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Public

Agency

Retirement

System

**PLAN DOCUMENT
CITY OF CARSON**

SUPERCEDED

6/13/2007

INTRODUCTION

The Public Agency Retirement System Trust has adopted the following Defined Contribution Plan on behalf of affiliated government agencies for the benefit of their employees. It is intended that this Plan meet all requirements for qualification as a profit-sharing plan set forth in the Code as amended from time to time, for governmental plans. If any provision of this Plan is subject to more than one interpretation, such ambiguity shall be resolved in favor of that interpretation which is consistent with this Plan being so qualified.

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ARTICLE I

DEFINITIONS

- 1.01 "Administrator" means the Employer.
- 1.02 "Adoption Agreement" means the Public Agency Retirement System (PARS) Adoption Agreement.
- 1.03 "Beneficiary" means any person or persons, other than the Employer or the Trustee, designated by a Participant to receive any distributions under this Plan which may be due upon the Participant's death. The Beneficiary for a married Participant shall be the Spouse of the Participant and may not be changed to someone other than the Spouse unless Spousal Consent is provided.
- 1.04 "Code" means the Internal Revenue Code of 1986 and amendments thereto.
- 1.05 (a) "Compensation" means all compensation for the Plan Year paid or payable in cash by the Employer for personal services to an Eligible Employee. This definition of "Compensation" shall be subject to the further provisions of this Article, as well as the additional terms, if any, specified by the Employer in the Adoption Agreement.
- (b) "Compensation" shall not include any amounts paid or payable by reason of services performed (1) after the date an Employee ceases to be a Participant, or (2) prior to the date an Employee becomes a Participant.
- (c) "Compensation" shall not include, with respect to any Employee, in any Plan Year (or such other applicable period specifically designated in the Plan), any compensation in excess of \$200,000 or such other amount established by the Secretary of Treasury in accordance with Section 401(a)(17) of the Code. In addition, Compensation shall not include any amounts contributed by an Employer, for or on account of Employees, under this Plan or under any other employee benefit plan qualified under the provisions of Section 401(a) of the Code.
- (d) For purposes of the Highly Compensated Employee and Family Member definition:
- (1) Compensation shall mean total compensation as defined herein without regard to contributions made under Sections 125, 402(a)(8), 402(h)(1)(B) and, in the case of Employer Contributions made pursuant to a salary reduction agreement, 403(b) of the Code.
- (2) Compensation paid to a Participant for any Plan Year shall include all Compensation for that Plan Year paid to any Family Member (hereafter defined) who is a Participant in this Plan during such Plan Year.
- (3) "Family Member" shall mean an Employee who is, on any one day of the Plan Year, a spouse, lineal ascendant, lineal descendant, or a spouse of an ascendant or descendant, including a legally adopted individual, of an individual who during the Plan Year was:
- (A) an active or former Employee and a five percent (5%) owner within the meaning of Section 416(i)(1)(B)(i) of the Code and the regulations thereunder, or
- (B) one of the ten most highly-paid Highly Compensated Employees.

- 1.06 "Computation Period" means the Plan Year.
- 1.07 "Determination Date" means with respect to any Plan Year (a) the last day of the preceding Plan Year, or (b) in the case of the first Plan Year of the Plan, the last day of such Plan Year.
- 1.08 "Effective Date" means the effective date of this Plan as stated in the Adoption Agreement.
- 1.09 "Eligible Employee" means any Employee who, at any time during which the Employer maintains this Plan, is not accruing a benefit under another Retirement System provided or maintained by the Employer. This definition of "Eligible Employee" shall be subject to the additional terms, if any, specified by the Employer in the Adoption Agreement.
- 1.10 "Employee" means any person employed by the Employer on or after the Effective Date of this Plan.
- 1.11 "Employee After Tax Contributions" means Employee Contributions which are not Pick Up Contributions.
- 1.12 "Employee Contributions" means contributions made to the Trust by the Participant, or made to the Trust by the Employer on behalf of the Participant as Pick Up Contributions.
- 1.13 "Employee Contribution Account" means the value of the Participant's interest in this Plan which is attributable to Employee Contributions and Employee After Tax Contributions, determined as of a specified Valuation Date.
- 1.14 "Employer" means the Public Agency which by means of executing the Adoption Agreement has adopted this Plan subject to the terms of the Trust.
- 1.15 "Employer Contributions" means contributions made to the Trust by the Employer on behalf of the Participant which are not Pick Up Contributions.
- 1.16 "Employer Contribution Account" means the value of the Participant's interest in this Plan which is attributable to Employer Contributions, determined as of a specified Valuation Date.
- 1.17 "Hour of Service" means:
- (a) (1) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer during an applicable computation period.
 - (b) (1) Each hour for which an Employee is paid, or entitled to payment, by the Employer (irrespective of whether the employment relationship has terminated) on account of a period of time during which no duties are performed due to vacation, holiday, illness, disability, layoff, jury duty, military duty, or a paid leave of absence during the applicable computation period.
 - (2) For purposes of paragraph (1) above a leave of absence shall include the absence of an Employee due to pregnancy of the Employee, birth of a child of the Employee, placement of a child with the Employee in connection with the adoption of such child by the Employee or the caring for such child for a period beginning immediately following such birth or placement. If an Employee has already been credited with a sufficient number of Hours of

