



IMPROVING LIVES. BUILDING COMMUNITY. to be the best utility in the country

JEA BOARD OF DIRECTORS MEETING

JEA Tower, T-19 | 21 West Church Street, Jacksonville, FL 32202

April 5, 2022 | 9:00 am – 12:00 pm

WELCOME

Meeting Called to Order

Time of Reflection

Introductions

Adoption of Agenda (Action)

Bobby Stein, Chair

Safety Briefing & Moment

Sean Conner, Director, Water/Wastewater Project
Engineering & Construction

CONSENT AGENDA (Action)

Nominating Committee Minutes – February 11, 2022

Board Meeting Minutes – February 22, 2022

401(a) Defined Contribution Retirement Plan Amended and Restated Plan Documents

Real Property Purchase – Northwest Utility Site

COMMENTS / PRESENTATIONS

Comments from the Public

Public

Managing Director / CEO Report

Jay Stowe, Managing Director / CEO

Industry Update

Joy Ditto, President and CEO, American Public Power Association

JEA Performance Update

Carl Becker, Manager, Benefits Services

FOR BOARD CONSIDERATION

UNBEATABLE TEAM

Workforce Planning Talent Inventory

Blake Osner, Director, Learning and Development

CUSTOMER LOYALTY

Stakeholder Relations

Laura Schepis, Chief External Affairs Officer

BUSINESS EXCELLENCE

Fulton Cut Transmission Lines

Raynetta Curry Marshall, Chief Operations Officer

New Business Opportunities

Jordan Pope, Vice President, Corporate Strategy

Plant Vogtle Update

Jay Stowe, Managing Director / CEO
Jody Brooks, Chief Administrative Officer



IMPROVING LIVES.BUILDING COMMUNITY. to be the best utility in the country

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business/Open Discussion

Chair's Report

Bobby Stein, Chair

Announcements – Next Board Meeting May 24, 2022

Adjournment

INFORMATIONAL MATERIAL

Appendix A: Electric Integrated Resource Plan Update

Appendix B: Corporate Headquarters Update

Appendix C: FY22 Corporate Communications and Community Outreach

Appendix D: Financial Statements

BOARD CALENDAR

2022 Board Meetings

9:00 am – May 24, August 9-10, September 20

2022 Committee Meetings – Dates to be determined

Executive Committee

External Affairs Committee

Finance & Operations Committee

Governance & Compliance Committee

Workforce & Customer Committee



Board of Directors Meeting April 5, 2022

To submit a public comment to be read during the meeting, please email Melissa Charleroy at charmm2@jea.com. Public comments must be received no later than 9:10 am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Briefing and Moment

Sean Conner
*Director, Water/Wastewater
Project Engineering & Construction*



Develop an Unbeatable Team

Safety Briefing



In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route (use stairwell)

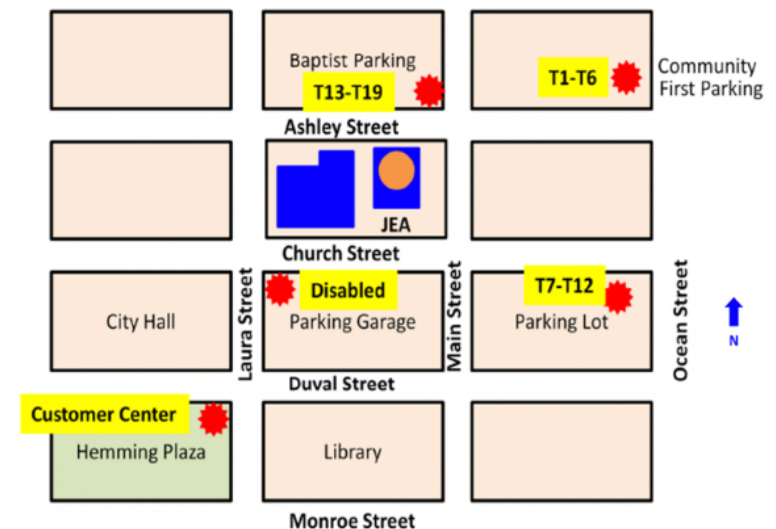
Assembly Location: First Baptist Church Parking Lot (corner of Ashley & Main St.)

Safety or Medical Assistance: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

EVACUATION ASSEMBLY CENTERS During normal business hours



Be Prepared for Emergencies

Safety Moment

Planning for Safety

Critical element of project management

Requires commitment and execution

Evaluate potential hazards and controls

Identify correct materials and equipment

Job safety briefings and evaluations



Target: Zero Incidents

Public Power Forward

JEA Board Meeting

Joy Ditto

President and CEO

American Public Power Association

#PublicPower www.PublicPower.org

About APPA

Our Vision: To shape the future of public power to drive a new era of community-owned electric service.

Our Purpose: To partner with members to promote public power, helping community-owned utilities deliver superior services through joint advocacy, education, and collaboration.

The national voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide

- Public power serves more than **49 million customers** - 15% of all electric utility customers in the U.S.
- Public power **employs 96,000 people**

Serves nearly 1,500 utility members & 220 corporate members

- APPA also has joint action agency and state/regional association members

Diverse membership:

- Very large members, like LADWP (1.4 million customers)
- However, approximately 50% of members serve less than 5,000 people

65 full-time staff including lobbyists, engineers, lawyers and other subject matter experts

JEA Involvement with APPA

JEA Membership Summary

Currently, we list 689 active employees from JEA in our member database

- 202 JEA employees are subscribed to Public Power Current newsletter
- Over 200 JEA employees receive Public Power magazine
- JEA Board members are eligible to receive these as well!

Policy Makers Council Region 5

Joseph DiSalvo, Director - Board of Directors, JEA, FL

ESCC Representation

Jay Stowe is one of four APPA representatives on the national Electricity Subsector Coordinating Council

JEA Involvement in APPA (Operations)

Just announced - JEA received a Diamond-level (highest level) Reliable Public Power Provider (RP3)

APPA's RP3 (Reliable Public Power Provider) designation recognizes public power utilities that demonstrate leading practices in reliability, safety, work force development and system improvement.

Just announced - JEA received the APPA Safety Award for 2021 performance

JEA participates in APPA's eReliability tracker, a powerful benchmarking tool that has 500 utility subscribers

JEA participates in APPA's Lineworkers Rodeo - and this year won in three major categories!

APPA's Strategic Priorities

Advocating for Public Power. Promote policies before the federal government; educate decisionmakers and stakeholders; increase awareness of the public power business model.

Moving Public Power Forward. Assist members in addressing technological and regulatory changes; support innovative activities; assist members in meeting workforce challenges.

Strengthening Grid Security. Taking an all-hazards approach to create a more resilient and secure grid.

Promoting Association Excellence. Work to increase member engagement and internal efficiencies; grow non-member dues revenue to deliver cost-effective services to members.

APPA Business Plan. Combines strategic and financial plans and is a five-year plan, starting this year.

Advocacy Focus

Congressional Agenda for 2022

- Following work on appropriations matters, efforts may continue on a slimmed down version of the **Build Back Better Act**, likely to be rebranded under a different name, and likely to include tax credits/comparable incentives
- The Senate is currently holding the **confirmation hearing** for Ketanji Brown Jackson Brown to replace U.S. Supreme Court Justice Breyer, who will retire at the end of the court's term
- The **Russian invasion of the Ukraine** could push Democrats and Republicans to work together
 - Repeal of Russia's Most Favored Nation's status
- **Water Resources Development Act of 2022**

APPA Congressional Priorities

- **Climate change**
- **Tax matters:** comparable incentives/bond modernization
- **Implementation** of the Infrastructure Investment and Jobs Act
- **Grid security**
- **Natural Gas**
- **Water Resources Development Act**

Bipartisan Infrastructure Bill (IIJA)

The Investment and Jobs Act (IIJA) is an infrastructure and surface transportation bill that includes **\$1.2 trillion in funding** for transportation, energy, and water infrastructure.

Of the \$1.2 trillion, \$550 billion is new federal spending that was not previously authorized. Include:

- **\$7.5 billion in federal spending** for electric and alternative fuel vehicle infrastructure
- **\$65 billion** for broadband infrastructure
- **\$65 billion** for electric and grid infrastructure
- **\$47.2 billion** for resiliency, including cybersecurity

Public Power Challenges (no big surprises)

Changing customer expectations

Addressing climate change concerns and related regulatory complexity

Managing weather and other hazards (um, a global pandemic being one)

Understanding digitalization versus cybersecurity - a classic yin and yang

Balancing changing political winds

Interdependences with other sectors, including natural gas -- highlighted during last year's Winter Storm Uri.

Public Power Challenges (Cont.)

Supply chain (yes, I said it). And not just cyber...

Other environmental regulatory proposals.

Workforce availability

Acknowledging need for ongoing education given the lack of understanding of electricity generation, transmission and distribution in general - and lack of understanding of the public power business model- sometimes leading to:

Buyouts and sellouts of public power utilities

Recognizing blindspots - who should we really be worried about?

Public Power Opportunities

Telling our story - more platforms to do so

Better educating our public power policy makers and creating champions

Leveraging federal dollars

Continuing to leverage our collective knowledge and resources

Developing and maintaining partnerships!! Traditional and non-traditional (frenemies)

Remembering who we are and why we are in the business of public service:
-sometimes resulting in **municipalizations**

Public Power's Opportunities (Cont.)

Creating future leaders

Thinking differently about our workforce

Recognizing we as public power represent a microcosm of a diffuse, but also strong, country - red, blue and purple

Focusing on reliability. Challenges can perhaps inspire more pragmatic intra-sector and cross-sector dialogue about interdependencies.

Implementation of IIJA. Specifically helps with many elements of grid modernization and moving the industry toward ever cleaner generation sources - we welcome the federal investment. I'll give some specifics in a bit.

The history of public power includes bringing electricity to people and parts of the country that wouldn't have had access to it otherwise - in other words, to consider service to all a priority.

#PublicPower www.PublicPower.org

APPA's Response to Opportunities and Challenges

Enhancing member services through improved financials

Prioritizing activities based on member feedback

Better engaging with our public power leaders to harness their expertise and innovation

Using targeted federal grants to benefit our members

Increasing engagement in media relations to communicate the public power story

Applying benchmarking tools and data analytics for members' use

Redoubling efforts to engage with partners like JAAs, state/regional associations, others in industry

Continuing to tell the truth in our advocacy efforts even when it isn't popular

Keeping our feet on the ground and continuing to reach for the stars!
(paraphrasing Casey Kasem)

Questions?

Joy Ditto
jditto@publicpower.org
202-467-2901



Performance Update

Carl Becker

Manager, Benefits Services



JEA Performance Scorecard | Data through February 28, 2022

		FY20	FY21	FY22 Goal	FY22 YTD	FY22 Forecast
UNBEATABLE TEAM	• ▽ Safety - Lost Time Incident Rate (LTIR)	0.38	0.66	0.44	0.00	0.15
	Retention	94%	93%		93%	93%
	New Hires	97	182		112	218
	▲ Diversity - Female Representation %	22%	22%		22.8%	22.3%
	▲ Diversity - People of Color Representation %	25%	26%		26.7%	26.0%
	▲ Diversity - Veteran Representation %	19%	20%		18.3%	19.1%
CUSTOMER LOYALTY	• ▲ Customer Satisfaction - Residential (JD Power)	3rd Quartile	3rd Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	• ▲ Customer Satisfaction - Commercial (JD Power)	2nd Quartile	4th Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	▽ Nitrogen to the River (tons)	299	372	440	165	408
	▽ Sanitary Sewer Overflows (Total Count)	48	35	31	11	26
	▽ Environmental Compliance - Permit Exceedances	1	1	4	0	0
BUSINESS EXCELLENCE	▲ Sales - Electric System (MWh)	12,185	12,216	12,200	4,657	12,197
	▲ Sales - Water System (Million Gallons)	38,272	37,181	39,000	15,177	39,209
	▲ Sales - Wastewater System (Million Gallons)	28,160	28,139	29,000	11,649	29,166
	▲ Sales - Reclaim (Million Gallons)	4,427	4,463	5,000	1,929	5,225
	▲ Revenue - Total System (\$M)	\$1,600	\$1,628	\$1,638	\$679	\$1,795
	▽ Total Debt (\$M)	\$3,257	\$3,000	\$2,731	\$2,834	\$2,734
	▽ Net Funded Debt (\$M)	\$3,031	\$2,788	\$2,547	\$2,685	\$2,544
	▽ Operations & Maintenance (O&M) Spend (\$M)	\$393	\$381	\$441	\$159	\$434
	▲ Capital Spend (\$M)	\$387	\$355	\$500	\$131	\$559
	▽ Fuel & Purchased Power Expense (\$M)	\$343	\$425	\$534	\$218	\$565
	• ▲ Electric O&M (\$)	\$218	\$214	\$253	\$88	\$246
	• ▲ Water O&M (\$)	\$171	\$163	\$183	\$70	\$183
	▽ Reliability - Customers Experiencing Multiple Interruptions (CEMI-5)	0.25%	0.14%	0.80%	0.29%	0.12%
	▽ Reliability - Effective Forced Outage Rate (EFOR)	2.3%	4.0%	3.2%	0.2%	0.4%
	▽ Reliability - Water Unplanned Outages (Number of Customers)	15,342	12,257	7,700	2,374	5,697
	▽ Water Pressure (average min < 30 psi)	4.0	2.1	2.8	0.8	2.5

- Pay-for-Performance Measure
- ▲ Higher is good
- ▽ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

Pay for performance is currently projected at 2.66% of base salaries



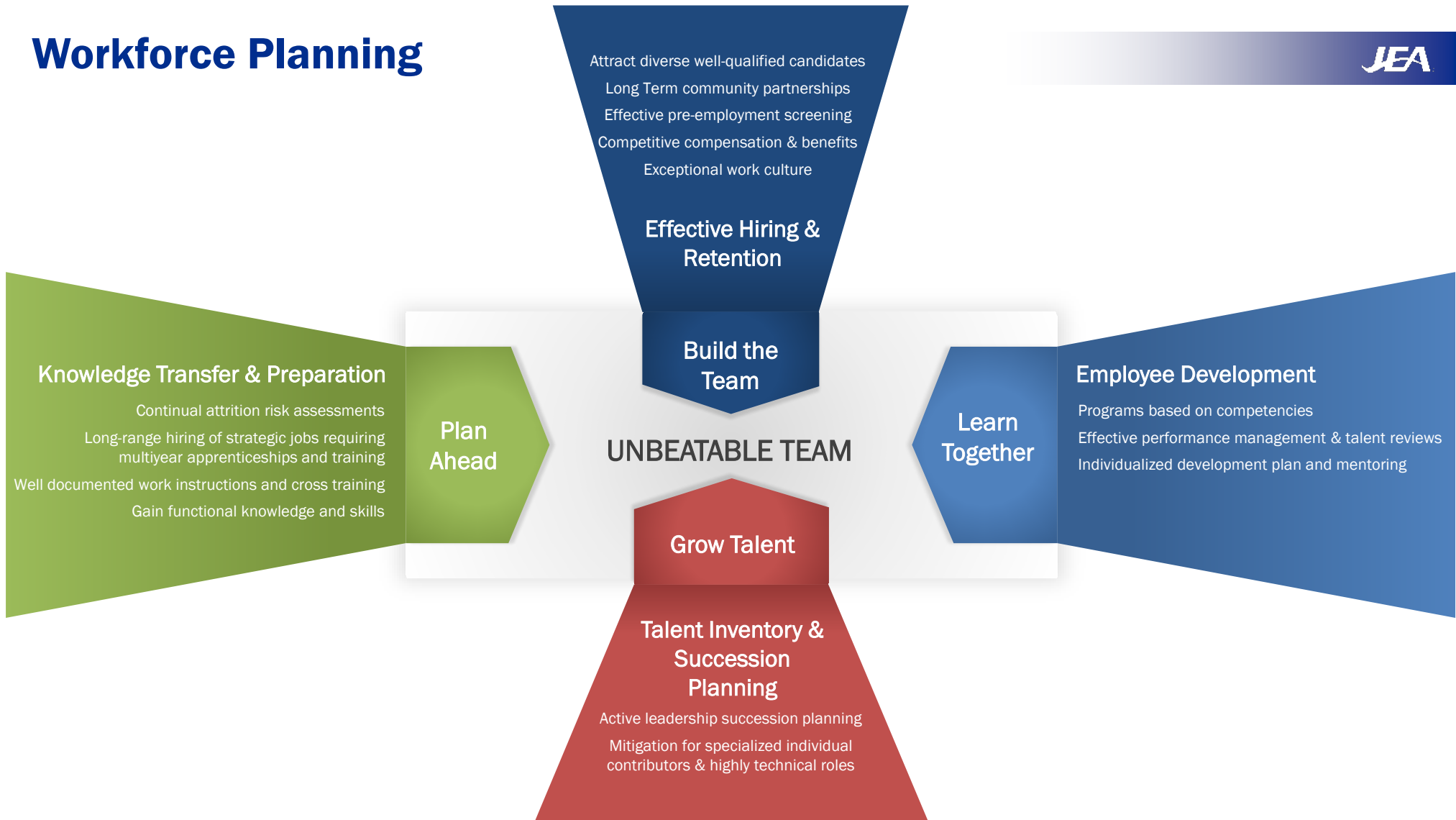
Workforce Planning Talent Inventory

Blake Osner
Director, Learning & Development



Develop an Unbeatable Team

Workforce Planning



Talent Inventory & Succession Planning Best Practices



Plan for technical and critical roles, not just leadership

Be as transparent as possible

Train leaders on succession planning

Don't forget key relationships – it's easy to focus too much on the technical work

Look beyond obvious successors

Remember to think globally – go beyond the knowledge silo

Stack the deck – be open to multiple successors

Plan for the company you'll be in one to three years

Plan to 'edit' the work being done by the outgoing expert

[Business Succession Planning Best Practices](#)

JEA's approach aligns with best practice talent inventory & succession planning

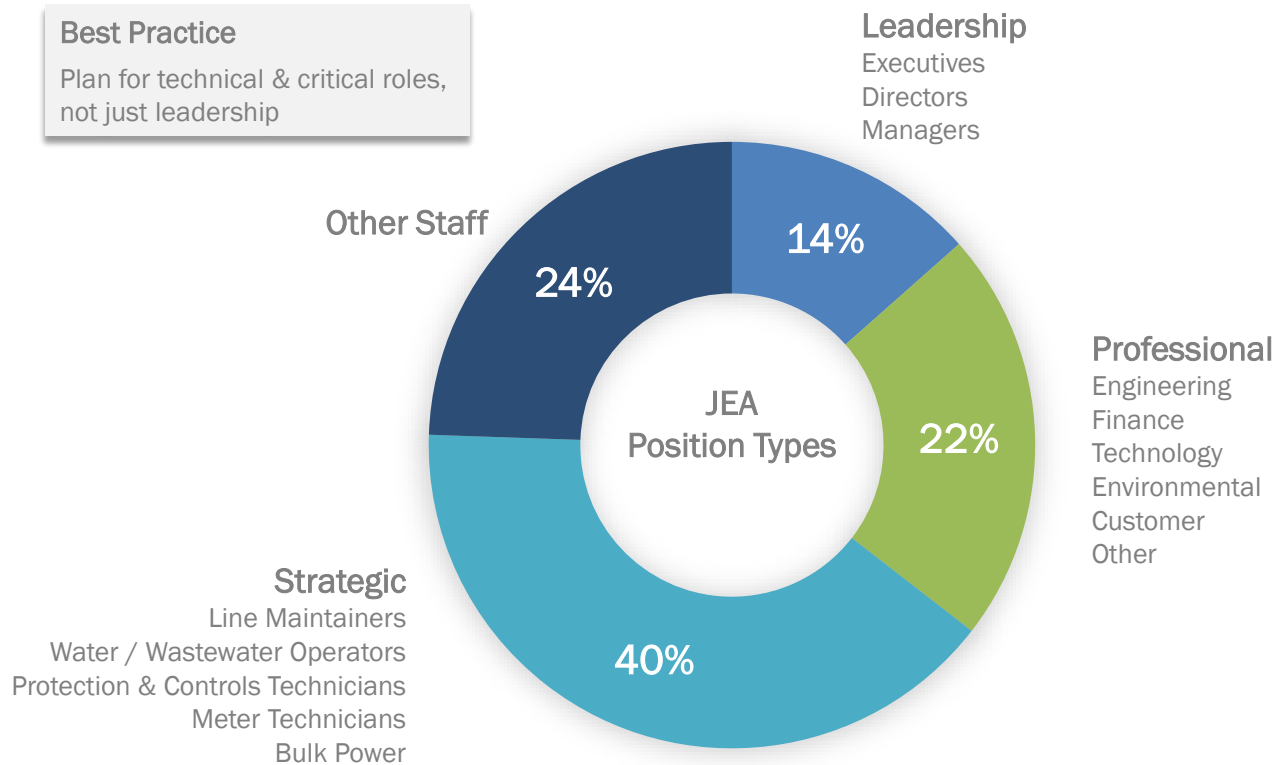
Talent Inventory

Mitigation for specialized individual contributors & highly technical roles



Best Practice

Plan for technical & critical roles,
not just leadership



Attrition Risk

Leadership	High
Professional	High
Strategic	Medium

Analysis Components

Retirement
Flight risk
Availability
Affordability
Readiness

Mitigation Efforts

Continual Assessment
Succession Planning
Knowledge Documentation
Early Hire Overlap
Long-range Forecasting
Continuous Recruitments
Continuous Training Cycles
Internal Promotions
Recruit at Entry Level

Best Practice

Plan for the company you'll be in
one to three years

Succession Planning

Active Leadership Succession Planning

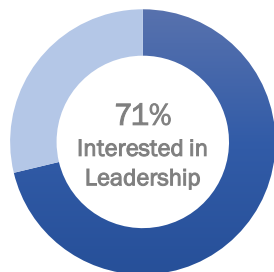
Best Practice

Be as transparent as possible

Appointed Employee Succession Planning Process

Individuals are invited to submit resumes, identify positions of interest, and create development plans

Directors and Executives review submissions and updated risk assessments



May 2021 Updates

167 submissions

Since then, more than 40 employees have moved into different positions as a result of succession planning process



Where We're Headed

Updating Talent Inventory

For appointed employees that have taken a new role within the last year

Discussing with Employees

To continue best practice in being as transparent as possible

Understanding 'Work from Wherever' Impacts on Succession Planning Approach

Considerations on recruiting/pipeline options and individual career aspirations given new work approach

Learning from Employee Engagement Survey

We know employees are more engaged when they see opportunities to grow at work

Growing leaders focused on our core values and competencies



Stakeholder Relations

Laura Schepis
Chief External Affairs Officer



Earn Customer Loyalty

Planning for the Future for our Community



JEA's partnership with local business leaders and stakeholders influence positive outcomes for our customers

Northeast Florida Elected Officials

Infrastructure Funding

Economic Development Engagement

Ambassadors and Volunteers

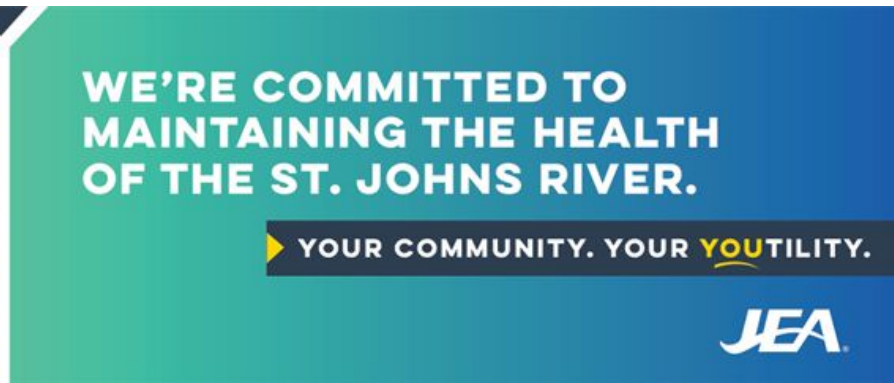
Community Engagement Team



Planning with partners to serve customer needs for decades to come

Engaging our Community with Positive Messages

“YOUtility” Campaign Spring 2022





Fulton Cut Transmission Lines

Raynetta Curry Marshall
Chief Operating Officer



Fulton Cut Transmission Lines

Examining Costs and Community Benefits of Raising Lines for Larger Vessels



Responsible Review for our Customers

JEA's Initial Cost Estimate \$30 million – September 20, 2020

Updated Cost and Feasibility study – mid to late April 2022

Ongoing discussions with JAXPORT, Army Corps of Engineers,
and Office of General Counsel

Analysis of cost participation options





New Business Opportunities

Jordan Pope
Vice President, Corporate Strategy



New Business Opportunities

Chilled Water Expansion

JEA's Chilled Water System

Commenced operation in 2003

Three plants: Downtown, Hogan's Creek, and Springfield

11 existing customers

Chilled Water Rate Study ongoing

Sports and Entertainment District

Jacksonville Jaguars Sports Performance Facility

Planning for the future

TIAA Bank Field

Shipyards

Ongoing conversations with other opportunities Downtown



Expand Chilled Water System in support of Downtown development

New Business Opportunities

Fiber

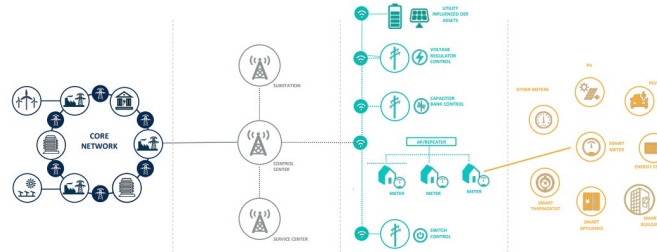


JEA's Existing Fiber Network

745 miles supporting communication technology for Electric, Water, and Sewer utility operations

~175 sites in JEA service territory

36,000 strand miles of fiber



Grid Modernization to Address

- Increasing Maintenance Costs
- Lack of Standardization / Optimization
- Lack of Scalability
- Inability to Support Future Use Cases
- Increasing Cyber and Physical Security Risks

Should JEA Consider Fiber Beyond Utility Use?

1 **Market Landscape**
Study in FY22 to understand market dynamics in northeast Florida

Only if there is market opportunity

2 **Potential Obstacles**
Understand statutes and legislation, and potential charter limitations

3 **Business Model Options**
Explore range of options from dark fiber leasing to fiber to the home for potential new business line

↑
We are here

Complete market study to inform development of fiber strategy in FY22

New Business Opportunities

Potential Opportunities to Explore

Fiber

Dark Fiber Lease

Municipal Broadband

District Energy Systems

Chilled Water

Solar – residential, commercial, community, schools, and campuses

Distributed Generation – backup, emergency, demand response, and battery

Natural Gas

Electrification

Commercial Lighting

Electric Vehicles

On Bill Financing

Solar

HVAC

Insulation

Energy Efficiency Upgrades

Environmental Credits

Wetlands

Nitrogen

JEA will continue to explore potential opportunities for new business development



Plant Vogtle Update

Units 3 & 4

Jay Stowe
Managing Director / CEO

Jody Brooks
Chief Administrative Officer



JEA NOMINATING COMMITTEE MINUTES
February 11, 2022

The Nominating Committee of JEA met on Friday, February 11, 2022, on the 8th floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to wear masks and CDC guidelines and social distancing were required at the meeting location.

WELCOME

Meeting Called to Order – Committee Chair Baker called the meeting to order at 8:00 AM. Board members Bobby Stein, Marty Lanahan, General Joseph DiSalvo, and Rick Morales were in attendance. A quorum of the Committee was physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Regina Ross, Chief Legal Officer, Office of General Counsel; Madricka Jones, Executive Assistant to CEO; and Melissa Charleroy, Board Services Manager. Also, in attendance virtually was Ted Phillips, Chief Financial Officer; Laura Dutton, Chief Strategy Officer; Jody Brooks, Chief Administrative Officer; and Jordan Pope, Vice President, Corporate Strategy.

Adoption of Agenda – On *motion* by Marty Lanahan and seconded by Rick Morales, the agenda was unanimously approved.

Safety Briefing – Melissa Charleroy, Board Services Manager provided a safety briefing.

COMMENTS / PRESENTATIONS

Comments from the Public – None

FOR COMMITTEE CONSIDERATION

JEA Board of Directors – Slate of Officers – On *motion* by Chair Baker and seconded by Rick Morales, the Committee unanimously approved the following slate of officers:

- Chair: Robert (Bobby) Stein
- Vice Chair: Marty Lanahan
- Secretary: General Joseph DiSalvo

Committee members held discussions regarding General DiSalvo's reappointment timeline and extended appreciation to Chair Baker for his leadership.

Other New Business – None

Announcements – Next Board Meeting – February 22, 2022

Adjournment – With no further business claiming the attention of this Committee, the meeting was adjourned at 8:04 AM.

Nominating Committee

February 11, 2022

Page 2

APPROVED BY:

John Baker, Board Chair

Date: _____

Submitted by:

Melissa Charleroy
Board Services Manager

JEA BOARD OF DIRECTORS MEETING MINUTES
February 22, 2022

The JEA Board met in regular session at 9:00 am on Tuesday, February 22, 2022, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to wear masks and CDC guidelines and social distancing were required at the meeting location.

WELCOME

Meeting Called to Order – Board Vice Chair Bobby Stein called the meeting to order at 9:00 am. Board members in attendance were Marty Lanahan, Rick Morales, and General Joseph DiSalvo. Chair Baker, Dr. Zachary Faison, and Thomas VanOsdol participated in the meeting virtually. A quorum of the Board was physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Laura Dutton, Chief Strategy Officer; David Emanuel, Chief Human Resources Officer; Sheila Pressley, Chief Customer Officer; Raynetta Curry Marshall, Chief Operating Officer; Ted Phillips, Chief Financial Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Jordan Pope, Vice President, Corporate Strategy; Council Member Michael Boylan, Council Liaison; and Melissa Charleroy, Manager, Board Services.

Time of Reflection – A moment of reflection was observed by all.

Introductions – Vice Chair Stein recognizing there were no introductions to be made proceeded with the business of the meeting.

Adoption of the Agenda – On *motion* by Marty Lanahan and seconded by Rick Morales, the agenda was approved.

Safety Briefing and Moment – Carole Smith, Director, Water/Wastewater Asset Management & Performance, presented the Safety Briefing and a Safety Moment on excavation safety.

