

DEFERRED COMPENSATION PLAN

INTRODUCTION

The City of Springfield, Illinois ("Employer") hereby amends, reestablishes and reaffirms the City of Springfield Deferred Compensation Plan ("Plan") (as established on March 16, 1982, revised on January 15, 1991, November 19, 2002 and on November 1, 2005) pursuant to Section 457 of the Internal Revenue code of 1986, as amended, ("Code") and Section 24-1107 of the Illinois Pension Code. The purpose of the Plan is to attract and retain certain individuals by permitting them to enter into agreements with the Employer, which will provide for the payment of deferred compensation on retirement or separation from service as well as death benefits in the event of death before or after retirement.

Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement for services between the participant (as defined in Section 1.17, below) and the Employer, nor shall it be deemed to give a Participant any right to be retained in the employ of, or under contract to, the Employer. Nothing herein shall be construed to modify the terms of any employment contract or agreement for services between a Participant and the Employer as this Plan is intended to be a supplement thereto.

When effective this Plan shall succeed and replace all prior plans. All accounts established and amounts deferred and invested under prior plans shall be subject to and administered to the terms of this Plan.

ARTICLE I DEFINITIONS

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

1.1 Administrator: The Employer pursuant to Section 5.2 to administer the Plan and perform administrative functions for the Plan as specified by the Employer.

1.2 Adoption Agreement: The separate agreement which is executed by the Employer and which sets forth the elective provisions of the Plan. The Adoption Agreement shall be considered a part of the Plan.

1.3 Age 50 Plus Catch-Up Contribution: The catch-up contribution for Participants who attain age 50 by the end of the calendar year, as permitted under Code Section 414(v) pursuant to Section 3.3.

1.4 Alternate Payee: Any spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

1.5 Beneficiary: Subject to Article IV, an individual, individuals or a trust, which satisfies the requirements of Section 1.401(a)(9)-4, Q&A-5 of the Regulations, designated by the Participant in writing on a form acceptable to the Administrator, and received by the Administrator prior to the Participant's death, to receive any undistributed amounts under the Participant Account which becomes payable upon the Participant's death and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4, Q&A-1 of the Regulations. Subject to Article IV, the Participant may designate more than one Beneficiary or primary and secondary Beneficiaries or may change the designation of a Beneficiary. If two or more, or less than all, designated Beneficiaries survive the Participant, payments shall be made equally to all such Beneficiaries, unless otherwise provided in the form of designation made by the Participant. Elections made by a Participant in his beneficiary designation form shall be binding on any such Beneficiary or Beneficiaries. An Alternate Payee or Beneficiary may designate his own Beneficiary. If a Participant, Former Participant, Alternate Payee or Beneficiary does not designate a Beneficiary, then his estate shall be deemed to be his Beneficiary.

1.6 Code: The Internal Revenue Code of 1986, as now in effect or as hereafter amended.

1.7 Compensation: All cash compensation to an Employee for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Sections 125, 132(f), 401(k), 403(b) or 457(b) (including an election to defer compensation under Article III). For purposes of an Independent Contractor or Leased Employee, "Compensation" shall mean all amounts payable to a Participant from the Sponsoring Employer as remuneration for services rendered which would be includible in income for federal tax purposes if not deferred under this Plan, subject to the provisions of the current Code.

1.8 Eligible Individual: Any Employee who meets the criteria set forth in Section 2.1 and is in one or more of the classifications specified in the Adoption Agreement

1.9 Employee: Any common law employee who is employed by the Employer and who performs services for the Employer for which Compensation is payable.

1.10 Employer: The City of Springfield, Illinois.

1.11 Former Participant: A person who has been a Participant, but who has ceased to be a Participant for any reason.

1.12 Includible Compensation: Wages, salaries, and fees for professional services (including contributions made to a plan under Code Section 125 to fund group health insurance coverage which the Employee does not have the option of receiving in cash because such Employee is unable to certify that he has other health coverage) and other amounts payable (without regard to whether or not an amount is paid in cash) for personal services actually rendered to the Employer to the extent that the amounts are includible in gross income.

Includible Compensation shall include elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 402(g)(3), 457(b) and 132(f)(4).

Includible Compensation shall not include Employee pick-up contributions described in Code Section 414(h)(2).

1.13 Independent Contractor: Any person to whom Compensation from the Employer is payable for services rendered pursuant to one or more written or oral contracts, if such person is not a common-law employee.

1.14 Investment Product: Group or Individual Annuity Contracts, Group Funding Agreements, Funding Arrangements, Mutual Funds, Collective Trusts or such other investment arrangements issued by or offered through the Providers and used to hold assets of the plan.

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

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

1.16 Normal Retirement Age: The age specified in the Adoption Agreement that is used for the Special 457 Catch-up Contribution election under Section 3.2. The Employer is not permitted to have more than one Normal Retirement Age for each Participant under all of the Code Section 457(b) plans that it (together with any other entity required to be aggregated with the Employer under Code Sections 414(b), (c), (m) or (o)) sponsors.

