

SAN MATEO COUNTY

DEFERRED COMPENSATION PLAN AND CUSTODY DOCUMENT

As Amended and Restated Effective January 1, 2009

PREAMBLE

Adoption of Plan

The San Mateo County Deferred Compensation Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a state or local government as described in Code Section 457(e)(1)(A), adopted by San Mateo County (hereinafter the "Employer") pursuant to San Mateo County Board of Supervisors Resolutions, is hereby amended and restated effective January 1, 2009.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of their current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457, with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(i)(A), i.e., a state, political subdivision of a state, agency or instrumentality of a state or political subdivision of a state.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or state income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own attorney or other representative regarding all tax or other consequences of participation in this Plan.

ARTICLE I DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

“Account Balance”: The bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Article VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

“Administrator”: The Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

“Annual Deferral”: The amount of Compensation deferred in any year.

“Beneficiary”: The designated person (or, if none, the Participant's estate) who is entitled to receive benefits under the Plan after the death of a Participant.

“Code”: The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

“Compensation”: All cash compensation 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, including, as applicable, compensation attributable to services as an independent contractor, 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 Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Article II).

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of two and one-half months following the date of a Participant's Severance from Employment or the end of the calendar year in which the Severance from Employment occurred:

- (a) Payments that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if

such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar compensation;

- (b) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued; and
- (c) Payments received by the Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Participant at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within two and one-half months of such date. Thus, for example, Compensation does not include severance pay. It also does not include post-severance payments from an unfunded nonqualified deferred compensation plan unless the payments would have been paid at that time without regard to the Participant's Severance from Employment.

The foregoing rules that generally disregard Compensation paid after a Participant's Severance from Employment do not apply to payments to an individual who has separated from the service of the Employer by reason of qualified military service (within the meaning of Code Section 414(u)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. Specifically, Compensation includes differential wage payments made by the Employer to an Employee with respect to any period during which the Employee is performing uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

“Employee”: Each officer, regular employee, eligible temporary employee (as determined under the Employer's policies and procedures), and elected officials of the Employer.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer.

“Employer”: San Mateo County. The eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan.

“Includible Compensation”: An Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under Code Section 401(a)(17)) and increased (up to the dollar maximum) by any compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer Compensation under Article II).

“Normal Retirement Age”: Age 65, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70-1/2. If a Participant continues employment after attaining age 70-1/2, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or any age at which the Participant actually has a Severance from Employment if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70-1/2.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) a Normal Retirement Age may be designated for such Participant that is not earlier than age 40 or later than age 70-1/2.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

“Participant”: An individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

“Severance from Employment”: The term Severance from Employment means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). A Participant whose employment is interrupted by performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days shall be deemed to be severed from employment until such time as the Participant is reemployed following the term of duty.

“State”: The State that is the Employer or of which the Employer is a political subdivision, agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

“Trust Agreement”: The written agreement (or declaration) made by and between the Employer and the Trustee under which the Trust Fund is maintained.

“Trust Fund”: The trust fund created under and subject to the Trust Agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan by the Employer or Trustee.

“Trustee”: The Trustee duly appointed and currently serving under the Trust Agreement.

“Valuation Date”: Each business day.

ARTICLE II PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and have that amount contributed as an Annual Deferral on his or her behalf) and filing it with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The participation election shall also include designation of investment funds and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed.

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no earlier than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

If a Participant elects to receive a distribution by reason of a Severance from Employment resulting from the performance of qualified military service, the Participant may not make Annual Deferrals during the six-month period beginning on the date of the distribution.

2.4 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.5 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

2.6 Amendment of Annual Deferrals Election

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.7 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.8 Disability

A disabled Participant may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.9 Employer Contributions

Nothing in this Plan prohibits the Employer from making annual deferrals to the Account Balance of a Participant on a non-elective basis, subject to the Participant's contribution limits in Article III.

2.10 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity (which shall be equal to 50%

of the maximum Annual Deferrals that the Employee could have made to the Plan during the period the Employee was erroneously excluded from Plan participation), as permitted under applicable Annual Deferral limits, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

ARTICLE III LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

- (a) The maximum amount of the Annual Deferral under the Plan for any calendar year shall not exceed the lesser of:
 - (i) The Applicable Dollar Amount (as defined in paragraph (b) below); or
 - (ii) The Participant's Includible Compensation for the calendar year.
- (b) The Applicable Dollar Amount is the amount established under Code Section 457(e)(15), which is \$15,500 for 2008. For years after 2008, the \$15,500 will be subject to increases under Code Section 415(d) to reflect cost-of-living adjustments.
- (c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral for the year. The maximum dollar amount of the age 50 catch-up Annual Deferral for 2008 is \$5,000. For years after 2008, the maximum dollar amount will be subject to increases to reflect cost-of-living adjustments. Age 50 catch-up Annual Deferral Contributions are subject to the requirements of Code Section 414(v).

