

**CITY OF CLEARWATER
MONEY PURCHASE PENSION PLAN
SECOND RESTATEMENT**

Exhibit A

**CITY OF CLEARWATER
MONEY PURCHASE PENSION PLAN**

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CITY OF CLEARWATER
MONEY PURCHASE PENSION PLAN

THE CITY OF CLEARWATER, FLORIDA (the "Employer") hereby restates this money purchase pension plan, a tax-qualified defined contribution plan this ____ day of _____, 2008, to provide supplementary retirement and other benefits for certain eligible employees.

W I T N E S S E T H:

WHEREAS, the Employer desires to provide for the retirement of certain Employees employed by the Employer by establishing a money purchase pension plan for those Employees who now or may hereafter qualify for participation therein;

WHEREAS, the Employer desires to amend the Plan to comply with legislative changes; and

WHEREAS, the Plan may be amended by the Employer pursuant to Section 9.02 thereof.

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

ARTICLE I

DEFINITIONS

1.1 "Account" or "Accounts" shall mean a Participant's Employer Contribution Account, Rollover Account and/or such other accounts as may be established by the Plan Administrator.

1.2 "Administrator" shall mean the Plan Administrator.

1.3 "Anniversary Date" shall mean December 31 of each Plan Year.

1.4 "Annual Additions" shall mean, for any Limitation Year, the sum of:

(a) the amount of Employer contributions allocated to the Participant during any Limitation Year under any qualified defined contribution plan maintained by the Employer;

(b) the amount of the Employee's contributions (other than rollover contributions, if any) to any qualified defined contribution plan maintained by the Employer;

(c) any forfeitures allocated to the Participant under any qualified defined contribution plan maintained by the Employer; or

(d) amounts allocated to an individual medical account, as defined in Section 415(l)(2) of the Code that is part of a pension or annuity plan maintained by the Employer, and amounts derived from contributions that are attributable to medical benefits under a welfare benefit plan (as defined in Section 419(e) of the Code) maintained by the Employer; provided, however, the percentage limitation set forth in Section 415(c)(1)(B) of the Code shall not apply to: (A) any contribution 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," or (2) any amount otherwise treated as an "Annual Addition" under Section 415(l)(1) of the Code.

1.5 "Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor statute. Reference to a specific section of the Code shall include a reference to any successor provision.

1.6 "Compensation"

(a) "Compensation" shall mean the regular salaries and wages, bonuses, overtime pay, holiday time, accrued vacation, sick pay, and severance pay paid by the Employer during the Plan Year reportable as W-2 wages for Federal income tax withholding purposes, Employee contributions designated as employer contributions under Section 414(h) of the Code, and elective contributions made during the Plan Year on behalf of a Participant to a Plan described in Section 125 or 457 of the Code, but shall not include any other type

of cash or non-cash remuneration, including, but not limited to disability payments, amounts paid by the Employer to a Plan described in Section 125, 132(f)(4), 402(e)(3) or 457(b) of the Code, credits or benefits under this Plan, any amount contributed to any pension, employee welfare, life insurance or health insurance plan or arrangement, or any other fringe benefits, welfare benefits, or deferred compensation.

(b) No Compensation in excess of the limit under Section 401(a)(17) of the Code (adjusted under such regulations as may be issued by the Secretary of the Treasury) shall be taken into account for any Employee. If a Plan Year consists of fewer than 12 months, the Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the Plan Year, and the denominator of which is 12.

1.7 "Directed Investment Fund" shall mean an investment fund established pursuant to Article XI for purposes of investing Participants' Accounts.

1.8 "Effective Date" of this Plan shall mean January 1, 2008, except as may otherwise be noted herein.

1.9 "Employee" shall mean any person actively employed by the Employer in the position of City Manager, City Attorney, Assistant City Attorney and all management contract employees, who are not participants in the City of Clearwater Employees' Pension Fund, a defined benefit pension plan, excluding temporary employees.

1.10 "Employer" shall mean the City of Clearwater, Florida.

1.11 "Employer Contribution Account" and "Employee Contribution Account" shall mean an account established pursuant to Section 6.2 with respect to Employer contributions and Employee contributions made pursuant to Article V.

1.12 [This section intentionally left blank.]

1.13 "Limitation Year" shall mean the Plan Year.

1.14 "Normal Retirement Date" shall mean the date on which a Participant has reached the age of 55.

1.15 "Participant" shall mean any eligible Employee of the Employer who has become a Participant under the Plan. Participant shall include any former employee of the Employer who became a Participant under the Plan and who still has a balance in an Account under the Plan.

1.16 "Plan" shall mean the City of Clearwater Money Purchase Pension Plan, a tax-qualified defined contribution plan, as herein set forth, as it may be amended from time to time.

1.17 "Plan Administrator" shall mean the Employer or the person or persons appointed by the Employer pursuant to Article III hereof.

1.18 "Plan Year" shall mean the period beginning June 23, 1997 and ending December 31, 1997; thereafter, the 12-month period beginning on January 1 and ending on the following December 31 of each year.

1.19 "Pooled Investment Fund" shall mean a Directed Investment Fund established under Article XI, the combined assets of which shall consist of the common investments of all Participants selecting the Directed Investment Fund.

1.20 "Rollover Contribution Account" shall mean an account established pursuant to Section 6.2 with respect to rollover contributions made pursuant to Article V.

