a. The DEPARTMENT will be evaluated at the completion of each enforcement Wave to determine compliance with project enforcement, education, and evaluation implementation plan. If it is determined that the DEPARTMENT has not met that condition, future budgets may be reduced or this agreement terminated. The DEPARTMENT will be notified of this decision in writing prior to the termination of the grant. This

grant agreement is funded completely by Federal funds. It may be terminated by the NETWORK if Federal funds are not provided to the NETWORK for the purpose of the grant agreement.

The NETWORK shall also have the right to terminate this grant immediately upon written notice to the NETWORK and the DEPARTMENT for any or all of the following reasons:

- 1) Commonwealth of PA abandonment or postponement of the grant;
- 2) Default (inadequate performance or non-performance by the grantee as determined by the NETWORK);
- 3) Non-availability of funds;
- 4) Convenience of the NETWORK

Any such termination shall be effected by delivery to the DEPARTMENT of a Notice of Termination specifying the reason for termination and the date such termination is to be effective. The DEPARTMENT shall be compensated for satisfactory work performed or for services that were provided in compliance with the grant agreement prior to the date of Notice of Termination, or as stated therein. In addition, grant termination could result in the return of Federally-funded items.

- b. The NETWORK shall have the right to review, inspect and approve all work performed under this grant.

13. Cost Overruns

If it becomes apparent that the DEPARTMENT may exceed estimated project costs in one or more budget categories, the DEPARTMENT must advise the AD LEL of this fact immediately. Notification should be made in writing and provide sufficient justification. Expenses which exceed budgeted amounts cannot be reimbursed unless written prior approval, to incur these expenses, has been given. Modifications to enforcement budget items can be made upon the approval of your LEL.

14. Audit Documentation

- a. The NETWORK is subject to audit by Federal and State Agencies. If verification or questions of grant expenditures are needed, they must be provided upon request. The NETWORK is also required to conduct routine and random audits. The DEPARTMENT must keep on file all salary and enforcement documentation needed to verify the information recorded on the reimbursement form for five (5) years. Examples: wage logs, pay stubs, time cards, work schedules, officer patrol log/activity reports, listing of citation numbers issued and any other information necessary to corroborate the entries on the grant reimbursement form.
- b. All citations/arrests that are issued, during funded events, must be documented on the "Citation by Funded Event" summary sheet. (ATTACHMENT E)
- c. You will be provided an Audit Guideline and samples of acceptable reporting formats to assist with the collection of required documentation. (ATTACHMENT F)
- d. The DEPARTMENT will be subject to audits throughout the grant period by NETWORK and State and Federal Agencies. You will be contacted in writing if the DEPARTMENT is subject to an audit. The DEPARTMENT will be required to provide payroll documentation, time sheets and activity/citation logs for officers reimbursed through the grant. The DEPARTMENT will have 30 days to provide the NETWORK the requested information and supporting documentation. The NETWORK will request from the DEPARTMENT the return of any non documented or inappropriate reimbursed funds. The DEPARTMENT will make payment within 30 days. (Over or under payments may be adjusted on future reimbursements within the same FFY.)
- e. The DEPARTMENT agrees that the NETWORK, if directed by the Commonwealth of PA, can withhold payments due the DEPARTMENT under other contracts or grants executed between the NETWORK and the

DEPARTMENT in the event that a net audit receivable due to the Commonwealth is not satisfied within thirty (30) days after the request of payment.

14. Budgets, Budget Changes/Amendments

- a. The NETWORK will issue the DEPARTMENT'S budget prior to each Wave.
- b. Grants budgets or the number of enforcement Waves per grant period may be increased or decreased based on available funds. The DEPARTMENT will be contacted by email when their budget for the Wave is posted on DEPARTMENT'S homepage.

15. Education

The DEPARTMENT is encouraged to present the AD School Programs: 16 Minutes and Survival 101, within their jurisdictions.

- a. The DEPARTMENT must contact their Law Enforcement Liaison and/or County Community Traffic Safety Project Coordinator for training, support materials and displays prior to presenting the programs.

16. Lobbying

Federal laws prohibiting lobbying are applicable to this project.

17. Right to Know

The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101—3104, applies to this Grant Agreement. Therefore, it is subject to, and the DEPARTMENT shall comply with, the clause entitled Grant Provisions – Right to Know Law 8-K-1580, attached as Exhibit "1" and made a part of this Grant Agreement.

18. Indemnification

All enforcement, educational, and media activities scheduled or completed shall be based on your DEPARTMENT'S Standard Operating Procedures. All enforcement, public awareness and educational activities must, at all times, be planned and implemented to assure the safety of the public, department staff, volunteers and support personnel. The DEPARTMENT agrees to indemnify, defend and save harmless the NETWORK, The Pennsylvania Department of Transportation, it's officers, agents and employees from any and all claims, losses and any liabilities whatsoever occurring or resulting to any person, firm, corporation or State or Federal agency or department that is injured or damaged in any form or manner by the DEPARTMENT or its agents, employees, subcontractors, officers or assigns.

IN WITNESS WHEREOF, the North Central Highway Safety Network Inc, and the Pocono Township Police Department as evidence of their assent to this Cooperation Agreement have caused this document to be signed and executed by their duly authorized officials this 29th day of December, 2014.

x Richard Wielebinski

ELECTED OFFICIAL OR DESIGNEE
Signature & Title

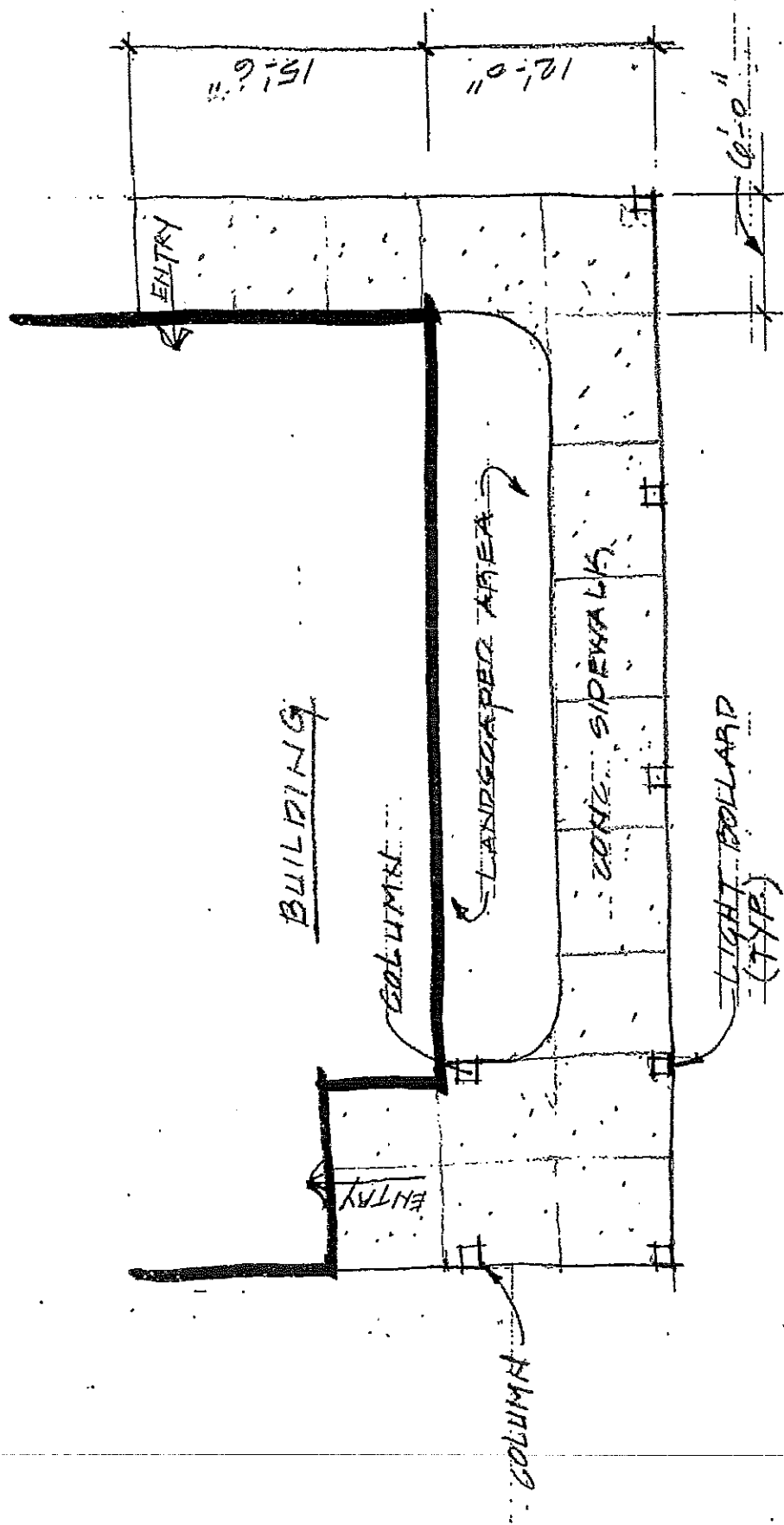
Richard Wielebinski
Printed Name

North Central Highway Safety Network Inc.
Signature & Title

Printed Name

x Kent J. Werkheiser chief
POLICE CHIEF OR DEPARTMENT DESIGNEE
Signature & Title

Kent J. Werkheiser
Printed Name



PARTIAL SITE PLAN

1/8" = 1'-0"

SECOND TOWNSHIP
HERITAGE CENTER

15-08-01

**TOWNSHIP OF POCONO
MONROE COUNTY, PENNSYLVANIA**

RESOLUTION 2016 – 46

WHEREAS, the undersigned authorized representative of Pocono Township (The Employer) hereby certifies that the following resolutions were duly adopted by the Employer on October 3, 2016, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended 457 Plan and Trust effective January 1st, 2016, presented to this meeting is:

HEREBY APPROVED and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibit A and B, respectively, are true copies of Pocono Township 457 Plan as amended and restated and the Summary of 457 Provisions, which are hereby approved and adopted.

RESOLVED at a duly constituted meeting of the Board of Commissioners of the Township of Pocono the 3rd day of October, 2016.

ATTEST:

**Township of Pocono
Board of Commissioners**

By _____
Pamela Finkbeiner
Twp. Secretary

By: _____
Harold Werkheiser
President

POCONO TOWNSHIP 457 PLAN

TABLE OF CONTENTS

ARTICLE I, DEFINITIONS		
1.01	Account.....	1
1.02	Accounting Date.....	1
1.03	Beneficiary.....	1
1.04	Code.....	1
1.05	Compensation.....	1
1.06	Deferral Contributions.....	2
1.07	Deferred Compensation.....	3
1.08	Effective Date.....	3
1.09	Elective Deferrals.....	3
1.10	Employee.....	3
1.11	Employer.....	3
1.12	Employer Contribution.....	3
1.13	ERISA.....	3
1.14	Excess Deferrals.....	3
1.15	Includible Compensation.....	3
1.16	Independent Contractor.....	3
1.17	Leased Employee.....	3
1.18	Matching Contribution.....	3
1.19	Nonelective Contribution.....	3
1.20	Normal Retirement Age.....	3
1.21	Participant.....	3
1.22	Plan.....	3
1.23	Plan Administrator.....	3
1.24	Plan Entry Date.....	3
1.25	Plan Year.....	3
1.26	Pre-Tax Elective Deferrals.....	3
1.27	Rollover Contribution.....	3
1.28	Roth Elective Deferrals.....	3
1.29	Salary Reduction Agreement.....	4
1.30	Salary Reduction Contribution.....	4
1.31	Service.....	4
1.32	State.....	4
1.33	Substantial Risk of Forfeiture.....	4
1.34	Tax-Exempt Organization.....	4
1.35	Taxable Year.....	4
1.36	Transfer.....	4
1.37	Trust.....	4
1.38	Trustee.....	4
1.39	Type of 457 Plan.....	4
1.40	Vested.....	5
ARTICLE II, ELIGIBILITY AND PARTICIPATION		
2.01	Eligibility.....	6
2.02	Participation upon Re-Employment.....	6
2.03	Change in Employment Status.....	6
ARTICLE III, DEFERRAL CONTRIBUTIONS/LIMITATIONS		
3.01	Amount.....	7
3.02	Salary Reduction Contributions.....	7
3.03	Matching Contributions.....	7
3.04	Normal Limitation.....	7
3.05	Normal Retirement Age Catch-Up Contribution.....	7
3.06	Age 50 Catch-Up Contribution.....	8
3.07	Contribution Allocation.....	8
3.08	Allocation Conditions.....	8
3.09	Rollover Contributions.....	8
3.10	Distribution of Excess Deferrals.....	9
3.11	Deemed IRA Contributions.....	9
3.12	Roth Elective Deferrals.....	9
3.13	Benefit Accrual.....	10
3.14	Eligible Automatic Contribution Arrangement	
	(EACA).....	10
3.15	In-Plan Roth Rollover Contribution.....	11
3.16	In-Plan Roth Transfer.....	12
ARTICLE IV, TIME AND METHOD OF PAYMENT OF BENEFITS		
4.01	Distribution Restrictions.....	14
4.02	Time and Method of Payment of Account.....	14
4.03	Required Minimum Distributions.....	14
4.04	Death Benefits.....	16
4.05	Distributions Prior to Severance from Employment.....	16
4.06	Distributions Under Qualified Domestic Relations Orders (QDROs).....	16
4.07	Direct Rollover of Eligible Rollover Distributions – Governmental Plan.....	17
4.08	Election to Deduct from Distribution.....	18
ARTICLE V, PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS		
5.01	Term/Vacancy.....	19
5.02	Powers and Duties.....	19
5.03	Compensation.....	19
5.04	Authorized Representative.....	19
5.05	Individual Accounts/Records.....	19
5.06	Value of Participant's Account.....	19
5.07	Account Administration, Valuation and Expenses.....	19
5.08	Account Charged.....	21
5.09	Ownership of Fund/Tax-Exempt Organization.....	21
5.10	Participant Direction of Investment.....	21
5.11	Vesting/Substantial Risk of Forfeiture.....	21
5.12	Preservation of Eligible Plan Status.....	22
5.13	Limited Liability.....	22
5.14	Lost Participants.....	22
5.15	Plan Correction.....	22
ARTICLE VI, PARTICIPANT ADMINISTRATIVE PROVISIONS		
6.01	Beneficiary Designation.....	23
6.02	No Beneficiary Designation.....	23
6.03	Salary Reduction Agreement.....	23
6.04	Personal Data to Plan Administrator.....	23
6.05	Address for Notification.....	23
6.06	Participant or Beneficiary Incapacitated.....	23
ARTICLE VII, MISCELLANEOUS		
7.01	No Assignment or Alienation.....	24
7.02	Effect on Other Plans.....	24
7.03	Word Usage.....	24
7.04	State Law.....	24
7.05	Employment Not Guaranteed.....	24
7.06	Notice, Designation, Election, Consent and Waiver ..	24
ARTICLE VIII, TRUST PROVISIONS—GOVERNMENTAL ELIGIBLE 457 PLAN		
8.01	Governmental Eligible 457 Plan.....	25
8.02	Acceptance/Holding.....	25
8.03	Receipt of Contributions.....	25
8.04	Full Investment Powers.....	25
8.05	Records and Statements.....	26
8.06	Fees and Expenses from Fund.....	26
8.07	Professional Agents.....	26
8.08	Distribution of Cash or Property.....	26
8.09	Resignation and Removal.....	26
8.10	Successor Trustee.....	26

8.11	Valuation of Trust.....	26
8.12	Participant Direction of Investment.....	26
8.13	Third Party Reliance.....	26
8.14	Invalidity of Any Trust Provision.....	26
8.15	Exclusive Benefit.....	26
8.16	Substitution of Custodial Account or Annuity Contract.....	27
8.17	Group Trust Authority.....	27

ARTICLE IX, AMENDMENT, TERMINATION, TRANSFERS

9.01	Amendment by Employer/Sponsor.....	28
9.02	Termination/Freezing of Plan.....	28
9.03	Transfers.....	28
9.04	Purchase of Permissive Service Credit.....	28

ARTICLE I DEFINITIONS

1.01 "Account" means the separate Account(s) which the Plan Administrator or the Trustee maintains under the Plan for a Participant's Deferred Compensation. The Plan Administrator or Trustee may establish separate Accounts for multiple Beneficiaries of a Participant to facilitate required minimum distributions under Section 4.03 based on each Beneficiary's life expectancy.