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan or any other retirement plan maintained by the Employer for that calendar year.

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up limit described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section shall be the lesser of:

- (a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or
- (b) The sum of:
 - (1) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
 - (2) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Article III, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).

- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(2)(B), “contributions to Pre-2002 Coordination Plans” means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(2)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.
- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent Excess Deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an Excess Deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral.

3.6 Protection of Persons Who Serve in a Uniformed Service

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

A reemployed Employee shall also be entitled to an allocation of any additional non-elective Employer Contributions that such Employee would have received under the Plan had the

Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest) shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

ARTICLE IV INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan Approved Domestic Relations Order may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Amendment of Investment Election

A Participant may amend his or her statement of investment election at such times and by such manner and form as prescribed by the Administrator. Such amendment will, unless specifically stated otherwise, apply only to future amounts deferred under the Plan.

4.3 Investment Changes

A Participant may elect to transfer amounts in his or her Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant exercises control over the investment of amounts credited to his or her Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any loss which results from such Participant's exercise of control.

4.5 Statements

The Administrator will cause to be issued statements periodically to reflect the actual earnings, gains, contributions and losses posted to the Account Balances.

ARTICLE V LOANS

5.1 Loans

The Employer may elect to make loans available to Participants in the Plan. If the Employer has elected to make loans available to Participants, the Employer shall establish written guidelines governing the granting of loans, provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Article, and that loans are made available to all Participants on a reasonably equivalent basis.

A Participant who is an Employee may apply for and receive a loan from his or her Account Balance as provided in this Article V. Any such loan may not be for an amount less than the minimum amount specified by the Administrator. If not specified by the Administrator, the minimum loan amount shall be \$1,000.

Loans are not available from the portion of the Participant's sub-accounts invested in a self-directed brokerage option, except that such amounts may be used to determine the maximum amount of the loan under Code Section 72(p).

5.2 Maximum Loan Amount

No loan to a Participant hereunder may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period), or
- (b) one half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.2, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 5.2 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

5.3 Terms of Loan

The terms of the loan shall:

- (a) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on an bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of Code Section 414(u) or for the duration of a leave which is due to qualified military service;
- (b) require that the loan be repaid within five years (twenty years if the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant); and
- (c) subject to the requirements of the Servicemembers Civil Relief Act, the interest rate on any loan to a Participant shall be a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money.

5.4 Security for Loan; Default

- (a) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's interest in the Plan invested in such loan.
- (b) Default. In the event that a Participant fails to make a loan payment under this Article V within 90 days after the date such payment is due, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable, (ii) effective as of the first day of the calendar month next following the month in which any such loan default occurs, the interest rate for such loan shall be (if higher than the rate otherwise applicable) the rate being charged on loans from the Plan that are approved by the Administrator in the month in which such default occurs, (iii) no contributions shall be made on such Participant's behalf prior to the first payroll period that follows by 12 calendar months the date of repayment in full of such loan, and (iv) the Participant shall be permanently ineligible for any future loans from the Plan.

In the case of any default on a loan to a Participant, the Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Administrator shall take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account Balance of the Participant. Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

5.5 Repayment

A Participant shall be required, as a condition to receiving a loan, to enter into an agreement for the repayment of the loan in accordance with a method set forth in the written guidelines governing the granting of loans that are established by the Employer pursuant to Section 5.1.

A Participant may prepay the entire outstanding balance of his or her loan at any time (but may not make a partial prepayment).

ARTICLE VI DISTRIBUTIONS

6.1 Benefit Distributions At Retirement or Other Severance from Employment

Upon attainment of age 70 1/2, retirement, or other Severance from Employment (other than due to death), a Participant is entitled to receive a distribution of his or her Account Balance under any form of distribution permitted under Section 6.3 commencing at the date elected under Section 6.2. If a Participant does not elect otherwise, the distribution shall be paid as soon as practicable following Normal Retirement Age or, if later, following retirement or other Severance from Employment and payment shall be made in monthly installments of the minimum annual payments described in paragraph (b) of Section 6.3.

6.2 Election of Benefit Commencement Date

A Participant may elect to commence distribution of benefits at any time after retirement or other Severance from Employment by a notice filed at least 30 days before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than the date described in Section 6.8.