Service during the computation period in which a leave of absence occurs as described in this paragraph (2) in order to avoid a break in service, then such Hours of Service that would have been credited pursuant to this paragraph (2) will be credited to the next immediate computation period.

If the normal number of Hours of Service cannot be determined for an Employee who is on sick leave of absence as described in this paragraph (2) then eight Hours of Service for each day while the Employee is absent shall be used.

(3) For purposes of this paragraph (b) no more than 100 Hours of Service will be credited to an Employee during any single Computation Period. The crediting of Hours of Service under paragraph (2) will be solely for the purpose of determining whether the Employee has incurred a break in service.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer.

(d) Solely for purposes of determining whether a break in service for participation and vesting purposes has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the hours of service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, eight (8) hours of service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The hours of service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a break in service in that period, or (2) in all other cases, in the following computation period.

1.18 "Insurer" means any legal reserve life insurance company licensed to do business in the State of California.

1.19 "Inactive Participant" means a Participant who is no longer eligible to participate because he is no longer in the class of Employees eligible to participate under the provisions of Article II.

1.20 "Normal Retirement Age" means sixty (60) years of age.

1.21 "Normal Retirement Date" means the first of the month coincident with or next following the date on which the Participant attains Normal Retirement Age.

1.22 "Participant" means an Eligible Employee who has received Compensation from the Employer.

1.23 "PERS" means the California Public Employees Retirement System.

1.24 "Permanent and Total Disability" means presumably permanent incapacity in accordance with the definition used by the Federal Social Security Act occurring after the Effective Date and resulting in a Participant being unable to engage in any regular gainful employment or occupation by reason of any medically demonstrable physical or mental condition. Such Disability shall be deemed to exist only when written application has been filed with the Employer by or on behalf of such

Participant and when such Disability is certified to the Employer by a licensed physician approved by the Employer. Such Disability will not be considered established unless it has continued for a period of not less than six (6) consecutive months.

- 1.25 "Pick Up Contributions" means Employee Contributions made by the Employer on behalf of the Participant pursuant to Section 414(h) of the Code. Pick Up Contributions shall not, under any circumstances, be paid to the Participant or be directed by the Participant to be paid for any purpose except as Pick Up Contributions to this Plan. The Employer may make Pick Up Contributions through a reduction in salary, an offset against future salary increases, or a combination of the two.
- 1.26 "Plan" means the Public Agency Retirement System (PARS), a governmental plan as it may from time to time be amended.
- 1.27 "Plan Year" means a period of twelve (12) consecutive months as stated in the Adoption Agreement.
- 1.28 "Public Agency" means a State, a political subdivision of a State, and any agency or instrumentality of a State or political subdivision of a State.
- 1.29 "Retirement System" means any plan which meets the requirements for a retirement system under Section 3121(b)(7)(F) of the Code and regulations thereunder.
- 1.30 "Spousal Consent" means a written election signed by the Spouse to have someone other than the Spouse considered the Participant's Beneficiary in which case such consent must acknowledge the non-Spouse Beneficiary. Such written election shall be witnessed by a Plan representative designated by the Administrator or a notary public and shall acknowledge the effect of such election on the Spouse.
- 1.31 "Spouse" means the person to whom the Participant is married as of the earlier of the date on which the Participant's benefits commence or the date of the Participant's death. To the extent provided in any qualified domestic relations order a Participant's former Spouse may be treated as the surviving Spouse for purposes of this Plan.
- 1.33 "STRS" means the California State Teachers Retirement System.
- 1.34 "Trust" means the Public Agency Retirement System (PARS) Trust.
- 1.35 "Trustee" means the trustee of the Trust.
- 1.36 "Valuation Date" means the last day of the Plan Year.
- 1.37 "Vest" means to have a nonforfeitable right to the Employer Contribution Account and/or the Employee Contribution Account.
- 1.38 "Year of Service" means a period of twelve (12) consecutive months coinciding with the Plan Year.
- 1.39 As used in this Plan, the masculine shall include feminine and the singular shall include the plural, where applicable.