COMMENTS / PRESENTATIONS

Council Liaison's Comments – Council Member Michael Boylan did not have any comments.

Comments from the Public

There were no in-person, virtual, or emailed public comments.

Managing Director / CEO Report – Jay Stowe, Managing Director/CEO, extended appreciation to Board Members and to Vice Chair Bobby Stein leading today's meeting. Mr. Stowe recognized team members for their participation in mutual aid efforts in Danville, Virginia and Conway, South Carolina. Mr. Stowe provided a review of the awards and recognition received including the Florida Municipal Electric Association Restoring Communities award, Outstanding Utility by the Florida Urban Forestry Council, and recognition as a Tree-Line-USA utility by the National Arbor Day Foundation. Additional highlights included activities in celebration of Black History Month and extended appreciation to Board Member Dr. Faison for his participation in the main event, recognition of Board Member Tom VanOsdol for being named Chair, JAXUSA Partnership Board of Directors, recognition of Aundra Wallace,

President, JAXUSA for participation in today's meeting, welcomed Mark Stultz, Vice President, Communications, provided a review of today's presentations, highlighted Vice Chair Stein and Tom VanOsdol's birthday, and expressed appreciation to Board Members for their support.

CONSENT AGENDA

The Consent Agenda consists of agenda items that require Board approval but are routine in nature or have been discussed in previous public meetings of the Board.

On *motion* by Marty Lanahan and seconded by Rick Morales, all Consent Agenda items were individually approved.

Board Meeting Minutes – October 27, 2020

Board Meeting Minutes – November 16, 2021

Board Meeting Minutes – January 11, 2022

401(a) Defined Contribution Retirement Plan Trustee Success

457 Deferred Compensation Plan Trustee Succession

Water Conservation Month

FOR BOARD CONSIDERATION

Performance Update – Walette Stanford, Director, Ethics, provided an overview of the JEA Performance Scorecard data through January 31, 2022. Focusing on the three strategic focus areas, Ms. Stanford highlighted results for safety, electric costs, revenue, and noted pay per performance is currently projected at 2.66% of base salaries. Board members offered positive comments.

CUSTOMER LOYALTY

Economic Development / Real Estate Update – Paul Mitchell, Vice President, Economic Development, provided an update on JEA's strategic approach to real property assets, which may include current and future utility needs, as well as properties with economic development potential. Mr. Mitchell highlighted recent efforts centered around strengthening partnerships with economic development organizations, providing incentives for new and existing customers, and engaging in activities to support ongoing downtown revitalization efforts. Mr. Mitchell introduced Mr. Aundra Wallace, President, JAXUSA Partnership. Mr. Wallace provided a review of active projects from 2019-2021, primary target industries, strategic plans for partnership with JEA, and drivers for company site selection. Board members and Council Member Michael Boylan held discussions. Mr. Stowe provided comments regarding economic development, JEA's partnership with JAXUSA, limitations with water resources, and support with housing initiatives in Jacksonville. This presentation was received for information.

Septic Tank Phase-Out Community Outreach – Greg Corcoran, Manager, Community Involvement and Project Outreach, provided an update on the communication efforts with septic tank phase-out projects. In partnership with the City of Jacksonville, JEA is currently working in various stages in the communities of Biltmore, Beverly Hills, Christobel, and Riverview by gathering community support, assisting during the transition, and providing ongoing support with 3,409 properties. Board members held discussions and Jody Brooks, Chief Administrative Officer, provided information on the community selection process. This presentation was received for information.

BUSINESS EXCELLENCE

Supply Chain Disruptions and Impacts – Jenny McCollum, Director, Procurement and Inventory Planning and Chief Procurement Officer, provided information on the effects of the global crisis, primary drivers, and the mitigation efforts to assist in reducing the impact to JEA and the community. Board members held discussions. This presentation was received for information.

Electric Integrated Resource Plan Update – Raynetta Curry Marshall, Chief Operating Officer, provided an update on the Electric Integrated Resource Plan including background information on long-term power supply requirements, areas of evaluation, and a review of the overall process.

Vice Chair Stein departed the meeting at 10:15 am and returned at 10:17 am.

Laura Schepis, Chief External Affairs Officer, provided a review of the stakeholder engagement meetings to date, as well as the proposed scenarios presented to stakeholders. Board members held discussions and provided feedback. This presentation was received for information.

Vogtle Update – Jay Stowe, Managing Director/CEO, provided an update on Plant Vogtle Units 3 and 4 highlighting continued delays result in additional costs to the project. Jody Brooks, Chief Administrative Officer, provided a review of announcements released the week of February 14, 2022 regarding inspection records and highlighted the revised construction schedule forecasting completion of Unit 3 between the 4th quarter of 2022 and the first three months of 2023. Completion of Unit 4 is scheduled for late 2023. Ms. Brooks noted the schedule revision requires a vote by the owners for continuation of the project. Ms. Brooks provided drivers of additional costs and a review of the ownership. Vice Chair Stein extended appreciation to General DiSalvo for his continued interest in Plant Vogtle. This presentation was received for information.

Annual Disclosure Report Overview – Joe Orfano, Vice President, Financial Services, referencing material provided to the Board in advance of the meeting, presented an overview of the Annual Disclosure Reports process and Board member's responsibilities governing the process for the electric, water/wastewater, and District Energy systems. Mr. Orfano advised the Board that the Disclosure Policies and Procedures are being reviewed and will be brought before the Board at the April 5, 2022 meeting for action. This agenda item was received for information.

Secretary Lanahan departed the meeting at 10:31 am and returned at 10:33 am.

Rating Agency Presentation – Joe Orfano, Vice President, Financial Services, referencing materials in the Board package, provided a review of the rating agency presentations including, JEA's electric and water financial and operational metrics, debt management, financial results, unit sales, residential customer rates, financial projections and capital needs, and funding sources and uses for both the electric and water systems. Mr. Orfano expressed appreciation for each staff member that contributed to the rating agency presentation. Vice Chair Stein extended appreciation to Jay Stowe, Managing Director/CEO, Joe Orfano, Vice President, Financial Services, Chair Baker, and the staff involved in preparing the materials. Board members held discussions. Chair Baker expressed a special appreciation to Mr. Orfano for his work. This agenda item was received for information.

BOARD AND COMMITTEE REPORTS

Nominating Committee – Chair Baker provided an overview of the Nominating Committee meeting held on February 11, 2022 along with the recommended slate of officers including:

Bobby Stein – Board Chair
 Marty Lanahan – Board Vice Chair
 General Joseph DiSalvo – Board Secretary

The new slate of officers will serve from April 1, 2022 through March 31, 2023, or until a successor is chosen.

On ***motion*** by Chair Baker and seconded by Rick Morales, the new slate of officers was unanimously approved.

Vice Chair Stein and Board members expressed their appreciation for Chair Baker's leadership.

Finance & Audit Committee – Committee Chair Lanahan provided an overview of the Finance and Audit Committee meeting held on February 11, 2022. Referencing materials located in their package, Committee Chair Lanahan noted the committee received updates on the Ernst & Young 2021 Audit Results including the FY21 Audited Financial Statements, Rates – Cost of Service, FY23 Budget Assumptions, Audit Services update, met in executive session with Ernst & Young and JEA's Internal Audit Director, and approved minutes from the October 15, 2021 committee meeting. Vice Chair Stein extended appreciation to Ms. Lanahan and team members for their work.

On ***motion*** by Mr. Rick Morales and seconded by General DiSalvo, the Committee's report and actions taken at the February 11, 2022 meeting were approved.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – None

Chair's Report – None

Announcements – None

Adjournment – With no further business coming before the Board, Vice Chair Stein declared the meeting adjourned at 11:06 am.

APPROVED BY:

 Marty Lanahan, Secretary

Date: _____

Board Meeting Recorded by:

 Melissa Charleroy
 Manager, Board Services



INTER-OFFICE MEMORANDUM

April 5, 2022

SUBJECT: JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN –
AMENDED AND RESTATED PLAN DOCUMENTS

FROM: Jay Stowe, Managing Director / CEO

TO: JEA Board of Directors

BACKGROUND:

JEA, as plan sponsor, originally established the JEA 401(a) Defined Contribution Retirement Plan ("Plan") in 2002. The employees who are eligible to participate in the Plan are JEA employees in appointed status positions. Generally, appointed status employees can be described as JEA management staff employees who are exempt from the Civil Service System and serve under the JEA Board of Directors or the JEA Managing Director/CEO.

The Plan is a voluntary, defined contribution plan that permits, but does not require, eligible employees to defer a percentage of their compensation and annual incentive pay (if any) into the Plan to allow saving on a tax-deferred basis. The Plan also permits, but does not require, JEA to make discretionary contributions to the Plan to provide discretionary incentive pay to eligible employees on a tax-deferred basis. Under long-standing budgeting, JEA make discretionary contributions per payroll period equal to 2% of the participants' base pay.

Plan assets are held in a trust that is tax-qualified under the U.S. Internal Revenue Code.

JEA is the Plan Administrator, with the ministerial day-to-day operations carried out by JEA benefits personnel within the Human Resources Department. Participants direct the investments of their own Plan accounts from a menu of investment options that the Plan offers to them. The menu of investment options is chosen and monitored with the assistance of an Investment Advisory Committee, whose members are JEA employees with appropriate financial expertise.

Massachusetts Mutual Life Insurance Company ("MassMutual") has been the current plan document provider for the Plan, and MassMutual has been the custodian for the participants' Plan accounts. However, Great-West Life & Annuity Insurance Company and its subsidiaries, including Great-West Trust Company, LLC and Empower Retirement, LLC (collectively, "Empower Retirement"), recently acquired the retirement business of MassMutual. As a result, the provision of services to the Plan has been transitioning to Empower Retirement.

DISCUSSION:

Periodically, to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law and/or plan design changes. Periodically, it is also beneficial to restate (i.e., re-write) the plan documents in a single written plan document to reflect all prior amendments and to achieve consistency and legal compliance.

Empower Retirement has advised that it has received a favorable Internal Revenue Service ("IRS") opinion letter for its new non-standardized governmental 401(a) pre-approved plan document. As a result of the favorable IRS opinion letter, Empower Retirement will not be maintaining MassMutual's prior form of governing plan documents which are currently in use by the Plan. Therefore, it is necessary for

Page 2

the Plan to be amended and restated in conformity with Empower Retirement's new, IRS-approved plan document and to comply with various updates in the law, including the Bipartisan Budget Act of 2018.

Empower Retirement has prepared restated governing documents for the Plan, which JEA benefits personnel have reviewed with legal counsel. The restated Plan documents are generally intended to maintain substantially the same Plan design and operations that are currently in effect. However, the restated Plan documents reflect the following Plan design change to provide more flexibility to new Plan participants and to better ensure there are sufficient wages available to satisfy all applicable deductions from those participants' pay:

- New participant irrevocable contribution election options for deferrals from base compensation are changed from 0%, 2%, 5%, 10%, or 20%, to any whole percentage ranging from 0% to 20%.
- New participant irrevocable contribution election options for deferrals from annual incentive pay (if any) are changed from 0%, 10%, 25%, 50%, or 100%, to any whole percentage ranging from 0% to 80%.

Attached to this Memorandum are the following:

- Proposed Board Resolution 2022-03, titled "A RESOLUTION APPROVING THE AMENDED AND RESTATED GOVERNING PLAN DOCUMENTS FOR THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN, EFFECTIVE MAY 1, 2022"
- Exhibit "1" – Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan with an attached copy of the IRS favorable opinion letter serial no. Q702631a dated June 30, 2020 issued to Empower Retirement
- Exhibit "2" – Adoption Agreement for Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan
- Exhibit "3" – Amendment to Implement Hardship Distribution Provisions of the Bipartisan Budget Act of 2018 – JEA 401(a) Defined Contribution Retirement Plan
- Exhibit "4" – JEA 401(a) Defined Contribution Retirement Plan Participant Loan Program

There is no collectively bargained unit of employees impacted by the proposed amended and restated Plan documents.

FISCAL IMPACT:

Since the Plan is a defined contribution plan, not a defined benefit pension plan, there is no actuarial cost impact study needed. The Plan benefits payable to any particular participant are determined purely by reference to the balance in the particular participant's account at the time of distribution. The terms of the amended and restated Plan documents will not result in any additional cost of benefits in comparison to current Plan operations.

RECOMMENDATION:

That the Board adopt the proposed amended and restated Plan documents, effective May 1, 2022, and authorize JEA's Managing Director and Chief Executive Officer to execute all implementing documents.

Jay Stowe, Managing Director/CEO

JCS/LDE/PLM



BOARD RESOLUTION: 2022-03

April 5, 2022

**A RESOLUTION APPROVING THE AMENDED AND RESTATED
GOVERNING PLAN DOCUMENTS FOR THE JEA 401(a) DEFINED
CONTRIBUTION RETIREMENT PLAN, EFFECTIVE MAY 1, 2022**

WHEREAS, JEA, as the sponsoring employer, previously adopted the JEA 401(a) Defined Contribution Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective January 1, 2016, was further amended thereafter, and is currently in effect; and

WHEREAS, from time to time, it is necessary to further amend and restate the Plan due to changes in governing laws and regulations or for other good and sufficient cause; and

WHEREAS, Section 19.01 of the current governing Plan document provides that JEA may amend the Plan at any time for any reason; and

WHEREAS, Great-West Life & Annuity Insurance Company and its subsidiaries, including Great-West Trust Company, LLC and Empower Retirement, LLC (collectively, "Empower Retirement"), acquired the retirement business of Massachusetts Mutual Life Insurance Company ("MassMutual"), the Plan's most recent plan document provider, on December 31, 2020; and

WHEREAS, Empower Retirement has advised that it has received a favorable Internal Revenue Service (IRS) opinion letter for its new non-standardized governmental 401(a) pre-approved plan document, and as a result of the favorable IRS opinion letter, Empower Retirement will not be maintaining MassMutual's prior form of governing plan documents which are currently in use by the Plan; and

WHEREAS, Empower Retirement has proposed that the Plan be restated using Empower Retirement's form of governing plan documents; and

WHEREAS, it has been further proposed that that the irrevocable contribution election options available to new participants under the Plan be amended to provide more flexibility to those participants and to better ensure there are sufficient wages available to satisfy all applicable deductions from those participants' pay; and

WHEREAS, it has been further proposed that the foregoing amendment and restatement of the Plan be accomplished via the adoption of the following governing Plan documents, effective May 1, 2022, in substantially the form of the following attached Exhibits:

Exhibit 1 – Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan with an attached copy of the IRS favorable opinion letter serial no. Q702631a dated June 30, 2020 issued to Empower Retirement,

Exhibit 2 – Adoption Agreement for Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan,

Exhibit 3 – Amendment to Implement Hardship Distribution Provisions of the Bipartisan Budget Act of 2018 – JEA 401(a) Defined Contribution Retirement Plan, and

Exhibit 4 – JEA 401(a) Defined Contribution Retirement Plan Participant Loan Program;
and

WHEREAS, JEA has reviewed all documentation and is fully advised of the premises; now therefore:

BE IT RESOLVED by the JEA Board of Directors that:

1. The amendment and restatement of the JEA 401(a) Defined Contribution Retirement Plan is hereby approved, effective May 1, 2022.
2. The following documents attached hereto as Exhibits, are hereby adopted, effective May 1, 2022, for the JEA 401(a) Defined Contribution Plan:

Exhibit 1 – Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan with an attached copy of the IRS favorable opinion letter serial no. Q702631a dated June 30, 2020 issued to Empower Retirement,

Exhibit 2 – Adoption Agreement for Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan,

Exhibit 3 – Amendment to Implement Hardship Distribution Provisions of the Bipartisan Budget Act of 2018 – JEA 401(a) Defined Contribution Retirement Plan, and

Exhibit 4 – JEA 401(a) Defined Contribution Retirement Plan Participant Loan Program

3. Authority is delegated to the Managing Director and Chief Executive Officer of JEA to execute the foregoing approved documents and to take such other action as reasonably necessary to accomplish the amendment and restatement of the JEA 401(a) Defined Contribution Retirement Plan.

Dated this 5th day of April 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

BOARD RESOLUTION: 2022-03

EXHIBIT 1

**GREAT-WEST TRUST COMPANY, LLC
NON-STANDARDIZED GOVERNMENTAL 401(A) PRE-APPROVED PLAN**

TABLE OF CONTENTS

ARTICLE I DEFINITIONS

ARTICLE II ADMINISTRATION

2.1	POWERS AND RESPONSIBILITIES OF THE EMPLOYER	10
2.2	DESIGNATION OF ADMINISTRATIVE AUTHORITY	11
2.3	ALLOCATION AND DELEGATION OF RESPONSIBILITIES	11
2.4	POWERS AND DUTIES OF THE ADMINISTRATOR	11
2.5	RECORDS AND REPORTS	12
2.6	APPOINTMENT OF ADVISERS	12
2.7	INFORMATION FROM EMPLOYER	12
2.8	PAYMENT OF EXPENSES.....	12
2.9	MAJORITY ACTIONS	12
2.10	CLAIMS PROCEDURES.....	12

ARTICLE III ELIGIBILITY

3.1	CONDITIONS OF ELIGIBILITY	14
3.2	EFFECTIVE DATE OF PARTICIPATION	14
3.3	DETERMINATION OF ELIGIBILITY	14
3.4	TERMINATION OF ELIGIBILITY	14
3.5	REHIRED EMPLOYEES AND 1-YEAR BREAKS IN SERVICE	14
3.6	ELECTION NOT TO PARTICIPATE	15
3.7	OMISSION OF ELIGIBLE EMPLOYEE; INCLUSION OF INELIGIBLE EMPLOYEE	15

ARTICLE IV CONTRIBUTION AND ALLOCATION

4.1	FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION	16
4.2	TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION.....	16
4.3	ALLOCATION OF CONTRIBUTION, FORFEITURES AND EARNINGS.....	16
4.4	MAXIMUM ANNUAL ADDITIONS.....	18
4.5	ADJUSTMENT FOR EXCESS ANNUAL ADDITIONS	21
4.6	ROLLOVERS.....	21
4.7	PLAN-TO-PLAN TRANSFERS FROM QUALIFIED PLANS.....	22
4.8	MANDATORY EMPLOYEE CONTRIBUTIONS.....	22
4.9	AFTER-TAX VOLUNTARY EMPLOYEE CONTRIBUTIONS	22
4.10	PARTICIPANT DIRECTED INVESTMENTS.....	23
4.11	QUALIFIED MILITARY SERVICE	24
4.12	INSTRUCTIONS TO ADMINISTRATOR AND NOTIFICATION TO PARTICIPANTS	24

ARTICLE V VALUATIONS

5.1	VALUATION OF THE TRUST FUND.....	25
-----	----------------------------------	----

5.2	METHOD OF VALUATION	25
-----	---------------------------	----

ARTICLE VI
DETERMINATION AND DISTRIBUTION OF BENEFITS

6.1	DETERMINATION OF BENEFITS UPON RETIREMENT	25
6.2	DETERMINATION OF BENEFITS UPON DEATH	25
6.3	DETERMINATION OF BENEFITS IN EVENT OF DISABILITY	26
6.4	DETERMINATION OF BENEFITS UPON TERMINATION	26
6.5	DISTRIBUTION OF BENEFITS	27
6.6	DISTRIBUTION OF BENEFITS UPON DEATH	29
6.7	TIME OF DISTRIBUTION	31
6.8	REQUIRED MINIMUM DISTRIBUTIONS.....	31
6.9	DISTRIBUTION FOR MINOR OR INCOMPETENT INDIVIDUAL	35
6.10	LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN	35
6.11	IN-SERVICE DISTRIBUTION.....	36
6.12	DISTRIBUTION FOR HARDSHIP	36
6.13	QUALIFIED DOMESTIC RELATIONS ORDER DISTRIBUTION	37
6.14	DIRECT ROLLOVERS.....	37
6.15	RESTRICTIONS ON DISTRIBUTION OF ASSETS TRANSFERRED FROM A MONEY PURCHASE PLAN	38
6.16	CORRECTIVE DISTRIBUTIONS.....	38
6.17	SERVICE CREDIT PURCHASES.....	38
6.18	UNCASHED CHECKS	39
6.19	39	

ARTICLE VII
TRUST, TRUSTEE AND CUSTODIAN

7.1	CONFLICT WITH PLAN	39
7.2	POWERS AND DUTIES OF CUSTODIAN	39
7.3	LIFE INSURANCE	39
7.4	LOANS TO PARTICIPANTS	40
7.5	PLAN-TO-PLAN TRANSFERS	40

ARTICLE VIII
AMENDMENT, TERMINATION AND MERGERS

8.1	AMENDMENT	41
8.2	TERMINATION.....	41
8.3	MERGER, CONSOLIDATION OR TRANSFER OF ASSETS.....	41

ARTICLE IX
MISCELLANEOUS

9.1	EMPLOYER ADOPTIONS.....	42
9.2	PARTICIPANT'S RIGHTS	42
9.3	ALIENATION	42
9.4	PLAN COMMUNICATIONS, INTERPRETATION AND CONSTRUCTION.....	42
9.5	GENDER, NUMBER AND TENSE	43

9.6	LEGAL ACTION	43
9.7	PROHIBITION AGAINST DIVERSION OF FUNDS	43
9.8	EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE.....	43
9.9	INSURER'S PROTECTIVE CLAUSE	43
9.10	RECEIPT AND RELEASE FOR PAYMENTS	44
9.11	ACTION BY THE EMPLOYER.....	44
9.12	APPROVAL BY INTERNAL REVENUE SERVICE	44
9.13	PAYMENT OF BENEFITS.....	44
9.14	ELECTRONIC MEDIA.....	44
9.15	PLAN CORRECTION.....	44
9.16	NONTRUSTEED PLANS	44

ARTICLE X PARTICIPATING EMPLOYERS

10.1	ELECTION TO BECOME A PARTICIPATING EMPLOYER	45
10.2	REQUIREMENTS OF PARTICIPATING EMPLOYERS	45
10.3	DESIGNATION OF AGENT	45
10.4	EMPLOYEE TRANSFERS	45
10.5	PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES	45
10.6	AMENDMENT	45
10.7	DISCONTINUANCE OF PARTICIPATION	46
10.8	ADMINISTRATOR'S AUTHORITY	46

ARTICLE XI MULTIPLE EMPLOYER PROVISIONS

11.1	ELECTION AND OVERRIDING EFFECT.....	46
11.2	DEFINITIONS.....	46
11.3	PARTICIPATING EMPLOYER ELECTIONS.....	46
11.4	TESTING.....	46
11.5	COMPENSATION	46
11.6	SERVICE.....	47
11.7	COOPERATION AND INDEMNIFICATION	47
11.8	INVOLUNTARY TERMINATION	47
11.9	VOLUNTARY TERMINATION	48
11.10	DESIGNATION OF AGENT	48

Non-Standardized Governmental 401(a) Pre-Approved Plan

**ARTICLE I
DEFINITIONS**

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

1.1 "Account" means any separate notational account established and maintained by the Administrator for each Participant under the Plan. To the extent applicable, a Participant may have any (or all) of the following notational Accounts:

- (a) "Combined Account" means the account representing the Participant's total interest under the Plan resulting from Employer contributions. In addition, Forfeitures are part of the Combined Account to the extent they are reallocated.
- (b) "Mandatory Contribution Account" means the account established hereunder to which mandatory Employee contributions made pursuant to Section 4.8 are allocated, to the extent such contributions are not picked-up by the Employer pursuant to Code §414(h). A Participant's Mandatory Contribution Account shall be fully Vested at all times.
- (c) "Rollover Account" means the account established hereunder to which amounts transferred from a qualified plan or individual retirement account in accordance with Section 4.6 are allocated.
- (d) "Transfer Account" means the account established hereunder to which amounts transferred to this Plan from a direct plan-to-plan transfer in accordance with Section 4.7 are allocated.
- (e) "Voluntary Contribution Account" means the account established hereunder to which after-tax voluntary Employee contributions made pursuant to Section 4.9 are allocated.

1.2 "Administrator" means the Employer unless another person, entity or committee has been designated by the Employer pursuant to Section 2.2 to administer the Plan on behalf of the Employer.

1.3 "Adoption Agreement" means the separate agreement which is executed by the Employer and sets forth the elective provisions of this Plan as specified by the Employer.

1.4 "Affiliated Employer" means any entity required to be aggregated with the Employer pursuant to Code §414.

1.5 "Alternate Payee" means an alternate payee pursuant to a qualified domestic relations order that meets the requirements of Code §414(p).

1.6 "Anniversary Date" means the last day of the Plan Year.

1.7 "Annuity Starting Date" means, with respect to any Participant, the first day of the first period for which an amount is paid 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 entitles the Participant to such benefit.

1.8 "Beneficiary" means the person (or entity) to whom all or a portion of a deceased Participant's interest in the Plan is, or may become, payable upon the Participant's death as identified in records maintained by the Plan, subject to the restrictions of Sections 6.2 and 6.6.

1.9 "Code" means the Internal Revenue Code of 1986, as it may be amended from time to time and includes applicable Internal Revenue Service (IRS) guidance.

1.10 "Compensation" means, with respect to any Participant, the amount determined in accordance with the following provisions, except as otherwise provided in the Adoption Agreement.

- (a) **Base definition.** One of the following, as elected in the Adoption Agreement:
 - (1) Information required to be reported under Code §§6041, 6051 and 6052 (Wages, tips and other compensation as reported on Form W-2). Compensation means wages, within the meaning of Code §3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §§6041(d), 6051(a)(3) and 6052. Compensation must be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

Non-Standardized Governmental 401(a) Pre-Approved Plan

(2) Code §3401(a) Wages. Compensation means an Employee's wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(3) 415 safe harbor compensation. Compensation means wages, salaries, Military Differential Pay, and 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 the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Regulation §1.62-2(c))), and excluding the following:

- (i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are excludable from the Employee's gross income, or any distributions from a plan of deferred compensation;
- (ii) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (iv) 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 includible in the gross income of the Employee and are not salary reduction amounts under Code §125), whether or not the contributions are actually excludable from the gross income of the Employee.

(b) **Paid during "determination period."** Compensation shall include only that Compensation which is actually paid to the Participant during the "determination period." Except as otherwise provided in this Plan, the "determination period" is the period elected by the Employer in the Adoption Agreement. If the Employer makes no election, the "determination period" shall be the Plan Year.

(c) **Inclusion of deferrals.** Notwithstanding the above, unless otherwise elected in the Adoption Agreement, Compensation shall include all of the following types of elective contributions and all of the following types of deferred compensation:

- (1) Elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) and 403(b). If specified in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), amounts under Code §125 shall be deemed to include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount will be treated as an amount under Code §125 pursuant to the preceding sentence only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.
- (2) Compensation deferred under an eligible deferred compensation plan within the meaning of Code §457(b).
- (3) Employee contributions described in Code §414(h)(2) that are picked up by the employing unit and thus are treated as Employer contributions.

(d) **Post-severance compensation – Code §415 Regulations.** The Administrator shall adjust Compensation for amounts that would otherwise be included in the definition of Compensation but are paid by the later of 2 1/2 months after a Participant's severance from employment with the Employer or the end of the Plan Year that includes the date of the Participant's severance from employment with the Employer, in accordance with the following, as elected in the Compensation Section of the Adoption Agreement. The preceding time period, however, does not apply with respect to payments described in Subsections (4) and (5) below. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation is not considered Compensation, even if payment is made within the time period specified above.

- (1) **Regular pay.** Compensation shall include regular pay after severance of employment (to the extent otherwise included in the definition of Compensation) if:
 - (i) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
 - (ii) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(2) **Leave cash-outs.** Compensation shall include leave cash-outs if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued.

(3) **Deferred compensation.** Compensation shall include deferred compensation if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent the payment is includible in the Participant's gross income.

(4) **Military Differential pay.** Compensation shall include payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code §414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(5) **Disability pay.** Compensation shall include compensation paid to a Participant who is permanently and totally disabled, as defined in Code §22(e)(3), provided, as elected by the Employer in the Compensation Section of the Adoption Agreement, salary continuation applies to all Participants who are permanently and totally disabled.

(e) **Compensation Dollar limitation.** For any Plan Year (or other applicable determination period) Compensation in excess of \$275,000 shall be disregarded for all purposes. The dollar amount shall be adjusted by the Commissioner for increases in the cost-of-living in accordance with Code §401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any "determination period" beginning with or within such calendar year. If a "determination period" consists of fewer than twelve (12) months, the \$275,000 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the "determination period," and the denominator of which is twelve (12). In applying any Plan limitation on the amount of matching contributions, where such limits are expressed as a percentage of Compensation, the Administrator may apply the Compensation limit under this Section annually, even if the matching contribution formula is applied on any time interval which is less than the full Plan Year or the Administrator may pro rate the Compensation limit.

In the case of an "eligible Participant," the dollar limitation under Code §401(a)(17) shall not apply to the extent the amount under the Plan would be reduced below the amount which was allowed to be taken into account under the Plan as in effect on July 1, 1993. For purposes of this provision, an "eligible Participant" is an individual who first became a Participant before the first Plan Year beginning after the earlier of (i) the Plan Year in which the Plan was amended to reflect Code §401(a)(17), or (ii) December 31, 1995.

(f) **Non-eligible Employee.** If, in the Adoption Agreement, the Employer elects to exclude a class of Employees from the Plan, then Compensation for any Employee who becomes eligible or ceases to be eligible to participate during a "determination period" shall only include Compensation while the Employee is an Eligible Employee.

(g) **Amendment.** If, in connection with the adoption of any amendment, the definition of Compensation has been modified, then, except as otherwise provided herein, for Plan Years prior to the Plan Year which includes the adoption date of such amendment, Compensation means compensation determined pursuant to the terms of the Plan then in effect.

(h) **Affiliated Employers.** Affiliated Employers are treated as one Employer for purposes of Compensation. If, however, one or more Affiliated Employers are Participating Employers and the Plan (including the Adoption Agreement or a participation agreement) allocate Employer Contributions separately among the Employees directly employed by a Participating Employer, then, in computing such allocations, Compensation paid by other Participating Employers is excluded Compensation.

1.11 "Contract" or "Policy" means any life insurance policy, retirement income policy, or annuity contract (group or individual) issued by the Insurer. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.12 "Custodian" means a person or entity that has custody of all or any portion of the Plan assets.

1.13 "Directed Trustee" means a Trustee who, with respect to the investment of Plan assets, is subject to the direction of the Administrator, the Employer, a properly appointed Investment Manager, or Plan Participant.