1.02 "Accounting Date" means the last day of the Plan Year. The Plan Administrator will allocate Employer contributions and forfeitures for a particular Plan Year as of the Accounting Date of that Plan Year, and on such other dates, if any, as the Plan Administrator determines, consistent with the Plan's allocation conditions and other provisions.

1.03 "Beneficiary" means a person who the Plan or a Participant designates and who is or may become entitled to a Participant's Account upon the Participant's death. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Plan Administrator or Trustee has fully distributed to the Beneficiary his or her Plan benefit. A Beneficiary's right to (and the Plan Administrator's or a Trustee's duty to provide to the Beneficiary) information or data concerning the Plan does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.04 "Code" means the Internal Revenue Code of 1986, as amended.

1.05 "Compensation"

(A) Uses and Context. Any reference in the Plan to Compensation is a reference to the definition in this Section 1.05, unless the Plan reference, or the Employer in the Adoption Agreement, modifies this definition. Except as the Plan otherwise specifically provides, the Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. In the case of an Independent Contractor, Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect to allocate contributions based on a Compensation within specified 12 month period which ends within a Plan Year.

(B) Base Definitions and Modifications. The Employer in the Adoption Agreement must elect one of the following base definitions of Compensation: W-2 Wages, Code §3401(a) Wages, or 415 Compensation. The Employer may elect a different base definition as to different Contribution Types. The Employer in the Adoption Agreement may specify any modifications thereto, for purposes of contribution allocations under Article III. If the Employer fails to elect one of the above-referenced definitions, the Employer is deemed to have elected the W-2 Wages definition.

(1) W-2 Wages. W-2 Wages means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051, and 6052, but determined without regard to any

rules that limit the remuneration included in wages based on the nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(2) Code §3401(a) Wages (income tax wage withholding). Code §3401(a) Wages means 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 the location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(3) Code §415 Compensation (current income definition/simplified compensation under Treas. Reg. §1.415(c)-2(d)(2)). Code §415 Compensation means the Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. §1.62-2(c)).

Code §415 Compensation does not include:

(a) Deferred compensation/SEP/SIMPLE. Employer contributions (other than Elective Deferrals) to a plan of deferred compensation (including a simplified employee pension plan under Code §408(k) or to a simple retirement account under Code §408(p)) to the extent the contributions are not included in the gross income of the Employee for the Taxable Year in which contributed, and any distributions from a plan of deferred compensation (whether or not qualified), regardless of whether such amounts are includible in the gross income of the Employee when distributed.

(b) Option exercise. Amounts realized from the exercise of a non-qualified stock option (an option other than a statutory option under Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Code §83.

(c) Sale of option stock. Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option as defined under Treas. Reg. §1.421-1(b).

(d) Other amounts that receive special tax benefits. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts under Code §125).

(e) **Other similar items.** Other items of remuneration which are similar to any of the items in Sections 1.11(B)(3)(a) through (d).

(4) **Alternative (general) 415 Compensation.** Under this definition, Compensation means as defined in Section 1.11(B)(3) but with the addition of: (a) amounts described in Code §§104(a)(3), 105(a), or 105(h) but only to the extent that these amounts are includible in Employee's gross income; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by the Employee, but only to the extent that at the time of payment it is reasonable to believe these amounts are not deductible by the Employee under Code §217; (c) the value of a nonstatutory option (an option other than a statutory option under Treas. Reg. §1.421-1(b)) granted by the Employer to the an Employee, but only to the extent that the value of the option is includible in the Employee's gross income for the Taxable Year of the grant; (d) the amount includible in the Employee's gross income upon the Employee's making of an election under Code §83(b); and (e) amounts that are includible in the Employee's gross income under Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 Wages or Code §3401(a) Wages, then Compensation already includes the amounts described in clause (e).]

(C) **Deemed 125 Compensation.** Deemed 125 Compensation means, in the case of any definition of Compensation which includes a reference to Code §125, amounts under a Code §125 plan of the Employer that are not available to a Participant in cash in lieu of group health coverage, because the Participant is unable to certify that he/she has other health coverage.

(D) **Modification to Compensation.** The Employer must specify in the Adoption Agreement the Compensation the Plan Administrator is to take into account in allocating Deferral Contributions to a Participant's Account. For all Plan Years other than the Plan Year in which the Employee first becomes a Participant, the Plan Administrator will take into account only the Compensation determined for the portion of the Plan Year in which the Employee actually is a Participant.

(E) **Elective Contributions.** Compensation under Section 1.05 includes Elective Contributions unless the Employer in the Adoption Agreement elects to exclude Elective Contributions. "Elective Contributions" are amounts excludible from the Employee's gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p) or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code §457 plan.

(F) **Post-Severance Compensation.** Compensation includes Post-Severance Compensation to the extent the Employer elects in the Adoption Agreement or as the Plan otherwise provides. Post-Severance Compensation is Compensation paid after a Participant's Severance from Employment from the Employer, as further described in this Section 1.05(F). As the Employer elects, Post-Severance Compensation may include any or all of regular pay, leave cash-outs, or deferred compensation paid within the time period described in Section 1.05(F)(1), and may also include salary continuation for disabled Participants, all as defined below. Any other payment paid after Severance from Employment that is not described in this Section 1.05(F) is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not

include severance pay, parachute payments under Code §280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment.

(1) **Timing.** Post-Severance Compensation includes regular pay, leave cashouts, or deferred compensation only to the extent the Employer pays such amounts by the later of 2 1/2 months after Severance from Employment or by the end of the Limitation Year that includes the date of such Severance from Employment.

(a) **Regular pay.** Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer.

(b) **Leave cash-outs.** Leave cash-outs means payments 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 if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment.

(c) **Deferred compensation.** As used in this Section 1.05(F), deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the Deferred Compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(2) **Salary continuation for disabled Participants.** Salary continuation for disabled Participants means Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)).

(G) **Differential Wage Payments.** An individual receiving a Differential Wage Payment, as defined by Code §3401(h)(2), shall be treated as an employee of the employer making the payment and the Differential Wage Payment shall be treated as compensation for purposes of Code §457(b) and any other Internal Revenue Code section that references the definition of compensation under Code §415, including the definition of Includible Compensation as provided in Section 1.15.

1.06 "Deferral Contributions" means as the Employer elects on the Adoption Agreement, Salary Reduction Contributions, Nonelective Contributions and Matching Contributions. The Plan Administrator in applying the Code §457(b) limit will take into account Deferral Contributions in the Taxable Year in which deferred, or if later, in the Taxable Year in which the Deferral Contributions are no longer subject to a Substantial Risk of Forfeiture. The Plan Administrator in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions unless the Deferral Contributions are subject to a Substantial Risk of Forfeiture. If a Deferral Contribution is subject to a Substantial Risk of Forfeiture, the Plan Administrator takes into the Deferral Contribution as adjusted

for allocable net income, gain or loss in the Taxable Year in which the Substantial Risk of Forfeiture lapses.

1.07 "Deferred Compensation" means as to a Participant the amount of Deferral Contributions, Rollover Contributions and Transfers adjusted for allocable net income, gain or loss, in the Participant's Account.

1.08 "Effective Date" of this Plan is the date the Employer specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect special effective dates for Plan provisions the Employer specifies provided any such date(s) are permitted by the Code, by Treasury regulations, or by other applicable guidance.

1.09 "Elective Deferrals" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-Tax Elective Deferrals and Roth Elective Deferrals.

1.10 "Employee" means an individual who provides services for the Employer, as a common law employee of the Employer. The Employer in the Adoption Agreement must elect or specify any Employee, or class of Employees, not eligible to participate in the Plan (an "Excluded Employee"). See Section 1.16 regarding potential treatment of an Independent Contractor as an Employee.

1.11 "Employer" means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating Employer.

1.12 "Employer Contribution" means Nonelective Contributions or Matching Contributions.

1.13 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.14 "Excess Deferrals" means Deferral Contributions to a Governmental Eligible 457 Plan or to a Tax-Exempt Organization Eligible 457 Plan for a Participant that exceed the Taxable Year maximum limitation of Code §§457(b) and (e)(18).

1.15 "Includible Compensation" means, for the Employee's Taxable Year, the Employee's total Compensation within the meaning of Code §415(c)(3) paid to an Employee for services rendered to the Employer. Includible Compensation includes Deferral Contributions under the Plan, compensation deferred under any other plan described in Code §457, and any amount excludible from the Employee's gross income under Code §§401(k), 403(b), 125 or 132(f)(4) or any other amount excludible from the Employee's gross income for Federal income tax purposes. The Employer will determine Includible Compensation without regard to community property laws.

1.16 "Independent Contractor" means any individual who performs service for the Employer and who the Employer does not treat as an Employee or a Leased Employee. The Employer in the Adoption Agreement may elect to permit Independent Contractors to participate in the Plan. To the extent that the Employer permits Independent Contractor participation, references to Employee in the Plan include Independent Contractors and Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement.

1.17 "Leased Employee" means an Employee within the meaning of Code §414(n).

1.18 "Matching Contribution" means an Employer fixed or discretionary contribution made or forfeiture allocated on account of Salary Reduction Contributions.

1.19 "Nonelective Contribution" means an Employer fixed or discretionary contribution not made as a result of a Salary Reduction Agreement and which is not a Matching Contribution.

1.20 "Normal Retirement Age" means the age the Employer specifies in the Adoption Agreement consistent with Section 3.05(B).

1.21 "Participant" is an Employee other than an Excluded Employee who becomes a Participant in accordance with the provisions of Section 2.01.

1.22 "Plan" means the 457 plan established or continued by the Employer in the form of this basic Plan and (if applicable) Trust Agreement, including the Adoption Agreement. The Employer in the Adoption Agreement must designate the name of the Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.

1.23 "Plan Administrator" is the Employer unless the Employer designates another person to hold the position of Plan Administrator. The Plan Administrator may be a Participant.

1.24 "Plan Entry Date" means the dates the Employer elects in Adoption Agreement.

1.25 "Plan Year" means the consecutive 12-month period the Employer elects in the Adoption Agreement.

1.26 "Pre-Tax Elective Deferrals" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

1.27 "Rollover Contribution" means the amount of cash or property which an eligible retirement plan described in Code §402(c)(8)(B) distributes to an eligible Employee or to a Participant in an eligible rollover distribution under Code §402(c)(4) and which the eligible Employee or Participant transfers directly or indirectly to a Governmental Eligible 457 Plan. A Rollover Contribution includes net income, gain or loss attributable to the Rollover Contribution. A Rollover Contribution excludes after-tax Employee contributions, as adjusted for net income, gain or loss.

1.28 "Roth Elective Deferrals" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

1.29 "Salary Reduction Agreement" means a written agreement between a Participant and the Employer, by which the Employer reduces the Participant's Compensation for Compensation not available as of the date of the election and contributes the amount as a Salary Reduction Contribution to the Participant's Account.

1.30 "Salary Reduction Contribution" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement.

1.31 "Service" means any period of time the Employee is in the employ of the Employer. In the case of an Independent Contractor, Service means any period of time the Independent Contractor performs services for the Employer on an independent contractor basis. An Employee or Independent Contractor terminates Service upon incurring a Severance from Employment.

(A) Qualified Military Service. Service includes any qualified military service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u). A Participant whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional Salary Reduction Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the Deferral Contributions, if any, actually made for the Participant during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Employer shall make appropriate make-up Nonelective Contributions and Matching Contributions for such a Participant as required under Code §414(u). The Plan shall apply limitations of Article III to all Deferral Contributions under this paragraph with respect to the year to which the Deferral Contribution relates.

(B) "Continuous Service" as the Adoption Agreement describes means Service with the Employer during which the Employer does not incur a Severance from Employment.

(C) "Severance from Employment."

(1) Employee. An Employee has a Severance from Employment when the Employee ceases to be an Employee of the Employer. A Participant does not incur a Severance from Employment if, in connection with a change in employment, the Participant's new employer continues or assumes sponsorship of the Plan or accepts a Transfer of Plan assets as to the Participant.

(2) Independent Contractor. An Independent Contractor has a Severance from Employment when the contract(s) under which the Independent Contractor performs services for the Employer expires (or otherwise terminates), unless the Employer anticipates a renewal of the contractual relationship or the Independent Contractor becoming an Employee. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the Independent Contractor has eliminated the Independent Contractor as a potential provider of such services under the new contract. Further, the Employer intends to contract for services conditioned only upon the Employer's need for the services provided under the expired contract or the Employer's availability of funds. Notwithstanding the preceding provisions of this Section 1.31, the Plan Administrator will

consider an Independent Contractor to have incurred a Severance from Employment: (a) if the Plan Administrator or Trustee will not pay any Deferred Compensation to an Independent Contractor who is a Participant before a date which is at least twelve months after the expiration of the Independent Contractor's contract (or the last to expire of such contracts) to render Services to the Employer; and (b) if before the applicable twelve-month payment date, the Independent Contractor performs Service as an Independent Contractor or as an Employee, the Plan Administrator or Trustee will not pay to the Independent Contractor his or her Deferred Compensation on the applicable date.

(3) Deemed Severance. Notwithstanding Section 1.05(F), if the Employer elects in the Adoption Agreement, then if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's Account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then no Deferral Contributions may be made for the Participant during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control and the 6-month suspension will not apply.