1.17 Participant: Any individual who has entered into a Participation Agreement and for whom a Participant Account is maintained under the Plan.

1.18 Participant Account: The total of the Participant Deferral Account, the Participant 457 Rollover Account (including any earnings and losses attributable thereon), and the Participant Non-457 Rollover Account (including any earnings and losses attributable thereon) for each Participant or Former Participant or, if applicable, Alternate Payee or Beneficiary under the Plan.

1.19 Participant Deferral Account: That portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the Administrator for each Participant with respect to his deferral of Compensation to the Plan, including any amounts transferred in accordance with Section 3.6.

1.20 Participant 457 Rollover Account: That portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the Administrator for each Participant with respect to Rollover Contributions received from another Employer's Code Section 457(b) plan in accordance with Section 3.7.

1.21 Participant Non-457 Rollover Account: That portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the Administrator for each Participant with respect to Rollover Contributions rolled over from all rollover eligible plans other than from another Employer's Code Section 457(b) plan in accordance with Section 3.7.

1.22 Participation Agreement: An agreement, which meets the requirements of Section 2.4, entered into between an Eligible Individual and the Employer pursuant to which an Eligible Individual agrees to commence deferring amounts from Compensation to the Plan and thus to become a Participant.

1.23 Plan: This instrument, including all amendments thereto, governing participation and administration of a deferred compensation plan under Code Section 457(b) as adopted by the Employer.

1.24 Plan Year: The calendar year.

1.25 Provider: Those investment providers approved by the Employer.

1.26 Regulation: The federal income tax Regulations, as promulgated by the Secretary of the Treasury or his delegate, and as amended from time to time.

1.27 Rollover Contribution: Contributions made by a Participant (or, if applicable, Eligible Individual) pursuant to Section 3.7 of "eligible rollover distributions" in accordance with Code Section 402(c)(4).

1.28 Severance from Employment: The date on which the Employee dies, retires or otherwise has a severance from employment with the Employer, as determined by the Administrator.

1.29 Special Section 457 Catch-up Contributions: The catch-up contribution for a Participant in the three consecutive years prior to the year in which the Participant reaches Normal Retirement Age, as permitted under Code Section 457(b)(3) and pursuant to Section 3.2.

1.30 Unforeseeable Emergency: An extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, including but not limited to:

- (a) severe financial hardship of the Participant resulting from an illness or accident of a Participant, the Participant's spouse or of a Participant's dependent (as defined in Code Section 152(a));
- (b) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance); or
- (c) the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in Code Section 152(a)).

A determination of an Unforeseeable Emergency shall be based on each Participant's specific facts and circumstances.

ARTICLE II ELIGIBILITY

2.1 CONDITIONS OF ELIGIBILITY

Each Eligible Individual shall be permitted to participate in the Plan when he has satisfied the eligibility requirements specified in the Adoption Agreement and has executed a Participation Agreement.

2.2 DETERMINATION OF ELIGIBILITY AND EFFECTIVE DATE OF PARTICIPATION

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

(b) An Eligible Individual shall elect to participate and become a Participant by signing a Participation Agreement pursuant to Section 2.4 with the Employer and filing such agreement with the Administrator.

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

2.3 TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Individual to a non-Eligible Individual, such non-Eligible Individual shall be considered an inactive Participant. The Participant

Account of such inactive Participant shall continue to be allocated any attributable earnings based on the investment direction supplied by the Participant.

2.4 PARTICIPATION AGREEMENTS

(a) In order to participate in the Plan, a Participant must complete and file a Participation Agreement in a manner and method determined by the Administrator. The Participation Agreement shall specify:

- (i) The amount (expressed either as a dollar amount or as a percentage) of the Participant's Compensation which the Employer and the Participant agree to defer, subject to the limitations of Article III; and
- (ii) The date as of which reduction and deferral of Compensation pursuant to the Participation Agreement shall begin.

(b) An Eligible Individual may defer Compensation payable in the calendar month during which the individual first becomes an Eligible Individual if the Participation Agreement providing for such deferral is entered into on or before the first day of the month in which the Compensation is paid or becomes available.

(c) Notwithstanding subsection (b), a new Employee may defer Compensation payable in the calendar month during which the Eligible Individual first becomes an Employee if a Participation Agreement providing for the deferral is entered into on or before the first day on which the Eligible Individual performs services for the Employer.

(d) A Participant may, by amendment of a Participation Agreement or by any manner as the Administrator may prescribe, do any of the following:

- (i) change the specification of the investment of any contributions of the Account under the Investment Product; or
- (ii) change prospectively the amount of Compensation to be deferred.

An amendment to the Participation Agreement shall be effective as early as administratively practicable, but not earlier than the first day of the following calendar month in which the Compensation is paid or made available.