1.14 "Discretionary Trustee" means a Trustee who has the authority and discretion to invest, manage or control any portion of the Plan assets.

1.15 "Early Retirement Date" means the date specified in the Adoption Agreement on which a Participant has satisfied the requirements specified in the Adoption Agreement (Early Retirement Age). If elected in the Adoption Agreement, a Participant shall become fully Vested upon satisfying such requirements if the Participant is still employed at the Early Retirement Age.

Non-Standardized Governmental 401(a) Pre-Approved Plan

A Participant who severs from employment after satisfying any service requirement but before satisfying the age requirement for Early Retirement Age and who thereafter reaches the age requirement contained herein shall be entitled to receive benefits under this Plan (other than any accelerated vesting and allocations of Employer contributions) as though the requirements for Early Retirement Age had been satisfied.

1.16 "Effective Date" means the date this Plan, including any restatement or amendment of this Plan, is effective. Where the Plan is restated or amended, a reference to Effective Date is the effective date of the restatement or amendment, except where the context indicates a reference to an earlier Effective Date. If any provision of this Plan is retroactively effective, the provisions of this Plan generally control. However, if the provision of this Plan is different from the provision of the Employer's prior plan document and, after the retroactive Effective Date of this Plan, the Employer operated in compliance with the provisions of the prior plan, then the provision of such prior plan is incorporated into this Plan for purposes of determining whether the Employer operated the Plan in compliance with its terms, provided operation in compliance with the terms of the prior plan do not violate any qualification requirements under the Code, Regulations, or other IRS guidance.

The Employer may designate special effective dates for individual provisions under the Plan where provided in the Adoption Agreement or under Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections). If one or more qualified retirement plans have been merged into this Plan, the provisions of the merging plan(s) will remain in full force and effect until the effective date of the plan merger(s).

1.17 "Eligible Employee" means any Eligible Employee as elected in the Adoption Agreement and as provided herein.

(a) **"Reclassified Employees."** An individual shall not be an Eligible Employee (unless otherwise elected in Appendix A to the Adoption Agreement) if such individual is a "Reclassified Employee." A "Reclassified Employee" is any person the Employer does not treat as a common law employee or as a self-employed individual (including, but not limited to, independent contractors, persons the Employer pays outside of its payroll system and out-sourced workers) for federal income tax withholding purposes under Code §3401(a), irrespective of whether there is a binding determination that the individual is an Employee or a Leased Employee of the Employer. Self-Employed Individuals are not "Reclassified Employees."

(b) **Affiliated Employers.** Employees of an Affiliated Employer will not be treated as Eligible Employees prior to the date the Affiliated Employer adopts the Plan as a Participating Employer.

(c) **Union Employees.** If, in the Adoption Agreement, the Employer elects to exclude union employees, then Employees whose employment is governed by a collective bargaining agreement between the Employer and "employee representatives" under which retirement benefits were the subject of good faith bargaining, shall not be eligible to participate in this Plan to the extent of employment covered by such agreement, unless the agreement provides for coverage in the Plan (see Section 4.1(d)). For this purpose, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer. If a Participant performs services both as a collectively bargained Employee and as a non-collectively bargained Employee, then the Participant's Hours of Service in each respective category are treated separately.

(d) **Nonresident aliens.** If, in the Adoption Agreement, the Employer elects to exclude nonresident aliens, then Employees who are nonresident aliens (within the meaning of Code §7701(b)(1)(B)) who received no earned income (within the meaning of Code §911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code §861(a)(3)) shall not be eligible to participate in this Plan. In addition, this paragraph shall also apply to exclude from participation in the Plan an Employee who is a nonresident alien (within the meaning of Code §7701(b)(1)(B)) but who receives earned income (within the meaning of Code §911(d)(2)) from the Employer that constitutes income from sources within the United States (within the meaning of Code §861(a)(3)), if all of the Employee's earned income from the Employer from sources within the United States is exempt from United States income tax under an applicable income tax convention. The preceding sentence will apply only if all Employees described in the preceding sentence are excluded from the Plan.

1.18 "Employee" means any person who is employed by the Employer. The term "Employee" shall also include any person who is an employee of an Affiliated Employer and any Leased Employee deemed to be an Employee as provided in Code §414(n) or (o).

1.19 "Employer" means the governmental entity specified in the Adoption Agreement, any successor which shall maintain this Plan and any predecessor which has maintained this Plan. In addition, unless the context means otherwise, the term "Employer" shall include any Participating Employer which shall adopt this Plan. This plan may only be adopted a state or local governmental entity, or agency thereof, including an Indian tribal government, and may not be adopted by any other entity, including a federal government and any agency or instrumentality thereof.

Non-Standardized Governmental 401(a) Pre-Approved Plan

1.20 "**Fiscal Year**" means the Employer's accounting year.

1.21 "**Forfeiture**" means that portion of a Participant's Account that is not Vested and is disposed of in accordance with the provisions of the Plan.

A Forfeiture will occur on the following, as elected by the Employer in the Adoption Agreement:

- (a) The last day of the Plan Year in which a Participant incurs five (5) consecutive 1-Year Breaks in Service, or
- (b) The distribution of the entire Vested portion of the Participant's Account of a Participant who has severed employment with the Employer. For purposes of this provision, if the Participant has a Vested benefit of zero, then such Participant shall be deemed to have received a distribution of such Vested benefit as of the year in which the severance of employment occurs. For this purpose, a Participant's Vested benefit shall not include: (i) qualified voluntary employee contributions within the meaning of Code §72(o)(5)(B), and (ii) the Participant's Rollover Account.
- (c) As soon as reasonable practical after the date a Participant severs employment.

Regardless of the preceding, if a Participant is eligible to share in the allocation of Forfeitures in the year in which the Forfeiture would otherwise occur, then the Forfeiture will not occur until the end of the first Plan Year for which the Participant is not eligible to share in the allocation of Forfeitures. Furthermore, the term "Forfeiture" shall also include amounts deemed to be Forfeitures pursuant to any other provision of this Plan.

1.22 "**Former Employee**" means an individual who has severed employment with the Employer or an Affiliated Employer.

1.23 "**415 Compensation**" means, with respect to any Participant, such Participant's (a) Wages, tips and other compensation on Form W-2, (b) Code §3401(a) wages or (c) 415 safe harbor compensation as elected in the Adoption Agreement for purposes of Compensation (and as defined in Subsections 1.10(a)(1)-3 respectively). 415 Compensation shall be based on the full Limitation Year regardless of when participation in the Plan commences. Furthermore, regardless of any election made in the Adoption Agreement, 415 Compensation shall include any elective deferral (as defined in Code §§402(e)(3), 402(k) and 402(h)(1)(B)) and any amount which is contributed or deferred by the Employer at the election of the Participant and which is not includible in the gross income of the Participant by reason of Code §§125, 457, and 132(f)(4). If the Plan contains pick-up provisions (certain contributions designated as employee contributions, that are then "picked-up" by the Employer), then those pick-up contributions are not includible as Compensation for purposes of IRC §415 & Reg. §1.415-2(d)(2)(i). In addition, Military Differential Pay is treated as 415 Compensation.

(a) **Deemed 125 compensation.** If elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), 415 Compensation shall also include deemed §125 compensation. Deemed §125 compensation is an amount that is excludable under §106 that is not available to a participant in cash in lieu of group health coverage under a §125 arrangement solely because the participant is unable to certify that he or she has other health coverage. An amount will be treated as an amount under Code §125 pursuant to the preceding sentence only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(b) **Post-severance compensation.** The Administrator shall adjust 415 Compensation for amounts that would otherwise be included in the definition of 415 Compensation but are paid by the later of 2 1/2 months after a Participant's severance from employment with the Employer or the end of the Limitation Year that includes the date of the Participant's severance from employment with the Employer, in accordance with the following, as elected in the Compensation Section of the Adoption Agreement. The preceding time period, however, does not apply with respect to payments described in Subsections (4) and (5) below. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation is not considered 415 Compensation, even if payment is made within the time period specified above.

(1) **Regular pay.** 415 Compensation shall include regular pay after severance of employment (to the extent otherwise included in the definition of 415 Compensation) if:

- (i) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
- (ii) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

(2) **Leave cash-outs.** 415 Compensation shall include leave cash-outs if those amounts would have been included in the definition of 415 Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(3) **Deferred compensation.** 415 Compensation shall include deferred compensation if those amounts would have been included in the definition of 415 Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid if the Participant had continued in employment with the Employer and only to the extent the payment is includible in the Participant's gross income.

(4) **Military Differential Pay.** 415 Compensation shall include payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code §414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(5) **Disability pay.** 415 Compensation shall include compensation paid to a Participant who is permanently and totally disabled, as defined in Code §22(e)(3), provided, as elected by the Employer in the Compensation Section of the Adoption Agreement, salary continuation applies to all Participants who are permanently and totally disabled for a fixed or determinable period, or the Participant was not a highly compensated employee (within the meaning of Code §414(q)) immediately before becoming disabled.

(c) **Back pay.** Back pay, within the meaning of Regulations §1.415(c)-2(g)(8), shall be treated as Compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

(d) **Dollar limitation.** 415 Compensation will be limited to the same dollar limitations set forth in Section 1.10(e) adjusted in such manner as permitted under Code §415(d).

(e) **Amendment.** Except as otherwise provided herein, if, in connection with the adoption of any amendment, the definition of 415 Compensation has been modified, then for Plan Years prior to the Plan Year which includes the adoption date of such amendment, 415 Compensation means compensation determined pursuant to the terms of the Plan then in effect.

1.24 "Hour of Service" means (a) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties during the applicable computation period (these hours will be credited to the Employee for the computation period in which the duties are performed); (b) each hour for which an Employee is directly or indirectly compensated or entitled to Compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, incapacity (including disability), jury duty, lay-off, military duty or leave of absence) during the applicable computation period; (c) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the 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). The same Hours of Service shall not be credited both under (a) or (b), as the case may be, and under (c).

Notwithstanding (b) above, (1) no more than 501 Hours of Service will be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (2) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, or unemployment compensation or disability insurance laws; and (3) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee. Furthermore, for purposes of (b) above, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

Hours of Service will be credited for employment with all Affiliated Employers and for any individual considered to be a Leased Employee pursuant to Code §414(n) or 414(o) and the Regulations thereunder.

Hours of Service will be determined using the actual hours method unless one of the methods below is elected in the Adoption Agreement. If the **actual hours** method is used to determine Hours of Service, an Employee is credited with the actual Hours of Service the Employee completes with the Employer or the number of Hours of Service for which the Employee is paid (or entitled to payment).

If the **days worked** method is elected, an Employee will be credited with ten (10) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the day.

If the **weeks worked** method is elected, an Employee will be credited with forty-five (45) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the week.

If the **semi-monthly payroll periods worked** method is elected, an Employee will be credited with ninety-five (95) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the semi-monthly payroll period.

Non-Standardized Governmental 401(a) Pre-Approved Plan

If the **months worked** method is elected, an Employee will be credited with one hundred ninety (190) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the month.

If the **bi-weekly payroll periods worked** method is elected, an Employee will be credited with ninety (90) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the bi-weekly payroll period.

1.25 "Insurer" means any legal reserve insurance company which has issued or shall issue one or more Contracts or Policies under the Plan.

1.26 "Investment Manager" means a person or entity which renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or property of the Plan and which is appointed in accordance with Section 2.1(b).

1.27 "Joint and Survivor Annuity" means an immediate annuity for the life of a Participant with a survivor annuity for the life of the Participant's Spouse which is not less than fifty percent (50%), nor more than one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and the Participant's Spouse which can be purchased with the Participant's Vested interest in the Plan reduced by any outstanding loan balances pursuant to Section 7.4.

1.28 "Late Retirement Date" means the date of, or the first day of the month or the Anniversary Date coinciding with or next following, whichever corresponds to the election in the Adoption Agreement for the Normal Retirement Date, a Participant's actual retirement after having reached the Normal Retirement Date.

1.29 "Leased Employee" means any person (other than an Employee of the recipient Employer) who, pursuant to an agreement between the recipient Employer and any other person or entity ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code §414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient Employer. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. Furthermore, Compensation for a Leased Employee shall only include compensation from the leasing organization that is attributable to services performed for the recipient Employer.

A Leased Employee shall not be considered an employee of the recipient Employer if: (a) such employee is covered by a money purchase pension plan providing: (1) a non-integrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code §415(c)(3), (2) immediate participation, and (3) full and immediate vesting; and (b) leased employees do not constitute more than twenty percent (20%) of the recipient Employer's nonhighly compensated workforce.

1.30 "Limitation Year" means the "determination period" used to determine Compensation. However, the Employer may elect a different Limitation Year in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections). All qualified plans maintained by the Employer must use the same Limitation Year. Furthermore, unless there is a change to a new Limitation Year, the Limitation Year will be a twelve (12) consecutive month period. In the case of an initial Limitation Year, the Limitation Year will be the twelve (12) consecutive month period ending on the last day of the period specified in the Adoption Agreement. If the Limitation Year is amended to a different twelve (12) consecutive month period, the new "Limitation Year" must begin on a date within the "Limitation Year" in which the amendment is made. The Limitation Year may only be changed by a Plan amendment. Furthermore, if the Plan is terminated effective as of a date other than the last day of the Plan's Limitation Year, then the Plan is treated as if the Plan had been amended to change its Limitation Year.

1.31 "Military Differential Pay" means any differential wage payments made to an individual that represents an amount which, when added to the individual's military pay, approximates the amount of Compensation that was paid to the individual while working for the Employer. An individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an Employee of the Employer making the payment.

1.32 "Nonelective Contribution" means the Employer's contributions to the Plan.

1.33 "Normal Retirement Age" means the age elected in the Adoption Agreement at which time a Participant's Account shall be nonforfeitable (if elected in the Adoption Agreement and if the Participant is employed by the Employer on or after that date). For money purchase pension plans, if the employer enforces a mandatory retirement age, then the Normal Retirement Age is the lesser of that mandatory age or the age specified in the Adoption Agreement. Upon attaining Normal Retirement Age or the stated age and completion of the required years of service and any other reasonable requirements set forth in the Plan, the Plan will provide for full vesting of an Employee's interest.

1.34 "Normal Retirement Date" means the date elected in the Adoption Agreement.

1.35 "1-Year Break in Service" means, if the Hour of Service method is used, the applicable computation period that is used to determine a Year of Service during which an Employee or Former Employee has not completed more than 500 Hours of Service. However, if the Employer selected, in the Service Crediting Method Section of the Adoption Agreement, to define a Year of Service as less than 1,000

Non-Standardized Governmental 401(a) Pre-Approved Plan

Hours of Service, then the 500 Hours of Service in this definition of 1-Year Break in Service shall be proportionately reduced. Further, solely for the purpose of determining whether an Employee has incurred a 1-Year Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "maternity and paternity leaves of absence." For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefore is necessary to prevent the Employee from incurring a 1-Year Break in Service, or, in any other case, in the immediately following computation period. The Hours of Service credited for a "maternity or paternity leave of absence" shall be those which would normally have been credited but for such absence, or, in any case in which the Administrator is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "maternity or paternity leave of absence" shall not exceed the number of Hours of Service needed to prevent the Employee from incurring a 1-Year Break in Service.

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established policy, whether occasioned by illness, military service, or any other reason.

A "maternity or paternity leave of absence" means an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement.

If the elapsed time method is elected in the Service Crediting Method Section of the Adoption Agreement, then a "1-Year Break in Service" means a twelve (12) consecutive month period beginning on the severance from service date or any anniversary thereof and ending on the next succeeding anniversary of such date; provided, however, that the Employee or Former Employee does not perform an Hour of Service for the Employer during such twelve (12) consecutive month period.

1.36 "Participant" means any Employee or Former Employee who has satisfied the requirements of Sections 3.1 and 3.2 and entered the Plan and is eligible to accrue benefits under the Plan. In addition, the term "Participant" also includes any individual who was a Participant (as defined in the preceding sentence) and who must continue to be taken into account under a particular provision of the Plan (e.g., because the individual has an Account balance in the Plan).

1.37 "Participant Directed Account" means that portion of a Participant's interest in the Plan with respect to which the Participant has directed the investment in accordance with the Participant Direction Procedures.

1.38 "Participant Direction Procedures" means such instructions, guidelines or policies, the terms of which are incorporated herein, as shall be established pursuant to Section 4.10 and observed by the Administrator and applied and provided to Participants who have Participant Directed Accounts.

1.39 "Participating Employer" means an Employer which, with the consent of the "lead Employer" adopts the Plan pursuant to Section 10.1 or Article XI. In addition, unless the context means otherwise, the term "Employer" shall include any Participating Employer which shall adopt this Plan.

1.40 "Period of Service" means the aggregate of all periods of service commencing with an Employee's first day of employment or reemployment with the Employer or an Affiliated Employer and ending on the first day of a Period of Severance, or for benefit accrual purposes, ending on the severance from service date. The first day of employment or reemployment is the first day the Employee performs an Hour of Service. An Employee who incurs a Period of Severance of twelve (12) months or less will also receive service-spanning credit by treating any such period as a Period of Service for purposes of eligibility and vesting (but not benefit accrual). For purposes of benefit accrual, a Participant's whole year Periods of Service is equal to the sum of all full and partial periods of service, whether or not such service is continuous or contiguous, expressed in the number of whole years represented by such sum. For this purpose, fractional periods of a year will be expressed in terms of days.

Periods of Service with any Affiliated Employer shall be recognized. Furthermore, Periods of Service with any predecessor employer that maintained this Plan shall be recognized. Periods of Service with any other predecessor employer shall be recognized as elected in the Adoption Agreement.

In determining Periods of Service for purposes of vesting under the Plan, Periods of Service will be excluded as elected in the Adoption Agreement and as specified in Section 3.5.

In the event the method of crediting service is amended from the Hour of Service method to the elapsed time method, an Employee will receive credit for a Period of Service consisting of:

- (a) A number of years equal to the number of Years of Service credited to the Employee before the computation period during which the amendment occurs; and
- (b) The greater of (1) the Periods of Service that would be credited to the Employee under the elapsed time method for service during the entire computation period in which the transfer occurs or (2) the service taken into account under the Hour of Service method as of the date of the amendment.

Non-Standardized Governmental 401(a) Pre-Approved Plan

In addition, the Employee will receive credit for service subsequent to the amendment commencing on the day after the last day of the computation period in which the transfer occurs.

1.41 "Period of Severance" means a continuous period of time during which an Employee is not employed by the Employer. Such period begins on the date the Employee retires, quits or is discharged, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for "maternity or paternity" reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a one year Period of Severance. For purposes of this paragraph, an absence from work for "maternity or paternity" reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.42 "Plan" means this instrument hereinafter referred to as Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan (Basic Plan Document #03 and the Adoption Agreement) as adopted by the Employer, including all amendments thereto and any appendix which is specifically permitted pursuant to the terms of the Plan.

1.43 "Plan Year" means the Plan's accounting year as specified in the Adoption Agreement. Unless there is a Short Plan Year, the Plan Year will be a twelve-consecutive month period.

1.44 "Pre-Retirement Survivor Annuity" means an immediate annuity for the life of a Participant's Spouse, the payments under which must be equal to the benefit which can be provided with the percentage, as specified in the Adoption Agreement, of the Participant's Vested interest in the Plan as of the date of death. If no election is made in the Adoption Agreement, the percentage shall be equal to fifty percent (50%). Furthermore, if less than one hundred percent (100%) of the Participant's Vested interest in the Plan is used to provide the Pre-Retirement Survivor Annuity, a proportionate share of each of the Participant's Accounts subject to the Pre-Retirement Survivor Annuity shall be used to provide the Pre-Retirement Survivor Annuity.

1.45 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

1.46 "Retirement Date" means the date as of which a Participant retires for reasons other than Total and Permanent Disability, regardless of whether such retirement occurs on a Participant's Normal Retirement Date, Early Retirement Date or Late Retirement Date (see Section 6.1).

1.47 "Short Plan Year" means, if specified in the Adoption Agreement or as the result of an amendment, a Plan Year of less than a twelve (12) month period. If there is a Short Plan Year, the following rules shall apply in the administration of this Plan. In determining whether an Employee has completed a Year of Service (or Period of Service if the elapsed time method is used) for benefit accrual purposes in the Short Plan Year, the number of the Hours of Service (or months of service if the elapsed time method is used) required shall be proportionately reduced based on the number of days (or months) in the Short Plan Year.

1.48 "Spouse" means, a spouse as determined under federal tax law. In addition, with respect to benefits or rights not mandated by law, Spouse also includes a spouse as elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections).

1.49 "Terminated Participant" means a person who has been a Participant, but whose employment has been terminated with the Employer (including an Affiliated Employer) or applicable Participating Employer, other than by death, Total and Permanent Disability or retirement.

1.50 "Total and Permanent Disability" means, unless otherwise specified in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The disability of a Participant shall be determined by a licensed physician. However, if the condition constitutes total disability under the federal Social Security Acts, the Administrator may rely upon such determination that the Participant is Totally and Permanently Disabled for the purposes of this Plan. The determination shall be applied uniformly to all Participants.

1.51 "Trustee" means any person or entity that has agreed to serve as Trustee pursuant to the terms of the Trust agreement, or any successors thereto. The Employer may designate Trustees by business position or title. In addition, unless the context means, or the Plan provides, otherwise, the term "Trustee" shall mean the Insurer if the Plan is fully insured. The Employer has no reliance on the IRS opinion letter with respect to the separate Trust agreement.

1.52 "Trust Fund" means, if the Plan is funded with a trust, the assets of the Plan and Trust as the same shall exist from time to time.

Non-Standardized Governmental 401(a) Pre-Approved Plan

1.53 "Valuation Date" means the date or dates specified in the Adoption Agreement. Regardless of any election to the contrary, for purposes of the determination and allocation of earnings and losses, the Valuation Date shall include the Anniversary Date and may include any other date or dates deemed necessary or appropriate by the Administrator for the valuation of Participants' Accounts during the Plan Year, which may include any day that the Trustee (or Insurer), any transfer agent appointed by the Trustee (or Insurer) or the Employer, or any stock exchange used by such agent, are open for business.

1.54 "Vested" means the nonforfeitable portion of any Account maintained on behalf of a Participant.

1.55 "Year of Service" means the computation period of twelve (12) consecutive months, herein set forth, and during which an Employee has completed at least 1,000 Hours of Service (unless a different number of Hours of Service is specified in the Adoption Agreement).

For purposes of eligibility for participation, the initial computation period shall begin with the date on which the Employee first performs an Hour of Service (employment commencement date). Unless otherwise elected in the Service Crediting Method Section of the Adoption Agreement, the succeeding computation periods shall begin on the anniversary of the Employee's employment commencement date. However, unless otherwise elected in the Adoption Agreement, if one (1) Year of Service or less is required as a condition of eligibility, then the computation period after the initial computation period shall shift to the current Plan Year which includes the anniversary of the date on which the Employee first performed an Hour of Service, and subsequent computation periods shall be the Plan Year. If there is a shift to the Plan Year, an Employee who is credited with the number of Hours of Service to be credited with a Year of Service in both the initial eligibility computation period and the first Plan Year which commences prior to the first anniversary of the Employee's initial eligibility computation period will be credited with two (2) Years of Service for purposes of eligibility to participate.

If two (2) (or more) Years of Service are required as a condition of eligibility, a Participant will only have completed two (2) (or more) Years of Service for eligibility purposes upon completing two (2) or more consecutive Years of Service without an intervening 1-Year Break in Service.

For vesting purposes, and all other purposes not specifically addressed in this Section, the computation period shall be the period elected in the Service Crediting Method Section of the Adoption Agreement. If no election is made in the Service Crediting Method Section of the Adoption Agreement, then the computation period shall be the Plan Year.

In determining Years of Service for purposes of vesting under the Plan, Years of Service will be excluded as elected in the Adoption Agreement and as specified in Section 3.5.

Years of Service and 1-Year Breaks in Service for eligibility purposes will be measured on the same eligibility computation period. Years of Service and 1-Year Breaks in Service for vesting purposes will be measured on the same vesting computation period.

Years of Service with any Affiliated Employer shall be recognized. Furthermore, Years of Service with any predecessor employer that maintained this Plan shall be recognized. Years of Service with any other employer shall be recognized as elected in the Adoption Agreement.

In the event the method of crediting service is amended from the elapsed time method to the Hour of Service method, an Employee will receive credit for Years of Service equal to:

- (a) The number of Years of Service equal to the number of 1-year Periods of Service credited to the Employee as of the date of the amendment; and
- (b) In the computation period which includes the date of the amendment, a number of Hours of Service (using the Hours of Service equivalency method, if any, elected in the Adoption Agreement) to any fractional part of a year credited to the Employee under this Section as of the date of the amendment.

ARTICLE II ADMINISTRATION

2.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) **Appointment of Trustee (or Insurer) and Administrator.** In addition to the general powers and responsibilities otherwise provided for in this Plan, the Employer shall be empowered to appoint and remove one or more Trustees (or Insurers) and Administrators from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code. The Employer may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Employer deems necessary or desirable in connection with the exercise of its fiduciary duties under this Plan. The Employer may compensate such agents or advisers from the assets of the Plan as fiduciary expenses (but not including any business (settlor) expenses of the Employer), to the extent not paid by the Employer.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(b) **Appointment of Investment Manager.** Unless prohibited by the terms of the Trust agreement, the Employer may appoint, at its option, one or more Investment Managers, investment advisers, or other agents to provide investment direction to the Trustee (or Insurer) with respect to any or all of the Plan assets. Such appointment shall be given by the Employer in writing in a form acceptable to the Trustee (or Insurer) and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have the authority to direct the investment.

(c) **Indemnity.** To the extent permitted by the Code, and unless otherwise specified in a separate agreement, the Employer will indemnify and hold harmless the Administrator, officers, directors, shareholders, employees, and agents of the Employer; the Plan; the Trustees, Fiduciaries, Participants and Beneficiaries of the Plan, as well as their respective successors and assigns, against any cause of action, loss, liability, damage, cost, or expense of any nature whatsoever (including, but not limited to, attorney's fees and costs, whether or not suit is brought, as well as IRS plan disqualifications, and other sanctions or compliance fees) arising out of or relating to the Employer's noncompliance with any of the Plan's terms or requirements; any intentional or negligent act or omission the Employer commits with regard to the Plan; and any omission or provision of incorrect information with regard to the Plan which causes the Plan to fail to satisfy the requirements of a tax-qualified plan. This indemnity provision shall continue to apply to the Employer with respect to the period the entity was maintaining this Plan, even if the Employer ceases to maintain the Plan.

2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer may appoint one or more Administrators. If the Employer does not appoint an Administrator, the Employer will be the Administrator. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing written or electronic acceptance with the Employer. An Administrator may resign by delivering a written resignation to the Employer or be removed by the Employer by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. Upon the resignation or removal of an Administrator, the Employer may designate in writing a successor to this position.

2.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, then the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. If no such delegation is made by the Employer, then the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Trustee (or Insurer) in writing of such action and specify the responsibilities of each Administrator. The Trustee (or Insurer) thereafter shall accept and rely upon any documents executed by the appropriate Administrator until such time as the Employer or the Administrators file with the Trustee (or Insurer) a written revocation of such designation.

2.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done based upon uniform principles consistently applied and shall be consistent with the intent that the Plan continue to be deemed a qualified plan under the terms of Code §401(a). The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan and the powers necessary to carry out such duties as set forth under the terms of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of an Employee to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) the authority to review and settle all claims against the Plan, including claims where the settlement amount cannot be calculated or is not calculated in accordance with the Plan's benefit formula. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- (c) to compute, certify, and direct agents of the Plan with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
- (d) to authorize and direct the Trustee (or Insurer) with respect to all discretionary or otherwise directed disbursements from the Trust Fund;
- (e) to maintain all necessary records for the administration of the Plan;

Non-Standardized Governmental 401(a) Pre-Approved Plan

- (f) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan that are consistent with the terms hereof;
- (g) to determine the size and type of any Contract to be purchased from any Insurer, and to designate the Insurer from which such Contract shall be purchased;
- (h) to compute and certify to the Employer and to the Trustee (or Insurer) from time to time the sums of money necessary or desirable to be contributed to the Plan;
- (i) to consult with the Employer and agents of the Plan regarding the short and long-term liquidity needs of the Plan;
- (j) to assist Participants regarding their rights, benefits, or elections available under the Plan; and
- (k) to determine the validity of, and take appropriate action with respect to, any "qualified domestic relations order" received by it.

2.5 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by applicable law.

2.6 APPOINTMENT OF ADVISERS

The Administrator may appoint counsel, specialists, advisers, agents (including nonfiduciary agents such as third party administrative services providers and recordkeepers) and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan, including but not limited to agents and advisers to assist with the administration and management of the Plan, and thereby to provide, among such other duties as the Administrator may appoint, assistance with maintaining Plan records and the providing of investment information to the Plan's investment fiduciaries and, if applicable, to Plan Participants.

2.7 INFORMATION FROM EMPLOYER

The Employer shall supply full and timely information to the Administrator on all pertinent facts as the Administrator may require in order to perform its functions hereunder and the Administrator shall advise appropriate agents of the Plan of such of the foregoing facts as may be pertinent to the agent's duties with respect to the Plan. The Administrator may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

2.8 PAYMENT OF EXPENSES

All reasonable expenses of administration may be paid out of the Plan assets unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, agents (including nonfiduciary agents such as third party administrative services providers and recordkeepers) appointed for the purpose of assisting the Administrator or Trustee (or Insurer) in carrying out the instructions of Participants as to the directed investment of their Accounts (if permitted) and other specialists and their agents and other costs of administering the Plan. If liquid assets of the Plan are insufficient to cover the fees of the Trustee (or Insurer) or the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund.

Expenses may be charged to Account. Unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account of an individual Participant a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee.

2.9 MAJORITY ACTIONS

Except where there has been an allocation and delegation of administrative authority pursuant to Section 2.3, if there is more than one Administrator, then they shall act by a majority of their number, but may authorize one or more of them to sign all papers on their behalf.

2.10 CLAIMS PROCEDURES

- (a) **Non-ERISA provisions.** Sections 2.10(a) and (b) apply unless (1) the Administrator has adopted other Plan provisions or other claims procedures that override all or a portion of the provisions set forth in this Plan Section 2.10, or (2) the Employer has elected in the Adoption Agreement to apply all or some of Subsections (c) – (g) below (which are based on provisions of the Employee Retirement Security Act even though ERISA does not apply to this Plan).