1.32 "State" means (a) one of the 50 states of the United States or the District of Columbia, or (b) a political subdivision of a State, or any agency or instrumentality of a State or its political subdivision. A State does not include the federal government or any agency or instrumentality thereof.

1.33 "Substantial Risk of Forfeiture" exists if the Plan expressly conditions a Participant's right to Deferred Compensation upon the Participant's future performance of substantial Service for the Employer.

1.34 "Tax-Exempt Organization" means any tax-exempt organization other than a governmental unit or a church or qualified church-controlled organization within the meaning of Code §3121(w)(3).

1.35 "Taxable Year" means the calendar year or other taxable year of a Participant.

1.36 "Transfer" means a transfer of Eligible 457 Plan assets to another Eligible 457 Plan which is not a Rollover Contribution and which is made in accordance with Section 9.03.

1.37 "Trust" means the Trust created under the adopting Employer's Plan. A Trust required under a Governmental Eligible 457 Plan is subject to Article VIII. Any Trust under a Tax-Exempt Organization Eligible 457 Plan is subject to Section 5.09.

1.38 "Trustee" means the person or persons who as Trustee execute the Employer's Adoption Agreement, or any successor in office who in writing accepts the position of Trustee.

1.39 Type of 457 Plan. This Plan is an Eligible 457 Plan, which is a plan which satisfies the requirements of Code §457(b) and Treas. Reg. §§1.457-3 through -10. The Employer in the Adoption Agreement must specify whether the plan is either a

Eligible 457 Plan

Governmental Eligible 457 Plan or a Tax-Exempt Organization Eligible 457 Plan, as defined below:

(A) "Governmental Eligible 457 Plan" means an Eligible 457 Plan established by a State.

(B) "Tax-Exempt Organization Eligible 457 Plan" means an Eligible 457 Plan established by a Tax-Exempt Organization.

1.40 "Vested" means a Participant's Deferral Contributions that are not subject to a Substantial Risk of Forfeiture, including a vesting schedule.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.01 ELIGIBILITY. Each Employee who is not an Excluded Employee becomes a Participant in the Plan in accordance with the eligibility conditions and as of the Plan Entry Date the Employer elects in the Adoption Agreement. If this Plan is a restated Plan, each Employee who was a Participant in the Plan on the day before the Effective Date continues as a Participant in the Plan, irrespective of whether he/she satisfies the eligibility conditions in the restated Plan, unless the Employer indicates otherwise in the Adoption Agreement.

2.02 PARTICIPATION UPON RE-EMPLOYMENT. A Participant who incurs a Severance from Employment will re-enter the Plan as a Participant on the date of his or her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance from Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which he/she would have entered the Plan had he/she not incurred a Severance from Employment or the date of his or her re-employment. Any Employee who incurs a Severance from Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with the Adoption Agreement.

2.03 CHANGE IN EMPLOYMENT STATUS. If a Participant has not incurred a Severance from Employment but ceases to be eligible to participate in the Plan, by reason of becoming an Excluded Employee, the Plan Administrator must treat the Participant as an Excluded Employee during the period such a Participant is subject to the Adoption Agreement exclusion. The Plan Administrator determines a Participant's sharing in the allocation of Employer Contributions by disregarding his or her Compensation paid by the Employer for services rendered in his or her capacity as an Excluded Employee. However, during such period of exclusion, the Participant, without regard to employment classification, continues to share fully in Plan income allocations under Section 5.07 and to accrue vesting service if applicable.

ARTICLE III DEFERRAL CONTRIBUTIONS/LIMITATIONS

3.01 AMOUNT.

(A) **Contribution Formula.** For each Plan Year, or other period the Employer specifies in the Adoption Agreement, the Employer will contribute to the Plan the type and amount of Deferral Contributions the Employer elects in the Adoption Agreement.

(B) **Return of Contributions.** The Employer contributes to this Plan on the condition its contribution is not due to a mistake of fact. If the Plan has a Trust, the Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer's contribution (adjusted for net income, gain or loss) made by the Employer on account of a mistake of fact. The Trustee will not return any portion of the Employer's contribution under the provisions of this paragraph more than one year after the Employer made the contribution on account of a mistake of fact. In addition, if any Participant Salary Reduction Contribution is due to a mistake of fact, the Employer or the Trustee upon written request from the Employer shall return the Participant's contribution (adjusted for net income, gain or loss), within one year after payment of the contribution.

The Trustee will not increase the amount of the Employer contribution returnable under this Section 3.01 for any earnings attributable to the contribution, but the Trustee will decrease the Employer contribution returnable for any losses attributable to it. The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable.

(C) **Time of Payment of Contribution.** If the Plan has a Trust, the Employer may pay its contributions for each Plan Year to the Trust in one or more installments and at such time(s) as the Employer determines, without interest. A Governmental Employer shall deposit Salary Reduction Contributions to the Trust within a period that is not longer than is reasonable for the administration of Participant Accounts.

3.02 SALARY REDUCTION CONTRIBUTIONS. The Employer in the Adoption Agreement must elect whether the Plan permits Salary Reduction Contributions, and also the Plan limitations, if any, which apply to Salary Reduction Contributions. Unless the Employer elects otherwise in the Adoption Agreement, all such limitations apply on a payroll basis.

(A) **Deferral from Sick, Vacation and Back Pay.** The Employer in the Adoption Agreement must elect whether to permit Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

(B) **Automatic Enrollment.** The Employer in the Adoption Agreement may provide for automatic Salary Reduction Contributions of a specified amount, subject to giving notice to affected Participants of the automatic election and of their right to make a contrary election.

A Governmental Employer under an Eligible 457 Plan may elect to provide an Eligible Automatic Contribution Arrangement ("EACA"). If the Employer elects to provide an EACA, the Employer will amend the Plan to add necessary language.

(C) **Application to Leave of Absence and Disability.** Unless a Participant in his or her Salary Reduction Agreement elects otherwise, the Participant's Salary Reduction Agreement shall

continue to apply during the Participant's leave of absence or the Participant's disability (as the Plan Administrator shall establish), if the Participant has Compensation other than imputed compensation or disability benefits.

(D) **Post-severance deferrals limited to Post-Severance Compensation.** Deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation.

3.03 MATCHING CONTRIBUTIONS. The Employer in the Adoption Agreement must elect whether the Plan permits Matching Contributions and, if so, the type(s) of Matching Contributions, the time period applicable to any Matching Contribution formula, and as applicable, the amount of Matching Contributions and the Plan limitations, if any, which apply to Matching Contributions. Any Matching Contributions apply to age 50 catch-up contributions, if any, and to any Normal Retirement Age catch-up contributions unless the Employer elects otherwise in the Adoption Agreement.

3.04 NORMAL LIMITATION. Except as provided in Sections 3.05 and 3.06, a Participant's maximum Deferral Contributions (excluding Rollover Contributions and Transfers) under this Plan for a Taxable Year may not exceed the lesser of:

(a) The applicable dollar amount as specified under Code §457(e)(15) (or such larger amount as the Commissioner of the Internal Revenue may prescribe), or

(b) 100% of the Participant's Includible Compensation for the Taxable Year.

3.05 NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION. If selected in the Adoption Agreement, a Participant may elect to make this catch-up election. For one or more of the Participant's last three Taxable Years ending before the Taxable Year in which the Participant attains Normal Retirement Age, the Participant's maximum Deferral Contributions may not exceed the lesser of:

(a) Twice the dollar amount under Section 3.04(a) Normal Limitation, or (b) the underutilized limitation.

(A) **Underutilized Limitation.** A Participant's underutilized limitation is equal to the sum of: (i) the normal limitation for the Taxable Year, and (ii) the normal limitation for each of the prior Taxable Years of the Participant commencing after 1978 during which the Participant was eligible to participate in the Plan and the Participant's Deferral Contributions were subject to the Normal Limitation or any other Code §457(b) limit, less the amount of Deferral Contributions for each such prior Taxable Year, excluding age 50 catch-up contributions.

(B) **Normal Retirement Age.** Normal Retirement Age is the age the Employer specifies in the Adoption Agreement provided that the age may not be: (i) earlier than the earliest of age 65 or the age at which Participants have the right to retire and receive under the Employer's defined benefit plan (or money purchase plan if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or other reduction because of retirement before a later specified age; or (ii) later than age 70 1/2.

(1) **Participant Designation.** The Employer in the Adoption Agreement may permit a Participant to designate his or her Normal Retirement Age as any age including or between the foregoing ages.

(2) **Multiple 457 Plans.** If the Employer maintains more than one Eligible 457 Plan, the Plans may not permit any Participant to have more than one Normal Retirement Age under the Plans.

(3) **Police and Firefighters.** In a Governmental Eligible 457 Plan with qualified police or firefighter Participants within the meaning of Code §415(b)(2)(H)(ii)(I), the Employer in the Adoption Agreement may elect (or permit the qualified Participants to elect) a Normal Retirement Age as early as age 40 and as late as age 70 1/2.

(C) **Pre-2002 Coordination.** In determining a Participant's underutilized limitation, the Plan Administrator, in accordance with Treas. Reg. §1.457-4(c)(3)(iv), must apply the coordination rule in effect under now repealed Code §457(c)(2). The Plan Administrator also must determine the Normal Limitation for pre-2002 Taxable Years in accordance with Code §457(b)(2) as then in effect.

3.06 AGE 50 CATCH-UP CONTRIBUTION. An Employer sponsoring a Governmental Eligible 457 Plan must specify in the Adoption Agreement whether the Participants are eligible to make age 50 catch-up contributions.

If an Employer elects to permit age 50 catch-up contributions, all Employees who are eligible to make Salary Reduction Contributions under this Plan and who have attained age 50 before the close of the Taxable Year are eligible to make age 50 catch-up contributions for that Taxable Year in accordance with, and subject to the limitations of, Code §414(v). Such catch-up contributions are not taken into account for purposes of the provisions of the Plan implementing the required limitations of Code §457. If, for a Taxable Year, an Employee makes a catch-up contribution under Section 3.05, the Employee is not eligible to make age 50 catch-up contributions under this Section 3.06. A catch-up eligible Participant in each Taxable Year is entitled to the greater of the amount determined under Section 3.05 or Section 3.06 Catch-Up Amount plus the Section 3.04 Normal Limitation.

3.07 CONTRIBUTION ALLOCATION. The Plan Administrator will allocate to each Participant's Account his or her Deferral Contributions. The Employer will allocate Employer Nonelective and Matching Contributions to the Account of each Participant who satisfies the allocation conditions in the Adoption Agreement in the following manner:

(a) **Fixed match.** To the extent the Employer makes Matching Contributions under a fixed Adoption Agreement formula, the Plan Administrator will allocate the Matching Contribution to the Account of the Participant on whose behalf the Employer makes that contribution. A fixed Matching Contribution formula is a formula under which the Employer contributes a specified percentage or dollar amount on behalf of a Participant based on that Participant's Salary Reduction Contributions.

(b) **Discretionary match.** To the extent the Employer makes Matching Contributions under a discretionary Adoption Agreement formula, the Plan Administrator will allocate the Matching Contributions to a Participant's Account in the same proportion that each Participant's Salary Reduction Contributions taken into account under the formula bear to the total Salary Reduction Contributions of all Participants.

(c) **Tiered match.** If the Matching Contribution formula is a tiered formula, the Plan Administrator will allocate separately the Matching Contributions with respect to each tier

of Salary Reduction Contributions, in accordance with the tiered formula.

(d) **Discretionary nonelective.** The Plan Administrator will allocate discretionary Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

(e) **Fixed nonelective.** The Plan Administrator will allocate fixed Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

(f) **Other nonelective.** The Plan Administrator will allocate Nonelective Contributions for a Plan Year as specified in the Adoption Agreement.

3.08 ALLOCATION CONDITIONS. The Plan Administrator will determine the allocation conditions applicable to Nonelective Contributions or to Matching Contributions (or to both) in accordance with the Employer's elections in the Adoption Agreement. The Plan Administrator will not allocate to a Participant any portion of an Employer Contribution (or forfeiture if applicable) for a Plan Year or applicable portion thereof in which the Participant does not satisfy the applicable allocation condition(s).

3.09 ROLLOVER CONTRIBUTIONS. If elected in the Adoption Agreement, an Employer sponsoring a Governmental Eligible 457 Plan may permit Rollover Contributions.

(A) **Operational Administration.** The Employer, operationally and on a nondiscriminatory basis, may elect to limit an eligible Employee's right or a Participant's right to make a Rollover Contribution. Any Participant (or as applicable, any eligible Employee), with the Employer's written consent and after filing with the Trustee the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Trust. Before accepting a Rollover Contribution, the Trustee may require a Participant (or eligible Employee) to furnish satisfactory evidence the proposed transfer is in fact a "Rollover Contribution" which the Code permits an employee to make to an eligible retirement plan. The Trustee, in its sole discretion, may decline to accept a Rollover Contribution of property which could: (1) generate unrelated business taxable income; (2) create difficulty or undue expense in storage, safekeeping or valuation; or (3) create other practical problems for the Trust.

(B) **Pre-Participation Rollover.** If an eligible Employee makes a Rollover Contribution to the Trust prior to satisfying the Plan's eligibility conditions, the Plan Administrator and Trustee must treat the Employee as a limited Participant (as described in Rev. Rul. 96-48 or in any successor ruling). A limited Participant does not share in the Plan's allocation of any Employer Contributions and may not make Salary Reduction Contributions until he/she actually becomes a Participant in the Plan. If a limited Participant has a Severance from Employment prior to becoming a Participant in the Plan, the Trustee will distribute his or her Rollover Contributions Account to the limited Participant in accordance with Article IV.

(C) **Separate Accounting.** If an Employer permits Rollover Contributions, the Plan Administrator must account separately for: (1) amounts rolled into this Plan from an eligible retirement plan (other than from another Governmental Eligible 457 plan); and (2) amounts rolled into this Plan from another

Governmental Eligible 457 Plan The Plan Administrator for purposes of ordering any subsequent distribution from this Plan, may designate a distribution from a Participant's Rollover Contributions as coming first from either of (1) or (2) above if the Participant has both types of Rollover Contribution Accounts.

(D) May Include Roth Deferrals. If this Plan is an eligible governmental 457(b) plan which accepts Roth Elective Deferrals, then a Rollover Contribution may include Roth Deferrals made to another plan, as adjusted for Earnings. Such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a), from a 403(b) plan, or from an eligible governmental 457 plan. The Plan must account separately for the Rollover Contribution, including the Roth Deferrals and the Earnings thereon.

(E) In-Plan Roth Rollover Contributions. A Governmental Employer under an Eligible 457 Plan may elect to permit In-Plan Roth Rollover Contributions. If the Employer decides to permit In-Plan Roth Rollover Contributions, the Employer will amend the Plan to add necessary language.

3.10 DISTRIBUTION OF EXCESS DEFERRALS. In the event that a Participant has Excess Deferrals, the Plan will distribute to the Participant the Excess Deferrals and allocable net income, gain or loss, in accordance with this Section 3.10.