1.21 "Section 415 Compensation" shall mean all compensation as described in Section 1.415-2(d)(2) and Section 1.415-2(d)(3) of the Income Tax Regulations.

1.22 "Segregated Investment Fund" shall mean a Directed Investment Fund established under Article XI, in which the assets of each Participant selecting the Directed Investment Fund shall be separately invested, and for which the earnings attributable to such assets shall be separately accounted.

1.23 "Trust" shall mean the trust established by the Trust Agreement.

1.24 "Trust Agreement" shall mean the agreement providing for the Trust Fund, as it may be amended from time to time.

1.25 "Trustee" shall mean the individual, individuals or corporation designated as trustee under the Trust Agreement.

1.26 "Trust Fund" shall mean the trust fund established under the Trust Agreement from which the benefits provided for by the Plan are to be paid or funded.

1.27 "Valuation Date" shall mean December 31 of each year and each day securities are traded on a national stock exchange, except regularly scheduled holidays of the Employer or the Trustee, or such other date as may be selected by the Plan Administrator.

1.28 "Valuation Period" shall mean the period beginning with the first day after a Valuation Date and ending with the next Valuation Date; provided, however, that the first Valuation Period shall begin on the Effective Date of the Plan.

ARTICLE II

ESTABLISHMENT AND NAME OF THE PLAN

2.1 Name of Plan. A tax-qualified defined contribution plan is hereby established in accordance with the terms hereof and shall be known as the "CITY OF CLEARWATER MONEY PURCHASE PENSION PLAN."

2.2 Exclusive Benefit. This Plan is created for the sole purpose of providing benefits to the Participants. Except as otherwise permitted by law, in no event shall any part of the principal or income of the Trust be paid to or reinvested in the Employer or be used for or diverted to any purpose whatsoever other than for the exclusive benefit of the Participants and their beneficiaries.

2.3 Mistake of Fact. Notwithstanding the foregoing provisions of Section 2.2, any contribution made by the Employer to this Plan by a mistake of fact may be returned to the Employer within one year after the payment of the contribution.

2.4 Participants' Rights. The establishment of this Plan shall not be considered as giving any Employee, or any other person, any legal or equitable right against the Employer, the Trustee or the principal or the income of the Trust, except to the extent otherwise provided by law. The establishment of this Plan shall not be considered as giving any Employee, or any other person, the right to be retained in the employ of the Employer.

2.5 Qualified Plan. This Plan and the Trust are intended to qualify under the Code as a tax-qualified employees' plan and trust, and the provisions of this Plan and the Trust are to be interpreted accordingly.

ARTICLE III

PLAN ADMINISTRATOR

3.1 Administration of the Plan.

(a) The Plan Administrator shall control and manage the operation and administration of the Plan, except with respect to investments. The Plan Administrator shall have no duty with respect to the investments to be made of the funds in the Trust except as may be expressly assigned to it by the terms of the Trust Agreement and except to the extent that the Plan Administrator determines the investment funds which will be made available under the Plan in accordance with Article XI hereof.

(b) (1) The Employer may appoint a committee to assist in the administration of the Plan, which shall serve at the pleasure of the Employer. All usual and reasonable expenses of the committee may be paid in whole or part by the Employer, and any expenses not paid by the Employer shall be paid from the Trust Fund. Any members of the committee who are employees of the City shall not receive compensation with respect to their services for the committee.

(2) The committee must act at a publicly noticed meeting. The committee may elect one of its members as chairman, appoint a secretary, who may or may not be a committee member, and advise the Trustee of its actions in writing. The secretary shall keep a record of all meetings and forward necessary communications to the Employer or the Trustee. The committee may adopt such by-laws and regulations as it deems desirable for the conduct of its affairs. All decisions of the committee shall be made by a vote of the majority, including actions taken in writing without a meeting.

(3) The committee and the individual members thereof shall be indemnified by the Employer (and not from the Trust Fund) against any and all liabilities arising by reason of any act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

3.2 Powers and Duties.

(a) The Plan Administrator shall have complete control over the administration of the Plan herein embodied, with all powers necessary to enable it to carry out its duties in that respect. Not in limitation, but in amplification of the foregoing, the Plan Administrator shall have the power and discretion to interpret or construe this Plan and to determine all questions that may arise as to the status and rights of the Participants and others hereunder.

(b) The Plan Administrator may promulgate such policies and make such rules and regulations for the proper administration of the Plan as it deems necessary.

3.3 Direction of Trustee. It shall be the duty of the Plan Administrator to direct the Trustee with regard to the distribution of benefits to the Participants and others hereunder.

3.4 Conflict in Terms. The Plan Administrator shall notify each Employee, in writing, as to the existence of the Plan and Trust and the basic provisions thereof. In the event of any conflict between the terms of this Plan and the Trust Agreement and as set forth in any explanatory booklet, this Plan and the Trust Agreement shall control.

3.5 Final Authority. Except to the extent otherwise required by law, the decision of the Plan Administrator in matters within its jurisdiction shall be final, binding and conclusive upon each Employee and beneficiary and every other interested or concerned person or party.

3.6 Appointment of Advisors and Delegation of Duties.

(a) The Plan Administrator may appoint such accountants, counsel, specialists and other persons that it deems necessary and desirable in connection with the administration of this Plan.

(b) The Plan Administrator may designate one or more of its employees to perform the duties required of the Plan Administrator hereunder.