ARTICLE II

ELIGIBILITY REQUIREMENTS FOR PARTICIPATION

- 2.1 Eligibility requirements are determined as stated in the Adoption Agreement.
- 2.2 For purposes of determining Years of Service and Breaks in Service for purposes of eligibility, the initial eligibility computation period is based on requirements stated in the Adoption Agreement which shall mean a period of twelve (12) months commencing on the date on which the Employee first performs an Hour of Service. The second eligibility Computation Period shall be the Plan Year which begins within the first eligibility Computation Period, and the third and subsequent eligibility Computation Periods shall be subsequent Plan Years.
- 2.3 An Eligible Employee will become a Participant immediately upon being hired.
- 2.4 A Participant of this Plan shall cease to be a Participant for the purpose of accruing further participation credits on the date on which he becomes eligible for another Retirement System, as defined by IRS Section 3121(b)(7)(F) the date employment is terminated because of permanent and total disability, the date on which death occurs, the date of his retirement, or the date of his termination for any other reason.
- 2.5
 - (a) In the event a Participant is no longer a member of the eligible class of Employees as provided for in Section 2.1 above and the Adoption Agreement, and becomes ineligible to participate, such Employee will participate immediately upon returning to the eligible class of Employees.
 - (b) In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee will participate immediately if such Employee has satisfied the requirements of Section 2.1 and the Adoption Agreement.
- 2.6 A Participant who is no longer eligible to participate because he is no longer in the class of eligible employees, but who has not terminated employment with the Employer shall become an Inactive Participant and shall remain such for twenty-four (24) months after which his interest in the Plan will be distributed to him.

ARTICLE III

CONTRIBUTIONS

- 3.1 (a) For each month that an Employee remains a Participant under this Plan, the Employer is responsible for and shall make Employer Contributions to the Trust hereunder which shall be credited to the Participant's Employer Contributions Account. The amount of the Employer Contributions to be made for any particular month and with respect to any particular Participant shall be as stated in the Adoption Agreement.
- (b) For each month that an Employee remains a Participant under this Plan, the Employee is responsible for and shall make Employee Contributions to the Trust hereunder which shall be credited to the Participant's Employee Contributions Account. The amount, if any, of the Employee Contributions to be made for any particular month and with respect to any particular Participant shall be as stated in the Adoption Agreement. The employee contribution shall be subject to IRC Section 414 (h) "before tax" employer pickup, if provided for in the Adoption Agreement.
- 3.2 The Employer may make contributions to the Trust hereunder sufficient to defray the expenses of administering this Plan, including any expense charges or fees of the Insurer under the group annuity contract. In the event of the failure of the Employer to pay such expenses, they shall be charged against the Participants' Employer Contribution Accounts and Employee Contribution Accounts as specified in the Adoption Agreement.
- 3.3 "Annual Additions" means for any Plan Year the sum of the following amounts credited to a Participant's accounts in all qualified defined contribution plans maintained by the Employer:
- (a) Employer Contributions
 - (b) Employee Contributions
 - (c) Forfeitures

Solely for the purposes of this paragraph, the Total Compensation for a totally disabled (within the meaning of Section 22(e) of the Code) participant of a defined contribution plan maintained by the Employer is the compensation which the participant would have received for the year if the participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; provided such imputed compensation may be taken into account only if the member is not an officer, an owner, or a highly compensated employee, and only if contributions to the defined contribution plan are nonforfeitable when made. In addition, amounts allocated after March 31, 1984 to an individual medical account, as defined in Section 415(l)(1) of the Code, which are part of a defined benefit plan maintained by the Employer, and amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in Section 419A(d)(3) of the Code, under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by an Employer, shall also be treated as Annual Additions.

