

SONOMA COUNTY REPLACEMENT PLAN

(Effective June 16, 2009)

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SONOMA COUNTY REPLACEMENT PLAN

ARTICLE 1. [INTRODUCTION.](#)

1.1 [Purpose.](#)

The purpose of this Plan is to provide Eligible Employees with supplemental retirement income benefits to a limited number of employees of the Employer to replace certain benefits that would otherwise be lost under the County Employees Retirement Law.

1.2 [Qualification.](#)

The Plan and Trust Agreement are intended to meet the requirements of sections 401(a) and 501(a) of the Code, of California Government Code sections 53215-53224, and section 31482.5. Pursuant to section 31482.5, the Sonoma County Employees' Retirement Association ("SCERA") is designated as the Employer's primary plan for any Participant in this Plan. The Plan is a governmental plan as defined in Code section 414(d).

1.3 [Definitions.](#)

Unless otherwise clearly indicated by the context, the capitalized terms used herein shall have the meanings set forth in Article 2.

ARTICLE 2. [DEFINITIONS.](#)

2.1 ["Accrued Benefit"](#) shall mean the benefit earned by a Participant under this Plan and described in Section 6.1.

2.2 ["Accumulated Contributions Account"](#) shall mean the hypothetical account (which is a book account only and under which no assets are actually set aside or held for any particular Participant) established for each Participant to which the allocations, credits and debits described in Section 6.2 are made.

2.3 ["Actuarial Equivalent"](#) shall mean a benefit of equivalent actuarial value determined in accordance with the factors set forth in Appendix A or, if applicable, as otherwise provided by the Plan.

2.4 ["Affiliated Employer"](#) shall mean any government agency or other organization which is a member of a controlled group (as defined in section 414(b) of the Code) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in section 414(c) of the Code) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in section 414(m) of the Code) which includes the Employer; and any other entity required to be

aggregated with the Employer pursuant to Regulations under section 414(o) of the Code.

An entity shall be considered an Affiliated Employer only with respect to periods during which it is part of the group described in this Section 2.4.

- 2.5 [“Annuity Starting Date”](#) shall mean the first day of the first period for which a pension is payable as an annuity or, in the case of a pension not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to payment under this Plan.

If a Participant accrues Plan benefits after his or her Annuity Starting Date, the Participant shall have separate and distinct Annuity Starting Date(s) with respect to those additional Plan benefits.

- 2.6 [“Applicable Interest Rate”](#) shall mean the “applicable interest rate” defined in section 417(e)(3)(C) of the Code and shall be such rate of interest determined as of the third month preceding the stability period, which shall be the Plan Year containing the Annuity Starting Date for the distribution and for which the Applicable Interest Rate shall remain constant.

- 2.7 [“Applicable Mortality Table”](#) shall mean the “applicable mortality table” defined in section 417(e)(3)(B) of the Code in effect on the Participant’s Annuity Starting Date.

- 2.8 [“Authorized Leave of Absence”](#) shall mean Military Leave and any other absence from active employment, with or without pay, that is authorized in writing by the Employer in accordance with the Employer’s prevailing and nondiscriminatory practices including leave authorized on account of Disability; provided that the affected Employee conforms to all of the conditions of the leave of absence, including a return to employment within the time specified therein.

- 2.9 [“Beneficiary”](#) shall mean the Spouse of a married Participant, or in the event that the Participant is not married or the Participant’s Spouse has properly executed a Spousal Consent in accordance with Section 8.6, the person designated by the Participant in accordance with Section 8.5 to receive any benefit payable under the Plan after the Participant’s death.

- 2.10 [“Benefit Service”](#) shall mean the period of service used to determine the amount of Plan benefit under Article 6 or any other provision of the Plan.

One year of Benefit Service shall be granted for each Computation Period during which an Eligible Employee earns works 26 Pay Periods.

If, during a Computation Period, an Eligible Employee earns works less than 26 Pay Periods, a partial year of Benefit Service shall be granted. This partial year of Benefit Service shall be determined as the fraction calculated by dividing the number of Pay Periods worked by 26 Pay Periods.

For purposes of this Section 2.10, Pay Periods prior to the Effective Date are disregarded except as provided in the applicable Schedule attached to Appendix B. In addition, Pay Periods while not an Eligible Employee are disregarded.

In the case of a Participant whose Accrued Benefit is not vested and who terminates employment, incurs a Break-in-Service, and qualifies again as a Participant, if the number of consecutive Breaks-in-Service equals or exceeds the greater of five (5) and the number of years of Benefit Service earned prior to termination of employment, the Participant's Benefit Service prior to such Break-in-Service shall not be taken into account in determining Benefit Service.

- 2.11 [“Break-in-Service”](#) shall mean a Computation Period in which the Participant has not completed more than 500 Hours of Service.
- 2.12 [“Board”](#) shall mean the Board of Supervisors of the Employer.
- 2.13 [“Code”](#) shall mean the Internal Revenue Code of 1986, as amended from time to time.
- 2.14 [“Compensation”](#) shall mean with respect to any Participant such Participant's compensation earnable as determined under SCERA for personal services actually rendered in the course of employment with the Employer maintaining the Plan, for the relevant Computation Period.

For a Participant's initial year of participation, Compensation shall be recognized beginning only as of such Participant's Entry Date.

The annual Compensation of each Participant shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. This cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the Computation Period that begins with or within such calendar year.

If a Computation Period consists of fewer than 12 months, the annual Compensation limit is an amount equal to the otherwise applicable annual Compensation limit multiplied by a fraction, the numerator of which is the number of months in the short Computation Period and the denominator of which is 12.

- 2.15 [“Computation Period”](#) shall mean the twelve-month period beginning on the Participant's Entry Date or each annual anniversary thereof, unless otherwise provided in the applicable Schedule attached to Appendix B.
- 2.16 [“Disabled”](#) or [“Disability”](#) shall mean a physical or mental disability as determined by SCERA for purposes of paying benefits under SCERA.

- 2.17 “[Domestic Partner](#)” shall mean an individual who is determined to be a domestic partner under uniform and nondiscriminatory rules established by the Employer for purposes of other employee benefits provided by the Employer.
- 2.18 “[Effective Date](#)” shall mean June 16, 2009.
- 2.19 “[Eligible Employee](#)” shall mean only an Employee who is designated by the Board as an Eligible Employee and who is listed on a Schedule attached to Appendix B.