ARTICLE IV

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility and Participation. Any Employee employed by the Employer in the position of City Manager or City Attorney shall become a Participant in the Plan on the Effective Date. Each other eligible Employee shall enter the Plan as a Participant on his date of employment.

4.2 Former Employees. An Employee who ceases to be a Participant, terminates employment and is reemployed by the Employer shall be eligible again to become a Participant on the date of his reemployment.

4.3 Change of Eligibility Status. In the event a change of job classification results in a Participant no longer qualifying as an eligible Employee, such Employee shall cease to be an active Participant as of the effective date of such change of job classification but the Employee shall not be deemed to have terminated employment with the Employer for purposes of this Plan.

4.4 Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

ARTICLE V

CONTRIBUTIONS TO THE TRUST

5.1 Employer Contributions.

(a) Employer Contributions. For each Plan Year, the Employer shall contribute to the Trust on behalf of each Participant employed by the Employer an amount equal to: 15% of Compensation on behalf of the City Manager and the City Attorney; 14% of Compensation on behalf of the Chief of Police; and 8% of Compensation on behalf of management contract employees (excluding the Chief of Police) and Assistant City Attorneys. The Employer will make bi-weekly contributions to the Trust throughout the Plan Year to meet its funding obligations under the Plan.

(b) Employee Mandatory Contributions. For each Plan Year, the City Manager and the City Attorney shall contribute an amount equal to 2% of Compensation and the Chief of Police shall contribute an amount equal to 6% of Compensation bi-weekly to the Trust. The mandatory contributions made by employees under the Plan shall be designated as employer contributions pursuant to Section 414(h) of the Code. Such designation is contingent upon the contributions being excluded from the Employees' gross income for federal income tax purposes. For all other purposes of the Plan, such contributions shall be considered employee contributions.

(c) Vesting. All Participants shall be immediately 100% vested in all contributions made pursuant to this Section.

5.2 Form and Timing of Contributions. Payments on account of the contributions due from the Employer for any Plan Year shall be made in cash. Such payments may be made by the Employer at any time.

5.3 Rollover Contributions. With the consent of the Plan Administrator and in such manner as prescribed by the Plan Administrator, the Trustee may accept a rollover contribution (as defined in the applicable sections of the Code, except that for this purpose "rollover contribution" shall be deemed to include both a direct payment from an Employee and a direct transfer from a trustee of another qualified plan in which an Employee is or was a participant). Rollover amounts shall be allocated to the Employee's Rollover Contribution Account and invested in accordance with the provisions of Article XI. The Trustee shall not accept a rollover contribution that is subject to the requirements of Sections 401(a)(11) and 417 of the Code.

5.4 No Duty to Inquire. The Trustee shall have no right or duty to inquire into the amount of any contribution made by the Employer or the method used in determining the amount of any such contribution, or to collect the same, but the Trustee shall be accountable only for funds actually received by it.

ARTICLE VI

PARTICIPANTS' ACCOUNTS AND ALLOCATION OF CONTRIBUTIONS

6.1 Common Fund. The assets of the Trust shall constitute a common fund in which each Participant shall have an undivided interest.

6.2 Establishment of Accounts. The Plan Administrator shall establish and maintain with respect to each Participant such accounts as necessary to reflect the Participant's interest in the Trust Fund with respect to contributions made by the Employer, the Employee and a Rollover Contribution Account to reflect the Participant's interest in the Trust Fund with respect to employer, employee and rollover contributions. The Plan Administrator may establish such additional accounts as are necessary to reflect a Participant's interest in the Trust Fund.

6.3 Interests of Participants. The interest of a Participant in the Trust Fund shall be the balance remaining from time to time in his Account after making the adjustments required in Section 6.4.

6.4 Adjustments to Accounts. Subject to the provisions of Section 6.5, a Participant's Account shall be adjusted from time to time as follows:

(a) As of each Valuation Date, each of a Participant's Accounts shall be credited or charged, as the case may be, with a share of the earnings of the Trust Fund for the Valuation Period ending with such current Valuation Date as follows:

- (1) As of each Valuation Date, any portion of the Participant's Accounts that is invested in a Pooled Investment Fund established under Article XI shall be credited or charged, as the case may be, with a share of the earnings of such Pooled Investment Fund for the Valuation Period ending with such current Valuation Date. Each Participant's share of the earnings of a Pooled Investment Fund for any Valuation Period shall be determined by the Plan Administrator on a weighted average basis, so that each Participant with a balance in such Pooled Investment Fund shall receive a pro-rata share of the earnings of such Pooled Investment Fund, taking into account the period of time that each dollar invested in such Pooled Investment Fund has been so invested.
- (2) As of each Valuation Date, the portion of the Participant's Accounts that is invested in each Segregated Investment Fund established under Article XI shall be credited or charged, as the case may be, with the earnings attributable to the Participant's investment in such Segregated

Investment Fund for the Valuation Period ending with such current Valuation Date.

(b) Each Participant's Accounts shall be credited with contributions made during the Plan Year, as follows:

(1) As of each Valuation Date that is the last day of the Plan Year, or at such other times as determined by the Employer, the Employer Contribution Account of a Participant shall be credited with his share of the contribution made by the Employer with respect to the Plan Year ending with such Valuation Date. A Participant's share of the amount of the contribution for the Plan Year shall be determined pursuant to the provisions of Article V.