ARTICLE III CONTRIBUTIONS AND ALLOCATIONS

3.1 DEFERRALS

(a) Except as provided in Section 3.2 and 3.3 and subject to any applicable law or under any applicable collective bargaining agreement, the maximum amount which may be deferred by a

Participant in any taxable year shall not exceed the lesser of (i) the applicable dollar amount provided under Code Section 457(b)(2) (as may be indexed annually) or (ii) 100% of the Participant's Includible Compensation. The applicable dollar amount under Code Section 457(b)(2) is as follows:

Calendar Year	Applicable Dollar Amount
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 and thereafter	\$15,000 adjusted for cost of living after 2006 to the extent provided under Code Section 457(e)(15)

(b) A Participant may elect to defer accumulated sick pay, accumulated vacation pay and back pay provided the Participant enters into a Participation Agreement pursuant to Section 2.4 to defer such pay before the amounts would otherwise be paid or make available and such pay would otherwise have been payable before the Participant has a Severance from Employment.

3.2 SPECIAL 457 CATCH-UP CONTRIBUTIONS

(a) In any one or more of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age, as defined in the Adoption Agreement, the Participant may elect to defer an amount not exceeding the lesser of (i) twice the dollar amount permitted as a general deferral under Section 3.1 or (ii) the sum of the maximum deferral permitted under Section 3.1 for the current tax year and as much of the applicable deferral limit under Code Section 457(b)(2) in prior years before the current tax year that had not previously been used ("underutilized amount").

For purposes of this section, a prior year shall be taken into account only if such year began after December 31, 1978, and the Participant was eligible to participate in the Plan during all or a portion of the prior year. A Participant may only make this election under this subsection (a) once with respect to any Code Section 457(b) deferred compensation plan of the Sponsoring Employer.

(b) In determining a Participant's underutilized amount, the Plan shall take into consideration:

- (i) Prior to 2002, if a Participant made deferrals to the Plan and deferrals to any other Code Section 457(b) plan, salary reduction contributions made to Code Section 401(k) plans, Code Section 403(b) plans, Code Section 402(h)(1) simplified employee pension (SARSEP) plans, Code Section 408(p) simple retirement accounts, and amounts deferred under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), such deferrals to the other plans will be taken into account in determining a Participant's underutilized amount under Section 457(b)(2). In addition, Includible Compensation shall be limited to the limitation in effect in the calendar year in

which the deferrals were made. If such deferrals cumulatively exceed the then-applicable dollar amount in Section 457(b)(2) in the year that such amounts were deferred, then there will be no underutilized amount for that year.

- (ii) To the extent that the Employer did not maintain a Code Section 457(b) plan, no underutilized limitation is available to a Participant for that prior year.
- (iii) After 2001, only deferrals to Code Section 457(b) plans will be taken into account for purposes of determining the underutilized amount.
- (iv) Age 50 Plus Catch-Up Contributions will not be taken into account for purposes of determining a Participant's underutilized amount.

3.3 AGE 50 PLUS CATCH-UP CONTRIBUTIONS

A Participant who has attained age 50 before the close of the calendar year may elect Age 50 Plus Catch-up Contributions and commence making such contributions to his Participant Deferral Account, subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions are not subject to the limitations of Code Section 457(b). The maximum dollar amount of the Age 50 Plus Catch-up Contributions for a calendar year is as follows:

Calendar Year	Applicable Dollar Amount
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 and thereafter	\$5,000 adjusted for cost of living after 2006 to the extent provided under Code Section 414(v)(2)(C)

3.4 MAXIMUM AMOUNT OF CATCH-UP CONTRIBUTIONS

Any catch-up contributions made by a Participant pursuant to Section 3.2 or Section 3.3 may not exceed the greater of (i) the amount that the Participant is eligible to defer under Section 3.2 or (ii) the amount that the Participant is eligible to defer under Section 3.3.

3.5 EXCESS DEFERRALS

(a) If a Participant is or has been a participant in one or more other Code Section 457(b) plans in the same calendar year, then the Plan and all such other plans shall be considered as one plan for purposes of applying the limitations of this Article III. For this purpose, the Administrator shall take into account any other such Code Section 457(b) plan of the Employer and, to the extent the Participant provides the Administrator with sufficient information concerning his participation, any such other Code Section 457(b) plans in which the individual participated in the same calendar year.

(b) In the event that the limit on deferral contributions is exceeded pursuant to this Article III, the Administrator shall direct the Provider as to the proper correction method permissible under

applicable law, including calculation of any earnings or losses and the proper tax reporting with respect to such distributions as soon as administratively practicable after the Administrator determines that the amount is an excess deferral.

(c) A Participant who participates in the Plan and another 457(b) plan of another employer shall be responsible for complying with the deferral limits of this Article III. In the event of an excess amount, the Participant shall notify the Administrator so that the excess may be distributed as soon as practicable after the Administrator determines that the amount is an excess deferral.