Non-Standardized Governmental 401(a) Pre-Approved Plan

Any person who believes that he or she is entitled to a benefit under the Plan shall file with the Administrator a written notice of claim for such benefit within 45 days of such right accruing or shall forever waive entitlement to such benefit. Within 120 days after its receipt of such written notice of claim, the Administrator shall either grant or deny such claim provided, however, any delay on the part of the Administrator is arriving at a decision shall not adversely affect benefits payable under a granted claim. The Administrator may, however, implement claims procedures in addition to those provided in this Plan. The implementation of such procedures shall not be considered a Plan amendment that affects an Employer's reliance on this pre-approved plan.

The Administrator and all persons determining or reviewing claims have full discretion to determine benefit claims under the Plan. Any interpretation, determination or other action of such persons shall be subject to review only if it is arbitrary or capricious or otherwise an abuse of discretion. Any review of a final decision or action of the persons reviewing a claim shall be based only on such evidence presented to or considered by such persons at the time they made the decision that is the subject of review.

(b) **Plan Administrator discretion; court review.** The Administrator and all persons determining or reviewing claims have full discretion to determine benefit claims under the Plan. Any interpretation, determination or other action of such persons shall be subject to review only if it is arbitrary or capricious or otherwise an abuse of discretion. Any review of a final decision or action of the persons reviewing a claim shall be based only on such evidence presented to or considered by such persons at the time they made the decision that is the subject of review.

(c) **Initial Claim.** Claims for benefits under the Plan may be filed in writing with the Administrator. Written or electronic notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days (45 days if the claim involves disability benefits and disability is not based on the Social Security Acts) after the application is filed, or such period as is required by applicable law or Department of Labor regulation. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation §2520.104b-1(c)(1)(i), (iii) and (iv) or any subsequent guidance. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

(d) **Claims review.** Any Employee, Former Employee, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 2.10 shall be entitled to request the Administrator to give further consideration to the claim by filing with the Administrator a written request. Such request, together with a written statement of the reasons why the claimant believes such claim should be allowed, shall be filed with the Administrator no later than sixty (60) days after receipt of the written notification provided for in this Section 2.10(c). A final decision as to the allowance of the claim shall be made by the Administrator within sixty (60) days (45 days if the claim involves disability benefits and disability is not based on the Social Security Acts) of receipt of the appeal (unless there has been an extension of sixty (60) days (45 days if the claim involves disability benefits and disability is not based on the Social Security Acts) due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the sixty (60) day period (45 days if the claim involves disability benefits and disability is not based on the Social Security Acts)). Such communication shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. The communication may be written or electronic (provided the electronic communication complies with the standards imposed by Department of Labor Regulation §2520.104b-1(c)(1)(i), (iii) and (iv) or any subsequent guidance). Notwithstanding the preceding, to the extent any of the time periods specified in this Section are amended by law or Department of Labor regulation, then the time frames specified herein shall automatically be changed in accordance with such law or regulation.

(e) **Deadline to file claim.** To be considered timely under the Plan's claims procedures, a claim must be filed under Sections 2.10(c) or (d) above within one year after the claimant knew or reasonably should have known of the principal facts upon which the claim is based. Knowledge of all facts that the Participant knew or reasonably should have known shall be imputed to the claimant for the purpose of applying this deadline.

(f) **Exhaustion of administrative remedies.** The exhaustion of the claims procedures is mandatory for resolving every claim and dispute arising under this Plan. As to such claims and disputes: (1) no claimant shall be permitted to commence any legal action to recover Plan benefits or to enforce or clarify rights under the Plan or under any other provision of law, whether or not statutory, until the claims procedures set forth in Subsections (a) and (b) above have been exhausted in their entirety; and (2) in any such legal action all explicit and all implicit determinations by the Administrator (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law.

(g) **Deadline to file action.** No legal action to recover Plan benefits or to enforce or clarify rights under the Plan or under any other provision of law, whether or not statutory, may be brought by any claimant on any matter pertaining to this Plan unless the legal action is commenced in the proper forum before the earlier of: (1) thirty (30) months after the claimant knew or reasonably should have known of the principal facts on which the claim is based, or (2) six (6) months after the claimant has exhausted the claims procedure under this Plan. Knowledge of all facts that the Participant knew or reasonably should have known shall be imputed to every claimant who is or claims to be a Beneficiary of the Participant or otherwise claims to derive an entitlement by reference to the Participant for purposes of applying the previously specified periods.

Non-Standardized Governmental 401(a) Pre-Approved Plan

**ARTICLE III
ELIGIBILITY**

3.1 CONDITIONS OF ELIGIBILITY

An Eligible Employee shall be eligible to participate hereunder on the date such Employee has satisfied the conditions of eligibility, if any, elected in the Adoption Agreement.

3.2 EFFECTIVE DATE OF PARTICIPATION

(a) **General rule.** An Eligible Employee who has satisfied the conditions of eligibility pursuant to Section 3.1 shall become a Participant effective as of the date elected in the Adoption Agreement.

(b) **Rehired Employee.** This Subsection only applies to the extent the Employer elects to apply the Break-in-Service rules in Appendix A to the Adoption Agreement. If the Break-in-Service rules do not apply, then a rehired Employee is treated as a new hire. If the Break-in-Service rules do apply, then if an Eligible Employee is not employed on the date determined pursuant to (a) above, but is reemployed before a 1-Year Break in Service has occurred, then such Eligible Employee shall become a Participant on the date of reemployment or, if later, the date that the Employee would have otherwise entered the Plan had the Employee not terminated employment. If such Employee incurs a 1-Year Break in Service, then eligibility will be determined under the 1-Year Break in Service rules set forth in Section 3.5.

(c) **Recognition of predecessor service.** Unless specifically provided otherwise in the Adoption Agreement, an Eligible Employee who satisfies the Plan's eligibility requirement conditions by reason of recognition of service with a predecessor employer will become a Participant as of the day the Plan credits service with a predecessor employer or, if later, the date the Employee would have otherwise entered the Plan had the service with the predecessor employer been service with the Employer.

(d) **Noneligible to eligible class.** If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise have become a Participant, shall go from a classification of a noneligible Employee to an Eligible Employee, such Employee shall become a Participant on the date such Employee becomes an Eligible Employee or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

(e) **Eligible to noneligible class.** If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise become a Participant, shall go from a classification of an Eligible Employee to a noneligible class of Employees, such Employee shall become a Participant in the Plan on the date such Employee again becomes an Eligible Employee, or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee. However, if such Employee incurs a 1-Year Break in Service, eligibility will be determined under the 1-Year Break in Service rules set forth in Section 3.5 (if applicable to the Plan).

3.3 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan.

3.4 TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Employee to an ineligible Employee, such Participant shall continue to vest in the Plan for each Year of Service (or Period of Service, if the elapsed time method is used) completed while an ineligible Employee, until such time as the Participant's Account is forfeited or distributed pursuant to the terms of the Plan. Additionally, the Participant's interest in the Plan shall continue to share in the earnings of the Trust Fund in the same manner as Participants.

3.5 REHIRED EMPLOYEES AND 1-YEAR BREAKS IN SERVICE

(a) **Application of Break-in Service rules.** The Break-in-Service rules set forth in this Section only apply if the Employer elects to apply the Break-in-Service rules in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections). If the Employer does not elect to apply the Break-in-Service rules, then rehired Employees are treated as new hires.

(b) **Rehired Participant/immediate re-entry.** If any Former Employee who had been a Participant is reemployed by the Employer, then the Employee shall become a Participant as of the reemployment date, unless the Employee is not an Eligible Employee or unless the Employee does not satisfy the eligibility conditions taking into account prior service to the extent such prior service is not disregarded pursuant to Section 3.5(e) below. If such prior service is disregarded, then the rehired Eligible Employee shall be treated as a new hire.

(c) **Rehired Eligible Employee who satisfied eligibility.** If any Eligible Employee had satisfied the Plan's eligibility requirements but, due to a severance of employment, did not become a Participant, then such Eligible Employee shall become a Participant as of the

Non-Standardized Governmental 401(a) Pre-Approved Plan

later of (1) the entry date on which he or she would have entered the Plan had there been no severance of employment, or (2) the date of his or her re-employment. Notwithstanding the preceding, if the rehired Eligible Employee's prior service is disregarded pursuant to Section 3.5(e) below, then the rehired Eligible Employee shall be treated as a new hire.

(d) **Rehired Eligible Employee who had not satisfied eligibility.** If any Eligible Employee who had not satisfied the Plan's eligibility requirements is rehired after severance from employment, then such Eligible Employee shall become a Participant in the Plan in accordance with the eligibility requirements set forth in the Adoption Agreement and the Plan. However, in applying any shift in an eligibility computation period, the Eligible Employee is not treated as a new hire unless prior service is disregarded in accordance with Section 3.5(e) below.

(e) **Reemployed after five (5) 1-Year Breaks in Service ("rule of parity" provisions).** If the Employer elects in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) to apply the "rule of parity" provisions, then if any Employee is reemployed after five (5) 1-Year Breaks in Service has occurred, Years of Service (or Periods of Service if the elapsed time method is being used) shall include Years of Service (or Periods of Service if the elapsed time method is being used) prior to the 5-Year Break in Service subject to the rules set forth below. The Employer may elect in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) to make the provisions of this paragraph applicable for purposes of eligibility and/or vesting.

(1) In the case of a Former Employee who under the Plan does not have a nonforfeitable right to any interest in the Plan resulting from Employer contributions, Years of Service (or Periods of Service) before a period of 1-Year Breaks in Service will not be taken into account if the number of consecutive 1-Year Breaks in Service equals or exceeds the greater of (i) five (5) or (ii) the aggregate number of pre-break Years of Service (or Periods of Service). Such aggregate number of Years of Service (or Periods of Service) will not include any Years of Service (or Periods of Service) disregarded under the preceding sentence by reason of prior 1-Year Breaks in Service;

(2) A Former Employee who has not had Years of Service (or Periods of Service) before a 1-Year Break in Service disregarded pursuant to (1) above, shall participate in the Plan as of the date of reemployment, or if later, as of the date the Former Employee would otherwise enter the Plan pursuant to Sections 3.1 and 3.2 taking into account all service not disregarded.

(f) **Vesting after five (5) 1-Year Breaks in Service.** If the Employer elects in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) to apply the Break-in-Service rules, then if a Participant incurs five (5) consecutive 1-Year Breaks in Service, the Vested portion of such Participant's Account attributable to pre-break service shall not be increased as a result of post-break service. In such case, separate accounts will be maintained as follows:

- (1) one account for nonforfeitable benefits attributable to pre-break service; and
- (2) one account representing the Participant's Employer-derived Account balance in the Plan attributable to post-break service.

(g) **Waiver of allocation or contribution conditions.** If the Employer elects in the Adoption Agreement to waive allocations or contributions due to retirement (early or normal retirement), then a Participant shall only be entitled to one such waiver. Accordingly, if a Participant retires and allocation or contribution conditions are waived, then the Plan will not waive the allocation or contribution conditions if the Participant is rehired and then retires again.

3.6 ELECTION NOT TO PARTICIPATE

An Employee may, subject to the approval of the Employer, elect voluntarily not to participate in any component of the Plan before the Employee first becomes eligible to participate in any qualified plan (subject to Code §401(a)), or any other plan or arrangement of the employer that is described in Code section 219(g)(5)(A) (whether or not terminated) maintained by the Employer. Such election must be made upon inception of the Plan or such other plan or arrangement or at any time prior to the time the Employee first becomes eligible to participate under any such plan maintained by the Employer. The election not to participate must be irrevocable and communicated to the Employer, in writing, within a reasonable period of time before the date the Employee would have otherwise entered the Plan. Notwithstanding anything in this Section to the contrary, if any prior Plan document of this Plan contained a provision permitting an Employee to make a revocable election not to participate and an Employee made such revocable election not to participate while that prior Plan document was in effect, then such Employee's waiver shall continue to be in effect.

3.7 OMISSION OF ELIGIBLE EMPLOYEE; INCLUSION OF INELIGIBLE EMPLOYEE

If, in any Plan Year, any Employee who should be included as a Participant in the Plan is erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made and allocated, or any person who should not have been included as a Participant in the Plan is erroneously included, then the Employer may take corrective actions consistent with the IRS Employee Plans Compliance Resolution System (i.e., Rev. Proc. 2018-52, Rev. Proc. 2019-19, or any subsequent guidance).

Non-Standardized Governmental 401(a) Pre-Approved Plan

**ARTICLE IV
CONTRIBUTION AND ALLOCATION**

4.1 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION

(a) For a Money Purchase Plan

All contributions made by the Employer will be made in cash. For each Plan Year, the Employer will contribute to the Plan the following:

- (1) The amount of any mandatory Employee contributions and after-tax voluntary Employee contributions made by Participants; plus
- (2) On behalf of each Participant eligible to share in allocations, for each year of such Participant's participation in this Plan, the Employer will contribute the amount specified in the Adoption Agreement; plus
- (3) If elected in the Adoption Agreement, a matching contribution equal to the amount specified in the Adoption Agreement of each Participant eligible to share in the allocations of the matching contribution, which amount shall be deemed an Employer matching contribution.

(b) For a 401(a) Plan

For each Plan Year, the Employer will (or may with respect to any discretionary contributions) contribute to the Plan:

- (1) The amount of any mandatory Employee contributions and after-tax voluntary Employee contributions; plus
- (2) If elected in the Adoption Agreement, a matching contribution equal to the amount specified in the Adoption Agreement of each Participant eligible to share in the allocations of the matching contribution, which amount shall be deemed an Employer matching contribution; plus
- (3) If elected in the Adoption Agreement, an Employer contribution equal to a specified contribution or a discretionary amount determined each year by the Employer.

(c) Frozen Plans. The Employer may designate that the Plan is a frozen Plan at the Contribution Types Section of the Adoption Agreement. As a frozen Plan, the Employer will not make any Employer contributions with respect to Compensation earned after the date the Plan is frozen. In addition, once a Plan is frozen, no additional Employees shall become Participants.

(d) Union Employees. Regardless of any provision in this Plan to the contrary, Employees whose employment is governed by a collective bargaining agreement between the Employer and "employee representatives" under which retirement benefits were the subject of good faith bargaining shall be eligible to participate in this Plan to the extent of employment covered by such agreement provided the agreement provides for coverage in the Plan. The benefits, including but not limited to, contributions, allocations and vesting, under this Plan shall be those set forth in the Adoption Agreement. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer. If a Participant performs services both as a collectively bargained Employee and as a non-collectively bargained Employee, then the Participant's Hours of Service and Compensation in each respective category are treated separately for purposes of the Plan.

(e) Social Security Replacement Plan. The Employer may elect under the Adoption Agreement to indicate its intention to qualify this Plan as a Social Security Replacement Plan under Code §3121(b)(7)(F). If the Employer makes the election to qualify the Plan as a Social Security Replacement Plan, the Plan will allocate a minimum contribution amount (Employer and Employee Contributions) of seven and one-half percent (7.5%) of Compensation. The Plan will consider each Participant a member of a retirement system that provides benefits comparable to the benefits he or she would have received under Social Security. In the case of part-time, seasonal and temporary Employees, the benefit will be nonforfeitable.

4.2 TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION

Unless otherwise provided by contract or law, the Employer may make its contribution to the Plan for a particular Plan Year at such time as the Employer, in its sole discretion, determines. If the Employer makes a contribution for a particular Plan Year after the close of that Plan Year, the Employer will designate to the Administrator the Plan Year for which the Employer is making its contribution.

4.3 ALLOCATION OF CONTRIBUTION, FORFEITURES AND EARNINGS

(a) Separate accounting. The Administrator shall establish and maintain an Account in the name of each Participant to which the Administrator shall credit as of each Anniversary Date, or other Valuation Date, all amounts allocated to each such Participant as set forth herein.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(b) **Allocation of contributions.** The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's contribution, if any, for each Plan Year. Within a reasonable period of time after the date of receipt by the Administrator of such information, the Administrator shall allocate any contributions as follows:

(1) **Money Purchase Pension Plan.** For a Money Purchase Plan:

(i) The Employer's contribution shall be allocated to each Participant's Account in the manner set forth in Section 4.1 herein and as specified in the Adoption Agreement.

(ii) Notwithstanding the preceding provisions, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the Participant is an Eligible Employee at any time during the year and the conditions set forth in the Adoption Agreement are satisfied.

(2) **401(a) Plan.** For a 401(a) Plan (which is a profit sharing plan within the meaning of Code §401(a)):

(i) The Employer's contribution shall be allocated to each Participant's Account in accordance with the allocation method that corresponds with the elections in the Adoption Agreement. The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's contribution for each Plan Year. Within a reasonable period of time after the date of receipt by the Administrator of such information, the allocation shall be made in accordance with the elections in the Adoption Agreement.

(ii) Notwithstanding the preceding provision, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the Participant is an Eligible Employee at any time during the year and the conditions set forth in the Adoption Agreement are satisfied.

(c) **Gains or losses.** Except as otherwise provided in Section 4.10 with respect to Participant Directed Accounts, as of each Valuation Date, before allocation of any Employer contributions and Forfeitures, any earnings or losses (net appreciation or net depreciation) of the Trust Fund (exclusive of assets segregated for distribution) shall be allocated in accordance with such rules and procedures that are established by the Administrator and that are applied in a uniform and nondiscriminatory manner based upon the investments of the Trust Fund and the Participants' accounts to which the net income is allocated. For purposes of this Section, the term "net income" means the net of any interest, dividends, unrealized appreciation and depreciation, capital gains and losses, and investment expenses of the Trust Fund determined on each Valuation Date. However, Participants' accounts which have been segregated for investment purposes (including any Participant Directed Accounts) will only have the net income earned thereon allocated thereto. Policy dividends or credits will be allocated to the Participant's Account for whose benefit the Policy is held.

Recapture account. The Administrator in its discretion may use a "Recapture Account" to pay non-settlor Plan expenses and may allocate funds in the "Recapture Account" (or excess funds therein after payment of Plan expenses) as earnings or as otherwise permitted by applicable law. The Administrator will exercise its discretion in a reasonable, uniform and nondiscriminatory manner. A "Recapture Account" is an account designated to receive amounts which a Plan service provider receives in the form of 12b-1 fees, sub-transfer agency fees, shareholder servicing fees or similar amounts (also known as "revenue sharing"), which are received by the service provider from a source other than the Plan and which the service provider may remit to the Plan.

Late trading and market timing settlement. In the event the Plan becomes entitled to a settlement from a mutual fund or other investment relating to late trading, market timing or other activities, the Administrator will allocate the settlement proceeds to Participants and Beneficiaries in accordance with Department of Labor Field Assistance Bulletin 2006-01 or other applicable law.

(d) **Contracts.** Participants' Accounts shall be debited for any insurance or annuity premiums paid, if any, and credited with any dividends or interest received on Contracts.

(e) **Forfeitures.** Forfeitures must be disposed of no later than the last day of the Plan Year following the Plan Year in which the Forfeiture occurs. The Employer may direct the Administrator to use Forfeitures to satisfy any contribution that may be required pursuant to Section 6.10 or to pay any Plan expenses. With respect to a Money Purchase Plan, any remaining Forfeitures will be disposed of in accordance with the elections in the Adoption Agreement. With respect to all other plans, the Employer must direct the Administrator to use any remaining Forfeitures in accordance with any combination of the following methods, including a different method based on the source of such Forfeitures. Forfeitures may be:

(1) Added to any Employer discretionary contribution and allocated in the same manner

(2) Used to reduce any Employer contribution

Non-Standardized Governmental 401(a) Pre-Approved Plan

- (3) Added to any Employer matching contribution and allocated as an additional matching contribution
- (4) Allocated to all Participants in the same proportion that each Participant's Compensation for the Plan Year bears to the Compensation of all Participants for such year

If Forfeitures are allocated to Participants (rather than used to reduce Employer contributions) then the Employer must also direct the Administrator as to which Participants are eligible to share in such allocation.

(f) **Delay in processing transactions.** Notwithstanding anything in this Section to the contrary, all information necessary to properly reflect a given transaction may not be available until after the date specified herein for processing such transaction, in which case the transaction will be reflected when such information is received and processed. Subject to express limits that may be imposed under the Code, the processing of any contribution, distribution or other transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan.

4.4 MAXIMUM ANNUAL ADDITIONS**(a) Calculation of "annual additions."**

- (1) If a Participant does not participate in, and has never participated in another qualified plan maintained by the "employer," or a welfare benefit fund (as defined in Code §419(e)) maintained by the "employer," or an individual medical benefit account (as defined in Code §415(l)(2)) maintained by the "employer," or a simplified employee pension (as defined in Code §408(k)) maintained by the "employer" which provides "annual additions," the amount of "annual additions" which may be credited to the Participant's Accounts for any Limitation Year shall not exceed the lesser of the "maximum permissible amount" or any other limitation contained in this Plan. If the "employer" contribution that would otherwise be contributed or allocated to the Participant's Accounts would cause the "annual additions" for the Limitation Year to exceed the "maximum permissible amount," the amount contributed or allocated will be reduced so that the "annual additions" for the Limitation Year will equal the "maximum permissible amount," and any amount in excess of the "maximum permissible amount" which would have been allocated to such Participant may be allocated to other Participants.
- (2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the "employer" may determine the "maximum permissible amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.
- (3) As soon as is administratively feasible after the end of the Limitation Year, the Administrator shall determine the "maximum permissible amount" for each Participant for such Limitation Year on the basis of the Participant's actual 415 Compensation for such Limitation Year.

(b) "Annual additions" if a Participant is in more than one plan.

- (1) Except as provided in Subsection (c) below, this Subsection applies if, in addition to this Plan, a Participant is covered under another "employer" maintained qualified defined contribution plan, welfare benefit fund (as defined in Code §419(e)), individual medical benefit account (as defined in Code §415(l)(2)), or simplified employee pension (as defined in Code §408(k)), which provides "annual additions," during any Limitation Year. The "annual additions" which may be credited to a Participant's Accounts under this Plan for any such Limitation Year shall not exceed the "maximum permissible amount" reduced by the "annual additions" credited to a Participant's Accounts under the other plans and welfare benefit funds, individual medical benefit accounts, and simplified employee pensions for the same Limitation Year. If the "annual additions" with respect to the Participant under other defined contribution plans and welfare benefit funds maintained by the "employer" are less than the "maximum permissible amount" and the "employer" contribution that would otherwise be contributed or allocated to the Participant's Accounts under this Plan would cause the "annual additions" for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the "annual additions" under all such plans and welfare benefit funds for the Limitation Year will equal the "maximum permissible amount," and any amount in excess of the "maximum permissible amount" which would have been allocated to such Participant may be allocated to other Participants. If the "annual additions" with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical benefit accounts and simplified employee pensions in the aggregate are equal to or greater than the "maximum permissible amount," no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year.
- (2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the "employer" may determine the "maximum permissible amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(3) As soon as is administratively feasible after the end of the Limitation Year, the Administrator shall determine the "maximum permissible amount" for each Participant for such Limitation Year on the basis of the Participant's actual 415 Compensation for the Limitation Year.

(4) If, pursuant to Section 4.4(b)(2), a Participant's "annual additions" under this Plan and such other plans would result in an "excess amount" for a Limitation Year, the "excess amount" will be deemed to consist of the "annual additions" last allocated, except that "annual additions" attributable to a simplified employee pension will be deemed to have been allocated first, followed by "annual additions" to a welfare benefit fund or individual medical benefit account, and then by "annual additions" to a plan subject to Code §412, regardless of the actual allocation date.

(5) If an "excess amount" was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the "excess amount" attributed to this Plan will be the product of:

- (i) the total "excess amount" allocated as of such date, times
- (ii) the ratio of (A) the "annual additions" allocated to the Participant for the Limitation Year as of such date under this Plan to (B) the total "annual additions" allocated to the Participant for the Limitation Year as of such date under this and all the other qualified defined contribution plans.

(c) **Coverage under another plan.** If the Participant is covered under another qualified defined contribution plan maintained by the "employer," "annual additions" which may be credited to the Participant's Accounts under this Plan for any Limitation Year will be limited in accordance with Section 4.4(b), unless the "employer" provides other limitations in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections).

(d) **Time when "annual additions" credited.** An "annual addition" is credited to the Account of a Participant for a particular Limitation Year if it is allocated to the Participant's Account under the Plan as of any date within that Limitation Year. However, an amount is not deemed allocated as of any date within a Limitation Year if such allocation is dependent upon participation in the Plan as of any date subsequent to such date.

For purposes of this subparagraph, "employer" contributions are treated as credited to a Participant's Account for a particular Limitation Year only if the contributions are actually made to the Plan no later than the 15th day of the tenth calendar month following the end of the calendar year or Fiscal Year (as applicable, depending on the basis on which the Employer keeps its books) with or within which the particular Limitation Year ends.

(e) **Definitions.** For purposes of this Section, the following terms shall be defined as follows:

(1) **"Annual additions"** means the sum credited to a Participant's Accounts for any Limitation Year of (a) "employer" contributions, (b) Employee contributions (except as provided below), (c) Forfeitures, (d) amounts allocated to an individual medical benefit account, as defined in Code §415(l)(2), which is part of a pension or annuity plan maintained by the "employer," (e) amounts derived from contributions paid or accrued which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)) under a welfare benefit fund (as defined in Code §419(e)) maintained by the "employer" and (f) allocations under a simplified employee pension. Except, however, the Compensation percentage limitation referred to in paragraph (e)(5)(ii) below shall not apply to: (1) any contribution for medical benefits (within the meaning of Code §419A(f)(2)) after separation from service which is otherwise treated as an "annual addition," or (2) any amount otherwise treated as an "annual addition" under Code §415(l)(1).

(i) **Restorative payments.** "Annual additions" for purposes of Code §415 and this Section shall not include restorative payments. A restorative payment is a payment made to restore losses to a Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are restorative payments only if the payments are made in order to restore some or all of the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Payments made to the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a reasonable risk of liability for breach of a fiduciary duty are not restorative payments and generally constitute contributions that are considered "annual additions."

(ii) **Other amounts.** "Annual additions" for purposes of Code §415 and this Section shall not include: (A) The direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (B) Rollover contributions (as described in Code §§401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16)); (C) Repayments of loans made to a Participant from the Plan; and (D) Repayments of amounts described in Code §411(a)(7)(B) (in accordance with Code §411(a)(7)(C)) and Code §411(a)(3)(D) or repayment of contributions to a governmental plan (as defined in Code §414(d)) as described in Code §415(k)(3), as well as Employer restorations of benefits that are required pursuant to such repayments.

Non-Standardized Governmental 401(a) Pre-Approved Plan

- (2) **"Defined contribution dollar limitation"** means \$56,000 (or the amount as adjusted under Code §415(d)).
- (3) **"Employer"** means, for purposes of this Section, the Employer that adopts this Plan and all Affiliated Employers.
- (4) **"Excess amount"** means the excess of the Participant's "annual additions" for the Limitation Year over the "maximum permissible amount."
- (5) **"Maximum permissible amount"** means, except to the extent permitted under this Plan and Code §414(v), the maximum "annual addition" that may be contributed or allocated to a Participant's Accounts under the Plan for any Limitation Year, which shall not exceed the lesser of:
 - (i) the "defined contribution dollar limitation," or
 - (ii) one hundred percent (100%) of the Participant's 415 Compensation for the Limitation Year.

The 415 Compensation Limitation referred to in (ii) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code §§401(h) or 419A(f)(2)) which is otherwise treated as an "annual addition."

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different twelve (12) consecutive month period, the "maximum permissible amount" will not exceed the "defined contribution dollar limitation" multiplied by a fraction, the numerator of which is the number of months in the short Limitation Year and the denominator of which is twelve (12).

(f) Special rules.

(1) **Aggregation of plans.** For purposes of applying the limitations of Code §415, all defined contribution plans (without regard to whether a plan has been terminated) ever maintained by the "employer" (or a "predecessor employer") under which the Participant receives "annual additions" (including voluntary employee contribution accounts in a defined benefit plan, mandatory contributions to a defined benefit plan, individual medical benefit accounts under §401(h), key employee accounts under a welfare benefit plan described in §419, and simplified employee pensions under §408(k)) of the employer or a predecessor employer, whether or not terminated, will be treated as one defined contribution plan for purposes of the limitations under §415(c). Where the employer is a member of a controlled group of corporations or commonly controlled trades or businesses, or a member of an affiliated service group, within the meaning of §§414(b), (c) or (m) and §415(g) and (h), the plan must provide that all such employers are treated as a single employer for purposes of the Plan's application of the §415 limitations. Notwithstanding the preceding, multiemployer plans are not aggregated with other multiemployer plans for purposes of §415. For purposes of this Section:

(i) A former "employer" is a "predecessor employer" with respect to a participant in a plan maintained by an "employer" if the "employer" maintains a plan under which the participant had accrued a benefit while performing services for the former "employer", but only if that benefit is provided under the plan maintained by the "employer". For this purpose, the "formerly affiliated plan" rules in Regulation §1.415(f)-1(b)(2) apply as if the "employer" and "predecessor employer" constituted a single employer under the rules described in Regulation §1.415(a)-1(f)(1) and (2) immediately prior to the "cessation of affiliation" (and as if they constituted two, unrelated employers under the rules described in Regulation §1.415(a)-1(f)(1) and (2) immediately after the "cessation of affiliation") and "cessation of affiliation" was the event that gives rise to the "predecessor employer" relationship, such as a transfer of benefits or plan sponsorship.

(ii) With respect to an "employer" of a Participant, a former entity that antedates the "employer" is a "predecessor employer" with respect to the Participant if, under the facts and circumstances, the "employer" constitutes a continuation of all or a portion of the trade or business of the former entity.

(2) **Break-up of an affiliated employer or an affiliated service group.** For purposes of aggregating plans for Code §415, a "formerly affiliated plan" of an "employer" is taken into account for purposes of applying the Code §415 limitations to the "employer," but the "formerly affiliated plan" is treated as if it had terminated immediately prior to the "cessation of affiliation." For purposes of this paragraph, a "formerly affiliated plan" of an "employer" is a plan that, immediately prior to the "cessation of affiliation," was actually maintained by one or more of the entities that constitute the "employer" (as determined under the employer affiliation rules described in Regulation §1.415(a)-1(f)(1) and (2)), and immediately after the "cessation of affiliation," is not actually maintained by any of the entities that constitute the "employer" (as determined under the employer affiliation rules described in Regulation §1.415(a)-1(f)(1) and (2)). For purposes of this paragraph, a "cessation of affiliation" means the event that causes an entity to no longer be aggregated with one or more other entities as a single "employer" under the employer affiliation rules described in Regulation §1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the "employer" under the employer affiliation rules of Regulation §1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group).

