

MODESTO IRRIGATION DISTRICT

Retirement Committee Meeting Notice

October 13, 2022

To Retirement Committee: Nick Blom, Chairman
Paul Campbell
Ed Franciosa
Jimi Netniss
Wes Miliband
Irma Perrone
Tom Kara
Jessica Stillwell

From: Derek Ford

A Retirement Committee meeting is scheduled
for Thursday, October 13, 2022, at 9:30 am.
This meeting will be conducted via Zoom web conference.
A link to the meeting will be delivered to you via electronic mail
closer to the meeting date.

copy: Angela Cartisano
Ana Vigil
Heliane Burns
Laura Isleib
Linda Scherer
Jill De Jong
Kenneth Ruthenberg

MEETING AGENDA

MODESTO IRRIGATION DISTRICT
RETIREMENT COMMITTEE MEETING

October 13, 2022
9:30 am
Zoom Web Conference

Call to Order: Nick Blom

Nick Blom: Roll Call

1. Item: **Approve Minutes of the August 17, 2022 Meeting**
Who: Nick Blom
Material: Included in Packet
Expected Outcome: Committee Action
2. Item: **Appointment of MIDEA Representative to the Retirement Committee**
Who: Derek Ford, Senior Human Resources Analyst
Material: Included in Packet
Expected Outcome: Committee Action
3. Item: **Amended and Restated Pension Plan Documents for Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan**
Who: Derek Ford, Senior Human Resources Analyst
Kenneth Ruthenberg, Employee Benefits Law Group
Material: Included in Packet
Expected Outcome: Information

Adjourn: Nick Blom

Modesto Irrigation District
Retirement Committee Meeting
August 17, 2022

Draft Minutes

Committee Members Present: Nick Blom
 Paul Campbell
 Ed Franciosa
 Jimi Netniss
 Wes Miliband
 Irma Perrone
 Tom Kara
 Cassandra Gamez

Committee Members Not Present: Jessica Stillwell

Committee Staff Present: Derek Ford
 Lucia Haro
 Ana Vigil
 Jill De Jong
 Linda Scherer

Others Present: Erik Tappin, Graystone Consulting
 Fred Bayles, Graystone Consulting

Call to Order

Paul Campbell

The meeting was called to order at 9:03 a.m.

1. Item: **Approve Minutes of the May 18, 2022 Meeting**
 Who: Paul Campbell
 Outcome: Moved by Wes Miliman and seconded by Tom Kara, the minutes of the May 18, 2022 meeting were approved unanimously.

2. Item: **2nd Quarter 2022 Performance Reports**
 Who: Erik Tappin and Fred Bayles, Graystone Consulting
 Outcome: Mr. Bayles stated that the investment strategy currently being utilized continues to be appropriate despite Q1 returns. The market is still experiencing

uncertainty in events such as the war in Ukraine, the COVID situation in China, and inflation. Mr. Bayles anticipates the market will turn around in Q3. Q2 earnings were better than expected, there has already been a 50% recovery, and inflation is starting to cool down.

Mr. Tappin presented the Q2 2022 performance reports for the Basic Retirement Plan (BRP), the Retiree Medical Benefits Plan (RMBP), the Supplemental Retirement Plan (SRP), and the Deferred Compensation Plan (457).

BRP – Returns for Q2 were -11.59%, compared to index returns of -12.51%. One year returns at the end of Q1 were -14.11%, compared to index returns of -14.10%.

RMBP – Returns for Q2 were -11.60%, compared to index returns of -12.51%. One year returns at the end of Q2 were -14.15%, compared to index returns of -12.66%.

SRP & 457 – Mr. Tappin reported that the following fund is on the watch list for underperformance: Nuveen Real Estate Securities I. Mr. Tappin indicated that staff is not recommending replacement of this fund at this time. The fund is still approved by Morgan Stanley.

3. Item: **2nd Quarter 2022 Investment Reports**

Who: Ana Vigil

Outcome: Ms. Vigil presented Investment Reports for the BRP and the RMBP for Q2 2022.

BRP – Plan assets were \$403.2 million at the end of the Q2 2022 compared to \$462.3 million at the end of the Q1 2022. Assets were 72% invested in equities and 28% invested in fixed-income securities.

RMBP – Plan assets were \$80.3 million at the end of the Q2 2022 compared to \$90.9 million at the end of the Q1 2022. Assets were 72% invested in equities and 28% invested in fixed-income securities.

4. Item: **2nd Quarter 2022 Unaudited Financial Statements**

Who: Linda Scherer

Outcome: Ms. Scherer presented the Q2 2022 unaudited financial statements for the BRP and the RMBP. Copies are held in the Accounting Department for review.

Additional Comments:

Mr. Kara asked the District to consider adding a Roth IRA option for participants, if possible.

Mr. Ford informed the Committee that staff and plan counsel are currently working on the restatement of the plan documents. The purpose of restatement is to incorporate amendments into the body of the document and align plan document language with legislative requirements. Once suggested revisions have been completed, staff and pension counsel will present the restatement of the plan documents in a future meeting this year for consideration and adoption.

Adjourn:

The meeting was adjourned by Paul Campbell at 9:48 a.m.

Memo

To: Retirement Committee
From: Derek Ford, Senior Human Resources Analyst
Date: October 13, 2022
Re: Appointment of Jason Word to the Retirement Committee

Recommended Action: Resolution to approve, and recommend to the Board of Directors, the appointment of Jason Word to the Retirement Committee of the Modesto Irrigation District as representative of the Modesto Irrigation District Employees Association (MIDEA) employees in the Management and Confidential bargaining unit.

Background

The Modesto Irrigation District Retirement System Basic Retirement Plan document provides for an employee representative employed in the Management and Confidential bargaining unit to be appointed to the Retirement Committee.

Ed Franciosa, the previous Modesto Irrigation District Employees Association (MIDEA) representative, was appointed to serve as the General Manager leaving a vacancy on the Retirement Committee.

The Basic Retirement Plan document states that the Modesto Irrigation District Employees Association, as the exclusive representative for employees in the Management and Confidential bargaining unit, shall submit the name of one employee to represent employees in the Management and Confidential bargaining unit. The Retirement Committee then ascertains that the employee whose name is submitted meets the requirement set forth in the plan documents for membership on the Retirement Committee.

A member of the Retirement Committee representing a bargaining unit must meet the following requirement set forth in the Basic Retirement Plan document: the member must be employed in the bargaining unit the member represents.

The Retirement Committee approves the member after ascertaining that the employee submitted is employed in the bargaining unit they would represent. The name of the employee approved by the Retirement Committee is submitted to the Board of Directors for appointment.

MIDEA submitted the name of Jason Word to represent the Management and Confidential bargaining unit. Human Resources staff has confirmed that Mr. Word is employed in the Management and Confidential bargaining unit and therefore meets the qualifications set forth in the plan document.

Recommended Action

Adopt a resolution to approve, and recommend to the Board of Directors, the appointment of Jason Word to the Retirement Committee of the Modesto Irrigation District as representative of MIDEA employees in the Management and Confidential bargaining unit.

Upon the Retirement Committee's approval of the submission of Mr. Word, staff will take the Retirement Committee's resolution before the Board of Directors to seek approval of Mr. Word's appointment to the Retirement Committee.

RETIREMENT COMMITTEE RESOLUTION 2022-XX

**APPROVING AND RECOMMENDING TO THE BOARD OF DIRECTORS THE APPOINTMENT OF
JASON WORD TO THE RETIREMENT COMMITTEE**

WHEREAS, the Retirement Committee shall include an employee employed in the Management and Confidential bargaining unit; and

WHEREAS, Modesto Irrigation District Employees Association (MIDEA), as the exclusive representative for employees in the Management and Confidential bargaining unit, shall submit the name of one employee to represent employees in the Management and Confidential bargaining unit; and

WHEREAS, the MIDEA has submitted Jason Word to represent employees in the Management and Confidential bargaining unit to replace Ed Franciosa; and

WHEREAS, the Retirement Committee has considered MIDEA's request and determined that Jason Word meets the requirements set forth in the Basic Retirement Plan document for membership on the Retirement Committee; and

WHEREAS, the Retirement Committee is directed to submit names of approved employees to the Board of Directors for appointment to the Retirement Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Committee of the Modesto Irrigation District does hereby approve, and recommend to the Board of Directors, the appointment to the Retirement Committee of Jason Word as representative of employees in the Management and Confidential bargaining unit.



To: Retirement Committee

From: Derek Ford, Senior Human Resources Analyst
Kenneth Ruthenberg, Employee Benefits Law Group

CC: Jimi Netniss, Assistant General Manager – Finance and Treasurer
Jill De Jong, Controller

Date: October 13, 2022

RE: Amended and Restated Pension Plan Documents for Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan

As previously communicated to the Retirement Committee, staff and the District's pension counsel, Kenneth Ruthenberg, have been working on drafting amended and restated plan documents for the Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan.

The amending and restating of such plan documents is a good business practice that is undertaken every several years to clarify language, remove extraneous inapplicable language, bring the pension plan(s) current with respect to statutory/regulatory language, and incorporate amendments into the body of the documents for the effective administration of the plans. Further, in some instances, amendment and restatement is required for pension and deferred compensation plans to comply with IRS regulations and to maintain the plans' tax qualified status.

As typical, the amended and restated plan documents are first considered by the Retirement Committee and then taken to the MID Board of Directors for final approval and adoption.

Enclosed are the draft plan documents for all four plans for the Retirement Committee's review. Staff will return to the Retirement Committee at the October 19 meeting for possible approval of the amended and restated plan documents. The plan documents would then be presented to the Board of Directors for final approval at a subsequent Board meeting.

For ease of reference, following is a summary of the key updates:

Basic Retirement Plan

- Removed references to provisions that are no longer applicable (TEFRA, voluntary contributions, etc.).
- Updated and revised provisions to align with PEPRA requirements as applicable.
- Updated language in accordance with SECURE and CARES acts.
- Updated statutory dollar amounts.
- Simplified "Qualified Participant" definition.
- Updated "Actuarial Equivalent" definition to include updated mortality table reference.
- Clarified beneficiary hierarchy when no living beneficiary is listed.

- Clarified "Credited Service" definition and related definitions.
- Renamed participants as Tier I, Tier II, and Tier III for ease of reading throughout document.
- Clarified plan language regarding Death Before Benefits Commence.
- Updated and clarified provisions related to 2022 Outsourced Chief Investment Officer (OCIO) and trust transition.
- Clarified the Committee's ability to delegate certain tasks to other parties.

Supplemental Retirement Plan

- Updated language in accordance with SECURE and CARES acts.
- Clarified definition of "Normal Retirement Age" as it applies to SRP.
- Updated references to Trustee and Successor Trustee.
- Updated statutory dollar amounts.
- Updated Plan language to align with daily valuation in SRP.
- Clarified beneficiary hierarchy when no living beneficiary is listed.
- Updated distribution language to align with methods of distributions available to current participants.
- Clarified the Committee's ability to delegate certain tasks to other parties.

Deferred Compensation Plan

- Updated language in accordance with SECURE and CARES acts.
- Updated references to Trustee and Successor Trustee.
- Updated Plan language to align with daily valuation in 457.
- Clarified beneficiary hierarchy when no living beneficiary is listed.
- Clarified the definition of "Normal Retirement Age."
- Updated distribution language to align with methods of distributions available to current participants.
- Updated annual contribution limits and simplified catch-up language.
- Clarified time and method of payment language throughout document.

Retiree Medical Benefits Plan

- Clarified definition of "Available Coverage."
- Renamed participants as Tier I, Tier II, and Tier III for ease of reading throughout document.
- Clarified provisions such that they align with restated BRP document.
- Clarified applicability of COBRA.
- Clarified eligibility for surviving dependents of deceased active Eligible Employees.

**MODESTO IRRIGATION DISTRICT RETIREMENT
SYSTEM BASIC RETIREMENT PLAN**

Amended And Restated Effective As Of January 1, 2022

MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM BASIC RETIREMENT PLAN

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MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM
BASIC RETIREMENT PLAN

INTRODUCTION

1. Modesto Irrigation District (District) originally established the Basic Retirement Plan for Employees of the Modesto Irrigation District (Plan) effective as of March 1, 1951, and the Plan has been amended and restated from time to time thereafter.
2. The purpose of the Plan is to provide Participants with retirement and disability benefits and to provide their Beneficiaries with death benefits.
3. Effective as of January 1, 2004, the name of the Plan was changed to "Modesto Irrigation District Retirement System Basic Retirement Plan," and the Plan was made a part of the Modesto Irrigation District Retirement System. The Retirement System is intended to be a retirement system within the meaning of Article 16, Section 17 of the California Constitution. For purposes of the Internal Revenue Code (Code) and the California Revenue and Taxation Code, the Plan shall continue to constitute a separate plan, and none of the assets of any plan which is a part of the Retirement System shall be used for the benefit of any other plan, and none of the liabilities of any such plan shall be considered a liability of any other such plan.
4. Effective as of January 1, 2022, the Plan has been amended and restated to read as set forth herein. The provisions of the Plan as set forth herein shall be applicable to Plan Years beginning after December 31, 2021, except to the extent that an earlier effective date is required pursuant to statute or Treasury regulation. The District has also made additional changes that it has determined are necessary or desirable.
5. Except as otherwise indicated, the provisions of this amended and restated Plan shall apply only to individuals who are Employees on or after January 1, 2022. The benefits payable under the Plan to (or with respect to) any individual who ceased to be an Employee prior to January 1, 2022, and the rights and obligations of any such individual with respect to such benefits, shall be determined under the terms of the Plan as in effect on (or as of) the date such individual ceased to be an Employee.
6. The Plan and the Trust established under the Plan are intended to qualify as a "pension plan" under Code section 401 and related provisions of the Code. The Plan is a "governmental plan" as defined in Code

section 414(d) and section 3(32) of the Employee Retirement Income Security Act, as amended (ERISA).

7. The Plan and the Trust are created and maintained for the exclusive benefit of the Participants and their Beneficiaries.

ARTICLE 1. DEFINITIONS

1.01. Accumulated Required Contributions.

"Accumulated Required Contributions" shall mean, with respect to any Participant, the total amount of the Participant's contributions to the Plan that are required under the Tier III Participant Contributions section plus interest compounded annually thereon at a rate determined by the Committee or its designee reduced by the amounts of such contributions and interest that have been distributed from the Plan.

1.02. Actuarial Equivalent.

"Actuarial Equivalent" shall mean an amount of equivalent value when computed using the following:

- A. Base mortality table: Pub-2010G (General) Amount-Weighted Mortality for Healthy Retirees;
- B. Projection: projected generationally using Scale MP-2020 with an "as-of" date of 2024;
- C. Interest rate: 6.90%;
- D. The factors are blended based on a 75% male / 25% female ratio for the Participants and a 25% male / 75% female ratio for the Beneficiaries; and
- E. Where applicable pursuant to the Cost-Of-Living Increases section, a percent per annum selected by the Committee or its designee to reflect cost-of-living increases.

1.03. Actuary.

"Actuary" shall mean the "enrolled actuary," within the meaning of the Employee Retirement Income Security Act of 1974, as amended (ERISA), engaged by the Committee or its designee on behalf of the Plan.

1.04. Alternative Death Benefit.

"Alternative Death Benefit" shall mean the death benefit payable under the Death Before Benefits Commence section based on the post-death benefit portion of a Retirement Benefit option that would have been available under the Optional Forms Of Benefits Available section to the Participant, based upon the Participant's status at the time of the Participant's death, that the Participant had elected by filing such an election with the Committee or its designee prior to the Participant's death.

1.05. Average Monthly Compensation.

"Average Monthly Compensation" shall mean, with respect to any Participant who is a Tier I Eligible Employee or a Tier II Eligible Employee, the monthly average of the Participant's Compensation over the 36 consecutive months of Credited Service out of the Participant's last 120 months of Credited Service during which such average is the greatest. For any Participant who does not receive Compensation during at least 36 consecutive months of Credited Service during the Participant's last 120 months of Credited Service, "Average Monthly Compensation" shall mean the monthly average of the actual Compensation received by the Participant during the Participant's last 120 months of Credited Service.

1.06. Beneficiary.

"Beneficiary" shall mean the person or persons, including a trustee, personal representative or other fiduciary, determined in accordance with the Designation Of Beneficiary section to receive the benefits specified herein in the event of the Participant's death. With respect to certain survivor benefits described in the Optional Forms Of Benefit Available section, a Participant's surviving spouse shall be the Beneficiary.

1.07. Board Of Directors.

"Board Of Directors" shall mean the Board Of Directors of the District.

1.08. Break-In-Service.

"Break-In-Service" shall be determined under the Participation And Service Crediting article.

1.09. Code.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

1.10. Committee.

"Committee" shall mean the Retirement Committee appointed by the Board Of Directors to administer the Plan in accordance with the General Administration Of The Plan section.

1.11. Compensation.

A. "Compensation" shall mean, with respect to any Participant who is a Tier I Eligible Employee, the sum of the following amounts:

1. The Employee's wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment by the District, but excluding the following:
 - a. Contributions to this Plan and any other plan of deferred compensation, to the extent deductible or not includable in gross income by the Employee (including contributions to a simplified employee pension plan);
 - b. Distributions from any plan of deferred compensation, other than an unfunded plan that is not qualified under Code section 401;
 - c. Amounts realized on the vesting of restricted property;
 - d. All other amounts that receive special tax benefits under the Code; and
 - f. Amounts or payments received for cash out or voluntary sale of accrued benefits, including vacation, compensatory time and sick leave, and payments received in lieu of participation in any group medical insurance program.
2. The amount of the Employee's "regular contributions" to the District's Supplemental Retirement Plan;
3. The amount of any compensation deferred by the Employee under the District's Deferred Compensation Plan;

4. The amount of any contributions by the District to a "cafeteria plan" governed by Code section 125, or a plan governed by Code section 401(k) or 132(f)(4), that are made at the Employee's election; and
 5. During any period an Employee is also serving as a Director, the gross amount of direct compensation the Employee is entitled to receive from the District for service as a Director, without regard to whether the Employee actually receives the entire amount in cash (for example, because the Employee contributes a portion of such compensation to the District's Supplemental Retirement Plan).
- B. "Compensation" shall mean, with respect to any Participant who is a Tier II Eligible Employee, base salary only (excluding, without limitation, overtime pay, vacation payout and items of compensation excluded under paragraph 1 of subsection A, above).
- C. "Compensation" shall include differential wage payments, as defined in Code section 3401(h)(2), to Participants on active duty to the extent required by the provisions of Code section 414(u)(12)(A)(ii), the Treasury regulations promulgated thereunder, and any subsequent guidance issued thereunder.
- D. In no event shall the amount of any Employee's Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year). For purposes of the limitation set forth in the preceding sentence for Plan Years beginning before 1997, the family attribution rules of Code section 414(q)(6) shall apply, except that, in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the relevant Plan Year.

1.12. Credited Service.

"Credited Service" shall be determined under the Participation And Service Crediting" article.

1.13. Deferred Vested Benefits.

"Deferred Vested Benefit" shall mean the benefit payable under the Deferred Vested Benefits" article.

1.14. Delayed Retirement.

"Delayed Retirement" shall mean ceasing to be an Employee after the Participant's Normal Retirement Date.

1.15. Delayed Retirement Benefit.

"Delayed Retirement Benefit" shall mean the benefit payable under the Delayed Retirement section.

1.16. Delayed Retirement Date.

"Delayed Retirement Date" shall mean the first day of the month next following Delayed Retirement.

1.17. Designated Beneficiary.

"Designated Beneficiary" means the individual who is designated as the Participant's Beneficiary and is the designated beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-1.

1.18. Director.

"Director" shall mean a member of the Board Of Directors.

1.19. Disability Retirement Benefit.

"Disability Retirement Benefit" shall mean the benefit payable under the Disability Retirement section.

1.20. Distribution Calendar Year.

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required under Code section 401(a)(9), the Treasury

regulations promulgated thereunder, and the provisions of this Plan that implement these requirements. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under the Required Minimum Distributions Of Death Benefits section.

1.21. District.

"District" shall mean the Modesto Irrigation District.

1.22. Early Retirement.

"Early Retirement" shall mean ceasing to be an Employee before attaining Normal Retirement Age, but after meeting the age and service requirements for an Early Retirement Benefit under the Early Retirement section.

1.23. Early Retirement Benefit.

"Early Retirement Benefit" shall mean the benefit payable under the Early Retirement section.

1.24. Early Retirement Date.

"Early Retirement Date" shall mean the first day of the month next following Early Retirement.

1.25. Eligible Employee.

A. "Eligible Employee" shall mean any Employee whose customary employment by the District is for at least 20 hours per week and at least 5 months per year, excluding (i) individuals who are employed in a work-experience or student intern classification under the personnel policies of the District, (ii) Employees whose collective bargaining agreement does not provide for coverage under the Plan, (iii) Leased Employees, and (iv) any other individual who is not classified by the District, in its discretion, as an employee under Code section 3121(d).

B. Excluded individuals also include individuals classified by the District, in its discretion, as independent contractors, non-employee consultants, employees of a person or an entity other

than the District and individuals whose basic compensation for services for the District is not paid directly by the District. Such individuals shall not be Eligible Employees even if the classification by the District is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Eligible Employee under this subsection is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Eligible Employee and shall be ineligible for benefits for all periods prior to the date as of which the District determines its classification of the individual is erroneous or should be revised.

- C. Effective as of December 1, 2011, "Eligible Employee" shall not include a Director if the Director (i) is not concurrently a non-Director Eligible Employee and (ii) had earned Retirement Benefits as a non-Director Eligible Employee (regardless of whether the Director was also a Director when such Retirement Benefits were earned, or whether the Director has been reinstated under subsection D of the Effect Of Reemployment On Benefits section). The preceding sentence shall not apply to a Director who was serving as a Director on November 30, 2011.

1.26. Eligible Retirement Plan.

"Eligible Retirement Plan" shall mean 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 individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), an individual retirement annuity described in Code section 408(b) other than an endowment contract, or an eligible deferred compensation plan described in Code section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State and that agrees to separately account for amounts transferred into such plan from this Plan, that accepts the distributee's Eligible Rollover Distribution; provided, however, that in the case of an Eligible Rollover Distribution to a Designated Beneficiary who is not the Employee's surviving spouse, (i) an Eligible Retirement Plan shall be either an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), or an individual retirement annuity described in Code section 408(b) other than an endowment contract and (ii) a direct trustee-to-trustee transfer is made to such an account or annuity.

1.27. Eligible Rollover Distribution.

"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the distributee; provided, however, that an Eligible Rollover Distribution does not include:

- A. 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 10 years or more;
- B. Any distribution to the extent such distribution is required under Code section 401(a)(9);
- C. 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); provided, however, that:
 - 1. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax Employee contributions that are not includible in gross income; and
 - 2. Notwithstanding the preceding paragraph, such portion may be transferred in a direct trustee-to-trustee transfer only to:
 - a. An individual retirement account described in Code section 408(a);
 - b. A Roth individual retirement account described in Code section 408A (effective for distributions after December 31, 2007);
 - c. An individual retirement annuity described in Code section 408(b); or
 - d. A qualified plan described in Code section 401(a) (whether or not it is a defined contribution plan) or an annuity contract or a custodial account described in Code section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the

portion of such distribution that is includible in gross income and the portion of such distribution that is not so includible; or

- D. For distributions after December 31, 2001, any distribution that is made upon the hardship of the Employee.

1.28. Employee.

"Employee" shall mean any individual who renders services to the District as a Director, or in the status of an "employee" as that term is defined in Code section 3121(d). The term "Employee" shall also include Leased Employees who are providing services to the District, but solely for purposes of calculating Years Of Service.

1.29. Employment Commencement Date.

"Employment Commencement Date" shall mean, with respect to any Employee, the date on which the Employee first performs an Hour Of Service.

1.30. Final Compensation.

In accordance with, but only to the extent required by, California Government Code section 7522.32 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, "Final Compensation" shall mean the highest average annual Pensionable Compensation earned by a Participant who is a Tier III Eligible Employee during a period of at least 36 consecutive months immediately preceding the Participant's retirement or last separation from service, if earlier, or during any other period of at least 36 consecutive months during the Participant's applicable service that the Participant designates on the application for retirement.

1.31. Hour Of Service.

"Hour Of Service" shall be determined under the Participation And Service Crediting article.

1.32. Leased Employee.

- A. "Leased Employee" means any person who is not an Employee of the Employer and who provides services to the Employer if:

1. Such services are provided pursuant to an agreement between the Employer and the leasing organization;
 2. Such person has performed such services for the Employer or related persons on a substantially full-time basis for a period of at least 1 year; and
 3. Such services are performed under primary direction or control by the Employer.
- B. Notwithstanding the foregoing, a "Leased Employee" shall not include a person who is covered under a money purchase pension plan maintained by the leasing organization that provides for:
1. A nonintegrated employer contribution rate of at least 10% of compensation, as defined in Code section 415(c)(3);
 2. Immediate participation (except for employees who perform substantially all of their services for the leasing organization and except for an individual whose compensation from the leasing organization in each Plan Year during the four (4)-year period ending with the Plan Year is less than one thousand dollars (\$1,000)); and
 3. Full and immediate vesting;

but only if Leased Employees, determined without regard to this subsection B, do not constitute more than twenty percent (20%) of the Employer's "nonhighly compensated workforce" as defined in Code section 414(n)(5)(C)(ii).

1.33. Leave Of Absence.

"Leave Of Absence" shall mean a paid or unpaid leave granted by the District in accordance with its personnel policies, and shall include periods of military service for which reemployment rights are prescribed by law.

1.34. Normal Cost.

"Normal Cost" shall mean the portion of the present value of projected benefits under the Plan that is attributable to the current Year Of Service, as determined by the Actuary according to the most recently completed plan valuation.

1.35. Normal Cost Rate.

"Normal Cost Rate" shall mean the annual actuarially determined Normal Cost for the Plan expressed as a percentage of payroll.

1.36. Normal Retirement.

"Normal Retirement" shall mean ceasing to be an Employee on or after attaining Normal Retirement Age and before Normal Retirement Date.

1.37. Normal Retirement Age.

"Normal Retirement Age" shall mean:

- A. For a Participant who is a Tier I Eligible Employee or a Tier II Eligible Employee, the later of age 60 or the completion of at least 5 Years Of Credited Service; or
- B. For a Participant who is a Tier III Eligible Employee, the later of age 65 or the completion of at least 5 Years Of Credited Service.

1.38. Normal Retirement Benefit.

"Normal Retirement Benefit" shall mean the benefit payable under the Normal Retirement section.

1.39. Normal Retirement Date.

"Normal Retirement Date" shall mean the first day of the calendar month coinciding with or next following the date the Participant attains Normal Retirement Age.

1.40. Participant.

"Participant" shall mean an Eligible Employee who has commenced participating in the Plan and whose participation in the Plan has not ceased, all in accordance with the Participation And Service Crediting article.

1.41. PEPRA.

"PEPRA" shall mean the California Public Employees' Pension Reform Act of 2013. The provisions of this Plan that are intended to satisfy PEPRA's requirements shall be construed in accordance with the requirements of PEPRA and the guidance thereunder.

1.42. Pensionable Compensation.

A. Pensionable Compensation In General.

In accordance with, but only to the extent required by, California Government Code section 7522.34 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, "Pensionable Compensation" shall mean, with respect to a Participant who is a Tier III Eligible Employee, the Participant's normal monthly rate of pay or base pay paid in cash to similarly situated Employees of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. Compensation that has been deferred shall be deemed Pensionable Compensation when earned rather than when paid. Compensation of such a Participant shall not include:

1. Any compensation determined by the Committee or its designee to have been paid to increase the Participant's retirement benefit under the Plan.
2. Compensation that had previously been provided in kind to the Participant by the District or paid directly by the District to a third party other than the Plan for the benefit of the Participant and which was converted to and received by the Participant in the form of a cash payment.
3. Any one-time or ad hoc payments made to the Participant.
4. Severance or any other payment that is granted or awarded to the Participant in connection with or in anticipation of a separation from employment, but is received by the Participant while employed.
5. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
6. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

7. Any District-provided allowance, reimbursement, or payment, including, but not limited to, one made for meals, housing, vehicle, or uniforms.
8. Overtime pay.
9. District contributions to deferred compensation or defined contribution plans.
10. Any bonus paid in addition to the Pensionable Compensation of the Participant.
11. Any other form of compensation the Committee or its designee determines is inconsistent with the requirements of this Pensionable Compensation provision.
12. Any other form of compensation the Committee or its designee determines should not be Pensionable Compensation.

B. Limit On Pensionable Compensation.

1. Notwithstanding any other provision of this Plan, other than the Exception For Lower Normal Cost provision, below, in accordance with, but only to the extent required by, California Government Code section 7522.10 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, Pensionable Compensation of a Participant who is a Tier III Eligible Employee shall not exceed the following applicable percentage of the Social Security contribution and benefit base in effect on January 1, 2013 (as such contribution and benefit base shall be adjusted in accordance with paragraph 2, below):
 - a. 100% for a Participant who is a Tier III Eligible Employee who is subject to Social Security; or
 - b. 120% for a Participant who is a Tier III Eligible Employee who is not subject to Social Security.
2. For purposes of this provision, the contribution and benefit base specified in section 430(b) of title 42 of the United States Code on January 1, 2013 shall be adjusted based on the annual changes to the Consumer Price Index for All

Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.

C. Exception For Lower Normal Cost.

In accordance with, but only to the extent required by, California Government Code section 7522.10(d) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the requirements of this section shall not apply to a Participant who is a Tier III Eligible Employee if, before January 1, 2013, the Plan provided for a defined benefit formula with a lower benefit factor at Normal Retirement Age and results in a lower Normal Cost than the defined benefit formula required by the Retirement Benefit For Tier III Participants section; provided, however, that:

1. If the District adopts a new defined benefit formula on or after January 1, 2013, that formula must conform to the requirements of PEPPRA or must be determined and certified by the Plan's chief actuary and the Committee or its designee to have no greater risk and no greater cost to the District than the defined benefit formula required by the Retirement Benefit For Tier III Participants section and must be approved by the Legislature.
2. Participants who are Tier III Eligible Employees may participate only in the lower cost defined benefit formula that was in place before January 1, 2013, or a defined benefit formula that conforms to the requirements of PEPPRA or is approved by the Legislature.

1.43. Period Of Service.

"Period Of Service" shall be determined under the Participation And Service Crediting article.

1.44. Plan.

"Plan" shall mean the Modesto Irrigation District Retirement System Basic Retirement Plan, as set forth herein and as it may be amended from time to time hereafter.

1.45. Plan Administrator.

"Plan Administrator" shall mean the chief human resources manager of the District (or such alternate individual as the Board Of Directors shall appoint from time to time).

1.46. Plan Year.

"Plan Year" shall mean the calendar year.

1.47. Qualified Domestic Relations Order.

"Qualified Domestic Relations Order" shall mean a judgment, decree or order (including approval of the property settlement agreement) issued pursuant to any State domestic relations law (including a community property law) that the Committee or its designee determines is a "qualified domestic relations order" within the meaning of Code section 414(p), as such section applies to a governmental plan. Such determination shall be made under reasonable procedures established by the Committee or its designee.