3.6 TRANSFERS FROM OTHER CODE SECTION 457(b) PLANS

(a) The Plan shall accept transfers of amounts previously deferred under another Code Section 457(b) plan maintained by another Employer.

(b) A transfer under subsection (a) shall only be permitted if:

(i) the transferring plan provides for the transfer of such amounts, and

(ii) the Participant has a benefit equal to the amount immediately after the transfer to least equal to the amount under the Plan immediately before the transfer.

(c) The Administrator may require such documentation from the transferring plan as it deems necessary to effectuate the transfer in accordance with Regulation Section 1.457-10(b) and to confirm that the transferring plan is an eligible government plan as defined in Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant Deferral Account and shall be held, accounted for, administered and otherwise treated in the same manner as amounts deferred under Section 3.1, except that the transferred amounts shall not be taken into consideration for purposes of Code Section 457(b)(2).

3.7 ROLLOVERS TO THE PLAN

(a) Amounts that are considered Eligible Rollover Distributions as defined in Code Section 402(c)(4) may be rolled over by an Eligible Individual, whether or not a Participant at the time, from an Eligible Retirement Plan, as defined in subsection (b) below. A Participant who is a surviving spouse beneficiary or an Alternate Payee (who is a spouse or former spouse) of another Eligible Retirement Plan (as defined in subsection (b) below) may roll over Eligible Rollover Distributions as defined in Code Section 402(c)(4) from such Eligible Retirement Plan. The amounts rolled over from an Eligible Retirement Plan other than a Code Section 457(b) plan maintained by an Employer shall be allocated to the Participant Non-457 Rollover Account. The amounts rolled over from another Code Section 457(b) plan maintained by an Employer shall be allocated to the Participant 457 Rollover Account. Amounts in the Participant Non-457 Rollover Account shall be accounted for separately from amounts in the Participant 457 Rollover Account.

(b) For purposes of this Section 3.7, the term "Eligible Retirement Plan" means any other Code Section 457(b) plan maintained by an Employer, a Code Section 403(b) program, a Code Section

401(a) plan, an individual retirement account as described in Code Section 408(a), and an individual retirement annuity as described in Code Section 408(b). For purposes of this Section 3.7, the term “amounts rolled over from an Eligible Retirement Plan” means:

- (i) amounts rolled to the Plan directly from another Eligible Retirement Plan on behalf of an Eligible Individual; and
- (ii) Eligible Rollover Distributions as defined in Code Section 402(c)(4) received by an Eligible Individual from another Eligible Retirement Plan that are rolled over by the Eligible Individual to the Plan within sixty (60) days, following his receipt thereof.

3.8 INVESTMENTS

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

- (b) The Provider who shall issue an Investment Product hereunder is not responsible for the legal aspects of this Plan. The Provider is absolved from any liability and shall be held harmless for any actions taken in accordance with the direction of the Administrator, and shall have no duty to see to the application of any funds paid from the Plan pursuant to the direction of the Administrator, nor be required to question any actions directed by the Administrator, subject to applicable law. Regardless of any provision of this Plan, the Provider shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Investment Product which it issues hereunder, or the practices and procedures of the Provider. In addition, the Provider is entitled to rely on all information provided by the Administrator, Employer, its agents, officers and Employees.

ARTICLE IV DETERMINATION, DISTRIBUTION AND TRANSFER OF BENEFITS

4.1 DISTRIBUTIONS UNDER THE PLAN

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

- (i) upon the Participant’s Severance from Employment;
- (ii) an Unforeseeable Emergency, within the meaning of and subject to Section 4.6, if permitted under the Adoption Agreement; or
- (iii) the election of a small balance distribution within the meaning of and subject to Section 4.7, if permitted under the Adoption Agreement.

(b) A Participant may choose to receive a distribution from his 457(b) Rollover Account and Participant Non-457 (b) Rollover Account at the time elected by the Employer in the Adoption Agreement.

(c) An Independent Contractor shall be considered to have a Severance from Employment upon the expiration of all of the contracts under which services are performed for the Employer, if the expiration constitutes a good faith and complete termination of the contractual relationship. An expiration of such contractual relationship shall not be considered to be a good faith and complete termination if the Employer anticipates a renewal of such contractual relationship or the Independent Contractor becomes an Employee.

4.2 DETERMINATION OF BENEFITS PAYABLE TO A PARTICIPANT, FORMER PARTICIPANT OR ALTERNATE PAYEE

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

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

(c) A Participant, Former Participant or Alternate Payee may choose a benefit distribution option as selected by the Employer in the Adoption Agreement. In the event a Participant, Former Participant or Alternate Payee fails to make an election as to a benefit distribution option, any benefit payable to such Participant, Former Participant or Alternate Payee shall be distributed as elected by the Employer in the Adoption Agreement. The terms of any annuity contract purchased and distributed by the Plan to a Participant, Former Participant or Alternate Payee shall comply with the requirements of the Plan.