An individual’s status as an Eligible Employee shall be determined in its sole discretion by the Employer and such determination shall be conclusive and binding on all persons for all purposes.

- 2.20 “[Employee](#)” shall mean an individual who is employed by the Employer and from whose Compensation for the relevant period the Employer has contemporaneously withheld income and employment taxes because the Employer treated the individual as an employee for the purposes of withholding. If, for any period, the Employer has not regarded an individual as an employee and, for that reason, has not withheld income or employment taxes with respect to that individual, then that individual shall not be an Eligible Employee for that period, even in the event that the individual is determined, retroactively, to have been an employee during all or any portion of that period.
- 2.21 “[Employer](#)” shall mean the County of Sonoma, State of California.
- 2.22 “[Employer Allocation](#)” shall mean the annual bookkeeping credit, other than interest, to the Participant’s Accumulated Contributions Account as defined in Section 6.2.
- 2.23 “[Employment](#)” shall mean the period or periods during which an individual is an Employee.
- 2.24 “[Employment Date](#)” shall mean the date an Employee first performs an Hour of Service.
- 2.25 “[Entry Date](#)” shall mean the date an Eligible Employee begins Participation in this Plan.
- 2.26 “[Interest](#)” shall mean the interest credited to the Participant’s Accumulated Contributions Account pursuant to Section 6.2(b).
- 2.27 “[Military Leave](#)” shall mean a period during which an Employee serves in the armed forces of the United States under circumstances in which Federal law protects his or her retirement benefits and rights if he or she returns to employment as an Employee within the period prescribed by Federal law.
- 2.28 “[Normal Retirement Age](#)” shall mean age 60.

- 2.29 [“Normal Retirement Date”](#) shall mean the first day of the month coincident with or next following the attainment of Normal Retirement Age.
- 2.30 [“Participant”](#) shall mean any Employee who becomes a Participant in the Plan in accordance with Article 3 and who has not ceased to be a Participant as provided in Article 3.
- 2.31 [“Pay Period”](#) shall mean 14 calendar days in which an employee works 50% or more of their regularly scheduled hours.
- 2.32 [“Plan”](#) shall mean this Sonoma County Replacement Plan, as amended from time to time.
- 2.33 [“Plan Administrator”](#) shall mean the person or person(s) designated by the Employer to have the discretionary authority to control and manage the operation and administration of the Plan.
- 2.34 [“Plan Year”](#) shall mean the 12 consecutive month period beginning on July 1 and ending on June 30.
- 2.35 [“Qualified Domestic Relations Order”](#) shall mean a domestic relations order which the Plan Administrator has determined satisfies the requirements of section 414(p) of the Code.
- 2.36 [“Rate of Return”](#) shall mean five percent (5%); provided, however, that:
- (a) In no event will any interest credit under the Plan be at a rate which is greater than a market rate of return, as that term is defined in Section 4(i)(10)(B)(i)(III) of the Age Discrimination in Employment Act of 1967 (ADEA), 29 U.S.C. § 623(i)(10)(B)(i)(III), as interpreted by the Secretary of the Treasury in regulations promulgated thereunder;
 - (b) In the event this Section provides for a variable Rate of Return, an interest credit (or an equivalent amount) of less than zero shall in no event result in the Accumulated Contributions Account being less than the aggregate amount of contributions credited to such account; and
 - (c) Upon termination of the Plan:
 - (i) If the Rate of Return is a variable rate, the rate of interest used to determine benefits shall be equal to the average of the rates used under the Plan during the 5-year period ending on the termination date; and
 - (ii) The interest rate and mortality table used to determine the amount of benefit payable as an annuity at Normal Retirement Age shall be the rate and table specified under the Plan for such purpose as of the termination date, except that if such interest rate is a variable

rate, the interest rate shall be determined under the rules of paragraph (i) of this subsection.

- 2.37 [“Required Beginning Date”](#) shall mean the April 1 of the calendar year following of the calendar year in which the Participant attains age 70½, or terminates employment with the Employer, if later.
- 2.38 [“Retirement Committee”](#) shall mean the Plan’s Retirement Committee.
- 2.39 [“Spouse”](#) means the individual married to the Participant in accordance with California State law, or the Domestic Partner of the Participant, on such Participant’s Annuity Starting Date.
- 2.40 [“Target Allocation”](#) means, for the Participant’s Computation Period, the dollar amount listed for the Participant in the applicable schedule attached to Appendix B.
- 2.41 [“Termination Date”](#) shall mean the date on which the Participant ceases to be an Employee.
- 2.42 [“Trust Agreement”](#) shall mean the trust agreement or agreements entered into between the Employer and a Trustee pursuant to Article 9.
- 2.43 [“Trust Fund”](#) or [“Fund”](#) shall mean the cash and other assets held and administered by the Trustee in accordance with the provisions of the Trust Agreement and the Plan.
- 2.44 [“Trustee”](#) shall mean the Trustee(s) appointed and acting in accordance with Article 9.
- 2.45 [“Vesting”](#) shall be in accordance with a Participant’s Schedule in Appendix B.

ARTICLE 3. [PARTICIPATION AND SERVICE.](#)

3.1 [Participation.](#)

An Eligible Employee shall become a Participant on the date specified by the Board for that individual in Appendix B. No Employee shall become a Participant unless the Board adds him or her to Appendix B. The Board shall have sole discretion to determine who is, and who is not, a Participant.

3.2 [Rehired Employees.](#)

A former Participant who terminates service with the Employer and is later rehired as an Employee shall only resume participation in and earn benefits under the Plan if the Board determines that he or she shall be such a Participant. The date, if any, that he or she shall be a Participant who earns benefits under the Plan shall be determined by the Board in its sole discretion.

3.3 [Termination of Participation.](#)

A Participant's participation in the Plan shall terminate when his or her entire Plan benefit has been distributed or on the date of his or her death, if earlier. In the case of a Participant who has not earned any vested benefits under the Plan, he or she shall cease being a Participant when he or she ceases to be an Employee.

ARTICLE 4. [VESTING.](#)

A Participant shall vest in his benefit under the Plan in accordance with the provisions of this Article 4, sections 2.45, 5.3 and 8.1(b), and the provisions of the applicable Schedule for the individual Participant attached to Appendix B.

A Participant who is employed by the Employer on reaching Normal Retirement Age shall be 100% vested in his or her benefits earned under the Plan to the extent that the plan is funded.