Non-Standardized Governmental 401(a) Pre-Approved Plan

(3) **Mid-year aggregation.** Two or more defined contribution plans that are not required to be aggregated pursuant to Code §415(f) and the Regulations thereunder as of the first day of a Limitation Year do not fail to satisfy the requirements of Code §415 with respect to a Participant for the Limitation Year merely because they are aggregated later in that Limitation Year, provided that no "annual additions" are credited to the Participant's Account after the date on which the plans are required to be aggregated.

4.5 ADJUSTMENT FOR EXCESS ANNUAL ADDITIONS

Notwithstanding any provision of the Plan to the contrary, if the "annual additions" (as defined in Section 4.4) are exceeded for any Participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Rev. Proc. 2018-52, Rev. Proc. 2019-19, or any superseding guidance.

4.6 ROLLOVERS

(a) **Acceptance of "rollovers" into the Plan.** If elected in the Adoption Agreement and with the consent of the Administrator, the Plan may accept a "rollover," provided the "rollover" will not jeopardize the tax-exempt status of the Plan or create adverse tax consequences for the Employer. The amounts rolled over shall be separately accounted for in a "Participant's Rollover Account." A Participant's Rollover Account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason. For purposes of this Section, the term Participant shall include any Eligible Employee who is not yet a Participant, if, pursuant to the Adoption Agreement, "rollovers" are permitted to be accepted from Eligible Employees. In addition, for purposes of this Section the term Participant shall also include Former Employees if elected in the Adoption Agreement. Regardless of whether new loans are permitted, if the Plan permits rollovers, the Administrator may, in a uniform and nondiscriminatory manner, accept rollovers of loans into this Plan if the terms of such loans meet the requirements of being definite, have a reasonable rate of interest, and/or have a definite repayment period (e.g., an asset purchase acquisition whereby the Employer may choose to accept the rollover of Participant loans from a prior employer in a uniform and nondiscriminatory manner).

(b) **Treatment of "rollovers" under the Plan.** Amounts in a Participant's Rollover Account shall be held by the Trustee (or Insurer) pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as elected in the Adoption Agreement and Subsection (c) below. The Trustee (or Insurer) shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee (or Insurer) under the terms of this Plan.

(c) **Distribution of "rollovers."** At such time as the conditions set forth in the Adoption Agreement have been satisfied, the Administrator, at the election of the Participant, shall direct the distribution of up to the entire amount credited to the Rollover Account maintained on behalf of such Participant. Any distribution of amounts held in a Participant's Rollover Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6. Furthermore, unless otherwise elected in the Adoption Agreement, such amounts shall be considered to be part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent.

(d) **"Rollovers" maintained in a separate account.** The Administrator may direct that "rollovers" made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated, invested as part of the general Trust Fund or, if elected in the Adoption Agreement, directed by the Participant.

(e) **Limits on accepting "rollovers."** Prior to accepting any "rollovers" to which this Section applies, the Administrator may require the Employee to establish (by providing opinion of counsel or otherwise) that the amounts to be rolled over to this Plan meet the requirements of this Section. The Employer may instruct the Administrator, operationally, to limit the source of "rollover" contributions that may be accepted by the Plan.

(f) **Definitions.** For purposes of this Section, the following definitions shall apply:

(1) A "rollover" means: (i) amounts transferred to this Plan directly from another "eligible retirement plan;" (ii) distributions received by an Employee from other "eligible retirement plans" which are eligible for tax-free rollover to an "eligible retirement plan" and which are transferred by the Employee to this Plan within sixty (60) days following receipt thereof; and (iii) any other amounts which are eligible to be rolled over to this Plan pursuant to the Code or any other federally enacted legislation.

(2) An "eligible retirement plan" means an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b) (other than an endowment contract), a qualified trust (an employees' trust described in Code §401(a) which is exempt from tax under Code §501(a)), an annuity plan described in Code §403(a), an eligible deferred compensation plan described in Code §457(b) which is maintained by an eligible employer described in Code §457(e)(1)(A), and an annuity contract described in Code §403(b).

(g) **Pre-Participation Rollovers.** If an Eligible Employee makes a Rollover Contribution to the Plan prior to satisfying the Plan's eligibility conditions or prior to reaching his or her Entry Date, then the Administrator will treat the Employee as a limited Participant

Non-Standardized Governmental 401(a) Pre-Approved Plan

(as described in Rev. Rul. 96-48). A limited Participant does not share in the Plan's allocation of Employer Contributions nor Forfeitures until the Employee actually becomes a Participant in the Plan.

4.7 PLAN-TO-PLAN TRANSFERS FROM QUALIFIED PLANS

(a) **Transfers into this Plan.** With the consent of the Administrator, amounts may be transferred (within the meaning of Code §414(l)) to this Plan from other tax qualified plans under Code §401(a), provided the plan from which such funds are transferred permits the transfer to be made and the transfer will not jeopardize the tax-exempt status of the Plan or Trust or create adverse tax consequences for the Employer. Prior to accepting any transfers to which this Section applies, the Administrator may require an opinion of counsel that the amounts to be transferred meet the requirements of this Section. The amounts transferred shall be set up in a separate account herein referred to as a "Participant's Transfer Account." Furthermore, for vesting purposes, the Participant's Transfer Account may be treated as a separate "Participant's Account."

(b) **Accounting of transfers.** Amounts in a Participant's Transfer Account shall be held by the Trustee (or Insurer) pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as elected in the Adoption Agreement and Subsection (d) below, provided the restrictions of Subsection (c) below and Section 6.16 are satisfied. The Trustee (or Insurer) shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee (or Insurer) under the terms of this Plan. Notwithstanding anything in this Section to the contrary, transferred amounts are not required to be separately accounted for and may be combined with the corresponding Account maintained in this Plan provided all rights, benefits and features and other attributes are identical with respect to each account, or are identical after the combination.

(c) **Distribution of plan-to-plan transfer amounts.** At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the Participant's Transfer Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distribution of amounts held in a Participant's Transfer Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6. Furthermore, such amounts shall be considered to be part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent.

(d) **Segregation.** The Administrator may direct that Employee transfers made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated, invested as part of the general Trust Fund or, if elected in the Adoption Agreement, directed by the Participant.

(e) **Pre-Participation Transfers.** The Administrator has the discretion to accept a Transfer of plan assets on behalf of an Employee prior to the date the Employee satisfies the Plan's eligibility conditions or prior to reaching the Entry Date in a uniform and nondiscretionary manner. If the Plan accepts such a direct transfer of plan assets, then the Administrator will treat the Employee as a limited Participant pursuant to Section 4.6(g).

4.8 MANDATORY EMPLOYEE CONTRIBUTIONS

(a) **Mandatory Employee contributions.** An Employer may elect in the Adoption Agreement to provide for mandatory Employee contributions. If the Employer elects to provide for such contributions, each Participant will make a mandatory Employee contribution in the amount elected in the Adoption Agreement. Alternatively, the Employer may elect to provide a range of mandatory Employee contribution percentages from which the Participant may choose to contribute. Under this option, the Employee, if required as a condition of employment, must make an irrevocable election to contribute a percentage of his or her Compensation no later than his or her effective date of participation. If not required as a condition of employment, such mandatory Employee contribution election shall be made prior to participation in the Plan. During the period of the Participant's participation in the Plan, the Participant may not revoke the election and receive cash in lieu of the contribution, nor may the Participant change the amount of the mandatory Employee contribution. Amounts attributable to mandatory Employee contributions shall be fully Vested.

(b) **Employer pick-up contribution.** Unless otherwise elected in the Adoption Agreement, the Employer will "pick-up" the mandatory Employee contributions and will pay the mandatory Employee contributions to the Plan as an Employer contribution. This provision is effective only after the Employer provides for the treatment of the mandatory Employee contributions as described in this paragraph, through a person authorized to take such action, and evidenced in writing by minutes of a meeting, resolution, ordinance, or other formal action by the Employer, which will effectuate the "pick-up" provision. Furthermore, as of the date of the "pick-up," Participants are not permitted to opt-out of the "pick-up" or to receive the mandatory Employee contributions directly instead of having them paid to the Plan. Mandatory Employee contributions that are "picked-up" by the Employer are excludible from the Employee's gross income.

4.9 AFTER-TAX VOLUNTARY EMPLOYEE CONTRIBUTIONS

(a) **After-tax voluntary Employee contributions.** If elected in the Adoption Agreement, each Participant may, in accordance with procedures established by the Administrator, elect to make after-tax voluntary Employee contributions to this Plan. Such contributions

Non-Standardized Governmental 401(a) Pre-Approved Plan

must generally be paid to the Trustee (or Insurer) within a reasonable period of time after being received by the Employer. An after-tax voluntary Employee contribution is any contribution made to the Plan by or on behalf of a Participant that is included in the Participant's gross income in the year in which made and that is separately accounted for under the Plan.

(b) **Full vesting.** The balance in each Participant's Voluntary Contribution Account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

(c) **Distribution at any time.** A Participant may elect at any time to withdraw after-tax voluntary Employee contributions from such Participant's Voluntary Contribution Account and the actual earnings thereon in a manner which is consistent with and satisfies the provisions of Section 6.5. If the Administrator maintains sub-accounts with respect to after-tax voluntary Employee contributions (and earnings thereon) which were made on or before a specified date, a Participant shall be permitted to designate which sub-account shall be the source for the withdrawal. Forfeitures of Employer contributions shall not occur solely as a result of an Employee's withdrawal of after-tax voluntary Employee contributions.

(d) **Used to provide benefits.** At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary is entitled to receive benefits, the Participant's Voluntary Contribution Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary.

4.10 PARTICIPANT DIRECTED INVESTMENTS

(a) **Directed investment options allowed.** If permitted by the Administrator and the terms of the Trust, Participants may direct the Trustee (or Insurer) as to the investment of all or a portion of their individual Account balances in accordance with the Plan's procedures. Participants may direct the Trustee (or Insurer), in writing (or in such other form which is acceptable to the Trustee (or Insurer)), to invest their accounts in specific assets, specific funds or other investments permitted under the Plan and the Participant Direction Procedures. That portion of the Account of any Participant that is subject to investment direction of such Participant will be considered a Participant Directed Account.

(b) **Establishment of Participant Direction Procedures.** The Administrator will establish Participant Direction Procedures, to be applied in a uniform manner, setting forth the permissible investment options under this Section, how often changes between investments may be made, and any other limitations and provisions that the Administrator may impose on a Participant's right to direct investments.

(c) **Administrative discretion.** The Administrator may, in its discretion, include or exclude by amendment or other action from the Participant Direction Procedures such instructions, guidelines or policies as it deems necessary or appropriate to ensure proper administration of the Plan, and may interpret the same accordingly.

(d) **Allocation of gains or losses.** As of each Valuation Date, all Participant Directed Accounts shall be charged or credited with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in the market value using publicly listed fair market values when available or appropriate as follows:

(1) to the extent the assets in a Participant Directed Account are accounted for as pooled assets or investments, the allocation of earnings, gains and losses of each Participant's Account shall be based upon the total amount of funds so invested in a manner proportionate to the Participant's share of such pooled investment; and

(2) to the extent the assets in a Participant Directed Account are accounted for as segregated assets, the allocation of earnings, gains on and losses from such assets shall be made on a separate and distinct basis.

(e) **Plan will follow investment directions.** Investment directions will be processed as soon as administratively practicable after proper investment directions are received from the Participant. No guarantee is made by the Plan, Employer, Administrator or Trustee (or Insurer) that investment directions will be processed on a daily basis, and no guarantee is made in any respect regarding the processing time of an investment direction. Notwithstanding any other provision of the Plan, the Employer, Administrator or Discretionary Trustee (or Insurer) reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, Administrator or Discretionary Trustee (or Insurer). Furthermore, the processing of any investment transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider) or force majeure. The processing date of a transaction will be binding for all purposes of the Plan and considered the applicable Valuation Date for an investment transaction.

(f) **Other documents required by directed investments.** Any information regarding investments available under the Plan, to the extent not required to be described in the Participant Direction Procedures, may be provided to Participants in one or more documents (or in any other form, including, but not limited to, electronic media) which are separate from the Participant Direction Procedures and are not thereby incorporated by reference into this Plan.

Non-Standardized Governmental 401(a) Pre-Approved Plan**4.11 QUALIFIED MILITARY SERVICE**

(a) **USERRA.** Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code §414(u). Furthermore, loan repayments may be suspended under this Plan as permitted under Code §414(u)(4).

(b) **Benefit accrual.** If the Employer elects in the Adoption Agreement to apply this Subsection, then effective as of the date specified in the Adoption Agreement, for benefit accrual purposes, the Plan treats an individual who becomes Totally and Permanently disabled while performing "qualified military service" (as defined in Code §414(u)) with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA), on the day preceding Total and Permanent Disability and terminated employment on the actual date of death or Total and Permanent Disability.

The Plan will determine the amount of after-tax voluntary Employee contributions of an individual treated as reemployed under this Section for purposes of applying paragraph Code §414(u)(8)(C) on the basis of the individual's average actual after-tax voluntary Employee contributions for the lesser of: (1) the 12-month period of service with the Employer immediately prior to "qualified military service" (as defined in Code §414(u)); or (2) the actual length of continuous service with the Employer.

(c) **Death benefits.** If a Participant dies while performing "qualified military service" (as defined in Code §414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of "qualified military service" but including vesting credit for such period and any other ancillary life insurance or other survivor benefits) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's "qualified military service" as service for vesting purposes, as though the Participant had resumed employment under Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA) immediately prior to the Participant's death.

(d) **Military Differential Pay.** The following applies with respect to Military Differential Pay: (1) an individual receiving Military Differential Pay is treated as an Employee of the Employer making the payment; (2) the Military Differential Pay is treated as 415 Compensation (and Compensation unless otherwise elected in the Adoption Agreement); and (3) the Plan is not treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) (or corresponding Plan provisions) by reason of any contribution or benefit which is based on the Military Differential Pay. The Administrator operationally may determine, for purposes of the provisions described in Code §414(u)(1)(C), whether to take into account any matching contributions, attributable to Military Differential Pay.

(e) **Deemed Severance.** Notwithstanding Subsection (b)(1) above, if elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), a Participant who performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than thirty (30) days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not attributable to Employer contributions to a money purchase pension plan. However, the Plan will not distribute such a Participant's Account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the individual may not make an after-tax voluntary Employee contribution during the six (6) month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control and the six (6) month suspension will not apply.

4.12 INSTRUCTIONS TO ADMINISTRATOR AND NOTIFICATION TO PARTICIPANTS

For Plan Years beginning after the end of the Plan Year in which this document is first adopted, if a "Flexible Discretionary Match" contribution formula applies (i.e., a formula that provides an Employer with discretion regarding how to *allocate* a matching contribution to Participants) and the Employer makes a "Flexible Discretionary Match" to the Plan, the Employer must provide the Plan Administrator or Trustee written instructions describing (1) how the "Flexible Discretionary Match" formula will be allocated to Participants (e.g., a uniform percentage of Elective Deferrals or a flat dollar amount), (2) the computation period(s) to which the "Flexible Discretionary Match" formula applies, and (3) if applicable, a description of each business location or business classification subject to separate "Flexible Discretionary Match" allocation formulas. Such instructions must be provided no later than the date on which the "Flexible Discretionary Match" is made to the Plan. A summary of these instructions must be communicated to Participants who receive an allocation of the "Flexible Discretionary Match" no later than 60 days following the date on which the last "Flexible Discretionary Match" contribution is made to the Plan for the Plan Year.

Solely for purposes of this Section, a matching contribution is to be considered as being a "Flexible Discretionary Match" contribution unless the Employer has provided a definitely determinable allocation formula for the matching contribution on the Adoption Agreement. In order to be definitely determinable, then the components of the allocation formula described in the preceding sentence must be specified on the Adoption Agreement and cannot themselves be discretionary. Thus, regardless of whether the contribution formula for the matching contribution is fixed or discretionary, the provisions of the preceding paragraph apply unless the amount to be allocated to the Participant for the Plan Year can be determined without any discretion on the part of the Employer.

Non-Standardized Governmental 401(a) Pre-Approved Plan

**ARTICLE V
VALUATIONS**

5.1 VALUATION OF THE TRUST FUND

The Administrator shall direct the Trustee (or Insurer), as of each Valuation Date, to determine the net worth of the assets comprising the Trust Fund as it exists on the Valuation Date. In determining such net worth, the Trustee (or Insurer) shall value the assets comprising the Trust Fund at their fair market value as of the Valuation Date and may deduct all expenses for which the Trustee (or Insurer) has not yet been paid by the Employer or the Trust Fund. The Trustee (or Insurer), when determining the net worth of the assets, may update the value of any shares held in a Participant Directed Account by reference to the number of shares held on behalf of the Participant, priced at the market value as of the Valuation Date.

5.2 METHOD OF VALUATION

Except as otherwise provided in the Trust agreement, in determining the fair market value of securities held in the Trust Fund which are listed on a registered stock exchange, the Administrator shall direct the Trustee (or Insurer) to value the same at the prices they were last traded on such exchange preceding the close of business on the Valuation Date. If such securities were not traded on the Valuation Date, or if the exchange on which they are traded was not open for business on the Valuation Date, then the securities shall be valued at the prices at which they were last traded prior to the Valuation Date. Any unlisted security held in the Trust Fund shall be valued at its bid price next preceding the close of business on the Valuation Date, which bid price shall be obtained from a registered broker or an investment banker. In determining the fair market value of assets other than securities for which trading or bid prices can be obtained, the Trustee, the Administrator (if the Trustee is a directed Trustee), or Insurer may appraise such assets itself (assuming it has the appropriate expertise), or in its discretion, employ one or more appraisers for that purpose and rely on the values established by such appraiser or appraisers.

**ARTICLE VI
DETERMINATION AND DISTRIBUTION OF BENEFITS**

6.1 DETERMINATION OF BENEFITS UPON RETIREMENT

Every Participant may terminate employment with the Employer and retire for purposes hereof on the Participant's Normal Retirement Date or Early Retirement Date. However, a Participant may postpone the severance of employment with the Employer to a later date, in which event the participation of such Participant in the Plan, including the right to receive allocations pursuant to Section 4.3, shall continue until such Participant's Retirement Date. Upon a Participant's Retirement Date, or if elected in the Adoption Agreement, the attainment of Normal Retirement Date without severance of employment with the Employer (subject to Section 6.11), or as soon thereafter as is practicable, the Administrator shall direct the distribution, at the election of the Participant (unless a distribution is mandatory under the other terms of the Plan), of the Participant's entire Vested interest in the Plan in accordance with Section 6.5.

6.2 DETERMINATION OF BENEFITS UPON DEATH

- (a) **100% vesting on death.** Upon the death of a Participant before the Participant's Retirement Date or other severance of employment, all amounts credited to such Participant's Combined Account shall, if elected in the Adoption Agreement, become fully Vested. The Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of the deceased Participant's Vested accounts to the Participant's Beneficiary.
- (b) **Distribution upon death.** Upon the death of a Participant, the Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of any remaining Vested amounts credited to the accounts of such deceased Participant to such Participant's Beneficiary.
- (c) **Determination of death benefit by Administrator.** The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the account of a deceased Participant as the Administrator may deem desirable. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive.
- (d) **Beneficiary designation.** Each Participant must designate a Beneficiary on a form and in such manner as provided by the Administrator.
- (e) **Spousal consent to alternative Beneficiary.** This Subsection applies if the Employer has elected in the Adoption Agreement either to apply the Joint and Survivor Annuity rules or to provide that a Participant's Spouse is the Beneficiary unless the Spouse consents to an alternative Beneficiary. Unless otherwise elected in the manner prescribed in Section 6.6, the Beneficiary of the Pre-Retirement Survivor Annuity (or if applicable, the entire death benefit) shall be the Participant's surviving Spouse. Except, however, the Participant may designate a Beneficiary other than the Spouse if:

- (1) the Participant and the Participant's Spouse have validly waived the Pre-Retirement Survivor Annuity in the manner prescribed in Section 6.6, and the Spouse has waived the right to be the Participant's Beneficiary,

Non-Standardized Governmental 401(a) Pre-Approved Plan

- (2) the Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect (and there is no "qualified domestic relations order" as defined in Code §414(p) which provides otherwise),
- (3) the Participant has no Spouse, or
- (4) the Spouse cannot be located.

In such event, the designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke a designation of a Beneficiary or change a Beneficiary by filing written (or in such other form as permitted by the IRS) notice of such revocation or change with the Administrator. However, the Participant's Spouse must again consent in writing (or in such other form as permitted by the IRS) to any change in Beneficiary unless the original consent acknowledged that the Spouse had the right to limit consent only to a specific Beneficiary and that the Spouse voluntarily elected to relinquish such right.

(f) **Beneficiary if no Beneficiary elected by Participant.** In the event no valid designation of Beneficiary exists, or if the Beneficiary with respect to a portion of a Participant's death benefit is not alive at the time of the Participant's death and no contingent Beneficiary has been designated, then such portion of the death benefit will be paid in the following order of priority, unless the Employer specifies a different order of priority in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), to:

- (1) The Participant's surviving Spouse;
- (2) The Participant's issue, per stirpes;
- (3) The Participant's surviving parents, in equal shares; or
- (4) The Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the Beneficiary's "designated Beneficiary" (or if there is no "designated Beneficiary," to the Beneficiary's estate). For purposes of these provisions, and with respect to any Beneficiary designations, adopted children shall be treated as children.

(g) **Divorce revokes spousal Beneficiary designation.** Notwithstanding anything in this Section to the contrary, unless otherwise elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) or prohibited by applicable State law, if a Participant has designated the Spouse as a Beneficiary, then a divorce decree that relates to such Spouse shall revoke the Participant's designation of the Spouse as a Beneficiary unless the decree or a "qualified domestic relations order" (within the meaning of Code §414(p)) provides otherwise or a subsequent Beneficiary designation is made.

(h) **Insured death benefit.** If the Plan provides an insured death benefit and a Participant dies before any insurance coverage to which the Participant is entitled under the Plan is effected, the death benefit from such insurance coverage shall be limited to the premium which was or otherwise would have been used for such purpose.

(i) **Plan terms control.** In the event of any conflict between the terms of this Plan and the terms of any Contract issued hereunder, the Plan provisions shall control.

6.3 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY

In the event of a Participant's Total and Permanent Disability prior to the Participant's Retirement Date or other severance of employment, all amounts credited to such Participant's Combined Account shall, if elected in the Adoption Agreement, become fully Vested. In the event of a Participant's Total and Permanent Disability, the Participant's entire Vested interest in the Plan will be distributable and may be distributed in accordance with the provisions of Sections 6.5 and 6.7.

6.4 DETERMINATION OF BENEFITS UPON TERMINATION

(a) **Payment on severance of employment.** If a Participant's employment with the Employer and any Affiliated Employer is severed for any reason other than death, Total and Permanent Disability, or attainment of the Participant's Retirement Date, then such Participant shall be entitled to such benefits as are provided herein.

Distribution of the funds due to a Terminated Participant shall be made on the occurrence of an event which would result in the distribution had the Terminated Participant remained in the employ of the Employer (upon the Participant's death, Total and Permanent Disability, Early or Normal Retirement). However, at the election of the Participant, the Administrator shall direct that the entire Vested portion of the Terminated Participant's Combined Account be payable to such Terminated Participant provided the conditions, if any, set forth in the Adoption Agreement have been satisfied. Any distribution under this paragraph shall be made in a manner which is consistent with and satisfies the provisions of Section 6.5.

Non-Standardized Governmental 401(a) Pre-Approved Plan

Regardless of whether distributions in kind are permitted, in the event the amount of the Vested portion of the Terminated Participant's Combined Account equals or exceeds the fair market value of any insurance Contracts, the Administrator may direct the Trustee (or Insurer), when agreed to by the Terminated Participant, to assign, transfer, and set over to such Terminated Participant all Contracts on such Terminated Participant's life in such form or with such endorsements, so that the settlement options and forms of payment are consistent with the provisions of Section 6.5. In the event that the Terminated Participant's Vested portion does not at least equal the fair market value of the Contracts, if any, the Terminated Participant may pay over to the Trustee (or Insurer) the sum needed to make the distribution equal to the value of the Contracts being assigned or transferred, or the Trustee (or Insurer), pursuant to the Participant's election, may borrow the cash value of the Contracts from the Insurer so that the value of the Contracts is equal to the Vested portion of the Terminated Participant's Combined Account and then assign the Contracts to the Terminated Participant.

Notwithstanding the above, unless otherwise elected in the Adoption Agreement, if the value of a Terminated Participant's Vested benefit derived from Employer and Employee contributions does not exceed \$5,000 (or such lower amount as elected in the Adoption Agreement), the Administrator shall direct that the entire Vested benefit be paid to such Participant in a single lump-sum as soon as practical without regard to the consent of the Participant, provided the conditions, if any, set forth in the Adoption Agreement have been satisfied. A Participant's Vested benefit shall not include (1) qualified voluntary employee contributions within the meaning of Code §72(o)(5)(B) and (2) if selected in the Conditions for Distributions Upon Severance of Employment Section of the Adoption Agreement, the Participant's Rollover Account. If a mandatory distribution is made pursuant to this paragraph and such distribution is greater than \$1,000 and the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a "direct rollover" in accordance with Section 6.14 or to receive the distribution directly, then the Administrator shall transfer such amount to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b) designated by the Administrator. However, if the Participant elects to receive or make a "direct rollover" of such amount, then the Administrator shall direct the Trustee (or Insurer) to cause the entire Vested benefit to be paid to such Participant in a single lump sum, or make a "direct rollover" pursuant to Section 6.14, provided the conditions, if any, set forth in the Adoption Agreement have been satisfied. The Administrator may establish a procedure as to whether a Participant who fails to make an affirmative election with respect to a mandatory distribution of \$1,000 or less is treated as having made or not made a "direct rollover" election. For purposes of determining whether the \$1,000 threshold set forth in this paragraph is met, the mandatory distribution includes amounts in a Participant's Rollover Account. For purposes of determining whether the \$5,000 threshold in this paragraph is met, a Participant's Rollover Account is taken into account unless otherwise elected in the Adoption Agreement.

(b) **Vesting schedule.** The Vested portion of any Participant's Account shall be a percentage of such Participant's Account determined on the basis of the Participant's number of Years of Service (or Periods of Service if the elapsed time method is elected) according to the vesting schedule specified in the Adoption Agreement. However, a Participant's entire interest in the Plan shall be non-forfeitable upon the Participant's Normal Retirement Age (if the Participant is employed by the Employer on or after such date). In addition, Employee contributions (voluntary and mandatory) and contributions for sick leave/vacation leave conversions shall be fully Vested.

6.5 DISTRIBUTION OF BENEFITS

(a) **Forms of distributions.** Subject to the Joint and Survivor Annuity requirements in Subsection (e) below (if the Employer elects to apply such provisions), the Administrator, pursuant to the election of the Participant, shall direct the distribution to a Participant or Beneficiary any amount to which the Participant or Beneficiary is entitled under the Plan in one or more of the following methods which are permitted pursuant to the Adoption Agreement.

- (1) One lump-sum payment in cash or in property, provided that if a distribution of property is permitted, it shall be limited to property that is specifically allocated and identifiable with respect to such Participant.
- (2) Partial withdrawals.
- (3) Payments over a period certain in monthly, quarterly, semi-annual, or annual cash installments. The period over which such payment is to be made shall not extend beyond the earlier of the Participant's life expectancy (or the joint life expectancy of the Participant and the Participant's designated Beneficiary). Once payments have begun, a Participant may elect to accelerate the payments (reduce the term and increase payments).
- (4) Purchase of or providing an annuity. However, such annuity may not be in any form that will provide for payments over a period extending beyond either the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and the Participant's designated Beneficiary).

(b) **Consent to distributions.** Benefits may not be paid without a Participant's consent if the value of the Participant's Accounts exceed the dollar threshold specified in the Adoption Agreement. If the value of the Participant's Accounts does not exceed such threshold, then the Administrator may only distribute such benefit in a lump-sum. For purposes of this Subsection, the Participant's Accounts shall not include, if selected in the Conditions for Distributions Upon Severance of Employment Section of the Adoption Agreement, the Participant's Rollover Account.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(c) **Required minimum distributions (Code §401(a)(9)).** Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's benefits, whether under the Plan or through the purchase of an annuity Contract, shall be made in accordance with the requirements of Section 6.8.

(d) **Annuity Contracts.** All annuity Contracts under this Plan shall be non-transferable when distributed. Furthermore, the terms of any annuity Contract purchased and distributed to a Participant or Spouse shall comply with all of the requirements of this Plan.

(e) Qualified Joint and Survivor Annuity.

(1) The provisions of this Subsection (e) apply if the Employer elects to apply the Joint and Survivor Annuity rules in the Adoption Agreement. A Participant who is married on the Annuity Starting Date and who does not die before the Annuity Starting Date shall receive the value of all Plan benefits in the form of a Joint and Survivor Annuity. The Joint and Survivor Annuity is an annuity that commences immediately and shall be equal in value to a single life annuity. Such joint and survivor benefits following the Participant's death shall continue to the Spouse during the Spouse's lifetime at a rate equal to either fifty percent (50%), seventy-five percent (75%) (or, sixty-six and two-thirds percent (66 2/3%) if the Insurer used to provide the annuity does not offer a joint and seventy-five percent (75%) survivor annuity), or one hundred percent (100%) of the rate at which such benefits were payable to the Participant. Unless otherwise elected in the Adoption Agreement, a joint and fifty percent (50%) survivor annuity shall be considered the designated qualified Joint and Survivor Annuity and the normal form of payment for the purposes of this Plan. However, the Participant may, without spousal consent, elect an alternative Joint and Survivor Annuity, which alternative shall be equal in value to the designated qualified Joint and Survivor Annuity. An unmarried Participant shall receive the value of such Participant's benefit in the form of a life annuity. Such unmarried Participant, however, may elect to waive the life annuity. The election must comply with the provisions of this Section as if it were an election to waive the Joint and Survivor Annuity by a married Participant, but without fulfilling the spousal consent requirement. The Participant may elect to have any annuity provided for in this Section distributed upon the attainment of the "earliest retirement age" under the Plan. The "earliest retirement age" is the earliest date on which, under the Plan, the Participant could elect to receive retirement benefits.