6.3 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Article VI may elect to receive payment in any of the following forms of distribution:

- (a) a lump sum payment of the total Account Balance.
- (b) annual installment payments through the year of the Participant's death, the amount payable each year equal to a fraction of the Account Balance equal to one divided by the distribution period set forth in the Uniform Lifetime Table at Treasury Regulation Section 1.401(a)(9)-9, A-2, for the Participant's age on the Participant's birthday for that year. If the Participant's age is less than age 70, the distribution period is 27.4 plus the number of years that the Participant's age is less than age 70. At the Participant's election, this annual payment can be made in monthly, quarterly, semi-annual, or annual installments. The Account Balance for this calculation (other than the final installment payment) is the Account Balance as of the end of the year prior to the year for which the

distribution is being calculated. Payments shall commence on the date elected under Section 6.2. For any year, the Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Account Balance) in lieu of the amount calculated using this formula.

- (c) a life annuity payable during the lifetime of the Participant or his or her Beneficiary.
- (d) a life annuity with period certain guaranteed payable during the lifetime of the Participant or his or her Beneficiary with the guarantee that if at his or her death payments have not been made for a guaranteed period as elected, payments will continue to the Beneficiary. The guaranteed period must be 10, 15, or 20 years, but may not exceed the life expectancy of the Participant and his or her Beneficiary.
- (e) a joint and survivor annuity payable during the lifetime of the Participant and a secondary payee named by the Participant.

Payments made under paragraph (c), (d), or (e) above shall be made in the form of an irrevocable annuity that provides payments each calendar year of amounts not less than the amount required under Code Section 401(a)(9).

6.4 Death Benefit Distributions

Commencing in the calendar year following the calendar year of the Participant's death, the Participant's Account Balance shall be paid to the Beneficiary in a lump sum.

Alternatively, if the Beneficiary with respect to the Participant's Account Balance is a natural person, at the Beneficiary's election, distribution can be made in annual installments (calculated in a manner that is similar to installments under Section 6.3) or, if selected under Section 6.3, in the form of an irrevocable annuity with the distribution period not longer than that which is determined under this paragraph. If the Beneficiary is the Participant's surviving spouse, the distribution period is equal to the Beneficiary's life expectancy using the single life table in Treasury Regulation Section 1.401(a)(9)-9, A-1, for the spouse's age on the spouse's birthday for that year. If the Beneficiary is not the Participant's surviving spouse, the distribution period is the Beneficiary's life expectancy determined in the year following the year of the Participant's death using the single life table in Treasury Regulation Section 1.401(a)(9)-9, A-1, for the Beneficiary's age on the Beneficiary's birthday for that year, reduced by one for each year that has elapsed after that year. For any year, a Beneficiary can elect distribution of a greater amount (not to exceed the amount of the remaining Account Balance) in lieu of the amount calculated using this formula.

In the case of a Participant who dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

6.5 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding Sections 6.2, 6.3 and 6.4, if the amount of a Participant's Account Balance is not in excess of the amount specified below on the date that payments commence under Section 6.3 or on the date of the Participant's death, then payment shall be made to the Participant (or to the Beneficiary if the Participant is deceased) in a lump sum equal to the Participant's Account Balance as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

The Administrator may direct payments under the terms of this Section 6.5 if the Participant's total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater). In the event of a mandatory distribution greater than \$1,000 in accordance with the provisions of this Section 6.5, if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in accordance with Sections 6.5 and 6.12, then the Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

6.6 Amount of Account Balance

Except as provided in Section 6.3, the amount of any payment under this Article VI shall be based on the amount of the Account Balance on the preceding Valuation Date.

6.7 Revocation of Prior Election

Any election made under this Article VI may be revoked at any time.

6.8 Latest Distribution Date

In no event shall any distribution under this Article VI begin later than the later of (a) April 1 of the year following the calendar year in which the Participant attains age 70 1/2 or (b) April 1 of the year following the year in which the Participant retires or otherwise has a Severance from Employment. If distributions commence in the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Severance from Employment occurs, the distribution on the date that distribution commences must be equal to the annual installment payment for the year that the Participant has a Severance from Employment determined under paragraph (b) of Section 6.3 and an amount equal to the annual installment payment for the year after Severance from Employment determined under paragraph (b) of Section 6.3 must also be paid before the end of the calendar year of commencement.