1.48. Qualifying Participant.

"Qualifying Participant" shall mean:

- A. A Participant (and, if applicable, a former Participant) who has attained age 55 and completed at least 5 Years Of Credited Service; or
- B. A Participant who has attained a total of 840 months of age and Credited Service while a Participant.

1.49. Retirement Benefit.

"Retirement Benefit" shall mean an Early Retirement Benefit, a Normal Retirement Benefit, a Disability Retirement Benefit, a Delayed Retirement Benefit, a Deferred Vested Benefit, or a Retirement Benefit For A Tier III Participant, as applicable.

1.50. Retirement Benefit For A Tier III Participant.

"Retirement Benefit For A Tier III Participant" shall mean the benefit payable under the Retirement Benefit For Tier III Participants section.

1.51. Tier I Eligible Employee.

"Tier I Eligible Employee" means an Employee who became an Eligible Employee prior to January 1, 2006 and who has not had a Break-In-Service and then again becomes an Eligible Employee on or after January 1, 2006 (i.e., not a Tier II Eligible Employee).

1.52. Tier II Eligible Employee.

"Tier II Eligible Employee" means an Eligible Employee (i) who becomes an Eligible Employee on or after January 1, 2006, or (b) who became an Eligible Employee prior to January 1, 2006, but who has a Break-In-Service and then again becomes an Eligible Employee on or after January 1, 2006.

1.53. Tier III Eligible Employee.

"Tier III Eligible Employee" shall mean, in accordance with, but only to the extent required by, California Government Code section 7522.04(f) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder an Eligible Employee who either (i) becomes a member of any "public retirement system" for the first time on or after January 1, 2013 and was not a member of any other "public retirement system" prior to January 1, 2013, (ii) becomes a member of a "public retirement system" for the first time on or after January 1, 2013 and was a member of another California "public retirement system" prior to January 1, 2013, but was not subject to reciprocity under California Government Code section 7522.02(c), or (iii) was an active member in a retirement system and, after a break in service of more than 6 months, returned to active membership in that system with a new employer; provided, however, that for purposes of (iii), a change in employment between State entities or from one school employer to another shall not be considered as service with a new employer. For purposes of this provision, "public retirement system" means a California "public retirement system," as that term is defined in California Government Code section 7522.04(j).

1.54. Total Disability Or Totally Disabled.

- A. "Total Disability" or "Totally Disabled" shall mean that a Participant is unable to engage in any substantial gainful activity by reason of a physical or mental impairment which is expected to result in death or to be of long-continued and indefinite duration, excluding a disability that is caused by or results from:
 - 1. Suicide or any attempt at suicide while sane;
 - 2. Declared or undeclared war or any act thereof; or
 - 3. Service in the armed forces of any country.
- B. The Committee or its designee shall determine whether a Participant is Totally Disabled on the basis of competent medical evidence certified by a duly licensed physician chosen (or approved) by the Committee or its designee.
- C. A Participant who is determined to be Totally Disabled must make himself or herself available for reappraisal of such status at least once each 12 months, as shall be required by, and at times and places scheduled by, the Committee or its designee. A Participant's failure to keep the Committee or its designee advised of the Participant's whereabouts and availability, or any other failure to cooperate for purposes of verifying the continuance of the Participant's Total Disability, shall cause a loss of further accrual of Credited Service as of such date as may be fixed by the Committee or its designee.
- D. The Committee's or its designee's determination of whether and for what period a Participant is Totally Disabled shall be conclusive and binding on all interested parties.

1.55. Trust.

"Trust" shall mean the trust established, maintained and administered pursuant to sections 53215 et seq. of the California Government Code and Code section 501(a) under which the Trustee holds the assets of the Plan.

1.56. Trustee.

"Trustee" shall mean the trustee(s) signing the Trust and any successor trustee(s).

1.57. USERRA.

"USERRA" shall mean the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time.

1.58. Year Of Credited Service.

"Year Of Credited Service" shall be determined under the "Participation And Service Crediting article.

1.59. Year Of Service.

"Year Of Service" shall be determined under the "Participation And Service Crediting article.

ARTICLE 2. PARTICIPATION AND SERVICE CREDITING

2.01. When Participation Begins.

- A. All Eligible Employees who were Participants in the Plan as it existed on December 31, 2021 shall continue as Participants under and in accordance with the provisions of this Plan.
- B. Any individual who was an Employee, but not an Eligible Employee, on December 31, 2021 shall become a Participant in the Plan on the date the Employee becomes an Eligible Employee.
- C. Any individual who first becomes an Employee on or after January 1, 2021 shall become a Participant in the Plan on the date on which the Employee becomes an Eligible Employee.

2.02. When Participation Stops.

A Participant's participation in the Plan continues until the earlier of:

- A. The date on which the Participant ceases to be an Employee; or
- B. The date on which the Participant becomes covered by any other retirement or pension plan to which the District contributes (other than the Modesto Irrigation District Retirement System Supplemental Retirement Plan or the Modesto Irrigation District Deferred Compensation Plan).

2.03. Participation After Reemployment.

If a former Participant is reemployed, the former Participant will again become a Participant on the date on which the former Participant qualifies as an Eligible Employee following reemployment.

2.04. Veterans' Rights.

- A. An Employee, who was absent from the Employee's position of employment by reason of service in the uniformed services and who is reemployed, as these terms are used in the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time (USERRA), shall be treated as not having incurred a Break-In-Service with the District by reason of such person's period or periods of service in the uniformed services. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the District for the purpose of determining the nonforfeitability of the Participant's Retirement Benefit and for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).
- B. Effective as of January 1, 2007, the Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37), the regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be 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 employment on the date before the Participant's date of death and then had a termination of employment on account of death.

2.05. Break-In-Service Definition.

"Break-In-Service" shall mean, with respect to any Employee, a period of 12 consecutive months, commencing with the Employee's Severance From Service Date, during which the Employee does not perform an Hour Of Service.

2.06. Credited Service Definition.

"Credited Service" shall mean a Participant's Period Of Service, excluding the following:

- A. Any month during which the Participant does not qualify as an Eligible Employee;
- B. For Participants who became Employees prior to July 1, 1991, and who were not initially employed on the first day of a month, the first month of their employment;
- C. For Participants who were Employees prior to March 1, 1967, and who elected not to participate in the Plan when they were first eligible to do so, all months of their employment prior to such date; and
- D. The period of any unpaid Leave Of Absence subject to the following:
 - 1. If the unpaid Leave Of Absence is for a period of no more than 12 months and the Participant returns to active employment as an Employee with the District at the expiration of the Leave Of Absence (except as provided in paragraph 4, below), the period of such unpaid Leave Of Absence shall not be excluded under this subsection;
 - 2. If the unpaid Leave Of Absence is for a period of no more than 12 months and the Participant does not return to active employment as an Employee with the District at the expiration of the Leave Of Absence (except as provided in paragraph 4, below), the period of such unpaid Leave Of Absence shall be excluded under this subsection;
 - 3. Except as provided in paragraph 4, below, if the unpaid Leave Of Absence is for a period of more than 12 months, the period of such unpaid Leave Of Absence shall be excluded under this subsection regardless of whether the Participant returns to active employment as an Employee with the District at the expiration of the Leave Of Absence; and
 - 4. Notwithstanding the above:

- a. A month of military service that counts as part of a Participant's Period Of Service shall constitute part of the Participant's Credited Service, if the Participant returns to active employment as an Employee with the District within the period during which the Participant's reemployment rights are protected by law (e.g., under USERRA); and
- b. If the Participant is Totally Disabled, any period that is required to be taken into account under the Service Credit While Disabled section shall not be excluded from the Participant's Credited Service.

2.07. Hour Of Service Definition.

"Hour Of Service" shall mean each hour for which an Employee is paid or entitled to payment by the District for the performance of duties, and each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the District.

2.08. Period Of Service Definition.

- A. "Period Of Service" shall mean, with respect to any Employee, the period of time beginning on the Employee's Employment Commencement Date and ending on the date on which the Employee ceases to be an Employee for any reason (date of termination).
- B. If an Employee ceases to be an Employee for any reason but is reemployed by the District and returns to active employment as an Employee with the District within the 12-month period immediately following the Employee's date of termination, the Employee's Period Of Service shall include the period between the Employee's date of termination and the date of such reemployment.
- C. If an Employee (i) is absent from work for any reason other than ceasing to be an Employee, (ii) ceases to be an Employee for any reason during the first 12 months of such absence, and (iii) is then reemployed by the District within 12 months of the date the Employee was first absent from work, the Employee's Period Of Service shall include the period from the date such absence began to the date of such reemployment.

2.09. Year Of Credited Service Definition.

"Year Of Credited Service" shall mean, with respect to any Participant, each 12-month period of the Participant's Credited Service (and fractions of such a 12-month period), excluding any Credited Service the Participant completed prior to a Break-In-Service that occurred before the Participant had completed 5 Years Of Service.

2.10. Year Of Service Definition.

"Year Of Service" shall mean, with respect to any Employee, a Period Of Service equal to 12 months, excluding any Period Of Service the Employee completed prior to a Break-In-Service that occurred before the Employee had completed 5 Years Of Service.

2.11. Service Credit While Disabled.

Notwithstanding any other provision of the Plan to the contrary, any Participant who becomes Totally Disabled while the Participant is still an Employee shall continue to accrue Years Of Service and Years Of Credited Service until the earliest of:

- A. The date the Committee or its designee determines such accrual should cease due to the Participant's failure to cooperate in verifying the continuance of the Participant's Total Disability;
- B. The date on which the Participant recovers from the Participant's Total Disability (determined under the Recovery Of Disabled Participants section);
- C. The Participant's Normal Retirement Date; or
- D. Effective January 1, 1994, continued accrual of Years Of Service and Years Of Credited Service shall also stop if a Participant who is Totally Disabled elects to have the Participant's Disability Retirement Benefit commence prior to the Participant's Normal Retirement Date in accordance with subsection C of the Disability Retirement section.

ARTICLE 3. CONTRIBUTIONS TO THE PLAN

3.01. District Contributions.

Subject to the last sentence of this section and subject to the District PEPPRA Contributions section, the District shall contribute to the Trust, not

less frequently than once a year, the amounts necessary to maintain the Plan on a sound actuarial basis consistent with the Power Of The Committee section. The Committee or its designee shall arrange for the establishment and maintenance by the Actuary, or in accordance with the Actuary's recommendations, of such funding accounts as are required by generally accepted actuarial principles. Notwithstanding the foregoing provisions of this section, but subject to the District PEPRA Contributions section, the District reserves the right to suspend or reduce contributions to the Plan at any time, upon appropriate action by the Board Of Directors.

3.02. District PEPRA Contributions.

- A. In accordance with, but only to the extent required by, California Government Code section 7522.30 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:
 - 1. District contributions shall not exceed 50% of the Normal Costs of benefits attributable to Participants who are Tier III Eligible Employees.
 - 2. The District shall not pay any of the required Employee contribution for a Participant who is a Tier III Eligible Employee.
 - 3. If the terms of a contract, including a memorandum of understanding, between the District and its public Employees, that is in effect on January 1, 2013, would be impaired by any of the above requirements of this provision, that requirement shall not apply to the District and public Employees subject to that contract until the expiration of that contract. A renewal, amendment, or any other extension of that contract on or after January 1, 2013 shall not be taken into account for this purpose.
- B. In accordance with, but only to the extent required by, California Government Code sections 7522.52 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, in any Plan Year, the District's contribution to the Plan, in combination with Employee contributions to the Plan, shall not be less than the Normal Cost Rate. However, the Board Of Directors may suspend or reduce contributions to the Plan when all of the following apply:

1. The Plan is funded by more than 120%, based on a computation by the Actuary in accordance with the Governmental Accounting Standards Board requirements that is included in the annual valuation;
2. The Actuary, based on the annual valuation, determines that continuing to accrue excess earnings could result in disqualification of the Plan's tax-exempt status under the Code; and
3. The Committee or its designee or the Board Of Directors determines that the receipt of any additional contributions required under this provision would conflict with its fiduciary responsibility set forth in Section 17 of Article XVI of the California Constitution.

3.03. Funds Not Recoverable By The District – Exceptions.

- A. Except as otherwise provided in this section, at no time shall any amounts held in the Trust revert to, or be recoverable by, the Employer, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants, former Participants and their Beneficiaries under the Plan and paying the reasonable expenses of administering the Plan. Notwithstanding the preceding sentence or any other provision of the Plan to the contrary:
 1. To the extent any contribution to the Plan is made by reason of a mistake of fact, it may be returned to the District within 1 year after the date such contribution was made; and
 2. Upon the termination of the Plan, any assets remaining in the Trust after the satisfaction of all liabilities to Participants, former Participants and their Beneficiaries may be returned to the District.
- B. The amounts which may be returned to the District pursuant to paragraph 1 of subsection A, above, shall be the excess of the amounts contributed over the amounts that would have been contributed had there not been a mistake of fact. No earnings on the mistaken contributions may be returned to the District, and any losses sustained by the Trust after the date of contribution shall proportionately reduce the amount that may be returned to the District hereunder.

3.04. Use Of Forfeitures.

All forfeitures arising under the Plan shall be used to reduce the contributions otherwise payable to the Plan by the District and may not be used to increase the Retirement Benefit otherwise payable to any person under the Plan.

3.05. Tier III Participant PEPRA Contributions.

In accordance with, but only to the extent required by, California Government Code sections 7522.30 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:

- A. Participants who are Tier III Eligible Employees shall have an initial contribution rate of at least 50% of the Normal Cost Rate for the Plan of retirement benefits provided to the Participant, rounded to the nearest 0.25%, unless a greater contribution rate has been agreed to pursuant to subsection B, below. This contribution shall not be paid by the District on the Participant's behalf. Once established, this Participant contribution rate shall not be adjusted on account of a change to the Normal Cost Rate unless the Normal Cost Rate increases or decreases by more than 1% of payroll above or below the Normal Cost Rate in effect at the time the Participant contribution rate is first established or, if later, the Normal Cost Rate in effect at the time of the last adjustment to the Participant contribution rate under this section.
- B. Notwithstanding subsection A, above, such contributions may be more than 50% of the Normal Cost Rate if the increase has been agreed to through the collective bargaining process, subject to the following conditions:
 - 1. The District shall not contribute at a greater rate to the Plan for nonrepresented, managerial, or supervisory employees than the District contributes for other public employees, including represented employees, of the District who are in related retirement membership classifications.
 - 2. The District shall not increase an Employee contribution rate in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

3. The District shall not use impasse procedures to increase an Employee contribution rate above the rate required by this provision.
- C. If the terms of a contract, including a memorandum of understanding, between the District and its public Employees, that is in effect on January 1, 2013, would be impaired by any of the above requirements of this provision, that requirement shall not apply to the District and public Employees subject to that contract until the expiration of that contract. A renewal, amendment, or any other extension of that contract on or after January 1, 2013 shall not be taken into account for this purpose.

ARTICLE 4. RETIREMENT BENEFITS IN GENERAL

4.01. Retirement Benefits.

- A. Except as provided in the Retirement Benefit For Tier III Participants section:
 1. Any Participant who ceases to be an Employee upon or after reaching Normal Retirement Age and upon or before the Participant's Normal Retirement Date shall be entitled to a Normal Retirement Benefit as set forth in the Normal And Delayed Retirement Benefits article.
 2. Any Participant who ceases to be an Employee after the Participant's Normal Retirement Date shall be entitled to a Delayed Retirement Benefit as set forth in the Normal And Delayed Retirement Benefits article.
 3. Any Participant who ceases to be an Employee after having met the requirements for an Early Retirement Benefit and before reaching Normal Retirement Age shall be entitled to an Early Retirement Benefit as set forth in the Early Retirement Benefits article.
 4. Any Participant who ceases to be an Employee after having met the requirements for a Deferred Vested Benefit and before meeting the requirements for an Early Retirement Benefit shall be entitled to a Deferred Vested Benefit as set forth in the Deferred Vested Benefits article.

5. Any Participant who is Totally Disabled shall be entitled to a Disability Retirement Benefit as set forth in the Disability Retirement Benefits article.
 6. In no event shall a Participant's monthly pension, whether in the normal form or an optional form, and regardless of which type of Retirement Benefit, but prior to the application of the Cost-Of-Living Increases section, exceed the Participant's Average Monthly Compensation.
- B. A Participant who reaches Normal Retirement Age shall be 100% vested in the Participant's Normal Retirement Benefit determined under the Normal And Delayed Retirement Benefits article for Tier I and Tier II Eligible Employees or Retirement Benefit For Tier III Participants section for Tier III Eligible Employees.

4.02. Retirement Benefit For Tier III Participants.

A. Calculation Of Retirement Benefit For Tier III Participants.

Notwithstanding any other provision of this Plan, other than the Exception For Lower Normal Cost subsection, below, in accordance with, but only to the extent required by, California Government Code section 7522.20 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the Retirement Benefit for a Participant who is a Tier III Eligible Employee shall be a pension at retirement for service equal to the percentage of the Participant's Final Compensation set forth opposite the Participant's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the Participant's number of Years Of Service in the Plan, which shall include any fractional Years Of Service. A Participant who is a Tier III Eligible Employee may retire pursuant to the age and service requirements of this Plan, but in no event may such a Participant retire earlier than (i) after being credited with 5 Years Of Service and (ii) upon reaching 52 years of age.

Age At Retirement	Percentage
52	1.000%
52 $\frac{1}{4}$	1.025%
52 $\frac{1}{2}$	1.050%
52 $\frac{3}{4}$	1.075%

Age At Retirement	Percentage
53	1.100%
53 $\frac{1}{4}$	1.125%
53 $\frac{1}{2}$	1.150%
53 $\frac{3}{4}$	1.175%
54	1.200%
54 $\frac{1}{4}$	1.225%
54 $\frac{1}{2}$	1.250%
54 $\frac{3}{4}$	1.275%
55	1.300%
55 $\frac{1}{4}$	1.325%
55 $\frac{1}{2}$	1.350%
55 $\frac{3}{4}$	1.375%
56	1.400%
56 $\frac{1}{4}$	1.425%
56 $\frac{1}{2}$	1.450%
56 $\frac{3}{4}$	1.475%
57	1.500%
57 $\frac{1}{4}$	1.525%
57 $\frac{1}{2}$	1.550%
57 $\frac{3}{4}$	1.575%
58	1.600%
58 $\frac{1}{4}$	1.625%
58 $\frac{1}{2}$	1.650%
58 $\frac{3}{4}$	1.675%
59	1.700%
59 $\frac{1}{4}$	1.725%
59 $\frac{1}{2}$	1.750%
59 $\frac{3}{4}$	1.775%
60	1.800%
60 $\frac{1}{4}$	1.825%
60 $\frac{1}{2}$	1.850%
60 $\frac{3}{4}$	1.875%
61	1.900%
61 $\frac{1}{4}$	1.925%
61 $\frac{1}{2}$	1.950%
61 $\frac{3}{4}$	1.975%
62	2.000%
62 $\frac{1}{4}$	2.025%
62 $\frac{1}{2}$	2.050%
62 $\frac{3}{4}$	2.075%
63	2.100%
63 $\frac{1}{4}$	2.125%

Age At Retirement	Percentage
63 ½	2.150%
63 ¾	2.175%
64	2.200%
64 ¼	2.225%
64 ½	2.250%
64 ¾	2.275%
65	2.300%
65 ¼	2.325%
65 ½	2.350%
65 ¾	2.375%
66	2.400%
66 ¼	2.425%
66 ½	2.450%
66 ¾	2.475%
67	2.500%

B. Exception For Lower Normal Cost.

In accordance with, but only to the extent required by, California Government Code section 7502.10(d) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, the requirements of this section shall not apply to a Participant who is a Tier III Eligible Employee if, before January 1, 2013, the Plan provided for a defined benefit formula with a lower benefit factor at Normal Retirement Age and results in a lower Normal Cost than the defined benefit formula required by this section; provided, however, that:

1. If the District adopts a new defined benefit formula on or after January 1, 2013, that formula must conform to the requirements of PEPRA or must be determined and certified by the Plan's chief actuary and the retirement Committee or its designee to have no greater risk and no greater cost to the District than the defined benefit formula required by this section, and must be approved by the Legislature.
2. Participants who are a Tier III Eligible Employees may participate only in the lower cost defined benefit formula that was in place before January 1, 2013, or a defined benefit formula that conforms to the requirements of PEPRA or is approved by the Legislature.

4.03. Optional Forms Of Benefits Available.

- A. In lieu of the form of Retirement Benefit provided to a Participant under the Plan, a Participant may elect to have the Participant's Retirement Benefit paid in any of the following forms, each of which shall be the Actuarial Equivalent of the Retirement Benefit to which the Participant would otherwise be entitled:
1. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse;
 2. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse;
 3. A single life benefit, which provides increased monthly payments during the retired Participant's life, with no further payments being made after the Participant's death;
 4. For Participants who are Tier I Eligible Employees only, a benefit that provides a monthly retirement benefit for the life of the retired Participant with 180 payments guaranteed; or
 5. For Participants who are Tier I Eligible Employees only, a benefit which provides reduced monthly payments during the life of the retired Participant, with 240 payments guaranteed.
- B. Effective for Participants who retire on or after January 1, 2000, the following additional optional forms of benefit shall be available:
1. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired Participant with 120 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.
 2. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired

Participant with 180 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.

3. For Participants who are Tier I Eligible Employees only, a monthly retirement benefit for the life of the retired Participant with 240 payments guaranteed and the applicability of the Cost-Of-Living Increase section to the guaranteed benefit.
4. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit.
5. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit.
6. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, but in the event that the Participant's surviving spouse predeceases the retired Participant, the retired Participant's monthly benefit shall increase, effective as of the first day of the month next following the surviving spouse's death, to what it would have been had the retired Participant been receiving benefits in the form of a single life benefit (which provides increased monthly payments during the retired Participant's life, with no further payments being made after the Participant's death) since retirement (i.e., the "Pop-Up Feature").

7. A joint and 50% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments equal to 50% of the amount that was payable during the Participant's life to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit and with the Pop-Up Feature.
8. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the Pop-Up Feature.
9. A joint and 100% survivor benefit, which provides reduced monthly payments during the retired Participant's life and, upon the Participant's death after retirement, continues payments in the same amount to the Participant's surviving spouse during the life of the surviving spouse, with the applicability of the Cost-Of-Living Increase section to the survivor benefit and with the Pop-Up Feature.

4.04. Cost-Of-Living Increases.

- A. Effective each July 1, the Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, and Disability Retirement Benefit payable to "Retired Participants" (as defined below) who have been receiving benefit payments for at least 1 year shall be adjusted based on changes in the cost-of-living. No such adjustment shall be made to any Deferred Vested Benefit being paid hereunder.
- B. For purposes of the Plan, changes in the cost-of-living shall be determined by changes in the cost-of-living index as determined by the United States Department of Labor, United States City Average for all Urban Consumers. Each such adjustment shall be in the same percentage as the percentage increase in said index from April of the preceding Plan Year to April of the Plan Year in which the adjustment will begin; provided that, in no event shall the adjustment for any 1 year exceed 4%, nor shall any Retired Participant's monthly benefit payment be decreased. Notwithstanding the foregoing, the cost-of-living adjustment for

any 1 year with respect to a Retired Participant who was not a Tier I Eligible Employee shall not exceed 3%.

- C. Except as otherwise provided in the Optional Forms Of Benefits Available section or the. Death Before Benefits Commence section, no cost-of-living adjustments shall be made to any type of payment that is being made to a Beneficiary under the Plan. However, payments made to Beneficiaries hereunder will be based on the amount that was being paid immediately prior to the Participant's death (i.e., including the amount of any cost-of-living adjustments that had been made to the Participant's benefit prior to the Participant's death).
- D. Any person who is receiving payments under a Qualified Domestic Relations Order with respect to a Retired Participant shall receive annual cost-of-living adjustments to the person's monthly payment in the same manner as Retired Participants, if the applicable Qualified Domestic Relations Order so provides. However, no such cost-of-living adjustment shall be made to any such person until after the relevant Participant has ceased to be an Employee, and no such cost-of-living adjustment shall be made following the relevant Participant's death.
- E. For purposes of this section, the term "Retired Participant" shall mean a former Participant who began receiving an Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, or Disability Retirement Benefit on or after January 1, 1988.
- F. This Cost-Of-Living section shall apply to each Participant who (i) is a Retired Participant, (ii) was a Tier III Eligible Employee, and (iii) has been receiving benefit payments for at least 1 year if the Participant would have qualified for an Early Retirement Benefit, Normal Retirement Benefit, Delayed Retirement Benefit, or Disability Retirement Benefit, if the Participant had not been a Tier III Eligible Employee.

4.05. Election And Commencement Of Retirement Benefits.

A Participant who desires to commence distributions of the Participant's Retirement Benefit from the Plan, whether in the normal form or an optional form, and regardless of which type of Retirement Benefit, must so elect in writing and must file the election with the Committee or its designee within the 180-day period ending on the date on which the Participant's Retirement

Benefit is to commence. Such an election becomes irrevocable on the date on which the Participant's Retirement Benefit is to commence as set forth in the article that governs the Retirement Benefit. A Participant's Retirement Benefit shall not commence until the Participant has terminated employment with the District. A Participant's Retirement Benefit shall not commence until the month after the month the Participant's election is filed with the Committee or its designee.

4.06. Time For Payment Of Benefits.

Retirement Benefit payments shall be made in monthly installments. Such payments shall actually begin as soon as reasonably practicable after the applicable commencement date and shall continue until the last payment due prior to the Participant's death. In the event payments are to be continued to a Participant's Beneficiary and do, in fact, become payable, such payments shall commence 1 month after the last payment due the deceased Participant and shall terminate with the last payment due prior to the death of the Beneficiary.

4.07. Cash-Out Of Small Benefits.

Notwithstanding any other provision of the Plan to the contrary, other than as set forth in the Termination Before Vesting section, if the Actuarial Equivalent of a Participant's Retirement Benefit is not greater than \$5,000 (or such larger amount as may be prescribed under Code section 417(e)), an amount equal to such Actuarial Equivalent shall be distributed to the Participant in a single sum distribution of cash, and no further benefits shall be payable to the Participant or the Participant's Beneficiary. Notwithstanding the foregoing, in the event that the Actuarial Equivalent of such a Participant's benefit is greater than \$1,000 but equal to or less than \$5,000 (or such larger amount as may be prescribed under Code section 417(e)), if the Participant does not affirmatively elect to have such Actuarial Equivalent either (i) paid directly to an eligible retirement plan specified by the Participant in a direct benefit transfer as described in the Direct Benefit Transfers After 1992 section or (ii) paid to the Participant directly, then the Committee or its designee shall pay the distribution in a direct benefit transfer to an individual retirement plan designated by the Committee or its designee.

4.08. No Duplication Of Benefits.

The provisions of this Plan shall be construed to avoid duplication of benefits. Any Retirement Benefit paid to either (i) a former Participant who is later rehired and again becomes a Participant or (ii) an active Participant

pursuant to the Benefits Must Commence Based On Age section will reduce any benefit subsequently payable to the Participant or the Participant's Beneficiary by an amount that is the Actuarial Equivalent of the Retirement Benefit previously paid.

4.09. Effect Of Reemployment On Benefits.

Notwithstanding any provision in this Plan to the contrary:

- A. Excepted as provided in subsection D, a Participant, who (i) has terminated employment with the District, (ii) is eligible for Retirement Benefit payments, (iii) has commenced receiving Retirement Benefit payments (regardless of whether the Participant elected to receive them or is required to receive them under the Benefits Must Commence Based On Age section), and (iv) is reemployed by the District shall be treated as follows:
 - 1. If the Participant is reemployed by the District as an Employee other than an Eligible Employee (e.g., the Participant is reemployed as a Director who is excluded under the Eligible Employee section or as a non-Director Employee whose customary employment by the District is for less than 20 hours per week), the Participant shall continue to receive such payments
 - 2. If the Participant is reemployed by the District as an Eligible Employee, such payments shall cease as of the Participant's date of reemployment (i.e., the Participant shall receive a partial payment for the month of reemployment prorated from the first day of the month to the date of reemployment). When such a Participant subsequently ceases to be an Employee, the Participant shall be entitled to Retirement Benefits determined in accordance with the applicable provisions of the Plan, calculated on the basis of the Participant's aggregate Years Of Credited Service and Average Monthly Compensation at the subsequent termination date, reduced by the Actuarial Equivalent of the Retirement Benefits the Participant had received.
- B. If a former Participant is reemployed by the District as an Eligible Employee before or after the Participant's Retirement Benefit payments have commenced, any previous election that the Participant made with respect to the form in which the Participant's benefit was to be paid shall automatically be void with respect to future benefit payments and, for purposes of the death benefits

provided under the Death Benefits article, the Participant shall be deemed not to have made any election of a form of benefit. If the Participant wishes to have the Participant's subsequent Retirement Benefit paid in an optional form allowed under the Optional Forms Of Benefit Available section, the Participant must file a new election with the Committee or its designee within the 180-day period before such benefit is to commence.

- C. Notwithstanding the preceding provisions of this section, in no event shall the Retirement Benefits of a Participant, who (i) was reemployed by the District as a Director prior to December 1, 2011 and (ii) was receiving Retirement Benefits pursuant the terms of this section before being amended as of December 1, 2011, be reduced below the amount of the Retirement Benefits that the Participant was actually receiving immediately prior to the Participant's subsequent termination date.
- D. In accordance with, but only to the extent required by, California Government Code section 7522.56 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, a retired person, who is (i) retired from the District, (ii) receiving a pension benefit from the Plan, and (iii) rehired to serve, be employed by, or be employed through a contract directly by, the District on or after January 1, 2013, shall not serve, be employed by, or be employed through a contract directly by, the District without reinstatement from retirement, unless:
 - 1. The retired person serves upon appointment by the appointing power of the District either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration; provided, however, that, notwithstanding this requirement:
 - a. Any retired person shall not be eligible to serve or be employed by the District if, during the 12 month period prior to an appointment described in this provision, the retired person received any unemployment insurance compensation arising out of prior employment subject to this provision with a public employer, and a retiree shall certify in writing to the District upon accepting an offer of employment that the retiree is in compliance with this requirement; and

- b. A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this provision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this provision for a period of 12 months following the last day of employment.
2. The appointment of the retired person does not exceed a total for all employers that participate in this Plan of 960 hours or other equivalent limit, in a calendar or fiscal year, depending on the administrator of the Plan;
3. The rate of pay for the employment shall not be less than the minimum, nor exceed the maximum, paid by the District to other employees performing comparable duties, divided by 173.333 to equal an hourly rate; and
4. The retired person is employed by the District pursuant to this provision after a period of at least 180 days following the date of retirement, unless, in the case of a retired person other than a retired person who accepted a retirement incentive upon retirement, (i) the District certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed, (ii) the appointment has been approved by the governing body of the District in a public meeting, and (iii) the appointment was not placed on a consent calendar.

A retired person whose employment without reinstatement is authorized by this provision shall acquire no service credit or retirement rights under this provision with respect to the employment unless the retired person reinstates from retirement as an Eligible Employee.

