

RECEIVED

NOV 01 2011

LANCASTER COUNTY
CLERK

**PRUDENTIAL RETIREMENT
SPECIMEN GOVERNMENTAL 457(b) PLAN**

**This Plan Document is to be used in conjunction with the
Prudential Retirement
Specimen Governmental 457(b) Adoption Agreement**

**This Plan Document is not to be used for
a tax exempt organization 457(b) plan.**

**This document has not been amended to reflect specific provisions of applicable
state law. Each adopting entity should review its local and state law requirements
before either adopting this Prudential Retirement Specimen Governmental 457(b)
Plan or
executing its Adoption Agreement.**

*Prudential and its affiliates do not provide tax or legal advice. This specimen document
is for the use of the Employer's tax or legal advisors.*

Revised: July 2011

Table of Contents

	<u>Page</u>
Article I Introduction	1
Article II Definitions	2
Section 2.1 Account	2
Section 2.2 Adoption Agreement.....	2
Section 2.3 Automatic Distribution Date.....	2
Section 2.4 Beneficiary	2
Section 2.5 Catch-Up Dollar Limitation	2
Section 2.6 Code	3
Section 2.7 Deferred Compensation	3
Section 2.8 Dollar Limitation.....	3
Section 2.9 Effective Date.....	3
Section 2.10 Employee.....	3
Section 2.11 Employer	4
Section 2.12 Enrollment Agreement	4
Section 2.13 Entry Date	4
Section 2.14 Includible Compensation	4
Section 2.15 Minimum Deferral Amount	4
Section 2.16 Maximum Deferral Amount.....	4
Section 2.17 Normal Limitation.....	4
Section 2.18 Normal Retirement Age	5
Section 2.19 Participant.....	5
Section 2.20 Percentage Limitation	5
Section 2.21 Plan.....	5
Section 2.22 Plan Administrator	6
Section 2.23 Plan Year	6
Section 2.24 Prudential	6
Section 2.25 Severance Event	6
Section 2.26 Treasury Regulation	6
Section 2.27 Trust	6
Section 2.28 Trust Agreement.....	7
Section 2.29 Trustee.....	7
Section 2.30 Valuation Date.....	7
Article III Participation in the Plan	8
Section 3.1 Initial Participation.....	8
Section 3.2 Amendment of Enrollment Agreement.....	8
Section 3.3 Special Rule for Accumulated Leave.....	8
Section 3.4 Content of Enrollment Agreement.....	8
Section 3.5 Automatic Enrollment.....	8
Article IV Limitations on Deferrals	9
Section 4.1 Normal Limitation.....	9
Section 4.2 Catch-Up Limitation	9
Section 4.3 Additional Employer Contributions.....	10

Table of Contents

	<u>Page</u>
Section 4.4 Other Plans	10
Section 4.5 Correction of Excess Deferrals	10
Article V Benefits	11
Section 5.1 Retirement Benefits and Election on Severance Event.....	11
Section 5.2 Payment Options	11
Section 5.3 Limitation on Options	12
Section 5.4 Post-Retirement Death Benefits.....	12
Section 5.5 Pre-Retirement Death Benefits	13
Section 5.6 Unforeseeable Emergencies.....	13
Section 5.7 Voluntary and Involuntary Distribution of De Minimis Accounts	14
Section 5.8 HEART Act Distributions.....	15
Section 5.9 Mandatory Rollovers.....	15
Section 5.10 Pre-Tax Payment of Health Care Expenses of Eligible Retired Public Safety Officers.....	15
Section 5.11 2009 RMD Suspension	15
Article VI Transfers, Rollovers and Permissive Service Credit	17
Section 6.1 Transfers.....	17
Section 6.2 Eligible Rollover Distributions	20
Section 6.3 Non-Spouse Beneficiary Rollovers.....	22
Section 6.4 Transfers and Permissive Service Credit	22
Section 6.5 Distribution of Certain Previously Rolled Over Amounts.....	22
Article VII Trust and Investment of Accounts.....	23
Section 7.1 Investment of Deferred Compensation	23
Section 7.2 Payment of Benefits	23
Section 7.3 Investment Options	23
Section 7.4 Valuation of Accounts.....	23
Section 7.5 Crediting of Accounts	24
Section 7.6 Limitation on Liability	24
Article VIII Administration	25
Section 8.1 Plan Administrator	25
Section 8.2 Power and Authority	25
Section 8.3 Presumption of Fairness	25
Section 8.4 Delegation of Duties.....	25
Section 8.5 Other Parties.....	26
Section 8.6 Expenses.....	26
Section 8.7 Compliance with Statutes and Regulations.....	26
Article IX Loans to Participants.....	27
Section 9.1 Availability of Loans to Participants.....	27
Section 9.2 Terms and Conditions of Loans to Participants	27
Article X Non-Assignability.....	30
Section 10.1 In General.....	30
Section 10.2 Domestic Relations Orders	30

Table of Contents

	<u>Page</u>
Article XI Relationship to other Plans and Employment Agreements	32
Section 11.1 Non-Exclusivity of Plan	32
Section 11.2 No Guarantee of Employment	32
Article XII Amendment or Termination of Plan	33
Section 12.1 Amendment	33
Section 12.2 Termination	33
Section 12.3 Protection of Participant Benefits	33
Section 12.4 Additional Statutory Requirements	33
Article XIII Miscellaneous.....	34
Section 13.1 Applicable Law	34
Section 13.2 Gender Neutrality	34
Section 13.3 Military Service.....	34
Section 13.4 Electronic Writings	34
Section 13.5 Titles and Subheadings	34
Section 13.6 Compliance With Code Section 457(b)	34
Article XIV Roth Elective Deferrals and Conversions	36
Section 14.1 General Application	36
Section 14.2 Separate Accounting	36
Section 14.3 Direct Rollovers	37
Section 14.4 Correction of Excess Deferrals	37
Section 14.5 In-Plan Roth Rollover	37
Section 14.6 Definition of Roth Elective Deferrals	37

Article I Introduction

The Employer hereby establishes the Plan for the primary purpose of providing retirement income and other deferred benefits to its Employees and their Beneficiaries in accordance with the provisions of Code section 457. This Plan document is effective as of the Effective Date.

The Plan consists of the provisions set forth in this Plan document and its related Adoption Agreement. The Plan is intended to be a Code section 457(b) plan for employees of governmental entities described in Code section 457(e)(1)(A).

The assets of the Plan shall be held in a Trust that complies with the requirements of Code section 457(g). The Plan and its related Trust shall be maintained for the exclusive benefit of Participants and their Beneficiaries. No part of the corpus or income of the Trust shall be used for or diverted to purposes other than the exclusive benefit of Participants and their Beneficiaries.

Article II Definitions

For purposes of the Plan and the Adoption Agreement, the following terms shall have the meanings set forth below.

Section 2.1 Account

The bookkeeping account maintained for each Participant that reflects the cumulative amount of the Participant's Deferred Compensation. Each Participant's Account shall be adjusted to reflect any income, gains, losses, or increases or decreases in market value attributable to the Employer's investment of the Participant's Deferred Compensation, and shall also be adjusted to reflect any distributions to the Participant or the Participant's Beneficiary and any fees or expenses charged against such Participant's Deferred Compensation.