(2) As of each Valuation Date, the Rollover Contribution Account of a Participant shall be credited with the Rollover Contributions, if any, made by the Participant pursuant to Article V.

(c) As of each Valuation Date, each Account of a Participant shall be charged with the amount of any distribution made to the Participant or his beneficiary from such Account during the Valuation Period ending with such Valuation Date.

(d) For purposes of all computations required by this Article VI, the cash method of accounting shall be used, and the Trust Fund and the assets thereof shall be valued at their fair market value as of each Valuation Date.

The Plan Administrator may adopt such additional accounting procedures as are necessary to accurately reflect each Participant's interest in the Trust Fund, which procedures shall be effective upon approval by the Employer. All such procedures shall be applied in a consistent, nondiscriminatory manner.

6.5 Limitation on Allocation of Contributions.

(a) Notwithstanding anything contained in this Plan to the contrary, the aggregate Annual Additions to a Participant's Accounts under this Plan and under any other defined contribution plans maintained by the Employer for any Limitation Year shall not exceed the lesser of: the limitation under Code Section 415(c), \$40,000, as adjusted for increases in the cost-of-living under Code Section 415(d) of the Code, or 100% of the Participant's Code Section 415(c)(3) compensation for such Limitation Year.

(b) In the event that the Annual Additions, under the normal administration of the Plan, would otherwise exceed the limits set forth above for any Participant, or in the event that any Participant participates in both a defined benefit plan and a defined contribution plan maintained by the Employer and the aggregate annual additions to and projected benefits under all of such plans,

under the normal administration of such plans, would otherwise exceed the limits provided by law, then the Plan Administrator shall take such actions, applied in a uniform and nondiscriminatory manner, as will keep the annual additions and projected benefits for such Participant from exceeding the applicable limits provided by law. Adjustments shall be made to other plans, if necessary to comply with such limits, before any adjustments may be made to this Plan.

ARTICLE VII

BENEFITS UNDER THE PLAN

7.1 Retirement Benefit.

(a) A Participant shall be entitled to a normal retirement benefit upon such Participant's Normal Retirement Date.

(b) Except as provided in Sections 8.8 and 8.9 of this Plan, until a Participant actually terminates from the employ of the Employer, he shall not receive a distribution and he shall continue to be treated in all respects as a Participant.

(c) Upon the retirement of a Participant as provided in 7.1(a) and subject to adjustment as provided in Section 8.4, such Participant shall be entitled to receive, at the time and in the manner described in Article VIII, a retirement benefit in an amount equal to 100% of the balance in his Accounts as of the Valuation Date concurring with or preceding the date of his retirement, plus the amount of any contributions allocated subsequent to such Valuation Date.

7.2 Termination of Employment Benefit. In the event a Participant's employment with his Employer is terminated for reasons other than retirement, and subject to adjustment as provided in Section 8.4, such Participant shall be entitled to receive, at the time and in the manner described in Article VIII, a termination of employment benefit in an amount equal to the balance in his Account as of the Valuation Date concurring with or preceding the date of the distribution, plus the amount of any contributions allocated subsequent to such Valuation Date.

7.3 Death Benefit

(a) In the event of the death of a Participant and subject to adjustment as provided in Section 8.4, his beneficiary shall be entitled to receive, at the time and in the manner described in Article VIII, a death Benefit in an amount equal to 100% of the balance in his Account as of the Valuation Date concurring with or preceding the date of his death, plus the amount of any contributions allocated subsequent to such Valuation Date.

(b) At any time and from time to time, each Participant shall have the unrestricted right to designate a beneficiary to receive his death benefit and to revoke any such designation. Each designation or revocation shall be evidenced by written instrument filed with the Plan Administrator, signed by the Participant and bearing the signature of a witness to his signature. In the event that a Participant has not designated a beneficiary or beneficiaries, or if for any reason such designation shall be legally ineffective, or if such beneficiary or beneficiaries shall predecease the Participant, then the personal representative of the estate of such Participant shall be deemed to be the beneficiary designated to receive such death benefit, or if no personal representative is appointed for the estate of

such Participant, then his next of kin under the statute of descent and distribution of the state in which such Participant's domicile at the date of his death shall be deemed to be the beneficiary or beneficiaries to receive such death benefit.

ARTICLE VIII

FORM AND PAYMENT OF BENEFITS

8.1 Timing and Form.

(a) (1) Except as otherwise provided in this Article VIII, the amount of the retirement or death benefit to which a Participant is entitled under Sections 7.1 and 7.3 shall be paid to him or, in the case of a death benefit, shall be paid to said Participant's beneficiary or beneficiaries as soon as practicable following the Participant's actual retirement following his Normal Retirement Date or death, as the case may be.

(2) The amount of the termination of employment benefit to which a Participant is entitled under Section 7.2 shall be paid to him as soon as practicable following his termination of employment.

(3) Notwithstanding paragraphs (a)(1) and (a)(2), above, a Participant may elect to defer the distribution of his benefit until any subsequent date elected by the Participant in writing pursuant to such procedures as the Plan Administrator may adopt, but in no event later than the date described in 8.1(b).

(b) (1) Effective January 1, 2003, all distributions from the Plan will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code and shall take precedence over any inconsistent provisions of the Plan. Any distribution paid to a Participant (or, in the case of a death benefit, to his beneficiary or beneficiaries) shall commence not later than:

(i) April 1 of the year following the calendar year in which the Participant retires on or after his Normal Retirement Date; or

(ii) April 1 of the year immediately following the calendar year in which the Participant reaches age 70½.