- E. If a Participant (i) has terminated employment with the District, (ii) is eligible for Retirement Benefit payments, and (iii) is reemployed by the District before the Participant has commenced receiving Retirement Benefit payments, Retirement Benefit payments shall not commence until the Participant has once again terminated employment with the District.

4.10. Benefits Must Commence Based On Age.

Notwithstanding any other provision of the Plan:

- A. Effective prior to January 1, 1997, a Participant's Retirement Benefit payments must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 without regard to whether the Participant has ceased to be an Employee.
- B. Effective as of January 1, 1997 and prior to January 1, 2020, in the event that a Participant has not ceased to be an Employee, the Participant's Retirement Benefit payments may commence at the election of the Participant on or after April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2, but shall continue if already commenced.
- C. Effective as of January 1, 2020, in the event that a Participant has not ceased to be an Employee, the Participant's Retirement Benefit payments may commence at the election of the Participant on or after April 1 of the calendar year following the calendar year in which the Participant attains age 72, but shall continue if already commenced.
- D. All Retirement Benefit payments governed by the above subsections shall remain subject to the applicable requirements of the Required Minimum Distributions section.

4.11. Eligible Rollover Distributions.

- A. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Retirement Benefits In General article, a distributee may elect, at the time and in the manner prescribed by the Committee or its designee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee.
- B. Notwithstanding the foregoing, in the event that the Participant or the Participant's Beneficiary elects, in the manner set forth above, a distribution that constitutes an Eligible Rollover Distribution, and if the distributee of the Eligible Rollover Distribution (i) elects to have such distribution paid directly to an Eligible Retirement Plan and (ii) specifies the Eligible Retirement Plan to which such distribution is to be paid, in such form and at such time as the Committee or its designee may prescribe, then such distribution

shall be made in the form of a direct trustee-to-trustee transfer to the Eligible Retirement Plan so specified; provided, however, that the preceding trustee-to-trustee transfer provisions shall apply only to the extent that the Eligible Rollover Distribution would be includible in gross income if not so transferred (determined without regard to Code section 402(c) and 403(a)(4)).

- C. The Committee or its designee will provide a written explanation for the rollover rules and special tax treatment available to Eligible Rollover Distributions to any Participant (or Participant's Beneficiary) who is to receive a payment for the Plan that is an Eligible Rollover Distribution. This explanation will be provided no earlier than 180 days and no later than 30 days prior to the date of the distribution. However, such distribution may commence less than 30 days after the explanation is given provided that the explanation states that the Participant has at least 30 days after receiving the explanation to consider whether or not to request a rollover distribution and the Participant, after receiving the explanation, affirmatively elects an immediate distribution.
- D. Of the portion of the Eligible Rollover Distribution that the Participant elects to have paid to the Participant and not paid in the form of a direct trustee-to-trustee transfer to an Eligible Retirement Plan, 20% will be withheld as federal income tax and paid directly to the Internal Revenue Service as a credit against income taxes, and the Participant will receive the remaining 80%.
- E. The portion of the Eligible Rollover Distribution that the Participant elects to be paid in a direct rollover to an eligible retirement plan elected by the Participant will be paid to such plan provided that such plan accepts direct rollovers.

4.12. Required Minimum Distributions.

A. General Rules.

- 1. The requirements of this section take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.
- 2. All distributions required under this section will be determined and made in accordance with the regulations

under Code section 401(a)(9) and the Treasury regulations promulgated thereunder.

3. Death and other nonretirement benefits payable under the Plan shall be incidental to the primary purpose of the Plan. Thus, distributions to the Participant under the Plan shall be in sufficient amounts so that the relationship of a Participant's total benefits under the Plan to the deferred compensation payable to the Participant under the Plan is such that the primary purpose of the Plan is to provide deferred compensation to the Participant, all as required by Code section 401(a)(9)(G) and the Treasury regulations promulgated thereunder.

B. Time And Manner Of Distributions.

1. Required Minimum Distributions To Participants.

The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

2. Form 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 subsections C, D and E, below. 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) and the regulations thereunder. Any part of the Participant's interest which is in the form of an individual account described in Code section 414(k) will be distributed in a manner satisfying the requirements of Code section 401(a)(9) and the regulations that apply to individual accounts.

C. Determination Of Amount To Be Distributed Each Year.

1. General Annuity Requirements.

If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- a. The annuity distributions will be paid in periodic payments made at intervals not longer than 1 year;
- b. The distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsection D, below;
- c. Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- d. Payments will either be nonincreasing or increase only as follows:
 - (1) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (2) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in subsection D, below, dies or is no longer the Participant's Beneficiary pursuant to a Qualified Domestic Relations Order;
 - (3) To provide cash refunds of Employee contributions upon the Participant's death; or
 - (4) To pay increased benefits that result from a plan amendment.

2. Amount To Be Distributed By Required Beginning Date.

The amount that must be distributed on or before the Participant's required beginning date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received (e.g., bi-monthly, monthly, semi-annually, or annually). All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

3. Additional Accruals After First Distribution Calendar Year.

Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

D. Requirements For Annuity Distributions To Participants.

1. Joint Life Annuities With Nonspouse Beneficiary.

If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Treasury Q&A-2 of regulations section 1.401(a)(9)-6. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

2. Period Certain Annuities.

Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and not a life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in regulations section 1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches the Participant's required beginning date, the applicable distribution period for the Participant is the distribution period for age 70 or 72, as appropriate, under the Uniform Lifetime Table set forth in regulations section 1.401(a)(9)-9 plus the excess of 70 or 72, as appropriate, over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and not a life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this provision, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in regulations section 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 calendar year that contains the annuity starting date.

E. Definitions For Required Minimum Distributions.

The following definitions shall apply for purposes of this section:

1. Life Expectancy.

"Life expectancy" means life expectancy as computed by use of the Single Life Table in Treasury regulations section 1.401(a)(9)-9.

2. Required Beginning Date.

"Required beginning date" means April 1 of the calendar year following the later of:

- a. The calendar year in which the Participant retires; or
- b. Whichever of the following is applicable:
 - (1) If the Participant attained age seventy and one-half (70-1/2) on or before December 31, 2019, the calendar year in which the Participant attains age seventy and one-half (70-1/2); or
 - (2) If the Participant attains age seventy and one-half (70-1/2) after December 31, 2019, the calendar year in which the Participant attains age seventy-two (72).

4.13. Limitations On Benefits.

- A. Notwithstanding any other provision of the Plan, a Participant's Annual Benefit, as defined below, shall not be accrued, distributed, or otherwise payable, in any optional form of benefit, including the normal form of benefit, in excess of the applicable limitation set forth in Code section 415 of the Code at any time during any Limitation Year, as defined below, which limitation is hereby incorporated by this reference as part of the Plan.
- B. If a Participant's Annual Benefit would exceed the foregoing limitation, the Participant's Annual Benefit shall be reduced by reducing the components thereof, as necessary, in the order in which they are listed in the definition of "Annual Benefit" set forth below.
- C. For purposes of this section, a Participant's "Annual Benefit" shall be equal to the sum of the following:
 - 1. The annual Retirement Benefit accrued, distributed or otherwise payable to the Participant under this Plan; and
 - 2. The aggregate annual retirement benefits (if any) to which the Participant is entitled under all other tax-qualified defined benefit plans maintained by the District, excluding any benefits attributable to the Participant's Employee contributions.
- D. For purposes of this section, the term "Limitation Year" shall mean the Plan Year.

4.14. Payment Of Benefits For Certain Retired Participants.

Effective March 1, 1992, all Retirement Benefit payments to those former Participants whose benefit payments commenced prior to October 1, 1991 will be paid under a non-participating Group Annuity Contract purchased from Aetna Life Insurance Company (Aetna). In the event that Aetna becomes unable to make any payment(s) due under such contract because of voluntary or involuntary bankruptcy (or any other form of insolvency), such payment(s) shall be made from the funds then held under the Trust.

4.15. Termination Before Vesting.

If a Participant ceases to be an Employee before the Participant has completed the service requirement applicable to such Participant under this article and at a time when the Participant is not eligible for any Retirement Benefit, the Participant shall be paid the Participant's Accumulated Required Contributions, if any, within 60 days after the date the Participant ceases to be an Employee, and shall be entitled to no further benefits under the Plan.

4.16. Benefits If District Suspends Contributions.

If the District suspends its contributions to the Plan, the benefits which would be forfeited under the Termination Before Vesting section shall be preserved in suspense and, unless contributions by the District are resumed, the Actuarial Equivalent of such benefits shall be paid to the affected Participants upon termination of the Plan.

ARTICLE 5. NORMAL AND DELAYED RETIREMENT BENEFITS

5.01. Normal Retirement Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section, any Participant who ceases to be an Employee upon or after reaching Normal Retirement Age and upon or before the Participant's Normal Retirement Date shall be entitled to a Normal Retirement Benefit, commencing on the Participant's Normal Retirement Date, which shall be a monthly pension payable for life, determined as follows:

- A. For Participants who cease to be Eligible Employees prior to December 1, 2005, the monthly pension shall be equal to 2% of the Participant's Average Monthly Compensation multiplied by the

Participant's Years Of Credited Service, with 120 payments guaranteed.

- B. For Participants who cease to be Eligible Employees on or after December 1, 2005 and who are Tier I Eligible Employees, the monthly pension shall be 2.75% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, with 120 payments guaranteed.
- C. For Participants who cease to be Eligible Employees on or after December 1, 2005 and who are Tier II Eligible Employees, the monthly pension shall be 2.75% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, with no payments guaranteed.
- D. For a Participant who is a Tier II Eligible Employee, but who became an Eligible Employee prior to January 1, 2006, had a Break-In-Service and then again became an Eligible Employee on or after January 1, 2006, the monthly pension shall be determined as consisting of (i) a benefit earned prior to 2006, based upon the provisions of the Plan applicable to Participants who are Tier I Eligible Employees, and (ii) a benefit earned after 2005, based upon the provisions of the Plan applicable to Participants who are Tier II Eligible Employees.

5.02. Delayed Retirement Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. Except as provided in subsection B, below, any Participant who ceases to be an Employee after the Participant's Normal Retirement Date shall be entitled to a Delayed Retirement Benefit, commencing on the Participant's Delayed Retirement Date, which shall be a monthly pension payable for life, with 120 payments guaranteed, equal to the greater of:
 - 1. 2% of the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service, taking into account (i) all of the Participant's Years Of Credited Service earned and (ii) all of the Participant's Compensation paid, after the Participant's Normal Retirement Date; or

2. 2% of the Participant's Average Monthly Compensation as of the Participant's Normal Retirement Date multiplied by the Participant's Years Of Credited Service as of the Participant's Normal Retirement Date (i.e., without taking into account any Years Of Credited Service earned, or Compensation paid, after the Participant's Normal Retirement Date), increased by the Actuarial Equivalent of the Normal Retirement Benefit payments the Participant would have received during the period between the Participant's Normal Retirement Date and the Participant's Delayed Retirement Date if the Participant had retired on the Participant's Normal Retirement Date.
- B. Notwithstanding subsection A, above, for a Participant who ceases to be an Employee on or after December 1, 2005, a Participant's Delayed Retirement Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit calculated under subsection B or C of the Normal Retirement Benefit section, whichever is applicable, based upon the Participant's Average Monthly Compensation and Years Of Credited Service as of the Participant's Delayed Retirement Date.

ARTICLE 6. EARLY RETIREMENT BENEFITS

6.01. Eligibility For Early Retirement.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. Any Participant who ceases to be an Employee after having met the following requirements for an Early Retirement Benefit and before reaching Normal Retirement Age shall be entitled to an Early Retirement Benefit, calculated as set forth in the Calculation Of Early Retirement Benefit section, and commencing on the first day of the month next following such Participant's ceasing to be an Employee:
1. The Participant first became an Employee on or after March 1, 1967, is a Tier I Eligible Employee and has both attained age 55 and completed at least 5 Years Of Service;
 2. The Participant first became an Employee on or after March 1, 1967, is a Tier II Eligible Employee and has both attained age 55 and completed at least 5 Years Of Credited Service; or

3. The Participant has attained the age 55 and ceases to serve as a member of the Board Of Directors.

B. A Participant may elect to have the Participant's Early Retirement Benefit commence on the first day of any month from the Participant's Early Retirement Date to the Participant's Normal Retirement Date.

6.02. Calculation Of Early Retirement Benefit.

A Participant's Early Retirement Benefit shall be a monthly pension payable for life, with 120 payments guaranteed for Participants who are Tier I Eligible Employees only, equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, multiplied by the early retirement factor set forth below, or equal to the Participant's Average Monthly Compensation multiplied by the Participant's Years Of Credited Service multiplied by the Participant's equivalent benefit rate set forth below, that corresponds to the age of the Participant on the date such benefit is to commence as follows:

Equivalent Benefit Rates	
Age Of Participant When Benefit Begins	Equivalent Benefit Rate
55	2.00%
56	2.15%
57	2.30%
58	2.45%
59	2.60%
60	2.75%

For purposes of determining the appropriate early retirement factor or equivalent benefit rate, age shall be computed to completed months, and the appropriate factor or rate will be determined by interpolation between the factor or rate indicated for the full year of age attained and the factor or rate for the next following year of age.

ARTICLE 7. DEFERRED VESTED BENEFITS

7.01. Vested Termination.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. A Participant shall be entitled to a Deferred Vested Benefit, calculated under the. Calculation Of Deferred Vested Benefit section if the Participant ceases to be an Employee at a time when the Participant meets all of the following requirements:
1. The Participant is either:
 - a. A Tier I Eligible Employee and has completed at least 5 Years Of Service;
 - b. A Tier II Eligible Employee and has completed at least 5 Years Of Credited Service;
 - c. A member of the Board Of Directors, but not a Tier III Eligible Employee, and has completed at least 4 Years Of Service as a Director; or
 - d. A Tier III Eligible Employee who is a member of the Board Of Directors and has completed at least 5 Years Of Credited Service.
 2. The Participant is not eligible for an Early Retirement Benefit, a Normal Retirement Benefit, or a Delayed Retirement Benefit;
 3. The Participant is not Totally Disabled;
 4. The Participant's termination of employment with the District was not the result of the Participant's death; and
 5. The Participant elects (in the manner prescribed by the Committee or its designee) to leave the Participant's Accumulated Required Contributions in the Trust.
- B. A Participant may elect to have the Participant's Deferred Vested Benefit commence on the first day of any month from the month after the month the Participant attains age 55 to the Participant's Normal Retirement Date.

7.02. Calculation Of Deferred Vested Benefit.

Except as provided in the Retirement Benefit For Tier III Participants section:

- A. A Participant's Deferred Vested Benefit shall be a monthly pension payable for life, with 120 payments guaranteed, equal to 2% of the Participant's Average Monthly Compensation on the date on which the Participant ceases to be an Employee multiplied by the Participant's Years Of Credited Service on such date. Notwithstanding the foregoing, effective for Deferred Vested Benefits that commence on or after December 1, 2005, a Participant's Deferred Vested Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, based upon the Participant's Average Monthly Compensation and Years Of Credited Service on the date on which the Participant ceases to be an Employee.
- B. If a Participant elects to have the Participant's Deferred Vested Benefit commence prior to the Participant's Normal Retirement Date, the amount payable shall be the amount set forth in the preceding paragraph multiplied by the reduction factor set forth below that corresponds to the age of the Participant on the date on which such Benefit is to commence:

1. For a Participant who ceases to be an Eligible Employee prior to December 1, 2005:

Reduction Factors	
Age	Factor
55	.5784
56	.6230
57	.6719
58	.7255
59	.7845
60	.8493
61	.9209
62	1.0000

2. For a Participant who ceases to be an Eligible Employee on or after December 1, 2005:

Reduction Factors	
Age	Factor
55	.6811
56	.7336
57	.7911
58	.8543
59	.9237
60	1.0000

For purposes of determining the appropriate reduction factor, age shall be computed to completed months, and the appropriate factor will be determined by interpolation between the factor indicated for the full year of age attained and the factor for the next following year of age.

7.03. Benefits If Required Contributions Are Withdrawn.

A Participant who is entitled to a Deferred Vested Benefit under this article may elect to withdraw the Participant's Accumulated Required Contributions from the Plan at any time prior to the date such benefit is to commence. If such a withdrawal is made, the Participant shall not be entitled to any other benefit under the Plan.

ARTICLE 8. DISABILITY RETIREMENT BENEFITS

8.01. Disability Retirement.

Except as provided in the Retirement Benefit For Tier III Participants section, any Participant, other than a Participant who is a Tier III Eligible Employee, who is Totally Disabled shall be entitled to a Disability Retirement Benefit, calculated under the Calculation Of Disability Retirement Benefit section and commencing in accordance with whichever of the following rules is applicable:

- A. Except as provided in subsection C, if the Participant is eligible for or receiving benefits under the District's Long-Term Disability Income Plan, the Participant's Disability Retirement Benefit may not commence until the earlier of the Participant's Normal Retirement Date or the date benefits under such Long-Term Disability Plan cease;
- B. Except as provided in subsection C, if the Participant is not eligible for and not receiving benefits under the District's Long-Term Disability Income Plan, the Participant's Disability Retirement

Benefit may commence on the first day of any month after the month in which the Participant becomes Totally Disabled to the Participant's Normal Retirement Date, regardless of the Participant's age or Years Of Service; or

- C. Effective as of January 1, 1994, notwithstanding subsections A and B, any Participant who is entitled to a Disability Retirement Benefit and who has completed at least 5 Years Of Service may elect to have such benefit commence on the first day of any month between:
 - 1. The later of the month in which the Participant becomes Totally Disabled or the month the Participant reaches age 55; and
 - 2. The Participant's Normal Retirement Date.

8.02. Calculation Of Disability Retirement Benefit.

- A. A Participant's Disability Retirement Benefit shall be a monthly pension payable for life, with 120 payments guaranteed, equal to 2% of the Participant's Average Monthly Compensation on the date payments are to commence multiplied by the Participant's Years Of Credited Service on such date. Notwithstanding the foregoing, effective for Disability Retirement Benefits which commence on or after December 1, 2005, a Participant's Disability Retirement Benefit shall be a monthly pension equal to the Participant's Normal Retirement Benefit as set forth in the Normal Retirement Benefit section, based upon the Participant's Average Monthly Compensation and Years Of Credited Service on the date payments of the Disability Retirement Benefit are to commence.
- B. Notwithstanding any other provision of the Plan to the contrary, in determining the amount of any Participant's Disability Retirement Benefit, the Participant's "Average Monthly Compensation" shall be computed by assuming that the Participant received Compensation from the date on which the Participant became Totally Disabled to the date Disability Retirement Benefit payments are to commence at a monthly rate equal to 100% of the Participant's average monthly Compensation for the 12 months immediately preceding the month during which the Participant became Totally Disabled.
- C. If a Participant elects to have the Participant's Disability Retirement Benefit commence prior to the Participant's Normal Retirement Date (in accordance with the Disability Retirement section), the

amount of such benefit shall be equal to the amount otherwise payable under the preceding provisions of this section multiplied by the early retirement factor, or by using the equivalent benefit rate, whichever is applicable, determined under the Early Retirement Benefits section, that corresponds to the Participant's age on the date payments are to commence.

8.03. Recovery Of Disabled Participants.

- A. If a Participant who is Totally Disabled recovers prior to the Participant's Normal Retirement Date, payment of the Participant's Disability Retirement Benefit shall cease. Such Participant shall thereafter be entitled to any other Retirement Benefit for which the Participant is (or may become) eligible under the other provisions of the Plan, but any such Benefit shall be reduced by the Actuarial Equivalent of the Disability Retirement Benefits the Participant had received prior to recovery.
- B. The Committee or its designee shall determine whether a Participant has recovered from a Total Disability on the basis of competent medical evidence certified by a physician chosen (or approved) by the Committee or its designee, and such determination shall be conclusive and binding on all interested parties.

ARTICLE 9. DEATH BENEFITS

9.01. Death Before Completing Required Service.

Except as provided in the Death Before Benefits Commence section, if either (i) a Participant who is a Tier I Eligible Employee dies before the Participant has completed at least 5 Years Of Service, or (ii) a Participant who is either a Tier II Eligible Employee or a Tier III Eligible Employee, dies before the Participant has completed at least 5 Years Of Credited Service, an amount equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of death, shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the Participant's death, and no other benefit shall be payable under the Plan to the Participant's Beneficiary.

9.02. Death Before Benefits Commence.

If a Participant who is either (i) a Tier I Eligible Employee, who has completed at least 5 Years Of Service, or (ii) a Tier II Eligible Employee or a Tier III Eligible Employee, who has completed at least 5 Years Of

Credited Service, dies before the date on which the Participant's Retirement Benefit is to commence, a death benefit shall be payable under subsection A or B, below, whichever is applicable:

- A. If the Participant is not married on the date of the Participant's death, the death benefit payable under this section shall be determined under whichever of the following rules is applicable:
 - 1. If the Participant was not a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall consist of a single sum payment equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of the Participant's death, and no other death benefit shall be available to the Participant's Beneficiary. This death benefit shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the date of death.
 - 2. If the Participant was a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall be a single sum equal to the greater of:
 - a. The death benefit described in paragraph 1, above, which shall be payable on or as soon as practicable after the first day of the month following the Participant's death; or
 - b. Either (i) if the Participant had not filed an Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the post-death benefit portion of the Normal Retirement Benefit (i.e., 120 guaranteed payments), or (ii) if the Participant had filed an Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the Actuarial Equivalent of the Alternative Death Benefit, either of which shall be payable on or as soon as practicable after the first day of the month following the date the Participant would have attained age 55.
 - 3. Notwithstanding the foregoing, the Beneficiary may elect to defer commencement of benefits, but in no event later than the date the Participant would have attained Normal Retirement Age.

- B. If the Participant is married on the date of the Participant's death, the death benefit payable under this section shall be determined under whichever of the following rules is applicable:
1. Except as otherwise provided below, if the Participant was not a Qualifying Participant on the date of the Participant's death, the death benefit payable under this section shall consist of a single sum payment equal to the amount of the Participant's Accumulated Required Contributions, if any, determined as of the date of the Participant's death, and no other death benefit shall be available to the Participant's Beneficiary. This death benefit shall be paid to the Participant's Beneficiary as soon as reasonably practicable after the date of death.
 2. If the Participant was a Qualifying Participant and age 55 or older and qualified for retirement on the date of the Participant's death, then:
 - a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit, commencing on the first day of the month in which the Participant died and (ii) the Participant had lived until the day after the Participant's Retirement Benefit commenced.
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.
 - c. The benefit payable under this paragraph shall commence on the first day of the month following the month in which the Participant dies.
 3. If a Qualifying Participant was under age 55 and an Employee on the date of the Participant's death, then:

- a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had ceased to be an Employee on the date the Participant died, (ii) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit, commencing on the first day of the month next following the date the Participant attains age 55, and (iii) the Participant had lived until the day after the Participant's Retirement Benefit commenced.
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.
 - c. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
4. If the Participant was under age 55 and a Qualifying Participant, but not an Eligible Employee, on the date of the Participant's death, then:
- a. If the Participant had not filed a valid Alternative Death Benefit election with the Committee or its designee prior to the Participant's death, the surviving spouse's monthly benefit shall be the benefit described in paragraph 2 above, substituting the phrase "50% survivor benefit, with no applicability of the Cost-Of-Living Increases section, to the survivor benefit" for the phrase "100% survivor benefit, with applicability of the Cost-Of-Living Increases section, to the survivor benefit."
 - b. If the Participant had filed a valid Alternative Death Benefit election with the Committee or its designee

prior to the Participant's death, the surviving spouse's monthly benefit shall be as determined by such Alternative Death Benefit election.

- c. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
- 5. If the Participant was age 55 or older and not an Employee nor qualified for retirement on the date of the Participant's death, the surviving spouse's benefit shall be equal to the monthly benefit the spouse would have received if (i) the Participant had properly elected to have the Participant's Retirement Benefit paid in the form of a joint and 50% survivor benefit commencing on the first day of the month in which the Participant died and (ii) the Participant had lived until the day after the Participant's Retirement Benefit commenced. The benefit payable under this paragraph shall commence on the first day of the month following the month in which the Participant dies.
- 6. If the Participant was under age 55, but not a Qualifying Participant, on the date of the Participant's death, the surviving spouse's benefit shall be the benefit described in subparagraph 4a, above, and no Alternative Death Benefit shall be available. The benefit payable under this paragraph shall commence on the first day of the month after the month in which the Participant would have attained age 55.
- 7. Notwithstanding the foregoing, the spouse may elect to defer commencement of benefits, but in no event later than the date the Participant would have attained Normal Retirement Age.
- C. For purposes of calculating the death benefit payable under this section, the factors described in the Early Retirement Benefit section shall be used.

9.03. Death After Benefits Commence.

If a Participant dies after payment of the Participant's Retirement Benefit has commenced, any death benefit payable under the Plan will be determined by the form in which the Participant's Retirement Benefit was being paid, subject to the provisions of the Minimum Death Benefit

section. Notwithstanding the preceding sentence, if a former Participant's Retirement Benefit was being paid in a form that guarantees payments for a period certain (i.e., 120, 180 or 240 months) and the Participant dies before having received such guaranteed number of payments, the Participant's Beneficiary may elect, within 90 days after proof of death has been provided to the Committee or its designee to receive a lump sum payment equal to the net present value of the remaining number of guaranteed monthly payments calculated using an interest assumption of 3% compounded annually. If the Participant designated no Beneficiary or if the Beneficiary designated by the Participant predeceased the Participant, the net present value of the remaining number of guaranteed monthly payments calculated using an interest assumption of 3% compounded annually shall be paid in a single sum to the Participant's Beneficiary within 90 days after proof of death has been provided to the Committee or its designee.

9.04. Alternative Death Benefit Election.

Upon forms approved by the Committee or its designee, and subject to the restrictions set forth in the Optional Forms Of Benefit Available section, with respect to certain survivor benefits, each Participant may elect an Alternative Death Benefit by filing such an election with the Committee or its designee prior to the Participant's death. If no such election has been filed with the Committee or its designee prior to the Participant's death, the Participant shall be treated as not having made such an election.

9.05. Designation Of Beneficiary.

- A. Upon forms approved by the Committee or its designee, and subject to the restrictions set forth in the Optional Forms Of Benefit Available section, with respect to certain survivor benefits, each Participant shall designate in writing the Beneficiary or Beneficiaries whom such Participant desires to receive any benefits payable under the Plan in the event of such Participant's death. A Participant may from time to time change the Participant's Beneficiary or Beneficiaries without the consent of such Beneficiary or Beneficiaries by filing a new Beneficiary designation, on a form approved by the Committee or its designee, with the Committee or its designee.
- B. If a married Participant wishes to designate a person other than the Participant's spouse as Beneficiary, such designation shall be consented to in writing by the spouse, which consent shall acknowledge the effect of the designation and be witnessed by a

Plan representative or a notary public. The Participant may change any election designating a Beneficiary or Beneficiaries without any requirement of further spousal consent if the spouse's consent so provides. Notwithstanding the foregoing, spousal consent shall be unnecessary if it is established (to the satisfaction of a Plan representative) that there is no spouse or that the required consent cannot be obtained because the spouse cannot be located.

- C. The District, the Committee, its designee, and the Trustee may rely upon a Participant's designation of Beneficiary or Beneficiaries last filed in accordance with the terms of the Plan.
- D. Upon the dissolution of marriage of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless (i) after the dissolution of marriage, the Participant executes another Beneficiary designation that complies with this section and that clearly names such former spouse as a Beneficiary, or (ii) a court order presented to the Committee or its designee prior to distribution on behalf of the Participant explicitly requires the Participant to continue to maintain the former spouse as the Beneficiary. In any case in which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.
- E. If, upon the death of a Participant, there is no valid designation of Beneficiary on file with the Committee or its designee, or the Participant's Beneficiary is not alive, the Committee or its designee shall designate as the Beneficiary, in order of priority:
 - 1. The surviving spouse;
 - 2. The surviving children, including adopted children, in equal shares, or their issue, by right of representation;
 - 3. Surviving parents, in equal shares; or
 - 4. The Participant's heirs at law.

The determination of the Committee or its designee as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons, but the Committee or its

designee may seek a declaratory judgment of a court of competent jurisdiction to determine the identity of Beneficiaries and their respective interests.

9.06. Minimum Death Benefit.

If the total amount paid to a Participant and the Participant's Beneficiary (if any) under the preceding sections of this article is less than the sum of the Participant's Accumulated Required Contributions (determined as of the date the Participant's Retirement Benefit payments commenced), a death benefit shall be paid to the heirs of the last survivor of the former Participant and the Participant's Beneficiary, if any. This death benefit shall consist of a single sum payment equal to the excess of the sum of the former Participant's Accumulated Required Contributions (determined as of the date the Participant's Retirement Benefit payments commenced) over the total amount paid to the former Participant or the Participant's Beneficiary (if any) under the preceding provisions of this article.

9.07. Required Minimum Distributions Of Death Benefits.

A. General Rules.

1. The requirements of this section take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.
2. All distributions required under this section will be determined and made in accordance with the regulations under Code section 401(a)(9) and the Treasury regulations promulgated thereunder.
3. Death and other nonretirement benefits payable under the Plan shall be incidental to the primary purpose of the Plan. Thus, distributions to the Participant under the Plan shall be in sufficient amounts so that the relationship of a Participant's total benefits under the Plan to the deferred compensation payable to the Participant under the Plan is such that the primary purpose of the Plan is to provide deferred compensation to the Participant, all as required by Code section 401(a)(9)(G) and the Treasury regulations promulgated thereunder.

B. Participant Dies Before Distributions Begin.

1. If the Participant dies before distributions begin and there is a Designated Beneficiary, the Participant's entire interest will be distributed, or begin to be distributed, as follows:
 - a. 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 later of (i) the calendar year immediately following the calendar year in which the Participant died or (ii) the calendar year in which the Participant would have attained either:
 - (1) Age 70-1/2 if the Participant attained age 70-1/2 on or before December 31, 2019; or
 - (2) Age 72 if the Participant attains age 70-1/2 after December 31, 2019.
 - b. 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.
 - c. The Participant's entire interest will be distributed, beginning no later than the time described in subparagraph a or b, above, over the life of the Designated Beneficiary or over a period certain not exceeding:
 - (1) Unless the annuity starting date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
 - (2) If the annuity starting date is before the first Distribution Calendar Year, the life expectancy of the Designated Beneficiary determined

using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

- d. 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 paragraph 1, other than subparagraph a, will apply as if the surviving spouse were the Participant.
- 2. If the Participant dies before distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

C. Participant Dies After Distributions Begin.

If distribution has been commenced to the Participant and the Participant dies before the Participant's entire interest has been distributed, then the remaining portion of the Participant's interest, if any, shall be distributed at least as rapidly as under the method of distributions being utilized as of the date of the Participant's death.

ARTICLE 10. ADMINISTRATION OF THE PLAN

10.01. Plan Administration.

The administration of the Plan is vested in the Board Of Directors. Except as to appointments to the Committee, the Board Of Directors may delegate to the Committee the authority to perform any act in the government and administration of the Plan within the power of the Board Of Directors itself to perform. In the instance of any such delegation of authority, the Committee may act finally, except where the Board Of Directors in making the delegation provides that the act of the Committee shall be reported to the Board Of Directors at its next regular meeting for review and ratification, amendment or reversal.