6.9 In-Service Distributions From Rollover Account

If a Participant has a separate account attributable to rollover contributions to the plan, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

6.10 Unforeseeable Emergency Distribution

- (a) Distribution. If the Participant has an unforeseeable emergency before retirement or other Severance from Employment, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section.
- (b) Unforeseeable emergency defined. An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from: an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's 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)); 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); the need to pay for the funeral expenses of a spouse or 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 a Beneficiary; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's 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)), including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency. For purposes of this paragraph (b), a "Beneficiary" shall be limited to a primary beneficiary under the Plan, which is an individual who is named as a beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent beneficiary.
- (c) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the plan.
- (d) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

6.11 Voluntary/Involuntary Distributions for Certain Small Account Balances

At the direction of the Participant, or by action of the Employer without the Participant's consent, a Participant's total Account Balance shall be paid in a lump sum as soon as practical following the direction if (a) the total Account Balance does not exceed the amount specified below, (b) the Participant has not previously received a distribution of the total amount payable to the Participant under this Section, and (c) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.

The Administrator may direct payments under the terms of this Section if the Participant's total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater). In the event of a distribution greater than \$1,000 in accordance with the provisions of this Section 6.11, if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in accordance with Sections 6.11 and 6.12, then the Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

6.12 Rollover Distributions

- (a) A Participant or the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover.
- (b) For purposes of this Section, an eligible rollover distribution means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (i) any installment payment under Section 6.3 for a period of 10 years or more (ii) any distribution made as a result of an unforeseeable emergency, (iii) any annuity for the life (or life expectancy) of the Participant or the joint lives (or life expectancies) of the Participant and the Participant's spouse or Beneficiary, or (iv) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), an eligible governmental plan described in Code Section 457(b), that accepts the eligible rollover distribution and which agrees to separately account for amounts transferred into such plan from this Plan, or, for distributions made after December 31, 2007, a Roth individual retirement account described in Code Section 408A(b), provided, that for distributions made prior to January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B).

6.13 Minimum Distribution Requirements

- (a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder; provided, however, that the requirements of Code Section 401(a)(9) do not apply for calendar year 2009 if the Plan is maintained by an eligible employer described in Code Section 457(e)(1)(A), in which case no distributions shall be required under this Section from the Plan with respect to 2009. Additionally, the requirements of this Section will take precedence over any inconsistent provisions of the Plan.

(b) Time and Manner of Distribution.

- (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.
- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(1), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(4) applies, distributions are considered to begin on the Participant's required beginning date. If subsection (b)(ii)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving

spouse under subsection (b)(ii)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(1)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Forms of Distribution.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).

(c) Required Minimum Distributions During Participant's Lifetime.

(i) Amount of Required Minimum Distribution For Each Distribution Calendar Year.

During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

- (1) The quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation § 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- (2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation § 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.

Required minimum distributions will be determined under this paragraph (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

(i) Death On or After Date Distributions Begin.

(1) Participant Survived by Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

- (I) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (II) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (III) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(2) No Designated Beneficiary.

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

(ii) Death Before Date Distributions Begin.

(1) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in subparagraph (d)(i).

(2) No Designated Beneficiary.

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

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(1), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(i) Designated Beneficiary.

The individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation § 1.401(a)(9)-1, Q&A-4.

(ii) Distribution calendar year.

A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subparagraph (b)(ii). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's

required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(iii) Life expectancy.

Life expectancy as computed by use of the Single Life Table in Treasury Regulation § 1.401(a)(9)-9.

(iv) Participant's Account Balance.

The Account Balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(v) Required beginning date.

The required beginning date means the April 1st following the later of (1) the calendar year in which the Participant attains age 70 1/2 or (2) the calendar year in which the Participant retires.

6.14 Non-Spousal Beneficiaries

A Beneficiary who is not the spouse of the deceased Participant and who is his designated beneficiary within the meaning of Code Section 401(a)(9)(E) may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) (an "IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the Participant or the Participant's spouse. The direct rollover must be made to an IRA established on behalf of the designated Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the Beneficiary.

ARTICLE VII ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of

the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code Section 402(c)(8)(B).

- (b) For purposes of Section 7.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (i) any installment payment for a period of 10 years or more, (ii) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, (iii) any annuity for the life (or life expectancy) of the Participant or the joint lives (or life expectancies) of the Participant and the Participant's spouse or Beneficiary, or (iv) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or an eligible governmental plan described in Code Section 457(b).
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code Section 457(b).

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit a class of Participants who are participants in another eligible governmental plan under Code Section 457(b) to transfer assets to the Plan as provided in this Section. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Article III.

7.3 Plan-to-Plan Transfers from the Plan

- (a) At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another eligible governmental plan within the meaning of Code Section 457(b) and Treasury Regulatory Section 1.457-2(f). A transfer is permitted under this Section for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) Upon the transfer of assets under this Section, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for 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 (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4(a) shall apply to the transferred amounts and any benefits attributable to the transferred amounts.
- (b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the

jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

ARTICLE VIII BENEFICIARY

8.1 Designation

Each Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under this Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper Beneficiary designation form.

