

AGENDA
INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
January 15, 2014
5:30 P.M.

CALL TO ORDER

- 1. APPROVAL OF AGENDA** **1 min.**

- 2. INTRODUCTIONS** **10 min.**
 - A. Stephen Swan, Senior Planner** (*Dennis Bloom*)
 - B. Larry Meeks, Customer Service Rep** (*Jim Merrill*)
 - C. Jason Hanner, Scheduling Coordinator** (*Jim Merrill*)
 - D. Gary Guard, Operator** (*Jim Merrill*)

- 3. PUBLIC COMMENT** **10 min.**

Public Comment Note: This is the place on the agenda where the public is invited to address the Authority on any issue. The person speaking is requested to sign-in on the General Public Comment Form for submittal to the Clerk of the Board. When your name is called, step up to the podium and give your name and address for the audio record. If you are unable to utilize the podium, you will be provided a microphone at your seat. Citizens testifying are asked to limit testimony to three minutes.

- 4. APPROVAL OF CONSENT AGENDA ITEMS** **1 min.**
 - A. Approval of Minutes:** December 4, 2013, Regular Meeting; December 18, 2013, Work Session.

 - B. Accounts Payable:** Warrants dated November 1, 2013, numbers 15261-15371, in the amount of \$516,928.13; warrants dated November 15, 2013, numbers 15375-15472 in the amount of \$443,689.18; 15476-15555 in the amount of \$482,376.28 for a monthly total of \$1,442,993.59.

 - C. Payroll:** December 2013 Payroll in the amount of \$2,150,718.51.

 - D. 401(k) Deferred Compensation Plan Update:** Adopt Resolution 01-2014, which restates the Intercity Transit Employees' Retirement Plan and Trust documents for the 401(k) Deferred Compensation Plan for all changes since the last full adoption. (*Ben Foreman*)

 - E. Surplus Property:** Declare the property listed on Exhibit "A" as surplus. (*Marilyn Hemmann*)

5. PUBLIC HEARINGS – None.
6. CITIZEN ADVISORY COMMITTEE REPORT (*Michael Van Gelder*) 20 min.
7. NEW BUSINESS
 - A. Vanpool Vehicle Purchase (*Marilyn Hemmann*) 5 min.
 - B. Air Compressor Consultant (*Jeff Peterson*) 5 min.
8. GENERAL MANAGER’S REPORT 10 min.
9. AUTHORITY ISSUES 10 min.
10. CLOSED SESSION
 - A. Discuss Collective Bargaining Agreement IAM District Lodge 160 (*Heather Stafford-Smith*) 20 min.
11. EXECUTIVE SESSION
 - A. Personnel – General Manager’s 6-Month Performance Evaluation 15 min.
12. ADJOURNMENT

Minutes
INTERCITY TRANSIT AUTHORITY
Regular Meeting
December 4, 2013

CALL TO ORDER

Chair Thies called the December 4, 2013, regular meeting of the Intercity Transit Authority to order at 5:30 p.m., at the administrative offices of Intercity Transit.

Members Present: Chair and Citizen Representative Martin Thies; Vice Chair and City of Tumwater Councilmember Ed Hildreth; City of Lacey Mayor Virgil Clarkson; Thurston County Commissioner Karen Valenzuela; City of Olympia Councilmember Nathaniel Jones; City of Yelm Councilmember Joe Baker; Citizen Representative Karen Messmer; Citizen Representative Ryan Warner; and Labor Representative Karen Stites.

Staff Present: Ann Freeman-Manzanares; Dennis Bloom; Ben Foreman; Erin Hamilton; Marilyn Hemmann; Bob Holman; Meg Kester; Jim Merrill; Pat Messmer; Carolyn Newsome; Heather Stafford-Smith.

Others Present: Legal Counsel Dale Kamerrer and Citizen Advisory Committee (CAC) members, Faith Hagenhofer, and Carl See.

APPROVAL OF AGENDA

It was M/S/A by Councilmember Baker and Citizen Representative Messmer to approve the agenda as published.

APPROVAL OF CONSENT AGENDA ITEMS

It was M/S/A by Mayor Clarkson and Councilmember Hildreth to approve the consent agenda as presented.

- A. Approval of Minutes:** November 6, 2013, Regular Meeting.
- B. Payroll:** November 2013 Payroll in the amount of \$1,819,440.89.
- C. Printing and Delivery of Transit Guides - Contract Extension:** Authorized the General Manager to enter into a one-year contract extension with Consolidated Press in the not-to-exceed amount of \$35,000, including taxes, for the provision of printing and delivery of transit guides. *(Erin Hamilton)*
- D. Special ITA Meeting January 15, 2014:** Canceled the January 1, 2014, Intercity Transit Authority regular meeting due to the New Year's Day holiday, and

Intercity Transit Authority Regular Meeting

December 4, 2013

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scheduled a special meeting for January 15, 2014, to conduct the regular business of the Transit Authority. (*Ann Freeman-Manzanares*)

COMMITTEE REPORTS

- A. Thurston Regional Planning Council (TRPC).** Valenzuela reported the TRPC meets on December 6, 2013, and the main agenda item includes the question whether TRPC will accept the Sustainable Draft Plan.
- B. Transportation Policy Board (TPB).** Hildreth reported the TPB met November 13 and received two briefings. One on Transportation, Land Use and Sustainable Thurston. This briefing reviewed how transportation and land use factored into the Sustainable Thurston process in preparation for more in-depth discussions about how to help achieve the vision. The other presentation was Thurston Here to There - Department of Energy Grant Successes regarding findings and highlights of the Vehicle Miles Traveled reduction grant, which sought to broaden travel options for the communities of Bucoda, Rainier, Tenino, Tumwater and Yelm. Hildreth indicated he attended a community leaders' roundtable, and received a briefing on the Capital Lake Dredging Permit Analysis and the 1063 Building.
- C. Citizen Advisory Committee.** Hagenhofer reported the CAC met on November 18 and indicated members received an update on the Walk and Roll program, which generated a discussion about the role of public transit with respect to school transportation. A number of members had questions about the parallel to Bellevue and other cities where they issue bus passes or where there are no school buses. She indicated this plants the seed for another level of conversation.

See briefed the Authority regarding the outcome of the CAC's discussion around the question posed by the Authority, "What do you think is the regional role of Intercity Transit, keeping in mind our responsibility to provide service to the local PTBA?" He indicated all members had the opportunity to provide input. See referred to the minutes from the November 18 CAC meeting.

Some key points of their discussion were:

- Maintain model fiscal stewardship
- Communicate our services and the benefits to the community
- Identify impacts on existing services both within the PTBA and those areas within Thurston County but outside the PTBA. How we adapt to serve the entire region
- Promote the economic and environmental benefits

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Thies asked about the discussion going beyond Thurston County. See said discussion focused on Fort Lewis and the impacts on the I-5 corridor. Hagenhofer added that discussion touched on how we could assist in providing transportation to move people across the entire county. However, the conversation didn't go any further outside the region.

Hildreth asked if the CAC discussed anything other than bus service, such as rapid transit or van service. See said the members considered other services, including Dial-A-Lift, Vanpool, and Village Vans as part of who we are and what is within our mission/vision statements.

Thies said he would like to spend more time with the CAC members on this topic. Messmer would like feedback from the CAC regarding the I-5 corridor.

NEW BUSINESS

A. 2014-2019 Strategic Plan. Freeman-Manzanares noted staff followed the public comment process and conducted a public hearing, and indicated the Strategic Plan is the basis of the 2014 budget and work plan. Therefore, staff is seeking adoption of the 2014-2019 Strategic Plan.

It was M/S/A by Councilmember Hildreth and Citizen Representative Warner to adopt the 2014-2019 Strategic Plan as presented.

B. 2014 Budget Adoption. Foreman proceeded with the request for approval of Resolution 02-2013 adopting the 2014 Budget of \$59,841,389.

It was M/S/A by Councilmember Hildreth and Mayor Clarkson to adopt Resolution 02-2013 establishing the 2014 Budget of \$59,841,389.

C. DAL Route Scheduling and Management Software Maintenance. Hemmann explained the request is for a one-year renewal of software maintenance services for the Dial-A-Lift route scheduling and management software. Having an agreement in place ensures prompt vendor response and a limit on total costs for the year.

Currently, the RouteMatch system includes five major subsystems and each has its own software maintenance renewal date depending on when each subsystem was completed and accepted. The decision was made to request RouteMatch to prorate the maintenance fees so all the renewal dates coincide for a single 2014 maintenance renewal.

It was M/S/A by Mayor Clarkson and Councilmember Jones to authorize the General Manager, to enter into a one-year renewal with RouteMatch for the

maintenance of the DAL route scheduling and dispatch software in the amount of \$50,794, including taxes.

D. Environmental and Sustainability Management System (ESMS) Update & Policy Revision. Holman explained his request is to adopt Resolution 01-2013 and revised Policy EX-0011. He also provided an update on the progress of ESMS and the current status and reconfirmation of the agency's commitment to ESMS by adopting a revision to the existing policy. Holman proceeded with a background of the ESMS and provided results of the recent audit.

The audit results found we're in good shape with the need for improvement. We were given the okay to move onto stage 2 of the audit in February 2014, with the following recommendations for improvement:

- Use internal audit volunteers to check out our ESMS system.
- Legal and regulatory compliance needs to be strengthened.
- The emergency clean-up plan must be available to regulators. It's in the process of being revised and completed before the next audit.
- Strengthen baseline metrics. The auditor advised us to strengthen communication of the policy with our vendors.
- Revise the policy and resolution. He noted there was a change in Section 3 which addresses the commitment and direction from the Authority to achieve ISO 14001 certification, along with some cosmetic clean up.

Holman answered questions.

It was M/S/A by Citizen Representative Messmer and Commissioner Valenzuela to adopt Resolution 01-2013 and the revised Environmental and Sustainability Policy EX-0011 effective December 4, 2013.

E. Discounted Monthly Bus Pass Program. Freeman-Manzanares presented the results of the 2014 application process for the Discounted Bus Pass Program. Staff issued the application on November 8, 2013, and to date received nine applications totaling \$77,028: (*Capital Recovery Center, Drexel House, DSHS CSD, Family Support Center, GRuB, Bear GRuB, New Market Skills Center, Office of Assigned Counsel, and Pacific Mountain Workforce Development Council.*) She indicated staff will follow up with agencies that applied in the past but didn't submit an application this year.

F. Intergovernmental Agreement for the Maintenance of the Centennial Station/Amtrak Depot. Freeman-Manzanares explained the Intergovernmental Agreement expires December 31, 2013. A 2014-2018 Agreement was submitted to the other jurisdictions to continue the maintenance of the Centennial

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December 4, 2013

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Station/ Amtrak Depot. All of the jurisdictions have or will include this funding in their 2014 budgets.

Intercity Transit's portion of the contract funds 25% (based on the population we serve) in addition to our staff from Facilities and Information Services who provide assistance to the Amtrak volunteers.

It was M/S/A by Citizen Representative Messmer and Commissioner Valenzuela to approve the 2014-2018 Intergovernmental Agreement for the Maintenance of the Centennial Station/Amtrak Depot.

GENERAL MANAGER'S REPORT

- Freeman-Manzanares was elected Treasurer of the Washington State Transit Association.
- We started our 221st vanpool today - another record.
- The online payment option the Authority approved for vanpool was fully tested and will be implemented in January.
- Staff is working with DSHS to pilot a project known as "First Mile, Last Mile." It's a van share for bus riders trying to get to ACS/Xerox in Lacey. It's in the initial stages and we intend to operate the pilot with surplus vanpool vehicles.
- We awarded the last Surplus Van Grant to Panza for Quixote Village. Other recipients of the Surplus Van Grant program include Boys' and Girls' Club, GRuB, and the Thurston County Food Bank.
- Duncan Green returns in January to begin work on the 2014 Bicycle Commuter Contest.
- The Jingle Bus participates in the 10th Annual Toy Deployment, which delivers toys to JBLM on Saturday, December 14. Everyone is welcome to participate.
- The Annual Holiday Banquet is held Friday, December 13. All are invited.

AUTHORITY ISSUES

Clarkson thanked staff for participating in the conversation regarding transportation in NE Lacey.

Clarkson asked who provides bus service to SeaTac airport. Bloom responded Sound Transit provides transportation from the Lakewood Transit Center to SeaTac. Intercity Transit provides the transportation from here to Lakewood.

Clarkson was listening to public radio and heard that all new buses would require seatbelts with the exception of school buses, and wanted to know if this includes transit buses. Warner responded it does not include transit. It's meant for tour buses.

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December 4, 2013

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Messmer mentioned there may be a conflict with the Bridging the Gap celebration being held at 1 p.m. on Saturday, December 7, and the motorcycle toy run being held the same day.

Thies noted it's time for the General Manager's six-month performance evaluation. Pat Messmer will send the same questionnaire to the Authority used for the three-month evaluation. He said even if there are no changes, he asked the Authority to submit a response to Messmer so she captures all of the responses. The evaluation will be conducted at the January 15 special meeting.

EXECUTIVE SESSION

In accordance with RCW 42.30.110, Chair Thies recessed the regular meeting to an executive session at 6:47 p.m. for approximately 15 minutes to discuss the Collective Bargaining Agreement – IAM Lodge 160.

Attending the Executive Session were Chair Thies, Vice Chair Hildreth, Mayor Clarkson, Commissioner Valenzuela, Councilmember Baker, Councilmember Jones, Citizen Representative Messmer, Citizen Representative Warner, Ann Freeman-Manzanares, Heather Stafford-Smith, Dale Kamerrer and Pat Messmer.

At 7:02 p.m. it was announced to the public that an additional 20 minutes was necessary.

The Authority reconvened to regular session at 7:21 p.m.

ADJOURNMENT

With no further business, it was M/S/A by Councilmember Baker and Chair Thies to adjourn the meeting at 7:21 p.m.

INTERCITY TRANSIT AUTHORITY

ATTEST

Martin J. Thies, Chair

**Pat Messmer
Clerk to the Authority**

Date Approved: January 15, 2014

Prepared by Pat Messmer, Recording Secretary/
Executive Assistant, Intercity Transit

Minutes
INTERCITY TRANSIT AUTHORITY
Work Session
December 18, 2013

CALL TO ORDER

Chair Thies called the December 18, 2013, work session of the Intercity Transit Authority to order at 5:30p.m., at the administrative offices of Intercity Transit.

Members Present: Chair and Citizen Representative Martin Thies; Vice Chair and City of Tumwater Councilmember Ed Hildreth; City of Lacey Mayor Virgil Clarkson; Thurston County Commissioner Karen Valenzuela; City of Olympia Councilmember Nathaniel Jones; Citizen Representative Karen Messmer; and Citizen Representative Ryan Warner.

Members Excused: City of Yelm Councilmember Joe Baker; and Labor Representative Karen Stites.

Staff Present: Ann Freeman-Manzanares; Dennis Bloom; Ben Foreman; Marilyn Hemmann; Meg Kester; Pat Messmer; Carolyn Newsome and Karl Shenkel.

Others Present: Citizen Advisory Committee (CAC) member Jill Geyen.

APPROVAL OF AGENDA

It was M/S/A by Councilmember Jones and Mayor Clarkson to approve the agenda as presented.

CITIZEN ADVISORY COMMITTEE REPORT

Geyen reported the CAC did not meet in December.

FIRST MILE, LAST MILE

Newsome provided the Authority with information about a proposed new pilot program known as First Mile, Last Mile, and asked for their direction. This program would assist the Department of Social and Health Services (DSHS) staff with transportation for new employees of Affiliated Computer Services (ACS) and Xerox.

Intercity Transit Authority Work Session

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Newsome said this program is a result of a conversation with Mayor Clarkson, the Lacey City Manager and City Planner about employees of ACS and Xerox, and the lack of bus service to that section of NE Lacey. Newsome did some research of other transit agencies, and said staff would like to pilot a program similar to King County Metro's Vanshare. After discussing the pros, cons and risk issues, staff talked about the idea of taking four surplus vans and using them to transport employees from Tutor Time Child Care on Marvin Road in Lacey to their work site. Intercity Transit staff will approve and train volunteer drivers who will use the van to complete the trip to ACS.

Intercity Transit would forego the sale of surplus vans which is estimated at \$4,500 per vehicle or a total of \$18,000 for four vehicles. DSHS has program funds to help remove barriers to employment, and in this case would help pay for transportation expenses. Staff is discussing options with DSHS.

Newsome answered questions.

Hildreth noted ACS is open 24 hours a day and asked if Intercity Transit is providing van service 24 hours daily. Newsome responded there will be four vans available for their use. When the vans are not being used they will be parked at Tutor Time or ACS.

Jones complimented staff for the innovation and creativity. He said when we can help employer's access employees, and allow employees to access employment, then we're doing our job.

Messmer likes the idea of putting it in a small scale vanpool situation, and it's a good use of surplus vans.

Warner likes the idea; however, he has a concern that when large companies relocate to areas that don't have public transportation, it could become a burdensome issue.

Thies indicated the program falls within our mission and acknowledged the Authority concurs to proceed with the pilot.

HYBRID VS. CONVENTIONAL DIESEL BUS TECHNOLOGY

Freeman-Manzanares, Shenkel and Foreman provided information regarding experience with running a conventional and hybrid fleet, and looking at the individual differences in terms of finances and environmental issues. Because this impacts our long range financial projections, the technology type purchased is at the Authority's discretion.

Intercity Transit Authority Work Session

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Messmer asked how soon is the Authority faced with making a decision regarding the type of vehicles to purchase. Freeman-Manzanares replied our next scheduled replacement is in 2018, and staff needs to begin the process in 2016. The manufacturers are anywhere from 16 to 24 months out and that fluctuates with economy, etc.

Geyen believes the community will gravitate towards the hybrids, regardless of the statistics and comparables.

Messmer said we need to clearly describe the difference between the two vehicles, and line up the environmental impact from the two choices.

The Authority suggested presenting this to the CAC, and asked staff to check with other transit agencies regarding their conversations about this topic.

AUTHORITY ISSUES

Freeman-Manzanares provided ridership statistics to date. Some statistics are not yet available. Currently, as opposed to last year, we're at 4.1 million – that's a 3.36% drop in our service compared to last year. Last year was our highest ridership year.

ADJOURNMENT

It was M/S/A by Mayor Clarkson and Councilmember Hildreth to adjourn the meeting at 7:12 p.m.

INTERCITY TRANSIT AUTHORITY

ATTEST

Martin J. Thies, Chair

**Pat Messmer
Clerk to the Authority**

Date Approved: January 15, 2014.

Prepared by Pat Messmer, Recording Secretary/
Executive Assistant, Intercity Transit

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/01/2013

Thru Date: 11/01/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015261	11/1/2013	01311	ACCESS INFORMATION MANAGEMENT	\$461.71	
00015262	11/1/2013	01405	ADVANCE GLASS INC	\$941.20	
00015263	11/1/2013	01480	AIR FLOW SYSTEMS INC	\$929.52	
00015264	11/1/2013	01780	AMALGAMATED TRANSIT UNION 1765	\$13,437.34	
00015265	11/1/2013	01820	AMERICAN DRIVING RECORDS INC	\$679.34	
00015266	11/1/2013	01895	AMERICAN PETROLEUM ENVIRONMENTAL S	\$300.00	
00015267	11/1/2013	01920	AMERICAN PUBLIC TRANSIT ASSOCIATION	\$685.50	
00015268	11/1/2013	01960	AMERICAN SEATING COMPANY	\$1,511.46	
00015269	11/1/2013	02060	AMERISAFE	\$32.64	
00015270	11/1/2013	02320	APPLIED INDUSTRIAL TECHNOLOGIES	\$356.44	
00015271	11/1/2013	02380	ARAMARK UNIFORM SERVICES	\$744.91	
00015272	11/1/2013	02415	ARNETT CHERYL	\$667.67	
00015273	11/1/2013	02480	ASE SUPPLY INC	\$31.45	
00015274	11/1/2013	03650	BRUCE TITUS AUTOMOTIVE GROUP	\$88.44	
00015275	11/1/2013	03660	BLOOM DENNIS	\$333.91	
00015276	11/1/2013	03680	BLUMENTHAL UNIFORMS & EQUIPMENT	\$1,636.81	
00015277	11/1/2013	04120	BUILDERS HARDWARE CO	\$143.58	
00015278	11/1/2013	05125	CAMPBELL BRENT	\$354.34	
00015279	11/1/2013	05205	CAPITAL BUSINESS MACHINES	\$463.65	
00015280	11/1/2013	05740	CED	\$101.18	
00015281	11/1/2013	05945	CENTURY LINK	\$154.21	
00015282	11/1/2013	06040	CITY OF LACEY	\$644.43	
00015283	11/1/2013	06060	CITY OF OLYMPIA	\$718.07	
00015284	11/1/2013	06120	CITY OF OLYMPIA UTILITIES	\$4,479.54	
00015285	11/1/2013	06610	COMMERCIAL BRAKE & CLUTCH	\$1,789.50	
00015286	11/1/2013	06875	COOK SECURITY GROUP	\$64.74	
00015287	11/1/2013	07150	CROSSROADS COLLISION CENTER	\$2,850.20	
00015288	11/1/2013	07220	CUMMINS NORTHWEST INC	\$16,472.49	
00015289	11/1/2013	07560	DATAQUEST	\$87.00	
00015290	11/1/2013	07617	DAVID M HOWE TRUSTEE	\$968.30	
00015291	11/1/2013	07660	DAYTECH LIMITED	\$6,160.00	
00015292	11/1/2013	08550	EASY SPEAKERS CLUB	\$48.00	
00015293	11/1/2013	08780	EMERALD RECYCLING SERVICE	\$512.01	
00015294	11/1/2013	09180	EXPRESS SERVICES INC	\$1,290.80	
00015295	11/1/2013	09205	EXTENDED RANGE WEATHER CO INC	\$275.00	
00015296	11/1/2013	09660	FERGUSON ENTERPRISES, INC	\$261.49	
00015297	11/1/2013	09820	FLEET-NET CORP	\$1,642.88	
00015298	11/1/2013	10290	FUSION GRAPHIX	\$2,834.78	
00015299	11/1/2013	10660	GILLIG LLC	\$0.00	<input checked="" type="checkbox"/>
00015300	11/1/2013	10660	GILLIG LLC	\$12,293.22	
00015301	11/1/2013	10705	GLASS MASTERS	\$2,174.00	
00015302	11/1/2013	10880	GRIMM COLLECTIONS	\$214.23	
00015303	11/1/2013	10886	GROUP HEALTH COOPERATIVE	\$75.00	
00015304	11/1/2013	11048	HARGIS ENGINEERS INC	\$6,980.00	
00015305	11/1/2013	11175	HEALTH CARE AUTHORITY	\$285,215.27	
00015306	11/1/2013	11280	HILDRETH ED	\$682.05	
00015307	11/1/2013	11308	HOFSTETTER SHANNON	\$192.30	
00015308	11/1/2013	11325	HOLMAN, BOB	\$629.76	
00015309	11/1/2013	11615	INDUSTRIAL HYDRAULICS INC	\$180.75	
00015310	11/1/2013	11750	INTERCITY TRANSIT EXEC IMPREST ACCOU	\$2,297.00	
00015311	11/1/2013	11770	INTERCITY TRANSIT PROJECT ASSISTANCE	\$785.00	
00015312	11/1/2013	11775	INTERCITY TRANSIT WELLNESS	\$641.50	
00015313	11/1/2013	11785	INTERNATIONAL ASSOCIATION OF MACHINIS	\$2,377.75	
00015314	11/1/2013	11810	INTERSTATE BATTERY	\$226.20	

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/01/2013

Thru Date: 11/01/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015315	11/1/2013	11905	JANEK CORPORATION	\$723.52	
00015316	11/1/2013	12530	KELLY SERVICES INC	\$595.84	
00015317	11/1/2013	12560	KESTER MEG	\$73.00	
00015318	11/1/2013	12620	KEYBANK NATIONAL ASSOCIATION	\$36.35	
00015319	11/1/2013	12825	KIRK'S AUTOMOTIVE INCORPORATED	\$440.00	
00015320	11/1/2013	12865	KOCHICK MICHAEL	\$258.07	
00015321	11/1/2013	13510	LES SCHWAB TIRE CENTER	\$61.14	
00015322	11/1/2013	13555	LIBBY ENVIRONMENTAL, LLC	\$210.00	
00015323	11/1/2013	13750	MAILBOX OF OLYMPIA	\$500.00	
00015324	11/1/2013	13850	MASON COUNTY TRANSIT	\$1,849.00	
00015325	11/1/2013	14160	MCMaster-CARR SUPPLY CO.	\$112.91	
00015326	11/1/2013	14385	MESSMER, PAT	\$289.68	
00015327	11/1/2013	14655	MORTON KENDRA	\$87.02	
00015328	11/1/2013	14900	NAPA AUTO PARTS	\$325.35	
00015329	11/1/2013	15255	NORTHWEST PUMP & EQUIPMENT	\$778.04	
00015330	11/1/2013	15530	OLYMPIA AUTOBODY, INC.	\$1,662.68	
00015331	11/1/2013	16593	PACIFIC OFFICE AUTOMATION	\$3,276.37	
00015332	11/1/2013	16595	PACIFIC POWER PRODUCTS	\$0.00	✓
00015333	11/1/2013	16595	PACIFIC POWER PRODUCTS	\$831.90	
00015334	11/1/2013	16688	PASSARETTI, DEBORA	\$61.99	
00015335	11/1/2013	16757	PETERSON LEE	\$380.67	
00015336	11/1/2013	16760	PETTIT OIL COMPANY	\$2,720.66	
00015337	11/1/2013	16765	PETRO CARD	\$69,903.09	
00015338	11/1/2013	16874	PITNEY BOWES PURCHASE POWER	\$1,500.00	
00015339	11/1/2013	17397	QUICK COLLECT INC	\$774.71	
00015340	11/1/2013	17505	RAINIER DODGE INC	\$833.41	
00015341	11/1/2013	17760	ROSS AND WHITE COMPANY	\$700.10	
00015342	11/1/2013	17824	S & A SYSTEMS INC	\$1,499.26	
00015343	11/1/2013	17875	SARAH SHUFELT	\$782.64	
00015344	11/1/2013	17894	SCHEEL, ERIN	\$98.00	
00015345	11/1/2013	17900	SCHETKY NW SALES INC	\$266.91	
00015346	11/1/2013	17920	SCHMITT JOE	\$80.00	
00015347	11/1/2013	18075	SIEGEL OIL COMPANY	\$164.31	
00015348	11/1/2013	18100	SIGN PROJECT	\$38.08	
00015349	11/1/2013	18218	SMITH, HEATHER	\$266.11	
00015350	11/1/2013	18470	SPORTWORKS NORTHWEST INC	\$994.82	
00015351	11/1/2013	18510	SRG PARTNERSHIP	\$9,666.70	
00015352	11/1/2013	18695	SUMMIT LAW GROUP PLLC	\$980.00	
00015353	11/1/2013	18720	SUPER BEE WHEEL ALIGNMENT	\$267.20	
00015354	11/1/2013	18988	THE ATHENA GROUP LLC	\$3,400.00	
00015355	11/1/2013	18990	THERMO KING NORTHWEST	\$1,292.87	
00015356	11/1/2013	21870	THURSTON MASON SENIOR NEWS -THE	\$114.00	
00015357	11/1/2013	21930	TIRES INC	\$6,319.86	
00015358	11/1/2013	21950	TITUS-WILL CHEVROLET	\$3,296.81	
00015359	11/1/2013	22010	TOYOTA OF OLYMPIA	\$290.39	
00015360	11/1/2013	22220	TREFSGAR ERIC	\$154.50	
00015361	11/1/2013	22260	TRI-DIM FILTER CORPORATION	\$272.36	
00015362	11/1/2013	23660	UNITED WAY OF THURSTON COUNTY	\$1,408.00	
00015363	11/1/2013	24000	W W GRAINGER INC	\$66.07	
00015364	11/1/2013	24030	WA ST AUDITORS OFFICE	\$4,347.20	
00015365	11/1/2013	24740	WA ST EMPLOYMENT SECURITY DEPARTME	\$3,746.18	
00015366	11/1/2013	24750	WA ST GET PROGRAM	\$322.50	
00015367	11/1/2013	25163	WARNER, RYAN	\$300.00	
00015368	11/1/2013	25540	WASHINGTON STATE RIDESHARING ORG	\$475.00	