(A) Governmental Eligible 457 Plan. The Plan Administrator will distribute Excess Deferrals from a Governmental Eligible 457 Plan as soon as is reasonably practicable following the Plan Administrator's determination of the amount of the Excess Deferral.

(B) Tax-Exempt Organization Eligible 457 Plan. The Plan Administrator will distribute Excess Deferrals from a Tax-Exempt Organization Eligible 457 Plan no later than April 15 following the Taxable Year in which the Excess Deferral occurs.

(C) Plan Aggregation. If the Employer maintains more than one Eligible 457 Plan, the Employer must aggregate all such Plans in determining whether any Participant has Excess Deferrals.

(D) Individual Limitation. If a Participant participates in another Eligible 457 Plan maintained by a different employer, and the Participant has Excess Deferrals, the Plan Administrator may, but is not required, to correct the Excess Deferrals by making a corrective distribution from this Plan.

3.11 DEEMED IRA CONTRIBUTIONS. A Governmental Employer under an Eligible 457 Plan may elect to permit Participants to make IRA contributions to this Plan in accordance with the Code §408(q) deemed IRA rules. If the Employer elects to permit deemed IRA contributions to the Plan, the Employer will amend the Plan to add necessary IRA language and either the Rev. Proc. 2003-13 sample deemed IRA language or an appropriate substitute.

3.12 ROTH ELECTIVE DEFERRALS. The Employer may elect in the Adoption Agreement to permit Roth Elective Deferrals. Unless elected otherwise, Roth Elective Deferrals shall be treated in the same manner as Elective Deferrals. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

(A) Elective Deferrals. "Elective Deferral" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-tax Elective Deferrals and Roth Elective Deferrals.

(B) Pre-Tax Elective Deferrals. "Pre-Tax Elective Deferrals" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

(C) Roth Elective Deferrals. "Roth Elective Deferrals" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

(D) Ordering Rules for Distributions. The Administrator operationally may implement an ordering rule procedure for withdrawals (including, but not limited to, withdrawals on account of an unforeseeable emergency) from a Participant's accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

(E) Corrective distributions attributable to Roth Elective Deferrals. For any Plan Year in which a Participant may make both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the Administrator operationally may implement an ordering rule procedure for the distribution of Excess Deferrals (Treas. Reg. §1.457-4(e)). Such an ordering rule may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first, to the extent such type of Elective Deferrals was made for the year. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

(F) Loans. If Participant loans are permitted under the Plan, then the Administrator may modify the loan policy or program to provide limitations on the ability to borrow from, or use as security, a Participant's Roth Elective Deferral account. Similarly, the loan policy or program may be modified to provide for an ordering rule with respect to the default of a loan that is made from the Participant's Roth Elective Deferral account and other accounts under the Plan.

(G) Rollovers. A direct rollover of a distribution from Roth Elective Deferrals shall only be made to a Plan which includes Roth Elective Deferrals as described in Code §402A(e)(1) or to a Roth IRA as described in Code §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

The Plan shall accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Plan which permits Roth Elective Deferrals as described in Code §402A(e)(1) and only to the extent the rollover is permitted under the rules of Code §402(c). The Employer, operationally and on a uniform and nondiscriminatory basis, may decide whether to accept any such rollovers.

The Plan shall not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Roth Elective Deferrals are not taken into account in determining whether distributions from a Participant's other accounts are reasonably expected to total less than \$200 during a year. Furthermore, the Plan will treat a Participant's Roth Elective Deferral account and the Participant's other accounts as held under two separate plans for purposes of applying the automatic rollover rules. However, eligible rollover distributions of a Participant's Roth Elective Deferrals are taken into account in determining whether the total amount of the Participant's account balances under the Plan exceed the Plan's limits for purposes of mandatory distributions from the Plan.

The provisions of the Plan 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 a Participant's Roth Elective 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.

(H) Automatic Enrollment. If the Plan utilizes an automatic enrollment feature as described in Section 3.02(B), then any such automatic contribution shall be a Pre-Tax Elective Deferral.

(I) Operational Compliance. The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority.

3.13 BENEFIT ACCRUAL. If the Employer elects to apply this Section, then effective as of the date adopted, for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

(A) Determination of benefits. The amount of Matching Contributions to be made pursuant to this Section 3.13 shall be determined as though the amount of Salary Reduction Contributions of an individual treated as reemployed under this Section on the basis of the individual's average actual Salary Reduction Contributions for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

3.14 ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA). As elected in the Adoption Agreement, the Employer maintains a Plan with automatic enrollment provisions as an Eligible Automatic Contribution Arrangement ("EACA"). Accordingly, the Plan will satisfy the (1) uniformity requirements, and (2) notice requirements under this Section.

(A) Uniformity. The Automatic Deferral Percentage must be a uniform percentage of Compensation. All Participants in the EACA, as defined in Amendment Section 2.1, are subject to Automatic Deferrals, except to the extent otherwise provided in Amendment Section 2.2. If a Participant's Affirmative Election expires or otherwise ceases to be in effect, the Participant will immediately thereafter be subject to Automatic Deferrals, except to the extent otherwise provided in Amendment Section 2.2. However, the Plan does not violate the uniform Automatic Deferral Percentage merely because the Plan applies any of the following provisions:

(a) Years of participation. The Automatic Deferral Percentage varies based on the number of plan years the Participant has participated in the Plan while the Plan has applied EACA provisions;

(b) No reduction from prior default percentage. The Plan does not reduce an Automatic Deferral Percentage that, immediately prior to the EACA's effective date was higher (for any Participant) than the Automatic Deferral Percentage;

(c) Applying statutory limits. The Plan limits the Automatic Deferral amount so as not to exceed the limits of Code Section 457(b)(2) (determined without regard to Age 50 Catch-Up Deferrals).

(B) EACA notice. The Plan Administrator annually will provide a notice to each Participant a reasonable period prior to each plan year the Employer maintains the Plan as an EACA ("EACA Plan Year").

(a) Deemed reasonable notice/new Participant. The Plan Administrator is deemed to provide timely notice if the Plan Administrator provides the EACA notice at least 30 days and not more than 90 days prior to the beginning of the EACA Plan Year.

(b) Mid-year notice/new Participant or Plan. If: (a) an Employee becomes eligible to make Salary Reduction Contributions in the Plan during an EACA Plan Year but after the Plan Administrator has provided the annual EACA notice for that plan year; or (b) the Employer adopts mid-year a new Plan as an EACA, the Plan Administrator must provide the EACA notice no later than the date the Employee becomes eligible to make Salary Reduction Contributions. However, if it is not practicable for the notice to be provided on or before the date an Employee becomes a Participant, then the notice will nonetheless be treated as provided timely if it is provided as soon as practicable after that date and the Employee is permitted to elect to defer from all types of Compensation that may be deferred under the Plan earned beginning on that date.

(c) Content. The EACA notice must provide comprehensive information regarding the Participants' rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Participant in accordance with applicable guidance.

(C) EACA permissible withdrawal. If elected in the Adoption Agreement, a Participant who has Automatic Deferrals

under the EACA may elect to withdraw all the Automatic Deferrals (and allocable earnings) under the provisions of this Amendment Section 3.4. Any distribution made pursuant to this Section will be processed in accordance with normal distribution provisions of the Plan.

(a) **Amount.** If a Participant elects a permissible withdrawal under this Section, then the Plan must make a distribution equal to the amount (and only the amount) of the Automatic Deferrals made under the EACA (adjusted for allocable gains and losses to the date of the distribution). The Plan may separately account for Automatic Deferrals, in which case the entire account will be distributed. If the Plan does not separately account for the Automatic Deferrals, then the Plan must determine earnings or losses in a manner similar to the rules of Treas. Reg. §1.401(k)-2(b)(2)(iv) for distributions of excess contributions.

(b) **Fees.** Notwithstanding the above, the Plan Administrator may reduce the permissible distribution amount by any generally applicable fees. However, the Plan may not charge a greater fee for distribution under this Section than applies to other distributions. The Plan Administrator may adopt a policy regarding charging such fees consistent with this paragraph.

(c) **Timing.** The Participant may make an election to withdraw the Automatic Deferrals under the EACA no later than 90 days, or such shorter period as specified in the Adoption Agreement, after the date of the first Automatic Deferral under the EACA. For this purpose, the date of the first Automatic Deferral is the date that the Compensation subject to the Automatic Deferral otherwise would have been includible in the Participant's gross income. Furthermore, a Participant's withdrawal right is not restricted due to the Participant making an Affirmative Election during the 90 day period (or shorter period as specified in Adoption Agreement.).

(d) **Rehired Employees.** For purposes of this Section, an Employee who for an entire Plan Year did not have contributions made pursuant to a default election under the EACA will be treated as having not had such contributions for any prior Plan Year as well.

(e) **Effective date of the actual withdrawal election:** The effective date of the permissible withdrawal will be as soon as practicable, but in no event later than the earlier of (1) the pay date of the second payroll period beginning after the election is made, or (2) the first pay date that occurs at least 30 days after the election is made. The election will also be deemed to be an Affirmative Election to have no Salary Reduction Contributions made to the Plan.

(f) **Related matching contributions.** The Plan Administrator will not take any deferrals withdrawn pursuant to this section into account in computing the contribution and allocation of matching contributions, if any. If the Employer has already allocated matching contributions to the Participant's account with respect to deferrals being withdrawn pursuant to this Section, then the matching contributions, as adjusted for gains and losses, must be forfeited. Except as otherwise provided, the Plan will use the forfeited contributions to reduce future contributions or to reduce plan expenses.

(D) **Compensation.** Compensation for purposes of determining the amount of Automatic Deferrals has the same meaning as Compensation with regard to Salary Reduction Contributions in general.

(E) Definitions.

(a) **Definition of Automatic Deferral.** An Automatic Deferral is a Salary Reduction Contribution that results from the operation of this Article III. Under the Automatic Deferral, the Employer automatically will reduce by the Automatic Deferral Percentage elected in this Amendment the Compensation of each Participant subject to the EACA, as specified in Amendment Section 2.2. The Plan Administrator will cease to apply the Automatic Deferral to a Participant who makes an Affirmative Election as defined in this Section.

(b) **Definition of Automatic Deferral Percentage/Increases.** The Automatic Deferral Percentage is the percentage of Automatic Deferral which the Employer elects in Amendment Section 2.1 or elsewhere in the Plan (including any scheduled increase to the Automatic Deferral Percentage the Employer may elect).

(c) **Effective date of EACA Automatic Deferral.** The effective date of an Employee's Automatic Deferral will be as soon as practicable after the Employee is subject to Automatic Deferrals under the EACA, consistent with (a) applicable law, and (b) the objective of affording the Employee a reasonable period of time after receipt of the notice to make an Affirmative Election (and, if applicable, an investment election).

(d) **Definition of Affirmative Election.** An Affirmative Election is a Participant's election made after the EACA's Effective Date not to defer any Compensation or to defer more or less than the Automatic Deferral Percentage.

(e) **Effective Date of Affirmative Election.** A Participant's Affirmative Election generally is effective as of the first payroll period which follows the payroll period in which the Participant made the Affirmative Election. However, a Participant may make an Affirmative Election which is effective: (a) for the first payroll period in which he or she becomes a Participant if the Participant makes an Affirmative Election within a reasonable period following the Participant's entry date and before the Compensation to which the Election applies becomes currently available; or (b) for the first payroll period following the EACA's effective date, if the Participant makes an Affirmative Election not later than the EACA's effective date.

3.15 IN-PLAN ROTH ROLLOVER CONTRIBUTION

(a) **Right to elect In-Plan Roth Rollover Contribution.** If elected in the Adoption Agreement, a Participant may elect to roll over a distribution directly to an In-Plan Roth Rollover Contribution Account in accordance with the provisions of the Plan, this Section and the elections made in the Adoption Agreement. "In-Plan Roth rollover contributions" will be subject to the Plan rules related to designated Roth accounts.

(b) **Eligibility for distribution and rollover.** A Participant must be eligible for a distribution in order to roll over a distribution to an In-Plan Roth Rollover Contribution Account in accordance with this Section. A Participant may not make an "in-Plan Roth rollover contribution" with regard to an amount which is not an "eligible rollover distribution."

(c) **Form of rollover.** The Administrator may permit an "In-Plan Roth rollover contribution" either by converting to cash any non-cash investments prior to rolling over the Participant's distribution election amount to the In-Plan Roth Rollover Contribution Account, or by rolling over the Participant's current investments to the In-Plan Roth Rollover Contribution Account. A Plan loan so transferred in a direct rollover (if such transfer is

permitted) without changing the repayment schedule is not treated as a new loan.

(d) Treatment of In-Plan Roth Rollover Contributions.

(1) Amount of In-Plan Roth Rollover Contribution. A Participant may take an in-service distribution only for purposes of electing a direct rollover to an In-Plan Roth Rollover Contribution Account. A portion of the amount that is eligible to be rolled over to an In-Plan Roth Rollover Contribution Account may be distributed solely for the purpose of federal or state income tax withholding for the Participant's anticipated tax obligations regarding the amount includible in the Participant's gross income by reason of the In-Plan Roth Rollover Contribution (and the amount withheld for income taxes). The Administrator may limit the amount of the 100% withholding distribution to the amount the Administrator reasonably determines is sufficient to satisfy the Participant's federal and/or state income tax liability relating to the Plan distribution.

(2) No rollover or distribution treatment. Notwithstanding any other Plan provision, a direct In-Plan Roth Rollover Contribution is not a rollover contribution for purposes of the Plan. Accordingly, the Plan will take into account the amounts attributable to an "in-Plan Roth rollover contribution" in determining whether a Participant's Vested Account balance exceeds \$5,000 for purposes of Code §411(a)(11). In addition, an "in-Plan Roth rollover contribution" is not a distribution for purposes of Code §§401(a)(11) (relating to spousal consent) and 3405(c) (relating to mandatory income tax withholding). Furthermore, it is not a distribution for purposes of applying any limitations that a Plan may impose with respect to the number of in-service distributions permitted by the Plan.

(3) Withdrawal of In-Plan Roth Rollover Contributions. A Participant may withdraw amounts from the Participant's In-Plan Roth Rollover Contribution Account only when the Participant is eligible for a distribution from the Plan account that is the source of the "in-Plan Roth rollover contribution." This Section does not expand (except, if elected, for distributions for withholding) or eliminate any distribution rights on amounts that a Participant elects to treat as an "in-Plan Roth rollover contribution."

(e) Definitions and other rules.

(1) In-Plan Roth Rollover Contribution. An "in-Plan Roth rollover contribution" means a rollover contribution to the Plan that consists of a distribution from a Participant's Plan account, other than a designated Roth account, that the Participant rolls over to the Participant's designated In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402(c)(4). An "in-Plan Roth rollover contribution" may occur only by a direct rollover.