(2) Any election to waive the Joint and Survivor Annuity must be made by the Participant in writing (or in such other form as permitted by the IRS) during the election period and be consented to in writing (or in such other form as permitted by the IRS) by the Participant's Spouse. If the Spouse is legally incompetent to give consent, the Spouse's legal guardian, even if such guardian is the Participant, may give consent. Such election shall designate a Beneficiary (or a form of benefits) that may not be changed without spousal consent (unless the consent of the Spouse expressly permits designations by the Participant without the requirement of further consent by the Spouse). Such Spouse's consent shall be irrevocable and must acknowledge the effect of such election and be witnessed by a Plan representative or a notary public. Such consent shall not be required if it is established to the satisfaction of the Administrator that the required consent cannot be obtained because there is no Spouse, the Spouse cannot be located, or other circumstances that may be prescribed by Regulations. The election made by the Participant and consented to by such Participant's Spouse may be revoked by the Participant in writing (or in such other form as permitted by the IRS) without the consent of the Spouse at any time during the election period. A revocation of a prior election shall cause the Participant's benefits to be distributed as a Joint and Survivor Annuity. The number of revocations shall not be limited. Any new election must comply with the requirements of this paragraph. A former Spouse's waiver shall not be binding on a new Spouse.

(3) The election period to waive the Joint and Survivor Annuity shall be the one-hundred eighty (180) day period ending on the Annuity Starting Date.

(4) For purposes of this Section and Section 6.6, Spouse or surviving Spouse means the Spouse or surviving Spouse of the Participant, provided that a former Spouse will be treated as the Spouse or surviving Spouse and a current Spouse will not be treated as the Spouse or surviving Spouse to the extent provided under a "qualified domestic relations order" as described in Code §414(p).

(5) With regard to the election, except as otherwise provided herein, the Administrator shall, in accordance with Regulation §1.417(a)(3)-1, provide to the Participant no less than thirty (30) days and no more than one-hundred eighty (180) days before the Annuity Starting Date a written (or such other form as permitted by the IRS) explanation of:

- (i) the terms and conditions of the qualified Joint and Survivor Annuity and the "qualified optional survivor annuity" that is payable in lieu of the qualified Joint and Survivor Annuity,
- (ii) the Participant's right to make and the effect of an election to waive the Joint and Survivor Annuity,
- (iii) the right of the Participant's Spouse to consent to any election to waive the Joint and Survivor Annuity, and
- (iv) the right of the Participant to revoke such election, and the effect of such revocation.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(6) Any distribution provided for in this Section may commence less than thirty (30) days after the notice required by Code §417(a)(3) is given provided the following requirements are satisfied:

- (i) the Administrator clearly informs the Participant that the Participant has a right to a period of thirty (30) days after receiving the notice to consider whether to waive the Joint and Survivor Annuity and to elect (with spousal consent) a form of distribution other than a Joint and Survivor Annuity;
- (ii) the Participant is permitted to revoke any affirmative distribution election at least until the Annuity Starting Date or, if later, at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of the Joint and Survivor Annuity is provided to the Participant;
- (iii) the Annuity Starting Date is after the time that the explanation of the Joint and Survivor Annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant and before the date that the distribution is permitted to commence under (iv) below; and
- (iv) distribution in accordance with the affirmative distribution election does not commence before the expiration of the seven (7) day period that begins the day after the explanation of the Joint and Survivor Annuity is provided to the Participant.

(f) **Qualified Joint and Survivor Annuity but not the normal form.** The provisions of this Section apply if the Employer has elected in the Adoption Agreement to apply the Joint and Survivor Annuity requirement to a Participant, but the Qualified Joint and Survivor Annuity is not the normal form of distribution.

- (1) The Joint and Survivor Annuity provisions of Section 6.5(e) shall not apply if a Participant does not elect an annuity form of distribution. Furthermore, Subsection (3) below shall not apply if a Participant elects an annuity form of distribution.
- (2) Notwithstanding anything in Sections 6.2 and 6.6 to the contrary, upon the death of a Participant, the automatic form of distribution will be a lump-sum rather than a Qualified Pre-Retirement Survivor Annuity. Furthermore, the Participant's Spouse will be the Beneficiary of the Participant's entire Vested interest in the Plan unless an election is made to waive the Spouse as Beneficiary. The other provisions in Section 6.2 shall be applied by treating the death benefit in this Subsection as though it is a Qualified Pre-Retirement Survivor Annuity.
- (3) Except to the extent otherwise provided in this Section, the provisions of Sections 6.2 and 6.5 regarding spousal consent shall be inoperative with respect to this Plan.
- (4) The distribution may commence less than thirty (30) days after the notice required under Regulation §1.411(a)-11(c) is given, provided:
 - (i) the Administrator clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
 - (ii) the Participant, after receiving the notice, affirmatively elects a distribution.

6.6 DISTRIBUTION OF BENEFITS UPON DEATH

(a) **Consent.** If the value of the death benefit derived from Employer and Employee contributions does not exceed \$5,000, the Administrator shall direct the distribution of such amount to the Participant's Beneficiary in a single lump-sum as soon as practicable. If the value exceeds \$5,000, an immediate distribution of the entire amount may be made to the Beneficiary, provided such Beneficiary consents to the distribution.

(b) **Forms of distribution.** Death benefits may be paid to a Participant's Beneficiary in one of the following optional forms of benefits subject to the rules specified in Section 6.8 and the elections made in the Adoption Agreement. Such optional forms of distributions may be elected by the Participant. However, if no optional form of distribution was elected by the Participant prior to death, then the Participant's Beneficiary may elect the form of distribution.

- (1) One lump-sum payment in cash or in property that is allocated to the Accounts of the Participant at the time of the distribution.
- (2) Partial withdrawals.
- (3) Payment in monthly, quarterly, semi-annual, or annual cash installments over a period to be determined by the Participant or the Participant's Beneficiary. In order to provide such installment payments, the Administrator may (A) segregate the aggregate

Non-Standardized Governmental 401(a) Pre-Approved Plan

amount thereof in a separate, federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate or other liquid short-term security or (B) purchase a nontransferable annuity Contract for a term certain (with no life contingencies) providing for such payment. After periodic installments commence, the Beneficiary shall have the right to reduce the period over which such periodic installments shall be made, and the cash amount of such periodic installments shall be adjusted accordingly.

(4) In the form of an annuity over the life expectancy of the Beneficiary.

(c) **Required minimum distributions (Code §401(a)(9)).** Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant shall comply with the requirements of Section 6.8.

(d) **Payment to a child.** For purposes of this Section, any amount paid to a child of the Participant will be treated as if it had been paid to the surviving Spouse if the amount becomes payable to the surviving Spouse when the child reaches the age of majority.

(e) **Voluntary Contribution Account.** In the event that less than one hundred percent (100%) of a Participant's interest in the Plan is distributed to such Participant's Spouse, the portion of the distribution attributable to the Participant's Voluntary Contribution Account shall be in the same proportion that the Participant's Voluntary Contribution Account bears to the Participant's total interest in the Plan.

(f) **Qualified Pre-Retirement Survivor Annuity (QPSA).** The provisions of this Subsection (f) apply if the Employer elects to apply the Joint and Survivor Annuity rules in the Adoption Agreement. Unless otherwise elected as provided below, a Vested Participant who dies before the Annuity Starting Date and who has a surviving Spouse shall have the Pre-Retirement Survivor Annuity paid to the surviving Spouse. The Participant's Spouse may direct that payment of the Pre-Retirement Survivor Annuity commence within a reasonable period after the Participant's death. If the Spouse does not so direct, payment of such benefit will commence at the time the Participant would have attained the later of Normal Retirement Age or age 62. However, the Spouse may elect a later commencement date. Any distribution to the Participant's Spouse shall be subject to the rules specified in Section 6.8.

(1) **Election to waive QPSA.** Any election to waive the Pre-Retirement Survivor Annuity before the Participant's death must be made by the Participant in writing (or in such other form as permitted by the IRS) during the election period and shall require the Spouse's irrevocable consent in the same manner provided for in Section 6.5(e)(2). Further, the Spouse's consent must acknowledge the specific non-Spouse Beneficiary. Notwithstanding the foregoing, the non-Spouse Beneficiary need not be acknowledged, provided the consent of the Spouse acknowledges that the Spouse has the right to limit consent only to a specific Beneficiary and that the Spouse voluntarily elects to relinquish such right.

(2) **Time to waive QPSA.** The election period to waive the Pre-Retirement Survivor Annuity shall begin on the first day of the Plan Year in which the Participant attains age 35 and end on the date of the Participant's death. An earlier waiver (with spousal consent) may be made provided a written (or such other form as permitted by the IRS) explanation of the Pre-Retirement Survivor Annuity is given to the Participant and such waiver becomes invalid at the beginning of the Plan Year in which the Participant turns age 35. In the event a Participant separates from service prior to the beginning of the election period, the election period shall begin on the date of such separation from service.

(3) **QPSA notice.** With regard to the election, the Administrator shall provide each Participant within the applicable election period, with respect to such Participant (and consistent with Regulations), a written (or such other form as permitted by the IRS) explanation of the Pre-Retirement Survivor Annuity containing comparable information to that required pursuant to Section 6.5(e)(5). For the purposes of this paragraph, the term "applicable period" means, with respect to a Participant, whichever of the following periods ends last:

- (i) The period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35;
- (ii) A reasonable period after the individual becomes a Participant;
- (iii) A reasonable period ending after the Plan no longer fully subsidizes the cost of the Pre-Retirement Survivor Annuity with respect to the Participant; or
- (iv) A reasonable period ending after Code §401(a)(11) applies to the Participant.

For purposes of applying this Subsection, a reasonable period ending after the enumerated events described in (ii), (iii) and (iv) is the end of the two (2) year period beginning one (1) year prior to the date the applicable event occurs and ending one (1) year after that date. In the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two (2) year period beginning one (1) year prior to separation and ending one (1) year after separation. If such a Participant thereafter returns to employment with the Employer, the "applicable period" for such Participant shall be redetermined.

Non-Standardized Governmental 401(a) Pre-Approved Plan**6.7 TIME OF DISTRIBUTION**

Except as limited by Section 6.8, whenever a distribution is to be made, or a series of payments are to commence, the distribution or series of payments may be made or begun as soon as practicable. Notwithstanding anything in the Plan to the contrary, unless a Participant otherwise elects, payments of benefits under the Plan will be begun not later than the later of the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (a) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (b) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or (c) the date the Participant terminates service with the Employer. The failure of a Participant to request a distribution shall be deemed to be an election to defer the commencement of payment of any benefit until the time otherwise permitted under the Plan.

6.8 REQUIRED MINIMUM DISTRIBUTIONS**(a) General rules**

(1) **Effective Date.** Subject to the good faith interpretation standard, the requirements of this Section shall apply to any distribution of a Participant's interest in the Plan and will take precedence over any inconsistent provisions of this Plan.

(2) **Requirements of Treasury Regulations incorporated.** All distributions required under this Section will be determined and made in accordance with the Regulations under Code §401(a)(9) and the minimum distribution incidental benefit requirement of Code §401(a)(9)(G).

(3) **Limits on distribution periods.** As of the first "distribution calendar year," distributions to a Participant may only be made in accordance with the selections made in the Form of Distributions Section of the Adoption Agreement. If such distributions are not made in a single-sum, then they may only be made over one of the following periods: (i) the life of the Participant, (ii) the joint lives of the Participant and a "designated Beneficiary," (iii) a period certain not extending beyond the "life expectancy" of the Participant, or (iv) a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a "designated Beneficiary."

(4) TEFRA Section 242(b)(2) elections.

(i) Notwithstanding the other provisions of this Section, other than the Spouse's right of consent afforded under the Plan, distributions may be made on behalf of any Participant, including a five percent (5%) owner, who has made a designation in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Plan is one which would not have disqualified such Plan under Code §401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a Beneficiary of such Participant.

(C) Such designation was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984.

(D) The Participant had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Participant or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority.

(ii) A distribution upon death will not be covered by the transitional rule of this Subsection unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

(iii) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in (i)(A) and (i)(E) of this Subsection.

(iv) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code §401(a)(9) and the Regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code §401(a)(9) and the Regulations thereunder, but for the Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions

Non-Standardized Governmental 401(a) Pre-Approved Plan

must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(v) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Regulation §1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

(5) **Good faith interpretation standard.** In applying any provision of this section, the Plan will apply a reasonable good faith interpretation of Code §401(a)(9).

(b) Time and manner of distribution

(1) **Required beginning date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date."

(2) **Death of Participant before distributions begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows as elected in the Distributions Upon Death Section of the Adoption Agreement (or if no election is made, then the Beneficiary may elect either the lifetime method or the five-year method and if the Beneficiary makes no election, the five-year method shall apply):

(i) **Lifetime method (Spouse).** If the Participant's surviving Spouse is the Participant's sole "designated Beneficiary," then, except as otherwise provided herein, 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 70 1/2, if later.

(ii) **Lifetime method (non-Spouse).** If the Participant's surviving Spouse is not the Participant's sole "designated Beneficiary," then, except as provided in Section 6.8(b)(3) below, distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) **Five-year method.** If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death or if otherwise elected pursuant to the Adoption Agreement with respect to a "designated Beneficiary," the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) **Death of Spouse.** 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 Section 6.8(b)(2), other than Section 6.8(b)(2)(i), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 6.8(b)(2) and Section 6.8(b)(3), unless Section 6.8(b)(2)(iv) applies, distributions are considered to begin on the Participant's "required beginning date." If Section 6.8(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 6.8(b)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 6.8(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) **Forms of distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the "required beginning date," as of the first "distribution calendar year" distributions will be made in accordance with Sections 6.8(c) and 6.8(d) and only in a form of distribution provided in Section 6.5 or 6.6, as applicable. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the Regulations thereunder.

(c) Required minimum distributions during Participant's lifetime

(1) **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 the following:

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

(ii) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's Spouse, the quotient obtained by dividing the "Participant's account balance" by the number in the Joint and Last Survivor Table set

Non-Standardized Governmental 401(a) Pre-Approved Plan

forth in Regulation §1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the "distribution calendar year."

- (2) **Lifetime required minimum distributions continue through year of Participant's death.** Required minimum distributions will be determined under this Section 6.8(c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.

(d) Required minimum distributions after Participant's death

(1) Death on or after date distributions begin.

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

(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.

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

(2) Death before date distributions begin.

(i) **Participant survived by "designated Beneficiary."** Except as provided in Section 6.8(b)(3), if the Participant dies before the date distributions begin and there is a "designated Beneficiary," the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary," determined as provided in Section 6.8(d)(1).

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

(iii) **Death of surviving Spouse before distributions to surviving Spouse are required to begin.** If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole "designated Beneficiary," and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 6.8(b)(2)(i), this Section 6.8(d)(2) will apply as if the surviving Spouse were the Participant.

(e) Definitions. For purposes of this Section, the following definitions apply:

(1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under the Plan and is the "designated Beneficiary" under Code §401(a)(9) and Regulation §1.401(a)(9)-4.

(2) "Distribution calendar year" means 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,

Non-Standardized Governmental 401(a) Pre-Approved Plan

the first "distribution calendar year" is the calendar year in which distributions are required to begin under Section 6.8(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."

(3) "Life expectancy" means the life expectancy as computed by use of the Single Life Table in Regulation §1.401(a)(9)-9.

(4) "Participant's account balance" means the Participant's account balance as of the last Valuation Date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or Forfeitures allocated to the account balance as of the dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. For this purpose, the Administrator may exclude contributions that are allocated to the account balance as of dates in the valuation calendar year after the Valuation Date, but that are not actually made during the valuation calendar year. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.

(a) **Reduction for QLACs.** A Participant's account balance is reduced by any QLACs (as defined below). This paragraph applies only to QLACs purchased on or after July 2, 2014.

(b) **Definition of QLAC.** A QLAC is qualifying longevity annuity contract as defined in A-17 of Regulation §1.401(a)(9)-6. Pursuant to such Regulation, a QLAC is an annuity contract that is purchased from an insurance company for a Participant and that, in accordance with the rules of application of paragraph (c) below, satisfies each of the following requirements:

(1) The premiums paid with respect to the contract on a date do not exceed the lesser of the following amounts, determined in accordance with the provisions of paragraph (b) of A-17 of Regulation §1.401(a)(9)-6.

(a) An amount equal to the excess of \$125,000 (as adjusted under paragraph (d)(2) of A-17 of Regulation §1.401(a)(9)-6), over the sum of the premiums paid before that date with respect to the contract, and the premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is purchased for the Participant under the Plan, or any other plan, annuity, or account described in Code §401(a), 403(a), 403(b), or 408 or eligible governmental plan under §457(b).

(b) An amount equal to the excess of 25% of the Participant's account balance under the Plan (including the value of any QLAC held under the Plan for the Participant) as of that date, over the sum of the premiums paid before that date with respect to the contract, and the premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is held or was purchased for the Participant under the Plan.

(2) The contract provides that distributions under the contract must commence not later than a specified annuity starting date that is no later than the first day of the month next following the eighty-fifth (85th) anniversary of the Employee's birth;

(3) The contract provides that, after distributions under the contract commence, those distributions must satisfy the requirements of paragraph (c) of A-17 of Regulation §1.401(a)(9)-6 (other than the requirement that annuity payments commence on or before the required beginning date (RBD));

(4) The contract does not make available any commutation benefit, cash surrender right, or other similar feature except as otherwise permitted under A-17 of Regulation §1.401(a)(9)-6;

(5) No benefits are provided under the contract after the death of the employee other than the benefits described in paragraph (c) of A-17 of Regulation §1.401(a)(9)-6;

(6) Except as otherwise permitted under A-17 of Regulation §1.401(a)(9)-6, when the contract is issued, the contract (or a rider or endorsement with respect to that contract) states that the contract is intended to be a QLAC; and

(7) The contract is not a variable contract under Code §817, an indexed contract, or a similar contract, except to the extent provided by the Commissioner in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.

(c) **Rules of application relating to premiums.**

Non-Standardized Governmental 401(a) Pre-Approved Plan

(1) **Reliance on representations.** For purposes of the limitation on premiums described in paragraphs (b)(1) and (2) above, unless the Administrator has actual knowledge to the contrary, the Administrator may rely on an Employee's representation (made in writing or such other form as may be prescribed by the Commissioner) of the amount of the premiums described in such paragraphs, but only with respect to premiums that are not paid under a plan, annuity, or contract that is maintained by the Employer or an entity that is treated as a single employer with the Employer under Code §414(b), (c), (m), or (o).

(2) **Consequences of excess premiums.** If an annuity contract fails to be a QLAC solely because a premium for the contract exceeds the limits under paragraph (b)(1)(a) above, then the contract is not a QLAC beginning on the date that premium payment is made unless the excess premium is returned to the non-QLAC portion of the Participant's account in accordance with paragraph (d)(1)(ii)(B) of A-17 of Regulation §1.401(a)(9)-6. If the contract fails to be a QLAC, then the value of the contract may not be disregarded under paragraph (a) above as of the date on which the contract ceases to be a QLAC.

If the excess premium is returned (either in cash or in the form of a contract that is not intended to be a QLAC) to the non-QLAC portion of the Participant's account by the end of the calendar year following the calendar year in which the excess premium was originally paid, then the contract will not be treated as exceeding the limits under paragraph (b)(1)(a) above at any time, and the value of the contract will not be included in the employee's account balance under paragraph (a) above. If the excess premium (including the fair market value of an annuity contract that is not intended to be a QLAC, if applicable) is returned to the non-QLAC portion of the Participant's account after the last valuation date for the calendar year in which the excess premium was originally paid, then the Participant's account balance for that calendar year must be increased to reflect that excess premium in the same manner as a Participant's account balance is increased under Regulation §1.401(a)(9)-7, A-2 to reflect a rollover received after the last valuation date.

(3) **Application of 25-percent limit.** For purposes of the 25% limit under paragraph (b)(1)(b) above, a Participant's account balance on the date on which premiums for a contract are paid is the account balance as of the last valuation date preceding the date of the premium payment, adjusted as follows. The account balance is increased for contributions allocated to the account during the period that begins after the valuation date and ends before the date the premium is paid and decreased for distributions made from the account during that period.

(d) **Dollar and age limitations subject to adjustments.** In the case of calendar years beginning on or after January 1, 2015, the \$125,000 amount under paragraph (b)(1)(a) will be adjusted at the same time and in the same manner as the limits are adjusted under Code §415(d), except that the base period shall be the calendar quarter beginning July 1, 2013, and any increase under this paragraph that is not a multiple of \$10,000 will be rounded to the next lowest multiple of \$10,000. The maximum age set forth in paragraph (b)(2) may be adjusted to reflect changes in mortality, with any such adjusted age to be prescribed by the Commissioner in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin and made available by the Superintendent of Documents.

If a contract fails to be a QLAC because it does not satisfy the dollar limitation in paragraph (b)(1)(a) or the age limitation in paragraph (b)(2), any subsequent adjustment that is made pursuant to this paragraph (d) will not cause the contract to become a QLAC.

(5) "Required beginning date" means, except as otherwise elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), with respect to any Participant, April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires.

6.9 DISTRIBUTION FOR MINOR OR INCOMPETENT INDIVIDUAL

If, in the opinion of the Administrator, a Participant or Beneficiary entitled to a distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age in the case of a minor, the Administrator shall direct the distribution to the Participant's or Beneficiary's valid power of attorney, court appointed guardian, or any other person authorized under state law to receive the benefit (including a custodian under a Uniform Transfers or Gifts to Minors Act), upon furnishing evidence of such status satisfactory to the Administrator. The Administrator and the Trustee (or Insurer) do not have any liability with respect to payments so made and neither the Administrator nor the Trustee (or Insurer) has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

6.10 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder shall, at the later of the Participant's attainment of age 62 or Normal Retirement Age, remain unpaid solely by reason of the inability of the Administrator to ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable may, in the sole discretion of the Administrator, either be treated as a Forfeiture or be paid directly to an individual retirement account described in Code §408(a) or an individual

Non-Standardized Governmental 401(a) Pre-Approved Plan

retirement annuity described in Code §408(b). Before treating any Participant as being missing, the Administrator must conduct a reasonable and diligent search for the Participant, using one or more of search methods the Plan Administrator determines are appropriate under the circumstances, such as the methods suggested by DOL Field Assistance Bulletin 2014-01. Such search methods include:

- (1) provide a distribution notice to the lost Participant at the Participant's last known address by certified or registered mail;
- (2) check with the administrator of other employee benefit plans of the Employer that may have more up-to-date information regarding the Participant's whereabouts;
- (3) identify and contact the Participant's Designated Beneficiary;
- (4) use one or more free internet search tools;
- (5) attempt contact via email or telephone, or
- (6) use proprietary internet search tools, commercial locator services, credit reporting agencies, information brokers, or other search methods. Regarding search methods (2) and (3) above, if the Plan Administrator encounters privacy concerns, the Plan Administrator may request that the Employer or other plan fiduciary (under (2)), or the Designated Beneficiary (under (3)), contact the Participant or forward a letter requesting that the Participant contact the Plan Administrator.

In addition, if the Plan provides for mandatory distributions and the amount to be distributed to a Participant or Beneficiary does not exceed \$1,000, then the amount distributable may, in the sole discretion of the Administrator, either be treated as a Forfeiture, be paid directly to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b) or use the PBGC Missing Participant Program, or any successor program, at the time it is determined that the whereabouts of the Participant or the Participant's Beneficiary cannot be ascertained. In the event a Participant or Beneficiary is located subsequent to the Forfeiture and prior to the time the Plan has been terminated, such benefit shall be restored, first from Forfeitures, if any, and then from an additional Employer contribution if necessary. Upon Plan termination, the portion of the distributable amount that is an "eligible rollover distribution" as defined in Section 6.14(b)(1) may be paid directly to an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b). However, regardless of the preceding, a benefit that is lost by reason of escheat under applicable state law is not treated as a Forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

6.11 IN-SERVICE DISTRIBUTION

If elected in the Adoption Agreement, at such time as the conditions set forth in the Adoption Agreement have been satisfied, then the Administrator, at the election of a Participant who has not severed employment with the Employer, shall direct the distribution of up to the entire Vested amount then credited to the Accounts as elected in the Adoption Agreement maintained on behalf of such Participant. For purposes of this Section, a Participant shall include an Employee who has an Account balance in the Plan. In the event that the Administrator makes such a distribution, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section shall be made in a manner consistent with Section 6.5. Furthermore, if an in-service distribution is permitted from more than one account type, the Administrator may determine any ordering of a Participant's in-service distribution from such accounts. The Administrator may adopt a policy imposing frequency limitations or other reasonable administrative conditions on in-service distributions made pursuant to this Section.

6.12 DISTRIBUTION FOR HARDSHIP

(a) **Hardship events.** If elected in the Adoption Agreement, the Administrator, at the election of the Participant, shall direct the distribution to any Participant in any one Plan Year to an amount necessary to satisfy the Participant's immediate and heavy financial need, determined in accordance with the remaining provisions of this Section. A hardship distribution may only be made on account of an immediate and heavy financial need of the Participant and where the distribution is necessary to satisfy the immediate and heavy financial need. Such distributions may also be made from those Accounts from which such distribution are authorized by the remaining provisions of this Section. For purposes of this Section, a Participant shall include an Employee who has an Account balance in the Plan. Any distribution made pursuant to this Section shall be deemed to be made as of the first day of the Plan Year or, if later, the Valuation Date immediately preceding the date of distribution, and the Account from which the distribution is made shall be reduced accordingly. Withdrawal under this Section shall be authorized only if the distribution is for an immediate and heavy financial need. The Administrator will determine whether there is an immediate and heavy financial need based on the facts and circumstances. An immediate and heavy financial need includes, but is not limited to, a distribution for one of the following:

- (1) Expenses for (or necessary to obtain) medical care (as defined in Code §213(d));
- (2) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;
- (3) Payments for burial or funeral expenses for the Participant's deceased parent, Spouse, children or dependents (as defined in Code §152, and without regard to Code §152(d)(1)(B));
- (4) Payment of tuition, related educational fees, and room and board expenses, for up to the next twelve (12) months of post-secondary education for the Participant, the Participant's Spouse, children, or dependents (as defined in Code §152, and without regard to Code §§152(b)(1), (b)(2), and (d)(1)(B));

Non-Standardized Governmental 401(a) Pre-Approved Plan

(5) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage on that residence; or

(6) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code §165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(b) **Beneficiary-based distribution.** If in the Adoption Agreement, then effective as of the date specified in the Adoption Agreement, a Participant's hardship event includes an immediate and heavy financial need of the Participant's "primary Beneficiary under the Plan," that would constitute a hardship event if it occurred with respect to the Participant's Spouse or dependent as defined under Code §152 (such hardship events being limited to educational expenses, funeral expenses and certain medical expenses). For purposes of this Section, a Participant's "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan (by the Participant or pursuant to Section 6.2) and has an unconditional right to all or a portion of the Participant's Account balance under the Plan upon the Participant's death.

(c) **Other limits and conditions.** If elected in the Adoption Agreement, no distribution shall be made pursuant to this Section from the Participant's Account until such Account has become fully Vested. Furthermore, if a hardship distribution is permitted from more than one Account, the Administrator may determine any ordering of a Participant's hardship distribution from such Accounts.

(d) **Distribution rules apply.** Any distribution made pursuant to this Section shall be made in a manner which is consistent with and satisfies the provisions of Section 6.5.

6.13 QUALIFIED DOMESTIC RELATIONS ORDER DISTRIBUTION

All benefits provided to a Participant in this Plan shall be subject to the rights afforded to any Alternate Payee under a "qualified domestic relations order." Furthermore, unless otherwise elected in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) a distribution to an Alternate Payee shall be permitted if such distribution is authorized by a "qualified domestic relations order," even if the affected Participant has not reached the "earliest retirement age." For the purposes of this Section, "qualified domestic relations order" and "earliest retirement age" shall have the meanings set forth under Code §414(p). For purposes of this Section, however, a distribution that is made pursuant to a domestic relations order which meets the requirements of Code §414(p)(1)(A)(i) will be treated as being made pursuant to a "qualified domestic relations order."

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": (i) solely because the order is issued after, or revises, another domestic relations order or "qualified domestic relations order"; or (ii) solely because of the time at which the order is issued, including issuance after the Annuity Starting Date or after the Participant's death.

6.14 DIRECT ROLLOVERS

(a) **Right to direct rollover.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "distributee's" election under this Section, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the "distributee" in a "direct rollover." However, if less than the entire amount of the "eligible rollover distribution" is being paid directly to an "eligible retirement plan," then the Administrator may require that the amount paid directly to such plan be at least \$500.

(b) **Definitions.** For purposes of this Section, the following definitions shall apply:

(1) **Eligible rollover distribution.** An "eligible rollover distribution" means any distribution described in Code §402(c)(4) and generally includes 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: (a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the "distributee" or the joint lives (or joint life expectancies) of the "distributee" and the "distributee's" "designated Beneficiary," or for a specified period of ten (10) years or more; (b) any distribution to the extent such distribution is required under Code §401(a)(9); (c) any hardship distribution; (d) the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (e) any loans that are treated as deemed distributions under Code §72(p) which are not also an offset distribution; (f) the costs of life insurance coverage (P.S. 58 costs); (g) any other distributions described in Regulation §1.402(c)-2; and any other distribution reasonably expected to total less than \$200 during a year.

Notwithstanding the above, a portion of a distribution shall not fail to be an "eligible rollover distribution" merely because the portion consists of after-tax voluntary Employee contributions which are not includible in gross income. However, such portion may be transferred only to:

- (i) a traditional individual retirement account or annuity described in Code §408(a) or (b) (a "traditional IRA")

Non-Standardized Governmental 401(a) Pre-Approved Plan

(ii) for taxable years beginning after December 31, 2006, a Roth individual account or annuity described in Code §408A (a "Roth IRA"), or

(iii) a qualified defined contribution plan or an annuity contract described in Code §401(a) or Code §403(b), respectively, that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) **Eligible retirement plan.** An "eligible retirement plan" is a "traditional IRA," a "Roth IRA," a qualified trust (an employees' trust) described in Code §401(a) which is exempt from tax under Code §501(a), an annuity plan described in Code §403(a), an eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision and which agrees to separately account for amounts transferred into such plan from this Plan, and an annuity contract described in Code §403(b), and for distributions made after December 18, 2015, a SIMPLE IRA to the extent permitted under Code §408(p)(1)(B), that accepts the "distributee's" "eligible rollover distribution." 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 an Alternate Payee. If any portion of an "eligible rollover distribution" is attributable to payments or distributions from a designated Roth account, an "eligible retirement plan" with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual. In the case of a "distributee" who is a non-Spouse designated Beneficiary, (i) the "direct rollover" may be made only to a traditional or Roth individual retirement account or an annuity described in Code §408(b) ("IRA") that is established on behalf of the designated non-Spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code §402(c)(11), and (ii) the determination of any required minimum distribution required under Code §401(a)(9) that is ineligible for rollover shall be made in accordance with IRS Notice 2007-7, Q&A 17 and 18.