- 3.4 Notwithstanding anything to the contrary contained in this Plan, the Annual Additions to a Participant's account for any Plan Year shall not exceed the lesser of the Defined Contribution Dollar Limitation (currently \$30,000) for the Plan Year or twenty-five percent (25%) of the Participant's Total Compensation for the Plan Year. The percentage limitation of the preceding sentence shall not apply to any contributions for medical benefits (within the meaning of Section 419A(f)(2) of the Code) after separation from service which is otherwise treated as an Annual Addition under Section 415(l)(1) of the Code.

ARTICLE IV

INVESTMENT OF CONTRIBUTIONS

Valuation of Accounts

- 4.1 For the purpose of funding this Plan, the Employer will provide the Trustee with written direction on how to invest assets consistent with this Article IV. Alternatively, at the option of the Employer, and with the written consent of the Trustee the Employer may delegate to the Trustee the authority to determine how the assets of the Plan will be invested, consistent with the terms of this Plan and accompanying Trust.
- 4.2 The Trustee may invest some or all of the contributions in an investment contract issued by an insurance company licensed to do business in California with a rating of A+ or better awarded by Standard and Poor's Corporation's Insurer Solvency Review, or in any fund whose principal is guaranteed by the Federal Deposit Insurance Corporation. Such investment to be made shall be made at the direction of the Employer, or at the discretion of the Trustee if a valid delegation of investment decision has been provided to the Trustee by the Employer pursuant to Section 4.1.
- 4.3 Any group investment contract shall provide for separate accounting of each Participant's Employer Contribution Account and Employee Contribution Account.
- 4.4 The value of a Participant's Employer Contribution Account and Employee Contribution Account shall be determined at least annually on a date herein referred to as a Valuation Date. As of each Valuation Date the trustee shall determine the amount of interest adjustment credited to the total of all assets held for Employer Contribution Accounts and Employee Contribution Accounts during the period since the preceding Valuation Date. The total interest adjustment shall be allocated among all of the active individual Participant and Inactive Participant accounts within each such classification as of the current Valuation Date. Not less frequently than annually, the Employer shall notify each Participant of the value of his Employer Contribution Account and Employee Contribution Account. All account values will be listed at book value unless the Participant requests a listing of the current fair market value of such Account.
- 4.5 Contributions to the Trust Fund in an amount, and for a period, which are reasonable in the discretion of the Trustee, shall be deposited in an interest-bearing account, which may be an interest bearing account of the Trustee.

ARTICLE V

VESTING

- 5.1 (a) Each Participant shall be Vested in his Employer Contribution Account as provided in the Adoption Agreement.
- (b) Each Participant shall be one hundred percent (100%) Vested in his Employee Contribution Account at all times.
- 5.2 Any Participant who terminates his employment with the Employer prior to his Normal Retirement Date and who does not meet the requirements under Section 5.1(a) and the Adoption Agreement above shall lose all rights to the balance of his Employer Contributions Account accrued prior to such date.
- 5.3 No change to a Vesting Schedule contained in this Article V and the Adoption Agreement shall deprive a Participant of his nonforfeitable right to his Employer Contributions Account prior to the adoption of the change. If the Vesting Schedule of this Plan is amended, each Participant with at least five (5) Years of Service with the Employer prior to the adoption of the change, may elect within a reasonable time after the adoption of the change to have his nonforfeitable percentage computed under the Plan without regard to the change.