10.02. General Administration Of The Plan.

- A. The general administration of the Plan is delegated to the Committee, which shall be the "plan administrator" for purposes of

the Code. The Committee shall serve at the pleasure of the Board Of Directors. The Committee shall consist of ten individuals: two members of the Board Of Directors, the General Manager of the District, an Employee who serves as chief financial officer of the District, either an Employee who serves as legal counsel to the District or outside legal counsel to the District, an Employee who serves as chief human resources manager of the District, an Employee employed in the Utility Services and Maintenance bargaining unit, an Employee employed in the Administrative, Technical and Clerical bargaining unit, an Employee employed in the Professional and Supervisory bargaining unit, and an Employee employed in the Management and Confidential bargaining unit.

- B. The International Brotherhood of Electrical Workers, Local 1245, as the exclusive representative for Employees in the Utility Services and Maintenance bargaining unit, the Administrative, Technical and Clerical bargaining unit, and the Professional and Supervisory bargaining unit, shall submit (i) the name of one Employee to represent Employees in the Utility Services and Maintenance bargaining unit, (ii) the name of one Employee to represent Employees in the Administrative, Technical and Clerical bargaining unit, and (iii) the name of one Employee to represent Employees in the Professional and Supervisory bargaining unit. The Modesto Irrigation District Employee Association, as the exclusive representative for Employees in the Management and Confidential bargaining unit, shall submit the name of one Employee to represent Employees in the Management and Confidential bargaining unit. The Committee will approve one member from each bargaining unit. Names of approved Employees will be submitted to the Board Of Directors for appointment.
- C. Any member of the Committee may resign by delivering the member's written resignation to the Board Of Directors and the Committee. Vacancies on the Committee shall be filled by the Board Of Directors.
- D. The Board Of Directors shall notify the Trustee of the names of the members of the Committee.
- E. A majority of the Committee shall constitute a quorum for the transaction of business, and a majority of those present at any duly called and noticed meeting may act for the Committee.

- F. The ministerial administration of the Plan shall be by the Plan Administrator. The duties of the Plan Administrator shall include, but are not limited to:
1. To act as Secretary to the Committee;
 2. To act as advisor to the Committee in all matters related to the administration of the Plan;
 3. To supervise the clerical and technical employees of the District in all activities which are related to the administration of the Plan; and
 4. To perform all administrative functions of the Plan which are requested by the Committee that are consistent with the terms and provisions of the Plan.

10.03. Powers Of The Committee.

Subject to the limitations of the terms of the Plan, the Committee may from time to time establish rules for the performance of its functions and the administration of the Plan. The Committee shall have all powers necessary to supervise the administration of the Plan and control its operations in accordance with its terms, including, but not by way of limitation, the following powers:

- A. To construe and interpret the terms and provisions of the Plan, and to resolve any questions arising under the Plan or in connection with the administration or operation thereof;
- B. To determine whether any Employee is, or is eligible to become, a Participant in the Plan;
- C. To determine the Credited Service, the Period Of Service, the Years Of Service, and the Years Of Credited Service of any Participant, and to compute the amount of any Retirement Benefit or other sum payable to any person under the Plan;
- D. To authorize and direct all disbursements of Retirement Benefits and other sums under the Plan;
- E. To make, at reasonable intervals, an analysis of the funding requirements of the Plan for the payment of Retirement Benefits and expenses, based on reasonable actuarial assumptions and methods which take into account the experience of the Plan and

reasonable expectations, and on the basis of this analysis, to establish a funding policy for the Plan;

- F. To adopt, from time to time, with the advice of the Actuary, such mortality and other tables as it may deem necessary or appropriate in connection with the operation and administration of the Plan;
- G. To determine, with the advice of the Actuary, the liabilities of the Plan;
- H. To ensure that the Plan complies with any reporting and disclosure requirements imposed under federal law or by any State or local government;
- I. To establish appropriate procedures to prevent the Plan from engaging in any "prohibited transaction" described in Code section 503(b) or 4975, or similar prohibited transactions as set forth under State or local law;
- J. To ensure that any bonding requirements imposed under federal law, or by any State or local government, are satisfied;
- K. To employ such counsel and agents, and to obtain such clerical, medical, legal and actuarial services, as it may deem necessary or appropriate in carrying out the provisions of the Plan;
- L. To act on behalf of the Board Of Directors with respect to the investment of the assets of the Plan including, but not limited to, (i) establishing the funding policy for the Plan, (ii) reviewing the investments and allocations made by the Plan's investment advisor to ensure they adhere to the "Investment Policy Guidelines," (iii) selecting, appointing, monitoring and replacing the Trustee, subject to approval of the agreement with the Trustee by the Board of Directors, (iv) selecting, appointing, monitoring and replacing the investment advisor, subject to approval of the agreement with the investment advisor by the Board of Directors, (v) selecting, appointing, monitoring and replacing investment managers to invest the assets of the Plan to the extent not performed by the investment advisor, and (vi) allocating the assets of the Plan among the investment managers selected to the extent not performed by the investment advisor; and
- M. To designate any person as its agent for any purpose pursuant to which the designated representative of the Committee shall be

responsible only for those specific powers, duties, responsibilities and obligations specifically given to it by the Committee.

The Committee shall have full discretion in making its decisions and determinations, and they shall be conclusive and binding on all interested parties, except as otherwise provided by law.

10.04. Procedure For Review And Denial Of Benefits.

Any person whose claim for benefits under the Plan is denied, in whole or in part, shall receive a written notice from the Committee or its designee setting forth the specific reasons for such denial, specific references to the Plan provisions on which the denial was based, and an explanation of the procedures for review of the denial. Such person, or such person's duly authorized representative, may appeal to the Committee or its designee for a review of the denial by sending to the Committee or its designee a written request for review within 60 days after receiving notice of the denial. The Committee or its designee shall give the claimant the opportunity to review pertinent Plan documents in preparing a request for review. A request for review shall set forth all grounds on which it is based, together with any supporting facts and evidence which the claimant deems pertinent. The Committee or its designee may require the claimant to submit such additional facts, documents, or other material as it deems necessary or advisable in making its review of the initial denial of the claim. Within 60 days after its receipt of a request for review, the Committee or its designee shall communicate its decision to the claimant in writing, and if the Committee or its designee confirms the denial, in whole or in part, such communication shall set forth the reasons for the decision and specific references to the Plan provisions on which the decision was based.

10.05. Facility Of Payment.

If any person to whom any payment is due under the Plan shall be a minor, or shall be or become, in the judgment of the Committee or its designee, physically or mentally incompetent, the Committee or its designee shall have the right to determine to whom such payment shall be made for the benefit of such person. Written acknowledgement of receipt by the person to whom any such payment is made shall be a complete discharge of the obligation of the Plan for any sum so paid.

10.06. Information To Be Given To Participants.

- A. Each Participant shall be advised of the general provisions of the Plan, and upon written request addressed to the Committee or its

designee, shall be furnished with full information, within the purview of the Participant's question, regarding the Participant's status, rights and privileges under the Plan. The Committee or its designee shall also make a copy of this Plan available for examination by Participants at the principal office of the District.

- B. If a Participant ceases to be an Employee, or has a Break-In-Service, the Committee or its designee shall furnish such Participant with a statement of the amount of the Participant's accrued Retirement Benefit, the percentage of such Benefit that is payable to the Participant, and the date on which Retirement Benefit payments will (or may) commence. On an annual basis, the Committee or its designee will furnish each Participant who so requests a statement containing the same information as that given to Participants who cease to be Employees.

10.07. Compensation And Expenses Of The Committee.

The members of the Committee shall serve without compensation for service as such, but all reasonable expenses of the Committee, including the compensation of accountants, advisers, actuaries and attorneys, and other costs of administering the Plan, shall be paid by the Trust.

10.08. Recovery Of Overpayment Of Benefits.

By accepting payment of benefits under this Plan, the Participant or Beneficiary receiving the payment agrees that, in the event of overpayment, the Participant or Beneficiary will promptly repay the amount of overpayment without interest upon notice by the Committee or its designee; provided that, if the Participant or Beneficiary has not repaid the overpayment within thirty (30) days after notice:

- A. The Participant or Beneficiary will also pay an amount equal to simple interest at the rate of ten percent (10%) per annum (or the highest rate allowable, if less) on the unpaid amount from the date of overpayment to the date of repayment, and in addition will pay all legal fees, court costs and the reasonable time value of the District, the Committee or its designee, the Plan Administrator, or the Trustee, or any of their employees or agents, related to the collection of such overpayment; and
- B. The Committee or its designee shall arrange to recover the amount of such overpayment from any amount then payable, or that may become payable, to the Participant or Beneficiary under the Plan.

10.09. Employee Plans Compliance Resolution System.

In accordance with the requirements of the Employee Plans Compliance Resolution System (EPCRS) as described in Rev. Proc. 2021-30 and any subsequent guidance, the Plan Administrator has the authority to correct any Plan document, operational, demographic and Employer eligibility failures through self-correction (if applicable) or voluntary correction with Internal Revenue Service approval.

ARTICLE 11. RETIREMENT BENEFITS AND RIGHTS INALIENABLE

11.01. Prohibition Against Assignment Or Other Alienation.

Except in accordance with a Qualified Domestic Relations Order:

- A. The benefits provided by this Plan shall not be assigned, transferred, mortgaged, pledged, hypothecated or otherwise alienated by any Participant or Beneficiary, and neither the District nor the Trustee shall recognize any attempted assignment, transfer, mortgage, pledge, hypothecation or other alienation by any Participant or Beneficiary of all or any part of the Participant's or Beneficiary's interest hereunder; and
- B. The interest of any Participant or Beneficiary in any benefits provided hereunder shall not be subject in any manner to transfer by operation of law, and shall be exempt from the claims of creditors or other claimants under any order, decree, levy, garnishment, execution or other legal or equitable process or proceeding, to the fullest extent permitted by law.

11.02. Payments Under A Qualified Domestic Relations Order.

Notwithstanding the preceding section, the Committee or its designee shall direct the Trustee to distribute specified amounts to an alternate payee in the form and at the times specified by a Qualified Domestic Relations Order. Payments may commence at the earliest of:

- A. The date on which the Participant is entitled to receive a distribution under the Plan;
- B. The date the Participant attains age 50, if so ordered by a Qualified Domestic Relations Order filed on or before December 31, 1999; or

- C. The date the Participant meets the age and service requirements for an Early Retirement Benefit under the Early Retirement section, if so ordered by a Qualified Domestic Relations Order filed on or after January 1, 2000.

11.03. Felony Convictions And Forfeitures.

In accordance with, but only to the extent required by, California Government Code sections 7522.70, 7522.72 and 7522.74 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder:

- A. A "Felony Conviction" shall have occurred if (i) a Participant is convicted by a State or federal trial court of any felony under State or federal law for conduct arising out of or in the performance of the Participant's official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, or (ii) a Participant who has contact with children as part of the Participant's official duties is convicted of a felony that was committed within the scope of the Participant's official duties against or involving a child with whom the Participant has contact as part of the Participant's official duties.
- B. From and after the date of the Felony Conviction, the Participant shall not accrue further benefits under the Plan. Further, the Participant shall forfeit all accrued rights and benefits earned or accrued under the Plan from the earliest date of the commission of any felony for which the Participant receives a Felony Conviction to the date of such conviction, inclusive. The Participant's rights and benefits under the Plan shall remain forfeited notwithstanding any reduction in sentence or expungement of the Felony Conviction following the date of the Participant's Felony Conviction. Unless otherwise ordered by a court or determined by the Plan Administrator, the Participant's contributions to the Plan made on or after the earliest date of the commission of any felony described in this provision shall be returned to the Participant, without interest, by electronic funds transfer to an account of the Participant upon the occurrence of the earlier of the date (i) the Participant ceases to be an employee of the District, (ii) the Participant dies, or (iii) the Participant retires.
- C. If the Participant's Felony Conviction is reversed and that decision is final, the Participant shall be entitled to either (i) recover the forfeited rights and benefits as adjusted for the Participant's contributions returned to the Participant or (ii) redeposit those

contributions and interest that would have accrued during the forfeiture period, as determined by the Plan actuary, and then recover the full amount of the forfeited rights and benefits.

ARTICLE 12. AMENDMENT AND TERMINATION

12.01. Amendment.

- A. The Board Of Directors reserves the right to amend the Plan at any time and for any reason, in whole or in part, including (without limitation) retroactive amendments necessary or advisable to maintain the qualification of the Plan under the provisions of Code section 401(a). However, no such amendment shall:
 - 1. Cause any part of the assets of the Plan to revert to, or be recoverable by, the District, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants, former Participants and their Beneficiaries and paying the reasonable expenses of administering the Plan, other than as provided for in the Funds Not Recoverable By The District – Exceptions section;
 - 2. Deprive any Participant, former Participant or Beneficiary of any benefit already vested, or decrease any Participant's accrued Retirement Benefit, except to the extent that such amendment may be necessary to permit the Plan to qualify under Code section 401(a) or to satisfy applicable California law; or
 - 3. Alter, change or modify the duties, power or liabilities of the Trustee without the Trustee's written consent.
- B. Notwithstanding any other provision of the Plan to the contrary, if there is a scrivener's error in properly transcribing the provisions of this Plan, it shall not be a violation of the Plan terms to operate the Plan in accordance with its proper provisions, rather than in accordance with the term of the Plan, pending correction of the Plan through amendment. In addition, any provisions of the Plan improperly added as a result of scrivener's error shall be considered null and void as of the date such error occurred.

12.02. Enhancements Applicable Only To Future Service.

In accordance with, but only to the extent required by, California Government Code section 7522.44 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, any enhancement to a Participant's retirement formula or retirement benefit adopted on or after January 1, 2013 shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement. Similarly, if a change to a Participant's retirement membership classification or a change in employment results in an enhancement in the retirement formula or retirement benefit applicable to that Participant, that enhancement shall apply only to service performed on or after the operative date of the change and shall not be applied to any service performed prior to the operative date of the change. An increase to a retiree's annual cost-of-living adjustment within existing statutory limits shall not be considered to be an enhancement to a retirement benefit under this provision.

12.03. Termination Or Partial Termination.

- A. The District has established the Plan with the bona fide intention and expectation that it will be continued indefinitely. However, the District shall not be under any obligation or liability to continue its contributions to the Plan, or to otherwise maintain the Plan, for any given length of time. The Board Of Directors, in its sole and absolute discretion, may discontinue the District's contributions to the Plan, or terminate or partially terminate the Plan, at any time and for any reason, without any liability for such discontinuance or termination.
- B. If the Plan is terminated or partially terminated, the rights of all affected Participants in their benefits accrued to the date of such termination or partial termination shall thereupon become 100% vested and nonforfeitable, notwithstanding any other provision of the Plan to the contrary.
- C. In the event of the termination or partial termination of the Plan, the Trust shall be continued until all accrued Retirement Benefits (to the extent funded) have been paid in accordance with the provisions of the Plan. After all liabilities of the Plan to Participants, former Participants and their Beneficiaries have been satisfied, any residual assets remaining in the Trust shall be returned to the District.

ARTICLE 13. MISCELLANEOUS

13.01. Rights And Remedies Limited.

No person shall have any legal or equitable right or claim against the District, the Committee or its designee, the Plan Administrator, or the Trustee, unless such right or claim is specifically provided in (or by) the Plan. No interested party may bring any action in any court on any matter arising out of this Plan, until the claims and review procedure provided herein has been exhausted.

13.02. No Employment Rights Created.

Neither the establishment of the Plan, the granting of a Retirement Benefit, nor any action of the District or the Committee or its designee shall be held or construed to confer upon any person any right to be continued as an Employee, nor, upon dismissal, to any right or interest in the funds held by the Trustee other than as provided herein. The District expressly reserves the right to discharge any Employee at any time.

13.03. Merger; Transfer Of Assets.

- A. If the District merges or consolidates with or into another organization or if substantially all of the assets of the District shall be transferred to another organization, this Plan shall terminate on the effective date of such merger, consolidation or transfer. However, if the surviving organization resulting from such merger or consolidation, or the organization to which such assets have been transferred, adopts this Plan, the Plan shall continue and said organization shall succeed to all rights, powers and duties of the District hereunder. The employment of any Employee who is continued in the employ of such successor organization shall not be deemed to have terminated for any purpose hereunder.
- B. In no event shall this Plan be merged or consolidated with any other plan qualified under Code section 401(a), nor shall there be any transfer of assets or liabilities from this Plan to any other such plan, unless immediately after such merger, consolidation or transfer, each Participant's benefits, if such other plan were then to terminate, are at least equal to the benefits to which the Participant would have been entitled had this Plan been terminated immediately before such merger, consolidation, or transfer.

13.04. Unenforceable Provisions.

If any provision of this Plan shall, for any reason, be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall nevertheless continue to be fully effective and carried into effect, unless the effect of so doing would be to alter materially or defeat the purposes thereof.

13.05. Applicable Law And Construction.

The Plan shall be construed, administered and governed in all respects in accordance with the laws of the State of California; provided, however, that if any provision of the Plan is susceptible of more than one interpretation, the interpretation given thereto shall be consistent with the Plan being a "qualified" pension plan within the meaning of Code section 401(a).

13.06. Headings.

The headings of the provisions of this Plan are inserted for convenience or reference only, and are not to be considered in the construction of the provisions hereof.

13.07. Gender And Number.

Whenever a personal pronoun is used in the masculine gender, it shall be deemed to include the feminine also, and the singular shall include the plural, unless the context indicates the contrary.

13.08. Amendment Of Laws.

All references to sections of the Code or any regulations or rulings thereunder shall be deemed to refer to such sections as they may subsequently be modified, amended, replaced or amplified by any federal statutes, regulations or rulings of similar application and importance.

13.09. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

13.10. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

13.11. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this _____ day of _____, 2022.

Modesto Irrigation District

By: _____

Title: _____

**MODESTO IRRIGATION DISTRICT
RETIREMENT SYSTEM
SUPPLEMENTAL RETIREMENT PLAN**

Amended And Restated Effective As Of January 1, 2022

MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM SUPPLEMENTAL RETIREMENT PLAN

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MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM SUPPLEMENTAL RETIREMENT PLAN

INTRODUCTION

1. The Supplemental Retirement Plan for Employees of Modesto Irrigation District (Plan) was established effective as of January 1, 1983, to provide the employees of Modesto Irrigation District (Employer) with a replacement for federal Social Security retirement, death and disability benefits. The Plan and the trust established under the Plan are intended to qualify as a money purchase pension plan under section 401(a) and related provisions of the Internal Revenue Code (Code). The Plan is a "governmental plan" as defined in Code section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974 (ERISA).
2. Effective January 1, 2004, the name of the Plan was changed to "Modesto Irrigation District Retirement System Supplemental Retirement Plan," and the Plan was made a part of the Modesto Irrigation District Retirement System. The Retirement System is intended to be a retirement system within the meaning of Article 16, Section 17 of the California Constitution. For purposes of the Internal Revenue Code and the California Revenue and Taxation Code, the Plan shall continue to constitute a separate plan, and none of the assets of any plan which is a part of the Retirement System shall be used for the benefit of any other plan, and none of the liabilities of any such plan shall be considered a liability of any other such plan.
3. The Plan was amended and restated effective as of January 1, 2013, in order to conform the Plan to the requirements of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the California Public Employees' Pension Reform Act of 2013.
4. The Plan was subsequently amended, effective as of January 1, 2013, to adopt certain additional technical changes to the Plan, as requested by the IRS in connection with the request to issue a favorable determination letter on the Plan's qualification.
5. The Employer now wishes to amend and restate the Plan, effective as of January 1, 2022 (except as otherwise set forth below), in order to incorporate the amendments subsequent to the 2013 restatement of the Plan and to reflect subsequent legislative changes that affect the Plan.

ARTICLE 1. DEFINITIONS

1.01. Account.

The account maintained for each Participant or Beneficiary.

1.02. Additional Contributions.

Certain Employer contributions that were provided for under previous versions of the Plan.

1.03. Beneficiary.

The person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant in accordance with the Distribution Of Death Benefits section, to receive the benefits specified herein in the event of the Participant's death.

1.04. Board Of Directors.

The Board of Directors of the Employer.

1.05. Code.

The Internal Revenue Code of 1986, as amended.

1.06. Committee.

The Retirement Committee established and acting under the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.07. Compensation.

- A. The total compensation paid in cash by the Employer to an Employee during the Plan Year as wages, salaries, fees for professional services and other amounts received for services rendered in the course of an Employee's employment with the Employer including the total amount of any deferred compensation contributed on behalf of an Employee to a plan established under Code section 401(a) as a mandatory Employee contribution or Code section 457(b) as an elective Employee deferral, but excluding contributions by the Employer for group insurance, retainer fee under contract, or for workers' compensation, termination payoffs for accrued vacation or sick leave benefits

upon retirement, retirement or deferred compensation benefits, death benefits, or the like.

- B. In no event shall the amount of any Employee's Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year).
- C. For purposes of the limitation set forth in the preceding sentence, for Plan Years beginning before 1997, the family attribution rules of section 414(q)(6) of the Code shall apply, except that, in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the relevant Plan Year.

1.08. Effective Date.

The effective date of this amended and restated Plan is January 1, 2022, unless another date is specifically provided or unless an earlier effective date is required pursuant to statute or regulation.

1.09. Eligible Employee.

- A. Any Employee who is a Director of the Employer, or whose customary employment by the Employer is for at least 20 hours per week and at least 5 months per year, excluding (i) individuals who are employed in a work-experience or student intern classification under the personnel policies of the Employer, (ii) Employees whose collective bargaining agreement does not provide for coverage under the Plan, (iii) Leased Employees, and (iv) any other individual who is not classified by the Employer, in its discretion, as an employee under Code section 3121(d).

- B. Excluded individuals also include individuals classified by the Employer, in its discretion, as independent contractors, non-employee consultants, employees of a person or an entity other than the Employer and individuals whose basic compensation for services for the Employer is not paid directly by the Employer. Such individuals shall not be Eligible Employees even if the classification by the Employer is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Eligible Employee under this subsection is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Eligible Employee and shall be ineligible for benefits for all periods prior to the date the Employer determines its classification of the individual is erroneous or should be revised.
- C. "Eligible Employee" shall not include a Director if the Director is excluded from participation in the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.10. Employee.

Any individual who renders services to the Employer as a Director, or in the status of an "employee" as that term is defined in Code section 3121(d). The term "Employee" shall also include individuals who are "leased employees" under Code section 414(n) and who are providing services to the Employer, other than any such individual who is described in Code section 414(n)(5), but solely for purposes of determining whether such individual's Account, if any, has vested under section 5.06, "Vesting."

1.11. Employer.

Modesto Irrigation District, and any successor thereto.

1.12. Leased Employee.

- A. "Leased Employee" means any person who is not an employee of the Employer as defined in Code section 3121(d) and who provides services to the Employer if:
 - 1. Such services are provided pursuant to an agreement between the Employer and the leasing organization;

2. The person has performed the services for the Employer or related persons on a substantially full-time basis for a period of at least 1 year; and
 3. The services are performed under primary direction or control by the Employer.
- B. A "Leased Employee" shall not include a person who is covered under a money purchase pension plan maintained by the leasing organization that provides for:
1. A nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code section 415(c)(3);
 2. Immediate participation (except for employees who perform substantially all of their services for the leasing organization and except for an individual whose compensation from the leasing organization in each Plan Year during the 4 year period ending with the Plan Year is less than \$1,000); and
 3. Full and immediate vesting;

but only if Leased Employees, determined without regard to this subsection B, do not constitute more than 20% of the Employer's "nonhighly compensated workforce" as defined in Code section 414(n)(5)(C)(ii).

1.13. Limitation Year.

The Plan Year.

1.14. Normal Retirement Age.

- A. The later of age 60 or the completion of 6 months of Service with respect to Participants who are not "Tier III Eligible Employees" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan; or
- B. The completion of at least 5 "Years Of Credited Service" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan, with respect to "Tier III Eligible Employees" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.15. Participant.

An Eligible Employee who has commenced participating in the Plan in accordance with the Participation article and whose participation in the Plan has not ceased in accordance with the Participation article.

1.16. PEPRA.

The California Public Employees' Pension Reform Act of 2013. The provisions of this Plan that are intended to satisfy PEPRA's requirements shall be construed in accordance with the requirements of PEPRA and the guidance thereunder.

1.17. Plan.

The Modesto Irrigation District Retirement System Supplemental Retirement Plan as herein set forth or as amended from time to time.

1.18. Plan Year.

The 12-month period ending on the December 31 of each year.

1.19. Regular Contributions.

Either of the following contributions to the Plan:

A. Participant's Regular Contributions.

Contributions made to the Plan pursuant to section 3.01, "Participants' Regular Contributions."

B. Employer Regular Contributions.

Contributions made to the Plan pursuant to section 4.01, "Employer Regular Contributions."

1.20. Service.

Employment of an Employee with the Employer.

1.21. Total Disability.

The total and permanent incapacity of a Participant to perform the usual duties of the Participant's employment with the Employer. Such incapacity shall be deemed to exist when:

- A. Certified by a physician mutually acceptable to the Committee and the Participant; or
- B. Supported by the written opinion of at least two disinterested physicians after the expiration of at least 120 days from the date of the inception of the incapacity.

1.22. Trust.

The Trust established, maintained and administered pursuant to sections 53215 et seq. of the California Government Code and Code section 501(a), under which the Employer holds the assets of the Plan.

1.23. Trustee.

The trustee(s) signing the Trust and any successor trustee(s).

1.24. Voluntary Contributions.

Certain Employee contributions that were provided for under previous versions of the Plan.

1.25. 415 Compensation.

- A. An Employee's earned income, wages, salaries, and fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the Employer (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses, and (for Plan Years beginning after December 31, 1997) deferrals described in Code section 415(c)(3)(D), and excluding the following:
 - 1. Employer contributions to a plan of deferred compensation (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(1) or 457(b), including a simplified employee pension plan described in Code section 408(k) or a simple retirement account

described in Code section 408(p), that are not included in the Employee's gross income for the taxable year in which contributed, or any distributions from such a plan of deferred compensation;

2. Amounts realized from the exercise of a non-statutory stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
 3. Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
 4. Other amounts that received special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts as described in Code section 125);
 5. Any other items of remuneration that are similar to any of the items listed in paragraphs 1 through 4, above; and
 6. Compensation for any Plan Year is the compensation actually paid or includible in gross income during such year, but excluding compensation paid or includible in gross income following a termination of employment with the Employer except as provided in applicable regulations.
- B. Effective as of January 1, 2009, "415 Compensation" shall include differential wage payments to Participants on active duty to the extent required by the provisions of Code section 414(u)(12)(A)(ii), the regulations thereunder and any subsequent guidance issued under Code section 414(u)(12)(A)(ii).
- C. In no event shall the amount of any Employee's 415 Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000)

as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year).

- D. "415 Compensation" includes amounts paid after the Employee's severance from employment if paid by the later of (i) 2-1/2 months after the Employee's severance from employment, or (ii) the end of the Limitation Year that includes the date of the Employee's severance from employment subject to the following requirements:
1. The payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been made to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer.
 2. Amounts paid for unused accrued bona fide sick, vacation, or other leave and amounts received by the Employee pursuant to a nonqualified unfunded deferred compensation plan shall be excluded.
 3. Notwithstanding the provisions of this subsection, 415 Compensation shall include all payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent these 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.
- E. To the extent required by, and in accordance with, section 116 of the Setting Every Community Up for Retirement Enhancement (SECURE) Act and Code section 415(c)(8), "415 Compensation" shall be increased by any difficulty of care payments excluded from gross income under Code section 131, effective for Plan Years beginning after December 31, 2015. Any contribution by a Participant that is allowable due to such an increase shall be treated as an after-tax Employee contribution.

ARTICLE 2. PARTICIPATION

2.01. Participation Date.

Any Participant who was a Participant on December 31, 2021 shall continue as a Participant. Any other Eligible Employee shall become a Participant on the later of (i) the date on which the Employee commences Service with the Employer or (ii) the date on which the Employee becomes an Eligible Employee.

2.02. Cessation Of Participation.

Participation in the Plan continues until the Participant's retirement, death, Total Disability, or termination of employment with the Employer.

ARTICLE 3. EMPLOYEE CONTRIBUTIONS

3.01. Participants' Regular Contributions.

Each Participant shall contribute to the Trust 5% of Compensation. The Employer shall pick up the Participant's Regular Contributions required by this section and the contributions so picked up shall be treated as Employer contributions in determining tax treatment in accordance with Code section 414(h)(2).

3.02. Time For Making Contribution.

Each Participant's Regular Contributions shall be remitted to the Trustee within 15 days following the date as of which such contributions were deducted from the Participant's paycheck.

ARTICLE 4. EMPLOYER CONTRIBUTIONS

4.01. Employer Regular Contributions.

For each Plan Year, the Employer shall contribute to the Trust an amount equal to 5% of the total Compensation paid to all Participants in such Plan Year.

4.02. Maximum Contribution.

No contributions shall be made under this article in excess of the annual addition limitations for the Plan Year as provided in the Allocation Limitations section.

4.03. Timing Of Contributions.

The total Employer Regular Contributions with respect to any pay period shall be made to the Trust within 15 days following each pay day. The Trustee shall not be under any duty to inquire as to the correctness of the contribution and the determination of the amount of each contribution shall be final and binding upon all persons.

4.04. No Reversion To Employer.

In no event shall any contribution by the Employer to the Trust or income therefrom revert to the Employer except as provided in the Return Of Contributions: Mistake Of Fact section. All amounts paid by the Employer to the Trust shall be used and applied for the exclusive benefit of the Participants or their Beneficiaries or estates.

4.05. Return Of Contributions: Mistake Of Fact.

If the Employer shall make a contribution to this Plan on the basis of a fact, or facts, which prove(s) to be erroneous, any amount which would not have been contributed based on the correct facts may be returned to the Employer at the Employer's request within 1 year following the date of the contribution. Any amount not returned to the Employer within such 1-year period shall not be returned to the Employer under any circumstances. Any losses on such refundable amount shall reduce the amount of refund, but gains thereon shall not increase the amount of refund.

4.06. Nondiscrimination Limits On Employer Contributions.

- A. In accordance with, but only to the extent required by, California Government Code section 7522.10(g) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, any Employer contributions to any defined contribution plan, including this Plan, based on pensionable compensation above the "applicable percentage of the contribution and benefit base" (set forth below) specified in section 430(b) of title 42 of the United States Code on January 1, 2013 (as such

contribution and benefit base shall be adjusted in accordance with subsection B, below) shall not exceed the Employer's contribution rate, as a percentage of pay, required to fund the Employer's defined benefit plan for income not in excess of the amount specified in Code section 401(a)(17) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17)(B). The "applicable percentage of the contribution and benefit base" shall be:

1. 100% for an Employee whose service is included in the Social Security system; or
 2. 120% for an Employee whose service is not included in the Social Security system.
- B. For purposes of this section, the contribution and benefit base specified in section 430(b) of title 42 of the United States Code on January 1, 2013 shall be adjusted based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.
- C. This provision shall apply only to Employer contributions for a "new member," as that term is defined in California Government Code section 7522.04(f), who is a member of both this Plan and a defined benefit pension plan sponsored by the Employer.