(2) Time and Manner of Distribution.

(A) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as provided in Section 8.1(b)(2)(A)(v), distributions to the surviving spouse will begin by December 31 of the calendar

year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as provided in Section 8.1(b)(2)(A)(v), distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

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

(iv) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, Section 8.1(b)(2)(A), other than Section 8.1(b)(2)(A)(i), will apply as if the surviving spouse were the Participant.

(v) Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in this Section 8.1(b)(2)(A) and Section 8.1(b)(4) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under this Section 8.1(b)(2)(A), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with this Section 8.1(b)(2)(A) and Section 8.1(b)(4) below.

For purposes of this Section 8.1(b)(2)(A) and Section 8.1(b)(4), unless 8.1(b)(2)(A)(iv) applies, distributions are considered to begin on the Participant's required beginning date. If Section 8.1(b)(2)(A)(iv) above applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 8.1(b)(2)(A)(i) above. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under

Section 8.1(b)(2)(A)(i), the date distributions are considered to begin is the date distributions actually commence.

(B) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 8.1(b)(3) and 8.1(b)(4). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury Regulations thereunder.

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

(A) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulations Section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(ii) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulations Section 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(B) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 8.1(b)(3) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

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

(A) Death On or After Date Distributions Begin.

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

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

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

(B) Death Before Date Distributions Begin.

(i) Participant Survived by Designated Beneficiary. Except as provided in Section 8.1(b)(2)(A)(v) above, if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 8.1(b)(4)(A) above.

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

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 8.1(b)(2)(A)(i) above, this Section 4 will apply as if the surviving spouse were the Participant.

(5) Definitions.

(A) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulations Section 1.401(a)(9)-1, Q&A-4 of the Code.

(B) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately proceeding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 8.1(b) 2 above. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year

in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(C) Life expectancy. Life expectancy as computed by use of the Single Life Table in Treasury Regulations Section 1.401(a)(9)-9 of the Code.

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

(c) With respect to distributions under the Plan made for the 2002 calendar year, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary.

8.2 Manner of Payment.

(a) A Participant's retirement, death or termination of employment benefit may be paid in one of the following optional forms as elected by the Participant, or in the case of a death benefit, by the Participant's beneficiary or beneficiaries. The optional forms are as follows:

- (1) A lump sum payment.
- (2) Monthly, quarterly or annual installments over a fixed period of time, not exceeding the life of the Participant or the joint life and last survivor expectancy of the Participant and his designated beneficiary.

(b) A Participant or his beneficiary may elect to receive the payment of any part or all of the unpaid installments under paragraph 8.2(a)(2) above in a lump sum, in accordance with rules and regulations promulgated by the Plan Administrator (and in accordance with the Code).

(c) Each Participant shall have the right to designate a beneficiary for purposes of the optional form of benefit payment described in paragraph 8.2(a)(2) above and to revoke any such designation. Each designation or revocation shall be evidenced by written instrument filed with the Employer and shall be effective upon filing with the Employer.

(d) In the case of a retirement or termination of employment benefit, in no event shall payment extend beyond the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and his designated beneficiary. If the Participant dies before receiving the entire amount payable to him, the balance shall be distributed to his designated beneficiary at least as rapidly as under the method being used prior to the Participant's death.

(e) In the case of a death benefit, payment

(1) to the designated beneficiary shall begin within one year following the Participant's death (unless the designated beneficiary is the Participant's spouse, in which case such benefit shall begin no later than the date the Participant would have reached 70½) and shall not, in any event, extend beyond the life or life expectancy of the designated beneficiary; or

(2) to any other beneficiary shall be totally distributed within five years from the date of the Participant's death.

8.3 Lump Sum Payment. Notwithstanding anything contained in this Plan to the contrary, any benefit payable under the Plan, which is not more than \$1,000, including such Participant's Rollover Contributions Account, shall be paid in a lump sum as soon as practicable following the Participant's termination of employment. Should the actuarial lump sum value of such payment be greater than \$1000.00, and if the distributee has not elected to have such distribution paid directly to a specified eligible retirement plan of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of a notice under section 402(f) of the code) that the distribution may be transferred to another individual retirement plan.

8.4 Periodic Adjustments. To the extent the balance of a Participant's Accounts has not been distributed and remains in the Plan, and notwithstanding anything contained in the Plan to the contrary, the value of such remaining balance shall share in allocations of the income (or loss) of the Trust Fund pursuant to the provisions of Article VI.

8.5 Location of Participant or Beneficiary Unknown. In the event that all, or any portion of the distribution payable to a Participant or his beneficiary, hereunder shall remain unpaid after five (5) Plan Years solely by reason of the inability of the Plan Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his beneficiary, the amount so distributable shall be treated as a forfeiture. In the event a Participant or beneficiary of such Participant is located subsequent to his benefit being reallocated, such benefit shall be restored by an additional contribution by the Employer.

8.6 Transfer to Other Qualified Plans. The Trustee, upon written direction by the Plan Administrator, shall transfer some or all of the assets held under the Trust to another plan or trust meeting the requirements of the Code relating to qualified plans and

trust, whether such transfer is made pursuant to a merger or consolidation of this Plan with such other plan or trust or for any other allowable purpose.