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/01/2013

Thru Date: 11/01/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015369	11/1/2013	25858	WESTCARE CLINIC LLC PS	\$225.00	
00015370	11/1/2013	26305	WRIGHT LAUNIE	\$378.41	
00015371	11/1/2013	26760	ZONES	\$6,310.89	
			Total:	\$516,928.13	

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/15/2013

Thru Date: 11/15/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015375	11/15/2013	01230	A WORKSAFE SERVICE INC	\$104.00	
00015376	11/15/2013	01405	ADVANCE GLASS INC	\$1,296.60	
00015377	11/15/2013	01520	AIRGAS NORPAC INC	\$138.21	
00015378	11/15/2013	01580	ALFONSO CHRISTOPHER	\$75.00	
00015379	11/15/2013	01780	AMALGAMATED TRANSIT UNION 1765	\$147.00	
00015380	11/15/2013	01850	AMERICAN FENCE RENTAL LLC	\$2,930.67	
00015381	11/15/2013	02060	AMERISAFE	\$71.80	
00015382	11/15/2013	02320	APPLIED INDUSTRIAL TECHNOLOGIES	\$23.54	
00015383	11/15/2013	02380	ARAMARK UNIFORM SERVICES	\$751.48	
00015384	11/15/2013	02825	AUTO PLUS - OLYMPIA	\$309.77	
00015385	11/15/2013	03065	BANK OF AMERICA OR SCARSELLA	\$534.26	
00015386	11/15/2013	03250	BATTERY SYSTEMS, INC	\$197.58	
00015387	11/15/2013	03370	BERGKAMP EMILY	\$1,344.00	
00015388	11/15/2013	03903	BRICKER, ED	\$80.00	
00015389	11/15/2013	03940	B&B SIGN CO LLC	\$194.10	
00015390	11/15/2013	05205	CAPITAL BUSINESS MACHINES	\$810.01	
00015391	11/15/2013	05460	CARQUEST AUTO PARTS-OLYMPIA	\$17.17	
00015392	11/15/2013	05740	CED	\$173.54	
00015393	11/15/2013	05940	CENTURY LINK	\$2,876.81	
00015394	11/15/2013	06270	CLAUS, DIANA	\$300.00	
00015395	11/15/2013	06607	COMDATA	\$49,657.36	
00015396	11/15/2013	06610	COMMERCIAL BRAKE & CLUTCH	\$1,428.84	
00015397	11/15/2013	07105	CRAIN'S OFFICE SUPPLY	\$311.16	
00015398	11/15/2013	07150	CROSSROADS COLLISION CENTER	\$3,448.53	
00015399	11/15/2013	07220	CUMMINS NORTHWEST INC	\$0.00	<input checked="" type="checkbox"/>
00015400	11/15/2013	07220	CUMMINS NORTHWEST INC	\$10,831.45	
00015401	11/15/2013	08780	EMERALD RECYCLING SERVICE	\$732.00	
00015402	11/15/2013	09180	EXPRESS SERVICES INC	\$567.91	
00015403	11/15/2013	09820	FLEET-NET CORP	\$1,642.88	
00015404	11/15/2013	10290	FUSION GRAPHIX	\$328.96	
00015405	11/15/2013	10630	GFI GENFARE	\$146.19	
00015406	11/15/2013	10660	GILLIG LLC	\$0.00	<input checked="" type="checkbox"/>
00015407	11/15/2013	10660	GILLIG LLC	\$5,351.04	
00015408	11/15/2013	10695	GISLER MARVIN	\$108.69	
00015409	11/15/2013	10758	GORDON THOMAS HONEYWELL GOV AFFAIR	\$6,006.50	
00015410	11/15/2013	10820	GRAPHIC COMMUNICATIONS	\$169.73	
00015411	11/15/2013	10950	HADLEY-TRANSIT	\$96.93	
00015412	11/15/2013	11048	HARGIS ENGINEERS INC	\$1,495.00	
00015413	11/15/2013	11250	HERGUTH LABORATORIES INC.	\$1,934.32	
00015414	11/15/2013	11308	HOFSTETTER SHANNON	\$192.30	
00015415	11/15/2013	11414	HULTZ BHU ENGINEERS INC	\$4,419.56	
00015416	11/15/2013	11615	INDUSTRIAL HYDRAULICS INC	\$255.63	
00015417	11/15/2013	11750	INTERCITY TRANSIT EXEC IMPREST ACCOU	\$8,328.00	
00015418	11/15/2013	11810	INTERSTATE BATTERY	\$346.91	
00015419	11/15/2013	11865	ISLAND SUPERIOR AIR FILTER	\$262.50	
00015420	11/15/2013	11905	JANEK CORPORATION	\$783.36	
00015421	11/15/2013	11930	JERRYS AUTOMOTIVE TOWING	\$297.02	
00015422	11/15/2013	12530	KELLY SERVICES INC	\$1,489.60	
00015423	11/15/2013	12665	KGY INC	\$833.00	
00015424	11/15/2013	12725	KINGS III OF AMERICA INC	\$217.59	
00015425	11/15/2013	12945	KXXO MIXX 96 FM	\$512.00	
00015426	11/15/2013	13440	LAW LYMAN DANIEL KAMERRER BOGDANOVI	\$1,333.25	
00015427	11/15/2013	13510	LES SCHWAB TIRE CENTER	\$385.93	
00015428	11/15/2013	13661	LOOMIS	\$399.30	

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/15/2013

Thru Date: 11/15/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015429	11/15/2013	13900	MAXIM HEALTH SYSTEMS LLC	\$3,491.00	
00015430	11/15/2013	14590	MOHAWK MFG & SUPPLY	\$159.32	
00015431	11/15/2013	14760	MUNCIE TRANSIT SUPPLY	\$36.81	
00015432	11/15/2013	14835	MVP POSTER INC	\$809.21	
00015433	11/15/2013	14900	NAPA AUTO PARTS	\$666.45	
00015434	11/15/2013	15170	NORSTAR INDUSTRIES	\$33.60	
00015435	11/15/2013	15255	NORTHWEST PUMP & EQUIPMENT	\$664.40	
00015436	11/15/2013	16490	PACIFIC DISPOSAL INC	\$619.13	
00015437	11/15/2013	16595	PACIFIC POWER PRODUCTS	\$3,776.87	
00015438	11/15/2013	16695	PATTISON WATER COMPANY	\$92.96	
00015439	11/15/2013	16760	PETTIT OIL COMPANY	\$35,787.08	
00015440	11/15/2013	16765	PETRO CARD	\$111,959.72	
00015441	11/15/2013	17290	PUGET SOUND ENERGY	\$19,704.31	
00015442	11/15/2013	17392	QUALITY PARKING LOT SERVICES LLC	\$1,066.24	
00015443	11/15/2013	17505	RAINIER DODGE INC	\$72.68	
00015444	11/15/2013	17560	RE AUTO ELECTRIC INC	\$1,197.81	
00015445	11/15/2013	17891	SCARSELLA BROTHERS	\$10,150.97	
00015446	11/15/2013	17900	SCHETKY NW SALES INC	\$541.38	
00015447	11/15/2013	17986	SECURITAS SECURITY SERVICES USA INC	\$14,158.73	
00015448	11/15/2013	18068	SHINING EXAMPLE INC	\$303.33	
00015449	11/15/2013	18330	SOUND LANDSCAPE PROFESSIONALS	\$3,424.05	
00015450	11/15/2013	18711	SUNSET AIR INC	\$707.91	
00015451	11/15/2013	18990	THERMO KING NORTHWEST	\$1,332.90	
00015452	11/15/2013	21750	THURSTON COUNTY CHAMBER	\$150.00	
00015453	11/15/2013	21910	THYSSENKRUPP ELEVATOR	\$796.98	
00015454	11/15/2013	21950	TITUS-WILL CHEVROLET	\$2,170.01	
00015455	11/15/2013	22010	TOYOTA OF OLYMPIA	\$240.16	
00015456	11/15/2013	22100	TRANSIT SOLUTIONS, LLC	\$503.96	
00015457	11/15/2013	22260	TRI-DIM FILTER CORPORATION	\$81.49	
00015458	11/15/2013	22325	TTL PARTNERS LLC	\$3,271.00	
00015459	11/15/2013	22420	TUMWATER PRINTING	\$11,162.53	
00015460	11/15/2013	23400	U S BANK CORPORATE PAYMENT SYSTEMS	\$45,274.43	
00015461	11/15/2013	23405	U S BANK or CORPORATE PAYMENT SYSTEM	\$5,876.72	
00015462	11/15/2013	23740	USSC LLC	\$365.43	
00015463	11/15/2013	23820	VERIZON WIRELESS	\$1,286.93	
00015464	11/15/2013	24000	W W GRAINGER INC	\$675.13	
00015465	11/15/2013	24040	WA ST CONSOLIDATED TECHNOLOGY SERVI	\$136.96	
00015466	11/15/2013	24140	WA ST DEPT OF ENTERPRISE SERVICES	\$35,054.22	
00015467	11/15/2013	24640	WA ST DEPT OF TRANSPORTATION	\$7,624.37	
00015468	11/15/2013	24750	WA ST GET PROGRAM	\$322.50	
00015469	11/15/2013	25380	WASHINGTON GARDENS	\$315.52	
00015470	11/15/2013	25560	WASHINGTON STATE TRANSIT ASSOCIATIO	\$250.00	
00015471	11/15/2013	26410	XPIO CORPORATION	\$360.00	
00015472	11/15/2013	26560	YELM AREA CHAMBER OF COMMERCE	\$325.00	
Total:				\$443,689.18	

Intercity Transit

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Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/29/2013

Thru Date: 11/29/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015530	11/29/2013	15530	OLYMPIA AUTOBODY, INC.	\$3,530.89	
00015531	11/29/2013	15670	OLYMPIA SAFE STREETS	\$7,519.56	
00015532	11/29/2013	16593	PACIFIC OFFICE AUTOMATION	\$798.92	
00015533	11/29/2013	16595	PACIFIC POWER PRODUCTS	\$1,156.56	
00015534	11/29/2013	16765	PETRO CARD	\$63,828.65	
00015535	11/29/2013	17505	RAINIER DODGE INC	\$226.18	
00015536	11/29/2013	17510	RAINIER LIGHTING & ELECTRIC SUPPLY, INC.	\$54.84	
00015537	11/29/2013	17560	RE AUTO ELECTRIC INC	\$362.36	
00015538	11/29/2013	17900	SCHETKY NW SALES INC	\$1,675.23	
00015539	11/29/2013	18470	SPORTWORKS NORTHWEST INC	\$352.55	
00015540	11/29/2013	18651	STORMANS (LICENSING)	\$14.25	
00015541	11/29/2013	18695	SUMMIT LAW GROUP PLLC	\$723.00	
00015542	11/29/2013	18705	SUNBELT RENTALS	\$2,071.19	
00015543	11/29/2013	18711	SUNSET AIR INC	\$177.63	
00015544	11/29/2013	18720	SUPER BEE WHEEL ALIGNMENT	\$425.80	
00015545	11/29/2013	18755	S-SQUARE TUBE PRODUCTS	\$2,280.00	
00015546	11/29/2013	18940	TENNANT COMPANY	\$242.35	
00015547	11/29/2013	18990	THERMO KING NORTHWEST	\$1,477.33	
00015548	11/29/2013	21870	THURSTON MASON SENIOR NEWS -THE	\$114.00	
00015549	11/29/2013	21950	TITUS-WILL CHEVROLET	\$1,990.11	
00015550	11/29/2013	22010	TOYOTA OF OLYMPIA	\$39.17	
00015551	11/29/2013	22100	TRANSIT SOLUTIONS, LLC	\$1,257.64	
00015552	11/29/2013	23660	UNITED WAY OF THURSTON COUNTY	\$1,409.00	
00015553	11/29/2013	24030	WA ST AUDITORS OFFICE	\$83.60	
00015554	11/29/2013	24750	WA ST GET PROGRAM	\$322.50	
00015555	11/29/2013	26305	WRIGHT LAUNIE	\$378.41	
Total:				\$482,376.28	

Intercity Transit

Accounts Payable Check Disbursement List

Checking Account #: 0040007203

ACCOUNTS PAYABLE WARRANTS

From Date: 11/29/2013 Thru Date: 11/29/2013

Check #	Check Date	Ref #	Name	Amount	Voided
00015476	11/29/2013	01405	ADVANCE GLASS INC	\$754.37	
00015477	11/29/2013	01780	AMALGAMATED TRANSIT UNION 1765	\$13,431.30	
00015478	11/29/2013	02060	AMERISAFE	\$1,261.00	
00015479	11/29/2013	02080	AMMANN KARL	\$200.00	
00015480	11/29/2013	02380	ARAMARK UNIFORM SERVICES	\$731.76	
00015481	11/29/2013	02480	ASE SUPPLY INC	\$116.66	
00015482	11/29/2013	03350	BERNIE'S CUSTOM PAINT, INC.	\$533.28	
00015483	11/29/2013	03620	BLIND DEPOT, THE	\$272.00	
00015484	11/29/2013	03650	BRUCE TITUS AUTOMOTIVE GROUP	\$46.00	
00015485	11/29/2013	03680	BLUMENTHAL UNIFORMS & EQUIPMENT	\$1,513.89	
00015486	11/29/2013	04120	BUILDERS HARDWARE CO	\$256.89	
00015487	11/29/2013	05260	CAPITAL INDUSTRIAL INC	\$8.48	
00015488	11/29/2013	05340	CAPITOL COURIER SERVICE	\$375.50	
00015489	11/29/2013	05740	CED	\$637.82	
00015490	11/29/2013	05945	CENTURY LINK	\$109.93	
00015491	11/29/2013	06060	CITY OF OLYMPIA	\$1,917.80	
00015492	11/29/2013	06120	CITY OF OLYMPIA UTILITIES	\$5,322.92	
00015493	11/29/2013	06610	COMMERCIAL BRAKE & CLUTCH	\$707.64	
00015494	11/29/2013	06830	CONSOLIDATED PRESS	\$10,939.59	
00015495	11/29/2013	07150	CROSSROADS COLLISION CENTER	\$3,711.88	
00015496	11/29/2013	07220	CUMMINS NORTHWEST INC	\$5,838.32	
00015497	11/29/2013	07617	DAVID M HOWE TRUSTEE	\$761.68	
00015498	11/29/2013	08465	DVS ANALYTICS	\$15,993.60	
00015499	11/29/2013	08780	EMERALD RECYCLING SERVICE	\$381.03	
00015500	11/29/2013	09205	EXTENDED RANGE WEATHER CO INC	\$275.00	
00015501	11/29/2013	10205	FREEMAN-MANZANARES ANN	\$1,774.16	
00015502	11/29/2013	10290	FUSION GRAPHIX	\$432.88	
00015503	11/29/2013	10660	GILLIG LLC	\$0.00	✓
00015504	11/29/2013	10660	GILLIG LLC	\$0.00	✓
00015505	11/29/2013	10660	GILLIG LLC	\$16,888.32	
00015506	11/29/2013	10700	GK INDUSTRIAL REFUSE SYSTEMS	\$42.97	
00015507	11/29/2013	11175	HEALTH CARE AUTHORITY	\$281,759.67	
00015508	11/29/2013	11308	HOFSTETTER SHANNON	\$192.30	
00015509	11/29/2013	11740	INTERCITY TRANSIT ADVANCED TRAVEL	\$2,073.74	
00015510	11/29/2013	11750	INTERCITY TRANSIT EXEC IMPREST ACCOU	\$6,164.00	
00015511	11/29/2013	11765	INTERCITY TRANSIT PETTY CASH	\$439.74	
00015512	11/29/2013	11770	INTERCITY TRANSIT PROJECT ASSISTANCE	\$784.00	
00015513	11/29/2013	11775	INTERCITY TRANSIT WELLNESS	\$641.00	
00015514	11/29/2013	11785	INTERNATIONAL ASSOCIATION OF MACHINIS	\$2,377.75	
00015515	11/29/2013	11810	INTERSTATE BATTERY	\$239.25	
00015516	11/29/2013	11930	JERRYS AUTOMOTIVE TOWING	\$65.22	
00015517	11/29/2013	12530	KELLY SERVICES INC	\$744.80	
00015518	11/29/2013	12560	KESTER MEG	\$66.16	
00015519	11/29/2013	12825	KIRK'S AUTOMOTIVE INCORPORATED	\$528.00	
00015520	11/29/2013	12885	KPLU-FM 88.5	\$4,110.00	
00015521	11/29/2013	13510	LES SCHWAB TIRE CENTER	\$365.57	
00015522	11/29/2013	13700	LUMINATOR HOLDING, L.P.	\$804.80	
00015523	11/29/2013	13850	MASON COUNTY TRANSIT	\$1,225.00	
00015524	11/29/2013	14590	MOHAWK MFG & SUPPLY	\$76.74	
00015525	11/29/2013	14695	MOTORS & CONTROLS CORP	\$1,105.48	
00015526	11/29/2013	14760	MUNCIE TRANSIT SUPPLY	\$216.28	
00015527	11/29/2013	14900	NAPA AUTO PARTS	\$431.20	
00015528	11/29/2013	15170	NORSTAR INDUSTRIES	\$71.49	
00015529	11/29/2013	15269	NORTHWEST TRUCK & INDUSTRIAL INC	\$145.70	