ARTICLE 5. ACCOUNTS AND VESTING

5.01. Account Of Participants.

The Committee shall establish and maintain a separate Account for each Participant which shall be credited with the Participant's Regular Contributions and Voluntary Contributions, the Participant's share of the Employer Regular Contributions and Additional Contributions, income or loss of the Trust, withdrawals, and all other information affecting the value of such Account.

5.02. Investment Of Accounts.

- A. At the direction of the Committee, the Trustee shall establish investment funds for the purpose of investing the Accounts of Participants. The Committee shall establish an investment policy for each investment fund. The investment policy shall set forth each fund's objectives, appropriate asset classes, allowable ranges of holdings by asset class, individual investment managers, as well as the definition of acceptable securities, investment performance expectations, and regulatory compliance standards.
- B. The Committee may, from time to time, revise the investment alternatives. The Participant may, by written notice to the Committee, establish the percentage of each contribution that shall be allocated to each investment fund. The Participant shall have the right, on such dates as may be permitted from time to time by the Committee, to change the percentages elected, or to direct a transfer of funds from one investment fund to another. Such election shall be in writing and be delivered to the Committee within the time prescribed for making such an election. The Committee shall further designate one of the investment funds as the default fund in the event that an Account is established for a Participant who fails to make an election.
- C. The Employer, the Committee, the Administrator, the Trustee, and any other Plan fiduciary are relieved of liability for any losses which are the direct and necessary result of the investment instructions given by a Participant in accordance with California Government Code section 53213.5(b). Neither the Employer, the Committee, the Administrator, the Trustee, or any other person shall be under any duty to question any direction from any Participant or to review any investment or to make any investment suggestion to any Participant, except as otherwise required by applicable State law.

5.03. Allocation Of Contributions And Forfeitures.

The Employer and Employee contributions shall be allocated to each Participant's Account in the same manner as the amount of the contribution was determined in accordance with the Employee Contributions article and the Employer Contributions article.

5.04. Allocation Limitations.

- A. Notwithstanding anything to the contrary contained in this Plan, the total annual additions to a Participant's Account for any Limitation Year shall not exceed the lesser of (i) 100% of the Participant's total 415 Compensation for the Limitation Year or (ii) \$40,000 or such greater amount in effect under Code section 415(c)(1)(A), as adjusted under Code section 415(d), for the Limitation Year (e.g., \$61,000 for the 2022 Limitation Year). The compensation limit referred to in clause (i) of the preceding sentence shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code section 401(h) or Code section 419A(f)(2)) which is otherwise treated as an annual addition.
- B. For purposes of this section, the term "annual addition" shall have the meaning set forth in Code section 415.
- C. If the Employer has contributed to another defined contribution plan or plans, as defined in Code section 414(l), for Employees of the Employer, some or all of whom may be Participants in the Plan, then any such Participant's annual additions in such other plan or plans shall be aggregated with the Participant's annual additions derived from this Plan for purposes of the limitation in subsection A, above. If, as a result of such aggregation, a Participant's annual additions would exceed that limitation, the excess amount shall first be reduced according to the provisions of this Plan.
- D. For Plan Years prior to 2000, if a Participant in this Plan is also a participant in a defined benefit plan, as defined in Code section 414(j), to which contributions have been made by the Employer, then in addition to the limitation contained in subsection A, above, such Participant shall also be subject to the limitation set forth in Code section 415(e), whereby the sum of the "defined benefit plan fraction" and the "defined contribution plan fraction" (as those terms are defined in Code section 415) for any Limitation Year may not exceed 1. If a restriction on benefits for any Participant is required, such restriction shall be applied to limit the Participant's benefits under this Plan.
- E. If there are any excess annual additions under this Plan, the Employer and the Committee shall correct the excess annual additions in accordance with the requirements of the Employee

Plans Compliance Resolution System as described in Rev. Proc. 2021-30 and any subsequent guidance.

- F. Neither the Employer nor any Participant shall contribute an amount which would result in an excess annual addition to the Account of any Participant.
- G. Solely for the purposes of this section, the term "Employer" shall include all the Employees and each employer treated as a single employer with the Employer, pursuant to Code section 414(b), 414(c), 414(m), 414(o) or 415(h).

5.05. Allocation Of Changes In The Value Of The Trust.

The Trustee shall value the Trust (or cause its designee to value the Trust) on every day that the Trustee, its designee, any transfer agent appointed by the Trustee or the Employer, and any stock exchange used by such agent are open for business (daily valuation). Such valuation shall be made at the fair market value of the Trust assets. The Committee shall allocate to each Participant's Account the excess or deficiency resulting from such valuation of the Trust over the value of the Trust at the beginning of the period, after adjustment for contributions, withdrawals, and inactive Account balances reinstated during said period, in the ratio that the average daily balance in each Account bears to the total amount of all such balances throughout such period. If the Trust Fund is divided among investment funds, each such Fund shall be valued separately and allocated separately.

5.06. Vesting.

- A. The portion of each Participant's Account attributable to the Participant's Regular Contributions and Voluntary Contributions shall be fully vested and nonforfeitable at all times.
- B. The portion of each Participant's Account attributable to Employer Regular Contributions and Additional Contributions shall be fully vested and nonforfeitable upon the earliest of the following:
 - 1. The Participant's completion of 6 months of Service;
 - 2. The Participant's attainment of Normal Retirement Age if the Participant is still an Employee at such time;

3. The Participant's Total Disability if the Participant is still an Employee at such time; or
4. The Participant's death if the Participant is still an Employee at such time.

5.07. Forfeitures.

- A. If a Participant terminates the Participant's Service with the Employer prior to the Participant's Account attributable to Employer Regular Contributions and Additional Contributions becoming fully vested and nonforfeitable pursuant to the Vesting section, such portion of the Participant's Account shall be forfeited and shall be allocated as provided below.
- B. If at any time, a Participant withdraws the amount in the Participant's Voluntary Contributions sub-account as provided in the In-Service Distributions section, the portion of the Participant's Additional Contributions sub-account that is based on the amount withdrawn shall be forfeited and allocated as provided below.
- C. Any non-vested amounts that remain in a Participant's Account attributable to Employer Regular Contributions or Additional Contributions upon the Participant's termination of employment or withdrawal of Voluntary Contributions shall be forfeited. If the forfeiture is due to termination of employment, the amount of such forfeiture shall revert to the Trust and shall be held in an inactive account of the Trust until the end of the calendar month next following 1 year from the date of termination of employment, provided the Participant is not reemployed in such year. If the forfeiture is due to withdrawal of Voluntary Contributions, the amount of such forfeiture shall revert to the Trust and shall be held in an inactive account of the Trust until the last day of the calendar month in which the withdrawal occurs. Such inactive account shall not share in the allocation of changes in the value of the Trust. At the end of each calendar month, such forfeited amounts eligible under the provisions of this subsection shall be used to reduce Employer Regular Contributions and not to accrue additional benefits for Participants. If a former Participant returns to Service during the 12-month period which follows the Participant's date of termination, the amount forfeited shall be returned to the Account of the Participant as of the date the former Participant returns to Service.

5.08. No Vested Right To Future Employer Contributions.

In accordance with, but only to the extent required by, California Government Code section 7522.10(f)(2) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, an employee who receives an Employer contribution to the Plan shall not have a vested right to continue receiving any Employer contributions in the future.

ARTICLE 6. DISTRIBUTIONS OF BENEFITS

6.01. Termination Of Employment.

When a Participant's Service is terminated for any reason, the Committee shall direct the Trustee to distribute that portion of the Participant's Account that is vested in accordance with Vesting section in the manner and at the time set forth in below. That portion of the Participant's Account that is not vested shall be forfeited as provided in the Forfeitures section.

6.02. Amount Of Distribution.

The amount of benefit distributable shall be based upon the vested amount credited to the Account of such Participant as of the time of distribution.

6.03. Time Of Distribution.

A Participant who desires to commence distributions of the Participant's vested Account from the Plan must so elect in writing and must file the election with the Committee or its designee. Except with respect to distributions governed by the In-Service Distributions section, below, such an election may not be made and a distribution of the Participant's vested Account shall not commence until the Participant has terminated employment with the Employer. Such an election becomes irrevocable on the date on which the Participant's distribution is to commence. A distribution of the Participant's vested Account shall commence as soon as administratively feasible after the Participant's election is filed with the Committee or its designee.

6.04. Method Of Distribution.

Distribution under this Plan and Trust shall be made, subject to the Time Of Distribution section, in accordance with whichever of the following methods or combination thereof the Participant, in the Participant's sole

discretion, shall select, but only if such election is in accordance with Code section 401(a)(9) and regulations promulgated thereunder.

- A. A single sum payment in cash;
- B. Cash payments in approximately equal monthly, quarterly, semiannual, or annual installments; or
- C. One or more cash payments independent of any stream of periodic payments described in paragraph 2, above. Such independent payments shall be limited to 1 payment per calendar quarter.

6.05. Change In Method And Time Of Distribution.

Until such time as a Participant's Account is completely distributed, the Participant or Beneficiary shall have the right (subject to the requirements of this article) at any time, with respect to any balance of the Participant's Account not yet distributed, to change the method and the time of distribution or either of them.

6.06. Direct Rollovers.

Any "eligible distributee" who is entitled to receive an "eligible rollover distribution" after December 31, 1992 shall be permitted to elect to have such distribution made in the form of a direct transfer from the Trustee of this Plan to the trustee or custodian of any other "eligible retirement plan." Any such election shall be made in such form and at such time as the Committee may prescribe in accordance with Code section 401(a)(31) and the regulations promulgated thereunder. Effective as of January 1, 2020, a direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of Code section 401(a)(9)(I). For purposes of this section:

- A. An "eligible distributee" means any Participant (or former Participant) or the Participant's surviving spouse. In addition, a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order shall be an "eligible distributee" with respect to the interest of such spouse or former spouse in the Participant's Account that is granted under such order. Also, effective with respect to distributions made on or after January 1, 2008, a Beneficiary other than a Participant's (or former Participant's) surviving spouse or a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order

is an "eligible distributee" with regard to the interest of the Participant or former Participant, subject to the limitation for such a Beneficiary that an eligible retirement plan is an individual retirement account or individual retirement annuity that will be treated as an inherited individual retirement account or annuity under Code section 402(c)(11).

- B. An "eligible rollover distribution" means any distribution to an eligible distributee of all or any portion of the balance to the credit of the eligible distributee under the Plan, other than:
1. Any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for the life (or life expectancy) of the eligible distributee, for the joint lives (or joint life expectancy) of the eligible distributee and the Participant's beneficiary, or for a specified period of 10 years or more;
 2. Any distribution (or portion of a distribution) that is required to be made under Code section 401(a)(9); or
 3. Any distribution (or portion of a distribution) that would not be includable in the eligible distributee's gross income without regard to the exclusion for unrealized appreciation in employer securities set forth in Code section 402. For purposes of this provision, effective with respect to distributions made on or after January 1, 2002, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only in a direct trustee-to-trustee transfer to (i) an individual retirement account described in Code section 408(a), (ii) a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), (iii) an individual retirement annuity described in Code section 408(b), or (iv) a qualified plan described in Code section 401(a) (whether or not it is a defined contribution plan) or an annuity contract or a custodial account described in Code section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution that is includible in gross income and the portion of such distribution that is not so includible.

- C. 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) (other than an endowment contract), an annuity plan described in Code section 403(a), a qualified trust described in Code section 401(a) that provides for the acceptance of rollover distributions, and (effective with respect to distributions made on or after January 1, 2002), an annuity contract described in Code section 403(b) or an eligible plan under Code section 457(b) which is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State and which agrees to separately account for amounts transferred into such plan from this Plan; provided however, that in the case of an eligible rollover distribution made prior to January 1, 2002 to a Participant's (or former Participant's) surviving spouse or to a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order, an "eligible retirement plan" shall mean only an individual retirement account or an individual retirement annuity (other than an endowment contract). Effective with respect to distributions made on or after January 1, 2008, in the case of an eligible rollover distribution to a Beneficiary other than a Participant's (or former Participant's) surviving spouse or to a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order, an "eligible retirement plan" is an individual retirement account or individual retirement annuity that will be treated as an inherited individual retirement account or annuity under Code section 402(c)(11). Effective with respect to distributions made on or after January 1, 2008, "eligible retirement plan" shall also include a Roth IRA as described in Code section 408A, provided that the Distributee is not restricted from making such a rollover from the Plan to a Roth IRA pursuant to Code section 408A(c).

6.07. Payment Eligible For Rollover.

- A. The Plan Administrator will provide a written explanation of the rollover rules and special tax treatment available to eligible rollover distributions to any Participant (or Participant's Beneficiary) who is to receive a payment for the Plan that is eligible for rollover. This explanation will be provided no earlier than 180 days and no later than 30 days prior to the date of the distribution. However, such distribution may commence less than 30 days after the explanation

is given provided that the explanation states that the Participant has at least 30 days after receiving the explanation to consider whether or not to request a rollover distribution and the Participant, after receiving the explanation, affirmatively elects an immediate distribution.

- B. Of the portion of the payment that the Participant elects to have paid to the Participant, 20% will be withheld as income tax and paid directly to the Internal Revenue Service as a credit against the Participant's income taxes, and the Participant will receive the remaining 80%.
- C. The portion of the payment that the Participant elects to be paid in a direct rollover to an eligible retirement plan elected by the Participant will be paid to such plan provided that such plan accepts direct rollovers.

6.08. In-Service Distributions.

- A. If a Participant has attained age 70-1/2 but has not ceased to be an Employee, the Participant may irrevocably elect to commence distributions as of April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2.
- B. After a Participant has completed 24 months of Service, the Participant may withdraw amounts contributed to the Plan as Voluntary Contributions. Only the actual amounts contributed by the Participant shall be eligible for withdrawal; earnings attributable to such amounts shall not be eligible for withdrawal. In the event that a Participant withdraws a portion of the Participant's Voluntary Contributions, the portion of the Additional Contributions sub-account attributable to the amounts withdrawn shall be forfeited in accordance with the terms of the Forfeitures section.

6.09. Distribution Of Death Benefits.

- A. All death benefits will be paid in accordance with Code section 401(a)(9) and applicable regulations, as reflected in the Required Minimum Distributions section.
- B. Upon forms approved by the Committee, each Eligible Employee who becomes a Participant shall designate in writing the Beneficiary or Beneficiaries whom such Employee desires to

receive any benefits payable under the Plan in the event of such Employee's death. A Participant may from time to time change the Participant's designated Beneficiary or Beneficiaries without the consent of such Beneficiary or Beneficiaries by filing a new designation, on a form approved by the Committee, with the Committee.

- C. If a married Participant wishes to designate a person other than the Participant's spouse as Beneficiary, such designation shall be consented to in writing by the spouse, which consent shall acknowledge the effect of the designation and be witnessed by a Plan representative or a notary public. The Participant may change any election designating a Beneficiary or Beneficiaries without any requirement of further spousal consent if the spouse's consent so provides. Notwithstanding the foregoing, spousal consent shall be unnecessary if it is established (to the satisfaction of a Plan representative) that there is no spouse or that the required consent cannot be obtained because the spouse cannot be located.
- D. The Employer, the Committee and the Trustee may rely upon a Participant's designation of Beneficiary or Beneficiaries last filed in accordance with the terms of the Plan.
- E. Upon the dissolution of marriage of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless (i) after the dissolution of marriage, the Participant executes another Beneficiary designation that complies with this section and that clearly names such former spouse as a Beneficiary, or (ii) a court order presented to the Committee prior to distribution on behalf of the Participant explicitly requires the Participant to continue to maintain the former spouse as the which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.
- E. If, upon the death of a Participant, former Participant, or Beneficiary, there is no valid designation of Beneficiary on file with the Committee, the Committee shall designate as Beneficiary, in order of priority (i) surviving spouse, (ii) surviving issue including adopted ones on a per stirpes basis, (iii) surviving parents, or (iv) the Participant's heirs at law, provided that at all times the

Committee shall have the reserved right to select the Participant's estate or the Participant's heirs at law as the Participant's Beneficiary. The determination of the Committee as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons. Nothing in this section shall prevent a Beneficiary from making a valid disclaimer under Code section 2518.

6.10. Required Minimum Distributions.

A. General Rules.

1. In General.

Notwithstanding any other provision of the Plan to the contrary, all distributions from the Plan shall be made in accordance with Code section 401(a)(9) and the regulations issued thereunder, including the minimum distribution incidental benefit requirements of Code section 401(a)(9)(G) and the regulations issued thereunder.

2. Precedence.

The requirements of this section will take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.

B. Required Minimum Distributions During Participant's Lifetime.

1. Required Beginning Date.

The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

2. Required Minimum Distribution For Each Year.

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

- a. The quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- b. 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 section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

3. Distributions Continue Through Year Of Participant's Death.

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

C. Death Of Participant On Or After Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then 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:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or

- b. The remaining life expectancy of the Participant's surviving spouse, which shall be 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 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then 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:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or
- b. The remaining life expectancy of the Participant's designated Beneficiary, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. 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 1 for each subsequent year.

D. Death Of Participant Before Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the surviving spouse as follows:

- a. Distributions shall begin by no later than December 31 of the later of (i) the calendar year immediately following the calendar year in which the Participant died or (ii) the calendar year in which the Participant would have attained:
 - (1) Age 70-1/2 if the Participant attains age 70-1/2 on or before December 31, 2019; or
 - (2) Age 72 if the Participant attains age 70-1/2 after December 31, 2019.
- b. 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 surviving spouse, which shall be 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 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the designated Beneficiary as follows:

- a. Distributions shall begin by no later than December 31 of the calendar year immediately following the calendar year in which the Participant died.
- b. 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, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. Election To Apply 5-Year Rule.

- a. If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in paragraph 1 or 2, above, but the Participant's entire interest will be distributed to the designated Beneficiary by December 31 of the calendar year containing the 5th anniversary of the Participant's death, if elected under subparagraph b, below. If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to either the Participant or the surviving

spouse begin, this election will apply as if the surviving spouse were the Participant.

- b. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in paragraph 1 or 2, above, applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under paragraph 1 or 2, above, or by September 30 of the calendar year which contains the 5th anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with paragraph 1 or 2, above.

4. No Designated Beneficiary.

If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the 5th anniversary of the Participant's death.

5. Death Of Surviving Spouse.

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 paragraph 1, above, this subsection D will apply as if the surviving spouse were the Participant. In applying this rule, the date of death of the surviving spouse shall be substituted for the date of death of the Participant. However, in such case, the rule in clause (ii) of paragraph 1a shall not be available to the surviving spouse of the deceased Participant's surviving spouse.

E. Definitions.

1. Designated Beneficiary.

The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-4.

2. Distribution Calendar Year.

A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection B, above. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

3. Life Expectancy.

Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the regulations.

4. Participant's Account Balance.

The Account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the valuation calendar year includes any 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.

5. Required Beginning Date.

April 1 of the calendar year following the calendar in which occurs the later of (i) the Participant's retirement or (ii) the Participant's attainment of whichever of the following is applicable:

- a. If the Participant attains age 70-1/2 on or before December 31, 2019, the calendar year in which the Participant attains age 70-1/2; or
- b. If the Participant attains age 70-1/2 after December 31, 2019, the calendar year in which the Participant attains age 72.

F. Deaths After December 31, 2021.

In the event of the Participant's death after December 31, 2021, all distributions from the Plan shall be made in accordance with Code section 401(a)(9)(H), as amended by the Further Consolidated Appropriations Act, 2020, that includes the Setting Every Community Up for Retirement Enhancement (SECURE) Act, and the regulations and other lawful guidance issued thereunder.

1. 10 Years After Death Rule.

If a Participant's Beneficiary is a designated Beneficiary, but is not an eligible designated Beneficiary, and the Participant dies before the distribution of the Participant's entire vested Account balance, regardless of whether the Participant dies before, on, or after beginning required minimum distributions, the Participant's entire interest will be distributed by December 31 of the calendar year containing the 10th anniversary of the Participant's death.

2. Exception For Eligible Designated Beneficiaries.

The rule set forth in paragraph 1, above, shall not apply if (i) the Participant's Beneficiary is an eligible designated Beneficiary, (ii) the entire interest will be distributed in

accordance with the Treasury regulations over the life of the designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and (iii) such distributions begin not later than December 31 of the calendar year immediately following the calendar year in which the Participant died; provided, however, that, if the Participant's surviving spouse is the sole designated Beneficiary such distributions need not commence until the time set forth in subparagraph D.1.a, above.

3. Special Rule For Certain Trusts.

In the case of an applicable multi-beneficiary trust, if under the terms of the trust:

- a. It is to be divided immediately upon the death of the employee into separate trusts for each beneficiary, then paragraph 2, above, shall be applied separately with respect to the portion of the Participant's interest that is payable to any eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below); or
- b. No individual (other than an eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below) has any right to the Participant's interest in the Plan until the death of all such eligible designated Beneficiaries with respect to the trust, then paragraph 2, above, shall apply to the distribution of the Participant's interest and any Beneficiary who is not such an eligible designated Beneficiary shall be treated as a beneficiary of the eligible designated Beneficiary upon the death of such eligible designated Beneficiary.

4. Special Definitions.

a. Eligible Designated Beneficiary.

A designated Beneficiary who is as of the date of death of the Participant:

- (1) The surviving Spouse of the Participant;

- (2) Subject to clause (3) below, a child of the Participant who has not reached majority; provided, however, that such an individual shall cease to be described in this clause (2) as of the date the individual reaches majority and any remainder of the portion of the individual's interest to which Code section 401(a)(9)(H)(ii) applies shall be distributed within 10 years after such date;
- (3) Disabled within the meaning of Code section 72(m)(7);
- (4) A chronically ill individual within the meaning of Code section 7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature; or
- (5) An individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.

b. Applicable Multi-Beneficiary Trust.

A trust where (i) the trust has more than one beneficiary, (ii) all of the beneficiaries of which are treated as designated Beneficiaries, and (iii) at least one of the beneficiaries of which is an eligible designated beneficiary described in described in clause (3) or (4) of subparagraph a, above.

G. Suspension Of Required Minimum Distributions.

The minimum distribution requirements under Code section 401(a)(9) shall apply to the Plan only to the extent that such requirements are applicable by law for a year. In particular, effective as of January 1, 2020, notwithstanding the preceding provisions of this section of the Plan, a Participant or Beneficiary who would have been required to receive required minimum

distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code section 401(a)(9)(I) of the Code (2020 RMDs), and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years (Extended 2020 RMDs), will not receive those distributions; provided, however, that such a Participant or Beneficiary will be given an opportunity to make an election as to whether or not to receive those distributions.

6.11. Payment Of Small Benefits.

If the distributable portion of a Participant's Account is not greater than \$5,000 or such larger amount as may be prescribed under Code section 417(e), then distribution shall be made in one single sum within a reasonable time after the end of the calendar month in which such Participant terminates employment for any reason, including death or Total Disability, in lieu of the other forms of benefit provided under the Plan. Notwithstanding the foregoing, in the event that the Participant's distributable benefit is greater than \$1,000 but equal to or less than \$5,000 (or such larger amount as may be prescribed under Code section 417, if the Participant does not affirmatively elect to have such benefit either (i) paid directly to an eligible retirement plan specified by the Participant in a direct rollover as described in the Direct Rollovers section or (ii) paid to the Participant directly, then the Committee shall pay the distribution in a direct benefit transfer to an individual retirement plan designated by the Committee.

6.12. Payments Under A Qualified Domestic Relations Order.

- A. Upon receipt of a domestic relations order, the Committee or its designee shall notify in writing the named Participant and alternate payees of such receipt and shall describe the Plan procedures for determining the qualified status of such order. The Committee shall set up a separate account in the name of each alternate payee, if necessary, to segregate any amounts which would have been payable to such alternate payee during the period of determination of the status of such domestic relations order. Within 18 months after the later of (i) when the domestic relations order is

received by the Plan or (ii) the date on which the first payment would be required to be made under the domestic relations order, the Committee or its designee shall make a determination as to whether the order is a qualified domestic relations order in accordance with the provisions of Code section 414(p) (to the extent applicable to the Plan).

- B. A domestic relations order shall be determined to be qualified only if it is made pursuant to a State domestic relations law and relates to the provision of child support, alimony payments or property rights to a spouse, child, or other dependent of the Participant. To be a qualified domestic relations order, the order must state the Plan name, the names and last addresses of the Participant and each alternate payee, the amount or portion of benefits to be paid to each alternate payee or the manner in which such amount or portion is to be determined, and the form and term of distribution. The order may not assign benefits previously assigned by another qualified domestic relations order, nor require a benefit option not offered under the Plan, nor increase benefits provided under the Plan.
- C. If the order is determined to be qualified, the Committee or its designee shall direct the Trustee to distribute specified amounts to the alternate payee in the form and at the times specified; provided, however, that payments may not commence until the earlier of (i) the date of the Participant's termination of employment with the Employer or (ii) the date the Participant attains age 50.
- D. If the qualified domestic relations order so directs, the former spouse will be treated as a spouse or a surviving spouse of the Participant to the extent provided in such qualified domestic relations order.
- E. If the order is not determined to be qualified within 18 months of receipt, any segregated amounts shall be returned to the Participant's Account if such Participant is still active, or paid to the Participant or the Participant's designated Beneficiary if distributions have commenced. Any subsequent redetermination that the order was a qualified domestic relations order shall not apply retroactively to any amounts prior to the date of redetermination.

6.13. Cessation Of Benefits Upon Re-Employment.

If any Employee's participation is terminated and the Participant is later re-employed as an Eligible Employee, such Employee shall receive no further payments from the Participant's original Account. Any remaining balance in such Account shall be at all times fully vested and nonforfeitable and shall be transferred to the Participant's new Account.

6.14. Loans To Participants.

Participants are not permitted to receive loans from the Plan.

ARTICLE 7. ADMINISTRATION OF THE PLAN

7.01. Committee.

The general administration of the Plan is delegated to the Committee, which shall be the "plan administrator" for purposes of the Code. The Board of Directors shall notify the Trustee of the names of the members of the Committee.

7.02. Organization And Procedure Of The Committee.

- A. The Committee shall act by a majority of its members in office at the time. Such action may be taken either by vote at a meeting or, if all members then in office participate, in writing without a meeting.
- B. In any exercise of discretion the Committee shall treat persons similarly situated in a similar manner and shall not discriminate in favor of Employees who are officers, shareholders, supervisory personnel, or are highly compensated. No member of the Committee shall vote on any matter pertaining specifically to such member's status or benefit under the Plan. Any such action shall be decided by the majority of the remaining members.
- C. The Committee shall authorize one or more of its members to execute any document or documents on behalf of the Committee, and the Committee shall notify the Trustee in writing of such action and the name or names of its members so designated, and the Trustee shall thereafter accept and rely upon any document executed by such member or members as representing action by the Committee until the Committee shall file with the Trustee a written revocation of such designation.

7.03. Powers Of The Committee.

Subject to the limitations of the terms of the Plan, the Committee may from time to time establish rules for the performance of its functions and the administration of the Plan. The Committee shall have all powers necessary to supervise administration of the Plan and control its operation in accordance with its terms, including, but not by way of limitation, the following powers:

- A. To construe and interpret the terms and provisions of the Plan and to determine any questions arising under the Plan, or in connection with the administration or operation thereof;
- B. To determine all considerations affecting the eligibility of any Employee to be or become a Participant in the Plan;
- C. To determine the Service of any Participant to compute the amount of retirement benefit, or other sum, payable under the Plan to any person;
- D. To authorize and direct all disbursements of retirement benefits and other sums under the Plan;
- E. To ensure that the Plan complies with any reporting and disclosure requirements imposed under federal law or by any State or local government;
- F. To establish appropriate procedures to prevent the Plan from engaging in any "prohibited transaction" as described in Code section 503(b) or 4975, or similar prohibited transactions as set forth under State or local law;
- G. To ensure that any bonding requirements imposed under federal law, or by any State or local government, are satisfied;
- H. To maintain appropriate records for the carrying out of the operation of the Plan; and
- I. To employ such counsel and agents and to obtain such clerical, medical, legal, and other services as it may deem necessary or appropriate in carrying out the provisions of the Plan.

The Committee shall have full discretion in making its decisions and determinations, and they shall be conclusive and binding on all interested parties, except as otherwise provided by law.

7.04. Plan Administrator.

The ministerial administration of the Plan shall be by the "Plan Administrator," who shall be the chief human resources manager of the Employer (or such alternate individual as the Board of Directors shall appoint from time to time). The duties of the Plan Administrator shall include, but are not limited to:

- A. To act as Secretary to the Committee;
- B. To act as advisor to the Committee in all matters related to the administration of the Plan;
- C. To supervise the clerical and technical employees of the Employer in all activities which are related to the administration of the Plan; and
- D. To perform all administrative functions of the Plan which are requested by the Committee which are consistent with the terms and provisions of the Plan.

7.05. Procedure For Review Of Denial Of Benefits.

Any person whose claim for benefits under the Plan has been denied in whole or in part shall receive a notice from the Committee setting forth the specific reasons for such denial, specific references to the Plan provisions on which the denial was based, and an explanation of the procedure for review of the denial. Such person, or such person's duly authorized representative, may appeal to the Committee for a review of the denial by sending to the Committee a written request for review within 60 days after receiving notice of the denial. The Committee shall give the claimant the opportunity to review pertinent documents in preparing such request. The request for review shall set forth all grounds on which it is based, together with supporting facts and evidence which the claimant deems pertinent. The Committee may require the claimant to submit such additional facts, documents or other material as it deems necessary or advisable in making its review of the denial. Within 60 days after the receipt of the request for review, the Committee shall communicate its decision to the claimant in writing, and if the Committee confirms the denial, in whole or in part, the communication shall set forth the reasons for the decision and specific references to the Plan provisions on which the decision is based.

7.06. Facility Of Payment.

If any person to whom any payment shall be due under the Plan shall be a minor, or shall be or become, in the judgment of the Committee, physically or mentally incompetent, the Committee shall have the right to determine to whom such payments shall be made for the benefit of such person. Written acknowledgement of receipt by the person to whom any such payment is made shall be a complete discharge of the obligation of the Plan for any sum so paid.

7.07. Information To Be Given Participants.

The Committee shall make available at the office of the Employer a copy of this Plan for examination by Participants, and at least once a year shall cause written notification to be given to each Participant of the amount in such Participant's Account.

7.08. Compensation And Expenses Of The Committee.

The members of the Committee shall serve without compensation for services as such, but all expenses of the Committee, including the compensation of accountants, advisers, actuaries and attorneys, and other costs of administering the Plan shall be paid by the Employer, or upon direction by the Committee to do so, by the Trustee out of the Trust.

ARTICLE 8. AMENDMENT AND TERMINATION

8.01. General Purpose.

It is the expectation and the intention of the Employer to make annually such contributions as are provided for herein. The Employer, however, in its sole and absolute discretion reserves the rights set forth below.