8.7 Direct Rollovers.

(a) Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's (as defined below) election under this paragraph, 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 (as defined below) paid directly to an eligible retirement plan (as defined below) specified by the distributee in a direct rollover (as defined below).

(b) For purposes of this paragraph, the following terms shall have the following meanings:

- (1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code, and the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (2) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) or 403(b) of the Code, a deferred compensation plan under Section 457 (b) of the Code or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.
- (3) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse,

as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

- (4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

8.8 Withdrawals from Rollover Contribution Accounts. A Participant, while still employed, may request a withdrawal of all or a portion of his Rollover Contributions Account at any time.

8.9 Withdrawals from Employer and Employee Mandatory Contribution Accounts. A Participant who has reached age 59½ may request a withdrawal of all or a portion of his Employer Contributions Account and/or his Employee Mandatory Contributions Accounts at any time.

ARTICLE IX

TRUST FUND AND EXPENSES OF ADMINISTRATION

9.1 Name of Trustee. The Trust Fund shall be held by the Trustee, or by a successor trustee or trustees, for use in accordance with the Plan under the Trust Agreement. The Trust Agreement may from time to time be amended in the manner therein provided. Similarly, the Trustee may be changed from time to time in the manner provided in the Trust Agreement.

9.2 Expenses of Administration.

(a) (1) The assets of the Trust Fund may be used to pay all expenses of the administration of the Plan and the Trust Fund, including the Trustee's compensation, the compensation of any investment manager, the expense incurred by the Plan Administrator in discharging its duties, all income or other taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust Fund, and any interest that may be payable on money borrowed by the Trustee for the purpose of the Trust.

(2) The Employer may pay the expenses of the Plan and the Trust Fund. Any such payment by the Employer shall not be deemed a contribution to this Plan.

(b) Notwithstanding anything contained herein to the contrary, no excise tax or other liability imposed upon the Trustee, the Plan Administrator or any other person for failure to comply with the provisions of any federal law shall be subject to payment or reimbursement from the assets of the Trust.

(c) For its services, any corporate Trustee shall be entitled to receive reasonable compensation in accordance with its rate schedule in effect from time to time for the handling of a Trust. Any individual Trustee shall be entitled to such compensation as shall be arranged between the Employer and the Trustee by separate instrument; provided, however, that no person who is already receiving full-time pay from the Employer shall receive compensation from the Trust Fund (except for the reimbursement of expenses properly and actually incurred).

ARTICLE X

AMENDMENT AND TERMINATION

10.1 Restrictions on Amendment and Termination of Plan. It is the present intention of the Employer to maintain the Plan set forth herein indefinitely. Nevertheless, the Employer specifically reserves to itself the right at any time, and from time to time, to amend or terminate this Plan in whole or in part; provided, however, that no such amendment:

(a) shall have the effect of vesting in the Employer, directly or indirectly, any interest, ownership or control in any of the present or subsequent funds held subject to the terms of the Trust Agreement;

(b) shall cause or permit any property held subject to the terms of the Trust Agreement to be diverted to purposes other than the exclusive benefit of the Participants and their beneficiaries or for the administrative expenses of the Plan Administrator and the Trust;

(c) shall reduce the then vested interest of a Participant;

(d) shall reduce the Account of any Participant; or

(e) shall increase the duties or liabilities of the Trustee without its written consent.

10.2 Amendment of Plan. Subject to the limitations stated in Section 10.1, the Employer shall have the power to amend this Plan in any manner that it deems desirable, and, not in limitation but in amplification of the foregoing, it shall have the right to change or modify the method of allocation of contributions hereunder, to change any provision relating to the administration of this Plan and to change any provision relating to the distribution or payment, or both, of any of the assets of the Trust.

10.3 Termination of Plan. The Employer, in its sole and absolute discretion, may terminate this Plan and the Trust, completely or partially, at any time without any liability whatsoever for such complete or partial termination. In any of such events, the affected Participants, notwithstanding any other provisions of this Plan, shall have fully vested interests in the amounts credited to their respective Accounts at the time of such complete or partial termination of this Plan and the Trust. All such vested interests shall be nonforfeitable.

10.4 Termination Procedure. In the event the Employer decides to terminate this Plan and the Trust, after payment of all expenses and proportional adjustments of individual Accounts to reflect such expenses and other changes in the value of the Trust Fund as of the date of termination, each affected Participant (or the beneficiary of any such Participant) shall then be entitled to receive any amount then credited to his Account in accordance with the form of payment prescribed by Article VIII.

ARTICLE XI

PARTICIPANT DIRECTION OF ACCOUNT INVESTMENT

11.1 Participant Directed Investments. On the commencement of his participation in the Plan, each Participant shall direct the Trustee to invest his Accounts in one or more Directed Investment Funds made available by the Plan Administrator from time to time. The Plan Administrator may provide each of the Directed Investment Funds made available to Participants through shares of one or more investment companies or mutual funds, segregated accounts invested in one or more of savings or notice accounts, deposits in or certificates issued by a bank, insurance, annuity or other investment contracts, or other appropriate investment vehicles.

11.2 Election Procedures. Except as may be otherwise provided by the Trust Agreement or by any contract entered into by the Trustee or the Plan Administrator with an investment manager appointed to manage all or any portion of the assets of the Plan, each Participant's directed investment elections shall be made in writing upon his commencement of participation in the Plan.