ARTICLE 5. [TIME OF PAYMENT OF RETIREMENT BENEFIT.](#)

5.1 [Normal Retirement.](#)

Except as otherwise specifically provided in Appendix B, unless payment begins earlier in accordance with the terms of this Plan, payment of the vested portion of a Participant's Accrued Benefit under Article 6 shall begin as soon as practicable after the later of his or her Termination Date and attainment of Normal Retirement Age.

Payment of benefits shall begin under this section as soon as practicable after the Participant elects a form of benefit under section 7.2 of the Plan but no later than the Required Beginning Date.

5.2 [Termination Before Normal Retirement.](#)

Except as otherwise specifically provided in Appendix B, a Participant may elect to receive the vested portion of his or her Accrued Benefit under Article 6, and in accordance with Appendix B, after his or her Termination Date and before attainment of Normal Retirement Age. Any election shall be made at the time and in the manner provided by the Plan Administrator. Payment of benefits shall begin under this section as soon as practicable after such election.

5.3 [Disability Retirement.](#)

Except as otherwise specifically provided in Appendix B, a Participant who incurs a Disability as an Employee shall be fully vested in his or her Accrued Benefit, and may elect to receive his or her Accrued Benefit after his or her Termination Date and before attainment of Normal Retirement Age. Any election shall be

made at the time and in the manner provided by the Plan Administrator. Payment of benefits shall begin under this section as soon as practicable after such election.

5.4 [Other Circumstances.](#)

No benefit shall be payable under this Plan except as provided in Sections 5.1 through 5.3 and Article 8.

5.5 [Reemployment.](#)

If reemployment occurs on or after the date on which distribution of the Participant's Accrued Benefit has commenced, either as an annuity or in any other form, the Participant's Accumulated Contributions Account shall be reduced by the benefit distributions received by the Participant as provided for in Section 6.2(c). If reemployment occurs on or after the date on which distribution of the Participant's Accrued Benefit has commenced in the form of the 5 Year Installment Payment described in Section 7.1(c), payments will be suspended for any year in which the Participant completes more than 960 Hours of Service; provided, however, that interest shall continue to be credited to the Participant's Accumulated Contributions Account in accordance with Section 6.2(b) during the suspension period.

ARTICLE 6. [AMOUNT OF RETIREMENT INCOME.](#)

6.1 [Accrued Benefit.](#)

Under the Plan, a Participant's Accrued Benefit as of a determination date shall be Participant's Accumulated Contributions Account described below in Section 6.2.

6.2 [Accumulated Contributions Account.](#)

A Participant's Accumulated Contributions Account consists of the sum of the following bookkeeping credits to the hypothetical account of the Participant: his or her Employer Allocations; and "Interest" credited on such Employer Allocations.

The Participant's Accumulated Contributions Account represents the benefit promised by the Plan, and is not an actual account to which Plan assets and investment income are allocated.

(a) [Employer Allocation.](#)

For each Computation Period beginning on and after the Effective Date, the Participant's Employer Allocation is the lesser of:

- (i) the Target Allocation multiplied by the Participant's Benefit Service earned during the Computation Period; and

(ii) the Maximum Accrual Margin under Section 6.2(e).

For all Computation Periods beginning prior to the Participant's Entry Date, the Participant's Employer Allocation is zero.

The Employer Allocation shall be credited to the Participant's Accumulated Contributions Account as of the last day of the Computation Period.

(b) Interest.

For each Computation Period, a Participant's Accumulated Contributions Account as of the last day of such Computation Period shall be credited with Interest only on amounts that have been credited to the Participant's Accumulated Contributions Account for the entire Computation Period. Interest for a Computation Period shall equal the Rate of Return determined on the Plan's assets for that Computation Period.

(c) Distributions.

A Participant's Accumulated Contributions Account shall be reduced by the portion of the Participant's Accumulated Contributions Account that is distributed. On and after the Annuity Starting Date, no further Interest shall accrue on the portion of the Participant's Accumulated Contributions that is distributed.

(d) Prior to Effective Date.

Prior to the Participant's Entry Date, a Participant's Accumulated Contributions Account is zero.

(e) Maximum Accrual Margin.

The Maximum Accrual Margin for a Plan Year is the excess, if any, of the limit under Section 14.1 over the Participant's Annual Benefit under Section 14.8 as of the end of such Plan Year, where the annual retirement benefit under Section 14.8(b) is determined without regard to the Employer Allocation for such Plan Year. This excess shall be expressed as an Actuarial Equivalent single-sum amount payable at the end of such Plan Year, where Actuarial Equivalency shall be determined under Appendix A.

(f) Reemployment.

In the case of a Participant whose Accrued Benefit is not 100% vested and who terminates Employment, incurs a Break-in-Service, and qualifies again as a Participant, if the number of consecutive Breaks-in-Service equals or exceeds the greater of five (5) and the number of years of

Vesting Service earned prior to termination of employment, the non-vested portion of the Participant's Accumulated Contributions Account prior to such Break-in-Service shall not be taken into account in determining the Participant's Accumulated Contributions Account.

ARTICLE 7. FORM OF PAYMENT OF RETIREMENT INCOME.

7.1 Available Forms of Retirement Income.

Subject to Sections 7.2 and 7.7, a Participant's vested Accrued Benefit shall be payable in one of the payment forms listed below. The benefit amounts described in Subsections (a) through (c) commencing on the Participant's Annuity Starting Date shall be the Actuarial Equivalent of the Participant's vested Accrued Benefit:

(a) Single-Life Annuity.

A "Single-Life Annuity" provides annual payments based on the life of the Participant at the Annuity Starting Date and based on the value of the Participant's vested Accumulated Contributions Account as of the Annuity Starting Date. The annual payments shall be for the life of the Participant in the amount that can be provided by the Participant's vested Accumulated Contributions Account through the purchase of an annuity contract issued by an annuity or insurance company licensed in the State of California with which the Plan Administrator contracts. Any such contract must comply with the rules of Code section 401(a), including Code section 401(a)(9), and all other rules governing the tax qualified status of a governmental plan.

(b) 50% Joint-and-Survivor Annuity.