ARTICLE VI
DISTRIBUTIONS

- 6.1 A Participant who terminates his employment by reason of death, the attainment of Normal Retirement Date or Permanent and Total Disability shall be entitled to one hundred percent (100%) of the sum of his Employer Contribution Account and his Employee Contribution Account, valued as of the Valuation Date coincident with or next following the actual date of distribution. The sum to which such a Participant is entitled shall be distributed in accordance with the further provisions of this Article.**
- 6.2 In the event that the termination of a Participant is caused by his death, his Beneficiary shall be paid his entire benefit in the Plan in one lump sum.**
- 6.3 If the sum to which the Participant is entitled is less than \$3,500, it shall be distributed to the Participant as a single sum. If the sum to which a Participant is entitled is \$3,500 or greater it will also be distributed in the form of a lump sum, but such distribution may not be distributed to the Participant prior to his Normal Retirement Date without his consent.**
- 6.4 A Participant may continue in employment beyond his Normal Retirement Date to a deferred retirement date which may be the first day of any month subsequent to his normal Retirement Date. A Participant who terminates his service on or after his deferred retirement date shall be entitled to one hundred percent (100%) of the sum of his Employer Contribution Account and his Employee Contribution Account, revalued as of the Valuation Date coincident with or next following the actual date of distribution. The Account shall be distributed in accordance with the further provisions of this Article.**
- 6.5 The interest in the Plan of an Inactive Participant shall be distributed to him at the end of a period of 24 (twenty four) months during which he has received no contributions to his accounts in this Plan.**
- 6.6 An Employee who is a Participant in this Plan will have his entire interest in this Plan distributed in accordance with Section 401(a)(9) of the Code. A Participant's entire interest in this Plan will be:**
- (a) Distributed commencing not later than the required beginning date (in accordance with Internal Revenue Service regulations) and must be made over one of the following periods (or a combination thereof):**
 - (1) the life of the Participant,**
 - (2) the lives of the Participant and a designated Beneficiary,**
 - (3) a period not extending beyond the life expectancy of the Participant, or**
 - (4) a period not extending beyond the life expectancy of the Participant and a designated Beneficiary.**
 - (b) Distributed over a period specified in (a) (3) or (4) above, or over a period not extending beyond the life expectancy of the designated Beneficiary.**
 - (c) Except as provided below, the required beginning date for purposes of this Section shall be the April 1st of the calendar year following the later of:**

- (1) the calendar year in which the Participant attains age 70 1/2 or,
 - (2) the calendar year in which the Participant retires.
- (d) For purposes of this Article VI, life expectancy of the Participant and life expectancy of the Participant and designated Beneficiary will be computed using the return multiples contained in Section 1.72-9 of the Income Tax Regulations. A Participant's life expectancy (and his Spouse's life expectancy) may not be recalculated.
- (e) Distribution of a Participant's interest in this Plan will be made in accordance with Section 401(a)(9) of the Code and the provisions of such Code section will supersede any provision in this Plan which may be inconsistent with such Code section.
- (f) If distribution is considered to have commenced in accordance with the Regulations before the Participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the Participant's death.
- 6.7 Distributions made to a Participant's designated Beneficiary under this Plan shall be incidental to the primary purpose of providing benefits to Participants and such distributions will be made in accordance with Section 401(a)(9) of the Code.
- 6.8 Anything in this Plan to the contrary notwithstanding, the Participant shall not have the right to elect to have all or part of his interest in this Plan, which would otherwise become available to him during his lifetime, paid only to his Beneficiary after his death.
- 6.9 In no event shall the annuity commencement date of a Participant who becomes entitled to benefits under this Plan be later than 60th day after the close of the Plan year in which the latest of the following events occurs:
- (a) The Participant reaches his Normal Retirement Date;
 - (b) The Participant qualifies for Permanent and Total Disability;
 - (c) The Participant terminates employment with the Employer;
- Notwithstanding the above, a Participant may make written application to the Administrator for a deferred annuity commencement date which may be the first day of any month subsequent to the latest date specified in (a), (b), or (c) above but in no event will such date be later than the required beginning date specified in this Article.
- 6.10 A Participant who becomes eligible for another retirement system as defined by IRC Section 3121(b)(7)(F) or Social Security provided by his employer but does not terminate employment with the Employer shall become an Inactive Participant.