(a) A Participant shall designate the percentage of the balances of his Accounts and future contributions to his Accounts to be allocated to any Directed Investment Fund.

(b) Subject to Section 11.2(c), a Participant may revise his election effective as of the first day of each Valuation Period. The Participant's revised election shall be effective for contributions made to the Plan after the effective date of such revision, and may be effective for the investment of balances previously allocated and remaining credited to a Participant's Accounts. Any revised election with respect to future contributions shall be subject to the percentage limitations established by the Plan Administrator pursuant to Section 11.2(a). If required by the Plan Administrator, any revised election with respect to existing Account balances shall specify the specific percentage, or dollar amount, of each Account to be transferred between Directed Investment Funds.

(c) The Trustee shall make requested investments on behalf of each Participant within a reasonable period after the receipt of directions from the Plan Administrator or the Participant.

11.3 Failure to Designate. If a Participant does not specifically designate the initial investments for all of his Accounts at the time he becomes a Participant in the Plan, his Accounts shall be invested in a stable value fund offered as one of the Directed Investment Funds available to Participants until such time as he makes his initial designation regarding his investments.

11.4 Charges and Credits. A Participant's Accounts shall be divided into sub-accounts to properly account for the Directed Investment Funds in which such Accounts are invested. Each sub-account shall be adjusted as of each Valuation Date in accordance with Article VI for purposes of (a) crediting dividends, interest, and other

income on the investments in a particular Directed Investment Fund, as well as all realized and unrealized gains credited to that fund, and (b) charging individually allocable expenses in connection with the investments in a particular Directed Investment Fund, as well as all realized and unrealized losses charged to that fund. Other charges or fees separately incurred and not charged to a Directed Investment Fund, and incurred as a result of an election made by a Participant associated with the investment of his Accounts, shall be charged against his Accounts in accordance with Article VI.

11.5 Procedures. The Plan Administrator shall establish procedures regarding Participant investment direction as are necessary, which procedures shall be communicated to all Participants and applied in a uniform, nondiscriminatory manner.

ARTICLE XII

MISCELLANEOUS

12.1 Alienation. No Participant or beneficiary of a Participant shall have any right to assign, transfer, appropriate, encumber, commute, anticipate or otherwise alienate his interest in this Plan or the Trust or any payments to be made thereunder; no benefits, payments, rights or interests of a Participant or beneficiary of a Participant of any kind or nature shall be in any way subject to legal process to levy upon, garnish or attach the same for payment of any claim against the Participant or beneficiary of a Participant; and no Participant or beneficiary of a Participant shall have any right of any kind whatsoever with respect to the Trust, or any estate or interest therein, or with respect to any other property or right, other than the right to receive such distributions as are lawfully made out of the Trust, as and when the same respectively are due and payable under the terms of this Plan and the Trust.

12.2 Governing Law. This Plan shall be administered, construed and enforced according to the laws of the State of Florida, except to the extent such laws have been expressly preempted by federal law.

12.3 Gender. Throughout this Plan, and whenever appropriate, the masculine gender shall be deemed to include the feminine and neuter; the singular, the plural; and vice versa.

12.4 Forfeiture of Benefits for Specified Offenses.

(a) Notwithstanding anything to the contrary, any Participant who is convicted of the following offenses committed prior to retirement, or whose employment is terminated by reason of his admitted commission, aid or abetment of the following specified offenses, shall forfeit all rights and benefits under this Plan, except for the return of his Rollover Contribution Account as of the date of termination. Specified offenses are as follows:

- (1) The committing, aiding or abetting of an embezzlement of public funds;
- (2) The committing, aiding or abetting of any theft from the Employer;
- (3) Bribery in connection with the employment of a public officer or employee;
- (4) Any felony specified in Chapter 838, Florida Statutes (except §838.15 and §838.16);
- (5) The committing of an impeachable offense;
- (6) The committing of any felony by a public officer or employee who willfully and with intent to defraud the public or the public agency, for which he acts or in which he is employed, of the right to receive

the faithful performance of his duty as a public officer or employee, realizes or obtains or attempts to obtain a profit, gain, or advantage for himself or for some other person through the use or attempted use of the power, rights, privileges, duties or position of his public office or employment position.

(7) Conviction shall be defined as an adjudication of guilt by a court of competent jurisdiction; a plea of guilty or a nolo contendere; a jury verdict of guilty when adjudication of guilt is withheld and the accused is placed on probation; or a conviction by the Senate of an impeachable offense. Court shall be defined as any state or federal court of competent jurisdiction which is exercising its jurisdiction to consider a proceeding involving the alleged commission of a specified offense.

(b) Prior to forfeiture, the Plan Administrator shall hold a hearing on which notice shall be given to the Participant whose benefits are being considered for forfeiture. Said Participant shall be afforded the right to have an attorney present. No formal rules of evidence shall apply, but the Participant shall be afforded a full opportunity to present his case against forfeiture.

(c) Amounts forfeited from a Participant's Account under this Section 12.4 shall be used to reduce future Employer contributions.