A "50% Joint-and-Survivor Annuity" provides annual payments based on the lives of the Participant and his or her Spouse at the Annuity Starting Date and based on the value of the Participant's vested Accumulated Contributions Account as of the Annuity Starting Date. The annual payments shall be for the life of the Participant and, after the death of the Participant one-half of such amount to his surviving Spouse (if any) in the amounts that can be provided by the Participant's vested Accumulated Contributions Account through the purchase of an annuity contract issued by an annuity or insurance company licensed in the State of California with which the Plan Administrator contracts. Any such contract must comply with the rules of Code section 401(a), including Code section 401(a)(9), and all other rules governing the tax qualified status of a governmental plan.

(c) 5 Year Installment Payment.

The “5 Year Installment Payment” provides 5 substantially equal annual payments made over 5 years beginning at the Annuity Starting Date and based on the Participant’s vested Accumulated Contributions Account at that Date, adjusted for subsequent gains or losses.

(d) Lump Sum.

If the Participant’s vested Accumulated Contributions Account does not exceed \$25,000 as of the Annuity Starting Date, a single sum distribution that is equal to the Participant’s vested Accumulated Contributions Account.

7.2 Election of a Form of Benefit.

A Participant shall elect a form of benefit by making an election at the time and in the manner prescribed by the Plan Administrator during the Election Period consisting of the 90 consecutive days beginning on the date the Participant receives the prescribed forms, provided that the Participant’s Annuity Starting Date is on or after the date the Participant receives the prescribed forms, and that the Participant’s Annuity Starting Date is not more than 90 days after the date on which the Participant receives the prescribed forms.

Any such election may be revoked by filing the prescribed forms with the Plan Administrator at any time during the Election Period. Any such election or revocation will be treated as a new application for benefits and may result in a delay in the payment of benefits.

If the Participant fails to make an effective election of a form of benefit during the Election Period or, having revoked a prior election, does not make another election during the Election Period, then his or her benefit shall be distributed in the form of (a) a Single-Life Annuity in the case of a Participant who is not married as of his or her Annuity Starting Date; and (b) a 50% Joint-and-Survivor Annuity, in the case of a Participant who is married as of his or her Annuity Starting Date. If a Participant is married as of the Participant’s Annuity Starting Date, any election of a form of distribution other than a 50% Joint-and-Survivor Annuity shall not take effect unless the Participant’s Spouse consents in writing to the election of such optional form of distribution during the Election Period.

A Participant shall make a separate and distinct election of a form of benefit with respect to each Annuity Starting Date.

7.3 Spousal Consent.

Any spousal consent under Section 7.2 above shall be in writing, shall specify the particular form of benefit elected by the Participant shall acknowledge the effect of such election and shall be witnessed by a notary public. A consent, once given by a Spouse, shall not be revocable by such Spouse. The Spouse’s consent shall not be required if the Participant establishes to the Plan Administrator’s

satisfaction that (a) the Spouse's consent cannot be obtained because the Spouse cannot be located or (b) there is no Spouse.

7.4 [Information on Distribution Options.](#)

Within a reasonable period on or before the Election Period in Section 7.2, the Plan Administrator shall provide to each Participant a written explanation of his or her distribution options, including his or her right to defer receipt of a distribution if applicable. Such explanation shall include information such as:

- (a) The terms and conditions of the available forms of benefit under the Plan;
- (b) The Participant's right to elect an optional form of benefit rather than the Single-Life Annuity (if the Participant is not married) or the 50% Joint-and-Survivor Annuity (if the Participant is married);
- (c) Information concerning the relative values of all forms of benefit under the Plan;
- (d) The right of the Participant's Spouse to give or refuse consent to the Participant's election of an optional form of benefit;
- (e) The Participant's right to revoke an election of a form of benefit; and
- (f) The effect of an election or revocation described in (b) or (e).

7.5 [Death of Spouse or Dissolution of Marriage.](#)

If a Participant would be entitled to the 50% Joint-and-Survivor Annuity but prior to his or her Annuity Starting Date his or her Spouse dies or the Participant is divorced from the Spouse, then the 50% Joint-and-Survivor Annuity shall be canceled automatically and Section 7.2 shall apply. If the 50% Joint and Survivor Annuity form is paid and the Spouse's death occurs on or after the Participant's Annuity Starting Date, then the form of benefit shall not be changed. If the Participant is divorced after his or her Annuity Starting Date then the form of benefit shall not be changed.

7.6 [Required Distributions.](#)

Payment of a Participant's Accrued Benefit shall commence on or before the Participant's Required Beginning Date.

Any other provision of the Plan to the contrary notwithstanding, all distributions will be made in compliance with Code section 401(a)(9), including the incidental death benefit requirement in Code section 401(a)(9)(G) and sections 1.401(a)(9)-1 through 1.401(a)(9)-9 of the Treasury regulations.

7.7 [Mandatory Small Lump Sum Cash-Outs.](#)

Any other provision of the Plan to the contrary notwithstanding, if the vested portion of the Participant's Accumulated Contributions Account balance is not more than \$1,000 as of his or her Termination Date, such balance shall be paid in a single lump-sum payment in cash. Similarly, if the portion of the Participant's vested Accumulated Contributions Account balance that is payable to an alternate payee pursuant to a qualified domestic relations order is not more than \$1,000 and payment of such benefit has not commenced, such vested benefit shall be paid in a single lump-sum payment in cash to the alternate payee.

Immediately following the Termination Date of a Participant whose vested Accrued Benefit is zero, such Participant shall be deemed to have received payment of his or her entire Accrued Benefit as a single lump-sum payment in cash in the amount of zero dollars.

ARTICLE 8. [PRERETIREMENT DEATH BENEFITS.](#)

8.1 [Beneficiary's Benefit Eligibility.](#)

The Beneficiary of a Participant who dies under either of the two circumstances next described shall be entitled to a Death Benefit under this Article 8:

- (a) The Participant was no longer an Employee at the time of his or her death, died prior to his or her Annuity Starting Date, and was vested in the value of all or part of his or her Accumulated Contributions Account; or
- (b) The Participant was an Employee at the time of his or her death and died prior to his or her Annuity Starting Date. Such Participant shall be 100% vested in the value of his or her Accumulated Contributions Account upon death, provided that the Participant was an Employee at the time of his or her death and died prior to his or her Annuity Starting Date.

8.2 [Time of Payment of Death Benefit.](#)

Payment of the Death Benefit shall begin to the Beneficiary as of the first day of the month following the Participant's death. Notwithstanding the preceding sentence, if the Beneficiary is the Participant's Spouse and the Participant dies prior to attaining his or her Normal Retirement Date, at the election of the Spouse, made at the time and in the manner provided by the Plan Administrator, payment of the Death Benefit may be delayed until the first day of the month following the date the Participant would have attained his or her Normal Retirement Date.