Section 2.2 Adoption Agreement

The document executed by the Employer and, if applicable, the Trustee and countersigned by Prudential by which the Employer adopts this Plan and wherein the Employer selects from the options contained therein certain provisions relating to the operation of the Plan. The Adoption Agreement shall be incorporated into and form an integral part of the Plan.

Section 2.3 Automatic Distribution Date

"Automatic Distribution Date" means April 1 of the calendar year after the Plan Year of the Participant's Severance Event or any other date permitted under Code section 457(d) and any Treasury Regulations promulgated thereunder as set forth in the Adoption Agreement.

Section 2.4 Beneficiary

The person or persons designated by the Participant who shall receive any benefits payable hereunder in the event of the Participant's death. In the event that the Participant names two or more Beneficiaries, each Beneficiary shall be entitled to equal shares (per capita) of the benefits payable at the Participant's death, unless otherwise provided by the Participant. If no beneficiary is designated, or if the designated Beneficiary predeceases the Participant, then the estate of the Participant shall be the Beneficiary unless otherwise selected in the Adoption Agreement.

Section 2.5 Catch-Up Dollar Limitation

"Catch-Up Dollar Limitation" means twice the Dollar Limitation.

Section 2.6 Code

The Internal Revenue Code of 1986, as it may be amended from time to time, or any successor thereto.

Section 2.7 Deferred Compensation

The amount of Includible Compensation otherwise payable to the Participant which the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 6.1, a rollover under Section 6.2, any Employer contribution of accumulated sick pay, accumulated vacation pay, or accumulated back pay permitted under the Adoption Agreement, or any other amount which the Employer agrees to credit to a Participant's Account.

Section 2.8 Dollar Limitation

The applicable dollar amount within the meaning of Code sections 457(b)(2)(A) and 457(e)(15)(A), as adjusted for the cost-of-living in accordance with Code section 457(e)(15)(B).

Section 2.9 Effective Date

The Effective Date of this Plan document is the date set forth in the Adoption Agreement.

Section 2.10 Employee

Any individual who provides services for the Employer, whether as an employee of the Employer or as an independent contractor.

Notwithstanding any provision of the Plan to the contrary and except as may be provided with respect to independent contractors described in the Adoption Agreement, it is expressly intended that the term "Employee" as of any date shall not include any person who is not so recorded as such on the payroll records of the Employer as of such date, including any such person who is retroactively reclassified by a court of law, administrative agency, or regulatory body as a common law employee of the Employer. For purposes of clarification only and not to imply that the first sentence of this definition would otherwise cover such person, the term "Employee" does not include any individual

who performs services for the Employer as a leased employee or under any other non-employee classification.

Section 2.11 Employer

The Employer set forth in the Adoption Agreement. The Employer is a political subdivision, agency or instrumentality of a state, within the meaning of Code section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended.

Section 2.12 Enrollment Agreement

An agreement or agreements entered into between an Employee and the Employer, including any amendments or modifications thereof, for the purpose of allowing an Employee to become a Participant in the Plan.

Section 2.13 Entry Date

The Entry Date set forth in the Adoption Agreement.

Section 2.14 Includible Compensation

The definition of Includible Compensation set forth in the Adoption Agreement.

Section 2.15 Minimum Deferral Amount

The minimum amount of Deferred Compensation that an Employee must defer into the Plan as set forth in the Adoption Agreement. The Minimum Deferral Amount may be expressed as a fixed number and/or a percentage of Normal or Includible Compensation.

Section 2.16 Maximum Deferral Amount

The maximum amount of Deferred Compensation that an Employee may defer into the Plan as set forth in the Adoption Agreement. The Maximum Deferral Amount may be expressed as a fixed number and/or a percentage of Includible Compensation.

Section 2.17 Normal Limitation

The maximum amount of Deferred Compensation for any Participant for any taxable year (other than amounts referred to in Sections 6.1 and 6.2).

Section 2.18 Normal Retirement Age

The age set forth in the Adoption Agreement, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Plan Administrator prior to a Severance Event. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the catch-up limitation of Section 4.2(b) hereunder. Once a Participant has to any extent utilized the catch-up limitation of Section 4.2(b), his or her Normal Retirement Age may not be changed.

A Participant's alternate Normal Retirement Age may not be earlier than the earlier of age 65 or the age at which the Participant will become eligible to retire and receive, under the Employer's basic defined benefit pension plan (or the Employer's money purchase pension plan in which the Participant also participates if the Participant is not eligible to participate in the Employer's basic defined benefit pension plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age and that is not later than age 70-1/2. An Employer may not permit a Participant to have more than one Normal Retirement Age under the eligible plans it sponsors.

To the extent that qualified police or firefighters (as defined under Code section 415(b)(2)(H)(ii)(I)) participate in the Plan, the Plan may specify or permit Participants to specify an earlier Normal Retirement Age than otherwise permitted under the Plan, but in no event may this Normal Retirement Age be earlier than age 40.

Notwithstanding any provision of the Plan to the contrary, Normal Retirement Age may not be earlier than the earliest age or later than the latest age permitted under Code section 457(b) and, effective January 1, 2002, Treasury Regulation section 1.457-4(c)(3)(v).

Section 2.19 Participant

Any Employee who has joined the Plan pursuant to the requirements of Article III.

Section 2.20 Percentage Limitation

The Percentage Limitation means 100 percent of the Participant's Includible Compensation for the taxable year.

Section 2.21 Plan

This plan document and the Adoption Agreement. The name of the Plan shall be the name set forth in the Adoption Agreement.

Section 2.22 Plan Administrator

The person or persons named in the Adoption Agreement who are responsible for the administration of the Plan and the investment of and accounting for the Plan's assets. If such person or persons are not so named or cease to serve as Plan Administrator without the Employer having a successor or successors, the Employer shall be the Plan Administrator.

Section 2.23 Plan Year

The twelve-month period set forth in the Adoption Agreement.

Section 2.24 Prudential

Prudential Retirement, a business division of The Prudential Insurance Company of America. In any provision of the Plan providing for the insulation of Prudential from liability, the term Prudential shall also include Prudential Financial and all affiliates thereof, including, but not limited to, the Prudential Securities division of Wachovia Securities, LLC.

Section 2.25 Severance Event

Severance Event means a severance of the Participant's employment with the Employer within the meaning of Code section 457(d)(1)(A)(ii) and any Treasury Regulations thereunder.

In the case of a Participant who is an independent contractor of the Employer, a Severance Event shall be deemed to have occurred when the Participant's contract under which services are performed has completely expired and terminated, that the Employer does not foresee the possibility that it will renew the contract or enter into a new contract for the Participant's services, and it is not anticipated that the Participant will become an Employee of the Employer, or such other events as may be permitted under the Code and any Treasury Regulations promulgated thereunder.

Section 2.26 Treasury Regulation

The temporary and final regulations published by the Department of the Treasury under the Code.

Section 2.27 Trust

The Plan's assets must be held in:

- (a) A trust described in Code section 457(g)(1) that is established under the applicable laws of the State set forth in the Adoption Agreement;
- (b) A trust described in Code section 457(g)(1) that is established with Prudential Trust Company or its successor as the Trustee of the Trust;
- (c) A trust described in Code section 457(g)(1) that is established with Prudential Bank & Trust, FSB or its successor as the Trustee of the Trust; and/or
- (d) A custodial account or annuity contract described in Code section 457(g)(3).