PERIOD DATES: 11/7-11/30/2013					12/6/2013					RETRO 11/24/2013					PAYDAY 12/13/2013					PERIOD DATES: 12/1-12/14/2013					PAYDAY 12/20/2013					RETRO 12/8/2013					PAYDAY 12/27/2013													
CODES	PAY PERIOD CHECK NO.	1ST CHECK AMOUNT	1ST TRANSFER AMOUNT		CODES	PAY PERIOD CHECK NO.	2ND CHECK AMOUNT	2ND TRANSFER AMOUNT		CODES	PAY PERIOD CHECK NO.	2ND CHECK AMOUNT	3RD TRANSFER AMOUNT		CODES	PAY PERIOD CHECK NO.	2ND CHECK AMOUNT	2ND TRANSFER AMOUNT		CODES	PAY PERIOD CHECK NO.	2ND CHECK AMOUNT	2ND TRANSFER AMOUNT		CODES	PAY PERIOD CHECK NO.	2ND CHECK AMOUNT	2ND TRANSFER AMOUNT																				
3	FIT	EFT	69,322.09		3	FIT	WIRE	17,849.14		3	FIT	WIRE	73,333.62		3	FIT	WIRE	283.65		3	FIT	WIRE	283.65		4	MT	9243.34	EFT	18,419.28	87,741.37	4	MT	3336.01	WIRE	6,672.02	24,521.16	4	MT	9653.89	WIRE	19,470.37	92,803.99	4	MT	3336.01	WIRE	246.60	530.25
5	A2/35	Life Ins.	Check Dave 2nd	1,274.44	0.00	5	AL/34	Life Ins.	Check Dave 2nc	0.00	0.00	5	AL/34	Life Ins.	Check	2,877.96	0.00	5	AL/34	Life Ins.	Check Dave 2r	0.00	0.00	5	D/31	Disability In	Check Dave 2nd	1,067.63	0.00	5	D/32	Disability In	Check Dave 2nc	0.00	0.00	5	D/32	Disability In	Check	2,108.17	0.00	5	D/32	Disability In	Check Dave 2r	0.00	0.00	
6	D/31	Disability In	Check Dave 2nd	1,067.63	0.00	6	D/32	Disability In	Check Dave 2nc	0.00	0.00	6	D/32	Disability In	Check	2,108.17	0.00	6	D/32	Disability In	Check Dave 2r	0.00	0.00	6	H/37	Health In1s	Check Dave 2nd	13,089.50	0.00	6	H/38	Health In1s	Check Dave 2nc	0.00	0.00	6	H/38	Health In1s	Check	258,752.50	0.00	6	H/38	Health In1s	Check Dave 2r	0.00	0.00	
7	H/37	Health In1s	Check Dave 2nd	13,089.50	0.00	7	H/38	Health In1s	Check Dave 2nc	0.00	0.00	7	H/38	Health In1s	Check	258,752.50	0.00	7	H/38	Health In1s	Check Dave 2r	0.00	0.00	7	TH/39	Taxed Hlth	Check Dave 2nd	599.50	0.00	7	TH/39	Taxed Hlth	Check Dave 2nc	0.00	0.00	7	TH/39	Taxed Hlth	Check	599.50	0.00	7	TH/39	Taxed Hlth	Check Dave 2r	0.00	0.00	
8	TH/39	Taxed Hlth	Check Dave 2nd	599.50	0.00	8	TH/39	Taxed Hlth	Check Dave 2nc	0.00	0.00	8	TH/39	Taxed Hlth	Check	599.50	0.00	8	TH/39	Taxed Hlth	Check Dave 2r	0.00	0.00	9	CC/61	Child Care	Hfstttr/brgkmp	534.3		9	CC/61	Child Care	Hfstttr/brgkmp	0		9	CC/61	Child Care	Hfstttr/brgkmp	534.3		9	CC/61	Child Care	Hfstttr/brgkmp	0		
9	CC/61	Child Care	Hfstttr/brgkmp	534.3		9	CC/61	Child Care	Hfstttr/brgkmp	0		9	CC/61	Child Care	Hfstttr/brgkmp	534.3		9	CC/61	Child Care	Hfstttr/brgkmp	0		10	GN/08	Garnish	CHECK last	461.13		10	GN/08	Garnish	CHECK last	0.00		10	GN/08	Garnish	CHECK last	380.84		10	GN/08	Garnish	CHECK last	0.00		
10	GN/08	Garnish	CHECK last	461.13		10	GN/08	Garnish	CHECK last	0.00		10	GN/08	Garnish	CHECK last	380.84		10	GN/08	Garnish	CHECK last	0.00		11	CS/09	DSHS	EFT	1,094.77	1,094.77	11	CS/09	DSHS	EFT	0.00	0.00	11	CS/09	DSHS	EFT	0.00	0.00	11	CS/09	DSHS	EFT	0.00	0.00	
11	CS/09	DSHS	EFT	1,094.77	1,094.77	11	CS/09	DSHS	EFT	0.00	0.00	11	CS/09	DSHS	EFT	0.00	0.00	11	CS/09	DSHS	EFT	0.00	0.00	12	CS/09	ExpertPay	EFT	339.02	339.02	12	CS/09	ExpertPay	EFT	0.00	0.00	12	CS/09	ExpertPay	EFT	0.00	0.00	12	CS/09	ExpertPay	EFT	0.00	0.00	
12	CS/09	ExpertPay	EFT	339.02	339.02	12	CS/09	ExpertPay	EFT	0.00	0.00	12	CS/09	ExpertPay	EFT	0.00	0.00	12	CS/09	ExpertPay	EFT	0.00	0.00	13	D1/98	D.Dep. #1	ACH WIRE every	9,401.63	9,401.63	13	D1/98	D.Dep. #1	ACH WIRE ever	0.00	0.00	13	D1/98	D.Dep. #1	ACH WIRE every	9,401.63	9,401.63	13	D1/98	D.Dep. #1	CH WIRE eve	0.00	0.00	
13	CS/09	ExpertPay	EFT	339.02	339.02	13	CS/09	ExpertPay	EFT	0.00	0.00	13	CS/09	ExpertPay	EFT	339.02	339.02	13	CS/09	ExpertPay	EFT	0.00	0.00	14	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	14	D2/97	D.Dep. #2	ACH WIRE ever	0.00	0.00	14	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	14	D2/97	D.Dep. #2	CH WIRE eve	0.00	0.00	
14	D1/98	D.Dep. #1	ACH WIRE every	9,401.63	9,401.63	14	D1/98	D.Dep. #1	ACH WIRE ever	0.00	0.00	14	D1/98	D.Dep. #1	ACH WIRE every	9,401.63	9,401.63	14	D1/98	D.Dep. #1	CH WIRE eve	0.00	0.00	15	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	15	D2/97	D.Dep. #2	ACH WIRE ever	0.00	0.00	15	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	15	D2/97	D.Dep. #2	CH WIRE eve	0.00	0.00	
15	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	15	D2/97	D.Dep. #2	ACH WIRE ever	0.00	0.00	15	D2/97	D.Dep. #2	ACH WIRE every	16,281.87	16,281.87	15	D2/97	D.Dep. #2	CH WIRE eve	0.00	0.00	16	GT/63	G.Ed.Tult	Check every	322.50		16	GT/63	G.Ed.Tult	Check every	0.00		16	GT/63	G.Ed.Tult	Check every	322.50		16	GT/63	G.Ed.Tult	Check every	0.00		
16	GT/63	G.Ed.Tult	Check every	322.50		16	GT/63	G.Ed.Tult	Check every	0.00		16	GT/63	G.Ed.Tult	Check every	322.50		16	GT/63	G.Ed.Tult	Check every	0.00		17	HS/59	Health Svgs	ACH Wire every	311.54	311.54	17	HS/59	Health Svgs	ACH Wire every	0.00	0.00	17	HS/59	Health Svgs	ACH Wire every	311.54	311.54	17	HS/59	Health Svgs	ACH Wire every	0.00	0.00	
17	HS/59	Health Svgs	ACH Wire every	311.54	311.54	17	HS/59	Health Svgs	ACH Wire every	0.00	0.00	17	HS/59	Health Svgs	ACH Wire every	311.54	311.54	17	HS/59	Health Svgs	ACH Wire every	0.00	0.00	18	DC/97	Vgrd EE	Wire	41,958.18		18	DC/97	Vgrd EE	Wire	12,399.00		18	DC/97	Vgrd Empl	Wire	43,039.66		18	DC/97	Vgrd EE	Wire	306.53		
18	DC/97	Vgrd EE	Wire	41,958.18		18	DC/97	Vgrd EE	Wire	12,399.00		18	DC/97	Vgrd Empl	Wire	43,039.66		18	DC/97	Vgrd EE	Wire	306.53		19	DC/22	Vgrd ER	Wire	29,238.42	71,196.60	19	DC/22	Vgrd ER	Wire	9,293.89	21,692.89	19	DC/22	Vgrd Empl	Wire	29,668.24	72,707.90	19	DC/22	Vgrd ER	Wire	262.66	569.19	
19	DC/22	Vgrd ER	Wire	29,238.42	71,196.60	19	DC/22	Vgrd ER	Wire	9,293.89	21,692.89	19	DC/22	Vgrd Empl	Wire	29,668.24	72,707.90	19	DC/22	Vgrd ER	Wire	262.66	569.19	20	L2/29	401k Ln#2	Wire	3,800.72		20	L2/29	401k Ln#2	Wire	0.00		20	L2/29	401k Ln#2	Wire	4,087.15		20	L2/29	401k Ln#2	Wire	0.00		
20	L2/29	401k Ln#2	Wire	3,800.72		20	L2/29	401k Ln#2	Wire	0.00		20	L2/29	401k Ln#2	Wire	4,087.15		20	L2/29	401k Ln#2	Wire	0.00		20	LN/29	401k Ln #1	Wire	8,801.99	12,602.71	20	LN/29	401k Ln #1	Wire	0.00		20	LN/29	401k Ln #1	Wire	0.00								
20	LN/29	401k Ln #1	Wire	8,801.99	12,602.71	20	LN/29	401k Ln #1	Wire	0.00		20	LN/29	401k Ln #1	Wire	0.00		20	LN/29	401k Ln #1	Wire	0.00		22	TTL VNGRD			83,799.31		22	TTL VNGRD			21,692.89		22	TTL VNGRD			85,806.39		22	TTL VNGRD			569.19		
22	TTL VNGRD			83,799.31		22	TTL VNGRD			21,692.89		22	TTL VNGRD			85,806.39		22	TTL VNGRD			569.19		23	LI/02	L&I	EFT Quarterly	19,088.16		23	LI/02	L&I	EFT Quarterly	0.00	0.00	23	LI/02	L&I	EFT Quarterly	24,561.65	0.00	23	LI/02	L&I	EFT Quarterly	0.00	0.00	
23	LI/02	L&I	EFT Quarterly	19,088.16		23	LI/02	L&I	EFT Quarterly	0.00	0.00	23	LI/02	L&I	EFT Quarterly	24,561.65	0.00	23	LI/02	L&I	EFT Quarterly	0.00	0.00	24	MD/51	Mch.UnDue	Check last	1,188.85		24	MD/51	Mch.UnDue	Check last	0.00		24	MD/51	Mch.UnDue	Check	1,188.90		24	MD/51	Mch.UnDue	Check last	0.00		
24	MD/51	Mch.UnDue	Check last	1,188.85		24	MD/51	Mch.UnDue	Check last	0.00		24	MD/51	Mch.UnDue	Check	1,188.90		24	MD/51	Mch.UnDue	Check last	0.00		25	M/52	Mac.Initlon	Check last	0.00		25	M/52	Mac.Initlon	Check last	0.00		25	M/52	Mac.Initlon	Check	0.00		25	M/52	Mac.Initlon	Check last	0.00		
25	M/52	Mac.Initlon	Check last	0.00		25	M/52	Mac.Initlon	Check last	0.00		25	M/52	Mac.Initlon	Check	0.00		25	M/52	Mac.Initlon	Check last	0.00		26	MS/60	Payroll Corr check		0.00		26	MS/60	Payroll Corr check		0.00	0.00	26	MS/60	Payroll Corr check		0.00	0.00	26	MS/60	Payroll Corr check		0.00	0.00	
26	MS/60	Payroll Corr check		0.00		26	MS/60	Payroll Corr check		0.00	0.00	26	MS/60	Payroll Corr check		0.00	0.00	26	MS/60	Payroll Corr check		0.00	0.00	27	TF/	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	
27	TF/	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	27	R1	Misc. draw		0.00	0.00	28	TF/	Tx Fr.Benefit	Employer	100.00	0.00	28	TF/	Taxable Fr.Benefits		0.00	0.00	28	TF/	Taxable Fr.Benefits		15,329.60		28	TF/	Taxable Fr.Benefits		0.00	0.00	
28	TF/	Tx Fr.Benefit	Employer	100.00	0.00	28	TF/	Taxable Fr.Benefits		0.00	0.00	28	TF/	Taxable Fr.Benefits		15,329.60		28	TF/	Taxable Fr.Benefits		0.00	0.00	29	PA/66	Proj.Asslst	Check last	392.50		29	PA/66	Proj.Asslst	Check last	0.00		29	PA/66	Proj.Asslst	Direct Dep	390.50		29	PA/66	Proj.Asslst	Check last	0.00		
29	PA/66	Proj.Asslst	Check last	392.50		29	PA/66	Proj.Asslst	Check last	0.00		29	PA/66	Proj.Asslst	Direct Dep	390.50		29	PA/66	Proj.Asslst	Check last	0.00		30	PN/04	PERS EE	EFT	33,533.69	0.00	30	PN/04	PERS EE	EFT	11,878.96	0.00	30	PN/04	PERS empl	EFT	33,800.94	0.00	30	PN/04	PERS EE	EFT	379.58	0.00	
30	PN/04	PERS EE	EFT	33,533.69	0.00	30	PN/04	PERS EE	EFT	11,878.96	0.00	30	PN/04	PERS empl	EFT	33,800.94	0.00	30	PN/04	PERS EE	EFT	379.58	0.00	31	PN/04	PERS ER	EFT	61,052.35	94,586.04	31	PN/04	PERS ER	EFT	21,400.63	33,279.59	31	PN/04	PERS empl	EFT	61,559.01	95,359.95	31	PN/04	PERS ER	EFT	688.93	1,068.51	
31	PN/04	PERS ER	EFT	61,052.35	94,586.04	31	PN/04	PERS ER	EFT	21,400.63	33,279.59	31	PN/04	PERS empl	EFT	61,559.01	95,359.95	31	PN/04	PERS ER	EFT	688.93	1,068.51	32	TTL PERS			94,586.04		32	TTL PERS			33,279.59		32	TTL PERS			95,359.95		32	TTL PERS			1,068.51		
32	TTL PERS			94,586.04		32	TTL PERS			33,279.59		32	TTL PERS			95,359.95		32	TTL PERS			1,068.51		33	R3/20	ICMA Ln#2	WIRE	841.36	0.00	33	R3/20	ICMA Ln#2	WIRE	0.00	0.00	33	R3/20	ICMA Ln#2	WIRE	841.36	0.00	33	R3/20	ICMA Ln#2	WIRE	0.00	0.00	
33	R3/20	ICMA Ln#2	WIRE	841.36	0.00	33	R3/20	ICMA Ln#2	WIRE																																							

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 4-D
MEETING DATE: January 15, 2014**

FOR: Intercity Transit Authority
FROM: Ben Foreman, 705-5813
SUBJECT: 401(k) Deferred Compensation Plan Update

-
- 1) **The Issue:** To restate the 401(k) Plan for changes and enhancements which have occurred during the last five years and to seek a new five-year IRS Determination Letter.
-
- 2) **Recommended Action:** Adopt Resolution Number 01-2014, which restates the Intercity Transit Employees' Retirement Plan and Trust documents for the 401(k) Deferred Compensation Plan for all changes since the last full plan adoption which occurred in December 2008 and direct the Director of Finance and Administration to seek a new IRS Determination Letter.
-
- 3) **Policy Analysis:** Changes to the 401(k) Plan must be adopted by Authority resolution.
-
- 4) **Background:** The Intercity Transit Employees' Retirement Plan and Trust documents for the 401(k) Deferred Compensation Plan was updated and restated in December 2008, with the adoption of Resolution 06-2008. An IRS favorable Determination Letter was sought at that time which was granted. The safe harbor provisions of the favorable Determination Letter will expire on January 31, 2014. Since the last restatement, the Authority adopted the following resolutions with respect to the 401(k) plan:
- Resolution 08-2009, concerning several mandatory changes required by the Pension Protection Act of 2006 and the Heroes Earnings Assistance and Tax Relief Act of 2008 and other laws including the 2008 Cumulative List of Changes in Qualifications requirements.
 - Resolution 01-2011, which set the employers' matching contribution to the social security rate but with a floor of 6.2%.

The attached restatement of the plan incorporates the above resolutions. In addition, our attorneys from Davis Wright Tremaine have modified our plan to incorporate various terminology changes that the IRS has recommended that all plans adopt.

The restatement of our plan and seeking of a new Determination Letter is not required by the IRS. However, each favorable Determination Letter received comes with a five year safe harbor for the plan's operations. Our last restatement and Determination Letter was received at the end of 2008.

5) Alternatives:

- A. Adopt Resolution 01-2014, restating the Intercity Transit Employees' Retirement Plan and Trust documents for the 401(k) Deferred Compensation Plan for all changes since the last full plan adoption. The Resolution also directs the Director of Finance and Administration to submit the plan to the IRS for a new Determination Letter.
- B. Direct staff to redraft the Resolution and bring it back to the Authority for adoption at the February Authority meeting.

6) Budget Notes: N/A.

7) Goal Reference: N/A.

8) References: Resolution 01-2014. Redlined draft Plan Document and a plain draft Plan Document.

**INTERCITY TRANSIT
RESOLUTION NO. 01-2014
AMENDING THE EMPLOYEES' RETIREMENT PLAN AND TRUST**

WHEREAS, Management has recommended to the Transit Authority (the "Board") of Intercity Transit (the "Employer") that the Intercity Transit Employees' Retirement Plan and Trust (the "Plan") be amended and restated in order to incorporate previously adopted Plan amendments and to make other minor administrative changes;

WHEREAS, Management has also recommended the Plan be submitted to the Internal Revenue Service (IRS) for the purpose of obtaining an updated favorable IRS determination letter for the Plan;

WHEREAS, the Board after study has concluded that these recommendations should be approved and implemented;

NOW, THEREFORE, BE IT RESOLVED, that the amended and restated Plan, attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby adopted as of the date stated therein.

BE IT FURTHER RESOLVED that the Director of Finance and Administration is hereby authorized and directed to file the Plan with the IRS for the purpose of obtaining an updated favorable IRS determination letter, and Management is hereby authorized to amend the Plan to make any changes required by the IRS as a condition of this favorable IRS determination letter.

BE IT FURTHER RESOLVED that any authorized officer is hereby authorized to execute the Plan on behalf of the Employer.

ADOPTED this 15th day of January, 2014.

INTERCITY TRANSIT AUTHORITY

ATTEST:

Martin J. Thies
Chair

Pat Messmer
**Executive Assistant/
Clerk to the Authority**

APPROVED AS TO FORM:

W. Dale Kamerrer
Legal Counsel

**INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST**

INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST

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**INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST**

THIS DOCUMENT is made and executed by Intercity Transit, a State of Washington municipal corporation, with its principal office and place of business at Olympia, Washington, hereinafter referred to as "Employer";

W I T N E S S E T H :

WHEREAS, the Employer is a municipal corporation that does not fully participate in the Social Security system; and

WHEREAS, the Employer established its Profit Sharing Plan effective as of January 1, 1983 and to conform the Plan to applicable law, the Employer intends to amend the Plan by a complete restatement; and

WHEREAS, the Employer intends that the Plan and Trust established hereunder be qualified under Sections 401(a) and 401(k) of the Internal Revenue Code; and

WHEREAS, the form of this Plan and Trust has been approved by the Employer;

NOW, THEREFORE, it is agreed:

**ARTICLE I
NAME AND EFFECTIVE DATE**

1.1 Name.

This Plan shall be known as the Intercity Transit Employees' Retirement Plan and Trust.

1.2 Effective Date.

The original effective date of the Plan was January 1, 1983. The Plan was subsequently amended and restated effective January 1, 1997. This Plan is now amended and restated in its entirety effective January 1, ~~2008~~, 2014, unless otherwise specifically stated herein, to incorporate previously adopted amendments and to bring the Plan into compliance with the ~~final regulations under Section 415~~ Pension Protection Act of 2006 and the Heroes Earnings Assistance and Relief Act of 2008.

1.3 Type of Plan

The Plan is a governmental plan that is intended to qualify under the provisions of the Internal Revenue Code and certain Pension Protection Act provisions that are applicable to governmental plans. The Plan is exempt from the requirements of the Employee

ARTICLE II DEFINITIONS

Whenever used herein, unless the context clearly indicates otherwise, masculine, feminine, and neuter words may be used interchangeably, singular shall mean the plural and vice versa, and the following words and phrases shall have the following meanings:

2.1 Accounts.

Accounts means the individual separate Accounts established by the Plan Administrator in the name of each Participant in accordance with this Plan.

2.2 Accrued Benefit.

Accrued Benefit means the balance of a Participant's Accounts including investment experience, as of a Valuation Date.

2.3 Anniversary Date.

Anniversary Date means the effective date of this Agreement, and each anniversary of such date.

2.4 Annuity Starting Date.

Annuity Starting Date means the first day of the first period for which an amount is payable as an annuity, or in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit.

2.5 Beneficiary.

Beneficiary means the person or persons designated as such by a Participant in accordance with Article VII.

2.6 Code.

Code means the Internal Revenue Code of 1986, as amended.

2.7 Committee.

Committee means the Pension Committee provided for in this Plan.

2.8 Compensation.

Compensation for Plan contribution purposes means an Employee's total salary or wages, bonuses and overtime from the Employer before any deferral of income pursuant to Article 4.1(A) and before any salary reduction contributions to the Employer's Internal Revenue Code Section 457 plan, Code Section 125 flexible benefits plan ~~and~~ Code Section

132(f)(4) transportation fringe benefit plan, if any, or a simplified employee pension plan pursuant to Code Section 402(h)(1)(B), but excluding Employer contributions hereunder pursuant to Article 4.1(B), Employer contributions to any other similar retirement plan, and payments by the Employer (other than Section 125 contributions) on account of medical, disability and life insurance. Compensation includes compensation received while on paid leave and leave cashouts and other Compensation paid at severance from employment.

Effective January 1, 2009, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h), is treated as an Employee of the Employer making the payment, (ii) the differential wage payment is treated as Compensation, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment. However, subsection (iii) applies only if all Employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

For purposes of the Code Section 415 limitations on contributions and benefits (Article 5.5 hereof), “Compensation” means wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining this Plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, reimbursements, and expense allowances), and, effective with Plan Years beginning on or after January 1, 1998, any elective deferrals as defined in Code Section 402(g)(3) and Code Section 132(f)(4) transportation fringe benefit plan salary reduction contributions, and any amount which is contributed to or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of Code Section 125 or 457. Such compensation does not include:

- (a) Contributions to a plan of deferred compensation which are not includable in the Employee’s gross income for the taxable year in which contributed;
- (b) Employer contributions to a simplified employee pension described in Section 408(k) of the Code to the extent deductible by the Employee;
- (c) Distributions from a plan of deferred compensation regardless of whether such amounts are includable in gross income when distributed (except that amounts paid to an Employee under an unfunded nonqualified plan of deferred compensation will be considered as compensation for purposes of Code Sections 415 and 416 in the year such amounts are includable in gross income);

- (d) Amounts realized from the exercise of a nonqualified stock option or when restricted property becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (e) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; or
- (f) Other amounts which receive special tax benefits such as premiums for group term life insurance (but only to the extent that the premiums are not includable in gross income) or contributions made by an Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Code (whether or not contributions are excludable from gross income).

Any amount includible in a Participant's gross income due to noncompliance with Code Section 409A shall be included in Compensation for purposes of Code Section 415 limitations on contributions and benefits.

For purposes of applying the Code Section 415 limitations on contributions and benefits, the following Compensation shall be considered: (1) a Participant's regular Compensation received for services rendered during the Participant's regular working hours that is paid during a post-severance payment period, (2) a Participant's Compensation for services rendered outside his regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments that would have been paid to the Participant before a severance of employment had the Participant continued in employment with the Employer (provided such amounts are paid during the post-severance payment period). The post-severance period is the period from the Participant's severance from employment until the later of 2-1/2 months after severance or the end of the limitation year in which severance occurred. In no event shall the Compensation for purposes of Code Section 415 for a given limitation year exceed the maximum amount of Compensation recognized for purposes of limiting contributions or benefits payable with respect to a plan under Code Section 401(a)(17) for that same limitation year.

If the Employer so elects, Compensation for purposes of applying the Code Section 415 limitations on contributions and benefits for a limitation year shall include amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next limitation year, the amounts are included on a uniform and consistent basis with respect to all similarly-situated participants, and no compensation is included in more than one limitation year.

The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, ~~2001~~2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code (e.g., ~~\$230,000~~260,000 for the ~~2008~~2014 Plan Year). Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The

cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

2.9 Eligibility Computation Period.

Eligibility Computation Period initially means the 12-consecutive-month period beginning with the date on which the Employee first performs an Hour of Service for the Employer (the “Employment Commencement Date”) and the anniversaries thereof, or in the case of an Employee who has had a One-Year Break in Service, the 12-consecutive-month period beginning with the first date on which the Employee completes an Hour of Service following the last computation period in which a One-Year Break in Service occurred (the “Reemployment Commencement Date”). After the initial computation period, the succeeding Eligibility Computation Periods shall be the Plan Year which includes the first anniversary of the Employment Commencement Date or Reemployment Commencement Date and each succeeding Plan Year.

2.10 Employee.

Employee means any person in the service of the Employer receiving a regular wage or salary. Solely for testing purposes, Employee also means any employee of any other employer aggregated under Code Section 414(b), (c), (m) or (o) and the regulations thereunder. A leased employee as defined in Code Section 414(n)(2) shall be considered an Employee hereunder solely for purposes of Code Section 414(n)(3) unless (i) leased employees constitute less than twenty percent (20%) of the Employer’s non-highly-compensated workforce as defined in Code Section 414(n)(5)(c)(ii) and (ii) the leased employee is a participant in a plan described in Code Section 414(n)(5)(B). A leased employee for purposes of Code Section 414(n)(3) means any person who is not an Employee of the Employer and who provides services for the Employer pursuant to an agreement between the Employer and a leasing organization, who has performed such services for the Employer and related persons on a substantially full-time basis for a period of at least one year, and whose services are performed under the primary direction or control of the Employer. Notwithstanding that a leased employee is treated as an Employee hereunder solely for purposes of Code Section 414(n)(3), such a leased employee shall not be considered an eligible Employee or receive credit for service or share in Employer contributions under this Plan.

2.11 Employer.

Employer means Intercity Transit and any affiliate which, with the consent of Intercity Transit elects to adopt the Plan and any organization that acquires the Employer’s business and adopts the Plan.

2.12 Enrollment Date.

Enrollment Date means the first day the Employee completes the eligibility requirements of Article III, and shall be the date on which the Employee commences participation in the Plan.

2.13 Fiscal Year.

Fiscal Year means the Employer's Fiscal Year for accounting purposes which is the calendar year.

2.14 Hour of Service.

Hour of Service means:

- (a) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer for the performance of duties. These hours shall be credited to the Employee for the computation period or periods in which the duties are performed. Effective with respect to reemployments initiated on or after December 12, 1994, an Employee in qualified military service as defined in Code Section 414(u)(5) shall be credited with Hours of Service at his customary rate; and
- (b) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship was terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this subparagraph (b) for any single continuous period (whether or not such period occurs in a single computation period). Hours under this subparagraph (b) shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and
- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited under subparagraphs (a) or (b), as the case may be, and under this subparagraph (c). These hours shall be credited to the Employee for the Eligibility or Vesting Computation Period or Periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.

Provided, that for the purpose of determining whether an Employee has incurred a One-Year Break in Service (i) Hours of Service described in subparagraph (b) shall be credited without regard to the 501-hour limitation of subparagraph (b); (ii) hours at the Employee's customary rate shall be credited during any period the Employee is on authorized leave of absence or temporary layoff, and (iii) in the case of an Employee who is absent from work for any period by reason of pregnancy, birth of a child, placement with the Employee of a child for adoption, or caring for such child immediately following birth or placement, Hours of Service (up to 501 hours) shall be credited equal to the Hours of Service that otherwise would normally have been credited to the Employee but for such absence (or if such hours cannot be determined, equal to 8 Hours of Service per day of absence). The hours credited under (iii) above shall be credited to the applicable computation period in which the absence begins if such crediting will prevent a One-Year

Break in Service, or otherwise to the following computation period. No such credit shall be given unless the Employee provides the Committee with timely information (including, if requested, a written statement of a doctor or adoption official) to establish that the absence is for reasons referred to in this paragraph and the number of days for which there was such an absence. Provided, further, there shall be no duplication of credit under this Plan. If an authorized leaves of absence is granted, it shall be on a nondiscriminatory basis.

Hours of Service for any other trade or business that is along with the Employer a member of a group of trades or businesses (whether or not incorporated) which are under common control, as defined in Code Sections 414(b) and (c), or an affiliated service group as defined in Code Section 414(m) as modified by Code Sections 414(m)(5) and (6), and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder shall be considered Hours of Service for the Employer.

Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Code Section 414(n) or 414(o) and the regulations thereunder.

2.15 One-Year Break in Service.

One-Year Break in Service means a computation period during which an Employee fails to complete more than 500 Hours of Service.

2.16 Participant.

Participant means an Employee who satisfies the eligibility requirements of Article III and who commences participation in the Plan.

2.17 Participant Elected Contribution.

Participant Elected Contribution means the contribution made by the Employer from salary or wage deferrals elected by the Participant in accordance with this Plan.

2.18 Plan or Trust.

Plan or Trust means this Retirement Plan and Trust Agreement and all subsequent amendments thereto.

2.19 Plan Administrator.

Plan Administrator means the Pension Committee as appointed under this Plan.

2.20 Plan Year.

Plan Year means the twelve (12) consecutive month period ending on the last day of December. The Plan Year shall be the year on which the records of the Plan are kept.

2.21 Salary Deferral Agreement.

Salary Deferral Agreement means the written authorization of a Participant to the Employer to deduct from the Participant's Compensation an amount or percentage to be deferred as a Participant Elected Contribution in accordance with this Plan.

2.22 Spouse.

Spouse means the lawful husband or wife of the Participant.

2.23 Surviving Spouse.

Surviving Spouse shall mean the Participant's Spouse surviving at the date of the Participant's death.

2.24 Trust Fund or Fund.

Trust Fund or Fund means all contributions received by the Trustee for purposes of the Plan, the investment thereof, and the earnings and appreciation thereon, less payments made to carry out the Plan.

2.25 Trustee.

Trustee means Intercity Transit or any successor Trustee or Trustees hereunder.

2.26 Valuation Date.

Valuation Date means the day on which the assets of the Plan are valued. The assets of the Plan shall be valued on each business day.

2.27 Year of Service.

Year of Service means a computation period during which an Employee is credited with 1,000 or more Hours of Service. The Vesting Computation Period shall be the Plan Year.

**ARTICLE III
ELIGIBLE EMPLOYEES**

3.1 Participation.

Employees shall be excluded from those eligible to participate if they are included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and one or more Employers, if there is evidence that retirement benefits were the subject of good faith bargaining and if the collective bargaining agreement does not provide for participation by such Employees. Notwithstanding any provision of this Plan to the contrary, any individual who is classified as an independent contractor by the Employer or any other corporation or association which hereinafter adopts this Plan (regardless of whether such individual is classified as an employee by a court or any federal, state or local agency or by applicable law) and any individual who performs

services pursuant to an agreement between the Employer and a leasing organization shall not be eligible to participate in this Plan.

Subject to the foregoing, each Employee who was a Participant on December 31, ~~2007~~2013, shall continue to be a Participant subject to the provisions of this Plan. Each other Employee not excluded by reason of the preceding paragraph shall become eligible upon the later of his or her receiving credit for one (1) Hour of Service or attainment of age 18. Once eligible, a Participant may enroll in the Plan by completing a Salary Deferral Agreement and the effective date of that agreement shall be his or her Enrollment Date.

3.2 Participation on Reenrollment.

In the event of a Break in Service, a former Participant shall resume participation in this Plan upon the date of the Participant's reemployment by the Employer and execution of a Salary Deferral Agreement.

3.3 Inactive Participants.

In the event a Participant transfers to an ineligible class of employees, such Employee's participation in this Plan shall cease as of the date of such transfer.

In the event an ineligible Employee transfers to the eligible class, such Employee shall participate in the Plan immediately if the Employee is a former Participant or the Employee has previously satisfied the requirements of Article 3.1 and would have previously been admitted to participation if the Employee had been in the eligible class.