Any other provision of the Plan to the contrary notwithstanding, all distributions will be made in accordance with Code section 401(a)(9), including applicable Income Tax Regulations.

8.3 [Form of Death Benefit.](#)

If a Participant's Death Benefit is paid other than to his or her Spouse, payment shall be made in 5 Year Installment Payments as provided in section 7.1. in cash. If the Participant's Death Benefit is payable to his or her Spouse, payment shall be made as a Single Life Annuity, as provided in section 7.1, unless the Spouse elects a 5 Year Installment Payment as provided in section 7.1.

8.4 [Amount of Death Benefit](#)

The amount of the Death Benefit provided under this Article shall be determined in the same manner as if the benefit were paid to the Participant during his or her lifetime.

8.5 [Designation of Beneficiary.](#)

Subject to Section 8.6, the Beneficiary entitled to the Death Benefit shall be the Participant's Spouse; provided, however, that the Participant may designate a Beneficiary other than his or her Spouse if:

- (a) the Spouse has executed a Spousal Consent, as defined in Section 8.6;
- (b) the Participant has no Spouse; or
- (c) the Spouse cannot be located.

A Participant may designate from time to time any person as his or her Beneficiary who will be entitled to receive the Participant's Death Benefit after the Participant's death. Any Beneficiary designation by a Participant shall be made during the Participant's lifetime in writing at the time and in the manner prescribed by the Plan Administrator. A Participant may change or revoke his or her Beneficiary designation at any time in the manner prescribed by the Plan Administrator. A Participant may revoke a designation of a Beneficiary other than his or her Spouse, or designate his or her Spouse as Beneficiary, without Spousal Consent. Any Beneficiary designation shall be ineffective if the Participant marries or remarries after the designation was made. If the designated Beneficiary predeceases the Participant, the Participant's Beneficiary designation shall be ineffective with respect to such Beneficiary.

If no Beneficiary designation is in effect at the time of the Participant's death, his or her benefit shall be paid as follows:

- (i) to his or her surviving Spouse or, if there be none;
- (ii) to his or her estate.

If the designated Beneficiary survives the Participant but dies before receiving the benefit otherwise payable, it shall be paid in 5 Year Installment Payments as provided in section 7.1 to the estate of the Beneficiary.

8.6 [Spousal Consent.](#)

No designation of any Beneficiary under Section 8.5, other than the Participant's Spouse, by a married Participant shall be effective unless all of the following is true:

- (a) the Spouse (or the Spouse's legal guardian if the Spouse is legally incompetent) executes a written instrument in which the Spouse consents not to receive such Plan benefit and consents to the specific Beneficiary designated by the Participant;
- (b) the instrument acknowledges the effect of the election to which the Spouse's consent is being given; and
- (c) the signature of the Spouse on such election is witnessed by a notary public.

8.7 [Mandatory Small Lump Sum Cash-Outs.](#)

Any other provision of this Article notwithstanding, if the vested portion of the Participant's Accumulated Contributions Account is not more than \$1,000 as of the date of his or her death, payment of the Death Benefit shall be made to the Participant's Beneficiary in a single lump-sum payment in cash as soon as practicable after the date of the Participant's death.

ARTICLE 9. [ADMINISTRATION OF THE PLAN.](#)

9.1 [Plan Sponsor.](#)

The "Plan Sponsor" is the Employer.

9.2 [Plan Administrator.](#)

The Plan Administrator is the Retirement Committee. The Retirement Committee may delegate all or a portion of its duties to any other person subject to the fiduciary rules of the California Constitution governing retirement systems. The Retirement Committee shall be made up of 3 members appointed and removed by the Board of Supervisors.

The Plan Administrator in its sole discretion shall make such rules, regulations, interpretations and computations and shall take such other necessary or appropriate action to administer the Plan as the Plan Administrator may deem appropriate and as are consistent with the Plan and Trust Agreement. Such rules, regulations, interpretations, computations and other actions shall be conclusive and binding upon all persons. The Plan Administrator shall enforce the Plan in accordance with the terms of the Plan and the Trust Agreement and in accordance with the rules and procedures that it adopts.

Where required, the Plan Administrator shall furnish the Plan Sponsor with such information as may be required by it for tax or other purposes in connection with the Plan.

The Employer shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Employer as to a Participant's period of employment, termination of employment and the reason therefore, leaves of absence, reemployment, and compensation shall be conclusive on all persons unless proven to the Plan Administrator's satisfaction to be incorrect.

9.3 [Management of Plan Assets.](#)

The Employer shall maintain control over and management of the Plan's assets, but only to the extent that it (i) shall appoint one or more trustees to hold all assets of the Plan in trust and shall enter into a trust agreement with each trustee it appoints, (ii) shall have the authority to appoint one or more investment managers for any Plan assets and to enter into an investment management agreement with each investment manager it appoints and (iii) may direct the allocation of Plan assets among equity securities, debt instruments or other general investment categories.

9.4 [Trustees and Investment Managers.](#)

Each Trustee shall have the exclusive authority and discretion to control and manage the Plan assets held in trust by it, except to the extent that the Employer (i) allocates the authority to manage such assets to one or more Investment Managers or (ii) directs the allocation of such assets among general investment categories. Each Investment Manager shall have the authority to manage, including the power to acquire and dispose of, the Plan assets assigned to it by the Plan Sponsor, except to the extent that the Plan Sponsor directs the allocation of such assets among general investment categories.

9.5 [Delegation of Responsibilities.](#)

The Plan Administrator may engage such attorneys, actuaries, accountants, consultants or other persons to provide advice or to perform services with regard to its responsibilities under the Plan as it shall determine to be necessary or appropriate. The Plan Administrator may designate by written instrument one or more persons to carry out, where appropriate, responsibilities under the Plan.

9.6 [Basis of Payments From the Plan.](#)

All benefits payable under the Plan shall be paid by the Trustee out of the Trust Fund pursuant to the directions of the Plan Administrator and the terms of the Trust Agreement. The Trustee shall pay all expenses of the Plan pursuant to the Trust Agreement, except such expenses as are paid by the Plan Sponsor.

ARTICLE 10. FUNDING OF THE PLAN.