The term "Trust" shall mean and include any trust created pursuant to the Trust Agreement, and any custodial account or annuity contract which holds assets of the Plan.

Section 2.28 Trust Agreement

The agreement between the Employer and the Trustee setting forth the terms and conditions of the Trust and the relative powers of the Employer, the Trustee, and any other party with respect to the Trust, if applicable. If assets are held in a custodial account or annuity contract, the term "Trust Agreement" shall also mean the custodial account agreement or annuity contract.

Section 2.29 Trustee

The Trustee selected in the Adoption Agreement, if applicable.

Section 2.30 Valuation Date

Each business day that the New York Stock Exchange is open for regular (not "after-hours" or "extended hours") trading. On a Valuation Date, the value of any investment or Account shall be based on the reported value of the investment or underlying investments in the relevant Account as of the close of trading (e.g., the last trade value) on the New York Stock Exchange on such Valuation Date.

Article III Participation in the Plan

Section 3.1 Initial Participation

An Employee may become a Participant by entering into an Enrollment Agreement prior to the beginning of the calendar month in which the Enrollment Agreement is to become effective to defer compensation not yet earned, or such other date as may be permitted under the Code. An Enrollment Agreement may be entered into effective as of any Entry Date.

Section 3.2 Amendment of Enrollment Agreement

A Participant may amend an Enrollment Agreement to change the amount of Includible Compensation not yet earned which is to be deferred or to change his or her investment preference (subject to such restrictions as may result from the nature of terms of any investment made by the Employer). Such amendment shall become effective as of the beginning of the calendar month commencing after the date the amendment is executed, or such other date as may be permitted under the Code.

Section 3.3 Special Rule for Accumulated Leave

To the extent provided in the Adoption Agreement, a Participant may enter into a separate Enrollment Agreement with respect to his or her accumulated sick, vacation, or back pay if such election is made consistent with the requirements set forth in Treasury Regulation section 1.457-4(d) and other applicable guidance.

Section 3.4 Content of Enrollment Agreement

An Enrollment Agreement shall fix the amount of Deferred Compensation and shall specify a preference among the investment alternatives designated by the Employer. In no event shall the amount of Deferred Compensation under an Enrollment Agreement be less than the Minimum Deferral Amount or more than the Maximum Deferral Amount.

Section 3.5 Automatic Enrollment

If the Adoption Agreement provides for automatic enrollment, individuals automatically enrolled in the Plan shall be deemed to have entered into a Joinder Agreement with the elections as set forth in the Adoption Agreement. Notwithstanding the foregoing, the Plan shall only implement automatic enrollment in a manner consistent with Code section 457(b) and applicable guidance thereunder.

Article IV Limitations on Deferrals

Section 4.1 Normal Limitation

Except as provided in Section 4.2, the maximum amount of Deferred Compensation for any Participant for any taxable year, shall not exceed the lesser of the Dollar Limitation or the Percentage Limitation.

Section 4.2 Catch-Up Limitation

(a) **Catch-up Contributions for Participants Age 50 and Over:** If permitted by the Adoption Agreement, a Participant who will attain the age of 50 before the close of the taxable year, and with respect to whom no other elective deferrals may be made to the Plan for the Plan Year by reason of the Normal Limitation of Section 4.1, may enter into an Enrollment Agreement to make elective deferrals in addition to those permitted by the Normal Limitation in an amount not to exceed the lesser of (1) the applicable dollar amount as defined in Code section 414(v)(2)(B), as adjusted for the cost-of-living in accordance with Code section 414(v)(2)(C), or (2) the excess (if any) of (i) the Participant's compensation (as defined in Code section 415(c)(3)) for the year, over (ii) any other elective deferrals of the Participant for such year which are made without regard to this Section 4.2(a). An additional contribution made pursuant to this Section 4.2(a) shall not, with respect to the year in which the contribution is made, be subject to any otherwise applicable limitation contained in Code section 457(e)(15), or be taken into account in applying such limitation to other contributions or benefits under the Plan or any other plan. Notwithstanding the foregoing, for purposes of applying the limitations set forth in Code section 414(v)(2), all plans maintained by the Employer that are described in Code section 414(v)(6)(A)(iii) shall be treated as a single plan. This Section 4.2(a) shall not apply in any taxable year in which the contribution amount permitted by Section 4.2(b) exceeds the contribution amount permitted by this Section 4.2(a).

(b) **Last Three Years Catch-up Contribution:** For each of the last three (3) taxable years for a Participant ending before his or her attainment of Normal Retirement Age, the maximum amount of Deferred Compensation shall be the lesser of: (1) the Catch-up Dollar Limitation, or (2) the sum of (i) the Normal Limitation for the taxable year, and (ii) the Normal Limitation for each prior taxable year of the Participant commencing after 1978 less the amount of the Participant's Deferred Compensation for such prior taxable years. With respect to taxable years beginning on or before December 31, 2001, each such taxable year's Normal Limitation described in subsection (ii) of the preceding sentence shall be reduced pursuant to the provisions of Code section 457(c) applicable to such taxable year. A prior taxable year shall be taken into account under the preceding sentence only if the Participant was eligible to participate in the Plan for

such year (or in any other eligible deferred compensation plan established under Code section 457(b) which is properly taken into account pursuant to Treasury Regulations under Code section 457), and compensation (if any) deferred under the Plan (or such other plan) was subject to the Normal Limitation. This Section 4.2(b) shall not apply in any taxable year in which the contribution amount permitted by Section 4.2(a) exceeds the contribution amount permitted by this Section 4.2(b).

(c) No Deferrals in Excess of Includible Compensation Limit.

Notwithstanding the above, in no event can the deferred amount be more than the Participant's Includible Compensation for the calendar year.

Section 4.3 Additional Employer Contributions

Notwithstanding any provision of the Plan to the contrary, if elected in the Adoption Agreement, the Employer may contribute additional amounts to a Participant's Account in accordance with the contribution options selected in the Adoption Agreement. Such additional contributions shall be treated as additional Deferred Compensation of the Participants whose Accounts receive such contributions and shall be subject to the limitations set forth in this Article IV.

Section 4.4 Other Plans

Notwithstanding any provision of the Plan to the contrary, the amount excludible from a Participant's gross income under this Plan or any other eligible deferred compensation plan under Code section 457(b) shall not exceed the limits set forth in Code sections 457(b) and 414(v).

Section 4.5 Correction of Excess Deferrals

Notwithstanding any provision of the Plan to the contrary, the Plan shall distribute any Deferred Compensation in excess of the limits described in this Article IV in a manner consistent with Code section 457(b) and any Treasury Regulations or other authority promulgated thereunder.

Article V Benefits

Section 5.1 Retirement Benefits and Election on Severance Event

(a) **Post-Severance Event Distribution:** Except as otherwise provided in this Article V, the distribution of a Participant's Account shall commence as of a Participant's Automatic Distribution Date, and the distribution of such benefits shall be made in accordance with one of the payment options described in Section 5.2. Notwithstanding the foregoing, but subject to the following paragraphs of this Section 5.1, the Participant may elect following a Severance Event to have the distribution of benefits commence on a fixed determinable date other than that described in the preceding sentence, but not later than April 1 of the year following the year of the Participant's Severance Event or attainment of age 70½, whichever is later.