(d) Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's, Former Participant or Alternate Payee's benefits, whether under the Plan or through the purchase of an annuity contract, shall be made in accordance with the requirements of Code Section 401(a)(9) and the Regulations thereunder.

(e) Subject to Subsection (d), A Participant, Former Participant, Alternate Payee or Beneficiary who made an irrevocable election pursuant to Code Section 457(e)(9) prior to the time such benefits first become payable or otherwise made available, may change their benefit election in accordance with procedures established by the Employer, to the extent permitted under the Investment Product and applicable law.

(f) Minimum distribution payments under Code Section 401(a)(9) to a Participant or Former Participant must begin by April 1 of the year following the later of:

- (i) the year in which the Participant or Former Participant attains age 70 1/2, or
- (ii) the year in which the Participant or Former Participant retires from employment with the Sponsoring Employer.

(g) During the Participant's or Former Participant's lifetime, the minimum amount to be distributed for each distribution calendar year consistent with Code Section 401(a)(9) and the Regulations thereunder is the lesser of:

- (i) the quotient obtained by dividing the Participant's or Former Participant's Participant Account as of the December 31st of the preceding distribution calendar year by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, A-2 of the Regulations, using the Participant's or Former Participant's age of his birthday in the distribution calendar year; or
- (ii) the quotient determined based on who is the primary Beneficiary of the Participant or Former Participant as follows:
 - (A) if the Participant's or Former Participant's primary designated beneficiary is either a non-spouse Beneficiary or is a spousal Beneficiary who is less than 10 years the age of the Participant or Former Participant, the quotient obtained by dividing the Participant Account by the factor in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, A-2 of the Regulations, using the Participant's or Former Participant's age as of the Participant's or Former Participant's birthday in the distribution calendar year; or
 - (B) if the Participant's or Former Participant's sole, primary designated Beneficiary is the Participant's or Former Participant's spouse and such spouse is 10 or more years younger than the Participant or Former Participant for the distribution calendar year, the quotient obtained by dividing the Participant Account by the factor in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, A-3 of the Regulations, using the Participant's or Former Participant's and spouse's attained ages as of the Participant's or Former Participant's and spouse's birthdays in the distribution calendar year.

(h) Required minimum distributions will be determined under this Section 4.2 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's or Former Participant's date of death. If the Participant or Former Participant dies before receiving the minimum distribution payable for the distribution calendar year in the year of the Participant's or Former Participant's death, such amount shall be distributed to the Participant's or Former Participant's Beneficiary.

(i) For purposes of this Section 4.2, "distribution calendar year" means the calendar year for which a minimum distribution is required. For distributions beginning before the Participant's or Former Participant's death, the first distribution calendar year is the calendar year immediately

preceding the calendar year which contains the Participant's or Former Participant's required beginning date. The required minimum distribution for the Participant's or Former Participant's first distribution calendar year will be made on or before the Participant's or Former 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 or Former Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(j) Notwithstanding the foregoing, payments made in accordance with Code Section 401(a)(9) to an Alternate Payee must begin at the Participant's or Former Participant's required beginning date as described in subsection (f). In determining the minimum amount to be distributed in a distribution calendar year under subsection (g), such payment will be based on the Participant's or Former Participant's life expectancy, and, if applicable under subsection (g)(ii)(B), the Alternate Payee's life expectancy, treating the Alternate Payee who is a spouse or former spouse as the Participant's or Former Participant's spouse for purposes of Code Section 401(a)(9).

4.3 DETERMINATION OF BENEFITS UPON DEATH

(a) Upon the death of a Participant, Former Participant or Alternate Payee, the Administrator shall direct that the deceased Participant's, Former Participant's or Alternate Payee's Participant Account, be distributed to the Beneficiary in accordance with the provisions of this Section 4.3.

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

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

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

(e) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant or Former Participant, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder.

(f) In accordance with the Beneficiary's election, if minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant or Former Participant and the designated Beneficiary is not the Participant's surviving spouse, death benefit payments must:

- (i) begin to be distributed to the designated Beneficiary no later than the December 31 of the calendar year immediately following the calendar year of the Participant's or Former Participant's death payable over a period not to exceed the life expectancy of the Beneficiary; or
- (ii) be distributed no later than the December 31 of the calendar year containing the fifth anniversary of the Participant's or Former Participant's death.

(g) In accordance with the Beneficiary's election, if the designated Beneficiary is the Participant's or Former Participant's surviving spouse and minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant or Former Participant, minimum payments to the surviving spouse as the designated Beneficiary must begin by the later of the:

- (i) December 31 of the calendar year immediately following the calendar year in which the Participant or Former Participant dies, or
- (ii) December 31 of the calendar year in which the Participant or Former Participant would have attained age 70 1/2.