(3) **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, are "distributees" with regard to the interest of the Spouse or former Spouse.

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

(c) **Participant notice.** A Participant entitled to an "eligible rollover distribution" must receive a written explanation of the right to a "direct rollover," the tax consequences of not making a "direct rollover," and, if applicable, any available special income tax elections. The notice must be provided no less than thirty (30) days and no more than one-hundred eighty (180) days before the Annuity Starting Date. The "direct rollover" notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than \$200.

(d) **Non-Spouse Beneficiary rollover right.** A non-Spouse Beneficiary who is a "designated Beneficiary" under Code §401(a)(9)(E) and the Regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion an "eligible rollover distribution" to an IRA the Beneficiary establishes for purposes of receiving the distribution.

If the Participant's named Beneficiary is a trust, the 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."

6.15 RESTRICTIONS ON DISTRIBUTION OF ASSETS TRANSFERRED FROM A MONEY PURCHASE PLAN

Notwithstanding any provision of this Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution prior to the Employee's retirement, death, Total and Permanent Disability, or severance from employment, and prior to Plan termination, the optional form of benefit is not available with respect to benefits attributable to assets (including the post-transfer earnings thereon) and liabilities that are transferred, within the meaning of Code §414(l), to this Plan from a money purchase pension plan qualified under Code §401(a) (other than any portion of those assets and liabilities attributable to after-tax voluntary Employee contributions or to a direct or indirect rollover contribution). A Participant may not obtain an in-service distribution with respect to such transferred amounts prior to the earlier of the Participant's Normal Retirement Age or attainment of age 62.

6.16 CORRECTIVE DISTRIBUTIONS

Nothing in this Article shall preclude the Administrator from making a distribution to a Participant, to the extent such distribution is made to correct a qualification defect in accordance with the corrective procedures under the IRS' Employee Plans Compliance Resolution System or any other voluntary compliance programs established by the IRS.

6.17 SERVICE CREDIT PURCHASES

The Administrator, upon Participant request, may direct the transfer of all or a portion of the Participant's Account to a governmental defined benefit plan (as defined in Code §414(d)) in which he or she participates for the purchase of permissive service credit (as defined in Code §415(n)(3)(A)).

Non-Standardized Governmental 401(a) Pre-Approved Plan**6.18 UNCASHED CHECKS**

Subject to the provisions of Section 6.10, the Plan Administrator operationally may dispose of an uncashed distribution from the Plan to a lost Participant at the time and in the manner described in this Section). Prior to doing so, the Plan Administrator must make reasonable and diligent efforts to contact the lost Participant, including using such search methods the Plan Administrator determines are appropriate under the circumstances. At the discretion of the Administrator, Plan distributions that remain uncashed, and which the Administrator chooses not to reinvest in the Plan may be: (1) voluntarily remitted to a State unclaimed property department, but no sooner than the appropriate state dormancy period has expired; or (2) deposited for the benefit of the lost Participant either to a: (a) bank account, or (b) individual retirement account if the original distribution was an eligible rollover distribution.

For purposes of this Section 6.18, a distribution is "uncashed" if it remains uncashed by the "cash-by" date on the check or in an accompanying notice, e.g., a date prescribed by the bank or the Plan. This "cash-by" date must be at least forty-five (45) days after the check is issued. If there is no prescribed "cash-by" date, then the amount is considered uncashed if it is not cashed by the check's stale date.

6.19 HEALTH INSURANCE PAYMENTS FOR PUBLIC SAFETY OFFICERS

An "eligible retired public safety" officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the "eligible retired public safety officer" otherwise would receive and include in income. The Plan will pay such deducted amounts directly to pay "qualified health insurance premiums" as defined in Code §402(l). Any election made under this Plan must conform to the requirements of Code §402(l). A "qualified retired public safety officer" is a public safety officer (as defined in §1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C 3796b(9)(A)) who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a public safety officer with the Employer. "Qualified health insurance premiums" means the premiums for coverage for the "eligible retired public safety officer," his or her Spouse, and dependents (as defined in Code §152), by an accident or health plan or qualified long-term care insurance contract (as defined in Code §7702B(b)).

**ARTICLE VII
TRUST, TRUSTEE AND CUSTODIAN**

7.1 CONFLICT WITH PLAN

In the event of any conflicts between the provisions of this Plan and the Trust agreement, the provisions of this Plan control.

7.2 POWERS AND DUTIES OF CUSTODIAN

Subject to the terms of the Trust agreement, the Employer may appoint a Custodian of the Plan assets. The duties of the Custodian are those set forth in the agreement with the Custodian. Any reference in the Plan to a Trustee also is a reference to a Custodian unless the Employer has appointed a Custodian separate from the Trustee or the context of the Plan indicates otherwise.

7.3 LIFE INSURANCE

(a) **Permitted insurance.** To the extent not prohibited under the terms of the Trust agreement, the Trustee (or Insurer), in accordance with operational procedures of the Administrator, shall ratably apply for, own, and pay all premiums on Contracts on the lives of the Participants or, in the case of a 401(a) Plan, on the life of a member of the Participant's family or on the joint lives of a Participant and a member of the Participant's family. Furthermore, if a Contract is purchased on the joint lives of the Participant and another person and such other person predeceases the Participant, then the Contract may not be maintained under this Plan. Any initial or additional Contract purchased on behalf of a Participant shall have a face amount of not less than \$1,000, an amount set forth in the Administrator's procedures, or the limitation of the Insurer, whichever is greater. If a life insurance Contract is to be purchased for a Participant, then the aggregate premium for ordinary life insurance for each Participant must be less than 50% of the aggregate contributions and Forfeitures allocated to the Participant's Combined Account. For purposes of this limitation, ordinary life insurance Contracts are Contracts with both non-decreasing death benefits and non-increasing premiums. If term insurance or universal life insurance is purchased, then the aggregate premium must be 25% or less of the aggregate contributions and Forfeitures allocated to the Participant's Combined Account. If both term insurance and ordinary life insurance are purchased, then the premium for term insurance plus one-half of the premium for ordinary life insurance may not in the aggregate exceed 25% of the aggregate Employer contributions and Forfeitures allocated to the Participant's Combined Account. Notwithstanding the preceding, the limitations imposed herein with respect to the purchase of life insurance shall not apply, in the case of a 401(a) Plan, to the portion of the Participant's Account that has accumulated for at least two (2) Plan Years or to the entire Participant's Account if the Participant has been a Participant in the Plan for at least five (5) years. In addition, amounts transferred to this Plan in accordance with Section 4.6(f)(1)(ii) or (iii) and a Participant's Voluntary Contribution Account may be used to purchase Contracts without limitation. Thus, amounts that are not subject to the limitations contained herein may be used to purchase life insurance on any person in whom a Participant has an insurable interest or on the joint lives of a Participant and any person in whom the Participant has an insurable interest, and without regard to the amount of premiums paid to purchase any life insurance hereunder.

(b) **Contract conversion at retirement.** The Administrator must direct the Trustee (or Insurer) to distribute any Contracts to the Participant or convert the entire value of the Contracts at or before retirement into cash or provide for a periodic income so that no portion of such value may be used to continue life insurance protection beyond the Participant's actual retirement date.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(c) **Limitations on purchase.** No life insurance Contracts shall be required to be obtained on an individual's life if, for any reason (other than the nonpayment of premiums) the Insurer will not issue a Contract on such individual's life.

(d) **Proceeds payable to Plan.** The Trustee (or Insurer) must be the owner of any life insurance Contract purchased under the terms of this Plan. The Contract must provide that the proceeds will be payable to the Trustee (or Insurer); however, the Trustee (or Insurer) shall be required to pay over all proceeds of the Contract to the Participant's "designated Beneficiary" in accordance with the distribution provisions of Article VI as directed by the Administrator. A Participant's Spouse will be the "designated Beneficiary" pursuant to Section 6.2, unless a qualified election has been made in accordance with Sections 6.5 and 6.6 of the Plan, if applicable. Under no circumstances shall the Trust retain any part of the proceeds that are in excess of the cash surrender value immediately prior to death. However, the Trustee (or Insurer) shall not pay the proceeds in a method that would violate the requirements of the Retirement Equity Act of 1984, as stated in Article VI of the Plan, or Code §401(a)(9) and the Regulations thereunder. In the event of any conflict between the terms of this Plan and the terms of any insurance Contract purchased hereunder, the Plan provisions shall control.

(e) **No responsibility for act of Insurer.** The Employer, the Administrator and the Trustee shall not be responsible for the validity of the provisions under a Contract issued hereunder or for the failure or refusal by the Insurer to provide benefits under such Contract. The Employer, Administrator and the Trustee are also not responsible for any action or failure to act by the Insurer or any other person which results in the delay of a payment under the Contract or which renders the Contract invalid or unenforceable in whole or in part.

7.4 LOANS TO PARTICIPANTS

(a) **Permitted Loans.** To the extent not prohibited under the terms of the Trust agreement, the Administrator, the Administrator may, in the Administrator's sole discretion, make loans to Participants. If loans are permitted, then the following shall apply: (1) loans shall be made available to all Participants on a reasonably equivalent basis; (2) loans shall bear a reasonable rate of interest; (3) loans shall be adequately secured; and (4) loans shall provide for periodic repayment over a reasonable period of time. Furthermore, no Participant loan shall exceed the Participant's Vested interest in the Plan. For purposes of this Section, the term Participant shall include any Eligible Employee who is not yet a Participant, if, pursuant to the Adoption Agreement, "rollovers" are permitted to be accepted from Eligible Employees.

(b) **Loan program.** The Administrator shall be authorized to establish a Participant loan program to provide for loans under the Plan. In order for the Administrator to implement such loan program, a separate written document forming a part of this Plan must be adopted, which document shall specifically include, but need not be limited to, the following:

- (1) the identity of the person or positions authorized to administer the Participant loan program;
- (2) a procedure for applying for loans;
- (3) the basis on which loans will be approved or denied;
- (4) limitations, if any, on the types and amounts of loans offered;
- (5) the procedure under the program for determining a reasonable rate of interest;
- (6) the types of collateral which may secure a Participant loan; and
- (7) the events constituting default and the steps that will be taken to preserve Plan assets in the event such default.

(c) **Loan default.** Notwithstanding anything in this Plan to the contrary, if a Participant or Beneficiary defaults on a loan made pursuant to this Section that is secured by the Participant's interest in the Plan, then a Participant's interest may be offset by the amount subject to the security to the extent there is a distributable event permitted by the Code or Regulations. Notwithstanding anything in the Plan's loan policy to the contrary, if a loan is accelerated due to a Participant's termination of employment, then the Plan may direct that the loan note be transferred or directly rolled over to another plan that will accept the transfer or rollover of the note.

(d) **Loans subject to Plan terms.** Notwithstanding anything in this Section to the contrary, if this is an amendment and restatement of an existing Plan, any loans made prior to the date this amendment and restatement is adopted shall be subject to the terms of the Plan in effect at the time such loan was made.

7.5 PLAN-TO-PLAN TRANSFERS

Notwithstanding any other provision contained in this Plan and to the extent not prohibited under the terms of the Trust agreement, the Administrator may direct the Trustee to transfer the interest, if any, of a Participant to another trust forming part of a pension, profit sharing, or stock bonus plan that meets the requirements of Code §401(a), provided that the trust to which such transfers are made permits the transfer to be made and further provided that the terms of the transferee plan properly allocates the funds in each account to a transferee account that preserves all the required features and restrictions applicable to such account under this Plan. However, the transfer of amounts

Non-Standardized Governmental 401(a) Pre-Approved Plan

from this Plan to a nonqualified foreign trust is treated as a distribution and the transfer of assets and liabilities from this Plan to a plan that satisfies Section 1165 of the Puerto Rico Code is also treated as distribution from the transferor plan.

**ARTICLE VIII
AMENDMENT, TERMINATION AND MERGERS**

8.1 AMENDMENT

(a) **General rule on Employer amendment.** The Employer shall have the right at any time to amend this Plan subject to the limitations of this Section. However, any amendment that affects the rights, duties or responsibilities of the Trustee (or Insurer) or Administrator may only be made with the Trustee's (or Insurer's) or Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution. The Trustee (or Insurer) shall not be required to execute any such amendment unless the amendment affects the duties of the Trustee (or Insurer) hereunder.

(b) **Permissible amendments.** The Employer may amend the Plan to accomplish any of the following items without affecting reliance on the opinion letter: (1) change the choice of options in the Adoption Agreement or Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections), (2) add certain sample or model amendments published by the Internal Revenue Service or other required good-faith amendments where the IRS has provided that their adoption will not cause the Plan to be treated as an individually designed plan, (3) add a list of any protected benefits" which must be preserved, (4) adjust the limitations under Code §§415, 402(g), 401(a)(17) and 414(q)(1)(B) to reflect annual cost-of-living increases, and (5) change the pre-approved plan Provider's name. "Provider" pursuant to this Section 8 means the entity that contracts with the mass submitter to provide the Basic Plan Document and Adoption Agreement for use by the Employer or, in the alternative, the mass submitter that provides such documents directly to its clients. An Employer that amends the Plan for any other reason, including a waiver of the minimum funding requirement under Code §412(c), will no longer participate in this pre-approved plan and this Plan will be considered to be an individually designed plan for purposes of reliance. A Plan amendment does not include an amendment or substitution of the Trust.

(c) **Provider amendments.** The Employer (and every Participating Employer) expressly delegates authority to the Provider, the right to amend the Plan by submitting a copy of the amendment to each Employer (and Participating Employer) who has adopted this pre-approved plan, after first having received a ruling or favorable determination from the Internal Revenue Service that the pre-approved Plan as amended qualifies under Code §401(a) (unless a ruling or determination is not required by the IRS). The Provider will amend the Plan Documents from time to time in accordance with this Section 8.1(c). For purposes of this Section, the mass submitter shall be recognized as the agent of the Provider. If the Provider does not adopt any amendment made by the mass submitter, it will no longer be identical to, or a minor modifier of, the mass submitter plan.

(d) **Impermissible amendments.** No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries or estates; or causes any reduction in the amount credited to the account of any Participant; or causes or permits any portion of the Trust Fund to revert to or become property of the Employer.

8.2 TERMINATION

(a) **Termination of Plan.** The Employer shall have the right at any time to terminate the Plan by delivering to the Trustee (or Insurer) and Administrator written notice of such termination. The Employer has no obligation or liability whatsoever to maintain the Plan for any specific length of time and may terminate the Plan or discontinue contributions under the Plan at any time without liability hereunder for any such discontinuance. Upon any full or partial termination or upon the complete discontinuance of the Employer's Contributions to the Plan (in the case of a Profit Sharing Plan), all amounts credited to the affected Participants' Combined Accounts shall become 100% Vested and shall not thereafter be subject to Forfeiture.

(b) **Distribution of assets.** Upon the full termination of the Plan, the Employer shall direct the distribution of the assets to Participants in a manner that is consistent with and satisfies the provisions of Section 6.5. Distributions to a Participant shall be made in cash (or in property if permitted in the Adoption Agreement) or through the purchase of irrevocable nontransferable deferred commitments from the Insurer.

8.3 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

This Plan may be merged or consolidated with, or its assets and/or liabilities may be transferred to, any other plan provided the benefits which would be received by a Participant of this Plan, in the event of a termination of the plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation.

**ARTICLE IX
MISCELLANEOUS**

Non-Standardized Governmental 401(a) Pre-Approved Plan**9.1 EMPLOYER ADOPTIONS**

- (a) **Method of adoption.** Any organization may become the Employer hereunder by executing the Adoption Agreement.
- (b) **Separate affiliation.** Except as otherwise provided in this Plan, the affiliation of the Employer and the participation of its Participants shall be separate and apart from that of any other employer and its participants hereunder.

9.2 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon the Employee as a Participant of this Plan.

9.3 ALIENATION

- (a) **General rule.** Subject to the exceptions provided below and as otherwise permitted by the Code, no benefit which shall be payable to any person (including a Participant or the Participant's Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized except to such extent as may be required by law.
- (b) **Exception for loans.** Subsection (a) shall not apply to the extent a Participant or Beneficiary is indebted to the Plan by reason of a loan made pursuant to Section 7.4. At the time a distribution is to be made to or for a Participant's or Beneficiary's benefit, such portion of the amount to be distributed as shall equal such indebtedness shall be paid to the Plan, to apply against or discharge such indebtedness. Prior to making a payment, however, the Participant or Beneficiary must be given notice by the Administrator that such indebtedness is to be so paid in whole or part from the Participant's interest in the Plan. If the Participant or Beneficiary does not agree that the indebtedness is a valid claim against the Participant's interest in the Plan, the Participant or Beneficiary shall be entitled to a review of the validity of the claim in accordance with procedures provided in Section 2.10.
- (c) **Exception for QDRO.** Subsection (a) shall not apply to a "qualified domestic relations order" defined in Code §414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984.

9.4 PLAN COMMUNICATIONS, INTERPRETATION AND CONSTRUCTION

- (a) **Applicable law.** This Plan shall be construed and enforced according to the Code and the laws of the state or commonwealth in which the Employer's principal office is located (unless otherwise designated in Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections)), other than its laws respecting choice of law, to the extent not pre-empted by federal law.
- (b) **Administrator's discretion.** The Administrator has total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Administrator makes under the Plan is final and binding upon any affected person. The Administrator must exercise all of its Plan powers and discretion, and perform all of its duties, in a uniform manner.
- (c) **Communications.** All Participant or Beneficiary notices, designations, elections, consents or waivers must be made in a form the Administrator (or, as applicable, the Trustee or Insurer) specifies or otherwise approves. Any person entitled to notice under the Plan may waive the notice or shorten the notice period unless such actions are contrary to applicable law.
- (d) **Evidence.** Anyone, including the Employer, required to give data, statements or other information relevant under the terms of the Plan ("evidence") may do so by certificate, affidavit, document or other form which the person to act in reliance may consider pertinent, reliable and genuine, and to have been signed, made or presented by the proper party or parties. The Administrator, Trustee and Insurer are protected fully in acting and relying upon any evidence described under the immediately preceding sentence.
- (e) **Plan terms binding.** The Plan is binding upon all parties, including but not limited to, the Employer, Trustee, Insurer, Administrator, Participants and Beneficiaries.
- (f) **Parties to litigation.** Except as otherwise provided by applicable law, a Participant or a Beneficiary is not a necessary party or required to receive notice of process in any court proceeding involving the Plan, the Trust or any fiduciary. Any final judgment (not subject to further appeal) entered in any such proceeding will be binding upon all parties, including the Employer, the Administrator, Trustee, Insurer, Participants and Beneficiaries.

Non-Standardized Governmental 401(a) Pre-Approved Plan

(g) **Fiduciaries not insurers.** The Trustee, Administrator and the Employer in no way guarantee the Plan assets from loss or depreciation. The Employer does not guarantee the payment of any money which may be or becomes due to any person from the Plan. The liability of the Employer, the Administrator and the Trustee to make any distribution from the Trust at any time and all times is limited to the then available assets of the Trust.

(h) **Construction/severability.** The Plan, the Adoption Agreement, the Trust and all other documents to which they refer, will be interpreted consistent with and to preserve tax qualification of the Plan under Code §401(a) and tax exemption of the Trust under Code §501(a) and also consistent with other applicable law. To the extent permissible under applicable law, any provision which a court (or other entity with binding authority to interpret the Plan) determines to be inconsistent with such construction and interpretation, is deemed severed and is of no force or effect, and the remaining Plan terms will remain in full force and effect.

(i) **Uniformity.** All provisions of this Plan shall be interpreted and applied in a uniform manner.

(j) **Headings.** The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

9.5 GENDER, NUMBER AND TENSE

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply; whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply; and whenever any words are used herein in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

9.6 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee (or Insurer), the Employer or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee (or Insurer), the Employer or the Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

9.7 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) **General rule.** Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants or their Beneficiaries.

(b) **Mistake of fact.** In the event the Employer shall make a contribution under a mistake of fact, the Employer may demand repayment of such contribution at any time within one (1) year following the time of payment and the Trustee (or Insurer) shall return such amount to the Employer within the one (1) year period. Earnings of the Plan attributable to the contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

9.8 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

The Employer, Administrator and Trustee, and their successors, shall not be responsible for the validity of any Contract issued hereunder or for the failure on the part of the Insurer to make payments provided by any such Contract, or for the action of any person which may delay payment or render a Contract null and void or unenforceable in whole or in part.

9.9 INSURER'S PROTECTIVE CLAUSE

Except as otherwise agreed upon in writing between the Employer and the Insurer, an Insurer which issues any Contracts hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The Insurer shall be protected and held harmless in acting in accordance with any written direction of the Administrator or Trustee and shall have no duty to see to the application of any funds paid to the Trustee, nor be required to question any actions directed by the Administrator or Trustee. Regardless of any provision of this Plan, the Insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Contract which it issues hereunder, or the rules of the Insurer.

Non-Standardized Governmental 401(a) Pre-Approved Plan**9.10 RECEIPT AND RELEASE FOR PAYMENTS**

Any payment to any Participant, the Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan, including those referenced in Section 6.9, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee (or Insurer) and the Employer.

9.11 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

9.12 APPROVAL BY INTERNAL REVENUE SERVICE

Notwithstanding anything herein to the contrary, if, pursuant to an application for qualification is made by the time prescribed by law or such later date as the Secretary of Treasury may prescribe, the Commissioner of the Internal Revenue Service or the Commissioner's delegate should determine that the Plan does not initially qualify as a tax-exempt plan under Code §§401 and 501, and such determination is not contested, or if contested, is finally upheld, then if the Plan is a new plan, it shall be void ab initio and all amounts contributed to the Plan, by the Employer, less expenses paid, shall be returned within one (1) year and the Plan shall terminate, and the Trustee (or Insurer) shall be discharged from all further obligations. If the disqualification relates to a Plan amendment, then the Plan shall operate as if it had not been amended. If the Employer's Plan fails to attain or retain qualification, such Plan will no longer participate in this pre-approved plan and will be considered an individually designed plan.

9.13 PAYMENT OF BENEFITS

Except as otherwise provided in the Plan, benefits under this Plan shall be paid, subject to Sections 6.11 and 6.12, only upon death, Total and Permanent Disability, normal or early retirement, severance of employment, or termination of the Plan.

9.14 ELECTRONIC MEDIA

The Administrator may use any electronic medium to give or receive any Plan notice, communicate any Plan policy, conduct any written Plan communication, satisfy any Plan filing or other compliance requirement and conduct any other Plan transaction to the extent permissible under applicable law. A Participant or a Participant's Spouse, to the extent authorized by the Administrator, may use any electronic medium to make or provide any Beneficiary designation, election, notice, consent or waiver under the Plan, to the extent permissible under applicable law. Any reference in this Plan to a "form," a "notice," an "election," a "consent," a "waiver," a "designation," a "policy" or to any other Plan-related communication includes an electronic version thereof as permitted under applicable law. Notwithstanding the foregoing, any Participant or Beneficiary notices and consent that are required pursuant to the Code must satisfy Regulation §1.401(a)-21.

9.15 PLAN CORRECTION

The Administrator in conjunction with the Employer may undertake such correction of Plan errors as the Administrator deems necessary, including correction to preserve tax qualification of the Plan under Code §401(a) or to correct a fiduciary breach under state or local law. Without limiting the Administrator's authority under the prior sentence, the Administrator, as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, demographic and Employer eligibility failures under a method described in the Plan or under the IRS Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS. Furthermore, the Employer may make corrective contributions pursuant to this Section regardless of whether the Plan otherwise permits such contribution source. In addition, the Plan is authorized to recover benefits from Participants or Beneficiaries that have been improperly distributed.

9.16 NONTRUSTEED PLANS

If the Plan is funded solely with Contracts, then notwithstanding Sections 9.7 and 9.12, no Contract will be purchased under the Plan unless such Contract or a separate definite written agreement between the Employer and the Insurer provides that no value under Contracts providing benefits under the Plan or credits determined by the Insurer (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) with respect to such Contracts may be paid or returned to the Employer or diverted to or used for other than the exclusive benefit of the Participants or their Beneficiaries. However, any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

If this Plan is funded by individual Contracts that provide a Participant's benefit under the Plan, such individual Contracts shall constitute the Participant's Account balance. If this Plan is funded by group Contracts, under the group annuity or group insurance Contract, premiums or other consideration received by the Insurer must be allocated to Participants' Accounts under the Plan.

Non-Standardized Governmental 401(a) Pre-Approved Plan

**ARTICLE X
PARTICIPATING EMPLOYERS**

10.1 ELECTION TO BECOME A PARTICIPATING EMPLOYER

Notwithstanding anything herein to the contrary, with the consent of the Employer, any Employer may adopt the Employer's Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing said intent and will of such Participating Employer (a participation agreement). In the event a Participating Employer is not an Affiliated Employer, then the provisions of Article XI shall apply rather than the provision of this Article XI.

10.2 REQUIREMENTS OF PARTICIPATING EMPLOYERS

(a) **Permissible variations of participation agreement.** The participation agreement must identify the Participating Employer and the covered Employees and provide for the Participating Employer's signature. In addition, in the participation agreement, the Employer shall specify which elections, if any, the Participating Employer can modify, and any restrictions on the modifications. Any such modification shall apply only to the Employees of that Participating Employer. The Participating Employer shall make any such modification by selecting the appropriate option on its participation agreement to the Employer's Adoption Agreement. To the extent that the participation agreement does not permit modification of an election, any attempt by a Participating Employer to modify the election shall have no effect on the Plan and the Participating Employer is bound by the Plan terms as selected by the Employer. If a Participating Employer does not make any permissible participation agreement election modifications, then with regard to any election, the Participating Employer is bound by the Adoption Agreement terms as completed by the "lead Employer."

(b) **Holding and investing assets.** The Trustee (or Insurer) may, but shall not be required to, commingle, hold and invest as one Trust Fund all contributions made by Participating Employers, as well as all increments thereof. However, the assets of the Plan shall, on an ongoing basis, be available to pay benefits to all Participants and Beneficiaries under the Plan without regard to the Employer or Participating Employer who contributed such assets.

(c) **Payment of expenses.** Unless the Employer otherwise directs, any expenses of the Plan which are to be paid by the Employer or borne by the Trust Fund shall be paid by each Participating Employer in the same proportion that the total amount standing to the credit of all Participants employed by such Employer bears to the total standing to the credit of all Participants.

10.3 DESIGNATION OF AGENT

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Trustee (or Insurer) and Administrator for purposes of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent. Unless the context of the Plan clearly indicates otherwise, the word "Employer" shall be deemed to include each Participating Employer as related to its adoption of the Plan.

10.4 EMPLOYEE TRANSFERS

In the event an Employee is transferred between Participating Employers, accumulated service and eligibility shall be carried with the Employee involved. No such transfer shall effect a severance of employment hereunder, and the Participating Employer to which the Employee is transferred shall thereupon become obligated hereunder with respect to such Employee in the same manner as was the Participating Employer from whom the Employee was transferred.

10.5 PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES

Any contribution and/or Forfeiture subject to allocation during each Plan Year shall be determined and allocated separately by each Participating Employer and shall be allocated only among the Participants eligible to share in the contribution and Forfeiture allocation of the Employer or Participating Employer making the contribution or by which the forfeiting Participant was employed.

On the basis of the information furnished by the Administrator, the Trustee (or Insurer) shall keep separate books and records concerning the affairs of each Participating Employer hereunder and as to the accounts and credits of the Employees of each Participating Employer. The Trustee (or Insurer) may, but need not, register Contracts so as to evidence that a particular Participating Employer is the interested Employer hereunder, but in the event of an Employee transfer from one Participating Employer to another, the employing Employer shall immediately notify the Trustee (or Insurer) thereof.

10.6 AMENDMENT

Any Participating Employer hereby authorizes the Employer to make amendments on its behalf, unless otherwise agreed among all affected parties. Any such amendment is effective and binding upon existing Participating Employers.

Non-Standardized Governmental 401(a) Pre-Approved Plan**10.7 DISCONTINUANCE OF PARTICIPATION**

Any Participating Employer that is an Affiliated Employer shall be permitted to discontinue or revoke its participation in the Plan at any time. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Trustee (or Insurer). The Trustee (or Insurer) shall thereafter transfer, deliver and assign Contracts and other Trust Fund assets allocable to the Participants of such Participating Employer to such new trustee (or insurer) or custodian as shall have been designated by such Participating Employer, in the event that it has established a separate qualified retirement plan for its employees. If no successor is designated, the Trustee (or Insurer) shall retain such assets for the Employees of said Participating Employer pursuant to the provisions of Article VII hereof. In no such event shall any part of the corpus or income of the Trust Fund as it relates to such Participating Employer be used for or diverted to purposes other than for the exclusive benefit of the Employees of such Participating Employer.

10.8 ADMINISTRATOR'S AUTHORITY

The Administrator shall have authority to make any and all necessary rules or regulations, binding upon all Participating Employers and all Participants, to effectuate the purpose of this Article.

**ARTICLE XI
MULTIPLE EMPLOYER PROVISIONS**

11.1 ELECTION AND OVERRIDING EFFECT

If a Participating Employer that is not an Affiliated Employer adopts this Plan, then the provisions of this Article XI shall apply to each Participating Employer as of the Effective Date specified in its participation agreement and supersede any contrary provisions in the basic Plan document or the Adoption Agreement. If this Article XI applies, then the Plan shall be a multiple employer plan as described in Code §413(c). In this case, the Employer and each Participating Employer acknowledge that the Plan is a multiple employer plan subject to the rules of Code §413(c) and the Regulations thereunder, and specific annual reporting requirements.