12.5 Claims Procedures.

(a) Claims for benefits under the Plan may be made by a Participant or a beneficiary of a Participant on forms supplied by the Plan Administrator. Written notice of the disposition of a claim shall be furnished to the claimant by the Plan Administrator within ninety (90) days after the application is filed with the Plan Administrator, unless special circumstances require an extension of time for processing, in which event action shall be taken as soon as possible, but not later than one hundred eighty (180) days after the application is filed with the Plan Administrator; and, in the event that no action has been taken within such ninety (90) or one hundred eighty (180) day period, the claim shall be deemed to be denied for the purposes of Section 12.5(b). In the event that the claim is denied, the denial shall be written in a manner calculated to be understood by the claimant and shall include the specific reasons for the denial, specific references to pertinent Plan provisions on which the denial is based, a description of the material information, if any, necessary for the claimant to perfect the claim, an explanation of why such material information is necessary and an explanation of the claim review procedure.

(b) If a claim is denied (either in the form of a written denial or by the failure of the Plan Administrator, within the required time period, to notify the claimant of the action taken), a claimant or his duly authorized representative shall have sixty (60) days after the receipt of such denial to petition the Plan Administrator in writing for a full and fair review of the denial, during which time

the claimant or his duly authorized representative shall have the right to review pertinent documents and to submit issues and comments in writing. The Plan Administrator shall promptly review the claim and shall make a decision not later than sixty (60) days after receipt of the request for review, unless special circumstances require an extension of time for processing, in which event a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after the receipt of the request for review. If such an extension is required because of special circumstances, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. The decision of the review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the Plan provisions on which the decision is based.

ARTICLE XIII

LOANS TO PARTICIPANTS

13.1 Availability of Loans.

(a) The Plan Administrator, in accordance with its uniform nondiscriminatory policy, may direct the Trustee, upon application of a Participant who is actively employed by the Employer, to make a loan to such Participant out of his vested Accounts upon application of the Participant based upon the Participant's immediate and heavy financial need (which shall be limited to the criteria set forth in paragraph (e) below). Any such loan to a Participant shall be considered a Participant directed investment under Article XI and without limitation shall be subject to the provisions of Article XI.

(b) All loans must be requested in writing on an application approved by the Plan Administrator and signed by the Participant. The Employer must review and approve the application.

(c) The amount advanced, when added to the outstanding balance of all other loans to the Participant from this Plan or any other qualified retirement plan adopted by the Employer, may not exceed the lesser of:

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

(A) the highest outstanding balance of all loans made from the Plan to that applicant during the one year period ending on the day before the date on which the loan is made, reduced by

(B) the outstanding balance of all loans from the Plan to that applicant on the date on which the loan is made, or

(2) 50% of the vested balance of the Participant's Accounts.

(d) The minimum amount that may be borrowed by the Participant shall be \$1,000.00.

(e) A loan will be authorized only in the event of an immediate and heavy financial need. An immediate and heavy financial need shall be deemed to include:

(1) expenses of medical care (as defined in Section 213(d) of the Code) incurred by the Participant or his spouse or other dependents (as defined in Section 152 of the Code) or necessary for such persons to obtain such medical care,

(2) payments (other than mortgage payments) directly related to the purchase of the Participant's principal residence,

- (3) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Participant or his spouse, children or other dependents,
- (4) payments necessary to prevent the eviction of the Participant from his principal residence or the foreclosure on the mortgage of such residence, or
- (5) such other events as may be prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices and other documents of general applicability.

(f) Only one loan may be outstanding at any time. After a loan has been fully repaid, a new loan may not be made to the borrower for at least 30 days after the final payment has been made with respect to the prior loan.

(g) Notwithstanding the foregoing, no Participant shall be entitled to borrow an amount that the Plan Administrator determines could not be adequately secured by the portion of such Participant's Accounts that is permitted to be held as security pursuant to applicable Department of Labor Regulations.

(h) Any out-of-pocket legal and administrative costs incurred by the Trustee as a result of a loan, or application for a loan, shall be paid by the Participant who received or applied for such loan.

13.2 Time and Manner of Repayment. Any loan made under this Article XIII shall be repayable to the Trust at such times and in such manner as may be provided by the Plan Administrator, subject to the following limitations:

(a) Each loan shall be secured by 50% of the vested balance of the Participant in his Accounts. The Plan Administrator shall not accept any other form of security. Each Participant shall agree to have each required loan payment deducted from his pay and remitted to the Trustee.

(b) Each loan shall bear interest at a reasonable rate and shall provide for substantially level amortization of principal and interest no less frequently than quarterly. The interest rate charged shall be comparable to the rate charged by commercial lending institutions in the region in which the Employer is located for comparable loans as determined by the Plan Administrator at the time the loan is approved.

(c) Each loan shall be repaid within a specified period of time. Such period shall not be less than twelve (12) months, nor shall such period exceed five (5) years, unless the loan is used to acquire the principal residence of the Participant.

13.3 Default. In the event of default, the Trustee, at the direction of the Plan Administrator, may proceed to collect said loan with any legal remedy available, including

reducing the amount of any distribution permitted under Article VIII by the amount of any such loan that may be due and owing as of the date of distribution or any other action that may be permitted by law. "Events of Default" shall include any failure to make a payment of principal or interest attributable to the loan when due; failure to perform or to comply with any obligations imposed by any agreement executed by the Borrower securing his loan obligation; and any other conditions or requirements set forth within a promissory note or security agreement that may be required in order to ensure that the terms of the loan are consistent with Commercially reasonable practices.

IN WITNESS WHEREOF, this Plan has been executed this ____ day of _____, 2008

CITY OF CLEARWATER

By: _____
"EMPLOYER"