Notwithstanding the foregoing, the Plan Administrator, in order to ensure the orderly administration of this provision, may establish a deadline after which such election to defer the commencement of distribution of benefits shall not be allowed.

(b) **In-Service Distributions After Age 70½:** If permitted by the Adoption Agreement, a Participant may elect to receive in-service distributions from his or her Account on or after the calendar year in which the Participant attains age 70½ to the extent permitted by the Code and any Treasury Regulations promulgated thereunder.

(c) **Loans:** Notwithstanding the foregoing provisions of this Section 5.1, no election to defer the commencement of benefits after a Severance Event shall operate to defer the distribution of any amount required to be distributed from a Participant's Account pursuant to the Plan Administrator's procedures in the event of a default of the Participant's loan.

Section 5.2 Payment Options

As provided in Sections 5.1, 5.4 and 5.5, a Participant or Beneficiary may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options, provided that such option is consistent with the limitations set forth in Section 5.3 and is permitted under the terms of the Adoption Agreement.

- (a) Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his or her Account is exhausted;
- (b) One lump-sum payment;

(c) Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Participant or Beneficiary as permitted under the Adoption Agreement.

(d) Annual Payments equal to the life-expectancy based minimum distributions required under Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G).

(e) Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer, provided that such payments shall comply with the requirements of Code section 401(a)(9), including the incidental death benefit requirements of Code section 401(a)(9)(G).

(f) A split distribution under which payments under options (a), (b), (c) or (e) commence or are made at the same time, as elected by the Participant under Section 5.1, provided that all payments commence (or are made) by the latest benefit commencement date under Section 5.1.

(g) A split distribution under which payments under options (a), (b), (c) or (e) commence or are made at different times, as elected by the Participant or Beneficiary, as applicable, provided that all payments commence (or are made) by the latest benefit commencement date required under the Plan.

(h) Subject to Section 5.3, any payment option elected by the Participant or Beneficiary, as applicable, and agreed to by the Employer, the Plan Administrator and Prudential.

If a Participant or Beneficiary fails to make a timely election of a payment option, benefits shall be paid under the default option set forth in the Adoption Agreement.

Section 5.3 Limitation on Options

No payment option may be selected by a Participant or Beneficiary under Sections 5.2, 5.4, or 5.5 unless it satisfies the requirements of Code sections 401(a)(9) and 457(d)(2) of the Code and applicable Treasury Regulations thereunder, including that payments commencing before the death of the Participant shall satisfy the incidental death benefit requirements under Code section 401(a)(9)(G).

Section 5.4 Post-Retirement Death Benefits

(a) Should the Participant die after he or she has begun to receive benefits, payments shall be made to the Participant's Beneficiary pursuant to the terms of the

Adoption Agreement. Any different payment option elected by a Beneficiary under this Section 5.4 and the related provisions of the Adoption Agreement must provide for payments at a rate that is at least as rapid under the payment option that was applicable to the Participant. In no event shall the Employer or Plan Administrator be liable to the Beneficiary for the amount of any payment made in the name of the Participant before the Plan Administrator receives proof of death of the Participant.

(b) If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the commuted value of any remaining payments under the payment option shall be paid in a lump sum to the estate of the Beneficiary. In the event that the Participant's estate is the Beneficiary, the commuted value of any remaining payments under the payment option shall be paid to the estate in a lump sum.

Section 5.5 Pre-Retirement Death Benefits

(a) Should the Participant die before he or she has begun to receive the benefits provided by Section 5.1, the value of the Participant's Account shall be payable to the Beneficiary pursuant to the terms of the Adoption Agreement. The benefit commencement date under this Section 5.5 shall not be later than the later of (i) December 31 of the year following the year of the Participant's death, (ii) for non-installment distributions, the December 31 of the fifth year following the year of the Participant's death or (iii) if the Beneficiary is the Participant's spouse, December 31 of the year in which the Participant would have attained age 70½.

(b) Unless a Beneficiary elects a different payment option prior to the benefit commencement date, death benefits under this Section shall be paid in the default method of distribution set forth in the Adoption Agreement. A Beneficiary may elect from the methods of distribution available to the Beneficiary pursuant to the terms of the Adoption Agreement, provided, however, that a method of distribution must satisfy the requirements of Code sections 401(a)(9) and 457(d)(2) of the Code and applicable Treasury Regulations thereunder.

(c) In the event that the Beneficiary dies before the payment of death benefits has commenced or been completed, the remaining value of the Participant's Account shall be paid to the estate of the Beneficiary in a lump sum. In the event that the Participant's estate is the Beneficiary, payment shall be made to the estate in a lump sum.

Section 5.6 Unforeseeable Emergencies

(a) To the extent provided in the Adoption Agreement, in the event an unforeseeable emergency occurs, a Participant or Beneficiary (if the Participant is

deceased) may apply to the Employer to receive that part of the value of his or her Account that is reasonably needed to satisfy the emergency need. If such an application is approved by the Employer, the Participant or Beneficiary shall be paid only such amount as the Employer deems necessary to meet the emergency need, but payment shall not be made to the extent that the financial hardship may be relieved through cessation of deferral under the Plan, insurance or other reimbursement, or liquidation of other assets to the extent such liquidation would not itself cause severe financial hardship.

(b) An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship to the Participant or a Beneficiary resulting from a sudden unexpected illness or accident of the Participant or Beneficiary, his or her spouse, or a dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code sections 152(b)(1), (b)(2), and (d)(1)(B)) of the Participant or Beneficiary, loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster), or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. Imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence, the need to pay for medical expenses (including non-refundable deductibles and the cost of prescription drug medication), and the need to pay for the funeral expenses of a spouse or a dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code sections 152(b)(1), (b)(2), and (d)(1)(B)) may each constitute an unforeseeable emergency. However, the need to send a Participant's or Beneficiary's child to college or to purchase a new home shall not, of itself, be considered unforeseeable emergencies. The determination as to whether such an unforeseeable emergency exists shall be based on the merits of each individual case.

Section 5.7 Voluntary and Involuntary Distribution of De Minimis Accounts

Notwithstanding the foregoing provisions of this Article, if:

(a) The portion of the value of a Participant's Account, calculated as set forth in the Adoption Agreement, does not exceed the dollar limit under Code section 411(a)(11)(A) (or such lesser amount set forth in the Adoption Agreement);

(b) No amount has been deferred under the Plan with respect to the Participant during the 2-year period ending on the date of the distribution; and

(c) There has been no prior distribution under the Plan to the Participant pursuant to this Section 5.7,

the Participant may elect to receive or the Plan Administrator may involuntarily distribute the Participant's entire Account to the extent permitted by the Adoption Agreement. Such distribution shall be made in a lump sum.

Section 5.8 HEART Act Distributions

Effective as of the date set forth in the Adoption Agreement, a distribution may be made in accordance with the Heroes Earnings Assistance and Relief Tax Act of 2008, Code section 414(u)(12)(B), Notice 2010-15, and any other applicable guidance.