10.1 Funding Policy and Method.

The Employer shall determine the funding method (including the actuarial cost method) and policy to be used in determining costs and liabilities under the Plan. The Employer shall review such funding method from time to time, and if the Employer determines that such funding method is no longer appropriate, then it shall change funding methods.

10.2 Basis of Payments to the Plan.

All contributions to the Plan shall be made by the Employer, and no contributions shall be required or permitted of Participants. From time to time the Employer shall make such contributions to the Plan as are necessary or appropriate to fund the benefits provided by the Plan and any expenses thereof that are paid out of the Trust Fund. Prior to the termination of the Plan or the complete discontinuance of contributions thereunder, all forfeitures arising under the Plan shall be applied as soon as reasonably practicable (within the constraints of the Plan's funding method) either to defray the reasonable expenses of administering the Plan or to reduce future Employer contributions under the Plan and shall not be applied to increase the benefits that any Participant would otherwise receive thereunder. All contributions to the Plan shall be held by the Trustee in accordance with the Trust Agreement.

10.3 Return of Employer Contributions.

(a) Exclusive Benefit.

Except as provided in subsection (b) of this Section, it shall be impossible under the terms of this Plan and any trust established hereunder for any part of the corpus or income of the Trust Fund to be used for, or diverted to, purposes other than the exclusive benefit of eligible Employees and their Beneficiaries and paying the reasonable expenses of administering the Plan.

(b) Mistake of Fact.

Any other provision of this Plan notwithstanding, if any Employer contribution to the Plan is made by reason of a mistake of fact, the amount contributed by reason of such mistake of fact (reduced by any losses incurred with respect to such amount) shall be returned to the Employer within 12 months after the date such Employer contribution was made.

ARTICLE 11. BENEFITS CLAIM.

11.1 Claim of Benefits.

A Participant, Employee or Beneficiary shall notify the Plan Administrator in writing of a claim of benefits under the Plan. The Plan Administrator shall take such steps as may be necessary to facilitate the payment of such benefits to the Participant, Employee or Beneficiary.

11.2 [Appeal Procedure.](#)

If any claim for benefits is denied by the Plan Administrator, the Plan Administrator shall notify the claimant in writing of such denial, setting forth the specific reasons and citing reference to specific provisions of the Plan upon which the denial is based. An appeal period of sixty (60) days after receipt of the notification of denial shall be granted and said notification shall advise the claimant of the appeal procedure. The claimant shall file the appeal with the Plan Administrator, whose decision shall be final.

No lawsuit shall be brought in connection with any claim for benefits unless and until the appeal procedure above is exhausted.

ARTICLE 12. [AMENDMENT AND TERMINATION OF THE PLAN.](#)

12.1 [Plan Termination, Cessation of Accruals, and Additional Amendments.](#)

In its sole and absolute discretion, the Employer may do any or all of the following by resolution of the Board:

- (a) Terminate the Plan, cease all future benefit accruals for both current and future Employees and arrange to have the value of each Participant's Accumulated Contributions Account benefits accrued to the date of termination paid to or for the Participants. Unless otherwise specifically provided by resolution of the Board, no additional benefits (including but not limited to any benefits in lieu of the benefits provided by this Plan) shall be provided after termination to any Employee for any service or otherwise for any period after the Plan's termination. Termination shall occur on the date specified in a resolution adopted by the Board.
- (b) Cease any and all accrual of benefits under the Plan for both current and future Employees. Unless otherwise specifically provided by resolution of the Board, no additional benefits (including but not limited to any benefits in lieu of the benefits provided by this Plan) shall be provided after such cessation to any Employee for any service or otherwise for any period after the cessation. Cessation shall occur on the date specified in a resolution adopted by the Board.
- (c) Make any other amendments whatsoever to the Plan affecting both current and future Employees. Amendments shall be effective on the date specified in the governing resolution by the Board and may be retroactive to the extent necessary or appropriate to ensure that the Plan is operated in

accordance with the intent of the Board or to ensure compliance with governing laws including federal tax law.

However, no amendment of the Plan or other action by the Board shall reduce the vested Accrued Benefit of any Participant under the Plan which was earned prior to the date when the amendment is adopted.

No amendment of the Plan shall violate the exclusive benefit rules of the California Constitution or Code section 401(a)(2).

The Employer may take the action described in this section notwithstanding any claim of “vested rights” by any person under California or federal law.

12.2 [Rules Governing Termination of the Plan.](#)

On termination of the Plan the following rules shall apply:

- (a) Each Participant’s right to his or her Accrued Benefits shall be 100% vested and non-forfeitable to the extent that the Plan is funded.
- (b) The Trust Fund shall continue until the assets of the Plan have been distributed as provided herein.
- (c) Any other provisions hereof notwithstanding, the Employer shall have no obligation to make any additional contributions to the Plan.
- (d) Neither the Employer nor any other person shall have any liability or obligation to provide benefits hereunder in excess of the value of the Trust Fund.
- (e) The Participants, Spouses and Beneficiaries shall obtain benefits solely from the Trust Fund.
- (f) The Trust Fund shall be allocated by the Plan Administrator among Participants, Spouses and Beneficiaries in proportion to the vested value of their Accumulated Contributions Accounts.
- (g) Any residual assets of the Trust Fund remaining after allocation under Section 12.2(f) shall be distributed to the Employer if (i) all liabilities of the Plan to Participants, Spouses and Beneficiaries have been satisfied and (ii) such distribution does not contravene any provision of the Code or California law.

12.3 [Partial Termination.](#)

Upon a partial termination of the Plan, within the meaning of the Code, Participants affected by the partial termination of the Plan shall have a 100% vested and nonforfeitable interest in their Accrued Benefits under this Plan.

ARTICLE 13. [GENERAL PROVISIONS.](#)

13.1 [Subsequent Changes.](#)

All benefits to which any Participant, Spouse or Beneficiary may be entitled hereunder shall be determined under the Plan as in effect when the Participant's Employment terminates and shall not be affected by any subsequent change in the provisions of the Plan, unless the Participant is reemployed as an Eligible Employee who thereafter earns benefits under the Plan or unless specifically provided by the Board.

13.2 [Plan Mergers.](#)

Except as otherwise provided in Treasury regulations, the Plan shall not merge or consolidate with, or transfer assets or liabilities to, any other plan unless each Participant would receive a benefit immediately after such merger, consolidation or transfer (if the Plan then terminated) that is equal to or greater than the benefit such Participant would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

13.3 [No Assignment of Property Rights.](#)

No benefit payable from the Plan to any Participant or Beneficiary or any other person shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void. No such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to execution, attachment or any process whatsoever for or against such person, except to such extent as may be permitted under uniform procedures adopted by the Plan Administrator or as required by governing law.