ARTICLE IV CONTRIBUTIONS

4.1 Plan Contributions.

A. Participant Salary Deferrals.

1. Election to Defer Compensation.

A Participant may elect to defer a portion of his or her Compensation by signing a Salary Deferral Agreement which shall provide for contribution of the minimum required amount as follows:

- (a) **Participants not Contributing to Medicare.** The minimum required contribution for a Participant who is not contributing for hospital insurance under the Social Security Act as determined under Section 3121(u) of the Internal Revenue Code shall be equal to the sum of the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code and the percentage required for hospital insurance under Section 3101(b) of the Code without regard to the social security wage base. Notwithstanding the foregoing, effective January 1, 2011, the

percentage required for old age survivors and disability insurance under Section 3101(a) of the Code shall not be less than 6.2%.

- (b) **Participants Contributing to Medicare.** The minimum required contribution for a Participant who is contributing for hospital insurance under the Social Security Act as determined under Section 3121(u) of the Internal Revenue Code shall equal the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code without regard to the social security wage base. Notwithstanding the foregoing, effective January 1, 2011, the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code shall not be less than 6.2%.

2. Additional Contributions.

A Participant may elect to contribute an additional amount up to the maximum amount permitted by law. No Participant shall be permitted to have elective deferrals made under this Plan, or any other qualified plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year (e.g., ~~\$15,500~~17,500 for ~~2008~~ and as adjusted by the Secretary of the Treasury and applicable law in future years), except to the extent permitted under Article 4.1(A)(3) and under Section 414(v) of the Code, if applicable. A Participant who makes pre-tax contributions to more than one plan in a calendar year in excess of this dollar limit must submit to the Committee by March 1 of the year following the year of the excess contributions a written statement including the amount of the excess contributions to be allocated to this Plan. Any excess contributions allocated to this Plan shall be distributed, together with income attributable thereto, by April 15 of the year following the year of the excess contributions.

~~Income attributable to the excess deferral for taxable years beginning on or after January 1, 2007 shall include an allocable share of gain or loss attributable to the excess deferral for the Plan Year of the excess deferral and the gap period. The gap period is the period beginning as of the first day of the year following the year of the excess deferral and ending on a date that is no more than seven (7) days before the distribution. The allocable share of gain or loss shall be determined by using a~~Allocable income for the 2007 taxable year must be calculated for the taxable year and also for the gap period (i.e., the period after the close of the taxable year in which the excess deferral occurred and prior to the distribution); provided, that the gap period income will be calculated and distributed only if the gap period allocable income would otherwise be allocated to the Participant's account. With respect to excess deferrals made in taxable years after 2007, gap period income shall not be distributed. Income or loss allocable to excess deferrals distributed in a taxable year starting on or after January 1,

2008, shall be computed through the end of the Plan Year to which the excess deferral related, using any reasonable allocation method~~which does(s); provided, however, that the process for calculating the income or loss must~~ not discriminate in favor of ~~highly compensated employees and is~~Highly-Compensated Employees and must be used consistently for all Participants and for all corrective distributions for the Plan Year.

A Participant may increase, decrease or suspend his or her contributions by notification to the Plan Administrator pursuant to such procedures as the Plan Administrator shall adopt and communicate to Participants from time to time.

3. Catch-up Contributions.

All employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the ~~Plan Year~~taxable year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

4. Payment to Trustee.

The Employer shall transmit the Participant Elected Contributions to the Trustee as soon as administratively possible and, in any event, not later than the date required by applicable law.

5. Limitation on Deferral of Compensation.

A Participant Elected Contribution shall be taken into account for a Plan Year only if the Elective Contribution of the Participant under the Plan is allocated as of a date within that Plan Year. An Elective Contribution of a Participant is considered allocated as of a date within the Plan Year only if:

- (i) The allocation is not contingent upon the Participant's participation in the Plan or performance of Services on any date subsequent to that date, and
- (ii) The Elective Contribution is actually paid to the Trust no later than the end of the twelve-month period immediately following the Plan Year to which the contribution relates.

Participant Elected Contributions shall be taken into account only if it relates to Compensation that either:

- (i) Would have been received by the Participant in the Plan Year but for the Participant's election to defer; or
- (ii) Is attributable to services performed by the Participant in the Plan Year and, but for the Participant's election to defer, would have been received by the Participant within two and one-half months after the close of the Plan Year.

B. Employer Matching Contributions.

The Employer shall contribute on behalf of each Participant each pay period an amount equal to that Participant's contributions described in Article 4.1(A)(1) of the Plan. No matching contribution will be made for a Participant's additional contributions described in Article 4.1(A)(2).

4.2 After-Tax Contributions.

Employee after-tax contributions are not permitted under the Plan.

4.3 In-Service Withdrawals.

In-service withdrawals are not permitted under the Plan: [except to the extent permitted under Article 7.4 of this Plan.](#)

4.4 Qualified Military Service.

This Plan shall be administered in accordance with the requirements of the Uniformed Services Employment and Reemployment Rights Act and Code Section 414(u) and as a result, an ~~Employer~~Employee returning from qualified military service shall be entitled to contribute hereunder and receive Employer matching contributions in the amount the individual would have been permitted to contribute had the individual continued to be employed hereunder receiving Compensation during the period of qualified military service.

**ARTICLE V
PARTICIPANT ACCOUNTS AND CREDITING OF CONTRIBUTIONS**

5.1 Accounts.

The Plan Administrator shall establish in the name of each Participant such Accounts as are necessary to properly account for the types of contributions made on behalf of a Participant.

5.2 Allocation and Crediting of Contributions.

A. Crediting of Participant Elected Contributions.

Employer contributions arising from a Participant's election to defer Compensation shall be credited to the Participant's Employee Deferral Account.

B. Crediting of Employer Matching Contributions.

Employer matching contributions shall be credited to the Account of a Participant for whom the matching contribution is made in accordance with Article 4.1(B) and shall be credited to the Participant's Employer Matching Account.

5.3 Valuation of Assets.

As of each Valuation Date, the Trustee shall value the assets of the Trust at the then current fair market value.

5.4 Adjustment of Participants' Accounts.

As of each Valuation Date, the Participant's accounts shall be adjusted to reflect the fair market value of the assets credited to such accounts.

5.5 Maximum Contributions.

A. Annual Addition. The term "annual addition" for any Plan Year means the sum of:

- (1) The Employer's contributions on a Participant's behalf to the Employer's defined contribution plan(s) (any profit sharing, money purchase pension, stock bonus, and target benefit pension plans), including tax-deferred contributions hereunder;
- (2) The Participant's voluntary nondeductible Employee contributions, if any, to the defined contribution plan(s) maintained by the Employer;
- (3) Any forfeitures allocated to the Participant's account under a profit sharing plan maintained by the Employer;
- (4) Amounts allocated for a Plan Year beginning after March 31, 1984, to a Code Section 415(1)(2) individual medical account that is part of a pension or annuity plan maintained by the Employer; and
- (5) Amounts paid or accrued after December 31, 1985, in taxable years ending after that date, for post-retirement benefits allocated to a separate account in a Code Section 419(e) welfare benefit fund maintained by the Employer. These amounts will not be subject to the present limitations of Code Section 415(c)(1)(B); and

- (6) Amounts allocated under a simplified employee pension plan established pursuant to Code Section 408(k).

If a short limitation year is created because of an amendment changing the limitation year to a different 12-consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

Number of months in the short limitation year / 12

If the Plan is terminated as of a date other than the last day of the limitation year, the Plan is deemed to have been amended to change its limitation year and the maximum permissible amount shall be prorated for the resulting short limitation year.

The limitation year is the Plan Year.

Notwithstanding any other provision hereof, for Plan Years beginning prior to January 1, 2002, the annual addition to a Participant's accounts for any Plan Year shall not exceed the lesser of (i) \$30,000, as adjusted for cost-of-living increases pursuant to Code Section 415(c)(1), 415(d)(1), 415(d)(3), and 415(d)(4), or (ii) 25% of the Participant's Compensation from the Employer for the Plan Year as defined for purposes of Code Section 415 in Article 2.8. For Plan Years beginning on or after January 1, 2002, notwithstanding any other provision hereof, except to the extent permitted for catch-up contributions under Article 4.1(A)(3) and under Section 414(v) of the Code, if applicable, the annual addition to a Participant's accounts for any Plan Year shall not exceed the lesser of (i) \$40,000 as adjusted under Code Section 415(d) (i.e., \$~~46,000~~52,000 for the ~~2008~~2014 Plan Year), or (ii) 100% of the Participant's Compensation for the limitation year, as defined for purposes of Code Section 415 in Article 2.8. The Compensation limit referred to in (ii) shall not apply to any contributions for medical benefits which are made after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) and which is otherwise treated as an annual addition.

B. Excess Annual Addition.

~~The 415 correction methods set forth in this Article 5.5(B) shall only apply with respect to limitation years beginning before July 1, 2007. If, as a result of the allocation of forfeitures, a reasonable error in estimating a Participant's Compensation, or other facts and circumstances to which Code regulation Section 1.415-6(b)(6) shall be applicable, the annual addition for a Participant exceeds the applicable limitations for the Plan Year, the annual addition shall be reduced as follows:~~

- ~~(1) — The amount of such excess consisting of the Employee's unmatched tax-deferred contributions shall be paid to the Employee as soon as administratively feasible, as adjusted for earnings and/or losses.~~

- ~~(2) — The amount of any remaining excess consisting of matched tax-deferred contributions on behalf of an Employee and Employer matching contributions on behalf of such Employee shall be reduced pro rata (one dollar of Employer matching contributions for every one dollar of matched tax-deferred contributions). Such matched tax-deferred contributions shall be paid to the Employee as soon as administratively feasible, as adjusted for earnings and/or losses, and such Employer matching contributions shall be allocated to a suspense account as forfeitures and applied as provided in (3) below).~~
- ~~(3) — The amount of any remaining excess consisting of Employer contributions to the Plan, as adjusted for earnings and/or losses, shall be allocated to a suspense account as forfeitures and held therein until the next succeeding date on which forfeitures could be applied to reduce future Employer contributions under this Plan. In the event of termination of this Plan, the suspense account shall revert to the Employer.~~

~~The limitation year is the Plan Year. Notwithstanding any other provisions, the Employer shall not contribute any amount that would cause an allocation to the suspense account as of the date the contribution is allocated. If the contribution is made prior to the date as of which it is to be allocated, then such contribution shall not exceed an amount that would cause an allocation to the suspense account if the date of contribution were an allocation date. Amounts in the suspense account are allocated as of each allocation date on which forfeitures may be allocated until the account is exhausted.~~

~~C. — For the purpose of this paragraph, the following rules shall control:~~

- ~~(1) — The \$40,000 maximum shall be deemed adjusted for any Plan Year to conform to increases in the cost of living in accordance with regulations adopted by the Secretary of the Treasury (\$46,000 for 2008).~~
- ~~(2) — All qualified defined benefit plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined benefit plan, and all qualified defined contribution plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined contribution plan.~~
- ~~(3) — If the Employer is a member of a controlled group of corporations, trades or businesses under common control (as defined by Code Section 1563(a) or Code Section 414(b) and (c) as modified by Code Section 415(h)) or is a member of an affiliated service group (as defined by Code Section 414(m)), all employees of such employers shall be considered to be employed by a single employer.~~

If the annual additions (within the meaning of Code Section 415) are exceeded for any Participant, then this Plan may only correct such excess in accordance with the

[Employee Plans Compliance Resolution System \(EPCRS\) as set forth in Revenue Procedure 2013-12 or any superseding guidance, including, but not limited to, the preamble of the final Code Section 415 regulations.](#)

ARTICLE VI NONFORFEITABLE BENEFITS

6.1 Employee Deferral Account.

A Participant shall have a nonforfeitable interest in the Participant's Employee Deferral Account at all times.

6.2 Employer Matching Account.

A Participant shall have a nonforfeitable interest in the Participant's Employer Matching Account upon the completion of six (6) months of service. Notwithstanding the foregoing, the Employer Matching Contribution Account of a Participant who completes at least one Hour of Service on or after January 1, ~~2009~~2009, shall be 100% vested and nonforfeitable at all times.

6.3 Rules for Crediting Service.

An Employee shall receive credit for service from his Employment Commencement Date to the date he terminates employment. Hours of Service shall not be counted. The following Years of Service shall be disregarded:

- (a) Years of Service for the period during which the Employer did not maintain this Plan or a predecessor plan.
- (b) Years of Service prior to a One-Year Break in Service if the Employee does not have a nonforfeitable interest under the Plan to an Accrued Benefit and the number of the Employee's consecutive One-Year Breaks in Service equals or exceeds five (5).

ARTICLE VII DISTRIBUTION OF BENEFITS

7.1 Retirement Date and Options.

The Normal Retirement Age shall be age 59½, and each Participant or former Participant shall be entitled to retire upon attainment of Normal Retirement Age. A Participant or former Participant who has completed at least five (5) Years of Service and attained age 55 may elect to retire on or subsequent to the completion of such requirements, which day shall be his Early Retirement Date.

A. Employment After Normal Retirement Age.

If a Participant continues in the employ of the Employer beyond his Normal Retirement Date, he shall, pursuant to the terms of this Plan, continue to share in Employer matching contributions and increases and decreases in value, including fees and expenses, until actual retirement and may elect tax-deferred contributions hereunder.

B. Required Receipt of Benefits.

Distribution of benefits shall commence to each Participant upon such Participant's Required Beginning Date.

The Required Beginning Date of a Participant is the later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, except that benefit distributions to a more than five percent (5%) owner (as defined in Code Section 416) must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

A Participant is treated as a more than five percent (5%) owner for purposes of this section if such Participant is a more than five percent (5%) owner as defined in Code Section 416 at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70½. Once distributions have begun to a more than five percent (5%) owner under this section, they must continue to be distributed, even if the Participant ceases to be a more than five percent (5%) owner in a subsequent year.

C. Date of Retired Participant's First Payment.

A Participant who retires hereunder shall begin receiving his benefits as soon as is reasonably practicable after his retirement date but no later than the date sixty (60) days after the close of the Plan Year in which the Participant retires, ~~unless he elects to defer payment pursuant to Paragraph D below.~~ Provided, however, that a Participant may elect to defer commencement of benefits as provided under Article 7.1(D) to a date not later than his Required Beginning Date.

D. Deferral of Benefits.

A Participant who retires hereunder or terminates employment with a nonforfeitable Accrued Benefit shall not be required to receive a distribution without his written consent. The Participant may elect to defer the commencement of his Plan benefits to a later date, but not later than his Required Beginning Date, which is April 1 of the calendar year following the calendar year in which he attains age 70½. Such a Participant must make this election in writing on a form provided by the Committee. Such election shall include the current amount of the Participant's nonforfeitable Accrued Benefit, the form of payment of the benefit, and the date on which payment shall commence. The Participant may change such

election prior to the commencement of his deferred benefits, provided payments commence no later than the date required above.

Failure of a Participant to properly consent to a distribution shall be deemed an election to defer commencement of payment.

E. Form of Payment.

- (1) Installment payments in such amounts and over such period as shall be elected by the Participant, provided, the payment period shall not exceed the joint life expectancy of the Participant and his designated beneficiary at the time payments begin. Provided, that in any event a minimum annual installment shall be at least one hundred Dollars (\$100) until the Participant's interest has been fully distributed; or
- (2) A single payment equal to the Participant's nonforfeitable Accrued Benefit as of the Valuation Date coinciding with or immediately preceding the date of such payment.

A Participant may change his election any time prior to the day he first receives a distribution from this Plan. After the date installment payments have commenced, a Participant or former Participant may increase or decrease the amount of the payments or accelerate the period during which installments are made, in accordance with reasonable procedures established by the Committee, provided the requirements of option (1) continue to be met.

In the event a Participant's benefits are to commence and he has made no election of the form of payment prior to his benefit commencement date, distribution shall be made pursuant to option (2) above.

F. Minimum Distributions at Age 70½ if Installments Elected.

If a Participant's distribution is required to commence due to attainment of age 70½, and if the Participant has elected to receive installment payments, then at least an amount equal to the minimum required annual distribution shall be paid to the Participant, determined in accordance with Code Section 401(a)(9) and Article XXII of this Plan.

7.2 Death.

Each Participant shall designate a beneficiary or beneficiaries on a form to be furnished by the Committee. The beneficiary of a married Participant shall be his Spouse, unless the Spouse consents in writing to the designation of another specific beneficiary and acknowledges the effect of the consent. In order to be effective, the consent must be witnessed by a Plan Representative or a notary public. Such designation shall be filed with the Committee and may be changed by the Participant from time to time by filing a new designation in writing (together with the Spouse's consent where required). The designation last filed with the Committee shall control. In the event that a Participant has

designated by name his Spouse as the primary beneficiary and the Participant and his Spouse are subsequently divorced, the beneficiary designation shall be deemed revoked. If the Participant dies before making a new beneficiary designation, the benefits shall be paid as if there were no beneficiary designation.

If any Participant shall fail to designate a beneficiary or if the person or persons designated predecease the Participant and there is no designated successor, the Participant's beneficiary shall be the following in the order named:

- (a) Surviving Spouse at date of death,
- (b) Then living issue, per stirpes (lawful issue and adopted),
- (c) Then living parents, in equal shares,
- (d) Brothers and sisters, in equal shares, provided that if any brother or sister is not then living, his or her share shall be distributed to his or her then living issue, per stirpes, and
- (e) Estate of the Participant.

[In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service \(as defined in Code Section 414\(u\), the Participant's survivors are entitled to any additional benefits \(other than benefit accruals relating to the period of qualified military service\), such as full vesting upon death, provided under the Plan as if the Participant had resumed and then terminated employment on account of death.](#)

A. Death Prior to Commencement of Benefits.

A beneficiary may elect to receive payment on any date that is a reasonable time after the Participant's death. Payment shall be made in a single sum equal to the Participant's Accrued Benefit.

All payments to the beneficiary shall be completed by December 31 of the calendar year in which the fifth anniversary of the Participant's death occurs.

B. Death After the Commencement of Benefits.

In the event that a Participant dies after the commencement of installment payments as provided in Article 7.1(E)(2), such installment payments shall be paid to the Participant's beneficiary during the remainder of the payment period elected by the Participant; provided, however, that the Committee may direct the Trustee to accelerate such payments upon the written request of the beneficiary.

7.3 Disability.

Disability means that a Participant, by reason of mental or physical disability, is incapable of further employment by the Employer. In the event of disability, such Participant's Accrued Benefit shall be distributed to him if he so elects in the same manner as if he had attained full retirement age as provided in Article 7.1 above. Such benefit shall be valued as of the Valuation Date coinciding with or immediately preceding the date of distribution. Disability shall be established to the satisfaction of the Committee. If the Participant shall disagree with the Committee's findings, disability shall be established by the certificate of a physician, selected by the Participant and approved by the Committee, or if the physician selected by the Participant shall not be approved by the Committee, then by a majority of three physicians, one selected by the Participant (or his Spouse, child, parent, or legal representative in the event of his inability to select a physician), one by the Committee, and the third by the two physicians selected by the Participant and the Committee.

7.4 Termination of Employment.

In the event a Participant voluntarily or involuntarily terminates employment with a nonforfeitable Accrued Benefit, the Participant shall not be required to receive a distribution without his written consent. The Participant's nonforfeitable Accrued Benefit shall be paid as provided in Article 7.1 within 60 days after the close of the Plan Year in which the Participant attains Normal Retirement Age, unless the Participant consents to an earlier distribution or elects to defer payments [to a date as late as his Required Beginning Date](#) as provided in Article 7.1(D).

Forfeitures shall be applied to reduce Employer contributions: ~~for the applicable Plan Year or the Plan Year immediately following.~~

This paragraph shall apply for distributions and severances from employment occurring after December 31, 2001. A Participant's elective deferrals, qualified nonelective contributions, qualified matching contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

[Effective January 1, 2009, a Participant shall be treated as having a severance from employment and therefore eligible for a distribution of his or her Tax-Deferred Contribution Account during any period the Participant is performing service in the uniformed services for more than 30 days as described in Code Section 3401\(h\)\(2\)\(A\). In the event that such a Participant elects to receive a distribution by reason of severance from employment, the Participant may not make an elective deferral to this Plan during the 6-month period beginning on the date of the distribution.](#)

7.5 Distribution to Persons Under Disability.

Distributions to minors or incompetents may be made by the Trustee either (1) directly to the minor, (2) to the legal guardians of the minor or incompetent, or (3) to the parent of the

minor. The Trustee shall not be required to see to the application of any such distribution so made to any of said persons, but his or their receipts therefor shall be a full discharge of the Trustee.

7.6 No Reduction in Benefits by Reason of Increase in Social Security Benefits.

Notwithstanding any other provision of this Plan, in the case of a Participant who is receiving benefits under this Plan, or in the case of a Participant who has terminated employment with the Employer and who has a nonforfeitable Accrued Benefit, such benefits will not be decreased by reason of any increase in the benefit levels payable under Title II of the Social Security Act.

7.7 Time of First Payment.

Upon death, retirement, or termination of employment, distributions of an affected Participant's Accrued Benefit shall commence as soon as is reasonably possible, but in no event shall distribution commence later than sixty (60) days following the Plan Year during which such aforementioned event occurs unless the Participant has elected to defer receipt as provided in Article 7.1(D) above. All distributions required under this Plan shall be determined and made in accordance with the regulations under Income Tax Regulations 1.401(a)(9)-2 through 1.401(a)(9)-9 and the minimum distribution incidental benefit requirement of Code Section 401(a)(9)(G).

ARTICLE VIII PROVISION AGAINST ANTICIPATION

8.1 No Alienation of Benefits.

Until distribution pursuant to the terms hereof and except as hereinafter provided in this Article VIII, no Participant shall have the right or power to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits, proceeds, or avails of the funds set aside for him under the terms of this Plan, and no such benefits, proceeds, or avails shall be subject to seizure by any creditor of the eligible Employee under any writ or proceedings at law or in equity.

8.2 Qualified Domestic Relations Orders.

Notwithstanding any other Plan provision, and in compliance with Code Section 414(p)(6)(B), the following procedures shall apply when any domestic relations order is received by this Plan with respect to a Participant.

- A. The Committee shall promptly notify the Participant and (a) each person named in the order as entitled to payment of Plan benefits and (b) any other person entitled to any portion of the Participant's Plan benefits (persons referred to in (a) and (b) are hereafter referred to as "alternate payees") of the receipt of such order and of the Committee's procedures for determining the qualified status of the order. The Committee shall permit each alternate payee to designate a representative for receipt of copies of notices.

- B. Immediately upon receipt of such order, the Committee shall segregate in a separate account the amounts which are in pay status and which are payable to the alternate payee under the order.
- C. The Committee shall meet promptly after receipt of the order and determine whether the order is a Qualified Domestic Relations Order. The Committee shall promptly notify the Participant and each alternate payee of its decision. A Qualified Domestic Relations Order is any judgment, decree or order (including approval of a property settlement agreement) that:
- (1) Relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former spouse, child or other dependent of a Participant;
 - (2) Is made pursuant to a State domestic relations law (including a community property law);
 - (3) Creates or recognizes the existence of an alternate payee's right to receive all or a portion of a Participant's Plan benefits;
 - (4) Clearly specifies (i) the name and last known mailing address, if any, of the Participant, and the name and mailing address of each alternate payee covered by the order; (ii) the amount or percentage of the Participant's benefits to be paid by this Plan to each alternate payee, or the manner in which the amount or percentage is to be determined; (iii) the number of payments or period to which the order applies; and (iv) the plan to which the order applies;
 - (5) Does not require this Plan to provide any form of benefit not otherwise provided by this Plan or any increased benefits, and does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a Qualified Domestic Relations Order.
- D. The Committee's decision shall be final unless the Participant or an alternate payee gives written notice of appeal within 60 days after receipt of the Committee's decision.
- E. If within 18 months an order is finally determined to be a Qualified Domestic Relations Order, the segregated amounts plus interest (if any) shall be paid to the persons entitled thereto, and thereafter the alternate payee shall receive payments pursuant to the terms of the order. Amounts subject to the order which are not in pay status shall be transferred to a separate account in the name of the alternate payee and thereafter held for such payee's benefit pursuant to the terms of the order. If within 18 months the order is determined not to be a Qualified Domestic Relations Order, or if the issue has not been finally determined, the Committee shall pay the segregated amounts to the person who would have been entitled

thereto if there had been no order. Any determination that an order is qualified after the close of the 18 month period shall be applied prospectively only.

- F. An appeal of the Committee's decision shall generally conform to this Plan's claims procedures.
- G. Notwithstanding any provisions of this Plan to the contrary, an alternate payee pursuant to a Qualified Domestic Relations Order shall be entitled to elect to receive a distribution from this Plan following the date such order is determined by the Committee to be a Qualified Domestic Relations Order and as specified in such Order. Payments made pursuant to this paragraph shall not be treated as a violation of the requirements of subsections (a) and (k) of Section 401 or Section 409(d) of the Code.
- H. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order will not fail to be a qualified domestic relations order solely because the order is issued after, or revises, another domestic relations order or qualified domestic relations order or solely because of the time at which the order is issued.

ARTICLE IX

PENSION COMMITTEE – NAMED FIDUCIARY AND ADMINISTRATOR

9.1 Appointment of Committee.

The Employer shall appoint a Pension Committee of one or more persons (herein referred to as the "Committee"). The Committee shall perform administrative duties set forth in part hereinafter and serve for such terms as the Employer may designate or until a successor has been appointed or until removal by the Employer. The Employer shall advise the Trustee in writing of the names of the members of the Committee and any changes thereafter made in the membership of the Committee. Vacancies due to resignation, death, removal, or other causes shall be filled by the Employer. Members shall serve without compensation for service. All reasonable expenses of the Committee shall be paid by the Employer. The number of Committee members may be changed by the Employer at any time.