Section 5.9 Mandatory Rollovers

Effective as of the date set forth in the Adoption Agreement, in the event of an involuntary distribution to a Participant greater than \$1,000 in accordance with the Section 5.2 or Section 5.7 and subject to the mandatory rollover rules in Code section 401(a)(31), if the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" (as defined in Section 6.1(d)(2)) specified by the participant in a "direct rollover" (as defined in Section 6.1(d)(4)) or to receive the distribution directly in accordance with the provisions of the Plan and Adoption Agreement, then the Plan Administrator will pay the distribution in a "direct rollover" (as defined in Section 6.1(d)(4)) to an individual retirement plan designated by the Plan Administrator. For purposes of this Section 5.9, a Participant's Roth elective deferrals and/or Roth rollover contributions, as separately accounted for under Section 14.2, shall be treated as held under a separate plan from a Participant's other contributions to the extent required by the Code and applicable Treasury Regulations.

Section 5.10 Pre-Tax Payment of Health Care Expenses of Eligible Retired Public Safety Officers

Effective as of the date set forth in the Adoption Agreement, a Participant who is an "eligible retired public safety officer" (as defined in Code section 402(l)(4)(B)) may elect to pay up to \$3,000 in "qualified health insurance premiums" (as defined in Code section 402(l)(4)(D)) for the Participant, his or her spouse, or his or her dependents. This provision shall be interpreted consistent with Code sections 402(l) and 457(a)(3), applicable Treasury Regulations thereunder, and IRS Notice 2007-7 and other applicable guidance.

Section 5.11 2009 RMD Suspension

(a) Notwithstanding any provision of the Plan to the contrary, the Plan shall be administered in a manner consistent with Code section 401(a)(9)(H), Notice IRS 2009-82 and any other applicable guidance.

(b) Participants and Beneficiaries who have a required beginning date under Code section 401(a)(9) prior to April 1, 2010 shall continue receiving required minimum distributions as required by Code section 401(a)(9) prior to amendment by Code section 401(a)(9)(H) unless they affirmatively elect to suspend such distributions for the 2009 calendar year in a manner consistent with procedures established by the Plan Administrator.

(c) Participants and Beneficiaries who have a required beginning date under Code section 401(a)(9) of April 1, 2010 shall not receive a required minimum distributions for the 2009 calendar year as required by Code section 401(a)(9) prior to amendment by Code section 401(a)(9)(H) unless they affirmatively elect to begin such distributions in a manner consistent with procedures established by the Plan Administrator.

Article VI Transfers, Rollovers and Permissive Service Credit

Section 6.1 Transfers

(a) **Incoming Transfers:** Subject to the requirements of Code section 457(e)(10), any Treasury Regulations thereunder, and the procedures established by the Plan Administrator, a transfer may be accepted from a governmental eligible deferred compensation plan if such transfer complies with the requirements set forth in subsection (1), (2) or (3) below:

(1) In the Case of Plan-to-Plan Transfers of the Account of a Participant After a Severance Event:

(a) The transferor governmental eligible deferred compensation plan must provide for transfers;

(b) The Participant or Beneficiary whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to the Participant or Beneficiary immediately before the transfer;

(c) In the case of a transfer for a Participant, the Participant must have had a Severance Event with the transferring employer and must be performing services for the Employer.

(2) In the Case of Plan-to-Plan Transfers of All Plan Assets to Another Code Section 457(b) Plan Within the Same State:

(a) The transferor governmental eligible deferred compensation plan and the Plan must be within the same state;

(b) The transferor governmental eligible deferred compensation plan must provide for transfers;

(c) All assets of the transferor governmental plan must be transferred;

(d) The Participants and Beneficiaries whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to each Participant or Beneficiary immediately before the transfer;

(e) The Participants and Beneficiaries whose deferred amounts are being transferred must not be eligible to make additional annual deferrals under the Plan unless they are performing services for the Employer.

(3) In the Case of Plan-to-Plan Transfers of Plan Assets Among an Employer's Code Section 457(b) Plans:

(a) The transfer must be from another governmental eligible deferred compensation plan maintained by the same employer (and, for this purpose, the Employer is not treated as the same employer if the Participant's compensation is paid by a different entity);

(b) The transferor governmental eligible deferred compensation plan must provide for transfers;

(c) The Participant or Beneficiary whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to the Participant or Beneficiary immediately before the transfer;

(d) The Participant or Beneficiary whose deferred amounts are being transferred must not be eligible to make additional annual deferrals under the Plan unless he or she is performing services for the Employer.

The Employer may require such documentation from the predecessor plan as it deems necessary to effectuate the transfer in accordance with Code section 457(e)(10), to confirm that such plan is an eligible deferred compensation plan within the meaning of Code section 457(b), and to assure that transfers are provided for under such plan. The Employer may refuse to accept a transfer in the form of assets other than cash, unless the Employer and the Plan Administrator agree to hold such other assets under the Plan.

Any such transferred amount shall not be treated as a deferral subject to the limitations of Article IV.

(b) **Outgoing Transfers:** Subject to the requirements of Code section 457(e)(10), and Treasury Regulations thereunder, and the procedures established by the Plan Administrator, an Account may be transferred to another eligible deferred compensation plan if such transfer complies with the requirements set forth in subsection (1), (2) or (3) below:

(1) In the Case of Plan-to-Plan Transfers of the Account of a Participant After a Severance Event:

(a) The transferee governmental eligible deferred compensation plan must provide for transfers;

(b) The Participant or Beneficiary whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to the Participant or Beneficiary immediately before the transfer;

(c) In the case of a transfer for a Participant, the Participant must have had a Severance Event with the Employer and must be performing services for the transferee employer.

(2) In the Case of Plan-to-Plan Transfers of All Plan Assets to Another Code Section 457(b) Plan Within the Same State:

(a) The transferee governmental eligible deferred compensation plan and the Plan must be within the same state;

(b) The transferee governmental eligible deferred compensation plan must provide for transfers;

(c) All assets of the Plan must be transferred;

(d) The Participants and Beneficiaries whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to each Participant or Beneficiary immediately before the transfer;

(e) The Participants and Beneficiaries whose deferred amounts are being transferred must not be eligible to make additional annual deferrals under the transferee governmental eligible deferred compensation plan unless they are performing services for the transferee employer.

(3) In the Case of Plan-to-Plan Transfers of Plan Assets Among an Employer's Code Section 457(b) Plans:

(a) The transfer must be to another governmental eligible deferred compensation plan maintained by the same employer (and, for this purpose, the

Employer is not treated as the same employer if the Participant's compensation is paid by a different entity);

(b) The transferee governmental eligible deferred compensation plan must provide for transfers;

(c) The Participant or Beneficiary whose amounts deferred are being transferred must have deferred compensation immediately after the transfer at least equal to the amount deferred with respect to the Participant or Beneficiary immediately before the transfer;

(d) The Participant or Beneficiary whose deferred amounts are being transferred must not be eligible to make additional annual deferrals under the transferee governmental eligible deferred compensation plan unless he or she is performing services for the transferee employer.

No transfer shall occur unless the employers have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer.

The Employer may require such documentation from the other plan as it deems necessary to effectuate the transfer, to confirm that such plan is an eligible deferred compensation plan within the meaning of Code section 457(b), and to assure that transfers are provided for under such plan.