Nothing in this Plan shall prohibit a Participant or Beneficiary from voluntarily agreeing to the assignment of benefits payable under this Plan. Such assignment shall be in accordance with rules established by the Plan Administrator and may be by payroll withholding or any other mechanism that is approved by the Plan Administrator, at its sole discretion.

13.4 [Qualified Domestic Relations Order.](#)

The provisions of Section 13.3 will not apply in the case of any property settlements upon marital dissolution or legal separation that are made in accordance with a qualified domestic relations order ("QDRO") issued in accordance with state domestic law. The provisions of Section 13.3 will apply in the case of any property settlement upon marital dissolution or legal separation that is made in accordance with a domestic relations order that is not a Qualified Domestic Relations Order.

When the Plan Administrator receives a domestic relations order, the Plan Administrator shall:

- (a) Notify the Participant (or Beneficiary) and the former Spouse or dependent covered by the domestic relations order of the receipt of the order with a notice which explains the procedures for determining the qualified status of domestic relations orders; and
- (b) Under procedures established by the Plan Administrator, determine whether the domestic relations order is a Qualified Domestic Relations Order.

For purposes of this Section, “domestic relations order” or “DRO” means any judgment, decree, or order made in accordance with state domestic relations law which relates to the provision of child support, spousal maintenance, or marital property rights of any spouse, former spouse, child, or other dependent of a Participant. A domestic relations order shall not be considered a QDRO with respect to this Plan if it is inconsistent with the Plan.

13.5 [Incompetence.](#)

If, in the opinion of the Plan Administrator, any person becomes unable to handle properly any amounts payable under the Plan, the Plan Administrator may make any arrangement for payment on such person’s behalf that it determines will be beneficial to such person, including (without limitation) payment to such person’s guardian, conservator, Spouse or dependent.

13.6 [No Employment Rights.](#)

Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Employer or affect any right of the Employer to terminate a person’s employment with or without cause.

13.7 [Proof.](#)

Participants and Spouses shall furnish proof of age and marital status and any other required information satisfactory to the Plan Administrator at such time or times as the Plan Administrator shall prescribe. The Plan Administrator may delay the disbursement of any benefits under the Plan until all pertinent information has been furnished.

13.8 [Choice of Law.](#)

The provisions of the Plan shall be construed, administered and enforced in accordance with applicable laws of the State of California to the extent not preempted by applicable federal law, and in a manner consistent with the intention that the Plan qualify for favorable tax treatment under section 401(a) of the Code.

13.9 [Direct Rollover.](#)

(a) In General.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least \$500 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. If an Eligible Rollover Distribution is less than \$500, a Distributee may not make the election described in the preceding sentence to roll over a portion of the Eligible Rollover Distribution. The Employer may establish such rules for the provision of direct rollovers as are permitted under section 401(a)(31) and section 402 of the Code and the regulations thereunder.

(b) Definitions.

For purposes of this Section, the following definitions apply:

- (i) "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.
- (ii) "Distributee" means an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is an alternate payee under a Qualified Domestic Relations Order are Distributees with respect to the interest of the spouse or former spouse. A Distributee also includes the Participant's nonspouse designated Beneficiary under Section 2.9 of the Plan. In the case of a nonspouse Beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code section 408(a) or 408(b) ("IRA") that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code section 402(c)(11). Also, in this case, the determination of any required minimum distribution under Code section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A-17 and 18, 2007-5 I.R.B. 395.
- (iii) "Eligible Retirement Plan" means any of the following:
 - (1) an individual retirement account described in section 408(a) of the Code (including a Roth IRA as described in Code Section 408A);

- (2) an individual retirement annuity described in section 408(b) of the Code (including a Roth IRA as described in Code Section 408A);
 - (3) an annuity plan described in section 403(a) of the Code;
 - (4) an annuity contract described in section 403(b) of the Code;
 - (5) an eligible plan under section 457(b) of the Code 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; or
 - (6) a qualified trust described in section 401(a) of the Code that is a defined contribution plan and that accepts the Distributee's Eligible Rollover Distribution.
- (iv) "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include:
- (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more;
 - (2) any distribution to the extent such distribution is required by Code section 401(a)(9);
 - (3) 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); and
 - (4) any other distribution that is reasonably expected to total less than \$200 during a year.

ARTICLE 14. [LIMITATIONS ON BENEFITS.](#)

14.1 [Limitation on Retirement Income.](#)

Unless the alternate limitation of Section 14.2 below applies, a Participant's Annual Benefit at any time during a Plan Year shall not exceed the dollar limitation for defined-benefit plans of \$160,000 under section 415(b)(1)(A) of the

Code, adjusted in such manner as the Secretary of the Treasury shall prescribe effective as of the January 1 of such Plan Year.

If a Participant would exceed the foregoing limitation, then the Participant's Annual Benefit shall be reduced by reducing the components thereof as necessary in the order in which they are listed in Section 14.8 below and any such excess benefit shall be provided under the Employer's replacement benefits plan established for that purpose. The Annual Benefit shall be a straight life annuity that is the Actuarial Equivalent of the Participant's Accumulated Contributions Account.

14.2 [Alternate Limitation for Retirement Income up to \\$10,000.](#)

A Participant's Annual Benefit shall not be subject to the limitation of Section 14.1 above if:

- (a) The Participant's Annual Benefit does not exceed \$10,000; and
- (b) The Participant has never participated in a qualified defined-contribution plan maintained by any Affiliated Employer.

14.3 [Reduced Limitations for Participants With Fewer Than 10 Years of Employment.](#)

In the case of a Participant who has not completed 10 years of Employment (determined with respect to the date as of which benefit payments are to commence), the \$10,000 amount described in Section 14.2 above shall be multiplied by a fraction determined as follows:

- (a) The numerator of such fraction shall be the number of years and partial years of the Participant's Employment; and
- (b) The denominator of such fraction shall be 10. In applying this section 14.3, Treasury Regulations 1.415(f)-1(d)(2) shall apply to count as years of participation all years under any plans aggregated for a limitation year including this Plan and SCERA.

In determining the number of years of Employment for this section, , all years of participation in all plans that are aggregated for a limitation year (including SCERA) shall be aggregated in accordance with Treasury Regulation section 1.415(f)-1(d).