9.2 Committee Action.

The Committee shall choose a secretary who shall keep minutes of the Committee's proceedings and all data, records, and documents pertaining to the Committee's administration of this Plan. The Committee shall act by a majority of its members at the time in office, and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may by such majority action authorize its secretary or any one or more of its members to execute any document or documents on behalf of the Committee, in which event the Committee shall notify the Trustee in writing of such action and the name or names of those so designated. The Trustee thereafter shall accept and rely conclusively upon any direction or document executed by such secretary, member, or members as representing action by the Committee until the Committee shall file with the

Trustee a written revocation of such designation. A member of the Committee who is also a Participant hereunder shall not vote or act upon any matter relating solely to himself.

9.3 Rights and Duties.

The Committee shall be the Plan Administrator and named fiduciary of this Plan and shall have the power and authority in its sole, absolute and uncontrolled discretion to control and manage the operation and administration of this Plan and shall have all powers necessary to accomplish these purposes. The responsibility and authority of the Committee shall include but shall not be limited to the following:

- (a) Determining all questions relating to the eligibility of Employees to participate;
- (b) Computing and certifying to the Trustee the amount and kind of benefit payable to Participants, Spouses and beneficiaries;
- (c) Authorizing all disbursements by the Trustee from the Trust;
- (d) Establishing and reducing to writing and distributing to any Participant or beneficiary a claims procedure, and administering that procedure including the processing and determination of all appeals thereunder;
- (e) Maintaining all necessary records for the administration of this Plan other than those which the Trustee has specifically agreed to maintain pursuant to this Plan and Trust Agreement; and
- (f) Interpretation of the provisions of this Plan and publication of such rules for the regulation of this Plan as in the Committee's sole, absolute and uncontrolled discretion are deemed necessary and advisable and which are not inconsistent with the terms of this Plan ~~or ERISA~~.

9.4 Investments.

The Committee shall have the responsibility and authority to direct the Trustee and shall be the named fiduciary with respect to the management and control of the assets of this Plan in selecting the investment funds to be offered to Plan Participants and in monitoring the investment performance of those funds.

9.5 Information - Reporting and Disclosure.

To enable the Committee to perform its functions, the Employer shall supply full and timely information to the Committee on all matters relating to the compensation of all Participants, their continuous regular employment, their retirement, death, or the cause for termination of employment, and such other pertinent facts as the Committee may require, and the Committee shall furnish the Trustee such information as may be pertinent to the Trustee's administration of this Plan.

9.6 Standard of Care Imposed Upon the Committee.

The Committee shall discharge its duties with respect to this Plan solely in the interest of the Participants and beneficiaries and (1) for the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of this Plan; (2) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims; (3) by diversifying the investments of this Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and (4) in accordance with this Plan and Trust Agreement. Provided, however, that the Committee shall not be liable for any loss or for any breach of fiduciary responsibility which results from a Participant's exercise of control over the investment of his Plan accounts. Where a Participant is directing the investment of his Plan accounts among the Plan Funds, the Committee shall have no responsibility to maintain diversification of such accounts.

9.7 Allocation and Delegation of Responsibility.

The Committee may by written rule promulgated under Article 9.3 above allocate its fiduciary responsibilities among Committee members and may delegate to persons other than Committee members the authority to carry out fiduciary responsibilities under this Plan, provided that no such responsibility shall be allocated or delegated to the Trustee without its written consent. In the event that a responsibility is allocated to a Committee member, no other Committee member shall be liable for any act or omission of the person to whom the responsibility is allocated except as may be otherwise required by law. If a responsibility is delegated to a person other than a Committee member, the Committee shall not be responsible or liable for an act or omission of such person in carrying out such responsibility except as may otherwise be required by law.

9.8 Bonding.

Where required by law, each fiduciary of this Plan and every person handling Plan funds shall be bonded. It shall be the obligation of the Committee to assure compliance with applicable bonding requirements. The Trustee shall not be responsible for assuring compliance with the bonding requirements.

9.9 Claims Procedure.

The Committee shall establish a claims procedure which shall be reduced to writing and provided to any Participant or beneficiary whose claim for benefits under this Plan has been denied. The procedure shall provide for adequate notice in writing to any such Participant or beneficiary and the notice shall set forth the specific reasons for denial of benefits written in a manner calculated to be understood by the Participant or beneficiary. The procedure shall afford a reasonable opportunity to the Participant or beneficiary for a full and fair review by the Committee of the decision denying the claim. The Trustee shall have no responsibility for establishing such a procedure or assuring that it is carried out.

9.10 Funding Policy.

The Committee shall be responsible for establishing and carrying out a funding policy for the Employer's Plan. In establishing such a policy, the short-term and long-term liquidity needs of this Plan shall be determined to the extent possible by considering among other factors the anticipated retirement date of Participants, turnover and contributions to be made by the Employer. The funding policy and method so established shall be communicated to the Trustee.

9.11 Indemnification.

The Employer does hereby indemnify and hold harmless each Committee member from any loss, claim, or suit arising out of the performance of obligations imposed hereunder and not arising from said Committee member's willful neglect or misconduct or gross negligence.

9.12 Compensation, Expenses.

The Committee members shall serve without compensation for services under this Plan. All expenses of Plan administration shall be paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Plan Committee, including but not limited to accountants, actuary, counsel, and other specialists, and other costs of administering the Plan. Provided, however, that the participant recordkeeping fees and the investment fees relating to the acquisition and disposition of Plan investments shall be a charge against and paid from the appropriate Plan Participants' accounts. Provided, further, that reasonable administrative fees related to a Participant loan may be charged to that Participant's Plan accounts.

ARTICLE X INVESTMENT OF TRUST FUNDS

10.1 Investments by Trustee.

The Trustee shall exercise no authority or discretion in the management and control of the assets of this Plan but shall invest and reinvest such assets in accordance with the proper instructions of the Committee which are given in accordance with the terms of this Plan and the Trust and are not contrary to applicable law. The Trustee shall not be liable for the acts or omissions of such Committee nor be under any obligation to invest or otherwise manage any asset of the Trust Fund which is subject to the management of such Committee. Without limiting the generality of the foregoing, the Trustee in following the Committee's instructions shall invest and reinvest the principal and income of the Fund in common investment funds (the terms of which are incorporated herein by reference); regulated investment companies; real estate; government, municipal or corporation bonds, debentures or notes; common and preferred stocks or any other form of property, whether real, personal or mixed, including life insurance policies on key employees of the Employer for the benefit of the Trust; provided, that the Trustee shall not invest in bonds, debentures or convertibles issued by the Employer.

10.2 Investments.

Notwithstanding the above and provided the Employer's authorization is granted, one or more Participants may be granted the authority to direct the investment of his Plan Accounts. In the event that such authorization is granted, the following provisions apply. For investment purposes, each Participant shall have the right to allocate contributions made to his Plan accounts among the Plan funds selected by the Committee in accordance with rules adopted by the Committee and uniformly applied. A Participant may transfer amounts in such accounts from one fund to another in such increments and at such times as shall be provided by rules adopted by the Committee and uniformly applied. With respect to the assets in the accounts of Participants who do not allocate contributions on their behalf among the Plan Funds, such assets shall be invested in the Fund(s) selected by the Committee.

10.3 Standard of Care Imposed Upon Trustee.

The Trustee shall discharge its responsibilities hereunder solely in the interests of the Participants and beneficiaries and (1) for the exclusive purpose of providing benefits to Participants and their beneficiaries, and defraying reasonable expenses of administering this Plan; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (3) in accordance with the terms of this Plan and Trust Agreement.

The Trustee shall not be liable for any loss or for any breach of fiduciary responsibility which results from a Participant's exercise of control over all or part of the investment of his Plan Accounts. Where a Participant is directing the investment of all or part of his Accounts, the Trustee shall have no responsibility to maintain diversification of the self-directed portion of such Accounts.

ARTICLE XI POWERS AND DUTIES OF TRUSTEE

11.1 Powers of Trustee.

The Trustee shall have the power with regard to Trust property:

- (a) to sell, convey, transfer, mortgage, pledge, lease, or otherwise dispose of the same without the approval of any court and without obligation upon any person dealing with the Trustee to see to the application of any money or other property delivered to it;
- (b) to exchange property or securities for other property or securities;
- (c) to keep any or all securities or other property in the name of a nominee;
- (d) to vote, either in person or by proxy, any shares of stock held as part of the assets of this Trust;

- (e) to collect the principal or income of the Trust as the same shall become due and payable and, if necessary, to take such legal action as it determines to be in the best interest of the Trust to collect any sum of money due the Trust. The Trustee shall be under no obligation to commence suit unless it shall have been first indemnified by the Trust Fund with respect to expenses or losses to which it may be subjected through taking such action;
- (f) to borrow money for Trust purposes and to have power to execute and deliver notes, mortgages, pledges, or other instruments as may be necessary in connection therewith;
- (g) to pay the expenses of the Trust out of the Fund, including any taxes and reasonable compensation for its services as Trustee, if and to the extent that the Employer does not pay such expenses and compensation; provided, however, all expenses incurred by a Participant in directing the investment of his individual Plan Account(s) shall be paid from such Account(s);
- (h) generally to do all such acts, execute all such instruments, take all such proceedings, and exercise all such rights and privileges with relation to the assets of the Trust as it deems necessary to carry out its obligations hereunder to the extent consistent with the rights of Participants and beneficiaries and the standard of care imposed by Article 10.3.

11.2 Annual Accounts.

The Trustee within a reasonable period following the close of each Plan Year of the Trust (not to exceed 120 days) shall render to the Employer and to the Committee a certified account of its administration of the Trust during the preceding year which shall include such information maintained by the Trustee which ~~is~~may be necessary to enable the Plan Administrator to comply with the reporting requirements of federal law.

11.3 Notices and Directions.

Whenever a notice or direction is given to the Trustee, the instrument shall be signed in the name of the Committee as authorized in Article 9.2. The Trustee shall be protected in acting upon any such notice, resolution, order, certificate, opinion, telegram, letter, or other document believed to be genuine and to have been signed by the proper party or parties and may act thereon without notice to any Participant and without considering the rights of any Participant. The Trustee shall not be required to determine or make any investigation to determine the identity or mailing address of any person entitled to benefits under this Plan and shall send checks and other papers to such persons at addresses as may be furnished it by the Committee. Provided, that, a notice or direction by a Participant who has elected to direct the investment of his individual Plan Accounts shall be signed by the Participant, and the Trustee shall be protected in acting upon any such notice, resolution, order, certificate, opinion, telegram, letter or other document believed to be genuine and to have been signed by the Participant and may act thereon without notice to any Participant.

**ARTICLE XII
TRUST CONSTRUCTION**

This agreement shall be construed in accordance with the laws of the State of Washington.

**ARTICLE XIII
LIABILITY OF TRUSTEE**

13.1 Actions of Trustee Conclusive.

In the performance of its duties under this Trust, the Trustee shall exercise good faith and comply with the standard of care imposed upon it and with the terms of this agreement. The Trustee shall have the power and authority in its sole, absolute, and uncontrolled discretion to interpret its responsibilities hereunder and in the absence of fraud or breach of fiduciary responsibility, the Trustee's interpretation shall be conclusive. In case any dispute or doubt arises as to the Trustee's rights, liabilities or duties hereunder, the Trustee may employ counsel and take the advice of such counsel as it may select and shall be fully protected in acting upon and following such advice except to the extent otherwise provided by law.

13.2 Distributions by Trustee.

Until the Trustee receives written notice of any agreement or occurrence having effect upon any rights hereunder, including but not limited to birth, marriage, divorce, death, and/or agreements between Spouses, the Trustee shall incur no liability for distributions made pursuant to the Committee's instructions.

**ARTICLE XIV
RESIGNATION OR REMOVAL OF TRUSTEE**

14.1 Resignation.

The Trustee may resign at any time by giving the Employer sixty (60) days' written notice of such resignation, sent by registered mail, addressed to the last known offices of the Employer, and in such event the Employer shall designate a successor Trustee within sixty (60) days, failing in which the Trustee shall petition the Superior Court of the State of Washington to designate a successor Trustee, which successor Trustee may be a corporate Trustee or an individual Trustee.

14.2 Removal.

The Employer may remove a Trustee, with or without cause, by giving the Trustee at least sixty (60) days' written notice and by appointing a successor Trustee or Trustees, corporate or individual, or any combination of Trustees.

14.3 Waiver.

The Trustee and the Employer may agree to waive such written notice or may cause a resignation or removal to become effective before the running of the notice period.

14.4 Settlement of Account.

In the case of the resignation or removal of the Trustee, the Trustee shall have the right to a settlement of its account, which may be made, at the option of the Trustee, either (1) by judicial settlement in an action instituted by the Trustee in a court of competent jurisdiction, or (2) by agreement of settlement between the Trustee, Committee, and the Employer. Upon such settlement, all right, title, and interest of such Trustee in the assets of the Trust and all rights and privileges under this agreement theretofore vested in such Trustee shall vest in the successor Trustee, and thereupon all of such Trustee's responsibility hereunder shall terminate, provided, however, that the Trustee shall execute, acknowledge, and deliver all documents and written instruments which are necessary to transfer and convey the right, title, and interest in the trust assets and all rights and privileges to the successor Trustee.

14.5 Duties Before and After Successor's Appointment.

Pending appointment of any successor Trustee and acceptance of such appointment, the remaining Trustee or Trustees shall have full power and authority to take any action hereunder. Upon accepting appointment as a successor Trustee, the successor Trustee shall have the same duties and obligations as those imposed upon the Trustee by this Agreement, provided, however, no successor Trustee shall be liable or responsible for anything done or omitted in the administration of the Fund prior to the date he became Trustee.

ARTICLE XV SUITS

If any person or party to this agreement shall request the Trustee to bring any action at law or suit in equity to determine any of the provisions or rights arising out of this agreement, the Trustee shall not be obligated to bring such suit unless the Trustee is fully indemnified for all costs of such action, including a reasonable sum for attorneys' fees.

ARTICLE XVI MERGERS AND CONSOLIDATIONS

In the case of any merger or consolidation with any other plan or a transfer of assets or liabilities to any other plan, each Participant shall be entitled to receive a benefit immediately after such a merger, consolidation or transfer, which is equal to the benefit he would have been entitled to immediately before if this Plan had been terminated.

ARTICLE XVII
AMENDMENT AND TERMINATION OF PLAN AND TRUST

17.1 Right to Amend and Terminate.

The Employer represents that this Plan is intended to be a continuing and permanent program for Participants, but reserves the right to terminate this Plan and Trust at any time. The Employer may, by action of the Board, modify, alter, or amend this Plan and Trust in whole or in part, provided that no such modification, alteration, or amendment shall enlarge the duties or liabilities of the Trustee without its consent, nor reduce the Participant's Accrued Benefit hereunder, except to the extent permitted by Code Section 412(e)(82). For purposes of this Article, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment, shall be treated as reducing the Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy.

17.2 No Revesting.

No termination, modification, alteration, or amendment shall have the effect of revesting in the Employer any part of the principal or income of the Trust, except as otherwise permitted by this Plan.

17.3 Exclusive Benefit of Employees.

Except as otherwise authorized by this Plan, at no time during the existence of this Plan and Trust or at its termination may any part of the Plan assets be used for or directed to purposes other than for the exclusive benefit of the Participants hereof or their beneficiaries or for defraying reasonable expenses of administering this Plan.

17.4 Termination.

- A. This Plan and Trust shall terminate upon the occurrence of any of the following:
1. Written notice of the Employer to the Trustee;
 2. Complete discontinuance of contributions by the Employer;
 3. The dissolution or merger of the Employer unless a successor to the business agrees to continue this Plan and Trust by executing an appropriate agreement, in which event such successor shall succeed to all the rights, powers and duties of the Employer.
- B. In the event that the Employer is taken over by a successor who agrees to continue this Plan, the employment of any Employee who is continued in the employ of such

successor shall not be deemed to have been terminated or severed for any purpose hereunder.

- C. Notwithstanding any provision hereof to the contrary, upon termination or partial termination of this Plan and Trust, or upon complete discontinuance of contributions to this Plan, the interest of all affected Participants and all unallocated units, shares, or amounts shall fully vest and become nonforfeitable. Upon termination, the Trust Fund shall be liquidated by the Trustee as promptly as shall then be reasonable under the circumstances, and each Participant shall receive his Accrued Benefit in the form of a single lump sum payment. Provided, however, that a Participant shall not receive his Tax-Deferred Contribution Account, and any income thereon, on account of Plan termination unless the Plan termination occurs without the establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan).

ARTICLE XVIII RIGHT TO DISCHARGE EMPLOYEES

Neither the establishment of this Plan and Trust nor any modification thereof, nor the creation of any funds or accounts nor the payment of any benefit, shall be construed as giving any Participant, or any other person whomsoever, any legal or equitable right against the Employer, the Trustee, or the Committee unless the same shall be specifically provided for in this agreement or conferred by affirmative action of the Committee or the Employer in accordance with the terms and provisions of this agreement or as giving any Employee or Participant the right to be retained in the service of the Employer, and all Employees shall remain subject to discharge by the Employer to the same extent as if this Plan and Trust had never been adopted.

ARTICLE XIX RETURN OF CONTRIBUTIONS; DECLARATION OF TRUST CONTINGENT ON INTERNAL REVENUE SERVICE APPROVAL

Contributions made hereto are conditioned on deductibility by the Employer under Section 404 of the Code, and such contributions may not be made under a mistake of fact.

Contributions may be returned to the Employer, in the amount involved, within one year of the mistaken payment of the contribution, or disallowance of a deduction, as the case may be.

This Plan and Trust shall be contingent upon a favorable Internal Revenue Service ruling as to the initial acceptability under Section 401(a) of the Internal Revenue Code, as amended, and exemption from income taxation under Section 501(a) of the Internal Revenue Code. In the event that the Commissioner of Internal Revenue determines that this Plan is not initially qualified under the Internal Revenue Code, and if the Employer does not effect an amendment which will cure the defect, then this Plan and Trust will thereupon terminate and be of no further force or effect, and the Trustee shall forthwith return to the Employer the current value of all contributions made incident to that initial qualification by the Employer (plus income, less any fees or expenses allocable thereto) within one year after the date the initial qualification is denied, but only if the application for the qualification is made by the time prescribed by law for filing the Employer's

return for the taxable year in which this Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

ARTICLE XX ROLLOVER CONTRIBUTIONS; TRUST TO TRUST TRANSFERS

20.1 Trust to Trust Transfers.

This Article 20.1 applies to distributions made on or after January 1, 1993.

Notwithstanding any provision of this Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

20.2 Definitions

A. Eligible Rollover Distribution.

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; the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and, effective with respect to distributions made on or after January 1, 1999, hardship withdrawals of tax-deferred contributions, ~~unless such a distribution is made after a permissible distribution event (other than a hardship withdrawal) occurs under Code Section 401(k)(2)(B).~~ Provided, effective with respect to distributions made after December 31, 2001, any amount that is distributed on account of hardship, if available under the Plan, shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan. Provided further, effective with respect to distributions made after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code (a "traditional IRA"), a Roth individual account or annuity described in Code Section 408A (a "Roth IRA"), or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in

gross income and the portion of such distribution which is not so includible.
~~Effective with~~

With respect to distributions made after December 31, 2008, ~~if, with respect to any portion of 2006, a distribution from this Plan on behalf of a deceased Participant, a direct trustee to trustee transfer is made to an individual retirement~~ of after-tax contributions may be transferred to a qualified defined contribution plan described in Code Section ~~402(e)(8)(B)(i), or (ii) established for the purposes of receiving the distribution on behalf of an individual who is a designated beneficiary (as defined in Code Section 401(a)(9)(E)) of the Participant and who is not the Surviving Spouse of the Participant, then (1) the transfer shall be treated as an eligible rollover distribution, (2) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)), and (3) Code Section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such plan~~ 403(b), provided such contract separately accounts for such after-tax amounts.

B. Eligible Retirement Plan.

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, a Roth individual retirement account described in Code Section 408A(b), an annuity plan described in Section 403(a) 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. ~~Effective with respect to distributions made after December 31, 2001, an~~ An eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and 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. The definition of eligible retirement plan shall also apply in the case of a distribution to a Surviving Spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code. ~~For distributions made after December 31, 2007, an eligible retirement plan shall also include an individual retirement account described in Code Section 408A(b).~~

C. Distributee.

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~~ Spouse or former spouse who is the alternate payee under a

qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the ~~spouse~~Spouse or former spouse.

Effective January 1, 2009, a designated beneficiary who (a) is other than the Participant's Spouse and (b) is considered to be a designated beneficiary under Code Section 401(a)(9)(E) (known as a "Non-Spouse Designated Beneficiary") is also considered a "qualified distributee."

D. Direct Rollover.

A direct rollover is a payment by this Plan to the eligible retirement plan specified by the distributee.

Effective with respect to a distributions made after December 31, 2008, a "Non-Spouse Designated Beneficiary" may establish an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) (known as an "Inherited IRA") into which all or a portion of a death benefit (to which such Non-Spouse Designated Beneficiary is entitled) can be transferred in a direct trust-to-trust transfer (a direct rollover). In determining the portion of such death benefit that is considered to be a required minimum distribution that must be made from the Inherited IRA, the Non-Spouse Designated Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulation 1.401(a)(9)-3, Q&A-4(c). Any distribution made pursuant to this Section is not subject to the direct rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f), or the mandatory withholding requirements of Code Section 3405(c). If a Non-Spouse Designated Beneficiary receives a distribution from the Plan then the distribution is not eligible for the "60-day" rollover rule, which is available to a Designated Beneficiary who is a Spouse. If the Participant's Non-Spouse Designated Beneficiary is a trust, then this Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a Designated Beneficiary within the meaning of Code Section 401(a)(9)(E). In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. A distribution to a Non-Spouse Designated Beneficiary that is made prior to January 1, 2010 is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B)), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c). The above is in addition to the right of the Employee or former Employee, the Employee's or former Employee's Surviving Spouse, and the Employee's or former Employee's Spouse or former spouse who is the alternate payee under a qualified domestic relations order to elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan.

ARTICLE XXI
LOANS TO PARTICIPANTS

A Participant may obtain a loan from his or her Accounts under this Plan in accordance with the terms of the written participant loan program established by the Committee, the terms and conditions of which are included in the Summary Plan Description and incorporated herein by reference. No loan shall be made which does not meet the following requirements:

- A. A Participant shall apply for a loan through the telephone voice response system or such other means as designated by the Committee, providing such information as the Committee shall require. The Committee may also limit the number of Plan loans each Participant will be permitted to have.
- B. The total amount of the loan, together with the outstanding balance of all other Plan loans to the Participant, shall not exceed the lesser of (1) \$50,000 reduced by the excess, if any, of the highest outstanding balance of loans during the one year period ending on the day before the loan is made over the outstanding balance of loans from this Plan on the date on which such loan was made, or (2) one-half of the present value of the Participant's nonforfeitable Accrued Benefit under this Plan. For purposes of the dollar limitations imposed by this paragraph, all plans maintained by the Employer and any trade or business which is a member of a controlled group of trades or businesses or an affiliated service group under Code Sections 414(b), 414(c) and 414(m) shall be treated as one Plan.
- C. Each loan shall bear interest at a commercially reasonable rate as determined by the Committee. In determining the interest rate, the Committee shall consider interest rates being charged by local financial institutions for similar loans with similar collateral.
- D. Each loan shall have a definite maturity date and shall be repayable in level installment payments not less frequently than quarterly. The term for repayment shall not exceed five years unless the loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) is to be used as the principal residence of the applicant. In that case, the Committee will determine the term for repayment of such a loan, which shall not exceed the term normally available through financial institutions offering such loans in similar amounts with similar collateral.
- E. Interest paid on the loan shall accrue to the account of the Participant. All loans outstanding to a Participant shall be secured by not more than 50% of the Participant's nonforfeitable Accrued Benefit with the determination being made as of the date of the loan approval. The Participant's loan payments shall be reallocated among the Plan investment funds in accordance with the Participant's most recent investment directions made pursuant to this Plan.
- F. Loans shall be available to all Participants on a reasonably equivalent basis. Credit-worthiness may be considered.
- G. If an event occurs which results in a distribution (other than an in-service distribution) to any Participant or former Participant or to a beneficiary and a loan to such Participant is outstanding, the unpaid balance of the principal and interest shall be deducted from the

amount of the distribution. A Participant may prepay his loan in full or in part at any time without penalty.

- H. Loan payments shall be suspended under this Plan while a Participant is on qualified military leave as permitted under Code Section 414(u)(4).
- I. A Participant may have two (2) outstanding loans at a time. The minimum loan that may be made to a Participant is \$1,000. Loan fees applicable to a Participant's loan shall be paid from such Participant's Accounts.

**ARTICLE XXII
MINIMUM REQUIRED DISTRIBUTION UNDER
FINAL REGULATIONS**

With respect to minimum required distributions made on or after the Effective Date as defined in Article 22.1(A) below, the following provisions shall apply:

22.1 General Rules.

A. Effective Date.

The provisions of this Article XXII will apply for purposes of determining required minimum distributions for calendar years beginning with the 2002 calendar year.

B. Precedence.

The requirements of this Article XXII will take precedence over any inconsistent provisions of the Plan as to the required minimum amount payable, provided that any provision of the Plan requiring faster payment or greater payments will remain in effect.

C. Requirements of Treasury Regulations Incorporated.

All distributions required under this Article XXII will be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9) [and the minimum incidental benefit requirement of Code Section 401\(a\)\(9\)\(G\)](#).

D. TEFRA Section 242(b)(2) Elections.

Notwithstanding the other provisions of this Article XXII, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

22.2 Time and Manner of Distribution.

A. Required Beginning Date.

The Participant's nonforfeitable Accrued Benefit will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date, as defined in Article 22.5(E) below.

B. Death of Participant Before Distributions Begin.

If the Participant dies before distributions begin, the Participant's nonforfeitable Accrued Benefit will be distributed, or begin to be distributed, no later than as follows:

1. If the Participant's Surviving Spouse is the Participant's sole designated beneficiary, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later, unless Article 22.2(C) below applies.
2. If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, unless Article 22.2(C) below applies.
3. If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire nonforfeitable Accrued Benefit will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
4. If the Participant's Surviving Spouse is the Participant's sole designated beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, this Article 22.2(B), other than Article 22.2(B)(1), will apply as if the Surviving Spouse were the Participant.