The form for this purpose shall be provided by the Administrator. It is not binding on the Administrator until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's surviving spouse (if he was married at the time of death), registered domestic partner at the time of death, or, if neither exists, his estate. If, at the time of death, there is no surviving spouse, no registered domestic partner, and no other designated beneficiary, and if no estate executor or administrator is appointed and qualified within one hundred twenty (120) days after the Participant's death, the payment may be made first to a surviving child or children in equal shares, and second to a surviving parent or parents in equal shares. For purposes of this Section, "registered domestic partner" means a person who, with a Participant or Beneficiary, is registered with the Secretary of State of the State of California declaring themselves as a domestic partnership in accordance with the requirements of the California Family Code Section 297, et seq.

A Participant's designation of his spouse or registered domestic partner as Beneficiary shall automatically be revoked upon divorce, dissolution of marriage, annulment or other legal termination of marriage, or termination as registered domestic partner of the Participant.

ARTICLE IV ADMINISTRATION AND ACCOUNTING

9.1 Administrator

This Plan shall be administered by the Administrator, which shall prescribe such forms, and adopt such rules and regulations as are necessary to carry out the purposes of the Plan.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator

shall have the right to designate a Plan Coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the Plan Coordinator or other party. Notwithstanding any other provisions to the contrary, the Administrator agrees that it shall be solely responsible to the Employer for any and all services performed by a subcontractor, assignee, or designee under this agreement.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents, such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

The Administrator shall determine, in a manner deemed fair and equitable, the administrative costs associated with the withholding of Deferred Compensation amounts pursuant to this plan or in making investments or otherwise administering or implementing the Plan. The Administrator may withhold or collect, or have withheld or collected, such costs, in such manner as he or she deems equitable either (1) from the compensation deferred pursuant to the Plan, the income produced from the compensation deferred pursuant to the Plan, the income produced from any investment, whether or not augmented, or (2) from the organization receiving such investment where required by law to collect therefrom or, if not so required, where mutually satisfactory to such organization and the Administrator.

9.3 Paperless Administration

To the extent permitted by law, regulation, or other guidance from an appropriate regulatory agency, the Administrator, Employer, or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under this Plan through the use of media other than paper. Such alternative media may include, but is not necessarily limited to, electronic or telephonic media.

ARTICLE X AMENDMENTS

10.1 Right to Amend, Modify and Terminate

The Employer may at any time modify or terminate the Plan by notifying Participants of such action. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to modification or termination.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Code

to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, distribution of benefits shall be made to Participants and Beneficiaries pursuant to the distribution guidelines in Article VI or the rollover/transfer provisions Article VII.

ARTICLE XI TRUST FUNDS

11.1 Trust Fund

All amounts of Annual Deferrals, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan and the Trust Agreement. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust under the law of the State. The Trustee shall ensure that all investments, amounts, property, and rights held under the Trust Fund are held for the exclusive benefit of Participants and their Beneficiaries. The Trust Fund shall be held in trust pursuant to the Trust Agreement for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. It shall be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that if a contribution or any portion thereof is made by the Employer through a mistake of fact, the Trustee shall upon written request of the Employer return the contribution or such portion, reduced by losses attributable thereto.

ARTICLE XII MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

12.2 Domestic Relation Orders

Notwithstanding Section 12.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the

marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state and is determined to be a qualified domestic relations order as defined in Code Section 414(p) ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

12.4 Mistaken Contributions

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

12.5 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

12.6 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans) or notification sent to an address obtained by use of one or more individual locator services, and (c) the payee has not responded within 6 months. For payments not subject to state escheat laws, if the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trust Fund shall continue to hold the benefits due such person.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

12.7 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.8 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.9 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Trustee, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants and/or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

12.10 Total Agreement

This Plan and deferral election, and any subsequently adopted amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.11 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

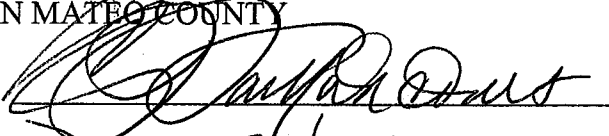
12.12. Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder and under the laws of the State as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

IN WITNESS WHEREOF, the Employer has executed this Plan document this 1st day of March 2010.

SEAL

SAN MATEO COUNTY


By 

Name Donna J. Vaillancourt

Title Human Resources Director

Attest:

Benefit Manager
Title


(Witness)