(2) Distribution from partially Vested account. Distributions (i.e., the source of the "in-Plan Roth rollover contribution" amounts) are permitted only from Vested amounts allocated to a qualifying source as identified in the Adoption Agreement. If a distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account from which the rollover is to be made, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be determined in the manner set forth in Section 6.5(h).

3.16 IN-PLAN ROTH TRANSFER

(a) Right to elect In-Plan Roth Rollover Contribution. As elected in the Adoption Agreement, a Participant may elect to transfer amounts to an In-Plan Roth Transfer Account in accordance with the provisions of the Plan and this Amendment. In-Plan Roth Transfers will be subject to the taxation provisions and separate accounting requirements that apply to designated Roth accounts. Furthermore, the Participant shall be fully Vested in the portion of his or her account attributable to the In-Plan Roth Transfer.

(b) Form of transfer. The Plan will transfer investments to the Participant's In-Plan Roth Transfer Account in accordance with the Plan terms and procedures governing Plan investments. A Participant loan that is transferred to a Participant's In-Plan Roth Transfer Account (if such transfer is permitted) without changing the repayment schedule is not treated as a new loan.

(c) Treatment of In-Plan Roth Rollover Contributions.

(1) No distribution treatment. An In-Plan Roth Transfer is not a Plan distribution. Accordingly, the Plan may not withhold or distribute any amounts for income tax withholding, unless a distribution of other amounts is permitted pursuant to the terms of the Plan.

(2) Withdrawal of In-Plan Roth Transfers. A Participant may withdraw amounts from the Participant's In-Plan Roth Transfer Account only when the Participant is eligible for a distribution from the Plan account that is the source of the In-Plan Roth Transfer. This Amendment does not expand or eliminate any distribution rights or restrictions on amounts that a Participant elects to treat as an In-Plan Roth Transfer.

(d) Definitions and other rules.

(1) In-Plan Roth Transfer. An In-Plan Roth Transfer means an amount that a Participant elects to transfer from a Plan Account, other than a designated Roth Account, into an In-Plan Roth Transfer Account, in accordance with Code §402(c)(4)(E) and this Amendment. An In-Plan Roth Transfer may only be made with respect to amounts that are not distributable under the terms of the Plan.

(2) Distribution from partially Vested account. Distributions (i.e., the source of the "in-Plan Roth rollover contribution" amounts) are permitted only from Vested amounts allocated to a qualifying source as identified in the Adoption Agreement. If a distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account from which the rollover is to be made, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be determined in the manner set forth in Section 6.5(h).

(3) In-Plan Roth Transfer Account. An In-Plan Roth Transfer Account is a sub-account the Plan Administrator establishes for the purpose of separately accounting for a Participant's Transfers attributable to the Participant's In-Plan Roth Transfers. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Transfer. The Plan Administrator will administer an In-Plan Roth Transfer Account as provided by IRS guidance and the Plan provisions, including the provisions of this Amendment.

(4) Participant includes certain alternate payees. For purposes of eligibility for an In-Plan Roth Transfer, the Plan will treat a Participant's alternate payee spouse or former spouse

who is not an Employee as a Participant (unless the right to elect an In-Plan Roth Transfer is limited to Employees).

ARTICLE IV TIME AND METHOD OF PAYMENT OF BENEFITS

4.01 DISTRIBUTION RESTRICTIONS. Except as the Plan provides otherwise, the Plan Administrator or Trustee may not distribute to a Participant the amounts in his or her Account prior to one of the following events:

- (a) The Participant's attaining age 70 1/2;
- (b) The Participant's Severance from Employment; or
- (c) The Participant's death.

4.02 TIME AND METHOD OF PAYMENT OF ACCOUNT. The Plan Administrator, or Trustee at the direction of the Plan Administrator, will distribute to a Participant who has incurred a Severance from Employment the Participant's Vested Account under one or any combination of payment methods and at the time(s) the Adoption Agreement specifies. If the Adoption Agreement permits more than one time or method, the Plan Administrator, in the absence of a Participant election described below, will determine the time and method applicable to a particular Participant. In no event will the Plan Administrator direct (or direct the Trustee to commence) distribution, nor will the Participant elect to have distribution commence, later than the Participant's required beginning date, or under a method that does not satisfy Section 4.03.

(A) Participant Election of Time and Method. The Employer in the Adoption Agreement must elect whether to permit Participants to elect the timing and method of distribution of their Account in accordance with this Section 4.02. The Plan Administrator must consent to the specific terms of any such Participant election and the Plan Administrator in its sole discretion may withhold consent. Subject to the foregoing conditions, a Participant: (1) may elect to postpone distribution of his or her Account beyond the time the Employer has elected in the Adoption Agreement, to any fixed or determinable date including, but not beyond, the Participant's required beginning date; and (2) may elect the method of payment. A Participant in a Tax Exempt Organization Eligible 457 Plan may elect the timing and method of payment of his or her Account no later than 30 days before the date the Plan Administrator or Trustee first would commence payment of the Participant's Account in accordance with the Adoption Agreement. The Plan Administrator must furnish to the Participant a form for the Participant to elect the time and a method of payment. A Participant in a Governmental Eligible 457 Plan is not subject to any such requirement in election the timing or method of payment.

(B) Number of Initial Elections/Subsequent Elections. A Participant in a Tax-Exempt Organization Eligible 457 Plan may make any number of elections or revoke any prior election under Section 4.02(A) within the election period. Once the initial election period expires, a Participant, before payment would commence under the Participant's initial election, may make one additional election to defer (but not to accelerate) the timing of payment of his or her Account and also as to the method of payment.

(C) No Election/Default. If the Participant does not make a timely election regarding the time and method of payment, the Plan Administrator will pay or direct the Trustee to pay the Participant's Account in accordance with the Adoption Agreement.

(D) Mandatory Distribution. The Employer in the Adoption Agreement will elect whether the Plan will make Mandatory Distributions. If the Employer elects Mandatory Distributions, the Employer may determine operationally whether to include Rollover Contributions in determining whether the Participant is subject to Mandatory Distributions.

4.03 REQUIRED MINIMUM DISTRIBUTIONS. The Plan Administrator may not distribute nor direct the Trustee to distribute the Participant's Account, nor may the Participant elect any distribution his or her Account, under a method of payment which, as of the required beginning date, does not satisfy the minimum distribution requirements of Code §401(a)(9) or which is not consistent with applicable Treasury regulations.

(A) General Rules.

(1) Precedence. The requirements of this Section 4.03 will take precedence over any inconsistent provisions of the Plan.

(2) Requirements of Treasury Regulations Incorporated. All distributions required under this Section 4.03 will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).

(B) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant Before Distribution Begins. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) Spouse Designated Beneficiary. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(b) Non-Spouse Designated Beneficiary. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year 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 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

4.03(B)(2) other than Section 4.03(B)(2)(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 4.03(B) and Section 4.03(D), unless Section 4.03(B)(2)(d) applies, distributions are considered to begin on the Participant's required beginning date. If Section 4.03(B)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a). 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 Section 4.03(B)(2)(a), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 4.03(C) and 4.03(D). 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 Treasury regulations.

(C) Required Minimum Distributions during Participant's Lifetime.

(1) 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:

(a) ULT. The quotient obtained by dividing the Participant's account balance by the number in the Uniform Life Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the distribution calendar year; or

(b) Younger Spouse. 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, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 4.03(C) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(D) Required Minimum Distributions after Participant's Death.

(1) Death On or After Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date 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) Participant's Life Expectancy. The

Participant's remaining life expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(ii) Spouse's Life Expectancy. If the

Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated 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 attained 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) Non-Spouse's Life Expectancy. If the

Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(2) Death before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. Except as the Employer may elect in the Adoption Agreement, if the Participant dies before the date 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 Section 4.03(D)(1).

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) 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 4.03(B)(2)(a), this Section 4.03(D)(2) will apply as if the surviving spouse were the Participant.

(d) 5-year or Life Expectancy rule; possible election. The Employer in its Adoption Agreement will elect whether distribution of the Participant's Account will be made in accordance with the life expectancy rule under Section 4.03(D)(2)(a) or the 5-year rule under Section 4.03(D)(2)(b).

The Employer's election may permit a Designated Beneficiary to elect which of these rules will apply or may specify which rule applies. However, the life expectancy rule (whether subject to election or not) applies only in the case of a Designated Beneficiary. The 5-year rule applies as to any Beneficiary who is not a Designated Beneficiary. A permitted election under this Section 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 4.03(D)(2)(a), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.

(E) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-1, Q&A-4.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which the distributions are required to begin under Section 4.03(B)(2). 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.

(3) Life expectancy. Life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.

(4) Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any Rollover Contributions or Transfers to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required beginning date. A Participant's required beginning date is the April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains age 70 1/2, or (2) the calendar year in which the Participant retires or such other date under Code §401(a)(9) by which required minimum distributions must commence.

4.04 DEATH BENEFITS. Upon the death of the Participant, the Plan Administrator must pay or direct the Trustee to pay the Participant's Account in accordance with Section 4.03. Subject to Section 4.03, a Beneficiary may elect the timing and method of payment in the same manner as a Participant may elect under Section 4.02, if such elections apply.

If a Participant 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 if the Participant had resumed and then terminated employment on account of death.

4.05 DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT. The Employer must elect in the Adoption Agreement whether to permit in-service distributions of a Participant's Vested Account under this Section 4.05, notwithstanding the Section 4.01 distribution restrictions.

(A) Unforeseeable Emergency. In the event of a Participant's unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control, or which applicable law may define as an unforeseeable emergency. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship.

The Participant's Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant's Plan Account upon the Participant's death.

(B) De minimis distribution. In accordance with the Employer's Adoption Agreement elections, the Plan Administrator may allow a Participant to elect to receive a distribution or the Plan Administrator will distribute (without a Participant election) any amount of the Participant's Account where: (1) the Participant's Account (disregarding Rollover Contributions) does not exceed \$5,000 (or such other amount as does not exceed the Code §411(a)(11)(A) dollar amount); (2) the Participant has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (3) the Participant has not received a prior distribution under this Section 4.05(B).

(C) Distribution of Rollover Contributions. The Employer in the Adoption Agreement may elect to permit a Participant to request and to receive distribution of the Participant's Account attributable to Rollover Contributions (but not to Transfers) before the Participant has a distributable event under Section 4.01.

4.06 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs).

Notwithstanding any other provision of this Plan, the Employer in the Adoption Agreement may elect to apply the QDRO provisions of this Section 4.06. If Section 4.06 applies, the Plan Administrator (and any Trustee) must comply with the terms of a QDRO, as defined in Code §414(p), which is issued with respect to the Plan.

(A) Time and Method of Payment. This Plan specifically permits distribution to an alternate payee under a QDRO at any time, notwithstanding any contrary Plan provision and irrespective of whether the Participant has attained his or her earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution. Nothing in this Section 4.06 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor authorizes the alternate payee to receive a form of payment the Plan does not permit.

(B) QDRO Procedures. The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

(C) Accounting. If any portion of the Participant's Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator may segregate or may direct the Trustee to segregate the QDRO amount in a segregated investment account. The Plan Administrator or Trustee will make any payments or distributions required under this Section 4.06 by separate benefit checks or other separate distribution to the alternate payee(s).

(D) Permissible QDROs. A domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

4.07 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS – GOVERNMENTAL PLAN.

(A) Participant Election. A Participant (including for this purpose, a former Employee) in a Governmental Eligible 457

Plan may elect, at the time and in the manner the Plan Administrator prescribes, to have any portion of his or her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this election, a "Participant" includes as to their respective interests, a Participant's surviving spouse and the Participant's spouse or former spouse who is an alternate payee under a QDRO.

(B) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice").

(C) Default distribution or rollover. Except as provided in Paragraph (D), in the case of a Participant who does not elect timely to roll over or to receive distribution of his or her Account, the Plan Administrator or the Trustee, at the Plan Administrator's direction, may distribute to the Participant or may directly roll over the Participant's Account in accordance with the Plan's rollover notice.

(D) Mandatory default rollover. If (1) the Plan is a Governmental Eligible 457 Plan, (2) the Plan makes a mandatory distribution after the Code §401(a)(31)(B) Effective Date, greater than \$1,000, and (3) the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

(E) Non-spouse beneficiary rollover right. A non-spouse beneficiary who is a "designated beneficiary" under Section 4.03(E)(1), by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

(1) Certain requirements not applicable. Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 4.07(E), the distribution is not subject to the direct rollover requirements of Code §401(a)(31) (including the automatic rollover provisions of Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

(2) Trust beneficiary. If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

(3) Required minimum distributions not eligible for rollover. A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in

determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

(F) Definitions. The following definitions apply to this Section:

(1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of a Participant's Account, except an eligible rollover distribution does not include: (a) any distribution which 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 designated Beneficiary, or for a specified period of ten years or more; (b) any Code §401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; and (d) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.

(2) Eligible retirement plan. An eligible retirement plan is an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified plan described in Code §401(a), an annuity contract (or custodial agreement) described in Code §403(b), or an eligible deferred compensation plan described in Code §457(b) and maintained by an Employer described in Code §457(e)(1)(A), which accepts the Participant's, the Participant's spouse or alternate payee's eligible rollover distribution.

A Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in this Section.

(3) Direct rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(4) Mandatory distribution. A mandatory distribution is an eligible rollover distribution without the Participant's consent before the Participant attains the later of age 62 or Normal

Retirement Age (see paragraph 3.05 (B)). A distribution to a beneficiary is not a mandatory distribution.

(5) 401(a)(31)(B) Effective Date. The 401(a)(31)(B) Effective Date is the date of the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006.

4.08 ELECTION TO DEDUCT FROM DISTRIBUTION. An Eligible Retired Public Safety Officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the Eligible Retired Public Safety Officer otherwise would receive and include in income. The Plan will pay such deducted amounts directly to pay qualified health insurance premiums.

(A) Direct payment. The Plan will pay directly to the provider of the accident or health insurance plan or qualified long-term care insurance contract the amounts the Eligible Retired Public Safety Officer has elected to have deducted from the distribution. Such amounts may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified health insurance premiums, and which otherwise complies with Code §402(l).

(B) Definitions.

(1) Eligible retired public safety officer. An "Eligible Retired Public Safety Officer" is an individual who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a Public Safety Officer with the Employer.

(2) Public safety officer. A "Public Safety Officer" has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A)).

(3) Qualified health insurance premiums. The term "qualified health insurance premiums" means premiums for coverage for the Eligible Retired Public Safety Officer, his or her spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code §7702(b)).