8.02. Amendment.

The Board of Directors may at any time amend this Plan and Trust in whole or in part. No amendment shall operate retroactively in such a manner as to deprive any Participant of rights which have vested in such Participant prior to the enactment of the amendment or diminish the amount thereof, unless such amendment is required in order to qualify this Plan and Trust under Code section 401. No amendment shall cause or permit any part of the Trust to revert to or become the property of the Employer or to be used for or diverted to any purpose other than the

exclusive benefit of Participants, former Participants or their Beneficiaries. No amendment substantially increasing the obligations or the liabilities of the Trustee shall be made without the Trustee's written consent.

8.03. Termination.

The Board of Directors shall have the right at any time to discontinue the Employer's contributions hereunder and to terminate this Plan and Trust. In the event of termination, the Employer shall have no obligation to make any contribution to the Trustee for the year of termination or thereafter, other than those required in accordance with section 5.07, "Forfeitures." Upon the termination or partial termination of the Plan or upon the complete discontinuance of contributions under the Plan the rights of all Participants shall become fully vested and shall not thereafter be subject to forfeiture.

8.04. Suspension.

The Board of Directors by amendment may suspend for a definite or indefinite period the Employer's obligation to make contributions hereunder. In the event that such suspension of contributions causes the Internal Revenue Service to disqualify the Plan and Trust, such suspension will be deemed a termination for purposes of this Plan.

8.05. Procedure.

Any amendment or termination shall be accomplished by appropriate resolution of the Board of Directors and a copy of such resolution shall be delivered to the Committee and to the Trustee.

8.06. Distributions In Event Of Termination.

- A. Upon discontinuance of the Employer's contributions or termination of the Plan, the Trustee shall revalue the Trust and, after satisfying current obligations of the Plan and setting aside funds for anticipated future obligations of the Trust, shall inform the Committee in order that it may make the necessary adjustments to all Participants' Accounts in the ratio that the balance in each such Account bears to the total amount in all such Accounts on the first day of such Plan Year.
- B. The Committee shall then furnish instructions to the Trustee concerning distribution of the balance in the Accounts of the Participants, former Participants and their Beneficiaries.

8.07. Merger; Transfer Of Assets.

- A. If the Employer merges or consolidates with or into another corporation, or if substantially all of the assets of the Employer shall be transferred to another corporation, this Plan shall terminate on the effective date of such merger, consolidation, or transfer. However, if the surviving corporation resulting from such merger or consolidation, or the corporation to which the assets have been transferred, adopts this Plan, the Plan shall continue and said corporation shall succeed to all rights, powers, and duties of the Employer hereunder. The employment of any Employee who is continued in the employ of such successor corporation shall not be deemed to have terminated for any purpose hereunder.
- B. In no event shall this Plan be merged or consolidated with any other plan qualified under Code section 401(a), nor shall there be any transfer of assets or liabilities from this Plan to any other such plan, unless immediately after such merger, consolidation, or transfer each Participant's benefits, if such other plan were to terminate, are at least equal to or greater than the benefits which the Participant would have been entitled to had this Plan been terminated immediately before such merger, consolidation, or transfer.

ARTICLE 9. MISCELLANEOUS

9.01. Exclusive Benefit.

Under no circumstances shall any part of the corpus or income of the Trust revert to or be recoverable by the Employer or be used for or diverted to any purpose other than the exclusive benefit of Participants, former Participants and their Beneficiaries, except as provided in section 4.05, "Return Of Contributions: Mistake of Fact."

9.02. Relationship Between Employer And Employee.

Nothing herein contained shall in any way be construed to limit or affect the relationship between the Employer and its Employees or to affect the Employer's right to discharge any Participant at any time with or without cause, or to increase or to decrease the salary or other compensation of any Participant or other Employee. The relationship of Employer and Employee existing between the Employer and its respective Employees

shall continue in the same manner as though this Plan and Trust had not been executed.

9.03. Trust Not Guaranteed By Employer.

The Employer does not guarantee the Trust, the Participants, former Participants or their Beneficiaries against loss of or depreciation in value of any right or benefit they or any of them may acquire under the terms of this Plan and Trust. All of the benefits payable hereunder shall be paid or provided for solely from the Trust and the Employer does not assume any liability or responsibility therefor.

9.04. Rights Not Transferable.

All amounts payable by the Trustee shall be paid in accordance with the provisions of the Plan and pursuant to the directions of the Committee only to the person or persons entitled thereto pursuant to the Plan and the Trust, and all such payments shall be made directly to or for the benefit of such person or persons so that said payments may not be and the same shall not be liable for the debts, contracts or engagements of any such person or persons, or taken in execution by attachment or garnishment or by any other legal or equitable proceeding. No Participant or other person entitled to receive payment hereunder shall have any right to alienate, anticipate, commute, pledge, encumber or assign any such payments or any benefit accorded to such Participant or such other person under the Plan and the Trust. Notwithstanding the above, the Plan shall comply with the requirements of any qualified domestic relations order as set forth in Code section 414(p) to the extent applicable to the Plan.

9.05. Rights And Remedies Limited.

No person shall have any legal or equitable right or claim against the Employer, the Committee or the Trustee unless the right or claim is specifically provided in this Plan and Trust. No interested party may bring any action in any court on any matter arising out of this Plan and Trust the determination of which is otherwise provided herein, until the procedure provided herein shall have been exhausted and a decision made with respect to it; and then the only action which may be brought is to enforce the decision.

9.06. Construction Of The Plan.

The interpretation that favors the Plan and Trust as a tax-free employee retirement plan and the contributions of the Employer as items deductible

from net income shall govern any interpretation that concerns the taxability of the Trust or the taxability of the Employer's contributions; for all other purposes the Plan and Trust shall be construed, regulated and administered and all matters affecting its validity and construction shall be determined under the laws of the State of California and all contributions received by the Trustee shall be deemed to have been received within the State of California.

9.07. Headings.

The headings of the provisions of this Plan and Trust are inserted for convenience or reference only and are not to be considered in construction of the provisions thereof.

9.08. Plan And Trust Executed In Counterparts.

For the convenience of the parties hereto this Plan and Trust Agreement have been executed in counterparts each of which is complete in itself and shall be considered to be the original Plan and Trust Agreement and may be introduced in evidence and used for any purpose without the production of any other counterpart.

9.09. Veterans' Rights.

- A. An Employee, who was absent from the Employee's position of employment by reason of service in the uniformed services and who is reemployed, as these terms are used in the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time (USERRA), shall be treated as not having incurred a break-in-service with the Employer by reason of such person's period or periods of service in the uniformed services. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the Employer maintaining the Plan for the purpose of determining the nonforfeitability of the Participant's Account and for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).
- B. Effective as of January 1, 2007, the Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37),

the regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be 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 employment on the date before the Participant's date of death and then had a termination of employment on account of death.

9.10. Gender And Number.

Whenever a personal pronoun is used in the masculine gender, it shall be deemed to include the feminine also, and the singular shall include the plural, unless the context indicates the contrary.

9.11. Amendment Of Laws.

All references to sections of the Code or any regulations or rulings thereunder shall be deemed to refer to such sections as they may subsequently be modified, amended, replaced or amplified by any federal statutes, regulations or rulings of similar application and importance.

9.12. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

9.13. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

9.14. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this _____ day of _____, 2022.

Modesto Irrigation District

By: _____

Title: _____

**MODESTO IRRIGATION DISTRICT
DEFERRED COMPENSATION PLAN**

(As Amended and Restated Effective January 1, 2022)

MODESTO IRRIGATION DISTRICT DEFERRED COMPENSATION PLAN

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MODESTO IRRIGATION DISTRICT DEFERRED COMPENSATION PLAN

The Modesto Irrigation District Deferred Compensation Plan (Plan) was established effective as of January 1, 1980 to provide retirement income and other deferred benefits to the Employees of Modesto Irrigation District (Employer) and their Beneficiaries. The Employer intends to maintain the Plan as an eligible deferred compensation plan within the meaning of section 457(b) of the Internal Revenue Code (Code). The Plan is established and shall be maintained for the exclusive benefit of the Participants and their Beneficiaries. The principal changes reflected in this amendment and restatement are those required to conform the Plan to the requirements of legislation that was enacted subsequent to the 2011 restatement of the Plan. This amendment and restatement are effective as of January 1, 2022 (except as otherwise set forth below).

ARTICLE 1. DEFINITIONS

The following words and terms as used in this Plan shall have the meaning set forth below, unless a different meaning is clearly required by the context.

1.01. **Administrator.**

"Administrator" means the chief human resources manager of the Employer (or such other individual appointed by the Board of Directors from time to time), with respect to ministerial administration of the Plan.

1.02. **Agent.**

"Agent" means the plan service agent to be appointed by and serve at the pleasure of the Employer.

1.03. **Alternate Payee.**

"Alternate Payee" means the person who is or was the spouse of the Participant or is the child of the Participant to the extent that such person is entitled to any or all of a Participant's Deferred Benefit under a court order that the Administrator has determined to be a Plan Approved Domestic Relations Order.

1.04. **Applicable Dollar Amount.**

"Applicable Dollar Amount" means the applicable dollar amount determined pursuant to Code section 457(e)(15) and in effect for the taxable year of the Participant. Such amounts are set forth below:

For taxable years beginning in:	The Applicable Dollar Amount is:
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006	\$15,000
2007	\$15,500
2008	\$15,500
2009	\$16,500
2010	\$16,500
2011	\$16,500
2012	\$17,000
2013	\$17,500
2014	\$17,500
2015	\$18,000
2016	\$18,000
2017	\$18,000
2018	\$18,500
2019	\$19,000
2020	\$19,500
2021	\$19,500
2022	\$20,500

The Applicable Dollar Amount may be adjusted by the Secretary of the Treasury for future taxable years.

1.05. Basic Plan.

"Basic Plan" means the Basic Retirement Plan for Employees of Modesto Irrigation District, as such plan may be amended from time to time.

1.06. Beneficiary.

"Beneficiary" means the person or persons, whether natural or non-natural, including but not limited to a trustee or other fiduciary, designated by a Participant or by the Plan to receive benefits under the Plan attributable to such Participant after the death of such Participant.

1.07. Board of Directors.

"Board of Directors" means the Board of Directors of the Employer.

1.08. Catch-Up Contribution.

"Catch-Up Contribution" means the additional amount of Compensation that may be deferred under the Plan in accordance with either the Normal Retirement Age Catch-Up Limitation subsection or the Age 50 Catch-Up Contributions subsection of the Annual Limit section.

1.09. Code.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding section of any subsequent Internal Revenue Code, and, to the extent not inconsistent therewith, regulations issued thereunder.

1.10. Committee.

"Committee" means the Retirement Committee established and acting under the Basic Plan.

1.11. Compensation.

"Compensation" means a Participant's wages, salary and other amounts received for personal services rendered to the Employer as an Eligible Employee during the Participant's current taxable year, including compensation payable as bonuses, overtime, accumulated sick pay, accumulated vacation pay and back pay, and excluding any compensation received in the form of non-taxable fringe benefits. Compensation shall include that portion of such amount deferred by the Participant as Deferred Compensation Contributions under this Plan.

1.12. Deferred Benefit.

"Deferred Benefit" means the deferred amount due a Participant or the Participant's Beneficiary under the Plan, as determined by the balance in the Participant's Deferred Compensation Account and any separate accounts into which amounts attributable to rollovers and other transfers into the Plan have been credited.

1.13. Deferred Compensation Account.

"Deferred Compensation Account" means the account or accounts of a Participant attributable to the Participant's Deferred Compensation Contributions, including any Catch-Up Contributions, and any earnings thereon.

1.14. Deferred Compensation Contribution.

"Deferred Compensation Contribution" means that portion of a Participant's Compensation that is deferred under the Plan pursuant to a Deferred Compensation Election.

1.15. Deferred Compensation Election.

"Deferred Compensation Election" means the election (in the form prescribed by the Administrator, as amended from time to time) made by and under which the Employee elects to participate in the Plan and, if the Participant so elects, agrees to make Deferred Compensation Contributions.

1.16. Employee.

"Employee" means any employee whose customary employment by the Employer is for at least 20 hours per week and at least 5 months per year, excluding individuals who are employed in a work-experience or student intern classification under the personnel policies of the Employer, employees whose collective bargaining agreement does not provide for coverage under the Plan, individuals who are "leased employees" within the meaning of Code section 414(n), and any other individual who is not classified by the Employer, in its discretion, as an employee under Code section 3121(d). Excluded individuals include (but are not limited to) individuals classified by the Employer, in its discretion, as independent contractors, non-employee consultants, employees of a person or an entity other than the Employer and individuals whose basic compensation for services for the Employer is not paid directly by the Employer. Such individuals shall not be Employees even if the classification by the Employer is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Employee under this section is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Employee and shall be ineligible for benefits for all periods prior to the date the Employer determines its classification of the individual is erroneous or should be revised.

1.17. Employer.

"Employer" means Modesto Irrigation District, and any successor thereto.

1.18. Enabling Law.

"Enabling Law" means the provisions of the Constitution and Government Code of the State of California relevant to funded deferred compensation plans maintained by local governmental agencies.

1.19. Fund.

"Fund" means the trust fund created under and subject to the Trust Agreement.

1.20. Includible Compensation.

- A. "Includible Compensation" means the amount of the Participant's Compensation that is "includible compensation" within the meaning of Code section 457(e)(5) and that is currently includible in the Participant's gross income, plus elective Participant contributions otherwise excludable under Code section 125, 132(f)(4), 402(g)(3) or 457.
- B. Effective as of January 1, 2009, "Includible Compensation" includes differential wage payments to Participants on active duty to the extent required by the provisions of Code section 414(u)(12)(A)(ii), the Treasury regulations thereunder and any subsequent guidance issued under Code section 414(u)(12)(A)(ii).
- C. Effective as of January 1, 2008, "Includible Compensation" includes amounts paid after the Employee's severance from employment if paid by the later of two and one-half (2-1/2) months after the Employee's severance from employment, or the end of the calendar year that includes the date of the Employee's severance from employment subject to the following requirements:
 - 1. The payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been made to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer.
 - 2. The payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been

able to use the leave if employment with the Employer continued.

3. The payment is received by the Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Notwithstanding the provisions of this subsection C, "Includible Compensation" shall include all payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent these 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.

1.21. Normal Retirement Age.

"Normal Retirement Age" means:

- A. Age 60 with respect to Participants whose employment commencement date with the Employer is prior to January 1, 2006;
- B. Age 60 with respect to Participants whose employment commencement date with the Employer is on or after January 1, 2006 and who are not described in the next subsection; and
- C. Age 65 with respect to Participants who are defined as "New Participants" under the Basic Plan.

1.22. Participant.

"Participant" means an Employee (or former Employee) who has made a Deferred Compensation Election under the Plan and who has not yet received all of the payments of the Deferred Benefit to which the Employee is entitled under the Plan.

1.23. Plan.

"Plan" means "Modesto Irrigation District Deferred Compensation Plan" as set forth herein or duly amended.

1.24. Plan Approved Domestic Relations Order.

"Plan Approved Domestic Relations Order" means a qualified domestic relations order within the meaning of Code section 414(p) as applicable to governmental plans within the meaning of Code section 414(d) and as determined by the Administrator pursuant to the Plan.

1.25. Plan Year.

"Plan Year" means the twelve (12) month period beginning on January 1 and ending on December 31 each year.

1.26. Required Beginning Date.

April 1 of the calendar year following the calendar in which occurs the later of (i) the Participant's retirement or (ii) the Participant's attainment of whichever of the following is applicable:

- A. If the Participant attains age 70-1/2 on or before December 31, 2019, the calendar year in which the Participant attains age 70-1/2; or
- B. If the Participant attains age 70-1/2 after December 31, 2019, the calendar year in which the Participant attains age 72.

1.27. Rollover Contribution.

"Rollover Contribution" means a rollover to this Plan of an "eligible rollover distribution" as defined in Code section 402(c)(4), of pre-tax amounts, made on behalf of a Participant by an "eligible retirement plan" as defined in the Incoming Rollovers section.

1.28. Trust Agreement.

"Trust Agreement" means the written agreement (or declaration) made by and between the Employer and the Trustee under which the Fund is maintained.

1.29. Trustee.

"Trustee" means the Trustee duly appointed and currently serving under the Trust Agreement. At all times, every Trustee shall be a directed trustee and (except as provided by the next sentence) shall be completely subject to the direction of the Employer, the Administrator, the Committee,

a Participant as to the Participant's own account under the Plan, a Beneficiary as to the Beneficiary's own account under the Plan, or an Alternate Payee as to the Alternate Payee's own account under the Plan. The Trustee's only duty is to ensure that all investments, amounts, property, and rights held under the Fund are held for the exclusive benefit of the Participants, their Beneficiaries, and the Alternate Payees.

ARTICLE 2. PARTICIPATION AND CONTRIBUTIONS

2.01. Eligibility.

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder.

2.02. Election Required For Participation.

An Employee may elect to become a Participant in the Plan by executing a Deferred Compensation Election and filing it with the Administrator. The Deferred Compensation Election shall be made on the form provided by the Administrator and under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Deferred Compensation Election shall indicate the amount or percentage of any Deferred Compensation Contribution elected by the Participant and the Participant's directed investment election pursuant to article V, and shall refer to the provisions of the Plan. The minimum amount of Compensation that may be deferred under this Plan is \$10.00 per pay period.

2.03. Commencement Of Participation.

An Employee shall become a Participant as of the first day of the month following the date the Employee files a Deferred Compensation Election pursuant to the Election Required For Participation section, provided the Compensation deferred is not yet payable as of the first day of such month. A new Employee may become a Participant in the same month in which the new Employee is employed if the Employee files a Deferred Compensation Election on or before the first day on which the Employee performs services for the Employer. Deferred Compensation Elections filed pursuant to this section shall remain effective until amended pursuant to the Amendment Of Deferred Compensation Election section.

2.04. Length Of Participation.

An Employee who becomes a Participant shall be or remain a Participant for so long as the Employee is an Employee with a Deferred

Compensation Election in effect or is entitled to future benefits under the terms of the Plan.

2.05. Responsibility To Enroll.

The Administrator shall not be responsible to notify any Employee that the Employee has become eligible to participate in the Plan. The Employer shall be responsible for informing an Employee, upon becoming an Employee, of the existence of the Plan and of the Employee's eligibility to participate. The Employee shall be responsible to take any action necessary to enroll in the Plan. Neither the Administrator, the Committee, nor the Employer shall be liable for any missed Deferred Compensation Contributions as a result of an Employee's failure to enroll.

2.06. Amendment Of Deferred Compensation Election.

Subject to all the provisions of the Plan, a Participant may at any time amend the Participant's Deferred Compensation Election to change the amount of the Participant's Deferred Compensation Contribution, the Participant's investment direction, or both. Unless the Deferred Compensation Election specifies a later effective date, a change in the amount of a Participant's Deferred Compensation Contribution shall take effect as of the next available pay date or as soon as administratively possible, but under no circumstances shall the change be effective earlier than the first day of the calendar month next following the execution of the change in the amount of the Participant's Deferred Compensation Contribution and the delivery of such a change to the Administrator. A change in the investment direction for Deferred Compensation Contributions shall take effect as of the next available pay date.

2.07. Leave Of Absence.

Unless a Participant's Deferred Compensation Election is otherwise amended, if the Participant is absent from work by leave of absence, Deferred Compensation Contributions under the Plan shall continue to the extent that the Participant's Compensation continues.

2.08. Disability.

A disabled Participant may make Deferred Compensation Contributions during any portion of the period of the Participant's disability to the extent that the Participant has actual Compensation (not imputed compensation and not disability benefits) from which to make Deferred Compensation Contributions.

2.09. Protection Of Persons Who Serve In A Uniformed Service.

- A. To the extent required by the Uniformed Service Employment and Reemployment Act (USERRA), 38 U.S.C. 4318, a person who is a member of, applies to be a member of, has performed, applies to perform, or has an obligation to perform service in a "Uniformed Service" (as defined in USERRA) shall not be denied the right to make any Deferred Compensation Contribution or other right under this Plan on the basis of such membership, performance of service, application for service, or obligation.
- B. The Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37), the Treasury regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that, if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be 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 employment on the date before the Participant's date of death and then had a severance from employment on account of death.
- C. For purposes of the Time Of Payment section, a Participant shall be treated as having a severance from employment during any period the Participant is performing service in the uniformed services described in Code section 3401(h)(2)(A). If a Participant elects to receive a distribution from the Plan as result of the application of this subsection, the Participant may not make Deferred Compensation Contributions to the Plan during the 6 month period beginning on the date of the distribution.

2.10. Modification Of Elections.

The Employer shall have the right to modify or disallow the periodic deferral of Compensation elected by the Participant:

- A. In excess of the limitations stated in this section;
- B. In excess of the Participant's net Compensation for any pay period;
- C. Upon any change in the length of pay period utilized by Employer (in such case the periodic deferral shall be adjusted so that approximately the same percentage of pay shall be deferred on an annual basis);

- D. In order to round periodic deferrals to the nearest whole dollar amount; or
- E. In order to reduce the future deferrals in the event that the amount actually deferred for any pay period exceeds, for any reason whatsoever, the amount elected by the Participant; in the alternative, such amount of excess deferral may be refunded to the Participant.

2.11. Beneficiary Designation.

- A. The Participant shall be entitled to designate a Beneficiary hereunder by filing a designation in writing with the Administrator on the form provided for such purpose. Any Beneficiary designation made hereunder shall be effective only if signed and dated by the Participant and delivered to the Administrator prior to the time of the Participant's death. Any Beneficiary designation hereunder shall remain effective until changed or revoked hereunder.
- B. Any Beneficiary designation may include multiple, contingent or successive Beneficiaries, a trust, and may specify the proportionate distribution to each Beneficiary. The Participant shall designate each Beneficiary by name or by class. If multiple beneficiaries are designated, absent any other provision by the Participant, those named or the survivors of them shall share equally in any amounts payable thereunder. Notwithstanding the rule that a Participant shall designate each Beneficiary by name or by class, if the Committee, in its sole discretion, finds that a Beneficiary Designation sufficiently describes a trust, that Beneficiary Designation will be construed as naming the duly appointed and currently acting trustee of that trust.
- C. A Beneficiary designation may be changed by the Participant at any time, or from time to time, by filing a new designation in writing with the Administrator.
- D. If the Participant dies without having designated a Beneficiary, or if the Beneficiary so designated has predeceased the Participant, the Participant's Beneficiary shall be, in order of priority:
 - 1. The Participant's surviving spouse;

2. If none, the Participant's children (including adopted children) and descendants of the Participant's deceased children, per stirpes;
 3. If none, the Participant's parents, equally if both living;
 4. If none, the duly appointed executor or administrator of the Participant's estate; or
 5. If none, the next of kin entitled to inherit under the laws of the Participant's domicile at the time of the Participant's death.
- E. If a Beneficiary of the Participant shall survive the Participant but shall die before the Deferred Benefit has been distributed, then, absent any other provision by the Participant, the unpaid balance thereof shall be distributed to the estate of the deceased Beneficiary.
- F. Upon the dissolution of marriage of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless (i) after the dissolution of marriage, the Participant executes another Beneficiary designation that complies with this section and that clearly names such former spouse as a Beneficiary, or (ii) a court order presented to the Committee prior to distribution on behalf of the Participant explicitly requires the Participant to continue to maintain the former spouse as the which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.

2.12. Omission Of Eligible Employee.

If an Employee who should have been included as a Participant for a calendar year is erroneously omitted and discovery of the omission is made after the Deferred Compensation Contribution is made and allocated, the Employer and the Administrator may correct the erroneous omission of the Employee in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Revenue Procedure 2021-30 and any subsequent guidance or standards similar to such requirements.

2.13. Inclusion of Ineligible Individual.

If any individual is erroneously included as a Participant in the Plan and discovery of the erroneous inclusion is made after the Deferred Compensation Contribution is made and allocated, the Employer and the Administrator may correct the erroneous inclusion of the individual in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Revenue Procedure 2021-30 and any subsequent guidance or standards similar to such requirements.

ARTICLE 3. LIMITATIONS ON DEFERRED COMPENSATION

3.01. Annual Limit.

A. Normal Limitation.

The maximum amount of Compensation that may be deferred (on an elective and non-elective basis) under this Plan and any other eligible deferred compensation plan within the meaning of Code section 457(b) during a calendar year shall not exceed the lesser of (i) the Applicable Dollar Amount for the calendar year or (ii) 100% of the Participant's Includible Compensation paid during the calendar year (Contribution Limitation).

B. Normal Retirement Age Catch-Up Limitation.

1. Notwithstanding subsection A, for any one (1) or more of a Participant's last three (3) taxable years ending before the Participant attains the Participant's Normal Retirement Age, the annual limitation shall be increased but it shall not exceed the lesser of:

a. Two (2) times the Applicable Dollar Amount for the calendar year; or

b. The sum of:

a. The Contribution Limitation established pursuant to subsection A for the taxable year determined without regard to this subsection; plus

- b. So much of the Contribution Limitation established for purposes of subsection A for the taxable years before the taxable year as has not been previously used under subsection A or this subsection.
- 2. For purposes of determining the amount in subsection A and this subsection for years prior to 2002, the limitations are reduced by amounts excluded from the Participant's income for any prior taxable year by reason of a salary reduction or elective contribution under any other eligible Code section 457(b) plan, 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). In addition, for purposes of applying the Code section 457(b)(2)(B) limitation for Includible Compensation for years prior to 2002, the limitation shall be 33-1/3% of the Participant's Compensation includible in gross income. Such limitations apply to the plans of all employers for whom a Participant has performed services, not just those of the Employer. However, if a Participant, although eligible, did not defer any compensation under the Plan in any given year before 2002, the limitations described above shall not apply, even though the Participant may have deferred compensation under one of the other plans described.
- 3. For Plan Years beginning on or after January 1, 2002, if the Participant is or has been a Participant in one or more eligible deferred compensation plan(s) within the meaning of Code section 457(b), this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of subsection A and this subsection.
- 4. In applying this subsection, a prior taxable year shall only be taken into account if (i) it begins after December 31, 1978, (ii) the Participant was eligible to participate in the Plan during all or a portion of the taxable year, and (iii) Compensation deferred, if any, under the Plan during the taxable year was subject to the Contribution Limitation described in subsection A or any other "plan ceiling" required by Code section 457.

5. Any Catch-Up Contribution under this subsection shall be subject to the coordination limitation set forth in subsection D.

C. Age 50 Catch-Up Contributions.

Each Participant who has attained age 50 before the close of the Plan Year may make a Catch-Up Contribution as an additional Deferred Compensation Contribution in accordance with, and subject to the limitations of, Code section 414(v). An election to make a Catch-Up Contribution shall be made in accordance with procedures prescribed by the Administrator and shall be subject to the coordination limitation set forth in subsection D.

D. Coordination Of Catch-Up Contributions.

A Participant who is eligible to make Catch-Up Contributions under both subsection B and subsection C, above, for the same year is entitled to make Deferred Compensation Contributions equal to the larger of:

1. The Contribution Limitation established pursuant to subsection A plus the applicable Catch-Up Contributions under subsection C; or
2. The Contribution Limitation established pursuant to subsection A increased as provided in subsection B and disregarding the Catch-Up Contribution provision in subsection C.

3.02. Excess Deferred Compensation.

- A. The maximum amount of the Compensation that any individual may defer under Code section 457(a) during any taxable year under the Plan and any other eligible deferred compensation plans shall not exceed the limitation set forth in this section.
- B. If a Participant's Deferred Compensation for the calendar year would be more than the amount permitted (Excess Deferred Compensation), the following provisions shall apply:
 1. Any direction for such Excess Deferred Compensation shall be invalid and the directed deferral shall not be made.

2. Notwithstanding any other provision of the Plan, Excess Deferred Compensation under the Plan and any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer, computed without regard to any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, and any income allocable to such amount shall be distributed from the Plan or such other plan(s), as determined by the Administrator in its sole and absolute discretion, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation to the Participant to whose account Excess Deferred Compensation was assigned.
3. If Excess Deferred Compensation occurs solely because of combined deferred compensation under (i) the Plan and any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer and (ii) any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, the Plan (or any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer, as determined by the Administrator in its sole and absolute discretion), may distribute the Excess Deferred Compensation and any income allocable to such amount, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation, to each Participant to whose Account Excess Deferred Compensation was assigned for the preceding calendar year. Each such Participant shall notify the Employer or the Administrator of how much Excess Deferred Compensation the Administrator should distribute from the Plan (or any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer) in accordance with rules established by the Administrator.

ARTICLE 4. ACCOUNTS AND INVESTMENTS

4.01. The Trust Fund.

All assets of the Plan shall be held and invested in the Fund in accordance with this Plan and the Trust Agreement.

4.02. Plan Accounts.

The Administrator shall keep (or cause to be kept) the Deferred Compensation Account for each Participant (or Beneficiary). The account or accounts of a Participant shall always be fully vested and non-forfeitable.

4.03. Investment Direction.

- A. At the time an Employee becomes a Participant and at such other times as the Administrator may determine, the Participant shall choose among the various investment vehicles provided for the investment of the Deferred Compensation Account. Thereafter, and with respect to any balance then in the Deferred Compensation Account, the Participant (and, when applicable, each Beneficiary or Alternate Payee) may, subject to the consent of the Administrator, direct any prior investment of the Deferred Compensation Account be liquidated, sold, or otherwise disposed of with the proceeds reinvested in such manner as the Participant may designate in accordance with the foregoing provisions of this section. Notwithstanding that this Plan's procedure may permit the Agent to receive investment instructions, any investment direction is not effective unless and until actually delivered in good form to and accepted by the Administrator or the Agent.
- B. The Employer, the Committee, the Administrator, the Trustee, and any other Plan fiduciary are relieved of liability for any losses which are the direct and necessary result of the investment instructions given by a Participant in accordance with California Government Code section 53213.5(b). Neither the Employer, the Committee, the Administrator, the Trustee, or any other person shall be under any duty to question any direction from any Participant or to review any investment or to make any investment suggestion to any Participant, except as otherwise required by applicable State law.

4.04. Authority To Act.

During the Participant's life, the Participant shall direct the investment of the Participant's Deferred Compensation Account. If a Plan Approved Domestic Relations Order is in place, the Alternate Payee shall direct the investment of that portion of the Participant's Deferred Compensation Account assigned to such Alternate Payee pursuant to the order. During the Participant's disability or incompetence, the person who has authority to act for the Participant under a power-of-attorney accepted by the Administrator or the person that is duly appointed and currently serving

conservator or guardian of the estate of the Participant shall direct investment of the Participant's Deferred Compensation Account. After the Participant's death, the Beneficiary shall direct the investment of the Participant's Deferred Compensation Account or each Beneficiary shall direct the investment of the Participant's segregated Deferred Compensation Account.

4.05. Investment Direction Must Be In Writing.

Each investment direction must be in writing and shall not be proper unless the writing is signed by the Participant (or when applicable, the Beneficiary or Alternate Payee). Except as otherwise specified by the Agent's investment direction procedure, "writing" and "signed" shall be construed according to the Signatures And Broad Acceptance Of Writings section, subject to any security procedures required by the Agent. Without limiting the comprehensive effect of the above, a signed writing includes, to the extent permitted by the applicable investment, a proper communication made in a manner prescribed by the Agent.