The payments to the surviving spouse as the designated Beneficiary must be made over a period not to exceed the surviving spouse's life expectancy. Notwithstanding the foregoing, for purposes of this subsection, an Alternate Payee who is a spouse or former spouse will be treated as a Participant's or Former Participant's surviving spouse.

(h) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's or Former Participant's death, the Participant's or Former Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's or Former Participant's death.

(i) If the Participant or Former Participant dies on or after the date distributions begin and there is a designated Beneficiary, distributions shall be based on the longer of the remaining life expectancy of the Participant or Former Participant or the remaining life expectancy of the Participant's or Former Participant's designated Beneficiary.

(j) Life expectancies calculations will be computed using the factors in the Single Life Table set forth in Section 1.401(a)(9)-9, A-1 of the Regulations, as follows:

- (i) The Participant's or Former Participant's remaining life expectancy is calculated using the age of the Participant or Former Participant in the year of death, reduced by one for each subsequent year.
- (ii) If the Participant's or Former Participant's surviving spouse is the Participant's or Former Participant's sole, primary designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's or Former Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (iii) If the Participant's or Former Participant's surviving spouse is not the Participant's or Former Participant's sole, primary designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's or Former Participant's death, reduced by one for each subsequent year.
- (iv) If the Participant or Former Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's or Former Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's or Former Participant's death is the quotient obtained by dividing the Participant Account by the Participant's or Former Participant's remaining life expectancy calculated using the age of the Participant or Former Participant in the year of death, reduced by one for each subsequent year.

4.4 DISTRIBUTION FOR MINOR BENEFICIARY OR INCOMPETENT

In the event a distribution is to be made to a minor, then the Administrator may direct that such distribution be paid to the legal guardian, or if none, to a parent of such Beneficiary or to the custodian for such Beneficiary under the Uniform Gift [Transfers] to Minors Act, if such is permitted by the laws of the state in which the Beneficiary resides. Such a payment to the legal guardian, parent or guardian of a minor Beneficiary shall fully discharge the Provider, any other providers of the Plan, Administrator, Employer, and Plan from further liability on account thereof.

In the event a distribution is to be made to an incompetent, then the Administrator may direct that such distribution be paid to the duly appointed and currently acting conservator of the incompetent or to other such individual who is legally responsible for the incompetent as permitted by the laws of the state in which the incompetent resides. Such a payment to the conservator or other such individual who is legally responsible for the incompetent shall fully discharge the Provider, any other providers of the Plan, Administrator, Employer, and Plan from further liability on account thereof.

4.5 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant, Former Participant, Alternate Payee or Beneficiary hereunder shall, at the Participant's or Former Participant's Severance from Employment, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant, Former Participant, Alternate Payee or Beneficiary, the amount so distributable shall be held within the Investment Product, with investment direction provided by the Administrator, under the Plan. In the event a Participant, Former Participant, Alternate Payee or Beneficiary is located subsequent to his benefit being held in such account, such benefit shall be restored, including any applicable interest, and paid, to the Participant, Former Participant, Alternate Payee or Beneficiary, in accordance with this Article IV.

4.6 UNFORESEEABLE EMERGENCY WITHDRAWALS

(a) A Participant may request an Unforeseeable Emergency withdrawal subject to the following requirements:

- (i) The request for an Unforeseeable Emergency withdrawal will be determined by the Administrator based on the Participant's relevant facts and circumstances.
- (ii) The request for an Unforeseeable Emergency may be made only to the extent that such emergency is or may not be relieved through:
 - reimbursement or compensation from insurance or otherwise;
 - liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
 - cessation of the Participant's deferrals under the Plan.

- (iii) Distributions due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

(b) A Participant may request an Unforeseeable Emergency withdrawal by submitting that request in writing on the Plan's approved form to the Administrator, who will review and approve the request. If the request is denied, a request for review of the determination may be made in writing to such entity as the Administrator may designate, provided that such entity has accepted the designation. If the review of the determination fails to confirm a claim of Unforeseeable Emergency, an appeal may be made to the appellate committee established by the Administrator in writing. If at any time a request of an Unforeseeable Emergency withdrawal is approved, the Sponsoring Employer may thereupon direct the Provider to distribute so much of the Participant Account as is necessary to provide the amount approved to meet the Unforeseeable Emergency, as determined by the Administrator.

4.7 SMALL BALANCE DISTRIBUTION

A Participant may elect to receive a small balance distribution, payable in a lump sum, if the Participant Deferral Account value is \$5,000.00 or less, and the Participant has not deferred into the Plan for a period of two years prior to distribution. A Participant may take a small balance distribution under this Section 4.7 only once while a Participant under the Plan.

4.8 ROLLOVERS FROM THE PLAN

(a) Notwithstanding any provision of the Plan to the contrary, a Participant or Former Participant shall be permitted to elect to have any Eligible Rollover Distribution (as defined in Code Section 402(c)(4)) paid directly to an Eligible Retirement Plan (as defined in Section 3.7(b)) specified by the Participant or Former Participant. The Participant or Former Participant shall, in the time and manner prescribed by the Administrator, specify the amount to be rolled over and the Eligible Retirement Plan to receive such rollover. Any portion of a distribution, which is not rolled over, shall be distributed directly to the Participant or Former Participant.