ARTICLE V
PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS

5.01 TERM/VACANCY. The Plan Administrator will serve until his or her successor is appointed. In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

5.02 POWERS AND DUTIES. The Plan Administrator will have the following powers and duties:

- (a) To select a committee to assist the Plan Administrator;
- (b) To select a secretary for the committee, who need not be a member of the committee;
- (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;
- (d) To adopt rules and procedures and to create administrative forms necessary for the proper and efficient administration of the Plan provided the rules, procedures and forms are not inconsistent with the terms of the Plan;
- (e) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (f) To direct the distribution of a Participant's Account;
- (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
- (i) To establish a policy in making distributions for unforeseeable emergencies;
- (j) To establish under a Governmental Eligible 457 Plan, policies regarding the receipt of Rollover Contributions and default rollover distributions;
- (k) To establish a policy regarding the making and the receipt of Transfers;
- (l) To establish a policy regarding Participant or Beneficiary direction of investment;
- (m) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his or her Vested Account;
- (n) To establish under a Governmental Eligible 457 Plan, a policy (see Section 5.02(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries;
- (o) To undertake correction of any Plan failures as necessary to preserve eligible Plan status; and
- (p) To undertake any other action the Plan Administrator deems reasonable or necessary to administer the Plan.

The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and

application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

(A) Loan Policy. In a Governmental Eligible 457 Plan, the Plan Administrator, in its sole discretion, may establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (1) the identity of the person or positions authorized to administer the participant loan program; (2) the procedure for applying for a loan; (3) the criteria for approving or denying a loan; (4) the limitations, if any, on the types and amounts of loans available; (5) the procedure for determining a reasonable rate of interest; (6) the types of collateral which may secure the loan; and (7) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. A loan policy the Plan Administrator adopts under this Section 5.02(A) is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

(B) QDRO Policy. If the QDRO provisions of Section 4.06 apply, the Plan Administrator will establish QDRO procedures.

5.03 COMPENSATION. The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.

5.04 AUTHORIZED REPRESENTATIVE. The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on the Plan Administrator's behalf any Plan notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

5.05 INDIVIDUAL ACCOUNTS/RECORDS. The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

5.06 VALUE OF PARTICIPANT'S ACCOUNT. The value of each Participant's Account consists of his or her accumulated Deferred Compensation, as of the most recent Accounting Date or any later date as the Plan Administrator may determine.

5.07 ACCOUNT ADMINISTRATION, VALUATION AND EXPENSES.

(A) Individual Accounts. The Plan Administrator, as necessary for the proper administration of the Plan, will maintain, or direct the Trustee to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan. The Plan Administrator will make its allocations of Employer Contributions and of Earnings, or will request the Trustee to make such allocations, to the Accounts of the Participants as necessary to maintain proper Plan records and in accordance with the applicable: (i) Contribution Types; (ii) allocation conditions; (iii) investment account types; and (iv) Earnings allocation methods. The Plan Administrator may also maintain, or direct the Trustee to maintain, a separate temporary Account for Participant forfeitures which occur during a Plan Year,

pending their accrual and allocation in accordance with the Plan terms, or for other special items as the Plan Administrator determines is necessary and appropriate for proper plan administration.

(1) By Contribution Type. The Plan Administrator, will establish Plan Accounts for each Participant as necessary to reflect his or her Accounts attributable to the following Contribution Types and the Earnings attributable thereto: Pre-Tax Deferrals, Roth Deferrals, Matching Contributions, Nonelective Contributions, Rollover Contributions (including Roth versus pre-tax amounts), and Transfers.

(2) By investment account type. The Plan Administrator will establish separate Accounts for each Participant as necessary to reflect his or her investment account types as described below:

(a) Pooled Accounts. A Pooled Account is an Account which for investment purposes is not a Segregated Account or a Participant-Directed Account. If any or all Plan investment Accounts are Pooled Accounts, each Participant's Account has an undivided interest in the assets comprising the Pooled Account. In a Pooled Account, the value of each Participant's Account Balance consists of that proportion of the net worth (at fair market value) of the Trust Fund which the net credit balance in his or her Account (exclusive of the cash value of incidental benefit insurance contracts) bears to the total net credit balance in the Accounts of all Participants plus the cash surrender value of any insurance contracts held by the Trustee on the Participant's life. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

(b) Participant-Directed Accounts. A Participant-Directed Account is an Account that the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant to invest in one or more assets that are not pooled assets held by the Trust, such as assets in a brokerage account or other property in which other Participants do not have any interest. As the Plan Administrator determines, a Participant-Directed Account may provide for a limited number and type of investment options or funds, or may be open-ended and subject only to any limitations imposed by applicable law. A Participant may have one or more Participant-Directed Accounts in addition to Pooled or Segregated Accounts. A Participant-Directed Account is credited and charged with the Earnings. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

(c) Segregated Accounts. A Segregated Account is an Account the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant: (i) to facilitate installment payments; (ii) to hold a QDRO amount; (iii) to prevent a distortion of Plan Earnings allocations; or (iv) for such other purposes as the Plan Administrator may direct. A Segregated Account receives all income it earns and bears all expense or loss it incurs. The Trustee will invest the assets of a Segregated Account consistent with the purpose for which the Plan Administrator or Trustee established the Account. As of

each Valuation Date, the Plan Administrator must reduce a Segregated Account for any forfeiture arising after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the Valuation Period.

(3) Amount of Account/distributions. The amount of a Participant's Account, as determined by the Plan Administrator, is equal to the sum of all contributions, Earnings and other additions credited to the Account, less all distributions (including distributions to Beneficiaries and to alternate payees and also including disbursement of Plan loan proceeds), expenses and other charges against the Account as of a Valuation Date or other relevant date. For purposes of a distribution under the Plan, the amount of a Participant's Account Balance is determined based upon its value on the Valuation Date immediately preceding or coinciding with the date of the distribution. If any or all Plan investment Accounts are Participant-Directed Accounts, the directing Participant's Account Balance consists of the assets held within the Participant-Directed Account and the value of the Account is determined based upon the fair market value of such assets.

(4) Account statements. As soon as practicable after the Accounting Date of each Plan Year, the Plan Administrator will deliver to each Participant (and to each Beneficiary) a statement reflecting the amount of his or her Account Balance in the Trust as of the statement date or most recent Valuation Date. No Participant, except the Plan Administrator/Participant or Trustee/Participant, has the right to inspect the records reflecting the Account of any other Participant.

(B) Allocation of Earnings. This Section 5.07(B) applies solely to the allocation of Earnings of the Trust Fund. The Plan Administrator will allocate Employer Contributions and Participant forfeitures, if any, in accordance with Article III. Earnings means the net income, gain or loss earned by a particular Account, by the Trust, or with respect to a contribution or to a distribution, as the context requires.

(1) Allocate as of Valuation Date. As of each Valuation Date, the Plan Administrator must adjust Accounts to reflect Earnings for the Valuation Period since the last Valuation Date.

(2) Definition of Valuation Date. A Valuation Date under this Plan is each: (a) Accounting Date; (b) Valuation Date the Employer elects in the Adoption Agreement; or (c) Valuation Date the Plan Administrator establishes. The Employer in the Adoption Agreement or the Plan Administrator may elect alternative Valuation Dates for the different Contribution Types which the Plan Administrator maintains under the Plan.

(3) Definition of Valuation Period. The Valuation Period is the period beginning on the day after the last Valuation Date and ending on the current Valuation Date.

(4) Allocation methods. The Plan Administrator will allocate Earnings to the Participant Accounts in accordance with the daily valuation method, balance forward method, balance forward with adjustment method, weighted average method, Participant-Directed Account method, or other method the Employer elects under the Adoption Agreement. The Employer in the Adoption Agreement may elect alternative methods under which the Plan Administrator will allocate the Earnings to the Accounts reflecting different Contribution Types or investment

Account types which the Plan Administrator maintains under the Plan. The Plan Administrator first will adjust the Participant Accounts, as those Accounts stood at the beginning of the current Valuation Period, by reducing the Accounts for any forfeitures, distributions, and loan disbursement payments arising under the Plan, for expenses charged during the Valuation Period to the Accounts (expenses directly related to a Participant's Account). The Plan Administrator then, subject to the restoration allocation requirements of the Plan, will allocate Earnings under the applicable valuation method.

(a) **Daily valuation method.** If the Employer in the Adoption Agreement elects to apply the daily valuation method, the Plan Administrator will allocate Earnings on each day of the Plan Year for which Plan assets are valued on an established market and the Trustee is conducting business. Under the daily valuation method, all assets subject to such method are subject to daily valuation. The assets may be held in Participant-Directed Accounts or in Accounts which are subject to Trustee or other fiduciary investment direction.

(b) **Balance forward method.** If the Employer in the Adoption Agreement elects to apply the balance forward method, the Plan Administrator will allocate Earnings pro rata to the adjusted Participant Accounts, since the last Valuation Date.

(c) **Balance forward with adjustment method.** If the Employer in the Adoption Agreement elects to apply the balance forward with adjustment method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat as part of the relevant Account at the beginning of the Valuation Period the percentage of the contributions made as the Employer elects in the Adoption Agreement, during the Valuation Period the Employer elects in the Adoption Agreement.

(d) **Weighted average method.** If the Employer in the Adoption Agreement elects to apply a weighted average allocation method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat a weighted portion of the applicable contributions as if includible in the Participant's Account as of the beginning of the Valuation Period. The weighted portion is a fraction, the numerator of which is the number of months in the Valuation Period, excluding each month in the Valuation Period which begins prior to the contribution date of the applicable contributions, and the denominator of which is the number of months in the Valuation Period. The Employer in the Adoption Agreement may elect to substitute a weighting period other than months for purposes of this weighted average allocation.

(e) **Participant-Directed Account method.** The Employer in the Adoption Agreement must elect to apply the Participant-Directed Account method to any Participant-Directed Account under the Plan. Under the Participant-Directed Account method: (i) each Participant-Directed Account is credited and charged with the Earnings such Account generates; (ii) the Employer's election, if any, in the Adoption Agreement of another method for the allocation of Earnings will not apply to any Participant-Directed Account; and (iii) the Participant-Directed Account may be valued as often as daily, but will be valued at least annually, and all assets in the Account are not necessarily valued on the same frequency. An Account which is subject to the Participant-Directed Account method includes an individual brokerage account or similar account in title to the Trustee for the benefit of the Participant.

(C) **Allocation of Net Income, Gain or Loss (No Trust).** In a Tax-Exempt Eligible 457 Plan that does not maintain a trust the Plan Administrator will allocate net income, gain or loss in accordance with this provision. As of each Accounting Date (and each other valuation date determined under the Adoption Agreement), the Plan Administrator will adjust Accounts to reflect net income, gain or loss, if any, since the last Accounting Date or Account valuation. The Employer in the Adoption Agreement will elect the method for allocating net income gain or loss. The Plan Administrator will continue to allocate net income, gain and loss to a Participant's Account subject to an installment distribution, until the Account is fully distributed.

5.08 ACCOUNT CHARGED. The Plan Administrator will charge all distributions made to a Participant or to his or her Beneficiary, or transferred under Section 9.03 from his or her Account, against the Account of the Participant when made.

5.09 OWNERSHIP OF FUND/TAX-EXEMPT ORGANIZATION. If the Employer is a Tax-Exempt Organization, the Plan is an unfunded plan and all Deferred Compensation, property and rights to property purchased by Deferred Compensation and all income attributable thereto remain, until paid or made available under the Plan, the sole property and rights of the Employer, subject only to the claims of the Employer's general creditors. No Participant or Beneficiary will have any vested interest or secured or preferred position with respect to an Account or have any claim against the Employer except as a general creditor. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. The Employer or the Plan Administrator, acting as the Employer's agent, may enter into a trust agreement solely for the purpose of investing all or part of the Accounts, which will be subject to the claims of the Employer's general creditors, and in which the Participants or Beneficiaries will not have a vested interest nor a secured or preferred position or have any claim except as the Employer's general creditor. The Employer may not purchase life insurance contracts under this Plan unless the Employer retains all incidents of ownership in such contracts, the Employer is the sole beneficiary of such contracts and the Employer is not under any obligation to transfer the contracts or pass through the proceeds to any Participant or to his or her Beneficiary. The Employer may adopt and attach to the Plan as "Appendix A," the Internal Revenue Service Model Rabbi Trust under Rev. Proc. 92-64 (as amended) to hold the assets of a Tax-Exempt Organization Eligible 457 Plan. If the Employer adopts the Model Rabbi Trust, the Plan incorporates by reference the provisions of the Model Rabbi Trust as if fully set forth herein.

5.10 PARTICIPANT DIRECTION OF INVESTMENT. Subject to the terms of the Plan Administrator's adopted policy, if any, and also to written consent of the Trustee, if the Plan has a Trust, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-Directed Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility.

5.11 VESTING/SUBSTANTIAL RISK OF FORFEITURE. The Employer in the Adoption Agreement may elect to apply a vesting schedule or to specify any other Substantial Risk of Forfeiture applicable to any or all Deferral Contributions.

(A) **Forfeiture Allocation.** The Employer in the Adoption Agreement must elect the method the Plan Administrator will use to allocate any Participant forfeitures, including those

related to lost Participants under Section 5.14. The Plan Administrator will allocate a forfeiture in the Plan Year in which the forfeiture occurs or in the next following Plan Year.

5.12 PRESERVATION OF ELIGIBLE PLAN STATUS.

The Plan Administrator may elect to sever from this Plan and to treat as a separate 457 plan, the Accounts of any Participants who have Excess Deferrals that the Plan Administrator has not corrected in accordance with Section 3.10 or in the case of any other Code §457(b) failure that the Employer may not otherwise correct, and which failure would result in the Plan ceasing to be an Eligible 457 Plan. In such event, the Plan Administrator will take any necessary or appropriate action consistent with the Employer's maintenance of separate 457 plans and with preservation of Eligible 457 Plan status of this Plan.

5.13 LIMITED LIABILITY. The Employer will not be liable to pay plan benefits to a Participant in excess of the value of the Participant's Account as the Plan Administrator determines in accordance with the Plan terms. Neither the Employer nor the Plan Administrator will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

5.14 LOST PARTICIPANTS. If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 5.14.

(A) Attempt to Locate. The Plan Administrator will attempt to locate a lost Participant and may use one or more of the following methods: (1) provide a distribution notice to the lost Participant at his or her last known address by certified or registered mail; (2) use a commercial locator service, the internet or other general search method; (3) use the Social Security Administration or PBGC search program; or (4) use such other methods as the Plan Administrator believes prudent.

(B) Failure to Locate. If a lost Participant remains unlocated for 6 months following the date the Plan Administrator first attempts to locate the lost Participant using one or more of the methods described in Section 5.14(A), the Plan Administrator may forfeit the lost Participant's Account. If the Plan Administrator forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 5.11. The Plan Administrator under this Section 5.14(B) will forfeit the entire Account of the lost Participant, including Salary Reduction Contributions.

If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his or her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account.

(C) Nonexclusivity and Uniformity. The provisions of this Section 5.14 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of lost Participants. The Plan Administrator may utilize any other reasonable method to locate lost Participants and to administer the Accounts of lost Participants, including the default rollover under Section 4.07(C) and such other methods as the Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Plan Administrator will apply Section 5.14 in a reasonable manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors. The Plan Administrator may charge to the Account of a lost Participant the reasonable expenses incurred under this Section 5.14 and which are associated with the lost Participant's Account.