ARTICLE VII

TERMINATION OF EMPLOYMENT

- 7.1 A Participant who terminates his employment by reason of death, the attainment of Normal Retirement Date or Permanent and Total Disability shall be entitled to one hundred percent (100%) of the sum of his Employer Contribution Account and his Employee Contribution Account, valued as of the Valuation Date coincident with or next following the actual date of distribution. The sum to which such a Participant is entitled shall be distributed in accordance with the further provisions of this Article.
- 7.2 Upon the Participant's termination of employment with the Employer his Vested interest in this Plan shall be determined in accordance with Article V of this Plan.
- 7.3 (a) If upon the Participant's termination of employment his Vested interest in this Plan is less than \$3,500, it shall be distributed immediately to the Participant as a single sum. If the sum to which a Participant is entitled is \$3,500 or greater it will also be distributed in the form of a lump sum, but such distribution may not be distributed to the Participant prior to his Normal Retirement Date without his consent.
- (b) If upon the Participant's termination of employment his Vested interest in this Plan is \$3,500 or more, a distribution it will be paid immediately unless the Participant requests that payment made at his Normal Retirement Date.
- 7.4 If a Participant other than a part-time, seasonal or temporary employee terminates his employment with the Employer and is not fully Vested in his Employer Contribution Account on his date of termination, he shall forfeit that portion of his Employer Contribution Account in which he was not vested as of the Valuation Date next following. Any amounts so forfeited shall be applied to reduce future Employer Contributions made under this Plan.

ARTICLE VIII

DEATH BENEFITS

- 8.1 If a married Participant dies prior to receiving his interest in this Plan, his spouse shall become Beneficiary. If unmarried, his estate shall be the beneficiary unless otherwise evidenced by a written instrument.
- 8.2 At any time, and from time to time, each Participant, retired Participant, disabled Participant or terminated Participant shall have the right to designate the Beneficiary to receive the death benefits to which he is entitled hereunder. The Beneficiary for a married Participant shall at all times be the Spouse of the Participant and may not be changed to someone other than the Spouse unless Spousal Consent is provided. Each such designation for death benefits shall be evidenced by a written instrument filed with the Administrator and signed by the Participant. If no such designation is on file with the Administrator at the time of the death of the Participant, or if for any reason at the sole discretion of the Administrator such designation is defective, then the Spouse of such Participant shall be conclusively deemed to be the Beneficiary designated to receive such benefit.

ARTICLE IX

ADMINISTRATION

- 9.1 The Employer is the Plan Administrator under this Plan within the meaning of the Employee Retirement Security Act of 1974 (ERISA), as applicable to governmental plans and as amended from time to time, and shall supervise and control the operation of this Plan in accordance with its terms and may make rules and regulations for the administration of this Plan which are not inconsistent with the terms and provisions hereof.
- 9.2 The Employer shall see that books of account are kept which shall show all receipts and disbursements and a complete record of the operation of this Plan, including records of the Accounts of individual Participants. The Administrator shall be responsible for the preparation, submission, and/or publication of all reports, descriptions, and forms which may be required for this Plan to conform to the applicable provisions of the Code.
- 9.3 In any case where the provisions of this Plan require the consent or approval of the Employer or Administrator of an election or request made by an Employee, Participant, or Beneficiary, in order to make such election or request effective, the Employer shall act on such election or request as promptly as shall be reasonable in the circumstances. In any case where action by the Insurer under the group annuity contract is necessary in order to make operative an effective election or request made by an Employee, Participant or Beneficiary, it shall be the responsibility of the Employer to transmit such election or request to the Insurer in writing and as promptly as shall be reasonable in the circumstances. The Insurer shall not be obliged to take action under the group annuity contract with respect to any particular election or request unless the Insurer shall have received the election or request in such form and detail as shall be reasonably required by the Insurer.
- 9.4 The Employer in interpreting any provision of this Plan or in making any judgment or determination with respect to any person hereunder will apply uniform rules in a like manner to all persons under similar circumstances.
- 9.5 If an application or a claim for benefits under this Plan has been filed with the Administrator by a Participant or Beneficiary (claimant), the Administrator must decide within 90 days (an additional 90 days may be granted if proper notice is given to the claimant indicating the special circumstances requiring an extension prior to the termination of the initial 90-day period) whether to pay benefits. If the claimant does not receive any answer from the Administrator within 90 days or in 180 days (in special instances) the claim for benefits shall be considered to have been denied. The Administrator shall provide the claimant with a written explanation for the denial of benefits in language calculated to be understood by the Participant citing pertinent provisions of the Plan, an explanation of the Plan's claim review procedure with appropriate forms for the claimant's use in submitting his claim, and a description of any information necessary for the claimant to perfect the claim.