4.06. Earnings Or Losses To Deferred Compensation Account.

Each Deferred Compensation Account shall be credited with the earnings and losses on such account, which amounts shall include interest, dividends, gain or loss on the sale of any investment, or any other increase or decrease in value, income, loss or earnings, as the case may be.

4.07. Failure To Give Investment Direction.

If at any time a Participant (and, when applicable, a Beneficiary or Alternate Payee) fails to exercise the individual's duty of investment direction (or an investment direction is refused), the Administrator shall, to the extent of the failure of proper investment direction, cause the Deferred Compensation Account to be invested as specified by a procedure adopted by the Committee.

4.08. Expenses.

All costs and expenses incurred in connection with investments shall be borne by the appropriate account(s) and appropriately reflected in the balance thereof.

4.09. Statement Of Deferred Compensation Account Balance.

Within a reasonable period of time after each reporting period, not less often than quarterly, the Administrator or Agent shall provide each Participant (and, when applicable, each Beneficiary or Alternate Payee) a statement of the balance as of such date in the individual's Deferred Compensation Account including the nature and value of any assets or investments used for the purpose of valuing the Deferred Compensation Account.

4.10. Equitable Adjustment In Case of Error Or Omission.

Where an error or omission is discovered in the account of a Participant (or, when applicable, a Beneficiary or Alternate Payee), the Administrator, Committee or Agent shall be authorized to make such equitable adjustment as it deems appropriate in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Revenue Procedure 2021-30 and any subsequent guidance or standards similar to such requirements.

ARTICLE 5. PAYMENT OF BENEFITS

5.01. Amount Of Deferred Benefit.

The Deferred Benefit—under the Plan payable to a Participant (or, if applicable, the Participant's Beneficiary or Alternate Payee) shall be the balance in the Participant's (or, if applicable, the Participant's Beneficiary's or Alternate Payee's) Deferred Compensation Account at the time of the benefit payment.

5.02. Time Of Payment.

- A. Except as otherwise provided in the Plan, the Deferred Benefit of a Participant shall become payable to the Participant, if then alive, or otherwise to the Participant's Beneficiary, at the time elected by the Participant. Such time shall be (i) no earlier than the Participant's severance from employment with the Employer and (ii) no later than the Participant's Required Beginning Date. If the Participant has not begun payments by the Participant's Required Beginning Date, payments will automatically commence at that time.
- B. The Deferred Benefit of a Participant who is deceased before such Deferred Benefit commences to be paid to the Participant shall become payable to the Participant's Beneficiary at the time elected

by such Beneficiary. Such payments may commence as soon as possible after the date of the Participant's death but no later than the time described in the Required Minimum Distributions section. If the Beneficiary has not begun payments by the time described in the Required Minimum Distributions section, payments will automatically commence at the applicable latest time.

- C. With respect to a Plan Approved Domestic Relations Order approved by the Plan, unless the Plan Approved Domestic Relations Order is more restrictive or the Alternate Payee requests payment earlier, an Alternate Payee may make an election regarding the Alternate Payee's distribution commencement date within the same time frame and in the same manner as the Participant to whom the Deferred Benefit is attributable. If no election is made by the Alternate Payee, the default distribution commencement date shall be the Participant's Required Beginning Date.
- D. Notwithstanding the foregoing provisions of this section, payment may be delayed for a reasonable period in the event the recipient cannot be located or is not competent to receive the benefit payment, there is a dispute as to the proper recipient of such benefit payment, additional time is needed to complete the Plan valuation adjustments and allocations, or additional time is necessary to properly explain the recipient's options.

5.03. Form Of Payment When Participant Is The Initial Recipient.

- A. The Participant shall elect in writing the form in which such Deferred Benefit is to be paid to the Participant from the forms of distribution available under the applicable Plan investments or that is otherwise provided by the Administrator. Payments continuing after a Participant's death shall be made to the Participant's Beneficiary. If the Participant elects a periodic installment, such installments shall not extend over a term certain not extending beyond:
 - 1. The life expectancy of the Participant; or
 - 2. The joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary.
- B. If the Participant fails to elect a form of distribution by the Participant's Required Beginning Date, the Participant shall receive

a single sum payment of the Participant's Deferred Benefit, subject to applicable rollover rights.

- C. Unless the Plan Approved Domestic Relations Order is more restrictive, an Alternate Payee may make an election regarding the Alternate Payee's form of distribution in the same manner as the Participant to whom the Deferred Benefit is attributable. If the Alternate Payee fails to elect a form of distribution by the Participant's Required Beginning Date, the Alternate Payee shall receive a single sum payment of the Alternate Payee's Deferred Benefit, subject to applicable rollover rights.

5.04. Form Of Payment When Beneficiary Is The Initial Recipient.

- A. In the event of a Participant's death before the Participant's Deferred Benefit commences to be paid to the Participant, the Participant's Deferred Benefit shall be paid to the Participant's Beneficiary in the applicable manner described in this section. Payments continuing after a Beneficiary's death shall be made to the successor Beneficiary.
- B. The Beneficiary shall elect in writing the form in which such Deferred Benefit is to be paid to the Beneficiary from the forms of distribution available under the applicable Plan investments or that is otherwise provided by the Administrator, subject to the requirements of the Required Minimum Distributions section.
- C. If the Beneficiary fails to elect a form of distribution by the time when distributions must commence under the Required Minimum Distributions section, the Beneficiary shall receive a single sum payment of the Beneficiary's Deferred Benefit, subject to applicable rollover rights.

5.05. Required Minimum Distributions.

A. General Rules.

1. In General.

Notwithstanding any other provision of the Plan to the contrary, all distributions from the Plan shall be made in accordance with Code section 401(a)(9) and the regulations issued thereunder, including the minimum distribution incidental benefit requirements of Code section 401(a)(9)(G) and the regulations issued thereunder.

2. Precedence.

The requirements of this section will take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.

B. Required Minimum Distributions During Participant's Lifetime.

1. Required Beginning Date.

The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

2. Required Minimum Distribution For Each Year.

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

- a. The quotient obtained by dividing the Participant's Deferred Compensation Account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- b. 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 Deferred Compensation Account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

3. Distributions Continue Through Year Of Participant's Death.

Required minimum distributions will be determined under this subsection B beginning with the first distribution calendar

year and up to and including the distribution calendar year that includes the Participant's date of death.

C. Death Of Participant On Or After Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then 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 Deferred Compensation Account balance by the longer of:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or
- b. The remaining life expectancy of the Participant's surviving spouse, which shall be 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 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then 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 Deferred Compensation Account balance by the longer of:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or
- b. The remaining life expectancy of the Participant's designated Beneficiary, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. 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 Deferred Compensation Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year.

D. Death Of Participant Before Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the surviving spouse as follows:

- a. Distributions shall begin by no later than December 31 of the later of (i) the calendar year immediately following the calendar year in which the

Participant died or (ii) the calendar year in which the Participant would have attained:

- (1) Age 70-1/2 if the Participant attains age 70-1/2 on or before December 31, 2019; or
 - (2) Age 72 if the Participant attains age 70-1/2 after December 31, 2019.
- b. 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 Deferred Compensation Account balance by the remaining life expectancy of the Participant's surviving spouse, which shall be 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 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the designated Beneficiary as follows:

- a. Distributions shall begin by no later than December 31 of the calendar year immediately following the calendar year in which the Participant died.
- b. 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 Deferred Compensation Account balance by the remaining life expectancy of

the Participant's designated Beneficiary, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. Election To Apply 5-Year Rule.

- a. If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in paragraph 1 or 2, above, but the Participant's entire interest will be distributed to the designated Beneficiary by December 31 of the calendar year containing the 5th anniversary of the Participant's death, if elected under subparagraph b, below. If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to either the Participant or the surviving spouse begin, this election will apply as if the surviving spouse were the Participant.
- b. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in paragraph 1 or 2, above, applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under paragraph 1 or 2, above, or by September 30 of the calendar year which contains the 5th anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with paragraph 1 or 2, above.

4. No Designated Beneficiary.

If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by

December 31 of the calendar year containing the 5th anniversary of the Participant's death.

5. Death Of Surviving Spouse.

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 paragraph 1, above, this subsection D will apply as if the surviving spouse were the Participant. In applying this rule, the date of death of the surviving spouse shall be substituted for the date of death of the Participant. However, in such case, the rule in clause (ii) of paragraph 1a shall not be available to the surviving spouse of the deceased Participant's surviving spouse.

E. Definitions.

1. Designated Beneficiary.

The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-4.

2. Distribution Calendar Year.

A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection B, above. 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 death occurs, will be made on or before December 31 of that distribution calendar year.

3. Life Expectancy.

Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the regulations.

4. Participant's Deferred Compensation Account Balance.

The Deferred Compensation 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 Deferred Compensation 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 Deferred Compensation 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.

F. Deaths After December 31, 2021.

In the event of the Participant's death after December 31, 2021, all distributions from the Plan shall be made in accordance with Code section 401(a)(9)(H), as amended by the Further Consolidated Appropriations Act, 2020, that includes the Setting Every Community Up for Retirement Enhancement (SECURE) Act, and the regulations and other lawful guidance issued thereunder.

1. 10 Years After Death Rule.

If a Participant's Beneficiary is a designated Beneficiary, but is not an eligible designated Beneficiary, and the Participant dies before the distribution of the Participant's entire vested Deferred Compensation Account balance, regardless of whether the Participant dies before, on, or after beginning required minimum distributions, the Participant's entire interest will be distributed by December 31 of the calendar year containing the 10th anniversary of the Participant's death.

2. Exception For Eligible Designated Beneficiaries.

The rule set forth in paragraph 1, above, shall not apply if (i) the Participant's Beneficiary is an eligible designated Beneficiary, (ii) the entire interest will be distributed in accordance with the Treasury regulations over the life of the designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and (iii) such distributions begin not later than December 31 of the calendar year immediately following the calendar year in which the Participant died; provided, however, that, if the Participant's surviving spouse is the sole designated Beneficiary such distributions need not commence until the time set forth in subparagraph D.1.a, above.

3. Special Rule For Certain Trusts.

In the case of an applicable multi-beneficiary trust, if under the terms of the trust:

- a. It is to be divided immediately upon the death of the employee into separate trusts for each beneficiary, then paragraph 2, above, shall be applied separately with respect to the portion of the Participant's interest that is payable to any eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below); or
- b. No individual (other than an eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below) has any right to the Participant's interest in the Plan until the death of all such eligible designated Beneficiaries with respect to the trust, then paragraph 2, above, shall apply to the distribution of the Participant's interest and any Beneficiary who is not such an eligible designated Beneficiary shall be treated as a beneficiary of the eligible designated Beneficiary upon the death of such eligible designated Beneficiary.

4. Special Definitions.

a. Eligible Designated Beneficiary.

A designated Beneficiary who is as of the date of death of the Participant:

- (1) The surviving Spouse of the Participant;
- (2) Subject to clause (3) below, a child of the Participant who has not reached majority; provided, however, that such an individual shall cease to be described in this clause (2) as of the date the individual reaches majority and any remainder of the portion of the individual's interest to which Code section 401(a)(9)(H)(ii) applies shall be distributed within 10 years after such date;
- (3) Disabled within the meaning of Code section 72(m)(7);
- (4) A chronically ill individual within the meaning of Code section 7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature; or
- (5) An individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.

b. Applicable Multi-Beneficiary Trust.

A trust where (i) the trust has more than one beneficiary, (ii) all of the beneficiaries of which are treated as designated Beneficiaries, and (iii) at least one of the beneficiaries of which is an eligible designated beneficiary described in clause (3) or (4) of subparagraph a, above.

G. Suspension Of Required Minimum Distributions.

The minimum distribution requirements under Code section 401(a)(9) shall apply to the Plan only to the extent that such requirements are applicable by law for a year. In particular, effective as of January 1, 2020, notwithstanding the preceding provisions of this section of the Plan, a Participant or Beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code section 401(a)(9)(I) of the Code (2020 RMDs), and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years (Extended 2020 RMDs), will not receive those distributions; provided, however, that such a Participant or Beneficiary will be given an opportunity to make an election as to whether or not to receive those distributions.

5.06. Acceleration Or Delay Of Payments.

If distribution of a Participant's Deferred Benefit has been deferred or is being made from the Fund in the form of periodic installments, payment of all or part of any such remaining Deferred Benefit may be made to the Participant, Beneficiary or Alternate Payee entitled to benefits prior to the scheduled time for payment upon written application delivered to the Administrator. If distribution of a Participant's Deferred Benefit is being made from the Fund in the form of periodic installments, payment of all or part of any such remaining Deferred Benefit may be delayed or decreased upon written application delivered to the Administrator, provided the requirements of the Required Minimum Distributions section, continue to be met following the change in payment. A Participant, Beneficiary or Alternate Payee may make up to 2 changes or withdrawals in any calendar year without incurring a charge. An administrative fee may be applied to changes or withdrawals in excess of 2 in a calendar year.

5.07. Plan To Plan Direct Rollover.

A. Notwithstanding any contrary provision of the Plan, but subject to any de minimis or other exceptions or limitations provided for under Code section 401(a)(31), any prospective recipient (whether a

Participant, a surviving spouse, a current or former spouse who is an Alternate Payee under a Plan Approved Domestic Relations Order, or any other person eligible to make a rollover) of a distribution from the Plan which constitutes an "eligible rollover distribution" (to the extent otherwise includible in the recipient's gross income) may direct the Trustee to pay the distribution directly to an "eligible retirement plan." Effective with respect to distributions made on or after January 1, 2008, a Beneficiary other than a Participant's (or former Participant's) surviving spouse or a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order is a person eligible to make a rollover with regard to the interest of the Participant or former Participant, subject to the limitation for such a Beneficiary that an eligible retirement plan is an individual retirement account or individual retirement annuity that will be treated as an inherited individual retirement account or annuity under Code section 402(c)(11). Effective as of January 1, 2020, a direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of Code section 401(a)(9)(I).

- B. For purposes hereof, the following terms have the meanings assigned to them in Code section 401(a)(31) and, to the extent not inconsistent therewith, shall have the following meanings:
1. The term "eligible retirement plan" means an eligible plan under Code section 457(b) which is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, a defined contribution plan which is either an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), an individual retirement annuity described in Code section 408(b) (other than an endowment contract), an annuity plan described in Code section 403(a), or a qualified trust described in Code section 401(a), that accepts the prospective recipient's eligible rollover distribution. An eligible retirement plan shall also mean an annuity contract described in Code section 403(b). The definition of eligible retirement plan applicable to a Participant shall also apply in the case of a distribution to a Participant's surviving spouse and to a Participant's spouse or former spouse who is the alternate payee under a Plan Approved Domestic Relations Order.

2. The term "eligible rollover distribution" means any distribution other than:

- a. A distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made either for the life (or life expectancy) of the recipient or the joint lives (or joint life expectancies) of the recipient and the Participant's beneficiary who is an individual or for a specified period of 10 or more years;
- b. A distribution to the extent it is required under the minimum distribution requirement of Code section 401(a)(9);
- c. Any amount that is distributed on account of hardship; or
- d. Any other amount which is not considered an eligible rollover distribution for purposes of Code section 402(c)(4) with respect to the Plan.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code section 408(a) or (b), a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), or a qualified plan described in Code section 401(a) (whether or not it is a defined contribution plan), or an annuity contract or a custodial account described in Code section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution that is includible in gross income and the portion of such distribution that is not so includible.

- C. Any such direction shall be filed with the Administrator in such form and at such time as the Administrator may require and shall adequately specify the eligible retirement plan to which the payment shall be made.

- D. The Trustee shall make payment as directed only if the proposed transferee plan will accept the payment.
- E. Any such plan to plan transfer shall be considered a distribution option under this Plan and shall be subject to all the usual distribution rules of this Plan (including but not limited to the requirement an advance explanation of the option).
- F. The Administrator is authorized in its discretion, applied on a uniform and non-discriminatory basis, to apply any discretionary de minimis or other discretionary exceptions or limitations provided for under Code section 401(a)(31) in effecting or declining to effect plan to plan transfers hereunder.
- G. Within a reasonable time (generally not more than 180 nor less than 30 days) before the benefit payment date of a prospective recipient of an eligible rollover distribution from the Plan, the Administrator shall provide the prospective recipient with a written explanation of the rollover and tax rules required by Code section 402(f).

5.08. Notice And Election Procedures Regarding Payment.

- A. Any election authorized and any designation of a date of payment by a Participant, Beneficiary or Alternate Payee shall be in writing, shall clearly indicate the election or designation being made, and shall be filed with the Administrator and in accordance with the procedures provided in the following subsections to this section.
- B. Within a reasonable time before a Participant's Deferred Benefit is to be paid to the Participant, the Administrator shall by mail or personal delivery provide the Participant with a written explanation of:
 - 1. The terms and conditions of the applicable forms of payment, including the financial effects of the applicable forms of payment.
 - 2. The Participant's right to delay receipt of the Participant's Deferred Benefit until such later date allowed under the Plan, including the right to modify or revoke any election thereunder.
 - 3. The Participant's right to obtain an advance on or acceleration of payment of the Participant's Deferred Benefit

or to change any periodic installments as provided under the Acceleration Or Delay Of Payments section.

- C. Within a reasonable time before the Deferred Benefit of a Participant who died prior to commencement of payment of the Participant's Deferred Benefit is to be paid, the Administrator shall by mail or personal delivery provide the Participant's Beneficiary with a written explanation of:
 - 1. The terms and conditions of the applicable forms of payment.
 - 2. The Beneficiary's right to delay receipt of the Participant's Deferred Benefit until such later date allowed under the Plan, including the right to modify or revoke any election thereunder.
 - 3. The Beneficiary's right to obtain an advance on or acceleration of payment of the Participant's Deferred Benefit or to change any periodic installments under the Acceleration Or Delay Of Payments section.

5.09. Benefit Determination And Payment Procedure.

- A. Subject to the powers of the Committee, the Administrator shall make all determinations concerning eligibility for benefits under the Plan, the time or terms of payment, and the forms or manner of payment to the Participant, the Participant's Beneficiary in the event of the death of a Participant, or an Alternate Payee. The Administrator shall promptly notify the Trustee of each such determination that benefit payments are due or should cease to be made and provide to the Trustee all other information necessary to allow the Trustees to carry out said determination, whereupon the Trustee shall pay or cease to pay such benefits in accordance with the Administrator's determination.
- B. In making the determinations described above, the Administrator shall take into account the terms of any Plan Approved Domestic Relations Order received with respect to the Deferred Benefit of the Participant or any death benefit with respect to the Participant. The time and form of payment with respect to the Plan Approved Domestic Relations Order and the time and form of payment chosen by the Participant or the Participant's Beneficiary or required by the Plan shall not be altered by the terms of the Plan Approved Domestic Relations Order. The Administrator shall

make all determinations regarding benefit payments to be made pursuant to a Plan Approved Domestic Relations Order. Any benefit payments which may be subject to the terms of a domestic relations order received by the Administrator shall be suspended during the period the Administrator is considering whether the order is a Plan Approved Domestic Relations Order. In the event that benefits are in pay status at the time that a domestic relations order is received, the Administrator shall promptly notify the Trustee of the amount, if any, of the benefit payments that must be suspended for the period required by the Administrator to determine the status of the order. Upon the completion of the Administrator's review or other determination of the status of the order, the Administrator shall promptly notify the Trustee of the time benefit payments are to commence and of the identity of, and the amount and form of benefits to be paid to, the person or persons to whom payment is to be made.

5.10. Payments To Minors And Incompetents.

If a Participant, Beneficiary or Alternate Payee 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 may designate for the benefit of such Participant, Beneficiary or Alternate Payee. Such payments shall be considered a payment to such Participant, Beneficiary or Alternate Payee and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

5.11. Distribution Of Benefit When Distributee Cannot Be Located.

The Administrator shall make all reasonable attempts to determine the identity and whereabouts of a Participant, a Participant's spouse, a Participant's Beneficiary, or an Alternate Payee entitled to benefits under the Plan, including the mailing by certified mail of a notice to the last known address shown on the Employer's, the Administrator's or the Trustee's records. 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 Trustee shall continue to hold the benefit due such person, subject to any applicable statute of escheats.

ARTICLE 6. WITHDRAWALS

6.01. Non-Hardship Withdrawal For Inactive Participant.

- A. Consistent with Code section 457(e)(9)(A), a Participant (but not a Beneficiary or Alternate Payee) may elect to receive a "Non-Hardship Withdrawal" if (i) the Participant's Deferred Benefit does not exceed the amount described in Code section 457(e)(9)(A) (\$5,000 for Plan Years beginning on or after January 1, 1998), (ii) the Participant has not made, and the Participant's Deferred Compensation Account has not received, any Deferred Compensation Contributions during the 2 year period that ends on the date of the Non-Hardship Withdrawal, and (iii) the Participant has not previously received any Non-Hardship Withdrawal under this Plan.
- B. If the value of a Participant's Deferred Benefit is less than \$1,000, the Participant's Deferred Benefit shall be paid to the Participant without election or consent in a Non-Hardship Withdrawal, provided that (i) 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 (ii) there has been no prior distribution under the Plan to the Participant pursuant to this section.
- C. A Non-Hardship Withdrawal under this section shall be payable only as a single sum, subject to applicable rollover rights.

6.02. Unforeseeable Emergency Hardship Withdrawal.

In the event of any unforeseeable emergency and upon written request of the Participant, which written request shall also designate such assets or investments deemed to be liquidated or sold for purposes hereof, the Committee in its sole discretion may pay as an unforeseeable emergency hardship withdrawal in one single sum to the Participant all or any portion of a Participant's Deferred Benefit. Any such payment shall be limited to that amount reasonably necessary to alleviate the unforeseeable emergency. For purposes hereof:

- A. An unforeseeable emergency shall be defined in a manner consistent with the meaning ascribed thereto under Code section 457 and the applicable regulations as a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code section 152(a), but without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)), loss of the

Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster), or any other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant.

- B. The existence of an unforeseeable emergency shall be determined on the basis of the facts and circumstances of each case, but, in any event, payment may not be made to the extent that the hardship is or may be relieved:
 - 1. Through reimbursement or compensation by insurance or otherwise;
 - 2. By liquidation of the Participant's assets, to the extent such liquidation would not itself cause a severe hardship; or
 - 3. By cessation of deferrals under the Plan.
- C. Examples of what are not considered unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home.
- D. The amount of any financial hardship distribution shall not exceed the lesser of:
 - 1. The amount reasonably necessary, as determined by the Employer, to satisfy the hardship (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution); or
 - 2. The amount of the Participant's Deferred Compensation Account.

ARTICLE 7. PLAN TO PLAN TRANSFERS

7.01. In-Service Transfer Out Of Plan.

- A. Consistent with Code section 457(e)(17), the Plan shall transfer, in the form of a trustee-to trustee transfer, to a governmental defined benefit plan, such amount as the Participant shall request, but not to exceed the amount necessary to purchase permissive service credits (as defined in Code section 415(n)(3)(A) and allowed under

such plan or to make repayments to which Code section 415 does not apply by reason of Code section 415(k)(3).

- B. Notwithstanding the preceding provision, in accordance with, but only to the extent required by, California Government Code section 7522.46 as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, no portion of a Participant's Deferred Compensation Account may be transferred to the trustee of a defined benefit plan of a California "public retirement system," as that term is defined in California Government Code section 7522.04(j), for the purchase of "nonqualified service credit" as that term is defined in Code section 415(n)(3)(C).

7.02. Transfer Into Plan.

The Administrator will accept and credit to a Participant's account amounts transferred from another employer representing amounts held by such other employer under an "eligible" plan (within the meaning of Code section 457(b)). Any such transferred amount shall not be treated as Deferred Compensation Contributions subject to the limitations under article III, "Limitations On Deferred Compensation," except for the amount of deferred compensation contributions made by the Participant during the Participant's taxable year in which the transfer occurred which is treated as a Deferred Compensation Contribution subject to such limitations. The amount of any deferred compensation under the plan from which the transfer is made shall be taken into account in computing the Code section 457 Catch-Up Contribution limitations under this Plan.

7.03. Incoming Rollovers.

An eligible rollover distribution may be accepted in the Administrator's discretion from an eligible retirement plan maintained by another employer, and credited to a Participant's Deferred Compensation Account under 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). 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).

ARTICLE 8. ADMINISTRATION

8.01. The Committee.

The Committee shall have the powers, duties and responsibilities set forth herein. The Committee shall be the "plan administrator" for purposes of the Code.

8.02. Actions of the Committee.

The Committee may adopt rules and regulations for the administration of the Plan consistent with the terms of the Plan. The action of a majority of the members of the Committee shall constitute the action of the Committee and shall be final and conclusive regarding the exercise of its authority under the terms of the Plan. The Committee shall maintain full and complete written records of its deliberations and decisions.

8.03. Expenses Of The Committee.

The members of the Committee shall serve without compensation. The Committee shall have the right to use the Employer's facilities in maintaining accounts and records and discharging its duties hereunder. The Committee may direct the Trustee or other third party administrator to reimburse the Committee or compensate any accountant, actuary, attorney, advisor or administrator from investment income for reasonable expenses incurred in connection with the administration of the Plan, unless the Employer has agreed to reimburse the Committee for such item of expense.

8.04. Powers Of The Committee.

The Committee shall have all powers to perform all duties necessary to exercise its functions including, but not limited to, the:

- A. Determination of Employees' eligibility, participation and benefits under the Plan;
- B. Determination of the existence of an unforeseeable emergency and amounts allowed to be withdrawn pursuant to such determination;
- C. Establishment and maintenance of separate accounts and written records showing at any time the interest of a Participant in the Participant's account;

- D. Filing of all such annual reports, financial and other statements as may be required by any applicable federal or State statute or regulation within the time prescribed for filing such documents;
- E. Provision of such reports, statements and other documents to Participants, Beneficiaries and Alternate Payees as may be required by any applicable federal or State statute or regulation within the time prescribed for providing such documents;
- F. Interpretation and construction of the provisions of the Plan in its discretion;
- G. Direction of the Trustee to make disbursement of benefits to the extent not performed by the Administrator;
- H. Appointment of such agents, advisors, counsel and delegates as may be necessary and appropriate for the administration and operation of this Plan and the delegation to such agents, advisors, counsel and delegates of any of its discretionary and ministerial powers and duties in accordance with this section; and
- I. Composition of and provision to Participants by the Administrator of all forms as described in this Plan.

8.05. Administrator.

The ministerial administration of the Plan shall be by the Administrator. The duties of the Administrator shall include, but are not limited to:

- A. To act as Secretary to the Committee;
- B. To act as advisor to the Committee in all matters related to the administration of the Plan;
- C. To supervise the clerical and technical employees of the Employer in all activities which are related to the administration of the Plan; and
- D. To perform all administrative functions of the Plan which are requested by the Committee which are consistent with the terms and provisions of the Plan. The Administrator does not have any duties concerning a Participant's selection of plan investments.

8.06. Responsibilities Of Administrator.

The Administrator is responsible for performing all ministerial duties required for the operation of the Plan, and is responsible for supervising the performance of any other persons who may assist in the performance of the Administrator's responsibilities pursuant to the Plan.

8.07. Information From Employer.

To enable the Administrator to perform its responsibilities, the Employer shall promptly provide to the Administrator complete and accurate information on any matter that is required by the Administrator in order to make any decision or determination under the Plan. The Administrator shall rely upon this information as supplied by the Employer and shall have no duty or responsibility to verify this information.

8.08. Administrator May Delegate Or Contract.

Except as prohibited by the Enabling Law, the Administrator may, except when expressly prohibited by this Plan, delegate any of its duties to any Employer, or to any officers, employees, or agents of any kind. Except as prohibited by the Enabling Law, the Administrator may, except when expressly prohibited by this Plan, contract any of its duties to the Agent or otherwise.

8.09. Plan Services.

The Administrator may contract with any person to provide services to assist in the administration of the Plan. The Administrator must make such contracts in compliance with the Enabling Law and other applicable state or local law. Any person other than the Administrator who performs services regarding the Plan (including but not limited to the Agent) is subject to the supervision and direction of the Administrator and does not have authority to control the operation of the Plan.

8.10. Revocability Of Action.

Any action taken by the Administrator or the Committee with respect to the rights or benefits under the Plan of any person shall be revocable by the Administrator or the Committee, respectively, as to payments or distributions not theretofore made pursuant to such actions, and appropriate adjustments may be made in future payments or distributions to a Participant, Beneficiary or Alternate Payee to offset any excess payment or underpayment made to such Participant, Beneficiary or Alternate Payee.

ARTICLE 9. AMENDMENT AND TERMINATION

9.01. Termination Of The Plan.

The Employer reserves the right to terminate this Plan at any time, provided that no such termination shall reduce, suspend or terminate the Deferred Benefit otherwise payable to a Participant, Beneficiary or Alternate Payee hereunder as of the date of such termination. In the event of termination of this Plan, the various investment options provided for Deferred Compensation Accounts, and all Deferred Compensation Accounts invested therein, shall be immediately liquidated and all such Deferred Benefits shall be held in an account selected by the Committee, designed to insure the preservation of the assets of the terminated Plan. To the extent required by the "exclusive benefit" rule, any termination of the Plan shall not be effective to the extent that the amendment has the effect of causing any Plan assets to be diverted to or inure to the benefit of the Employer, or to be used for any purpose other than providing Deferred Benefits to Participants, Beneficiaries and Alternate Payees, and defraying reasonable expenses of administering the Plan.

9.02. Amendment Of The Plan.

The Board of Directors may amend the Plan at any time, consistent with the Enabling Law and the Code, provided that no such amendment shall reduce, suspend or terminate the Deferred Benefit otherwise payable to a Participant, Beneficiary or Alternate Payee hereunder as of the date of such amendment. To the extent required by the "exclusive benefit" rule, any amendment of the Plan shall not be effective to the extent that the amendment has the effect of causing any Plan assets to be diverted to or inure to the benefit of the Employer, or to be used for any purpose other than providing Deferred Benefits to Participants, Beneficiaries and Alternate Payees, and defraying reasonable expenses of administering the Plan.

ARTICLE 10. MISCELLANEOUS

10.01. Status Of Participants.

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any Deferred Compensation Account, nor the agreement between the Participant and the Trustee, nor the payment of any benefits, shall be construed as giving any Participant or other person any legal or equitable right against the Employer, and in not event shall the terms of

employment of any Employee or Participant be modified or in any way affected hereby.

10.02. Assets Of The Plan.

It is a condition of this Plan, and each Employee by participating herein expressly agrees, that the Employee, the Employee's Beneficiaries and the Employee's Alternate Payees shall look solely to the assets of the Plan for the payment of any benefit to which the individual is entitled under the Plan.

10.03. Non-Assignability.

The interests of each Participant hereunder the Plan are not subject to the claims of the Participant's creditors; and neither the Participant nor the Participant's 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.