14.4 [Reduced Limitation for Participants With Fewer Than 10 Years of Benefit Service.](#)

In the case of a Participant who has not completed 10 Years of Benefit Service in the Plan (determined with respect to the date as of which benefit payments are to commence), the limitation otherwise applicable to the Participant under Section 14.1 above shall be multiplied by a fraction determined as follows:

- (a) The numerator of such fraction shall be the number of years and partial years of the Participant's Years of Benefit Service; and
- (b) The denominator of such fraction shall be 10.

In determining the number of years of Benefit Service for this section, , all years of such service in all plans that are aggregated for a limitation year (including SCERA) shall be aggregated in accordance with Treasury Regulation section 1.415(f)-1(d).

14.5 [Adjusted Limitation for Benefits Commencing Before Age 62.](#)

The limitation in Section 14.1 is treated as an annual annuity payable for life commencing at age 65. This limitation shall be unreduced if the Participant's Annual Benefit commences on or after age 62. This limitation shall be reduced in accordance with the rules of Code section 415 and Appendix A if a Participant's Annual Benefit commences before he or she attains age 62.

If a Participant's Annual Benefit commences prior to age 62, the limitation in Section 14.1 shall be adjusted to commence payment at such age. This adjusted limitation shall be the lesser of:

- (a) the Actuarial Equivalent, at such age, of the limitation in Section 14.1 commencing at age 62. For purposes of the preceding sentence, Actuarial Equivalent shall be based on the actuarial assumptions designated in Appendix A, with the exception that no mortality decrement shall apply prior to retirement.
- (b) Actuarial Equivalent shall be based on the actuarial assumptions designated in Appendix A, with the exceptions that (i) interest shall be at the rate determined under Code section 415(b); and (ii) no mortality decrement shall apply prior to retirement.

Notwithstanding the foregoing, no adjustment shall be required pursuant to this Section with respect to a benefit that is payable as a result of the recipient becoming disabled by reason of personal injuries or sickness or amounts received be beneficiaries, survivors or the estate of an Employee because of a Participant because of the death of the Participant.

14.6 [Adjusted Limitation for Benefits Commencing After Age 65.](#)

The limitation described in Section 14.1 above shall be increased if a Participant's Annual Benefit commences after he or she attains age 65.

If a Participant's Annual Benefit commences after age 65, the limitation in Section 14.1 shall be adjusted to commence payment at such age. This adjusted limitation shall be the lesser of:

- (a) the Actuarial Equivalent, at such age, of the limitation in Section 14.1 commencing at age 65. For purposes of the preceding sentence, Actuarial Equivalent shall be based on the actuarial assumptions designated in Appendix A, with the exception that no mortality decrement shall apply prior to retirement.
- (b) Actuarial Equivalent shall be based on the actuarial assumptions designated in Appendix A, with the exceptions that (i) interest shall be at the rate determined under Code section 415(b); and (ii) no mortality decrement shall apply prior to retirement.

14.7 Affiliated Employer.

Solely for purposes of this Article 14, the term “Affiliated Employer” shall be defined by substituting the phrase “more than 50 percent” for the phrase “more than 80 percent” in each place it appears in section 1563(a)(1) of the Code.

14.8 Annual Benefit.

For purposes of this Article 14, a Participant’s “Annual Benefit” shall be equal to the sum of the following:

- (a) The aggregate annual retirement benefit to which the Participant is entitled under any other qualified defined-benefit plans maintained by any Affiliated Employer;
- (b) The annual retirement benefit to which the Participant is entitled under this Plan;
- (c) The aggregate annual retirement benefit that has been distributed to the Participant under any other qualified defined-benefit plans maintained by any Affiliated Employer; and
- (d) The aggregate annual retirement benefit that has been distributed to the Participant under this Plan.

If the Participant’s benefit is or was payable in a form other than a straight-life annuity, the “Annual Benefit” shall be a straight-life annuity that is the Actuarial Equivalent of such other form of benefit. Actuarial Equivalent for purposes of this paragraph shall be based on the actuarial assumptions used in Appendix A, but interest shall be the rate prescribed under Code section 415(b).

ARTICLE 15. EXECUTION.

To record the establishment of the Plan to read as set forth herein, effective as of July 1, 2009, this Plan is executed on _____, 2009.

COUNTY OF SONOMA, STATE OF
CALIFORNIA

By _____

Its _____

APPENDIX A

ACTUARIAL EQUIVALENCE

1. Sections 14.5(a), 14.6(a), and 14.8: Actuarial Equivalency shall be determined on the following basis:

Interest: the Applicable Interest Rate in effect on the Annuity Starting Date.

Mortality: the Applicable Mortality Table in effect on the Annuity Starting Date.

2. For all other purposes, Actuarial Equivalence shall be determined on the following basis:

Interest: 5%

Mortality: Applicable Mortality Table in effect on the Annuity Starting Date.

APPENDIX B

ELIGIBLE EMPLOYEES, ENTRY DATE, TARGET ALLOCATIONS, AND VESTING

This Appendix B sets forth the name of each individual who has been designated as an Eligible Employee by the Board on a separate schedule for each individual. Each such schedule also includes the Entry Date, Target Allocations and Vesting Provisions for the individual as designated by the Board.

APPENDIX B
Schedule 1

Eligible Employee: Bob Deis

Entry Date: June 16, 2009

Benefit Service:

- Benefit Service begins on June 16, 2009

Computation Period:

- The first computation period begins on June 16, 2009 and ends on June 30, 2009. Thereafter, the computation period shall be the 12 consecutive month period that begins on July 1 and ends on June 30 each year.

Allocations:

- Target Allocation on June 16, 2009 and the value of the Participant's Accumulated Contributions Account on that date is \$163,689.52.

Target Allocations for Computation Periods beginning after June 30, 2009 shall equal 0.1% of Compensation rounded to the nearest one-hundred dollars.

Vesting Provisions:

<u>Vesting Dates</u>	<u>Vested Percentage</u>
June 16, 2009	100%

Time of Payment of Retirement Benefit:

- Notwithstanding anything in the Plan to the contrary, in no event may distributions commence to the Participant prior to November 23, 2010, which shall be the earliest retirement date, except that in the event the Participant dies before that date, the Participant's Beneficiary shall be entitled to receive any preretirement death benefit described in Article 8 that the Beneficiary would otherwise be entitled.