Section 6.2 Eligible Rollover Distributions

(a) **Effective Date:** This Section 6.2 is effective January 1, 2002, except as otherwise indicated.

(b) **Incoming Rollovers:** If permitted by the Adoption Agreement, an eligible rollover distribution may be accepted from an eligible retirement plan (as such term may be limited by the Adoption Agreement) maintained by another employer and credited to a Participant's or surviving spouse Beneficiary's Account under the Plan. The Employer may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code section 402(c)(8)(B). The Plan shall separately account for eligible rollover distributions from any eligible retirement plan that is not an eligible deferred compensation plan described in Code section 457(b) maintained by an eligible governmental employer described in Code section 457(e)(1)(A). Any such rolled-over amount shall not be treated as a deferral subject to the limitations of Article IV.

(c) **Outgoing Rollovers:** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(d) **Definitions:**

(1) **Eligible Rollover Distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code sections 401(a)(9) and 457(d)(2); and any distribution made upon the hardship of the employee. For purposes of distributions from other eligible retirement plans rolled over into this Plan, the term eligible rollover distribution shall not include the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(2) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), an annuity plan described in Code sections 403(a) or 403(b), a qualified trust described in Code section 401(a), or an eligible deferred compensation plan described in Code section 457(b) which is maintained by an eligible governmental employer described in Code section 457(e)(1)(A), that accepts the distributee's eligible rollover distribution.

(3) **Distributee:** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

(e) **Direct Rollover to Roth IRA.** Notwithstanding the foregoing, effective January 1, 2008, amounts may be directly rolled over to a Roth IRA if such rollover

complies with Code section 408A(c)(3)(B) and any applicable Treasury Regulations thereunder.

Section 6.3 Non-Spouse Beneficiary Rollovers

On and after the date set forth in the Adoption Agreement, a Participant's non-spouse Beneficiary shall be treated as distributee and may elect to transfer a distribution that would be an eligible rollover distribution if it were made to a spousal beneficiary to an individual retirement account described in Code section 408(a) or an individual retirement annuity described in Code section 408(b), that will be treated as an inherited IRA within the meaning of Code section 408(d)(3)(C), pursuant to a direct rollover. A trust may be a designated beneficiary if it meets the requirements of Code section 401(a)(9)(E) and applicable Treasury Regulations thereunder. This provision shall be interpreted consistent with Code section 402(c)(11), applicable Treasury Regulations thereunder, and IRS Notice 2007-7 and other applicable guidance. Notwithstanding the foregoing, to the extent and in the manner required by the Code and applicable Treasury Regulations, the non-spouse Beneficiary rules in this Section 6.3 shall apply to Plan Years beginning after December 31, 2009.

Section 6.4 Transfers and Permissive Service Credit

All or a portion of a Participant's Account may be transferred directly to the trustee of a defined benefit governmental plan (as defined in Code section 414(d)) if such transfer is (A) for the purchase of permissive service credit (as defined in Code section 415(n)(3)(A)) under such plan, or (B) a repayment to which Code section 415 does not apply by reason of subsection (k)(3) thereof, within the meaning of Code section 457(e)(17).

Section 6.5 Distribution of Certain Previously Rolled Over Amounts

(a) **Availability for Distribution.** Amounts previously rolled over to the Plan shall be distributable in accordance with procedures adopted by the Plan Administrator; provided, however, that distributions under this Section shall only be permitted to the extent that each distribution satisfies the requirements of the Code, any Treasury Regulations thereunder, and any other regulatory guidance from the Internal Revenue Service.

(b) **Application of Code Section 72(t).** For purposes of Code section 72(t), a distribution from this Plan shall be treated as a distribution from a qualified retirement plan described in Code section 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in Code section 4974(c)).

Article VII Trust and Investment of Accounts

Section 7.1 Investment of Deferred Compensation

The assets of the Plan shall be held in the Trust for the exclusive benefit of Participants and Beneficiaries, except that expenses and taxes may be paid from the Trust as provided in Section 8.6.

Section 7.2 Payment of Benefits

The payment of benefits from the Trust in accordance with the terms of the Plan may be made by the Plan Administrator, or by any custodian or other person so authorized by the Plan Administrator to make such disbursement.

Section 7.3 Investment Options

In accordance with uniform and nondiscriminatory rules established by the Plan Administrator, the Employer may, at its sole discretion, permit a Participant to direct his or her Accounts to be invested in one or more investment options available under the Plan; provided, however, that the Participant's investment directions shall not violate any investment restrictions established by the Plan Administrator. Neither the Employer, the Plan Administrator, the Trustee (if any), Prudential nor any other person shall be liable for any losses incurred by virtue of following such directions or with any administrative delay in implementing such directions.

If the Employer in its sole discretion does not permit or ceases to permit Participants to select investment options, or if the Employer permits such Participant elections and a Participant fails to make such an election, the applicable investment options shall be determined by the Employer in its sole discretion.

Section 7.4 Valuation of Accounts

Each Participant's Account shall be adjusted to reflect any income, gains, losses, or increases or decreases in market value attributable to the Employer's investment of the Participant's Deferred Compensation, and shall also be adjusted to reflect any distributions to the Participant or the Participant's Beneficiary and any fees or expenses charged against such Participant's Deferred Compensation.

As of each Valuation Date, a Participant's Account shall be valued by adjusting the value of Account to reflect the fair market value of the investment option(s) credited to

the Participant's Account. Each Participant's gains and losses shall only be allocated to him or her and shall not be allocated to the Account of any other Participant.

Section 7.5 Crediting of Accounts

A Participant's Account shall reflect the amount and value of the investments or other property obtained by the Employer through the investment of the Participant's Deferred Compensation pursuant to Sections 7.3 and 7.4. It is anticipated that the Employer's investments with respect to a Participant will conform to the investment preference specified in the Participant's Enrollment Agreement, but nothing herein shall be construed to require the Employer to make any particular investment of a Participant's Deferred Compensation.

Section 7.6 Limitation on Liability

In no event shall the Employer's liability to pay benefits to a Participant under this Plan exceed the value of the amounts credited to the Participant's Account. Neither the Employer, the Plan Administrator, the Trustee (if any), Prudential nor any other party shall be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

Article VIII Administration

Section 8.1 Plan Administrator

This Plan shall be administered by the Plan Administrator, who shall represent the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall serve at the pleasure of the Employer and the Employer shall have the right to appoint, in its sole and absolute discretion, any successor Plan Administrator. The appointment of a successor Plan Administrator shall be evidenced by the execution of an addendum to the Adoption Agreement.

Section 8.2 Power and Authority

Subject to any applicable laws and any approvals required by the Employer, the Plan Administrator shall have full power and authority to adopt rules and regulations for the administration of the Plan, and to interpret, alter, amend, or revoke any rules and regulations so adopted.

Section 8.3 Presumption of Fairness

Every action taken by the Plan Administrator shall be presumed to be a fair and reasonable exercise of the authority vested in or the duties imposed upon him. The Plan Administrator shall be deemed to have exercised reasonable care, diligence and prudence and to have acted impartially as to all persons interested, unless the contrary be proven by affirmative evidence. The Plan Administrator's decisions are final, binding, and conclusive on all interested persons for all purposes and shall be afforded the maximum deference permitted by applicable law. The Plan Administrator shall not be liable for amounts of compensation deferred by Participants or for other amounts payable under the Plan.