5.15 PLAN CORRECTION. The Plan Administrator, in conjunction with the Employer and Trustee as appropriate, may undertake such correction of Plan errors as the Plan Administrator deems necessary, including but not limited to correction to maintain the Plan's status as an Eligible 457 Plan. The Plan Administrator under this Section 5.15 also may undertake Plan correction in accordance with any correction program that the Internal Revenue Service makes applicable to 457 plans.

ARTICLE VI PARTICIPANT ADMINISTRATIVE PROVISIONS

6.01 BENEFICIARY DESIGNATION. A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Plan Administrator or Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the method of payment of his or her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his or her spouse as his or her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision (if applicable) applies only with respect to a Participant whose divorce or legal separation becomes effective on or following the date the Employer executes the Adoption Agreement, unless the Employer in the Adoption Agreement specifies a different effective date.

6.02 NO BENEFICIARY DESIGNATION. If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's children (including adopted children), in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants); and if none to
- (c) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; or (2) the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct a Trustee if applicable as to the method and to whom the Trustee will make payment under this Section 6.02.

6.03 SALARY REDUCTION AGREEMENT.

(A) General. A Participant must elect to make Salary Reduction Contributions on a Salary Reduction Agreement form the Plan Administrator provides for this purpose. The Salary Reduction Agreement must be consistent with the Employer's Adoption Agreement elections and the Plan Administrator in a Salary Reduction Agreement may impose such other terms and limitations as the Plan Administrator may determine.

(B) Election Timing. A Participant's Salary Reduction Agreement may not take effect earlier than the first day of the calendar month following the date the Participant executes the Salary Reduction Agreement and as to Compensation paid or made available in such calendar month. However, if an

Employee is eligible to become a Participant during the Employee's calendar month of hire, the Employee may execute a Salary Reduction Agreement on or before the date he/she becomes an Employee, effective for the month in which he/she becomes an Employee.

(C) Sick, Vacation and Back Pay. If the Employer in the Adoption Agreement permits Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay, a Participant who will incur a Severance from Employment may execute a Salary Reduction Agreement before such amounts are paid or made available provided: (i) such amounts are paid or made available before the Participant incurs the Severance; and (ii) the Participant is an Employee in that month.

(D) Modification of Salary Reduction Agreement. A Participant's Salary Reduction Agreement remains in effect until a Participant modifies it or ceases to be eligible to participate in the Plan. A Participant may modify his or her Salary Reduction Agreement by executing a new Salary Reduction Agreement. Any modification will become effective no earlier than the beginning of the calendar month commencing after the date the Participant executes the new Salary Reduction Agreement. Filing a new Salary Reduction Agreement will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his or her Salary Reduction Agreement in any Taxable Year.

6.04 PERSONAL DATA TO PLAN ADMINISTRATOR.

Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his or her failure to comply with its request.

6.05 ADDRESS FOR NOTIFICATION. Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his or her address and any change of address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his or her last address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

6.06 PARTICIPANT OR BENEFICIARY

INCAPACITATED. If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age, the Plan Administrator or at the direction of the Plan Administrator, the Trustee, may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or to other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

ARTICLE VII
MISCELLANEOUS

7.01 NO ASSIGNMENT OR ALIENATION. A Participant or Beneficiary does not have the right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments under the Plan or Trust and the Plan Administrator and the Trustee will not recognize any such anticipation, assignment, or alienation. The payments and the rights under this Plan are nonassignable and nontransferable. Furthermore, a Participant's or Beneficiary's interest in the Trust is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

7.02 EFFECT ON OTHER PLANS. This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer's Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.

7.03 WORD USAGE. Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.

7.04 STATE LAW. The laws of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of this Plan, except to the extent Federal law supersedes State law.

7.05 EMPLOYMENT NOT GUARANTEED. Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Participant or Beneficiary any right to continue employment, any legal or equitable right against the Employer, the Plan Administrator, the Trustee, any other Employee of the Employer, or any agents thereof except as expressly provided by the Plan.

7.06 NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER. All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.

ARTICLE VIII
TRUST PROVISIONS—GOVERNMENTAL ELIGIBLE 457 PLAN

8.01 GOVERNMENTAL ELIGIBLE 457 PLAN. The provisions of this Article VIII apply to a Governmental Eligible 457 Plan and do not apply to a Tax-Exempt Organization Eligible 457 Plan. The Employer in the Adoption Agreement may elect to substitute another trust (attached to this Plan as "Appendix A") or to modify any provision of Article VIII, consistent with Code §457(g) and applicable Treasury regulations.

8.02 ACCEPTANCE/HOLDING. The Trustee accepts the Trust created under the Plan and agrees to perform the duties and obligations imposed. The Trustee must hold in trust under this Article VIII, all Deferred Compensation until paid in accordance with the Plan terms.

8.03 RECEIPT OF CONTRIBUTIONS. The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.

8.04 FULL INVESTMENT POWERS. The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.12. The Trustee is authorized and empowered, but not by way of limitation, to exercise and perform the following powers, rights and duties:

(a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent person would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;

(b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;

(c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest or in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;

(d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such

considerations and on such terms and conditions as the Trustee decides;

(e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;

(f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(g) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion;

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights;

(i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;

(k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;

(l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes a final adjudication;

(m) To file all tax returns required of the Trustee;

(n) To furnish to the Employer and the Plan Administrator an annual statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and

(o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

(A) Nondiscretionary Trustee. The Employer in the Adoption Agreement may elect to appoint a Nondiscretionary Trustee, subject to this Section 8.04(A). The Nondiscretionary Trustee does not have any discretion or authority with regard to the

investment of the Trust, but must act solely as a directed Trustee hereunder. The Nondiscretionary Trustee is authorized and empowered to exercise and perform the above Section 8.04 powers, rights and duties provided that the Trustee shall act solely as a directed Trustee and only in accordance with the written direction of the Employer, the Plan Administrator or of a Participant as applicable. The Nondiscretionary Trustee is not liable for making, retaining or disposing of any investment or for taking or failing to take any other action, in accordance with proper Employer, Plan Administrator or Participant direction.

8.05 RECORDS AND STATEMENTS. The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator whatever information relating to the Trust the Plan Administrator considers necessary.

8.06 FEES AND EXPENSES FROM FUND. The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay from the Trust all fees and expenses the Trustee reasonably incurs in its administration of the Trust, unless the Employer pays the fees and expenses.

8.07 PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

8.08 DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

8.09 RESIGNATION AND REMOVAL. The Trustee or the Custodian may resign its position by giving written notice to the Employer and to the Plan Administrator. The Trustee's notice must specify the effective date of the Trustee's resignation, which date must be at least 30 days following the date of the Trustee's notice, unless the Employer consents in writing to shorter notice.

The Employer may remove a Trustee or a Custodian by giving written notice to the affected party. The Employer's notice must specify the effective date of removal which date must be at least 30 days following the date of the Employer's notice, except where the Employer reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

8.10 SUCCESSOR TRUSTEE.

(A) **Appointment.** In the event of the resignation or the removal of a Trustee, where no other Trustee continues to service, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee. If the Employer fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal and no other Trustee remains, the Trustee will treat the Employer as

having appointed itself as Trustee and as having filed the Employer's acceptance of appointment as successor Trustee with the former Trustee.

(B) **Automatic Successor.** Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.

8.11 VALUATION OF TRUST. The Trustee will value the Trust as of each Accounting Date to determine the fair market value of the Trust assets. The Trustee will value the Trust on such other date(s) the Plan Administrator may direct.

8.12 PARTICIPANT DIRECTION OF INVESTMENT. Consistent with the Plan Administrator's policy adopted under Section 5.02(l), the Trustee may consent in writing to permit Participants in the Plan to direct the investment to the Trust assets. The Plan Administrator will advise the Trustee of the portion of the Trust credited to each Participant's Account under the Plan, and subject to such Participant direction. As a condition of Participant direction, the Trustee may impose such conditions, limitations and other provisions as the Trustee may deem appropriate and as are consistent with the Plan Administrator's policy. The Trustee will report to the Plan Administrator the net income, gain or losses incurred by each Participant-Directed Account separately from the net income, gain or losses incurred by the general Trust during the Trust Year.

8.13 THIRD PARTY RELIANCE. No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.

8.14 INVALIDITY OF ANY TRUST PROVISION. If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.

8.15 EXCLUSIVE BENEFIT. The Trustee will hold all the assets of the Trust for the exclusive benefit of the Participants and their Beneficiaries and neither the Employer nor the Trustee will use or divert any part of the corpus or income of the Trust for purposes other than the exclusive benefit of the Participants and Beneficiaries of the Plan. The Employer will not have any right to the assets held by the Trustee and the Trust assets will not be subject to the claims of the Employer's creditors or, except as provided in Section 4.06, of the creditors of any Participant or Beneficiary. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. Notwithstanding the foregoing, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount the Plan Administrator finds is lawfully

demanding under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. The Trust created under the Employer's Plan is irrevocable and its assets will not inure to the benefit of the Employer.

8.16 SUBSTITUTION OF CUSTODIAL ACCOUNT OR ANNUITY CONTRACT. The Employer in the Adoption Agreement may elect to use one or more custodial accounts or annuity contracts in lieu of or in addition to the Trust established in this Article VIII. Any such custodial account or annuity contract must satisfy the requirements of Code §457(g)(3) and applicable Treasury regulations.

8.17 GROUP TRUST AUTHORITY. Notwithstanding any contrary provision in this Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §401(a), individual retirement accounts that are exempt under Code §408(e), and eligible governmental plans that meet the requirements of Code §457(b). For this purpose, a trust includes a custodial account that is treated as a trust under Code §401(f) or under Code §457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for Plan, determined in accordance with generally recognized valuation procedures.

ARTICLE IX AMENDMENT, TERMINATION, TRANSFERS

9.01 AMENDMENT BY EMPLOYER/SPONSOR. The Employer has the right at any time and from time to time:

(a) To amend this Plan and Trust Agreement and the Adoption Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as an Eligible 457 Plan; and

(b) To amend this Plan and Trust Agreement and the Adoption Agreement in any other manner, including deletion, substitution or modification of any Plan, Trust or Adoption Agreement provision.

The Employer must make all amendments in writing. The Employer may amend the Plan by an Adoption Agreement election, by addenda, by separate amendment, or by restatement of the Adoption Agreement or Plan. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment that affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

9.02 TERMINATION/FREEZING OF PLAN. The Employer has the right, at any time, to terminate this Plan or to cease (freeze) further Deferral Contributions to the Plan. Upon termination or freezing of the Plan, the provisions of the Plan (other than provisions permitting continued Deferral Contributions) remain operative until distribution of all Accounts. Upon Plan termination, the Plan Administrator or Trustee shall distribute to Participants and Beneficiaries all Deferred Compensation as soon as is reasonably practicable following termination.

9.03 TRANSFERS. The Employer may enter into a Transfer agreement with another employer under which this Plan: (a) may accept a Transfer of a Participant's Account in the other employer's Eligible 457 Plan; or (b) may Transfer a Participant's (or Beneficiary's) Account in this Plan to the other employer's Eligible 457 Plan. The plan sponsors of the plans involved in the Transfer both must be States or both must be Tax-Exempt Organizations and the plans must provide for Transfers. The Participant or Beneficiary, after the Transfer will have Deferred Compensation in the recipient plan at least equal to his or her Deferred Compensation in the transferring plan immediately before the Transfer. Any Transfer also must comply with applicable Treasury regulations, and in particular Treas. Reg. §§1.457-10(b)(2) as to post-severance transfers between Governmental Eligible 457 Plans; 1.457-10(b)(3) as to transfers of all assets between Governmental Eligible 457 Plans; 1.457-10(b)(4) as to transfers between Governmental Eligible 457 Plans of the same Employer; and 1.457-10(b)(5) as to post-severance transfers between Tax-Exempt Organization Eligible 457 Plans. The Plan Administrator will credit any Transfer accepted under this Section 9.03 to the Participant's Account and will treat the transferred amount as a Deferral Contribution for all purposes of this Plan except the Plan Administrator, will not treat such Transfer as a Deferral Contribution subject to the limitations of Article III. In addition, in the case of a Transfer between Tax-Exempt Organization Eligible Plans, the recipient plans shall apply a Participant's distribution elections made under the transferor plan in accordance with Treas. Reg. §1.457-10(b)(6)(ii). The Plan's Transfer of any Participant's or Beneficiary's Account under this Section 9.03 completely discharges the Employer, the Plan Administrator, the Trustee and the Plan from any liability to the Participant or Beneficiary for any Plan benefits.

9.04 PURCHASE OF PERMISSIVE SERVICE CREDIT.

A Participant in a Governmental Eligible 457 Plan, prior to otherwise incurring a distributable event under Article IV, may direct the Trustee to transfer all or a portion of his or her Account to a governmental defined benefit plan (under Code §414(d)) for: (a) the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).

POCONO TOWNSHIP 457 PLAN
SUMMARY OF 457 PLAN PROVISIONS

TABLE OF CONTENTS

INTRODUCTION TO YOUR PLAN

**ARTICLE I
PARTICIPATION IN THE PLAN**

Am I eligible to participate in the Plan?	1
When am I eligible to participate in the Plan?	1
When is my entry date?	1
Does all my service with the Employer count for purposes of Plan eligibility?	1

**ARTICLE II
CONTRIBUTIONS**

What kind of contributions may I make to the Plan and how do my contributions affect my taxes?	1
Is there a limit on the amount of elective deferrals that can be made each year?	2
How do I make an election to defer?	2
What is the Employer matching contribution?	2
What are rollover contributions?	2
What compensation is used to determine my Plan benefits?	3

**ARTICLE III
DISTRIBUTIONS**

When will I be entitled to a distribution from the Plan?	3
What is the Plan's normal retirement age?	4
What is my vested interest in my account?	4
How will my benefits be paid?	4
May I elect to roll over my account to another plan or IRA?	4
What happens if I get divorced?	4

**ARTICLE IV
DEATH BENEFITS**

What happens if I die while working for the Employer?	4
When will the death benefit be paid to my beneficiary?	4
What happens if I'm a participant, terminate employment, and die before receiving all my benefits?	5

**ARTICLE V
IN-SERVICE DISTRIBUTIONS**

Can I withdraw money from my account while working for the Employer?	5
--	---

**ARTICLE VI
TAX TREATMENT OF DISTRIBUTIONS**

What are my tax consequences when I receive a distribution from the Plan?	5
Can I reduce or defer tax on my distribution?	5

**ARTICLE VII
LOANS**

Is it possible to borrow money from the Plan?	5
---	---

**ARTICLE VIII
CLAIMS AND BENEFITS**

Can the Plan be amended?.....	6
What happens if the Plan is discontinued or terminated?	6
How do I submit a claim for Plan benefits?.....	6

**ARTICLE IX
GENERAL INFORMATION ABOUT THE PLAN**

Employer Information	6
Administrator Information.....	6
Plan Funding Medium	6

POCONO TOWNSHIP 457 PLAN

SUMMARY OF 457 PLAN PROVISIONS

INTRODUCTION TO YOUR PLAN

Pocono Township 457 Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of retirement plan commonly referred to as a Governmental Eligible 457 Plan. This summary of 457 Plan Provisions contains valuable information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this summary does not answer all of your questions, please contact the Administrator. The name and address of the Administrator can be found in the Article of this summary entitled "General Information About The Plan."

This summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language under this summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This summary describes the current provisions of the Plan. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). The Employer may also amend or terminate this Plan. The Administrator will notify you if the provisions of the Plan that are described in this summary change. This summary does not address the provisions of specific investment products.

ARTICLE I PARTICIPATION IN THE PLAN

Am I eligible to participate in the Plan?

If you are a member of a class of employees identified below, you are not an eligible employee for Plan purposes. The employees who are excluded are:

- employees who normally work less than 40 hours per week.
- temporary or seasonal Employees.

Independent contractors are not eligible to participate in the Plan.

When am I eligible to participate in the Plan?

Provided you are an eligible employee, you will be eligible to defer and to participate in Employer contributions once you satisfy the applicable requirements. You will actually enter the Plan once you reach the entry date as described in the next question.

You will have met the service requirement when you complete six (6) consecutive month(s) of service.

When is my entry date?

Provided you are an eligible employee, you may begin participating in the Plan once you have satisfied the eligibility requirements and reached your "entry date." Your entry date is the first day of the month coinciding with or next following the date you satisfy the Plan's eligibility requirements.

Does all my service with the Employer count for purposes of Plan eligibility?

In determining whether you satisfy the service requirements to participate in the Plan, all service you perform for the Employer will generally be counted. However, if you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask your Administrator for further details.

ARTICLE II CONTRIBUTIONS

What kind of contributions may I make to the Plan and how do my contributions affect my taxes?

As a participant in the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis. The Plan refers to this as an "elective deferral." Your taxable income is reduced by your elective deferral contributions so you pay less federal income taxes. However, your elective deferrals are subject to Social Security taxes at the time of deferral. Later, when the Plan distributes the deferrals and earnings, you will pay income tax on those amounts. Federal income taxes on the pre-tax deferral contributions and earnings are only postponed.

The Employer may make additional contributions to the Plan on your behalf. This Article describes these employer contributions and how these monies will be allocated to your account to provide for your retirement benefit.

Is there a limit on the amount of elective deferrals that can be made each year?

As a participant, you may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. The Administrator will notify you of the maximum percentage you may defer.

You may not make deferrals from your accumulated sick pay, from accumulated vacation pay or from back pay.

Your total elective deferrals, plus any employer contributions, in any calendar year may not exceed a certain dollar limit which is set by law ("elective deferral limit"). The elective deferral limit for 2016 is \$18,000. After 2016, the elective deferral limit may increase for cost-of-living adjustments.

If you are age 50 or will attain age 50 before the end of a calendar year, you may make additional deferrals (called "age 50 catch-up deferrals") for that year and following years. If you meet the age 50 requirement and your salary deferrals exceed the elective deferral limit described above, then any excess will be an age 50 catch-up deferral. The maximum catch-up deferral that you can make in 2016 is \$6,000. After 2016, the maximum age 50 catch-up contribution limit may increase for cost-of-living adjustments.

Instead of the "age 50-catch-up deferrals" there is an alternative catch-up limit that is available in the three years prior to your normal retirement age. This increased limit (called "Special NRA Catch-Up Contributions") is designed to allow make-up contributions for prior years when contributions to the plan were less than the maximum contribution that could have been made in those years. The additional catch-up amount is equal to the difference between the amounts that could have been contributed in the prior years less the amounts that actually were contributed in those years. However, the additional catch-up for the year cannot exceed the general limit for the year. Thus, if you are entitled to the full Special NRA Catch-up Contribution, your contributions in the last three years prior to your normal retirement age cannot exceed two times the regular elective deferral limit for the year.

How do I make an election to defer?

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. If you wish to defer, the procedure will require that you enter into a salary reduction agreement. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election must be made prior to the first day of a calendar month in which you wish to defer and will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it. You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

What is the Employer matching contribution?

A matching contribution is a contribution the Employer makes based on your elective deferrals. If you do not make any elective deferrals, you will not receive any matching contributions.

The following applies to matching contributions: Fixed Formula. An amount equal to 11% of Salary Reduction Contributions up to an amount not exceeding \$600 annually, or, the matching formula as specified under the current Police Contract. Only Township Police employees shall be eligible for Matching Contributions.

The Employer will determine its Matching Contribution based on elective deferrals made during each Plan Year. In applying this matching percentage, all your elective deferrals will be considered.

The matching contribution also applies to your Special NRA Catch-Up Contributions.

Allocation conditions. You will always share in the matching contribution regardless of the amount of service you complete during the Plan Year.

What are rollover contributions?

Rollover contributions. If you are a Participant or an Eligible Employee, you may be permitted to deposit into the Plan distributions you have received from other retirement plans. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Administrator or Trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

Rollover account. Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this SPD entitled "Vesting"). 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.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at any time.

What compensation is used to determine my Plan benefits?

Definition of compensation. For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation that is subject to income tax withholding and paid to you by your Employer during the Plan Year. The Plan takes into account elective deferrals to retirement plans (including this one) cafeteria plans, or qualified transportation fringe benefit plans. The following describes the adjustments to compensation that may apply for the different types of contributions provided under the Plan. Compensation:

- exclude certain fringe benefits
- Compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
 - Compensation for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential) or other similar payments that would have been made to you had you continued employment.
 - Nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment.
 - Wage continuation payments (referred to as military differential pay)

For the Plan Year in which you first participate, for any contributions other than salary reductions, we take into account your full Plan Year compensation.

ARTICLE III DISTRIBUTIONS

When will I be entitled to a distribution from the Plan?

Distributions under the Plan may generally not be made prior to the earlier of your attainment of age 70 1/2 or your termination of employment (for whatever reason, including death). The rules are explained in more detail below.

If you terminate employment for any reason and at any age (including retirement), then you will be entitled to a distribution within a reasonable time after you terminate employment. (See the question "How will my benefits be paid?" for a further explanation of how benefits are paid from the Plan.)

If your benefit does not exceed \$5,000 then the distribution will automatically be paid to you as soon as administratively practical following your termination of employment. If your benefit exceeds \$5,000, then you will be given the opportunity to elect to defer payment of the benefit, subject to certain limitations. In determining whether your vested account balance exceeds the \$5,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will not be taken into account.

If the Plan Administrator approves, you (1) may elect to postpone distribution of your benefit to any fixed or determinable date including, but not beyond, your "required beginning date" described below; and (2) you may elect the method of payment.

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Administrator for further details.

Distributions while on military duty. If you are on active military duty for more than 30 days, then the Plan treats you as having terminated employment for distribution purposes. This means that you may request a distribution from the Plan. If you request a distribution on account of this deemed termination of employment, then you are not permitted to make any contributions to the Plan for 6 (six) months after the date of the distribution.

Required beginning date.

Regardless of the above, the law requires that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

What is the Plan's normal retirement age?

You will attain your normal retirement age when you reach age 65.

What is my vested interest in my account?

You are always 100% vested in all your accounts under our plan.

Note: Employer contributions are counted in the annual elective limit in the year that the contribution vests.

How will my benefits be paid?

You may, subject to the approval of the Plan Administrator, elect to receive your distribution under one of the methods described below:

- a single lump-sum payment.
- multiple payments as follows: Payments over a period certain in monthly, quarterly, semi-annual or annual cash installments not to extend beyond the earlier of the Participant's life expectancy (or the joint life expectancy of the Participant and the Participant's designated Beneficiary).
- Any other method agreed to by the Administrator.

May I elect to roll over my account to another plan or IRA?

If you are entitled to a distribution of more than \$200, then you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA").

What happens if I get divorced?

The Administrator will honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Administrator, without charge, a copy of the procedure used by the Administrator to determine whether a qualified domestic relations order is valid.

ARTICLE IV DEATH BENEFITS

What happens if I die while working for the Employer?

If you die while still employed by the Employer, your entire account balance will be used to provide your beneficiary with a death benefit.

Your beneficiary is the person or persons whom you designate on a form the Administrator provides for this purpose. If you are married, your spouse will be the beneficiary of the death benefit, unless you elect to change the beneficiary.

If no valid designation of beneficiary exists, or if the beneficiary is not alive when you die, then the death benefit will be paid in the following order, unless the investment provider's documentation says otherwise:

- (a) Your surviving spouse;
- (b) Your children, including adopted children, and if a child dies before you, to their children, if any; or
- (c) Your estate.

When will the death benefit be paid to my beneficiary?

Your death benefit will be paid to your beneficiary and payment will be made as your beneficiary elects, consistent with the Plan. See the Plan Administrator for further details.

You should immediately report any change in your marital status to the Administrator. If you have specifically named your spouse as your beneficiary on a designation form, then the designation will be invalid upon your divorce.

What happens if I'm a participant, terminate employment, and die before receiving all my benefits?

If you terminate employment with us and subsequently die, your beneficiary will be entitled to any remaining benefits that you were entitled to as of the date of your death.

ARTICLE V IN-SERVICE DISTRIBUTIONS

Can I withdraw money from my account while working for the Employer?

You may receive a distribution from the Plan prior to your termination of employment if you satisfy certain conditions. These conditions are described below. However, this distribution will reduce the value of the benefits you will receive when you retire. Any in-service distribution is made at your election and will be made in accordance with the forms of distribution available under the investment product you have selected or under the Plan.

You may receive a distribution if you have an "unforeseeable emergency," which is severe financial hardship resulting from an accident or illness to you, your spouse or dependent(s), a loss of property due to casualty, or other extraordinary and unforeseeable circumstances beyond your control.

You may elect to receive a "de minimis" distribution of up to \$5,000 provided: (i) your account does not exceed \$5,000; (ii) you have not made any Salary Reduction Contributions or received any Employer contribution during the prior two years ending on the date you would have received the de minimis distribution; and (iii) you have not previously taken a de minimis distribution from the Plan.

You may request a distribution of up to your entire account once you reach age 70 1/2.

ARTICLE VI TAX TREATMENT OF DISTRIBUTIONS

What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution.

Can I reduce or defer tax on my distribution?

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) The rollover of all or a portion of the distribution you actually receive to a traditional Individual Retirement Account (IRA) or another eligible employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other eligible employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct rollover option described in paragraph (b) below would be the better choice.

(b) For most distributions, you may request that a "direct rollover" of all or a portion of the distribution to either a traditional Individual Retirement Account (IRA) or another employer plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct rollover, e.g., a distribution of less than \$200 will not be eligible for a direct rollover. If you elect to actually receive the distribution rather than request a direct rollover, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH A QUALIFIED TAX ADVISOR BEFORE MAKING A CHOICE.

ARTICLE VII LOANS

Is it possible to borrow money from the Plan?

Yes. Loans are permitted in accordance with the Plan Loan Policy. If you wish to receive a copy of the Loan Policy, please contact the Plan Administrator.

**ARTICLE VIII
CLAIMS AND BENEFITS**

Can the Plan be amended?

Yes. The Employer may amend the Plan at any time. No amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

The Employer may terminate the Plan at any time. Upon termination, no more contributions may be made to the Plan. The Administrator will notify you of any modification or termination of the Plan.

How do I submit a claim for Plan benefits?

Benefits may be paid to you and your beneficiaries without the necessity of formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Plan Administrator.

If the Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

**ARTICLE IX
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information that you may need to know about the Plan. This information has been summarized for you in this Article.

The full name of the Plan is Pocono Township 457 Plan.

This Plan was originally effective on June 30, 1998. The amended and restated provisions of the Plan become effective on January 1, 2016.

The Plan's records are maintained on a twelve-month period of time. This is known as the "Plan Year." The Plan Year begins on January 1 and ends on December 31.

Valuations of the Plan are generally made daily.

The Plan will be governed by the laws of Pennsylvania.

Employer Information

Your Employer's name, address, business telephone number, and identification number are:

Pocono Township
112 Township Drive, P.O. Box 197
Tannersville, Pennsylvania 18372
570-629-1922
24-6001526

Administrator Information

The Employer is the Plan Administrator. The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation and directs the payment of your account at the appropriate time. If you have any questions about the Plan and your participation, you should contact the Administrator. The Administrator may designate other parties to perform some duties of the Administrator, and some duties are the responsibility of the investment provider(s) to the Plan.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

Plan Funding Medium

All money that is contributed to the Plan is held in custodial accounts.

The Plan's Trustees are:

Regina Zuvich, Trustee
Charles Vogt, Trustee

112 Township Drive, P.O. Box 197
Tannersville, Pennsylvania 18372
570-629-1922

The Trustees shall collectively be referred to as Trustee throughout this summary.

APPENDIX
PLAN EXPENSE ALLOCATIONS

The Plan will assess against an individual Participant's account the following Plan expenses which are incurred by, or are attributable to, a particular Participant based on use of a particular Plan feature, listed by type and the amount charged (*check all that apply, and fill in the charge or method of determining the charge*). All fees are subject to change.

- [X] **Distribution following termination.** Distribution of account upon termination of employment, including preparation of required notices and elections, distribution check or transfer of funds by direct rollover, as appropriate, and tax reporting forms.
Amount: \$ 75

- [X] **Administrative processing fee to eliminate certain small account distributions.** If the Participant's account is distributable (for example, upon termination of employment) and the distribution process fee equals or exceeds the Participant's account balance, the Plan will charge the processing fee against the vested account balance, resulting in the elimination of the account balance without any distribution to the Participant.

- [X] **Participant loan.** Participant loan fees.

Amount of application fee (includes processing and document preparation): \$ 150

Amount of annual maintenance fee: \$ 36

- [X] **QDRO.** "Qualified domestic relations order" (QDRO) review and processing, including notices to parties and preparation of QDRO distribution check. In addition to the amount indicated below, the Plan will charge the Participant's account for actual legal expenses and costs if the Plan consults with legal counsel regarding the qualified status of the order.
Amount: \$ 250

- [X] **Unforeseeable Emergency Distribution.** Unforeseeable distribution, including application processing and preparation of required notices, elections and distribution check.
Amount: \$ 75

- [X] **In-service distribution.** In-service distribution, including application processing and preparation of required notices, elections and distribution check.
Amount: \$ 75

- [X] **RMD.** Required minimum distributions, including annual calculation of required minimum distribution and preparation of required notices, elections and distribution check.
Amount: \$ 75

- [X] **Other (describe)**
Split Distribution (i.e. part Cash and part Rollover). Amount: \$25

- [X] **Other (describe)**
De Minimis Distribution. Amount: \$75