ARTICLE X

AMENDMENT AND DISCONTINUANCE OF THIS PLAN

- 10.1 While the Employer expects to continue this Plan indefinitely, it necessarily reserves the right to amend this Plan at any time. No such amendment shall, however, deprive any Participant or Beneficiary of any benefit previously vested in him under this Plan. Irrespective of any amendment, no part of the assets held under this Plan shall ever revert to the Employer or be used for or diverted to any purpose other than for the exclusive benefit of the Participants.
- 10.2 It is expressly understood, however, that the power of the Employer to amend this Plan is subject to this Article, and that no amendment shall be made which would:
- (a) deprive any Beneficiary of a then deceased Participant of the right to receive the benefits to which the Beneficiary may be entitled hereunder,
 - (b) deprive any Participant of the benefits to which he is entitled hereunder,
 - (c) deprive any Participant of any of the proportionate interest in this Plan to which he would be entitled were he to terminate employment on the date of such amendment,
 - (d) eliminate or reduce an early retirement benefit or retirement type subsidy (as defined in regulations), or
 - (e) eliminate an optional form of benefit, except to the extent it may be required to qualify, or as a condition of continued qualification of this Plan, under Section 401 of the Code.
- 10.3 This Plan shall be permanent and discontinued upon written notice to the Trustee by the Employer. A complete discontinuance of contributions by the Employer shall be deemed a discontinuance of this Plan.
- 10.4 If this Plan is terminated, partially terminated, or suspended, or if Employer Contributions to this Plan are permanently discontinued, further contributions to this Plan shall thereupon cease and all credits to the Account of Participants and former Participants who are affected by such termination, partial termination, or suspension shall become one hundred percent (100%) vested. Any forfeitures which shall have occurred in accordance with Article VII, Section 7.3 hereof prior to reduce Employer Contributions hereunder shall be distributed pro-rata among the Accounts of those Employees who were Participants on the effective date of the termination of this Plan.
- 10.5 In the event the Employer decides it is impossible or not advisable to continue to make its contributions as herein provided, the Employer shall have the power to terminate this Plan through appropriate resolutions.
- 10.6 This Plan may not be merged or consolidated with any other plan, nor may any assets or liabilities of this Plan be transferred to any other plan unless each Participant in this Plan would (if such Plan had then terminated) receive a benefit immediately after such merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before such merger, consolidation or transfer (if this Plan had then terminated).

ARTICLE XI

MISCELLANEOUS

- 11.1 Inclusion in this plan shall not be construed as giving the Employee any right to be retained in the service of the Employer without its consent, nor shall it interfere with the right of the Employer to discharge the Employee, nor shall it give the Employee any right, claim or interest in any retirement benefits herein described except upon fulfillment of the provisions and requirements of this Plan.
- 11.2 (a) To the maximum extent permitted by law, the benefits or payments herein provided shall not in any way be liable to attachment, garnishment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of any Participant. Except as otherwise permitted by law or an order, decree or judgment issued pursuant to a Qualified Domestic Relations Order, benefits or payments under this Plan may not be assigned. In the event of any conflict between provisions of this Plan and the terms of any description issued in conjunction with the Plan, the provisions of this Plan shall control.
- (b) For purposes of this Plan a "Qualified Domestic Relations Order" means a domestic relations order (as specified below) which creates or recognizes the existence of an alternate payee's (any Spouse, former Spouse, child or other dependent of a Participant) right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan. A domestic relations order means any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former Spouse, child or other dependent of a Participant and is made pursuant to a state domestic relations order. Such order (a) must clearly specify (1) the name and last known mailing address (if any) of the Participant and the alternate payee covered by the order, (2) the amount or percentage of the Participant's Account to be paid by the Plan to each alternate payee, or the manner in which such amount or percentage is to be determined, (3) the number of payments or period to which such order applies, and (4) the name of each Plan to which such order applies, and (b) must not require (1) the plan to provide any type or form of benefits, or any option, not otherwise provided under the Plan, or (2) provide increased benefits, and (3) the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously Qualified Domestic Relations Order. The provisions relating to the establishment of a Qualified Domestic Relations Order and the payment of any benefits to an alternate payee shall be applied in the method and manner which is consistent with Section 414(p) of the Code.

Executed this 14 day of April, 1992, at Carson, California.

Lawrence J. Olson
Signature of Plan Administrator

City Administrator
Title