Section 8.4 Delegation of Duties

Subject to any applicable laws, including any limitations on delegation imposed in such laws, and any approvals required by the Employer, the Plan Administrator may delegate any or all of his or her powers and duties hereunder to another person, persons, or entity, and may pay reasonable compensation for such services as an administrative expense of the Plan, to the extent such compensation is not otherwise paid.

Section 8.5 Other Parties

Any person or entity which issues policies, contracts, or investment media to the Employer or in respect of a Participant is not a party to this Plan and such person or entity shall have no responsibility, accountability or liability to the Employer, the Plan Administrator, any Participant, or any Beneficiary with regard to the operation or adequacy of this Plan, including any future amendments made thereto.

Section 8.6 Expenses

(a) Administrative expenses of the Plan shall be paid from Participants' Accounts unless the Employer pays such expenses directly or the expenses are paid from some other legally permissible source.

(b) Administrative expenses shall include, but not be limited to, all reasonable expenses incurred in the administration of the Plan, including all taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon the Plan or in respect to the Trust, or the income thereof, and all commissions on acquisitions or dispositions of securities and similar expenses of investment and reinvestment of the Trust. In addition, reimbursement for reasonable expenses incurred by the Plan Administrator in performance of its duties hereunder or the Trustee (if any) in performance of its duties under the Trust Agreement (including but not limited to fees for legal, accounting, investment and custodial services) shall also be considered administrative expenses.

(c) Expenses paid from Participants' Accounts under this Section 8.6 shall be paid from the Participants' Accounts to which such expenses are allocable.

Section 8.7 Compliance with Statutes and Regulations

Notwithstanding any provision of the Plan to the contrary, the Plan shall be operated and administered by the Plan Administrator in a manner such that all applicable statutes and regulations of the State set forth in the Adoption Agreement are complied with by the Plan.

Article IX Loans to Participants

Section 9.1 Availability of Loans to Participants

(a) If permitted under the Adoption Agreement, a Participant may apply for a loan from the Plan subject to the limitations and other provisions of this Article.

(b) The Plan Administrator shall establish written guidelines governing the granting of loans, provided that such guidelines are not inconsistent with the provisions of this Article IX, and that loans are made available to all Participants on a reasonably equivalent basis.

Section 9.2 Terms and Conditions of Loans to Participants

Any loan by the Plan to a Participant under Section 9.1 of the Plan shall satisfy the following requirements:

(a) **Availability.** Loans shall be made available to all Participants on a reasonably equivalent basis.

(b) **Interest Rate.** Loans must be adequately secured and bear a reasonable interest rate.

(c) **Foreclosure.** In the event of default on any installment payment, the outstanding balance of the loan shall be a deemed distribution. In such event, an actual distribution of a plan loan offset amount will not occur until a distributable event occurs in the Plan.

(d) **Reduction of Account.** Notwithstanding any other provision of this Plan, the portion of the Participant's Account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan.

(e) **Amount of Loan.** At the time the loan is made, the principal amount of the loan plus the outstanding balance (principal plus accrued interest) due on any other outstanding loans to the Participant from the Plan and from all other plans of the Employer that are qualified employer plans under Code section 72(p)(4) shall not exceed the lesser of:

- (1) \$50,000, reduced by the excess (if any) of

(a) The highest outstanding balance of loans from the Plan during the one (1) year period ending on the day before the date on which the loan is made, over

(b) The outstanding balance of loans from the Plan on the date on which such loan is made; or

(2) One-half of the value of the Participant's interest in all of his or her Accounts under this Plan.

(f) **Application for Loan.** The Participant must give the Plan Administrator adequate written notice, as determined by the Plan Administrator, of the amount and desired time for receiving a loan. No more than the number of loans set forth in the Adoption Agreement may be made by the Plan to a Participant's in any calendar year. No loan shall be approved if an existing loan from the Plan to the Participant is in default to any extent.

(g) **Length of Loan.** Any loan issued shall require the Participant to repay the loan in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years from the date of the loan; provided, however, that if the proceeds of the loan are applied by the Participant to acquire any dwelling unit that is to be used within a reasonable time (determined at the time of the loan is made) after the loan is made as the principal residence of the Participant, the five (5) year limit shall not apply. In this event, the period of repayment shall not exceed a reasonable period determined by the Employer. Principal installments and interest payments otherwise due may be suspended for up to one (1) year during an authorized leave of absence, if the promissory note so provides, but not beyond the original term permitted under this subsection (h), with a revised payment schedule (within such term) instituted at the end of such period of suspension.

(h) **Prepayment.** The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.

(i) **Promissory Note.** The loan shall be evidenced by a promissory note executed by the Participant and delivered to the Employer, and shall bear interest at a reasonable rate determined by the Employer.

(j) **Security.** The loan shall be secured by an assignment of the Participant's right, title and interest in and to his or her Account.

(k) **Assignment or Pledge.** For the purposes of paragraphs (f) and (g), assignment or pledge of any portion of the Participant's interest in the Plan and a loan,

pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan.

(1) **Other Terms and Conditions.** The Plan Administrator shall fix such other terms and conditions of the loan as it deems necessary to comply with legal requirements, to maintain the qualification of the Plan under Code section 457, or to prevent the treatment of the loan for tax purposes as a distribution to the Participant. The Plan Administrator, in its discretion for any reason, may also fix other terms and conditions of the loan, including, but not limited to, the provision of grace periods following an event of default, not inconsistent with the provisions of this Article IX, Code section 72(p), and any Treasury Regulations thereunder.

Article X Non-Assignability

Section 10.1 In General

Except as provided in Article IX and Section 10.2, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

Section 10.2 Domestic Relations Orders

(a) **Allowance of Transfers:** To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) that (i) relates to the provision of child support, alimony payments, or marital property rights, (ii) is made pursuant to a state domestic relations law, and (iii) is permitted under Code sections 414(p)(11) and (12), any portion of a Participant's Account may be paid or set aside for payment to a spouse, former spouse, child, or other dependent of the Participant. Where necessary to carry out the terms of such an order, a separate Account shall be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant; any amount so set aside for a spouse, former spouse, or child shall be paid out in a lump sum at the earliest date that benefits may be paid to the Participant, unless the order directs a different time or form of payment. Nothing in this Section shall be construed to authorize any amount to be distributed under the Plan at a time or in a form that is not permitted under Code section 457 unless such distribution is consistent with the provisions of Code section 414(p)(10) and is explicitly permitted under the uniform procedures described in Section 10.2(d) below. Any payment made to a person pursuant to this Section shall be reduced by any required income tax withholding.

(b) **Release from Liability to Participant and Beneficiaries:** The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, or child pursuant to paragraph (a) of this Section and the Participant and his or her Beneficiaries shall be deemed to have released the Employer and the Plan Administrator from any claim with respect to such amounts.

(c) **Participation in Legal Proceedings:** The Employer and Plan Administrator shall not be obligated to defend against or set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the

Employer or Plan Administrator to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Plan Administrator shall be authorized to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, dependent, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

(d) **Determination of Validity of Domestic Relations Orders:** The Plan Administrator shall establish uniform procedures for determining the validity of any domestic relations order. The Plan Administrator's determinations under such procedures shall be conclusive and binding on all parties and shall be afforded the maximum amount of deference permitted by law.