A. Domestic Relations Orders.

Notwithstanding the foregoing, the Administrator shall honor any Plan Approved Domestic Relations Order. Nothing in this subsection 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 the Plan or Code section 457. Any payment made to a person other than the Participant pursuant to this subsection shall be reduced by required income tax withholding; the fact that payment is made to a person other than the Participant may not prevent such payment from being includible in the gross income of the Participant for withholding and income tax reporting purposes. The Plan'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 another person pursuant to this subsection. No such transfer shall be effectuated unless the Administrator has been provided with satisfactory evidence that the Plan is released from any claim with respect to such amounts, in any case in which (i) the Plan has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending for service of process in such action or by mail from the Employer or Administrator to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the

proceeding relieving the Plan and the Administrator from the obligation to comply with the judgment, decree, or order. In the course of any proceeding relating to divorce, separation, or child support, the Administrator shall be authorized to disclose information relating to the Participant's account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

B. Debt To Employer.

Notwithstanding the foregoing, the Administrator shall honor any process for a debt to the Employer. Under no circumstances may a payment under this subsection take place before the Participant separates from service or reaches age 70-1/2, whichever is earlier.

C. IRS Levy.

Notwithstanding the foregoing, the Administrator may pay to the Internal Revenue Service from a Participant's (or Beneficiary's or Alternate Payee's) Deferred Compensation Account the amount that the Administrator finds is lawfully demanded under a levy issued by the IRS with respect to that Participant (or Beneficiary or Alternate Payee) 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 or Alternate Payee). Except in the case of an Alternate Payee, under no circumstances may a payment under this subsection take place before the Participant separates from service or reaches age 70-1/2, whichever is earlier.

D. Cost Of Plan Defense.

Neither the Employer, the Trustee, the Committee, the Administrator, the Agent nor any person serving under contract or otherwise with respect to the Plan shall be obligated to incur any cost to defend against or set aside any judgment, decree, or order relating to the division, attachment, garnishment, or execution of or levy upon the Participant's Deferred Compensation Account or any distribution, including (but not limited to) any order in any bankruptcy proceeding of any kind. Notwithstanding the foregoing, if any such person is joined in any proceeding, the party may take such action as it considers necessary or appropriate to protect any and all of its legal rights, and the Participant (or Beneficiary or Alternate Payee) shall reimburse all actual fees of lawyers and legal assistants and expenses reasonably incurred by such party.

To the extent such fees and expenses would otherwise be borne by the Plan, such amounts may be charged against the Participant's, Beneficiary's or Alternate Payee's Deferred Compensation Account.

10.04. Binding Effect.

The Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and the Participant and the Participant's heirs, executors, administrators and legal representatives.

10.05. Construction.

The Plan is intended to be an "eligible" deferred compensation plan within the meaning of Code section 457(b) and maintained by a State, political subdivision of a State or any agency or instrumentality of a State or political subdivision of a State and the provisions of the Plan shall be interpreted and administered as such. Additionally, the Plan is established and maintained with the intent that it conform to the applicable requirements of the Enabling Law. The provisions of the Plan shall be interpreted whenever possible to state provisions that conform to the applicable requirements of the Enabling Law. When the Enabling Law is amended or interpreted through subsequent legislation or regulations or an attorney general opinion, the Plan should be construed as stating provisions consistent with such amendment or interpretation of the applicable law.

10.06. Gender And Number.

In construction of the Plan, the masculine shall include the feminine or neuter and the singular shall include the plural and vice-versa in all cases where such meanings would be appropriate.

10.07. Governing Law.

The Plan shall be construed, enforced and administered in accordance with the laws of the State of California, including any law preventing an individual or person claiming through him from acquiring property or receiving benefits as a result of the death of a decedent where such individual caused the death.

10.08. No Rights Created by Allocation.

Any allocation of contributions or investment earnings to any Deferred Compensation Account shall not cause the Participant to have any right, title, interest, in any of the Plan, except as expressly provided by the Plan.

10.09. Service Of Legal Process.

Requests for information, claims or demands, legal process, and court orders are properly delivered when delivered to the Administrator's principal place of business.

10.10. Severability.

If any provision of the Plan should for any reason be declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall nevertheless remain in full force and effect.

10.11. Signatures And Broad Acceptance Of Writings.

- A. Except as provided in subsection B, all notices required to be given in writing and all elections, consents, applications and the like required to be made in writing, under any provision of the Plan, shall be invalid unless made on such forms as may be provided or approved by the Administrator and, in the case of a notice, election, consent or application by a Participant or Beneficiary, unless executed by the Participant or Beneficiary giving such notice or making such election, consent or application.
- B. Subject to limitations under applicable provisions of the Code, the Administrator is authorized in its discretion to accept other means for receipt of effective notices, elections, consents, applications and/or other forms or communications by Participants and/or Beneficiaries, including but not limited to electronic transmissions through e-mail, voice mail, recorded messages on electronic telephone systems, and other permissible methods, on such basis and for such purposes as it determines from time to time.

10.12 Statute Of Limitations.

As to any action at law or in equity under or with respect to this Plan (other than as described by the other sentence of this section), the action shall be governed by (or precluded by) the relevant statute of limitations or statute of repose for actions upon a written contract according to the internal laws (without regard to the law of conflicts) of the State of

California. For any dispute that was resolved by arbitration, to the extent that the statute of limitations or statute of repose relating to any arbitration proceeding or arbitration award or any other matter relating to arbitration shall be governed by the internal laws (without regard to the law of conflicts) of the State of California.

10.13 Titles And Captions.

Titles and captions and headings herein have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

10.14. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

10.15. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this _____ day of _____, 2022.

Modesto Irrigation District

By: _____

Title: _____

MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM RETIREE MEDICAL BENEFITS PLAN

The Modesto Irrigation District Retirement System Retiree Medical Benefits Plan For Modesto Irrigation District Retirees (Plan) was adopted in 2003 as a component plan within the Modesto Irrigation District Retirement System to provide retiree medical benefit protection for certain Employees of Modesto Irrigation District (District). The District restated the Plan in its entirety effective as of January 1, 2011. The District subsequently modified and clarified certain provisions of the Plan by adopting amendments to the Plan on July 31, 2013 and April 11, 2017. The District now wishes to restate the Plan to consolidate all of these changes into one written plan document, to further clarify the Plan, and to make changes that are appropriate in view of the restatement of the Modesto Irrigation District Retirement System Basic Retirement Plan that is referenced in the Plan.

ARTICLE 1

DEFINITIONS

The following words and phrases as used in the Plan shall have the meanings set forth in this article, unless a different meaning is stated or clearly required by context.

1.01 Available Coverage.

Shall mean the insured health care coverage made available by the District to Eligible Employees, Eligible Retirees, or both (whichever is applicable), and their Eligible Dependents. For purposes of this definition, "insured health care coverage" means major medical coverage, such that dental coverage, vision coverage, or both dental coverage and vision coverage, without major medical coverage, does not constitute "Available Coverage."

1.02 Basic Retirement Plan.

Shall mean the Modesto Irrigation District Retirement System Basic Retirement Plan, as it may be amended from time to time.

1.03 Board of Directors.

Shall mean the Board of Directors of the District.

1.04 Code.

Shall mean the Internal Revenue Code of 1986, as amended.

1.05 Committee.

Shall mean the Retirement Committee established and acting under the Basic Retirement Plan.

1.06 Credited Service.

Shall mean an Employee's period of regular full-time service or regular part-time service while an Eligible Employee, computed in accordance with the terms of the Basic Retirement Plan.

1.07 Delayed Retirement.

Shall mean ceasing to be an Employee in a month following the month the Employee attains Normal Retirement Age.

1.08 Delayed Retirement Date.

Shall mean the first day of the month next following Delayed Retirement.

1.09 Dependents of Deceased Active Employees Eligible to Retire.

Shall mean surviving Eligible Dependents of a deceased active Employee who at the time of death met the requirements for retirement and who would have been eligible to receive pension benefits under Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement (or, for a Tier III Eligible Employee as defined in the Basic Retirement Plan, if the Eligible Employee would have been eligible to elect an Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement if the Employee was not a Tier III Eligible Employee) provided the active Employee was either:

- (a) At least age 60 with 5 Years of Credited Service at the time of death with respect to Tier III Eligible Employees; or
- (b) At least age 55 with 5 Years of Credited Service at the time of death for all other Employees.

1.10 Director.

Shall mean a member of the Board of Directors.

1.11 District.

Shall mean the Modesto Irrigation District.

1.12 Disability Retirement.

Shall mean the benefit payable under the Disability Retirement section of the Basic Retirement Plan.

1.13 Early Retirement.

Shall mean ceasing to be an Employee before attaining Normal Retirement Age, but after reaching either:

- (a) Age 60 and completing 5 Years of Credited Service with respect to Tier III Eligible Employees as defined in the Basic Retirement Plan; or
- (b) Age 55 and completing 5 Years of Credited Service for all other Employees;

and either being eligible to receive an Early Retirement Benefit under the Early Retirement Benefits article of the Basic Retirement Plan (or, for a Tier III Eligible Employee if the Employee would have been eligible to receive an Early Retirement Benefit under the Early Retirement Benefits article of the Basic Retirement Plan if the Employee was not a Tier III Eligible Employee).

1.14 Early Retirement Age.

Shall mean the age an Employee meets the age and service requirements for Early Retirement under the Plan.

1.15 Effective Date.

Shall mean January 1, 2003 for the original effective date of the Plan and January 1, 2022 for the effective date of this restatement of the Plan, unless a special effective date is otherwise specified in the Plan.

1.16 Eligible Dependents.

Shall mean (i) an Employee's legal spouse or registered domestic partner, (ii) an Employee's unmarried dependent children until their 19th birthday, (iii) an Employee's unmarried dependent children until their 25th birthday if enrolled as a full-time student in an accredited school, college or university (accredited institutions as per the current edition of the "Accredited Institutions of Post

Secondary Education Directory"), and (iv) an unmarried dependent child 19 or older who is incapable of self-support because of a physical or mental handicap that occurred before he/she turned 19, if the child is mostly dependent on the Employee for support. Children include natural children, stepchildren, legally adopted child(ren) from the moment of placement; and any child with respect to whom you have been appointed legal guardian. Effective as of January 1, 2011, in accordance with, but only to the extent required by, and only so long as required by, the Patient Protection and Affordable Care Act, the Health Care and Education Reconciliation Act of 2010, any subsequent legislation, and the lawful guidance published thereunder, an "Eligible Dependent" also includes any child (as defined in Code section 152(f)(1)) of the Participant who has not attained age 26; in particular (but not by way of limitation):

- (a) This extension of coverage to adult children shall not apply to the dental and vision components of Retiree Medical Benefits;
- (b) This extension of coverage to adult children shall not apply to policies that cover Eligible Retirees who are age 65 or older;
- (c) This extension of coverage to adult children shall not apply to policies that cover Eligible Retirees only regardless of the age of the Eligible Retiree; and
- (d) This extension of coverage shall cease if such legislation is repealed.

1.17 Eligible Employee.

Shall mean any Employee who is employed by the District as a regular full-time Employee or a regular part-time Employee, for at least 20 hours per week and at least five months per year, except:

- (a) Those individuals employed in a work experience or student intern classification under the personnel policies of the District;
- (b) Those individuals designated by the Human Resources Department as Employees who are covered by the terms of a collective bargaining agreement, unless the collective bargaining agreement specifically requires participation in the Plan, but only to the extent provided for in the collective bargaining agreement;
- (c) Those individuals designated by the Human Resources Department as Employees who are covered by the terms of a resolution governing Employees who are not covered by a collective bargaining agreement, unless the resolution specifically requires participation in the Plan, but only to the extent provided for in the resolution;

- (d) Those individuals, not described above, designated by the Human Resources Department as Employees whose terms of employment are governed by a contract between the District and the individual, unless the contract specifically requires participation in the Plan, but only to the extent provided for in the contract; and
- (e) Any other individual who is not classified by the District, in its discretion, as an "employee" as that term is defined in Code section 3121(d).

Such individuals shall not be Eligible Employees even if the classification by the District is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Eligible Employee under this section is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Eligible Employee and shall be ineligible for benefits for all periods prior to the date the District determines its classification of the individual is erroneous or should be revised.

1.18 Eligible Retiree.

Shall mean an Eligible Employee who (i) elects an Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement (or, for a Tier III Eligible Employee as defined in the Basic Retirement Plan, if the Eligible Employee would have been eligible to elect an Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement if the Employee was not a Tier III Eligible Employee), (ii) is participating in Available Coverage immediately prior to such retirement, and (iii) is, immediately prior to such retirement, at least either:

- (a) Age 60 with 5 Years of Credited Service with respect to Tier III Eligible Employees; or
- (b) Age 55 with 5 Years of Credited Service for all other Employees.

1.19 Employee.

Shall mean any individual who is employed as an employee of the District and renders services to the District as a Director or in the status of an "employee" as that term is defined in Code section 3121(d).

1.20 Government Code.

Shall mean the California Government Code, as amended.

1.21 Normal Retirement.

Shall mean ceasing to be an Employee in the month the Employee attains Normal Retirement Age under the Plan.

1.22 Normal Retirement Age.

Shall mean age 62 with respect to Participants who cease to be eligible Employees prior to December 1, 2005, and age 60 with respect to all other Participants.

1.23 Participant.

Shall mean an Eligible Retiree or Eligible Dependent who is participating in Retiree Medical Benefits under the Plan.

1.24 Pension Benefit.

Shall mean a monthly pension benefit payable as a result of Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement under the Basic Retirement Plan.

1.25 Period of Service.

Shall mean, with respect to any Employee, the period described in the Period Of Service Definition section of the Basic Retirement Plan.

1.26 Plan.

Shall mean the Modesto Irrigation District Retirement System Retiree Medical Benefits Plan as herein set forth and as it may be amended from time to time.

1.27 Plan Administrator.

Shall mean the person or persons as appointed from time to time by the Board of Directors to perform the ministerial administration of the Plan.

1.28 Post-2005 Eligible Employee.

Shall mean an Eligible Employee who either:

- (a) Becomes an Eligible Employee on or after January 1, 2006; or
- (b) Became an Eligible Employee prior to January 1, 2006, but (i) whose Period of Service ended before the Eligible Employee met the

requirements to become an Eligible Retiree and (ii) then again becomes an Eligible Employee on or after January 1, 2006.

1.29 Retire, Retired or Retirement

Shall mean commencing or having commenced Early Retirement, Normal Retirement, Delayed Retirement or Disability Retirement.

1.30 Retiree Medical Benefits

Shall mean the benefits provided under this Plan, as described in the Benefits article.

1.31 Surviving Eligible Dependents.

Shall mean the Eligible Dependents of an Eligible Employee or an Eligible Retiree at the time of the Eligible Employee's or Eligible Retiree's death who have already been participating in Available Coverage as an Eligible Dependent immediately prior to such death.

1.33 Surviving Spouse.

Shall mean the Employee's legal spouse at the time of the Employee's death or the Employee's registered domestic partner at the time of the Employee's death.

1.34 Trust.

Shall mean the trust established, maintained and administered pursuant to Article 13B, Section 5 and Article 16, Section 17 of the California Constitution and sections 53620 et seq. of the Government Code, under which the Trustee holds the assets of the Plan.

1.35 Trustee.

Shall mean the trustee(s) signing the Trust and any successor trustee(s).

1.36 Year of Credited Service.

Shall mean each 12-month period of Credited Service.

ARTICLE 2

ELIGIBILITY FOR RETIREE MEDICAL BENEFITS

2.01 Commencement of Retiree Medical Benefits.

Retiree Medical Benefits are extended to Eligible Retirees at the time they Retire.

2.02 Commencement of Retiree Medical Benefits for Dependents.

Retiree Medical Benefits are extended to Eligible Dependents of an Eligible Retiree at the time when the Eligible Retiree Retires, provided that the Eligible Dependents were participating in Available Coverage as a dependent immediately prior to the Eligible Retiree's Retirement; provided, however, that the requirement that an Eligible Dependent be participating in Available Coverage immediately prior to the Eligible Retiree's Retirement shall not apply with respect to an Eligible Dependent who (i) was not so enrolled at that time, (ii) was subject to a special enrollment period with respect to such Available Coverage (e.g., pursuant to the applicable requirements of either (a) the Health Insurance Portability and Accountability Act of 1996, as it may be amended from time to time, and the regulations issued thereunder or (b) with respect to the first plan year of such Available Coverage beginning on or after September 23, 2010 only, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, and the lawful guidance thereunder), and (iii) enrolled in such Available Coverage during that special enrollment period.

2.03 Commencement of Retiree Medical Benefits for Surviving Eligible Dependents of Certain Deceased Active Employees.

Retiree Medical Benefits are extended to Surviving Eligible Dependents of a deceased Eligible Employee, who, immediately prior to the time of death, (i) was an active Eligible Employee and (ii) either:

- (a) With respect to such Employees dying on or after March 31, 2003 had, by adding his or her months of Credited Service plus his or her age, in months, attained a total of 840 months; or
- (b) Had attained either:
 - (1) Age 60 with 5 Years of Credited Service with respect to Employees whose date of hire is on or after January 1, 2013; or
 - (2) Age 55 with 5 Years of Credited Service for all other Employees.

2.04 Additional Requirements.

Notwithstanding any other provisions of the Plan, no Eligible Retiree or Eligible Dependent shall be a Participant unless such individual has complied with all enrollment procedures specified by the District and the applicable insurance company, and is an insured under the applicable insurance policy. In no event shall the Plan or the District be liable to provide health care services, indemnification or reimbursements to any individual.

2.05 Cessation of Retiree Medical Benefits for Eligible Retirees.

Retiree Medical Benefits for an Eligible Retiree will cease upon the Eligible Retiree's death or upon the effective date of an Eligible Retiree's waiver of Retiree Medical Benefits with the District.

2.06 Cessation of Retiree Dental and Vision Benefits.

Coverage under the dental and vision components of Retiree Medical Benefits ceases with respect to any Participant when the Participant attains age 65.

2.07 Cessation of Retiree Medical Benefits for Dependents.

Coverage for an Eligible Dependent or Surviving Eligible Dependent will cease as of the last day of any month in which any of the following occurs:

- (a) The dependent no longer meets the requirements of an Eligible Dependent;
- (b) The monthly premium is not paid for the dependent portion of medical coverage as required under the Eligible Dependents of Eligible Retirees Who Retired On or After January 1, 1992 section;
- (c) The dependent dies; or
- (d) In the case of a Surviving Spouse, the Surviving Spouse remarries (or becomes a registered domestic partner with another individual).

2.08 Cessation of Retiree Medical Benefits for Retired Post-2005 Eligible Employees, New Participants, and Their Dependents.

Notwithstanding any other provision of the Plan, with respect to any Participant who is a Post-2005 Eligible Employee, the Eligible Dependent of a Post-2005 Eligible Employee, a "Tier III Eligible Employee" as defined in the Basic Retirement

Plan, or the Eligible Dependent of a "Tier III Eligible Employee" as defined in the Basic Retirement Plan, the following provisions shall apply:

- (a) Retiree Medical Benefits shall in no event be available to any such Participant after the date when the Post-2005 Eligible Employee or "Tier III Eligible Employee" as defined in the Basic Retirement Plan reaches age 65 (or the date a deceased Post-2005 Eligible Employee or "Tier III Eligible Employee" as defined in the Basic Retirement Plan would have reached age 65).
- (b) Retiree Medical Benefits shall in no event be available to any such Eligible Dependent after the date when the Eligible Dependent reaches age 65.

2.09 Continuation Of Coverage.

Benefits under this Plan shall be provided in compliance with (i) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as set forth in the Public Health Service Act (PHSA), and (ii) the continuation of coverage requirements under California State laws (i.e., Cal-COBRA), to the extent required by COBRA, the PHSA, and such California State laws, as applicable to this Plan. Premiums for any such continuation coverage shall be charged to the qualified beneficiaries in such amounts and shall be payable at such times as are established by the Committee and as permitted by COBRA, the PHSA, and such California State laws, as applicable to this Plan.

ARTICLE 3

BENEFITS

3.01 Retiree Medical Benefits for Eligible Retirees who Retired prior to December 1, 2000.

An Eligible Retiree who Retired prior to December 1, 2000 will be eligible for Retiree Medical Benefits excluding dental and vision benefits.

3.02 Retiree Medical, Dental and Vision Benefits for Eligible Retirees who Retired on or after December 1, 2000.

An Eligible Retiree who Retired on or after December 1, 2000 will be eligible for Retiree Medical Benefits including dental and vision benefits.

3.03 Eligible Dependents of an Eligible Retiree Who Retired Prior to December 1, 2000.

An Eligible Dependent or Surviving Eligible Dependent of an Eligible Retiree who Retired prior to December 1, 2000 will be eligible for Retiree Medical Benefits excluding dental and vision benefits.

3.04 Eligible Dependents of an Eligible Retiree Who Retired On or After December 1, 2000.

An Eligible Dependent or Surviving Eligible Dependent of an Eligible Retiree who Retired on or after December 1, 2000 will be eligible for Retiree Medical Benefits including dental and vision benefits.

3.05 Surviving Eligible Dependents of Certain Deceased Active Employees.

A Surviving Eligible Dependent described in the Commencement of Retiree Medical Benefits for Surviving Eligible Dependents of Certain Deceased Active Employees section will be eligible for Retiree Medical Benefits, not including dental and vision benefits, if the Employee died prior to December 1, 2000, and including dental and vision benefits, if the Employee died on or after December 1, 2000.

3.06 Retiree Medical Benefits for Directors.

Notwithstanding any other provision of the Plan, Retiree Medical Benefits shall be extended to Directors only to the extent and in the manner provided for in Government Code section 53201, as amended, and in accordance with California Attorney General's Opinion No. 07-202 dated July 10, 2008.

ARTICLE 4

CONTRIBUTIONS AND PAYMENT OF PREMIUMS

4.01 Contributions by the District

The District shall contribute to the Trust, not less frequently than once a year, the amounts necessary to maintain the Plan. Notwithstanding the foregoing, the District reserves the right to suspend or reduce contributions to the Plan at any time, upon appropriate action by the Board of Directors; provided, however, that in the event that there are insufficient funds in the Trust to provide benefits due under the Plan, the District shall pay for such benefits directly.

4.02 Funds Not Recoverable by the District - Exceptions

At no time shall any amounts held in the Trust revert to, or be recoverable by, the District, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants and paying the reasonable expenses of

administering the Plan. Notwithstanding the preceding sentence or any other provision of the Plan to the contrary:

- (a) To the extent any contribution to the Plan is made by reason of a mistake of fact, it may be returned to the District; and
- (b) Upon termination of the Plan, any assets remaining in the Trust after the satisfaction of all liabilities to Participants may be returned to the District.

The amounts that may be returned to the District pursuant to subsection (a) above shall be the excess of the amounts contributed over the amounts that would have been contributed had there not been a mistake of fact. No earnings on the mistaken contributions may be returned to the District, and any losses sustained by the Trust after the date of contribution shall proportionately reduce the amount that may be returned to the District hereunder.

4.03 Eligible Retirees And Eligible Dependents of Eligible Retirees Who Retired Prior To January 1, 1992.

The Plan will pay 100% of the monthly premium for Retiree Medical Benefits for Participants who are Eligible Retirees who Retired prior to January 1, 1992 and Eligible Dependents of Eligible Retirees who Retired prior to January 1, 1992.

4.04 Eligible Retirees Who Retired On or After January 1, 1992.

The Plan will pay 100% of the monthly premium for Retiree Medical Benefits for Participants who are Eligible Retirees who Retired on or after January 1, 1992.

4.05 Eligible Dependents of Eligible Retirees Who Retired On or After January 1, 1992.

An Eligible Retiree who Retired on or after January 1, 1992 is required to pay a portion of the monthly premium for dependent medical coverage only. The monthly premium, which will be withheld from the retiree's monthly Pension Benefit, will be based upon either retiree only and one dependent (E+1) coverage or two or more dependents (E+2 or more) coverage if dependent coverage is elected.

Retiree and 1 dependent \$8.00 per month

Retiree and 2 or more dependents \$13.00 per month

4.06 Dental and Vision Benefits for Eligible Dependents.

In the event that an Eligible Dependent is eligible for dental and vision coverage, the Plan will pay 100% of the premium for such coverage.

4.07 Payment for Retiree Medical Benefits for Directors.

Notwithstanding the foregoing provisions of this Article 4, payment for any Retiree Medical Benefits extended to Directors shall be in the manner and by the party(ies) specified in Government Code section 53201, as amended, and in accordance with California Attorney General's Opinion No. 07-202 dated July 10, 2008.

ARTICLE 5

ADMINISTRATION OF THE PLAN

5.01 Plan Administration.

The administration of the Plan is vested in the Board of Directors. Except as to appointments to the Committee, the Board of Directors may delegate to the Committee the authority to perform any act in the government and administration of the Plan within the power of the Board of Directors itself to perform. In the instance of any such delegation of authority, the Committee may act finally, except where the Board of Directors in making the delegation provides that the act of the Committee shall be reported to the Board of Directors for review and ratification, amendment or reversal.

5.02 General Administration of the Plan.

The general administration of the Plan is delegated to the Committee, which shall be the "plan administrator" for purposes of the Code. The ministerial administration of the Plan shall be by the "Plan Administrator," who shall be the District's chief human resources manager (or such alternate individual, or individuals as the Board of Directors shall appoint from time to time). The duties of the Plan Administrator shall include, but are not limited to:

- (a) To act as advisor to the Retirement Committee in all matters related to the administration of the Plan;
- (b) To provide clerical and technical services related to the administration of the Plan; and
- (c) To perform all administrative functions of the Plan which are requested by the Committee that are consistent with the terms and provisions of the Plan.

5.03 Powers of the Committee.

It shall be a principal duty of the Committee to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them. The Committee will have the full power to administer the plan in all of its details, subject to any applicable requirements of law including, without limitation, the lawful order of any Court of competent jurisdiction. For this purpose, the Committee's powers will include, but will not be limited to the following authority, in addition to all other powers provided by this Plan:

- (a) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedure that may be required by applicable provisions of law;
- (b) To interpret the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan or to receive a benefit from the Plan;
- (d) To appoint such agents, counsel, consultants and other persons as may be required by the Committee to assist in the administration of the Plan; and
- (e) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be by written instrument and in accordance with applicable provisions of the law.

The Committee shall have full discretion in making its decisions and determinations, and they shall be conclusive and binding on all interested parties, except as otherwise provided by law.

5.04 Examination of Records.

The Plan Administrator shall make available to each Participant such of its records under the Plan as pertains to him or her for examination at reasonable times during normal business hours.

5.05 Indemnification of the Plan Administrator.

The District agrees to indemnify and to defend to the fullest extent permitted by law, the Committee, its members, any Employee serving as Plan Administrator (including any Employee or former Employee who served as such), and each of them, against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the District) occasioned by an act or omission to act in connection with the Plan, if such act or omission is made in good faith.

5.06 Nondiscriminatory Exercise of Authority.

Whenever, in the administration of the Plan, any discretionary action by the Committee is required, the Committee shall exercise its authority in a non-discriminatory manner so that all persons similarly situated will receive substantially equal treatment.

5.07 Procedures for Review of Denial of Benefits.

- (a) The benefits payable under the Plan from insurance policies, HMO contracts, health care service plan documents, or other service provider agreements shall be provided by such insurance companies, HMOs, health care service plans or other service providers with which the District contracts from time to time in order to provide the benefits under the Plan. The District shall have no obligation under the Plan for any insured benefits or benefits provided by another provider beyond the payment of the District's share of the appropriate premium and the remittance of each Participant's share of the premium to the insurance company, HMO, health care service plan or other service provider to the extent that such premiums have been paid to the District by the Participant. Claims for specific benefit payments or reimbursements that are governed by an insurance policy, HMO contract, health care service plan document, or other service provider agreement, including any claim for such benefits that has been denied, shall be administered by the applicable insurance company, HMO, health care service plan, or other service provider, not by the District.
- (b) In the case of any benefit under the Plan that is not governed by the preceding provision, any person whose claim for benefits under the Plan has been denied in whole or in part shall receive a notice from the Plan Administrator setting forth the specific reasons for such denial, specific references to the provisions of the Plan on which the denial was based and an explanation of the procedure for review for the denial. Such person, or such person's duly authorized

representative, may appeal to the Committee for a review of the denial by sending to the Committee a written request for review within 60 days after the date of the notice of denial. The Committee shall give the claimant the opportunity to review pertinent documents in preparing such request. The request for review shall set forth all grounds on which it is based, together with supporting facts and evidence, which the claimant deems pertinent. The Committee may require the claimant to submit such additional facts, documents or other information, as it deems necessary or advisable in making its review of the denial. Within 60 days after the receipt of the request for review, the Committee shall communicate its decision to the claimant in writing. The Committee may extend such period by an additional 60 days due to special circumstances, provided that the Committee shall notify the claimant in writing that the Committee intends to extend the initial review period and the special circumstances that necessitate such extension. If the Committee confirms the decision, in whole or in part, the Committee shall set forth in writing the reasons for the decision and specific references to the provisions of the Plan and any facts or circumstances on which the decision is based.

5.08 Expenses of the Plan.

All reasonable expenses of the Plan, including the fees or compensation of accountants, advisers, actuaries and attorneys and other costs incurred in administering the Plan, shall be paid by the Plan Administrator out of funds in the Trust to the extent that such funds are adequate, otherwise by the District.

ARTICLE 6

AMENDMENT AND TERMINATION

6.01 Amendment of the Plan.

Subject to the Limitation on Amendment or Termination section, the District reserves the power to amend any or all of the provisions of the Plan, at such time or times that it may deem advisable, by written instrument adopted by the Board of Directors. However, no such amendment shall cause any part of the assets of the Plan to revert to, or be recoverable by, the District, or be used for, or diverted to, purposes other than the exclusive purposes of providing benefits to Participants, former Participants and their Beneficiaries and paying the reasonable expenses of administering the Plan, other than as provided in the Funds Not Recoverable by the District – Exceptions section.

6.02 Termination of the Plan.

The District has established the Plan with the bona fide intention and expectation that it will be continued indefinitely; provided, however, that, subject to the Limitation on Amendment or Termination section, the District has no obligation whatsoever to maintain the Plan for any given length of time and may discontinue or terminate the Plan at any time without any liability.

6.03 Limitation on Amendment or Termination.

The Retiree Medical Benefits described in a memorandum of understanding (MOU) or a Resolution of Terms and Conditions for Management and Confidential Employees (Resolution) shall apply to Employees covered by such MOU or Resolution who Retire during the term of the MOU or Resolution in accordance with their respective terms.

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.01 Limitation of Rights.

Nothing herein contained shall in any way be construed as to affect the employment relationship between the District and its Employees, or the District's right to discharge any Employee at any time, with or without cause, or to decrease the salary or other compensation of any Employee. The relationship between the District and Employees shall continue in the same manner as though this Plan had never been executed.

7.02 Unenforceable Provisions.

If any provision or provisions of this Plan shall be for any reason judged invalid or unenforceable, unless the effect thereof would be to substantially alter or defeat the purposes hereof, the remaining provisions shall nevertheless be carried into effect.

7.03 Governing Law.

The Plan shall be construed, administered, interpreted and enforced according to the laws of the State of California.

Executed this _____ day of _____, 2022.

Modesto Irrigation District

By: _____

Title: _____