For purposes of this Article 22.2(B) and Article 22.4 below, unless Article 22.2(B)(4) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If Article 22.2(B)(4) above applies, distributions are considered to begin on the date distributions are required to begin to the Surviving Spouse under Article 22.2(B)(1) above. If the Plan permits an annuity contract as a form of payment and 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 Article 22.2(B)(1)), the date distributions are considered to begin is the date distributions actually commence.

C. Five-Year Rule.

If the Participant dies before distributions begin and there is a designated beneficiary, distribution to the designated beneficiary is not required to begin by the date specified above in Article 22.2(B), as long as the Participant's entire nonforfeitable Accrued Benefit will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death ("five-year rule"). If the Participant's Surviving Spouse is the Participant's sole designated beneficiary and the Surviving Spouse dies after the Participant but before distributions to either the Participant or the Surviving Spouse begin, this election will apply as if the Surviving Spouse were the Participant.

Beneficiaries may elect on an individual basis whether the foregoing 5-year rule or the life expectancy rule specified in Article 22.2(B) above and Article 22.4(B) below 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 (a) December 31 of the calendar year in which distribution would be required to begin under Article 22.2(B), or (b) December 31 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, Surviving Spouse's) death. If the beneficiary does not make an election under this paragraph, distributions will be made in accordance with the five-year rule.

A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

D. 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, then for each distribution calendar year distributions will be made in accordance with Article 22.3 and Article 22.4 below. If the Plan permits an annuity contract as a form of payment and 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.

22.3 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:

1. the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 [Q&A-2](#) of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
2. if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, 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 Article 22.3 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

22.4 Required Minimum Distributions After Participant's Death.

A. Death On or After Date Distributions Begin.

1. **Participant Survived by Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit 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:
 - (a) 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.
 - (b) 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.

- (c) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

2. **No Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's entire nonforfeitable Accrued Benefit 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.

1. **Participant Survived by Designated Beneficiary.** 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 nonforfeitable Accrued Benefit by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Article 22.4(A) above.
2. **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire nonforfeitable Accrued Benefit will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
3. **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.** If the Participant dies before the date distributions begin, the Participant's Surviving Spouse is the Participant's sole designated beneficiary, and the Surviving Spouse dies before distributions are required to begin to the Surviving Spouse under Article 22.2(B)(1) above, this Article 22.4(B) will apply as if the Surviving Spouse were the Participant.

22.5 Definitions.

A. Designated beneficiary.

The individual who is designated as the beneficiary under Article 7.2 of the Plan (including any individual who is a default beneficiary identified under Article 7.2 of the Plan), and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4, Q&A-1, 4 of the Treasury regulations.

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 preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Article 22.2(B). 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 Section 1.401(a)(9)-9 [Q&A-1](#) of the Treasury regulations.

D. Participant's nonforfeitable Accrued Benefit.

The Participant's nonforfeitable Accrued Benefit 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 nonforfeitable Accrued Benefit 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 nonforfeitable Accrued Benefit 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.

E. Required Beginning Date.

The date specified in Article 7.1(B) of the Plan.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed this _____ day of _____, 20____.

INTERCITY TRANSIT, INC.

By: _____
Title

By: _____
Title

Trustee

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INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST

INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST

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**INTERCITY TRANSIT
EMPLOYEES' RETIREMENT PLAN AND TRUST**

THIS DOCUMENT is made and executed by Intercity Transit, a State of Washington municipal corporation, with its principal office and place of business at Olympia, Washington, hereinafter referred to as "Employer";

W I T N E S S E T H :

WHEREAS, the Employer is a municipal corporation that does not fully participate in the Social Security system; and

WHEREAS, the Employer established its Profit Sharing Plan effective as of January 1, 1983 and to conform the Plan to applicable law, the Employer intends to amend the Plan by a complete restatement; and

WHEREAS, the Employer intends that the Plan and Trust established hereunder be qualified under Sections 401(a) and 401(k) of the Internal Revenue Code; and

WHEREAS, the form of this Plan and Trust has been approved by the Employer;

NOW, THEREFORE, it is agreed:

**ARTICLE I
NAME AND EFFECTIVE DATE**

1.1 Name.

This Plan shall be known as the Intercity Transit Employees' Retirement Plan and Trust.

1.2 Effective Date.

The original effective date of the Plan was January 1, 1983. The Plan was subsequently amended and restated effective January 1, 1997. This Plan is now amended and restated in its entirety effective January 1, 2014, unless otherwise specifically stated herein, to incorporate previously adopted amendments and to bring the Plan into compliance with the Pension Protection Act of 2006 and the Heroes Earnings Assistance and Relief Act of 2008.

1.3 Type of Plan

The Plan is a governmental plan that is intended to qualify under the provisions of the Internal Revenue Code that are applicable to governmental plans. The Plan is exempt from the requirements of the Employee Retirement Income Security Act of 1974.

ARTICLE II DEFINITIONS

Whenever used herein, unless the context clearly indicates otherwise, masculine, feminine, and neuter words may be used interchangeably, singular shall mean the plural and vice versa, and the following words and phrases shall have the following meanings:

2.1 Accounts.

Accounts means the individual separate Accounts established by the Plan Administrator in the name of each Participant in accordance with this Plan.

2.2 Accrued Benefit.

Accrued Benefit means the balance of a Participant's Accounts including investment experience, as of a Valuation Date.

2.3 Anniversary Date.

Anniversary Date means the effective date of this Agreement, and each anniversary of such date.

2.4 Annuity Starting Date.

Annuity Starting Date means the first day of the first period for which an amount is payable as an annuity, or in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit.

2.5 Beneficiary.

Beneficiary means the person or persons designated as such by a Participant in accordance with Article VII.

2.6 Code.

Code means the Internal Revenue Code of 1986, as amended.

2.7 Committee.

Committee means the Pension Committee provided for in this Plan.

2.8 Compensation.

Compensation for Plan contribution purposes means an Employee's total salary or wages, bonuses and overtime from the Employer before any deferral of income pursuant to Article 4.1(A) and before any salary reduction contributions to the Employer's Internal Revenue Code Section 457 plan, Code Section 125 flexible benefits plan, Code Section 132(f)(4) transportation fringe benefit plan, if any, or a simplified employee pension plan

pursuant to Code Section 402(h)(1)(B), but excluding Employer contributions hereunder pursuant to Article 4.1(B), Employer contributions to any other similar retirement plan, and payments by the Employer (other than Section 125 contributions) on account of medical, disability and life insurance. Compensation includes compensation received while on paid leave and leave cashouts and other Compensation paid at severance from employment.

Effective January 1, 2009, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h), is treated as an Employee of the Employer making the payment, (ii) the differential wage payment is treated as Compensation, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment. However, subsection (iii) applies only if all Employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

For purposes of the Code Section 415 limitations on contributions and benefits (Article 5.5 hereof), "Compensation" means wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining this Plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, reimbursements, and expense allowances), and, effective with Plan Years beginning on or after January 1, 1998, any elective deferrals as defined in Code Section 402(g)(3) and Code Section 132(f)(4) transportation fringe benefit plan salary reduction contributions, and any amount which is contributed to or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of Code Section 125 or 457. Such compensation does not include:

- (a) Contributions to a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed;
- (b) Employer contributions to a simplified employee pension described in Section 408(k) of the Code to the extent deductible by the Employee;
- (c) Distributions from a plan of deferred compensation regardless of whether such amounts are includable in gross income when distributed (except that amounts paid to an Employee under an unfunded nonqualified plan of deferred compensation will be considered as compensation for purposes of Code Sections 415 and 416 in the year such amounts are includable in gross income);

- (d) Amounts realized from the exercise of a nonqualified stock option or when restricted property becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (e) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; or
- (f) Other amounts which receive special tax benefits such as premiums for group term life insurance (but only to the extent that the premiums are not includable in gross income) or contributions made by an Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Code (whether or not contributions are excludable from gross income).

Any amount includible in a Participant's gross income due to noncompliance with Code Section 409A shall be included in Compensation for purposes of Code Section 415 limitations on contributions and benefits.

For purposes of applying the Code Section 415 limitations on contributions and benefits, the following Compensation shall be considered: (1) a Participant's regular Compensation received for services rendered during the Participant's regular working hours that is paid during a post-severance payment period, (2) a Participant's Compensation for services rendered outside his regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments that would have been paid to the Participant before a severance of employment had the Participant continued in employment with the Employer (provided such amounts are paid during the post-severance payment period). The post-severance period is the period from the Participant's severance from employment until the later of 2-1/2 months after severance or the end of the limitation year in which severance occurred. In no event shall the Compensation for purposes of Code Section 415 for a given limitation year exceed the maximum amount of Compensation recognized for purposes of limiting contributions or benefits payable with respect to a plan under Code Section 401(a)(17) for that same limitation year.

If the Employer so elects, Compensation for purposes of applying the Code Section 415 limitations on contributions and benefits for a limitation year shall include amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next limitation year, the amounts are included on a uniform and consistent basis with respect to all similarly-situated participants, and no compensation is included in more than one limitation year.

The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code (e.g., \$260,000 for the 2014 Plan Year). Annual compensation means compensation during the Plan Year or such other consecutive 12-month period

over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

2.9 Eligibility Computation Period.

Eligibility Computation Period initially means the 12-consecutive-month period beginning with the date on which the Employee first performs an Hour of Service for the Employer (the “Employment Commencement Date”) and the anniversaries thereof, or in the case of an Employee who has had a One-Year Break in Service, the 12-consecutive-month period beginning with the first date on which the Employee completes an Hour of Service following the last computation period in which a One-Year Break in Service occurred (the “Reemployment Commencement Date”). After the initial computation period, the succeeding Eligibility Computation Periods shall be the Plan Year which includes the first anniversary of the Employment Commencement Date or Reemployment Commencement Date and each succeeding Plan Year.

2.10 Employee.

Employee means any person in the service of the Employer receiving a regular wage or salary. Solely for testing purposes, Employee also means any employee of any other employer aggregated under Code Section 414(b), (c), (m) or (o) and the regulations thereunder. A leased employee as defined in Code Section 414(n)(2) shall be considered an Employee hereunder solely for purposes of Code Section 414(n)(3) unless (i) leased employees constitute less than twenty percent (20%) of the Employer’s non-highly-compensated workforce as defined in Code Section 414(n)(5)(c)(ii) and (ii) the leased employee is a participant in a plan described in Code Section 414(n)(5)(B). A leased employee for purposes of Code Section 414(n)(3) means any person who is not an Employee of the Employer and who provides services for the Employer pursuant to an agreement between the Employer and a leasing organization, who has performed such services for the Employer and related persons on a substantially full-time basis for a period of at least one year, and whose services are performed under the primary direction or control of the Employer. Notwithstanding that a leased employee is treated as an Employee hereunder solely for purposes of Code Section 414(n)(3), such a leased employee shall not be considered an eligible Employee or receive credit for service or share in Employer contributions under this Plan.

2.11 Employer.

Employer means Intercity Transit and any affiliate which, with the consent of Intercity Transit elects to adopt the Plan and any organization that acquires the Employer’s business and adopts the Plan.

2.12 Enrollment Date.

Enrollment Date means the first day the Employee completes the eligibility requirements of Article III, and shall be the date on which the Employee commences participation in the Plan.

2.13 Fiscal Year.

Fiscal Year means the Employer's Fiscal Year for accounting purposes which is the calendar year.

2.14 Hour of Service.

Hour of Service means:

- (a) Each hour for which the Employee is directly or indirectly paid, or entitled to payment, by the Employer for the performance of duties. These hours shall be credited to the Employee for the computation period or periods in which the duties are performed. Effective with respect to reemployments initiated on or after December 12, 1994, an Employee in qualified military service as defined in Code Section 414(u)(5) shall be credited with Hours of Service at his customary rate; and
- (b) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship was terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this subparagraph (b) for any single continuous period (whether or not such period occurs in a single computation period). Hours under this subparagraph (b) shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference; and
- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be credited under subparagraphs (a) or (b), as the case may be, and under this subparagraph (c). These hours shall be credited to the Employee for the Eligibility or Vesting Computation Period or Periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.

Provided, that for the purpose of determining whether an Employee has incurred a One-Year Break in Service (i) Hours of Service described in subparagraph (b) shall be credited without regard to the 501-hour limitation of subparagraph (b); (ii) hours at the Employee's customary rate shall be credited during any period the Employee is on authorized leave of absence or temporary layoff, and (iii) in the case of an Employee who is absent from work for any period by reason of pregnancy, birth of a child, placement with the Employee of a child for adoption, or caring for such child immediately following birth or placement, Hours of Service (up to 501 hours) shall be credited equal to the Hours of Service that otherwise would normally have been credited to the Employee but for such absence (or if such hours cannot be determined, equal to 8 Hours of Service per day of absence). The hours credited under (iii) above shall be credited to the applicable

computation period in which the absence begins if such crediting will prevent a One-Year Break in Service, or otherwise to the following computation period. No such credit shall be given unless the Employee provides the Committee with timely information (including, if requested, a written statement of a doctor or adoption official) to establish that the absence is for reasons referred to in this paragraph and the number of days for which there was such an absence. Provided, further, there shall be no duplication of credit under this Plan. If an authorized leaves of absence is granted, it shall be on a nondiscriminatory basis.

Hours of Service for any other trade or business that is along with the Employer a member of a group of trades or businesses (whether or not incorporated) which are under common control, as defined in Code Sections 414(b) and (c), or an affiliated service group as defined in Code Section 414(m) as modified by Code Sections 414(m)(5) and (6), and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder shall be considered Hours of Service for the Employer.

Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Code Section 414(n) or 414(o) and the regulations thereunder.

2.15 One-Year Break in Service.

One-Year Break in Service means a computation period during which an Employee fails to complete more than 500 Hours of Service.

2.16 Participant.

Participant means an Employee who satisfies the eligibility requirements of Article III and who commences participation in the Plan.

2.17 Participant Elected Contribution.

Participant Elected Contribution means the contribution made by the Employer from salary or wage deferrals elected by the Participant in accordance with this Plan.

2.18 Plan or Trust.

Plan or Trust means this Retirement Plan and Trust Agreement and all subsequent amendments thereto.

2.19 Plan Administrator.

Plan Administrator means the Pension Committee as appointed under this Plan.

2.20 Plan Year.

Plan Year means the twelve (12) consecutive month period ending on the last day of December. The Plan Year shall be the year on which the records of the Plan are kept.

2.21 Salary Deferral Agreement.

Salary Deferral Agreement means the written authorization of a Participant to the Employer to deduct from the Participant's Compensation an amount or percentage to be deferred as a Participant Elected Contribution in accordance with this Plan.

2.22 Spouse.

Spouse means the lawful husband or wife of the Participant.

2.23 Surviving Spouse.

Surviving Spouse shall mean the Participant's Spouse surviving at the date of the Participant's death.

2.24 Trust Fund or Fund.

Trust Fund or Fund means all contributions received by the Trustee for purposes of the Plan, the investment thereof, and the earnings and appreciation thereon, less payments made to carry out the Plan.

2.25 Trustee.

Trustee means Intercity Transit or any successor Trustee or Trustees hereunder.

2.26 Valuation Date.

Valuation Date means the day on which the assets of the Plan are valued. The assets of the Plan shall be valued on each business day.

2.27 Year of Service.

Year of Service means a computation period during which an Employee is credited with 1,000 or more Hours of Service. The Vesting Computation Period shall be the Plan Year.

**ARTICLE III
ELIGIBLE EMPLOYEES**

3.1 Participation.

Employees shall be excluded from those eligible to participate if they are included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and one or more Employers, if there is evidence that retirement benefits were the subject of good faith bargaining and if the collective bargaining agreement does

not provide for participation by such Employees. Notwithstanding any provision of this Plan to the contrary, any individual who is classified as an independent contractor by the Employer or any other corporation or association which hereinafter adopts this Plan (regardless of whether such individual is classified as an employee by a court or any federal, state or local agency or by applicable law) and any individual who performs services pursuant to an agreement between the Employer and a leasing organization shall not be eligible to participate in this Plan.

Subject to the foregoing, each Employee who was a Participant on December 31, 2013, shall continue to be a Participant subject to the provisions of this Plan. Each other Employee not excluded by reason of the preceding paragraph shall become eligible upon the later of his or her receiving credit for one (1) Hour of Service or attainment of age 18. Once eligible, a Participant may enroll in the Plan by completing a Salary Deferral Agreement and the effective date of that agreement shall be his or her Enrollment Date.

3.2 Participation on Reenrollment.

In the event of a Break in Service, a former Participant shall resume participation in this Plan upon the date of the Participant's reemployment by the Employer and execution of a Salary Deferral Agreement.

3.3 Inactive Participants.

In the event a Participant transfers to an ineligible class of employees, such Employee's participation in this Plan shall cease as of the date of such transfer.

In the event an ineligible Employee transfers to the eligible class, such Employee shall participate in the Plan immediately if the Employee is a former Participant or the Employee has previously satisfied the requirements of Article 3.1 and would have previously been admitted to participation if the Employee had been in the eligible class.

ARTICLE IV CONTRIBUTIONS

4.1 Plan Contributions.

A. Participant Salary Deferrals.

1. Election to Defer Compensation.

A Participant may elect to defer a portion of his or her Compensation by signing a Salary Deferral Agreement which shall provide for contribution of the minimum required amount as follows:

- (a) Participants not Contributing to Medicare.** The minimum required contribution for a Participant who is not contributing for hospital insurance under the Social Security Act as determined under Section 3121(u) of the Internal Revenue Code shall be equal

to the sum of the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code and the percentage required for hospital insurance under Section 3101(b) of the Code without regard to the social security wage base.

Notwithstanding the foregoing, effective January 1, 2011, the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code shall not be less than 6.2%.

- (b) **Participants Contributing to Medicare.** The minimum required contribution for a Participant who is contributing for hospital insurance under the Social Security Act as determined under Section 3121(u) of the Internal Revenue Code shall equal the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code without regard to the social security wage base. Notwithstanding the foregoing, effective January 1, 2011, the percentage required for old age survivors and disability insurance under Section 3101(a) of the Code shall not be less than 6.2%.

2. Additional Contributions.

A Participant may elect to contribute an additional amount up to the maximum amount permitted by law. No Participant shall be permitted to have elective deferrals made under this Plan, or any other qualified plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year (e.g., \$17,500 for and as adjusted by the Secretary of the Treasury and applicable law in future years), except to the extent permitted under Article 4.1(A)(3) and under Section 414(v) of the Code, if applicable. A Participant who makes pre-tax contributions to more than one plan in a calendar year in excess of this dollar limit must submit to the Committee by March 1 of the year following the year of the excess contributions a written statement including the amount of the excess contributions to be allocated to this Plan. Any excess contributions allocated to this Plan shall be distributed, together with income attributable thereto, by April 15 of the year following the year of the excess contributions.

Allocable income for the 2007 taxable year must be calculated for the taxable year and also for the gap period (i.e., the period after the close of the taxable year in which the excess deferral occurred and prior to the distribution); provided, that the gap period income will be calculated and distributed only if the gap period allocable income would otherwise be allocated to the Participant's account. With respect to excess deferrals made in taxable years after 2007, gap period income shall not be distributed. Income or loss allocable to excess deferrals distributed in a taxable year starting on or after January 1, 2008, shall be computed

through the end of the Plan Year to which the excess deferral related, using any reasonable allocation method(s); provided, however, that the process for calculating the income or loss must not discriminate in favor of Highly-Compensated Employees and must be used consistently for all Participants and for all corrective distributions for the Plan Year.

A Participant may increase, decrease or suspend his or her contributions by notification to the Plan Administrator pursuant to such procedures as the Plan Administrator shall adopt and communicate to Participants from time to time.

3. Catch-up Contributions.

All employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the taxable year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

4. Payment to Trustee.

The Employer shall transmit the Participant Elected Contributions to the Trustee as soon as administratively possible and, in any event, not later than the date required by applicable law.

5. Limitation on Deferral of Compensation.

A Participant Elected Contribution shall be taken into account for a Plan Year only if the Elective Contribution of the Participant under the Plan is allocated as of a date within that Plan Year. An Elective Contribution of a Participant is considered allocated as of a date within the Plan Year only if:

- (i) The allocation is not contingent upon the Participant's participation in the Plan or performance of Services on any date subsequent to that date, and
- (ii) The Elective Contribution is actually paid to the Trust no later than the end of the twelve-month period immediately following the Plan Year to which the contribution relates.

Participant Elected Contributions shall be taken into account only if it relates to Compensation that either:

- (i) Would have been received by the Participant in the Plan Year but for the Participant's election to defer; or
- (ii) Is attributable to services performed by the Participant in the Plan Year and, but for the Participant's election to defer, would have been received by the Participant within two and one-half months after the close of the Plan Year.

B. Employer Matching Contributions.

The Employer shall contribute on behalf of each Participant each pay period an amount equal to that Participant's contributions described in Article 4.1(A)(1) of the Plan. No matching contribution will be made for a Participant's additional contributions described in Article 4.1(A)(2).

4.2 After-Tax Contributions.

Employee after-tax contributions are not permitted under the Plan.

4.3 In-Service Withdrawals.

In-service withdrawals are not permitted under the Plan except to the extent permitted under Article 7.4 of this Plan.

4.4 Qualified Military Service.

This Plan shall be administered in accordance with the requirements of the Uniformed Services Employment and Reemployment Rights Act and Code Section 414(u) and as a result, an Employee returning from qualified military service shall be entitled to contribute hereunder and receive Employer matching contributions in the amount the individual would have been permitted to contribute had the individual continued to be employed hereunder receiving Compensation during the period of qualified military service.

**ARTICLE V
PARTICIPANT ACCOUNTS AND CREDITING OF CONTRIBUTIONS**

5.1 Accounts.

The Plan Administrator shall establish in the name of each Participant such Accounts as are necessary to properly account for the types of contributions made on behalf of a Participant.

5.2 Allocation and Crediting of Contributions.

A. Crediting of Participant Elected Contributions.

Employer contributions arising from a Participant's election to defer Compensation shall be credited to the Participant's Employee Deferral Account.

B. Crediting of Employer Matching Contributions.

Employer matching contributions shall be credited to the Account of a Participant for whom the matching contribution is made in accordance with Article 4.1(B) and shall be credited to the Participant's Employer Matching Account.

5.3 Valuation of Assets.

As of each Valuation Date, the Trustee shall value the assets of the Trust at the then current fair market value.

5.4 Adjustment of Participants' Accounts.

As of each Valuation Date, the Participant's accounts shall be adjusted to reflect the fair market value of the assets credited to such accounts.

5.5 Maximum Contributions.

A. Annual Addition. The term "annual addition" for any Plan Year means the sum of:

- (1) The Employer's contributions on a Participant's behalf to the Employer's defined contribution plan(s) (any profit sharing, money purchase pension, stock bonus, and target benefit pension plans), including tax-deferred contributions hereunder;
- (2) The Participant's voluntary nondeductible Employee contributions, if any, to the defined contribution plan(s) maintained by the Employer;
- (3) Any forfeitures allocated to the Participant's account under a profit sharing plan maintained by the Employer;
- (4) Amounts allocated for a Plan Year beginning after March 31, 1984, to a Code Section 415(1)(2) individual medical account that is part of a pension or annuity plan maintained by the Employer; and
- (5) Amounts paid or accrued after December 31, 1985, in taxable years ending after that date, for post-retirement benefits allocated to a separate account in a Code Section 419(e) welfare benefit fund maintained by the Employer. These amounts will not be subject to the present limitations of Code Section 415(c)(1)(B); and

- (6) Amounts allocated under a simplified employee pension plan established pursuant to Code Section 408(k).

If a short limitation year is created because of an amendment changing the limitation year to a different 12-consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

Number of months in the short limitation year / 12

If the Plan is terminated as of a date other than the last day of the limitation year, the Plan is deemed to have been amended to change its limitation year and the maximum permissible amount shall be prorated for the resulting short limitation year.

The limitation year is the Plan Year.

Notwithstanding any other provision hereof, for Plan Years beginning prior to January 1, 2002, the annual addition to a Participant's accounts for any Plan Year shall not exceed the lesser of (i) \$30,000, as adjusted for cost-of-living increases pursuant to Code Section 415(c)(1), 415(d)(1), 415(d)(3), and 415(d)(4), or (ii) 25% of the Participant's Compensation from the Employer for the Plan Year as defined for purposes of Code Section 415 in Article 2.8. For Plan Years beginning on or after January 1, 2002, notwithstanding any other provision hereof, except to the extent permitted for catch-up contributions under Article 4.1(A)(3) and under Section 414(v) of the Code, if applicable, the annual addition to a Participant's accounts for any Plan Year shall not exceed the lesser of (i) \$40,000 as adjusted under Code Section 415(d) (i.e., \$52,000 for the 2014 Plan Year), or (ii) 100% of the Participant's Compensation for the limitation year, as defined for purposes of Code Section 415 in Article 2.8. The Compensation limit referred to in (ii) shall not apply to any contributions for medical benefits which are made after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) and which is otherwise treated as an annual addition.

B. Excess Annual Addition.

If the annual additions (within the meaning of Code Section 415) are exceeded for any Participant, then this Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2013-12 or any superseding guidance, including, but not limited to, the preamble of the final Code Section 415 regulations.

**ARTICLE VI
NONFORFEITABLE BENEFITS**

6.1 Employee Deferral Account.

A Participant shall have a nonforfeitable interest in the Participant's Employee Deferral Account at all times.

6.2 Employer Matching Account.

A Participant shall have a nonforfeitable interest in the Participant's Employer Matching Account upon the completion of six (6) months of service. Notwithstanding the foregoing, the Employer Matching Contribution Account of a Participant who completes at least one Hour of Service on or after January 1, 2009, shall be 100% vested and nonforfeitable at all times.

6.3 Rules for Crediting Service.

An Employee shall receive credit for service from his Employment Commencement Date to the date he terminates employment. Hours of Service shall not be counted. The following Years of Service shall be disregarded:

- (a) Years of Service for the period during which the Employer did not maintain this Plan or a predecessor plan.
- (b) Years of Service prior to a One-Year Break in Service if the Employee does not have a nonforfeitable interest under the Plan to an Accrued Benefit and the number of the Employee's consecutive One-Year Breaks in Service equals or exceeds five (5).