(b) The election described in subsection (a) also applies to the surviving spouse who is the designated Beneficiary of the Participant or Former Participant or a spouse or former spouse who is the Alternate Payee, provided that such spouse, former spouse or Alternate Payee directs the transfer of an Eligible Rollover Distribution (as defined in Section 3.7(c)) into an Eligible Retirement Plan (as defined in Section 3.7(b)) in which such spouse, former spouse or Alternate Payee is a participant.

4.9 PURCHASING SERVICE CREDITS UNDER A GOVERNMENTAL RETIREMENT SYSTEM

A Participant may direct the Administrator to transfer amounts under his Participant Account tax-free under the Plan in accordance with Code Section 457(e)(17) to the fiduciary of a governmental retirement system in order to enable the Participant to purchase years of service credits under the

system or repay amounts previously cashed out under the system even if the Participant is not eligible for a distribution under Section 4.1. The Administrator shall take such reasonable measures as required to ensure that the intended recipient plan will accept such transferred amounts.

4.10 TRANSFERS TO OTHER CODE SECTION 457(b) PLANS UPON SEVERANCE FROM EMPLOYMENT

(a) Upon a Participant's Severance from Employment, a Participant or Beneficiary may elect to all or a portion of the Participant Account transferred to the Code Section 457(b) plan of an Employer. Such amounts shall be transferred at the Participant's or Beneficiary's election, provided:

- (i) The Code Section 457(b) plan to which the Participant's or Beneficiary's benefit is being transferred provides for the acceptance of such amounts;
- (ii) The Participant or Beneficiary has a benefit equal to the amount immediately after the transfer to least equal to the amount under the Plan immediately before the transfer; and
- (iii) In the case of a transfer made on behalf of a Participant, such individual has had a Severance from Employment with the Employer and is performing services for the Employer maintaining the receiving plan.

(b) Upon the transfer of amounts under subsection (a), the Plan's liability to pay benefits to the Participant or Beneficiary under the Plan shall be discharged to the extent of the amount so transferred on behalf of the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 4.10 or effectuate the transfer pursuant to Regulation Section 1.457-10(b).

4.11 RECOGNITION OF APPROVED DOMESTIC RELATIONS ORDERS

In accordance with Code Section 414(p)(1) as modified by Code Section 414(p)(11), a Participant's or Former Participant's benefit may be the subject of a domestic relations order between the Participant or Former Participant and the Alternate Payee if the order is determined to be a Qualified Domestic Relations Order. The Administrator shall adopt reasonable procedures to determine the qualified status of domestic relations orders and to administer the distributions thereunder. If elected by the Employer in the Adoption Agreement, distributions may be made immediately to an Alternate Payee pursuant to a qualified domestic relations order before the date on which the Participant or Former Participant attains the earliest retirement age as defined in Code Section 414(p)(4)(B).

4.12 LOANS TO PARTICIPANTS

(a) This Section 4.12 shall apply only if elected by the Employer in the Adoption Agreement. For purposes of this Section 4.12, all plans of the Employer shall be considered one plan in accordance with Code Section 72(p), and the balance of all loans under any plan of the Employer under which the

Participant participations must be aggregated in determining the maximum loan available under subsection (c).

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

(c) Loans made pursuant to this Section 4.12 (when added to the outstanding balance of all other loans made by the Plan to the Participant) and any other plan of the Employer required to be aggregated in accordance with Code Section 72(p) shall be limited to the lesser of:

- (i) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan and any other plan of the Employer required to be aggregated in accordance with Code Section 72(p) to the Participant on the date on which such loan was made, or
- (ii) one-half (1/2) of the Participant Account.

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

(e) An assignment or pledge of any portion of a Participant's interest in the Plan shall be treated as a loan under this Section 4.12.

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

(g) A Participant loan program shall be established which must include, but need not be limited to, the following:

- (i) the identity of the person or positions authorized to administer the Participant loan program;
- (ii) a procedure for applying for loans;
- (iii) the basis on which loans will be approved or denied;
- (iv) limitations, if any, on the types and amounts of loans offered;
- (v) the procedure under the program for determining a reasonable rate of interest;
- (vi) the types of collateral which may secure a Participant loan; and
- (vii) the events constituting default and the steps that will be taken to preserve Plan assets.

Such Participant loan program shall be contained in a separate written document which, when properly executed, is hereby incorporated by reference and made a part of the Plan. Furthermore, such Participant loan program may be modified or amended in writing from time to time without the necessity of amending this Section 4.12. In no event, however, shall such loan program provide for non-residential loans in an amount less than \$1,000 and for residential loans in an amount less than \$2,500.