Article XI Relationship to other Plans and Employment Agreements

Section 11.1 Non-Exclusivity of Plan

This Plan serves in addition to any other retirement, pension, or benefit plan or system presently in existence or hereinafter established for the benefit of the Employer's employees, and participation hereunder shall not affect benefits receivable under any such plan or system.

Section 11.2 No Guarantee of Employment

Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement between any Participant and the Employer or to give any Participant the right to be retained in the employ of the Employer. Nor shall anything herein be construed to modify the terms of any employment contract or agreement between a Participant and the Employer.

Article XII Amendment or Termination of Plan

Section 12.1 Amendment

The Employer may amend this Plan at any time. An amendment shall not serve to divest a Participant or Beneficiary of his or her vested interest in an Account held in the Trust, provided, however, that this restriction shall not prevent the Employer from adopting an amendment to the Plan that alters any other benefit, right or feature of the Plan, including, but not limited to, the Plan's forms of payout and the timing rules for payouts.

Section 12.2 Termination

The Employer may terminate this Plan at any time. The assets of the Plan will be distributed or transferred pursuant to the relevant provisions of the contractual agreements between the Employer and Prudential, provided, however, that upon termination of the Plan, the Employer may elect that each Account shall be distributed in a lump sum as soon as administratively practicable without respect to any other benefit, right or feature of the Plan. Notwithstanding the foregoing, any such distributions or transfers shall comply with the requirements of the Code, any applicable Treasury Regulations thereunder, and the laws of State set forth in the Adoption Agreement.

Section 12.3 Protection of Participant Benefits

Except as may be required to maintain the status of the Plan as an eligible deferred compensation plan under Code section 457(b) or to comply with other applicable laws, no amendment or termination of the Plan shall divest any Participant of any rights with respect to the amount of his or her benefits under the Plan determined immediately before the date of the amendment or termination.

Section 12.4 Additional Statutory Requirements

Notwithstanding any provision of the Plan to the contrary, no amendment of this Plan shall become effective unless it complies with any applicable law or regulation of the State set forth in the Adoption Agreement.

Article XIII Miscellaneous

Section 13.1 Applicable Law

This Plan and the Trust shall be construed under the laws of the State set forth in the Adoption Agreement, except that if (1) the Trustee is the Prudential Trust Company or its successor, the Trust shall be construed under the laws of the State of Pennsylvania or (2) the Trustee is Prudential Bank & Trust, FSB, the Trust shall be construed under the laws of the State of Connecticut, with the intent that it meet the requirements of an "eligible deferred compensation plan" under Code section 457(b), as amended. The provisions of this Plan and Trust shall be interpreted wherever possible in conformity with the requirements of that Code section.

Section 13.2 Gender Neutrality

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

Section 13.3 Military Service

Notwithstanding any provision of the Plan to the contrary, the Plan shall be administered in compliance with the requirements of Code section 414(u) and Code section 401(a)(37).

Section 13.4 Electronic Writings

Notwithstanding any provision of the Plan to the contrary, commonly accepted means of electronic communication approved of by both the Employer and Prudential may be used for any activity under this Plan for which a writing is required to the extent that such use complies with Treasury Regulation section 1.401(a)-21 and other applicable guidance

Section 13.5 Titles and Subheadings

The titles and subheadings used in this document are for reference purposes only.

Section 13.6 Compliance With Code Section 457(b)

Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and administered in a manner consistent with Code section 457(b) and any

applicable guidance thereunder. In the event of a conflict between the terms of the Plan and Code section 457(b) or any applicable guidance thereunder, the Plan shall comply with the requirements of Code section 457(b) and any applicable guidance thereunder notwithstanding any consistent Plan terms.

Article XIV Roth Elective Deferrals and Conversions

Section 14.1 General Application

(a) This Article XIV will apply to contributions beginning with the effective date specified in the Adoption Agreement but in no event before the first day of the first Plan Year beginning on or after January 1, 2011.

(b) Effective as of January 1, 2011, or such later date as set forth in the Adoption Agreement, the Plan will accept Roth elective deferrals made on behalf of Participants and Roth rollover contributions. A Participant's Roth elective deferrals and Roth rollover contributions will each be allocated to a separate account maintained for such deferrals as described in Section 14.2.

(c) Unless specifically stated otherwise, Roth elective deferrals and Roth rollover contributions will be treated as Deferred Compensation for all purposes under the Plan; provided, however, that a Participant or Beneficiary may elect, in the manner prescribed by the Plan Administrator, to override the default rules governing where in a Plan's distribution hierarchy Roth elective deferral contributions and/or Roth rollover contributions will fall.

Section 14.2 Separate Accounting

(a) Contributions and withdrawals of Roth elective deferrals and/or Roth rollover contributions will be credited and debited to the Roth elective deferral and/or Roth rollover contributions account maintained for each Participant.

(b) The Plan will maintain a record of the amount of Roth elective deferrals in each Participant's Roth elective deferral account. The Plan will maintain a record of the amount of Roth elective rollover contributions in each Participant's Roth rollover contributions account.

(c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth elective deferral account, Roth rollover contributions account, and the Participant's Account under the Plan to the extent required by Code section 402A and the Treasury Regulations thereunder.

(d) Except as provided in Section 14.5 below, no contributions other than Roth elective deferrals and properly attributable earnings will be credited to each Participant's Roth elective deferral account and no contributions other than Roth rollover contributions

and properly attributable earnings will be credited to each Participant's Roth rollover contributions account.

Section 14.3 Direct Rollovers

(a) Notwithstanding Section 6.2, a direct rollover of a distribution from a Roth elective deferral account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code section 408A, and only to the extent the rollover is permitted under the rules of Code section 402(c).

(b) Notwithstanding Section 6.2 and except as provided in Section 14.5 below, to the extent provided in the Adoption Agreement, the Plan will accept a rollover contribution to a Roth rollover contribution account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code section 402(c).

Section 14.4 Correction of Excess Deferrals

(a) In the case of a distribution of excess Deferred Compensation, an employee may designate the extent to which the excess amount is composed of pre-tax Deferred Compensation and Roth elective deferrals but only to the extent such types of deferrals were made for the Plan Year.

(b) If the employee does not designate which type of Deferred Compensation is to be distributed, the Plan will distribute pre-tax Deferred Compensation first.

Section 14.5 In-Plan Roth Rollover

Notwithstanding anything in the Plan to the contrary, to the extent provided in the Adoption Agreement, effective January 1, 2011, or such later date as provided in the Adoption Agreement, pre-tax amounts in a Participant's or surviving spouse Beneficiary's Account may be directly rolled over to a Participant's or surviving spouse Beneficiary's Roth elective deferral account, if such rollover complies with Code section 402(c), any applicable Treasury Regulations thereunder, and any other applicable Internal Revenue Service guidance.

Section 14.6 Definition of Roth Elective Deferrals

A Roth elective deferral is an elective deferral that is

(1) Designated irrevocably by the Participant at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax Deferred Compensation the Participant is otherwise eligible to defer under the Plan; and

(2) Treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.