**ARTICLE VII
DISTRIBUTION OF BENEFITS**

7.1 Retirement Date and Options.

The Normal Retirement Age shall be age 59½, and each Participant or former Participant shall be entitled to retire upon attainment of Normal Retirement Age. A Participant or former Participant who has completed at least five (5) Years of Service and attained age 55 may elect to retire on or subsequent to the completion of such requirements, which day shall be his Early Retirement Date.

A. Employment After Normal Retirement Age.

If a Participant continues in the employ of the Employer beyond his Normal Retirement Date, he shall, pursuant to the terms of this Plan, continue to share in Employer matching contributions and increases and decreases in value, including fees and expenses, until actual retirement and may elect tax-deferred contributions hereunder.

B. Required Receipt of Benefits.

Distribution of benefits shall commence to each Participant upon such Participant's Required Beginning Date.

The Required Beginning Date of a Participant is the later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, except that benefit distributions to a more than five percent (5%) owner (as defined in Code Section 416) must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

A Participant is treated as a more than five percent (5%) owner for purposes of this section if such Participant is a more than five percent (5%) owner as defined in Code Section 416 at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70½. Once distributions have begun to a more than five percent (5%) owner under this section, they must continue to be distributed, even if the Participant ceases to be a more than five percent (5%) owner in a subsequent year.

C. Date of Retired Participant's First Payment.

A Participant who retires hereunder shall begin receiving his benefits as soon as is reasonably practicable after his retirement date but no later than the date sixty (60) days after the close of the Plan Year in which the Participant retires. Provided, however, that a Participant may elect to defer commencement of benefits as provided under Article 7.1(D) to a date not later than his Required Beginning Date.

D. Deferral of Benefits.

A Participant who retires hereunder or terminates employment with a nonforfeitable Accrued Benefit shall not be required to receive a distribution without his written consent. The Participant may elect to defer the commencement of his Plan benefits to a later date, but not later than his Required Beginning Date, which is April 1 of the calendar year following the calendar year in which he attains age 70½. Such a Participant must make this election in writing on a form provided by the Committee. Such election shall include the current amount of the Participant's nonforfeitable Accrued Benefit, the form of payment of the benefit, and the date on which payment shall commence. The Participant may change such election prior to the commencement of his deferred benefits, provided payments commence no later than the date required above.

Failure of a Participant to properly consent to a distribution shall be deemed an election to defer commencement of payment.

E. Form of Payment.

- (1) Installment payments in such amounts and over such period as shall be elected by the Participant, provided, the payment period shall not exceed the joint life expectancy of the Participant and his designated beneficiary at the time payments begin. Provided, that in any event a minimum annual installment shall be at least one hundred Dollars (\$100) until the Participant's interest has been fully distributed; or
- (2) A single payment equal to the Participant's nonforfeitable Accrued Benefit as of the Valuation Date coinciding with or immediately preceding the date of such payment.

A Participant may change his election any time prior to the day he first receives a distribution from this Plan. After the date installment payments have commenced, a Participant or former Participant may increase or decrease the amount of the payments or accelerate the period during which installments are made, in accordance with reasonable procedures established by the Committee, provided the requirements of option (1) continue to be met.

In the event a Participant's benefits are to commence and he has made no election of the form of payment prior to his benefit commencement date, distribution shall be made pursuant to option (2) above.

F. Minimum Distributions at Age 70½ if Installments Elected.

If a Participant's distribution is required to commence due to attainment of age 70½, and if the Participant has elected to receive installment payments, then at least an amount equal to the minimum required annual distribution shall be paid to the Participant, determined in accordance with Code Section 401(a)(9) and Article XXII of this Plan.

7.2 Death.

Each Participant shall designate a beneficiary or beneficiaries on a form to be furnished by the Committee. The beneficiary of a married Participant shall be his Spouse, unless the Spouse consents in writing to the designation of another specific beneficiary and acknowledges the effect of the consent. In order to be effective, the consent must be witnessed by a Plan Representative or a notary public. Such designation shall be filed with the Committee and may be changed by the Participant from time to time by filing a new designation in writing (together with the Spouse's consent where required). The designation last filed with the Committee shall control. In the event that a Participant has designated by name his Spouse as the primary beneficiary and the Participant and his Spouse are subsequently divorced, the beneficiary designation shall be deemed revoked. If the Participant dies before making a new beneficiary designation, the benefits shall be paid as if there were no beneficiary designation.

If any Participant shall fail to designate a beneficiary or if the person or persons designated predecease the Participant and there is no designated successor, the Participant's beneficiary shall be the following in the order named:

- (a) Surviving Spouse at date of death,
- (b) Then living issue, per stirpes (lawful issue and adopted),
- (c) Then living parents, in equal shares,
- (d) Brothers and sisters, in equal shares, provided that if any brother or sister is not then living, his or her share shall be distributed to his or her then living issue, per stirpes, and
- (e) Estate of the Participant.

In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u), the Participant's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service), such as full vesting upon death, provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

A. Death Prior to Commencement of Benefits.

A beneficiary may elect to receive payment on any date that is a reasonable time after the Participant's death. Payment shall be made in a single sum equal to the Participant's Accrued Benefit.

All payments to the beneficiary shall be completed by December 31 of the calendar year in which the fifth anniversary of the Participant's death occurs.

B. Death After the Commencement of Benefits.

In the event that a Participant dies after the commencement of installment payments as provided in Article 7.1(E)(2), such installment payments shall be paid to the Participant's beneficiary during the remainder of the payment period elected by the Participant; provided, however, that the Committee may direct the Trustee to accelerate such payments upon the written request of the beneficiary.

7.3 Disability.

Disability means that a Participant, by reason of mental or physical disability, is incapable of further employment by the Employer. In the event of disability, such Participant's Accrued Benefit shall be distributed to him if he so elects in the same manner as if he had attained full retirement age as provided in Article 7.1 above. Such benefit shall be valued as of the Valuation Date coinciding with or immediately preceding the date of distribution. Disability shall be established to the satisfaction of the

Committee. If the Participant shall disagree with the Committee's findings, disability shall be established by the certificate of a physician, selected by the Participant and approved by the Committee, or if the physician selected by the Participant shall not be approved by the Committee, then by a majority of three physicians, one selected by the Participant (or his Spouse, child, parent, or legal representative in the event of his inability to select a physician), one by the Committee, and the third by the two physicians selected by the Participant and the Committee.

7.4 Termination of Employment.

In the event a Participant voluntarily or involuntarily terminates employment with a nonforfeitable Accrued Benefit, the Participant shall not be required to receive a distribution without his written consent. The Participant's nonforfeitable Accrued Benefit shall be paid as provided in Article 7.1 within 60 days after the close of the Plan Year in which the Participant attains Normal Retirement Age, unless the Participant consents to an earlier distribution or elects to defer payments to a date as late as his Required Beginning Date as provided in Article 7.1(D).

Forfeitures shall be applied to reduce Employer contributions for the applicable Plan Year or the Plan Year immediately following.

This paragraph shall apply for distributions and severances from employment occurring after December 31, 2001. A Participant's elective deferrals, qualified nonelective contributions, qualified matching contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

Effective January 1, 2009, a Participant shall be treated as having a severance from employment and therefore eligible for a distribution of his or her Tax-Deferred Contribution Account during any period the Participant is performing service in the uniformed services for more than 30 days as described in Code Section 3401(h)(2)(A). In the event that such a Participant elects to receive a distribution by reason of severance from employment, the Participant may not make an elective deferral to this Plan during the 6-month period beginning on the date of the distribution.

7.5 Distribution to Persons Under Disability.

Distributions to minors or incompetents may be made by the Trustee either (1) directly to the minor, (2) to the legal guardians of the minor or incompetent, or (3) to the parent of the minor. The Trustee shall not be required to see to the application of any such distribution so made to any of said persons, but his or their receipts therefor shall be a full discharge of the Trustee.

7.6 No Reduction in Benefits by Reason of Increase in Social Security Benefits.

Notwithstanding any other provision of this Plan, in the case of a Participant who is receiving benefits under this Plan, or in the case of a Participant who has terminated employment with the Employer and who has a nonforfeitable Accrued Benefit, such benefits will not be decreased by reason of any increase in the benefit levels payable under Title II of the Social Security Act.

7.7 Time of First Payment.

Upon death, retirement, or termination of employment, distributions of an affected Participant's Accrued Benefit shall commence as soon as is reasonably possible, but in no event shall distribution commence later than sixty (60) days following the Plan Year during which such aforementioned event occurs unless the Participant has elected to defer receipt as provided in Article 7.1(D) above. All distributions required under this Plan shall be determined and made in accordance with the regulations under Income Tax Regulations 1.401(a)(9)-2 through 1.401(a)(9)-9 and the minimum distribution incidental benefit requirement of Code Section 401(a)(9)(G).

ARTICLE VIII PROVISION AGAINST ANTICIPATION

8.1 No Alienation of Benefits.

Until distribution pursuant to the terms hereof and except as hereinafter provided in this Article VIII, no Participant shall have the right or power to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits, proceeds, or avails of the funds set aside for him under the terms of this Plan, and no such benefits, proceeds, or avails shall be subject to seizure by any creditor of the eligible Employee under any writ or proceedings at law or in equity.

8.2 Qualified Domestic Relations Orders.

Notwithstanding any other Plan provision, and in compliance with Code Section 414(p)(6)(B), the following procedures shall apply when any domestic relations order is received by this Plan with respect to a Participant.

- A. The Committee shall promptly notify the Participant and (a) each person named in the order as entitled to payment of Plan benefits and (b) any other person entitled to any portion of the Participant's Plan benefits (persons referred to in (a) and (b) are hereafter referred to as "alternate payees") of the receipt of such order and of the Committee's procedures for determining the qualified status of the order. The Committee shall permit each alternate payee to designate a representative for receipt of copies of notices.
- B. Immediately upon receipt of such order, the Committee shall segregate in a separate account the amounts which are in pay status and which are payable to the alternate payee under the order.

- C. The Committee shall meet promptly after receipt of the order and determine whether the order is a Qualified Domestic Relations Order. The Committee shall promptly notify the Participant and each alternate payee of its decision. A Qualified Domestic Relations Order is any judgment, decree or order (including approval of a property settlement agreement) that:
- (1) Relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former spouse, child or other dependent of a Participant;
 - (2) Is made pursuant to a State domestic relations law (including a community property law);
 - (3) Creates or recognizes the existence of an alternate payee's right to receive all or a portion of a Participant's Plan benefits;
 - (4) Clearly specifies (i) the name and last known mailing address, if any, of the Participant, and the name and mailing address of each alternate payee covered by the order; (ii) the amount or percentage of the Participant's benefits to be paid by this Plan to each alternate payee, or the manner in which the amount or percentage is to be determined; (iii) the number of payments or period to which the order applies; and (iv) the plan to which the order applies;
 - (5) Does not require this Plan to provide any form of benefit not otherwise provided by this Plan or any increased benefits, and does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a Qualified Domestic Relations Order.
- D. The Committee's decision shall be final unless the Participant or an alternate payee gives written notice of appeal within 60 days after receipt of the Committee's decision.
- E. If within 18 months an order is finally determined to be a Qualified Domestic Relations Order, the segregated amounts plus interest (if any) shall be paid to the persons entitled thereto, and thereafter the alternate payee shall receive payments pursuant to the terms of the order. Amounts subject to the order which are not in pay status shall be transferred to a separate account in the name of the alternate payee and thereafter held for such payee's benefit pursuant to the terms of the order. If within 18 months the order is determined not to be a Qualified Domestic Relations Order, or if the issue has not been finally determined, the Committee shall pay the segregated amounts to the person who would have been entitled thereto if there had been no order. Any determination that an order is qualified after the close of the 18 month period shall be applied prospectively only.
- F. An appeal of the Committee's decision shall generally conform to this Plan's claims procedures.

- G. Notwithstanding any provisions of this Plan to the contrary, an alternate payee pursuant to a Qualified Domestic Relations Order shall be entitled to elect to receive a distribution from this Plan following the date such order is determined by the Committee to be a Qualified Domestic Relations Order and as specified in such Order. Payments made pursuant to this paragraph shall not be treated as a violation of the requirements of subsections (a) and (k) of Section 401 or Section 409(d) of the Code.
- H. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order will not fail to be a qualified domestic relations order solely because the order is issued after, or revises, another domestic relations order or qualified domestic relations order or solely because of the time at which the order is issued.

ARTICLE IX

PENSION COMMITTEE – NAMED FIDUCIARY AND ADMINISTRATOR

9.1 Appointment of Committee.

The Employer shall appoint a Pension Committee of one or more persons (herein referred to as the “Committee”). The Committee shall perform administrative duties set forth in part hereinafter and serve for such terms as the Employer may designate or until a successor has been appointed or until removal by the Employer. The Employer shall advise the Trustee in writing of the names of the members of the Committee and any changes thereafter made in the membership of the Committee. Vacancies due to resignation, death, removal, or other causes shall be filled by the Employer. Members shall serve without compensation for service. All reasonable expenses of the Committee shall be paid by the Employer. The number of Committee members may be changed by the Employer at any time.

9.2 Committee Action.

The Committee shall choose a secretary who shall keep minutes of the Committee’s proceedings and all data, records, and documents pertaining to the Committee’s administration of this Plan. The Committee shall act by a majority of its members at the time in office, and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may by such majority action authorize its secretary or any one or more of its members to execute any document or documents on behalf of the Committee, in which event the Committee shall notify the Trustee in writing of such action and the name or names of those so designated. The Trustee thereafter shall accept and rely conclusively upon any direction or document executed by such secretary, member, or members as representing action by the Committee until the Committee shall file with the Trustee a written revocation of such designation. A member of the Committee who is also a Participant hereunder shall not vote or act upon any matter relating solely to himself.

9.3 Rights and Duties.

The Committee shall be the Plan Administrator and named fiduciary of this Plan and shall have the power and authority in its sole, absolute and uncontrolled discretion to control and manage the operation and administration of this Plan and shall have all powers necessary to accomplish these purposes. The responsibility and authority of the Committee shall include but shall not be limited to the following:

- (a) Determining all questions relating to the eligibility of Employees to participate;
- (b) Computing and certifying to the Trustee the amount and kind of benefit payable to Participants, Spouses and beneficiaries;
- (c) Authorizing all disbursements by the Trustee from the Trust;
- (d) Establishing and reducing to writing and distributing to any Participant or beneficiary a claims procedure, and administering that procedure including the processing and determination of all appeals thereunder;
- (e) Maintaining all necessary records for the administration of this Plan other than those which the Trustee has specifically agreed to maintain pursuant to this Plan and Trust Agreement; and
- (f) Interpretation of the provisions of this Plan and publication of such rules for the regulation of this Plan as in the Committee's sole, absolute and uncontrolled discretion are deemed necessary and advisable and which are not inconsistent with the terms of this Plan.

9.4 Investments.

The Committee shall have the responsibility and authority to direct the Trustee and shall be the named fiduciary with respect to the management and control of the assets of this Plan in selecting the investment funds to be offered to Plan Participants and in monitoring the investment performance of those funds.

9.5 Information - Reporting and Disclosure.

To enable the Committee to perform its functions, the Employer shall supply full and timely information to the Committee on all matters relating to the compensation of all Participants, their continuous regular employment, their retirement, death, or the cause for termination of employment, and such other pertinent facts as the Committee may require, and the Committee shall furnish the Trustee such information as may be pertinent to the Trustee's administration of this Plan.

9.6 Standard of Care Imposed Upon the Committee.

The Committee shall discharge its duties with respect to this Plan solely in the interest of the Participants and beneficiaries and (1) for the exclusive purpose of providing benefits

to Participants and their beneficiaries and defraying reasonable expenses of this Plan; (2) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims; (3) by diversifying the investments of this Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and (4) in accordance with this Plan and Trust Agreement. Provided, however, that the Committee shall not be liable for any loss or for any breach of fiduciary responsibility which results from a Participant's exercise of control over the investment of his Plan accounts. Where a Participant is directing the investment of his Plan accounts among the Plan Funds, the Committee shall have no responsibility to maintain diversification of such accounts.

9.7 Allocation and Delegation of Responsibility.

The Committee may by written rule promulgated under Article 9.3 above allocate its fiduciary responsibilities among Committee members and may delegate to persons other than Committee members the authority to carry out fiduciary responsibilities under this Plan, provided that no such responsibility shall be allocated or delegated to the Trustee without its written consent. In the event that a responsibility is allocated to a Committee member, no other Committee member shall be liable for any act or omission of the person to whom the responsibility is allocated except as may be otherwise required by law. If a responsibility is delegated to a person other than a Committee member, the Committee shall not be responsible or liable for an act or omission of such person in carrying out such responsibility except as may otherwise be required by law.

9.8 Bonding.

Where required by law, each fiduciary of this Plan and every person handling Plan funds shall be bonded. It shall be the obligation of the Committee to assure compliance with applicable bonding requirements. The Trustee shall not be responsible for assuring compliance with the bonding requirements.

9.9 Claims Procedure.

The Committee shall establish a claims procedure which shall be reduced to writing and provided to any Participant or beneficiary whose claim for benefits under this Plan has been denied. The procedure shall provide for adequate notice in writing to any such Participant or beneficiary and the notice shall set forth the specific reasons for denial of benefits written in a manner calculated to be understood by the Participant or beneficiary. The procedure shall afford a reasonable opportunity to the Participant or beneficiary for a full and fair review by the Committee of the decision denying the claim. The Trustee shall have no responsibility for establishing such a procedure or assuring that it is carried out.

9.10 Funding Policy.

The Committee shall be responsible for establishing and carrying out a funding policy for the Employer's Plan. In establishing such a policy, the short-term and long-term liquidity

needs of this Plan shall be determined to the extent possible by considering among other factors the anticipated retirement date of Participants, turnover and contributions to be made by the Employer. The funding policy and method so established shall be communicated to the Trustee.

9.11 Indemnification.

The Employer does hereby indemnify and hold harmless each Committee member from any loss, claim, or suit arising out of the performance of obligations imposed hereunder and not arising from said Committee member's willful neglect or misconduct or gross negligence.

9.12 Compensation, Expenses.

The Committee members shall serve without compensation for services under this Plan. All expenses of Plan administration shall be paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Plan Committee, including but not limited to accountants, actuary, counsel, and other specialists, and other costs of administering the Plan. Provided, however, that the participant recordkeeping fees and the investment fees relating to the acquisition and disposition of Plan investments shall be a charge against and paid from the appropriate Plan Participants' accounts. Provided, further, that reasonable administrative fees related to a Participant loan may be charged to that Participant's Plan accounts.

**ARTICLE X
INVESTMENT OF TRUST FUNDS**

10.1 Investments by Trustee.

The Trustee shall exercise no authority or discretion in the management and control of the assets of this Plan but shall invest and reinvest such assets in accordance with the proper instructions of the Committee which are given in accordance with the terms of this Plan and the Trust and are not contrary to applicable law. The Trustee shall not be liable for the acts or omissions of such Committee nor be under any obligation to invest or otherwise manage any asset of the Trust Fund which is subject to the management of such Committee. Without limiting the generality of the foregoing, the Trustee in following the Committee's instructions shall invest and reinvest the principal and income of the Fund in common investment funds (the terms of which are incorporated herein by reference); regulated investment companies; real estate; government, municipal or corporation bonds, debentures or notes; common and preferred stocks or any other form of property, whether real, personal or mixed, including life insurance policies on key employees of the Employer for the benefit of the Trust; provided, that the Trustee shall not invest in bonds, debentures or convertibles issued by the Employer.

10.2 Investments.

Notwithstanding the above and provided the Employer's authorization is granted, one or more Participants may be granted the authority to direct the investment of his Plan

Accounts. In the event that such authorization is granted, the following provisions apply. For investment purposes, each Participant shall have the right to allocate contributions made to his Plan accounts among the Plan funds selected by the Committee in accordance with rules adopted by the Committee and uniformly applied. A Participant may transfer amounts in such accounts from one fund to another in such increments and at such times as shall be provided by rules adopted by the Committee and uniformly applied. With respect to the assets in the accounts of Participants who do not allocate contributions on their behalf among the Plan Funds, such assets shall be invested in the Fund(s) selected by the Committee.

10.3 Standard of Care Imposed Upon Trustee.

The Trustee shall discharge its responsibilities hereunder solely in the interests of the Participants and beneficiaries and (1) for the exclusive purpose of providing benefits to Participants and their beneficiaries, and defraying reasonable expenses of administering this Plan; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (3) in accordance with the terms of this Plan and Trust Agreement.

The Trustee shall not be liable for any loss or for any breach of fiduciary responsibility which results from a Participant's exercise of control over all or part of the investment of his Plan Accounts. Where a Participant is directing the investment of all or part of his Accounts, the Trustee shall have no responsibility to maintain diversification of the self-directed portion of such Accounts.

ARTICLE XI POWERS AND DUTIES OF TRUSTEE

11.1 Powers of Trustee.

The Trustee shall have the power with regard to Trust property:

- (a) to sell, convey, transfer, mortgage, pledge, lease, or otherwise dispose of the same without the approval of any court and without obligation upon any person dealing with the Trustee to see to the application of any money or other property delivered to it;
- (b) to exchange property or securities for other property or securities;
- (c) to keep any or all securities or other property in the name of a nominee;
- (d) to vote, either in person or by proxy, any shares of stock held as part of the assets of this Trust;
- (e) to collect the principal or income of the Trust as the same shall become due and payable and, if necessary, to take such legal action as it determines to be in the best interest of the Trust to collect any sum of money due the Trust. The Trustee

shall be under no obligation to commence suit unless it shall have been first indemnified by the Trust Fund with respect to expenses or losses to which it may be subjected through taking such action;

- (f) to borrow money for Trust purposes and to have power to execute and deliver notes, mortgages, pledges, or other instruments as may be necessary in connection therewith;
- (g) to pay the expenses of the Trust out of the Fund, including any taxes and reasonable compensation for its services as Trustee, if and to the extent that the Employer does not pay such expenses and compensation; provided, however, all expenses incurred by a Participant in directing the investment of his individual Plan Account(s) shall be paid from such Account(s);
- (h) generally to do all such acts, execute all such instruments, take all such proceedings, and exercise all such rights and privileges with relation to the assets of the Trust as it deems necessary to carry out its obligations hereunder to the extent consistent with the rights of Participants and beneficiaries and the standard of care imposed by Article 10.3.

11.2 Annual Accounts.

The Trustee within a reasonable period following the close of each Plan Year of the Trust (not to exceed 120 days) shall render to the Employer and to the Committee a certified account of its administration of the Trust during the preceding year which shall include such information maintained by the Trustee which may be necessary to enable the Plan Administrator to comply with the reporting requirements of federal law.

11.3 Notices and Directions.

Whenever a notice or direction is given to the Trustee, the instrument shall be signed in the name of the Committee as authorized in Article 9.2. The Trustee shall be protected in acting upon any such notice, resolution, order, certificate, opinion, telegram, letter, or other document believed to be genuine and to have been signed by the proper party or parties and may act thereon without notice to any Participant and without considering the rights of any Participant. The Trustee shall not be required to determine or make any investigation to determine the identity or mailing address of any person entitled to benefits under this Plan and shall send checks and other papers to such persons at addresses as may be furnished it by the Committee. Provided, that, a notice or direction by a Participant who has elected to direct the investment of his individual Plan Accounts shall be signed by the Participant, and the Trustee shall be protected in acting upon any such notice, resolution, order, certificate, opinion, telegram, letter or other document believed to be genuine and to have been signed by the Participant and may act thereon without notice to any Participant.

**ARTICLE XII
TRUST CONSTRUCTION**

This agreement shall be construed in accordance with the laws of the State of Washington.

**ARTICLE XIII
LIABILITY OF TRUSTEE**

13.1 Actions of Trustee Conclusive.

In the performance of its duties under this Trust, the Trustee shall exercise good faith and comply with the standard of care imposed upon it and with the terms of this agreement. The Trustee shall have the power and authority in its sole, absolute, and uncontrolled discretion to interpret its responsibilities hereunder and in the absence of fraud or breach of fiduciary responsibility, the Trustee's interpretation shall be conclusive. In case any dispute or doubt arises as to the Trustee's rights, liabilities or duties hereunder, the Trustee may employ counsel and take the advice of such counsel as it may select and shall be fully protected in acting upon and following such advice except to the extent otherwise provided by law.

13.2 Distributions by Trustee.

Until the Trustee receives written notice of any agreement or occurrence having effect upon any rights hereunder, including but not limited to birth, marriage, divorce, death, and/or agreements between Spouses, the Trustee shall incur no liability for distributions made pursuant to the Committee's instructions.

**ARTICLE XIV
RESIGNATION OR REMOVAL OF TRUSTEE**

14.1 Resignation.

The Trustee may resign at any time by giving the Employer sixty (60) days' written notice of such resignation, sent by registered mail, addressed to the last known offices of the Employer, and in such event the Employer shall designate a successor Trustee within sixty (60) days, failing in which the Trustee shall petition the Superior Court of the State of Washington to designate a successor Trustee, which successor Trustee may be a corporate Trustee or an individual Trustee.

14.2 Removal.

The Employer may remove a Trustee, with or without cause, by giving the Trustee at least sixty (60) days' written notice and by appointing a successor Trustee or Trustees, corporate or individual, or any combination of Trustees.

14.3 Waiver.

The Trustee and the Employer may agree to waive such written notice or may cause a resignation or removal to become effective before the running of the notice period.

14.4 Settlement of Account.

In the case of the resignation or removal of the Trustee, the Trustee shall have the right to a settlement of its account, which may be made, at the option of the Trustee, either (1) by judicial settlement in an action instituted by the Trustee in a court of competent jurisdiction, or (2) by agreement of settlement between the Trustee, Committee, and the Employer. Upon such settlement, all right, title, and interest of such Trustee in the assets of the Trust and all rights and privileges under this agreement theretofore vested in such Trustee shall vest in the successor Trustee, and thereupon all of such Trustee's responsibility hereunder shall terminate, provided, however, that the Trustee shall execute, acknowledge, and deliver all documents and written instruments which are necessary to transfer and convey the right, title, and interest in the trust assets and all rights and privileges to the successor Trustee.