ARTICLE V ADMINISTRATION

5.1 POWERS AND RESPONSIBILITIES OF THE SPONSORING EMPLOYER

(a) The Employer shall have full power to interpret and construe the Plan in a manner consistent with its terms and provisions and with Code Section 457, including Regulations thereunder and to establish practices and procedures conforming to those provisions. In all such cases the Employer's determination shall be final and conclusive upon all persons. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Employer shall have the right to resolve all such questions. Notwithstanding the above, the Employer's power and responsibility under the Plan shall not extend to, nor have any control over, those responsibilities and duties of the Provider.

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

(c) The Employer shall periodically review the performance of any person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer

or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

5.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

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

5.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

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

5.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Section 457, and shall comply with the terms of all Regulations issued pursuant thereto. The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan. The Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of Employees and Independent Contractors to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) determine the amounts to be contributed to each Participant Account;
- (c) to authorize and direct the Provider with respect to all disbursements to which a Participant is entitled under the Plan;

- (d) to maintain all necessary records for the administration of the Plan;
- (e) to maintain practices and procedures necessary to administer the Plan as are consistent with the terms hereof;
- (f) to determine the type of any Investment Product to be purchased from the Provider; and
- (g) to assist any Participant regarding his rights, benefits, or elections available under the Plan.

5.5 RECORDS AND REPORTS

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

5.6 APPOINTMENT OF ADVISORS

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

5.7 INFORMATION FROM EMPLOYER

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

5.8 PAYMENT OF EXPENSES

All expenses of administration will be paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan.

ARTICLE VI MISCELLANEOUS

6.1 ASSETS FOR EXCLUSIVE BENEFIT OF PARTICIPANTS AND BENEFICIARIES

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

6.2 PARTICIPANT RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant, Employee, or Independent Contractor. Nothing contained in this Plan shall be deemed to give any Participant, Employee, or Independent Contractor the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant, Employee or Independent Contractor at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

6.3 ALIENATION

Subject to applicable state law (and Code Section 401(g) if the Investment Product consists of an annuity contract) and except as provided in Section 4.11, no benefit which shall be payable to any person (including a Participant or his Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall be subject to attachment or legal process for or against such person, and the same shall not be recognized except to such extent as may be required by law.

6.4 CONSTRUCTION OF PLAN

This Plan shall be construed and enforced according to the state and local laws of the State of Illinois.

6.5 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in one other form in all cases where they would so apply.

6.6 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, Former Participant, Alternate Payee, Beneficiary, or to any guardian or conservator appointed for such individual in accordance with the provisions of this Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Provider, Administrator and Employer.

6.7 MILITARY SERVICE

Notwithstanding any provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u). A Participant whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional contributions under Article III upon resumption of employment with the Employer. Such additional contribution shall be equal to the maximum amount that the Participant could have deferred during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by any amounts deferred on behalf of the Employee during the period of the interruption or leave. Such additional contribution shall be made no later than five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

6.8 PRE-1979 ACCOUNTS

Any amounts held by the Employer as a result of deferrals made by a Participant prior to January 1, 1979 shall be held under this Plan from and after the latest of (a) the Effective Date; (b) the date on which the Participant elects to have this Plan apply to such amount; or (c) the date on which such Participant exercises any right or power available under this Plan but not under the Plan agreement pursuant to which such deferral was made. All such persons who were Participants in any prior plan, who exercise any such right or privilege and who have not yet received a distribution of the amounts to which they are entitled under such prior plan shall be deemed to be Participants under this Plan for all purposes.

ARTICLE VII AMENDMENT AND TERMINATION

7.1 AMENDMENT

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

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

7.2 TERMINATION

(a) The Employer shall have the right at any time to terminate the Plan by resolution of the governing board. In addition, the Employer must deliver written notice of discontinuance of the Investment Product to the Provider.


(b) Upon the full termination of the Plan, the Employer shall direct the distribution of the assets to Participants in a manner which is consistent with and satisfies the provisions of Article IV as soon as administratively practicable after termination of the Plan.

7.3 TRANSFER OF ENTIRE PLAN ASSETS TO ANOTHER ELIGIBLE PLAN WITHIN THE SAME STATE

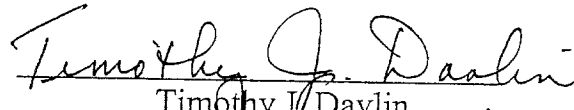
The transfer of assets from the Plan to another 457(b) plan within the same State must meet the requirements of Code Section 457(b) and Regulation Sections 1.457(b)-10 (b).


IN WITNESS WHEREOF, the Employer has caused this Plan to be signed and attested to by its duly authorized officers on the 5th day of Nov. 2005.

WITNESS:



Cecilia K. Tumulty
Title: City Clerk



Timothy J. Davlin
Title: Mayor 

Approved by Ordinance # 161 -11-05, November 01, 2005