14.5 Duties Before and After Successor's Appointment.

Pending appointment of any successor Trustee and acceptance of such appointment, the remaining Trustee or Trustees shall have full power and authority to take any action hereunder. Upon accepting appointment as a successor Trustee, the successor Trustee shall have the same duties and obligations as those imposed upon the Trustee by this Agreement, provided, however, no successor Trustee shall be liable or responsible for anything done or omitted in the administration of the Fund prior to the date he became Trustee.

ARTICLE XV SUITS

If any person or party to this agreement shall request the Trustee to bring any action at law or suit in equity to determine any of the provisions or rights arising out of this agreement, the Trustee shall not be obligated to bring such suit unless the Trustee is fully indemnified for all costs of such action, including a reasonable sum for attorneys' fees.

ARTICLE XVI MERGERS AND CONSOLIDATIONS

In the case of any merger or consolidation with any other plan or a transfer of assets or liabilities to any other plan, each Participant shall be entitled to receive a benefit immediately after such a merger, consolidation or transfer, which is equal to the benefit he would have been entitled to immediately before if this Plan had been terminated.

ARTICLE XVII
AMENDMENT AND TERMINATION OF PLAN AND TRUST

17.1 Right to Amend and Terminate.

The Employer represents that this Plan is intended to be a continuing and permanent program for Participants, but reserves the right to terminate this Plan and Trust at any time. The Employer may, by action of the Board, modify, alter, or amend this Plan and Trust in whole or in part, provided that no such modification, alteration, or amendment shall enlarge the duties or liabilities of the Trustee without its consent, nor reduce the Participant's Accrued Benefit hereunder, except to the extent permitted by Code Section 412(d)(2). For purposes of this Article, a Plan amendment which has the effect of (1) eliminating or reducing an early retirement benefit or retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment, shall be treated as reducing the Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy.

17.2 No Revesting.

No termination, modification, alteration, or amendment shall have the effect of revesting in the Employer any part of the principal or income of the Trust, except as otherwise permitted by this Plan.

17.3 Exclusive Benefit of Employees.

Except as otherwise authorized by this Plan, at no time during the existence of this Plan and Trust or at its termination may any part of the Plan assets be used for or directed to purposes other than for the exclusive benefit of the Participants hereof or their beneficiaries or for defraying reasonable expenses of administering this Plan.

17.4 Termination.

- A. This Plan and Trust shall terminate upon the occurrence of any of the following:
1. Written notice of the Employer to the Trustee;
 2. Complete discontinuance of contributions by the Employer;
 3. The dissolution or merger of the Employer unless a successor to the business agrees to continue this Plan and Trust by executing an appropriate agreement, in which event such successor shall succeed to all the rights, powers and duties of the Employer.
- B. In the event that the Employer is taken over by a successor who agrees to continue this Plan, the employment of any Employee who is continued in the

employment of such successor shall not be deemed to have been terminated or severed for any purpose hereunder.

- C. Notwithstanding any provision hereof to the contrary, upon termination or partial termination of this Plan and Trust, or upon complete discontinuance of contributions to this Plan, the interest of all affected Participants and all unallocated units, shares, or amounts shall fully vest and become nonforfeitable. Upon termination, the Trust Fund shall be liquidated by the Trustee as promptly as shall then be reasonable under the circumstances, and each Participant shall receive his Accrued Benefit in the form of a single lump sum payment. Provided, however, that a Participant shall not receive his Tax-Deferred Contribution Account, and any income thereon, on account of Plan termination unless the Plan termination occurs without the establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan).

ARTICLE XVIII RIGHT TO DISCHARGE EMPLOYEES

Neither the establishment of this Plan and Trust nor any modification thereof, nor the creation of any funds or accounts nor the payment of any benefit, shall be construed as giving any Participant, or any other person whomsoever, any legal or equitable right against the Employer, the Trustee, or the Committee unless the same shall be specifically provided for in this agreement or conferred by affirmative action of the Committee or the Employer in accordance with the terms and provisions of this agreement or as giving any Employee or Participant the right to be retained in the service of the Employer, and all Employees shall remain subject to discharge by the Employer to the same extent as if this Plan and Trust had never been adopted.

ARTICLE XIX RETURN OF CONTRIBUTIONS; DECLARATION OF TRUST CONTINGENT ON INTERNAL REVENUE SERVICE APPROVAL

Contributions made hereto are conditioned on deductibility by the Employer under Section 404 of the Code, and such contributions may not be made under a mistake of fact.

Contributions may be returned to the Employer, in the amount involved, within one year of the mistaken payment of the contribution, or disallowance of a deduction, as the case may be.

This Plan and Trust shall be contingent upon a favorable Internal Revenue Service ruling as to the initial acceptability under Section 401(a) of the Internal Revenue Code, as amended, and exemption from income taxation under Section 501(a) of the Internal Revenue Code. In the event that the Commissioner of Internal Revenue determines that this Plan is not initially qualified under the Internal Revenue Code, and if the Employer does not effect an amendment which will cure the defect, then this Plan and Trust will thereupon terminate and be of no further force or effect, and the Trustee shall forthwith return to the Employer the current value of all contributions made incident to that initial qualification by the Employer (plus income, less any fees or expenses allocable thereto) within one year after the date the initial qualification is denied, but only if the application for the qualification is made by the time prescribed by law for

filing the Employer's return for the taxable year in which this Plan is adopted, or such later date as the Secretary of the Treasury may prescribe.

ARTICLE XX

ROLLOVER CONTRIBUTIONS; TRUST TO TRUST TRANSFERS

20.1 Trust to Trust Transfers.

This Article 20.1 applies to distributions made on or after January 1, 1993.

Notwithstanding any provision of this Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

20.2 Definitions

A. Eligible Rollover Distribution.

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; the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and, effective with respect to distributions made on or after January 1, 1999, hardship withdrawals of tax-deferred contributions. Provided, effective with respect to distributions made after December 31, 2001, any amount that is distributed on account of hardship, if available under the Plan, shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan. Provided further, effective with respect to distributions made after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code (a "traditional IRA"), a Roth individual account or annuity described in Code Section 408A (a "Roth IRA"), or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

With respect to distributions made after December 31, 2006, a distribution of after-tax contributions may be transferred to a qualified defined contribution plan described in Code Section 403(b), provided such contract separately accounts for such after-tax amounts.

B. Eligible Retirement Plan.

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, a Roth individual retirement account described in Code Section 408A(b), an annuity plan described in Section 403(a) 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. An eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and 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. The definition of eligible retirement plan shall also apply in the case of a distribution to a Surviving Spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

C. Distributee.

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 or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former spouse.

Effective January 1, 2009, a designated beneficiary who (a) is other than the Participant's Spouse and (b) is considered to be a designated beneficiary under Code Section 401(a)(9)(E) (known as a "Non-Spouse Designated Beneficiary") is also considered a "qualified distributee."

D. Direct Rollover.

A direct rollover is a payment by this Plan to the eligible retirement plan specified by the distributee.

Effective with respect to a distributions made after December 31, 2008, a "Non-Spouse Designated Beneficiary" may establish an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in

Code Section 408(b) (known as an “Inherited IRA”) into which all or a portion of a death benefit (to which such Non-Spouse Designated Beneficiary is entitled) can be transferred in a direct trust-to-trust transfer (a direct rollover). In determining the portion of such death benefit that is considered to be a required minimum distribution that must be made from the Inherited IRA, the Non-Spouse Designated Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulation 1.401(a)(9)-3, Q&A-4(c). Any distribution made pursuant to this Section is not subject to the direct rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f), or the mandatory withholding requirements of Code Section 3405(c). If a Non-Spouse Designated Beneficiary receives a distribution from the Plan then the distribution is not eligible for the “60-day” rollover rule, which is available to a Designated Beneficiary who is a Spouse. If the Participant’s Non-Spouse Designated Beneficiary is a trust, then this Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a Designated Beneficiary within the meaning of Code Section 401(a)(9)(E). In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. A distribution to a Non-Spouse Designated Beneficiary that is made prior to January 1, 2010 is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B)), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c). The above is in addition to the right of the Employee or former Employee, the Employee’s or former Employee’s Surviving Spouse, and the Employee’s or former Employee’s Spouse or former spouse who is the alternate payee under a qualified domestic relations order to elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan.

ARTICLE XXI LOANS TO PARTICIPANTS

A Participant may obtain a loan from his or her Accounts under this Plan in accordance with the terms of the written participant loan program established by the Committee, the terms and conditions of which are included in the Summary Plan Description and incorporated herein by reference. No loan shall be made which does not meet the following requirements:

- A. A Participant shall apply for a loan through the telephone voice response system or such other means as designated by the Committee, providing such information as the Committee shall require. The Committee may also limit the number of Plan loans each Participant will be permitted to have.
- B. The total amount of the loan, together with the outstanding balance of all other Plan loans to the Participant, shall not exceed the lesser of (1) \$50,000 reduced by the excess, if any, of the highest outstanding balance of loans during the one year period ending on the day before the loan is made over the outstanding balance of loans from this Plan on the date

on which such loan was made, or (2) one-half of the present value of the Participant's nonforfeitable Accrued Benefit under this Plan. For purposes of the dollar limitations imposed by this paragraph, all plans maintained by the Employer and any trade or business which is a member of a controlled group of trades or businesses or an affiliated service group under Code Sections 414(b), 414(c) and 414(m) shall be treated as one Plan.

- C. Each loan shall bear interest at a commercially reasonable rate as determined by the Committee. In determining the interest rate, the Committee shall consider interest rates being charged by local financial institutions for similar loans with similar collateral.
- D. Each loan shall have a definite maturity date and shall be repayable in level installment payments not less frequently than quarterly. The term for repayment shall not exceed five years unless the loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) is to be used as the principal residence of the applicant. In that case, the Committee will determine the term for repayment of such a loan, which shall not exceed the term normally available through financial institutions offering such loans in similar amounts with similar collateral.
- E. Interest paid on the loan shall accrue to the account of the Participant. All loans outstanding to a Participant shall be secured by not more than 50% of the Participant's nonforfeitable Accrued Benefit with the determination being made as of the date of the loan approval. The Participant's loan payments shall be reallocated among the Plan investment funds in accordance with the Participant's most recent investment directions made pursuant to this Plan.
- F. Loans shall be available to all Participants on a reasonably equivalent basis. Credit-worthiness may be considered.
- G. If an event occurs which results in a distribution (other than an in-service distribution) to any Participant or former Participant or to a beneficiary and a loan to such Participant is outstanding, the unpaid balance of the principal and interest shall be deducted from the amount of the distribution. A Participant may prepay his loan in full or in part at any time without penalty.
- H. Loan payments shall be suspended under this Plan while a Participant is on qualified military leave as permitted under Code Section 414(u)(4).
- I. A Participant may have two (2) outstanding loans at a time. The minimum loan that may be made to a Participant is \$1,000. Loan fees applicable to a Participant's loan shall be paid from such Participant's Accounts.

**ARTICLE XXII
MINIMUM REQUIRED DISTRIBUTION UNDER
FINAL REGULATIONS**

With respect to minimum required distributions made on or after the Effective Date as defined in Article 22.1(A) below, the following provisions shall apply:

22.1 General Rules.

A. Effective Date.

The provisions of this Article XXII will apply for purposes of determining required minimum distributions for calendar years beginning with the 2002 calendar year.

B. Precedence.

The requirements of this Article XXII will take precedence over any inconsistent provisions of the Plan as to the required minimum amount payable, provided that any provision of the Plan requiring faster payment or greater payments will remain in effect.

C. Requirements of Treasury Regulations Incorporated.

All distributions required under this Article XXII will be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9) and the minimum incidental benefit requirement of Code Section 401(a)(9)(G).

D. TEFRA Section 242(b)(2) Elections.

Notwithstanding the other provisions of this Article XXII, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

22.2 Time and Manner of Distribution.

A. Required Beginning Date.

The Participant's nonforfeitable Accrued Benefit will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date, as defined in Article 22.5(E) below.

B. Death of Participant Before Distributions Begin.

If the Participant dies before distributions begin, the Participant's nonforfeitable Accrued Benefit will be distributed, or begin to be distributed, no later than as follows:

1. If the Participant's Surviving Spouse is the Participant's sole designated beneficiary, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later, unless Article 22.2(C) below applies.
2. If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, unless Article 22.2(C) below applies.
3. If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire nonforfeitable Accrued Benefit will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
4. If the Participant's Surviving Spouse is the Participant's sole designated beneficiary and the Surviving Spouse dies after the Participant but before distributions to the Surviving Spouse begin, this Article 22.2(B), other than Article 22.2(B)(1), will apply as if the Surviving Spouse were the Participant.

For purposes of this Article 22.2(B) and Article 22.4 below, unless Article 22.2(B)(4) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If Article 22.2(B)(4) above applies, distributions are considered to begin on the date distributions are required to begin to the Surviving Spouse under Article 22.2(B)(1) above. If the Plan permits an annuity contract as a form of payment and 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 Article 22.2(B)(1)), the date distributions are considered to begin is the date distributions actually commence.

C. Five-Year Rule.

If the Participant dies before distributions begin and there is a designated beneficiary, distribution to the designated beneficiary is not required to begin by the date specified above in Article 22.2(B), as long as the Participant's entire nonforfeitable Accrued Benefit will be distributed to the designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death ("five-year rule"). If the Participant's Surviving Spouse is the Participant's sole designated beneficiary and the Surviving Spouse dies after the Participant but before distributions to either the Participant or the Surviving

Spouse begin, this election will apply as if the Surviving Spouse were the Participant.

Beneficiaries may elect on an individual basis whether the foregoing 5-year rule or the life expectancy rule specified in Article 22.2(B) above and Article 22.4(B) below 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 (a) December 31 of the calendar year in which distribution would be required to begin under Article 22.2(B), or (b) December 31 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, Surviving Spouse's) death. If the beneficiary does not make an election under this paragraph, distributions will be made in accordance with the five-year rule.

A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

D. 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, then for each distribution calendar year distributions will be made in accordance with Article 22.3 and Article 22.4 below. If the Plan permits an annuity contract as a form of payment and 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.

22.3 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:

1. the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 Q&A-2 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
2. if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit by the number in the Joint

and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, 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 Article 22.3 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

22.4 Required Minimum Distributions After Participant's Death.

A. Death On or After Date Distributions Begin.

1. Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's nonforfeitable Accrued Benefit 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:

- (a) 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.
- (b) 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.
- (c) If the Participant's Surviving Spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

2. **No Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's entire nonforfeitable Accrued Benefit 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.

1. **Participant Survived by Designated Beneficiary.** 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 nonforfeitable Accrued Benefit by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Article 22.4(A) above.
2. **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire nonforfeitable Accrued Benefit will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
3. **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.** If the Participant dies before the date distributions begin, the Participant's Surviving Spouse is the Participant's sole designated beneficiary, and the Surviving Spouse dies before distributions are required to begin to the Surviving Spouse under Article 22.2(B)(1) above, this Article 22.4(B) will apply as if the Surviving Spouse were the Participant.

22.5 Definitions.

A. Designated beneficiary.

The individual who is designated as the beneficiary under Article 7.2 of the Plan (including any individual who is a default beneficiary identified under Article 7.2 of the Plan), and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury regulations.

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 preceding the calendar year which contains the

Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Article 22.2(B). 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 Section 1.401(a)(9)-9 Q&A-1 of the Treasury regulations.

D. Participant's nonforfeitable Accrued Benefit.

The Participant's nonforfeitable Accrued Benefit 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 nonforfeitable Accrued Benefit 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 nonforfeitable Accrued Benefit 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.

E. Required Beginning Date.

The date specified in Article 7.1(B) of the Plan.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed this _____ day of _____, 20____.

INTERCITY TRANSIT, INC.

By: _____
Title

By: _____
Title

Trustee

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 4-E
MEETING DATE: January 15, 2014**

FOR: Intercity Transit Authority
FROM: Marilyn Hemmann, 705-5833
SUBJECT: Surplus Property

-
- 1) **The Issue:** Whether or not to declare property surplus.
-
- 2) **Recommended Action:** Declare the property listed on Exhibit "A" as surplus.
-
- 3) **Policy Analysis:** Resolution No. 23-81 states the Authority must declare property surplus to our needs prior to sale.
-
- 4) **Background:** Staff is requesting the Authority declare the attached list of Dial-A-Lift vehicles surplus. These items are surplus to our needs and will be offered for direct purchase by other public agencies. Items not sold in this manner will be sold competitively through public auction to achieve the highest rate of return. The value is estimated at \$29,000.
-
- 5) **Alternatives:**
- A. Declare the items surplus. Staff determined there is no longer a need to retain these items.
 - B. Declare a portion of the items surplus.
 - C. Defer action. Storage availability on-site and the cost of off-site storage is an issue.
 - D. Retain all items. Storage availability on-site and the cost of off-site storage is an issue.
-
- 6) **Budget Notes:** All funds generated by the sale of surplus property are deposited in the Intercity Transit cash account.
-
- 7) **Goal Reference:** Not specifically identified in the goals.
-
- 8) **References:** Surplus Property - Exhibit "A" - January 2014.

EXHIBIT "A" SURPLUS PROPERTY JANUARY 2014

Vehicle #	Type	Mileage	Value
290	2004 Ford/Eldorado	229,837	\$3,500
291	2004 Ford/Eldorado	233,286	\$3,500
292	2004 Ford/Eldorado	244,102	\$3,500
293	2004 Ford/Eldorado	237,324	\$3,500
110	2006 Ford/Eldorado	193,515	\$3,000
111	2006 Ford/Eldorado	205,423	\$3,000
120	2007 Ford/Eldorado	155,844	\$3,000
121	2007 Ford/Eldorado	159,974	\$3,000
122	2007 Ford/Eldorado	149,086	\$3,000
		Total	\$29,000

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 7-A
MEETING DATE: January 15, 2014**

FOR: Intercity Transit Authority
FROM: Marilyn Hemmann, 705-5833
SUBJECT: Vanpool Vehicle Purchase

1) **The Issue:** Consideration of the purchase of 50 vanpool vehicles.

2) **Recommended Action:** Authorize the General Manager, pursuant to Washington State Contracts, to issue purchase orders for the purchase of eleven 7-passenger vans, thirty-three 12-passenger vans and six 15-passenger Chevrolet Express vans in an amount to be announced at the January 15th ITA meeting. (Note: Vanpool vehicles are exempt from sales tax.)

3) **Policy Analysis:** The procurement policy states the Authority must approve any expenditure over \$25,000.

4) **Background:** The State of Washington competitively bids their van contracts, awarding to the lowest, responsive and responsible bidder for each vehicle class. Intercity Transit is eligible to purchase off this contract as a member of the Washington State Purchasing Cooperative.

Staff reviewed van pricing and has estimated costs for this purchase based on knowledge of State vehicle contracts. The Washington State Department of Enterprise Services expects the 2014 State vehicle contracts to be officially posted January 10, 2014. At that time the new contract numbers and exact purchase costs will be available.

5) **Alternatives:**

A) Authorize the General Manager, pursuant to Washington State Contracts, to issue purchase orders for the purchase of eleven 7-passenger vans, thirty-three 12-passenger vans, and six 15-passenger Chevrolet Express vans in an amount to be announced at the January 15th ITA meeting. (Note: Vanpool vehicles are exempt from sales tax).

B) Defer action. To purchase 2014 model vehicles, orders must be placed prior to the anticipated factory order cut-off date, but no later than March 31, 2014.

-
- 6) **Budget Notes:** Based on anticipated funding, the 2014 budget item was set at \$1,351,518 for 49 vanpool vehicles (11 expansion and 38 replacements). The recommended purchase is expected to be within the budgeted amount.

This agenda item also includes the purchase of one additional vehicle to replace a vanpool vehicle that was totaled in an accident in late 2012. This brings the purchase to a total of 50 vehicles.

The Puget Sound Regional Council funds will provide 80% funding for 11 expansion vehicles. According to this year's funding formula, the State grant will provide 90% funding for 38 replacement vehicles. Intercity Transit proposes to add the required match from local funds to complete these purchases.

Intercity Transit will receive \$22,225 in insurance compensation from WSTIP for the totaled van. Through negotiations with the other insurance company, WSTIP may obtain additional compensation. The remaining cost of the replacement vehicle will come from the 2014 general reserve budget.

-
- 7) **Goal Reference:** Goal # 4: *"Provide responsive transportation options."*

-
- 8) **References:** N/A.
-

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 7-B
MEETING DATE: January 15, 2014**

FOR: Intercity Transit Authority

FROM: Jeff Peterson, 705-5878

SUBJECT: Air Compressor Consultant

1) **The Issue:** Consideration of a contract amendment for air compressor consultant services for the Pattison Street facility.

2) **Recommended Action:** Authorize the General Manager to enter into a contract amendment with Hultz BHU in the amount of \$6,958, including taxes.

3) **Policy Analysis:** The procurement policy states the Authority must approve any expenditure over \$25,000. Although this item is below the threshold, this is an amendment to the existing consultant agreement and will bring the total not-to-exceed value to \$28,184.

4) **Background:** The Maintenance Facility air compressor system was installed in 1984 to support the vehicle lifts, Maintenance air tools, tire station, and the whole Pattison Facility fire suppression system. It has aged and developed increasing operational issues that can no longer be easily resolved. Intercity Transit identified the need to replace the system and a contract was awarded to Hultz BHU engineering firm in 2012 to assist the agency in obtaining a new air compressor system that would meet current and future needs.

The contract consists of three phases. The engineering phase included site investigation, calculating the requirements of a new system, developing a design concept, and providing a final design with technical specifications. The bid phase will include assistance during the procurement process. The project oversight phase will include monitoring the installation of the new system to ensure specification compliance and successful implementation.

During the first phase Hultz BHU completed the engineering work to evaluate the initial proposed sites. It was discovered that neither the current location of the existing system nor the assumed alternative location would be conducive to meeting the requirements for a new air compressor system. After review, Intercity Transit staff proposed a different location that had not been previously considered. This new location was determined to be the best alternative but

required additional engineering time and effort to confirm the feasibility of the decision and develop plans.

The additional engineering and design work for the third location resulted in this request for an amendment. Hultz BHU submitted a price proposal for the additional work. Procurement negotiated the hours and other costs, and found them to be fair and reasonable based on the work to be performed.

Hultz BHU has proven to be a valuable partner as we have progressed in the development of a new air compressor solution. Staff believes now that the initial engineering work is complete, the implementation of the new air compressor system will move forward as planned. Staff recommends the approval of this contract amendment for Hultz BHU.

5) **Alternatives:**

- A) Authorize the General Manager to enter into a contract amendment with Hultz BHU in the amount of \$6,985, including taxes.
- B) Defer action. This will delay the implementation of a new air compressor system at the Pattison Street facility. The facility will continue to rely on an aging system that has increasing operational issues and is susceptible to brief service interruptions.

6) **Budget Notes:** The 2014 budget includes \$185,000 for the replacement of the air compressor system and includes the engineer design and support costs. At this time, with the inclusion of this amendment, the project is still predicted to come in within budget.

7) **Goal Reference:** Goal 5: *“Align best practices and support agency sustainable technologies and activities.”*

8) **References:** N/A.

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 10
MEETING DATE: January 15, 2014
CLOSED SESSION**

FOR: Intercity Transit Authority

FROM: Heather Stafford Smith, HR Director, 705-5861

SUBJECT: Collective Bargaining Agreement between the International Association of Machinists, Lodge 160 and Intercity Transit

-
- 1) **The Issue:** Whether to approve a collective bargaining agreement between Intercity Transit and the International Association of Machinists, Lodge 160 (IAM).
-
- 2) **Recommended Action:** Approve the proposed agreement.
-
- 3) **Policy Analysis:** The Authority must approve any collective bargaining agreements between Intercity Transit and organizations representing employees.
-
- 4) **Background:** The IAM represents Intercity Transit's Technicians, Support Specialists, Service Workers, and Vehicle Cleaners in the Maintenance Department. A three year contract is proposed (January 1, 2014 through December 31, 2016). The details of the proposed contract will be discussed in Executive Session prior to a vote on the proposed agreement. The IAM membership approved the proposed agreement for ratification on by a majority vote on January 9, 2014.
-
- 5) **Alternatives:** The Authority may approve the proposed collective bargaining agreement or direct staff to return to negotiations.
-
- 6) **Budget Notes:** The collective bargaining agreement will dictate wage and other benefit costs for IAM-represented employees over the next three years. IAM represents 37 of Intercity Transit employees.
-
- 7) **Goal Reference:** This meets Goal 2: *"Providing outstanding customer service that retains and increases ridership."*
-
- 8) **References:** A summary of the successor agreement with changes will be provided at the Authority meeting.

**INTERCITY TRANSIT AUTHORITY
SPECIAL MEETING
AGENDA ITEM NO. 11
MEETING DATE: January 15, 2014
EXECUTIVE SESSION**

FOR: Intercity Transit Authority

FROM: Martin Thies, Authority Chair

SUBJECT: General Manager Six-Month Performance Evaluation

1) **The Issue:** To conduct the General Manager’s performance evaluation from October 1, 2013, through December 31, 2013.

2) **Recommended Action:** Recess the meeting and go into an Executive Session to discuss the performance of Ann Freeman-Manzanares for the period of October 1, 2013, through December 31, 2013, as authorized by RCW 42.30.110.

3) **Policy Analysis:** The General Manager’s employment agreement, Section 5 Performance Evaluation, states the Intercity Transit Authority Board of Directors “will conduct a performance evaluation of the General Manager after 3 months and after 6 months of employment, and after 1 year of employment. Thereafter, performance evaluations shall be conducted annually, pursuant to the policy established by the Intercity Transit Authority Board of Directors.” The General Manager’s official anniversary date is July 1, 2013.

4) **Background:** A performance evaluation document was provided to each Authority member after the December 4, 2013, regular meeting for completion and submittal to the Authority Chair. Results of the evaluation will be shared in an Executive Session at the January 15, 2014, Special Meeting.

5) **Alternatives:**

- A. Conduct the six-month performance evaluation during an executive session at the January 15, 2014, meeting.
- B. Delay the discussion to a later date. Per the employment agreement, the General Manager shall receive a six-month evaluation. The good faith effort is to conduct the evaluation as close to this timeframe as possible.

6) **Budget Notes:** N/A.

7) **Goal Reference:** N/A.

8) **References:** N/A.