11.2 DEFINITIONS

The following definitions shall apply to this Article XI and shall supersede any conflicting definitions in the Plan:

- (a) **Employee.** "Employee" means any common law employee, Leased Employee or other person the Code treats as an employee of a Participating Employer for purposes of the Participating Employer's qualified plan. Either the Adoption Agreement or a participation agreement to the Adoption Agreement may designate any Employee, or class of Employees, as not eligible to participate in the Plan.
- (b) **Lead Employer.** "Lead Employer" means the signatory Employer to the Adoption Agreement execution page, and does not include any Affiliated Employer or Participating Employer. The "lead Employer" has the same meaning as the Employer for purposes of making Plan amendments and other purposes regardless of whether the "lead Employer" is also a Participating Employer under this Article XI. The "lead Employer" may execute a Participation Agreement setting forth elections which are specific to the "lead Employer".

11.3 PARTICIPATING EMPLOYER ELECTIONS

The participation agreement must identify the Participating Employer and the covered Employees and provide for the Participating Employer's signature. In addition, in the participation agreement, the "lead Employer" shall specify which elections, if any, the Participating Employer can modify, and any restrictions on the modifications. Any such modification shall apply only to the employees of that Participating Employer. The Participating Employer shall make any such modification by selecting the appropriate option on its participation agreement to the "lead Employer's" Adoption Agreement. To the extent that the Adoption Agreement does not permit modification of an election, any attempt by a Participating Employer to modify the election shall have no effect on the Plan and the Participating Employer is bound by the Plan terms as selected by the "lead Employer." If a Participating Employer does not make any permissible participation agreement election modifications, then with regard to any election, the Participating Employer is bound by the Adoption Agreement terms as completed by the "lead Employer."

11.4 TESTING

The Administrator shall apply the Code §415 limitation in Section 4.4 for the Plan as a whole.

11.5 COMPENSATION

- (a) **Separate determination.** A Participant's Compensation shall be determined separately for each Participating Employer for purposes of allocations under Article IV.
- (b) **Joint status.** For all Plan purposes, including but not limited to determining the Code §415 limits in Section 4.4, Compensation includes all Compensation paid by or for any Participating Employer.

Non-Standardized Governmental 401(a) Pre-Approved Plan**11.6 SERVICE**

An Employee's service includes all Hours of Service and Years of Service with any and all Participating Employers. An Employee who terminates employment with one Participating Employer and immediately commences employment with another Participating Employer has not separated from service or had a severance from employment.

11.7 COOPERATION AND INDEMNIFICATION

(a) **Cooperation.** Each Participating Employer agrees to timely provide all information the Administrator deems necessary to insure the Plan is operated in accordance with the requirements of the Code and will cooperate fully with the "lead Employer," the Plan, the Plan fiduciaries and other proper representatives in maintaining the qualified status of the Plan. Such cooperation will include payment of such amounts into the Plan, to be allocated to employees of the Participating Employer, which are reasonably required to maintain the tax-qualified status of the Plan.

(b) **Indemnity.** Each Participating Employer will indemnify and hold harmless the Administrator, the "lead Employer" and its subsidiaries; officers, directors, shareholders, employees, and agents of the "lead Employer"; the Plan; the Trustees, Participants and Beneficiaries of the Plan, as well as their respective successors and assigns, against any cause of action, loss, liability, damage, cost, or expense of any nature whatsoever (including, but not limited to, attorney's fees and costs, whether or not suit is brought, as well as IRS plan disqualifications, other sanctions or compliance fees and penalties) arising out of or relating to the Participating Employer's noncompliance with any of the Plan's terms or requirements; any intentional or negligent act or omission the Participating Employer commits with regard to the Plan; and any omission or provision of incorrect information with regard to the Plan which causes the Plan to fail to satisfy the requirements of a tax-qualified plan. This indemnity provision shall continue to apply to a Participating Employer with respect to the period such entity was a Participating Employer, even if the Participating Employer withdraws or is removed pursuant to Sections 11.8 or 11.9.

11.8 INVOLUNTARY TERMINATION

Unless the "lead Employer" provides otherwise in an addendum hereto, the "lead Employer" shall have the power to terminate the participation of any Participating Employer (hereafter "Terminated Employer") in this Plan. If and when the "lead Employer" wishes to exercise this power, the following shall occur:

(a) **Notice.** The "lead Employer" shall give the "Terminated Employer" a notice of the "lead Employer's" intent to terminate the "Terminated Employer's" status as a Participating Employer of the Plan. The "lead Employer" will provide such notice not less than thirty (30) days prior to the date of termination unless the "lead Employer" determines that the interest of Plan Participants requires earlier termination.

(b) **Spin-off.** The "lead Employer" shall establish a new defined contribution plan, using the provisions of this Plan with any modifications contained in the "Terminated Employer's" participation agreement, as a guide to establish a new defined contribution plan (the "spin-off plan"). The "lead Employer" will direct the Trustee to transfer (in accordance with the rules of Code §414(l) and the provisions of Section 8.3) the Accounts of the Employees of the "Terminated Employer" to the "spin-off plan." The "Terminated Employer" shall be the Employer, Administrator, and sponsor of the "spin-off plan." The Trustee of the "spin-off plan" shall be the person or entity designated by the "Terminated Employer." However, the "lead Employer" shall have the option to designate an appropriate financial institution as Trustee instead if necessary to protect the interest of the Participants. The "lead Employer" shall have the authority to charge the "Terminated Employer" or the Accounts of the Employees of the "Terminated Employer" a reasonable fee to pay the expenses of establishing the "spin-off plan."

(c) **Alternatives.** The "Terminated Employer," in lieu of creation of the "spin-off plan" under (b) above, has the option to elect a transfer alternative in accordance with this Subsection (c).

(1) **Election.** To exercise the option described in this Subsection, the "Terminated Employer" must inform the "lead Employer" of its choice and must supply any reasonably required documentation as soon as practical. If the "lead Employer" has not received notice of a "Terminated Employer's" exercise of this option within ten (10) days prior to the stated date of termination, the "lead Employer" can choose to disregard the exercise and proceed with the Spin-off.

(2) **Transfer.** If the "Terminated Employer" selects this option, the Administrator shall transfer (in accordance with the rules of Code §414(l) and the provisions of Section 8.3) the Accounts of the Employees of the "Terminated Employer" to a qualified plan the "Terminated Employer" maintains. To exercise this option, the "Terminated Employer" must deliver to the "lead Employer" or Administrator in writing the name and other relevant information of the transferee plan and must provide such assurances that the Administrator shall reasonably require to demonstrate that the transferee plan is a qualified plan.

(d) **Participants.** The Employees of the "Terminated Employer" shall cease to be eligible to accrue additional benefits under the Plan with respect to Compensation paid by the "Terminated Employer," effective as of the date of termination. To the extent that these Employees have accrued but unpaid contributions as of the date of termination, the "Terminated Employer" shall pay such amounts to

Non-Standardized Governmental 401(a) Pre-Approved Plan

the Plan or the "spin-off plan" no later than thirty (30) days after the date of termination, unless the "Terminated Employer" effectively selects the Transfer option under Subsection (c)(2) above.

(e) **Consent.** By its signature on the participation agreement, the "Terminated Employer" specifically consents to the provisions of this Article and agrees to perform its responsibilities with regard to the "spin-off plan," if necessary.

11.9 VOLUNTARY TERMINATION

A Participating Employer (hereafter "withdrawing employer") may voluntarily withdraw from participation in this Plan at any time. If and when a "withdrawing employer" wishes to withdraw, the following shall occur:

(a) **Notice.** The "withdrawing employer" shall inform the "lead Employer" and the Administrator of its intention to withdraw from the Plan. The "withdrawing employer" must give the notice not less than thirty (30) days prior to the effective date of its withdrawal.

(b) **Procedure.** The "withdrawing employer" and the "lead Employer" shall agree upon procedures for the orderly withdrawal of the "withdrawing employer" from the plan. Such procedures may include any of the optional spin-off or transfer options described in Section 11.8.

(c) **Costs.** The "withdrawing employer" shall bear all reasonable costs associated with withdrawal and transfer under this Section.

(d) **Participants.** The Employees of the "withdrawing employer" shall cease to be eligible to accrue additional benefits under the Plan as to Compensation paid by the "withdrawing employer," effective as of the effective date of withdrawal. To the extent that such Employees have accrued but unpaid contributions as of the effective date of withdrawal, the "withdrawing employer" shall contribute such amounts to the Plan or the "spin-off plan" promptly after the effective date of withdrawal, unless the accounts are transferred to a qualified plan the "withdrawing employer" maintains.

11.10 DESIGNATION OF AGENT

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all its relations with the Trustee (or Insurer) and Administrator for purposes of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent. Unless the context of the Plan clearly indicates otherwise, the word "Employer" shall be deemed to include each Participating Employer as related to its adoption of the Plan.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Plan Description: Non-Standardized Pre-Approved Money Purchase/Profit Sharing
FFN: 317A8770703-002 Case: 201901774 EIN: 84-1455663
Letter Serial No: Q702631a
Date of Submission: 12/31/2018

GREAT-WEST TRUST COMPANY, LLC
8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

Contact Person:
Janell Hayes
Telephone Number:
513-975-6319
In Reference To: TEGE:EP:7521
Date: 06/30/2020

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable for use by employers for the benefit of their employees under Internal Revenue Code (IRC) Section 401.

We considered the changes in qualification requirements in the 2017 Cumulative List of Notice 2017-37, 2017-29 Internal Revenue Bulletin (IRB) 89. Our opinion relates only to the acceptability of the form of the plan under the IRC. We did not consider the effect of other federal or local statutes.

You must provide the following to each employer who adopts this plan:

- . A copy of this letter
- . A copy of the approved plan
- . Copies of any subsequent amendments including their dates of adoption
- . Direct contact information including address and telephone number of the plan provider

Our opinion on the acceptability of the plan's form is a determination as to the qualification of the plan as adopted by a particular employer only under the circumstances, and to the extent, described in Revenue Procedure (Rev. Proc.) 2017-41, 2017-29 I.R.B. 92. The employer who adopts this plan can generally rely on this letter to the extent described in Rev. Proc. 2017-41. Thus, Employee Plans Determinations, except as provided in Section 12 of Rev. Proc. 2020-4, 2020-01 I.R.B. 148 (as updated annually), will not issue a determination letter to an employer who adopts this plan. Review Rev. Proc. 2020-4 to determine the eligibility of an adopting employer, and the items needed, to submit a determination letter application. The employer must also follow the terms of the plan in operation.

Except as provided below, our opinion doesn't apply to the requirements of IRC Sections 401(a)(4), 401(l), 410(b), and 414(s). Our opinion doesn't apply to IRC Sections 415 and 416 if an employer maintains or ever maintained another qualified plan for one or more employees covered by this plan. For this purpose, we will not consider the employer to have maintained another defined contribution plan provided both of the following are true:

- . The employer terminated the other plan before the effective date of this plan
- . No annual additions have been credited to any participant's account under the other plan as of any date within the limitation year of this plan

Also, for this purpose, we'll consider an employer as maintaining another defined contribution plan, if the employer maintains any of the following:

- . A welfare benefit fund defined in IRC Section 419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees as defined in IRC Section 419A(d)

GREAT-WEST TRUST COMPANY, LLC

FFN: 317A8770703-002

Page: 2

. An individual medical account as defined in IRC Section 415(l)(2), which is part of a pension or annuity plan maintained by the employer

. A simplified employee pension plan

Our opinion doesn't apply to Treasury Regulations Section 1.401(a)-1(b)(2) requirements for a money purchase plan or target benefit plan where the normal retirement age under the employer's plan is lower than age 62.

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(d) governmental plan. This letter is not a ruling with respect to the tax treatment to be given contributions which are picked up by the governmental employing unit within the meaning of IRC Section 414(h)(2).

Our opinion doesn't constitute a determination that the plan is an IRC Section 414(e) church plan.

Our opinion may not be relied on by a non-electing church plan for rules governing pre-ERISA participation and coverage.

Our opinion applies to the requirements of IRC Section 410(b) if 100 percent of all non-excludable employees benefit under the plan.

Employers who choose a safe harbor allocation formula and a safe harbor compensation definition may also rely on this opinion letter for the non-discriminatory amounts requirement under IRC Section 401(a)(4).

If this plan includes a cash or deferred arrangement (CODA) or otherwise provides for contributions subject to IRC Sections 401(k) and/or 401(m), the employer may rely on the opinion letter regarding the form of the non-discrimination tests of IRC Sections 401(k)(3) and 401(m)(2), if the employer uses a safe harbor compensation definition. For plans described in IRC Sections 401(k)(12) or (13) and/or 401(m)(11) or (12), employers may rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections unless the plan provides for the safe harbor contribution to be made under another plan. For SIMPLE plans described in IRC Sections 401(k)(11) and 401(m)(10), employers may also rely on the opinion letter regarding whether the plan's form satisfies the requirements of those sections.

The provisions of this plan override any conflicting provision contained in the trust or custodial account documents used with the plan, and an adopting employer may not rely on this letter to the extent that provisions of a trust or custodial account that are a separate portion of the plan override or conflict with the provisions of the plan document. This opinion letter does not cover any provisions in trust or custodial account documents.

An employer who adopts this plan may not rely on this letter when:

- . the plan is being used to amend or restate a plan of the employer which was not previously qualified
- . the employer's adoption of the plan precedes the issuance of the letter
- . the employer doesn't correctly complete the adoption agreement or other elective provisions in the plan
- . the plan is not identical to the pre-approved plan (that is, the employer has made amendments that cause the plan not to be considered identical to the pre-approved plan, as described in Section 8.03 of Rev. Proc. 2017-41)

Our opinion doesn't apply to what is contained in any documents referenced outside the plan or adoption agreement, if applicable, such as a collective bargaining agreement.

Our opinion doesn't consider issues under Title I of the Employee Retirement Income Security Act (ERISA) which are administered by the Department of Labor.

If you, the pre-approved plan provider, have questions about the status of this case, you can call the telephone number at the top of the first page of this letter. This number is only for the provider's use.

GREAT-WEST TRUST COMPANY, LLC

FFN: 317A8770703-002

Page: 3

Individual participants or adopting eligible employers with questions about the plan should contact you.

You must include your address and telephone number on the pre-approved plan or the plan's adoption agreement, if applicable, so that adopting employers can contact you directly.

If you write to us about this plan, provide your telephone number and the best time to call if we need more information. Whether you call or write, refer to the letter serial number and file folder number at the top of the first page of this letter.

Let us know if you change or discontinue sponsorship of this plan.

Keep this letter for your records.

Sincerely Yours,



Khin M. Chow
Director, EP Rulings & Agreements

Letter 6186 (June-2020)
Catalog Number 72434C

BOARD RESOLUTION: 2022-03

EXHIBIT 2

Non-Standardized Governmental 401(a)

**ADOPTION AGREEMENT FOR
GREAT-WEST TRUST COMPANY, LLC
NON-STANDARDIZED
GOVERNMENTAL 401(a) PRE-APPROVED PLAN**

CAUTION: Failure to properly fill out this Adoption Agreement may result in disqualification of the Plan.

EMPLOYER INFORMATION

(An amendment to the Adoption Agreement is not needed solely to reflect a change in this Employer Information Section.)

1. EMPLOYER'S NAME, ADDRESS, TELEPHONE NUMBER, TIN AND FISCAL YEAR

Name: JEA

Address: 21 West Church Street

Street

Jacksonville Florida 32202-3139

City

State

Zip

Telephone: (904) 665-8503

Taxpayer Identification Number (TIN): 59-2983007

Employer's Fiscal Year ends: September 30

2. TYPE OF GOVERNMENTAL ENTITY. This Plan may only be adopted a state or local governmental entity, or agency thereof, including an Indian tribal government and may not be adopted by any other entity, including a federal government and any agency or instrumentality thereof.

- a. ☐ State government or state agency
- b. ☐ County or county agency
- c. ☒ Municipality or municipal agency
- d. ☐ Indian tribal government (see Note below)

NOTE: An Indian tribal government may only adopt this Plan if such entity is defined under Code §7701(a)(40), is a subdivision of an Indian tribal government as determined in accordance with Code §7871(d), or is an agency or instrumentality of either, and all of the Participants under this Plan employed by such entity substantially perform services as an Employee in essential governmental functions and not in the performance of commercial activities (whether or not an essential government function).

3. PARTICIPATING EMPLOYERS (Plan Section 1.39). Will any other Employers adopt this Plan as Participating Employers?

- a. ☒ No
- b. ☐ Yes

MULTIPLE EMPLOYER PLAN (Plan Article XI). Will any Employers who are not Affiliated Employers adopt this Plan as part of a multiple employer plan (MEP) arrangement?

- c. ☒ No
- d. ☐ Yes (Complete a Participation Agreement for each Participating Employer.)

PLAN INFORMATION

(An amendment to the Adoption Agreement is not needed solely to reflect a change in the information in Question 9.)

4. PLAN NAME:

JEA 401(a) Defined Contribution Retirement Plan

5. PLAN STATUS

- a. ☐ New Plan
 - b. ☒ Amendment and restatement of existing Plan
- CYCLE 3 RESTATEMENT** (leave blank if not applicable)

- 1. ☒ This is an amendment and restatement to bring a plan into compliance with the legislative and regulatory changes set forth in IRS Notice 2017-37 (i.e., the 6-year pre-approved plan restatement cycle).

6. EFFECTIVE DATE (Plan Section 1.16) (complete a. if new plan; complete a. AND b. if an amendment and restatement) **Initial Effective Date of Plan** (except for restatements, cannot be earlier than the first day of the current Plan Year)

- a. 1-1-2002 (enter month day, year) (hereinafter called the "Effective Date" unless 6.b. is entered below)

Non-Standardized Governmental 401(a)

Restatement Effective Date. If this is an amendment and restatement, the effective date of the restatement (hereinafter called the "Effective Date") is:

- b. May 1, 2022 (enter month day, year; NOTE: The restatement date may not be prior to the first day of the current Plan Year. Plan contains appropriate retroactive effective dates with respect to provisions for appropriate laws.)

7. **PLAN YEAR** (Plan Section 1.43) means, except as otherwise provided in d. below:

- a. ☒ the calendar year
b. ☐ the twelve-month period ending on _____ (e.g., June 30th)

SHORT PLAN YEAR (Plan Section 1.47). This is a Short Plan Year (if the effective date of participation is based on a Plan Year, then coordinate with Question 14):

- c. ☒ N/A
d. ☐ beginning on _____ (enter month day, year; e.g., July 1, 2020)
and ending on _____ (enter month day, year).

8. **VALUATION DATE** (Plan Section 1.53) means:

- a. ☒ every day that the Trustee (or Insurer), any transfer agent appointed by the Trustee (or Insurer) or the Employer, and any stock exchange used by such agent are open for business (daily valuation)
b. ☐ the last day of each Plan Year
c. ☐ the last day of each Plan Year quarter
d. ☐ other (specify day or days): _____ (must be at least once each Plan Year)

NOTE: The Plan always permits interim valuations.

9. **ADMINISTRATOR'S NAME, ADDRESS AND TELEPHONE NUMBER**

(If none is named, the Employer will be the Administrator (Plan Section 1.2).)

- a. ☒ Employer (use Employer address and telephone number)
b. ☐ The Committee appointed by the Employer (use Employer address and telephone number)
c. ☐ Other:

Name: _____

Address: _____
Street

City State Zip

Telephone: _____

10. **TYPE OF PLAN** (select one)

- a. ☒ Profit Sharing Plan.
b. ☐ Money Purchase Pension Plan.

11. **CONTRIBUTION TYPES**

The selections made below must correspond with the selections made under the Contributions and Allocations Section of this Adoption Agreement.

FROZEN PLAN OR CONTRIBUTIONS HAVE BEEN SUSPENDED (Plan Section 4.1(c)) (optional)

- a. ☐ This is a frozen Plan (i.e., all contributions cease) (if this is a temporary suspension, select a.2):
1. ☐ All contributions ceased as of, or prior to, the effective date of this amendment and restatement and the prior Plan provisions are not reflected in this Adoption Agreement (may enter effective date at 3. below and/or select prior contributions at g. - j. (optional), skip questions 12-18 and 22-30)
2. ☐ All contributions ceased or were suspended and the prior Plan provisions are reflected in this Adoption Agreement (must enter effective date at 3. below and select contributions at b. - f.)

Effective date

3. ☐ as of _____ (effective date is optional unless a.2. has been selected above or this is the amendment or restatement to freeze the Plan).

CURRENT CONTRIBUTIONS

The Plan permits the following contributions (select one or more):

- b. ☒ **Employer contributions other than matching** (Questions 24-25)
1. ☐ This Plan qualifies as a Social Security Replacement Plan (Question 24.e. must be selected)
c. ☐ **Employer matching contributions** (Questions 26-28)
d. ☒ **Mandatory Employee contributions** (Question 30)

Non-Standardized Governmental 401(a)

- e. ☐ After-tax voluntary Employee contributions
 f. ☒ Rollover contributions (Question 36)

PRIOR CONTRIBUTIONS

The Plan used to permit, but no longer does, the following contributions (choose all that apply, if any):

- g. ☐ Employer matching contributions
 h. ☐ Employer contributions other than matching contributions
 i. ☐ Rollover contributions
 j. ☐ After-tax voluntary Employee contributions

ELIGIBILITY REQUIREMENTS

12. ELIGIBLE EMPLOYEES (Plan Section 1.17) means all Employees (including Leased Employees) EXCEPT those Employees who are excluded below or elsewhere in the Plan: (select a. or b.)
- a. ☐ **No excluded Employees.** There are no additional excluded Employees under the Plan (skip to Question 13).
- b. ☒ **Exclusions.** The following Employees are not Eligible Employees for Plan purposes (select one or more):
1. ☐ Union Employees (as defined in Plan Section 1.17)
 2. ☐ Nonresident aliens (as defined in Plan Section 1.17)
 3. ☒ Leased Employees (Plan Section 1.29)
 4. ☐ Part-time Employees. A part-time Employee is an Employee whose regularly scheduled service is less than _____ Hours of Service in the relevant eligibility computation period (as defined in Plan Section 1.55).
 5. ☐ Temporary Employees. A temporary Employee is an Employee who is categorized as a temporary Employee on the Employer's payroll records.
 6. ☐ Seasonal Employees. A seasonal Employee is an Employee who is categorized as a seasonal Employee on the Employer's payroll records.
 7. ☒ Other: Employees not classified by JEA Human Resources as employed under appointed status. "Appointed status" employees can generally be described as JEA management staff employees who are exempt from the Civil Service System and serve under the JEA Board of Directors, the JEA managing director, or the JEA chief executive officer. (must be definitely determinable under Regulation §1.401-1(b). Exclusions may be employment title specific but may not be by individual name)

NOTE: If option 4. - 6. (part-time, temporary and/or seasonal exclusions) is selected, when any such excluded Employee actually completes 1 Year of Service, then such Employee will no longer be part of this excluded class. For this purpose, the Hours of Service method will be used for the 1 Year of Service override regardless of any contrary selection at Question 16.

13. CONDITIONS OF ELIGIBILITY (Plan Section 3.1)
- a. ☒ **No age and service required.** No age and service required for all Contribution Types (skip to Question 14).
- b. ☐ **Eligibility.** An Eligible Employee will be eligible to participate in the Plan upon satisfaction of the following (complete c. and d., select e. and f. if applicable):

Eligibility Requirements

- c. ☐ **Age Requirement**
1. ☐ No age requirement
 2. ☐ Age 20 1/2
 3. ☐ Age 21
 4. ☐ Age _____ (may not exceed 26)
- d. ☐ **Service Requirement**
1. ☐ No service requirement
 2. ☐ _____ (not to exceed 60) months of service (elapsed time)
 3. ☐ 1 Year of Service
 4. ☐ _____ (not to exceed 5) Years of Service
 5. ☐ _____ consecutive month period from the Eligible Employee's employment commencement date and during which at least _____ Hours of Service are completed.
 6. ☐ _____ consecutive months of employment.
 7. ☐ Other: _____ (e.g., date on which 1,000 Hours of Service is completed within the computation period) (must satisfy the Notes below)

NOTE: If c.4. or d.7. is selected, the condition must be an age or service requirement that is definitely determinable and may not exceed age 26 and may not exceed 5 Years of Service.

NOTE: Year of Service means Period of Service if the elapsed time method is chosen.

Non-Standardized Governmental 401(a)

Waiver of conditions. The service and/or age requirements specified above will be waived in accordance with the following (leave blank if there are no waivers of conditions):

- e. ☐ If employed on _____ the following requirements, and the entry date requirement, will be waived. The waiver applies to any Eligible Employee unless 3. selected below. Such Employees will enter the Plan as of such date (select 1. and/or 2. AND 3. if applicable):
1. ☐ service requirement (may let part-time Eligible Employees into the Plan)
 2. ☐ age requirement
 3. ☐ waiver is for: _____

Amendment or restatement to change eligibility requirements

- f. ☐ This amendment or restatement (or a prior amendment and restatement) modified the eligibility requirements and the prior eligibility conditions continue to apply to the Eligible Employees specified below. If this option is NOT selected, then all Eligible Employees must satisfy the eligibility conditions set forth above.
1. ☐ The eligibility conditions above only apply to Eligible Employees who were not Participants as of the effective date of the modification.
 2. ☐ The eligibility conditions above only apply to individuals who were hired on or after the effective date of the modification.

14. **EFFECTIVE DATE OF PARTICIPATION (ENTRY DATE) (Plan Section 3.2)**

An Eligible Employee who has satisfied the eligibility requirements will become a Participant in the Plan as of the:

- a. ☐ date such requirements are met
- b. ☐ first day of the month coinciding with or next following the date on which such requirements are met
- c. ☐ first day of the Plan Year quarter coinciding with or next following the date on which such requirements are met
- d. ☐ earlier of the first day of the Plan Year or the first day of the seventh month of the Plan Year coinciding with or next following the date on which such requirements are met
- e. ☐ first day of the Plan Year coinciding with or next following the date on which such requirements are met
- f. ☐ first day of the Plan Year in which such requirements are met
- g. ☐ first day of the Plan Year in which such requirements are met, if such requirements are met in the first 6 months of the Plan Year, or as of the first day of the next succeeding Plan Year if such requirements are met in the last 6 months of the Plan Year.
- h. ☒ other: first day of the payroll period coinciding with or next following satisfaction of the minimum age and service requirements (must be definitely determinable)

SERVICE15. **RECOGNITION OF SERVICE WITH OTHER EMPLOYERS (Plan Sections 1.40 and 1.55)**

- a. ☒ No service with other employers is recognized except as otherwise required by law (e.g., the Plan already provides for the recognition of service with Employers who have adopted this Plan as well as service with Affiliated Employers and predecessor Employers who maintained this Plan; skip to Question 16).
- b. ☐ Service with the designated employers is recognized as follows (select c. – e. and one or more of columns 1. - 3.; chose other options as applicable) (if more than 3 employers, attach an addendum to the Adoption Agreement or complete option h. under Section B of Appendix A):

	1.	2.	3.
Other Employer	Eligibility	Vesting	Contribution Allocation
c. <input type="checkbox"/> Employer name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. <input type="checkbox"/> Employer name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. <input type="checkbox"/> Employer name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limitations			
f. <input type="checkbox"/> The following provisions or limitations apply with respect to the recognition of prior service: _____ (e.g., credit service with X only on/following 1/1/19)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. <input type="checkbox"/> The following provisions or limitations apply with respect to the recognition of service with other employers: _____ (e.g., credit service with X only on/following 1/1/19 or credit all service with entities the Employer acquires after 12/31/18)			

NOTE: If the other Employer(s) maintained this qualified Plan, then Years (and/or Periods) of Service with such Employer(s) must be recognized pursuant to Plan Sections 1.40 and 1.55 regardless of any selections above.

Non-Standardized Governmental 401(a)

16. SERVICE CREDITING METHOD (Plan Sections 1.40 and 1.55)

NOTE: If any Plan provision is based on a Year of Service, then the provisions set forth in the definition of Year of Service in Plan Section 1.55 will apply, including the following defaults, except as otherwise elected below:

1. A Year of Service means completion of at least 1,000 Hours of Service during the applicable computation period.
2. Hours of Service (Plan Section 1.24) will be based on actual Hours of Service except that for Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees), the monthly equivalency will be used.
3. For eligibility purposes, the computation period will be as defined in Plan Section 1.55 (i.e., shift to the Plan Year if the eligibility condition is one (1) Year of Service or less).
4. For vesting, allocation, and distribution purposes, the computation period will be the Plan Year.
5. Upon an Employee's rehire, all prior service with the Employer is taken into account for all purposes.

- a. ☐ **Elapsed time method.** (Period of Service applies instead of Year of Service) Instead of Hours of Service, elapsed time will be used for:

1. ☐ all purposes (skip to Question 17)
2. ☐ the following purposes (select one or more):
 - a. ☐ eligibility to participate
 - b. ☐ vesting
 - c. ☐ allocations, distributions and contributions

- b. ☐ **Alternative definitions for the Hours of Service method.** Instead of the defaults, the following alternatives will apply for the Hours of Service method (select one or more):

1. ☐ **Eligibility computation period.** Instead of shifting to the Plan Year, the eligibility computation period after the initial eligibility computation period will be based on each anniversary of the date the Employee first completes an Hour of Service
2. ☐ **Vesting computation period.** Instead of the Plan Year, the vesting computation period will be the date an Employee first performs an Hour of Service and each anniversary thereof.
3. ☐ **Equivalency method.** Instead of using actual Hours of Service, an equivalency method will be used to determine Hours of Service for:
 - a. ☐ all purposes
 - b. ☐ the following purposes (select one or more):
 1. ☐ eligibility to participate
 2. ☐ vesting
 3. ☐ allocations, distribution and contributions

Such method will apply to:

- c. ☐ all Employees
- d. ☐ Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees)
- e. ☐ other: _____ (e.g., per-diem Employees only)

Hours of Service will be determined on the basis of:

- f. ☐ days worked (10 hours per day)
- g. ☐ weeks worked (45 hours per week)
- h. ☐ semi-monthly payroll periods worked (95 hours per semi-monthly pay period)
- i. ☐ months worked (190 hours per month)
- j. ☐ bi-weekly payroll periods worked (90 hours per bi-weekly pay period)
- k. ☐ other: _____ (e.g., option f. is used for per-diem Employees and option g. is used for on-call Employees).

4. ☐ **Number of Hours of Service required.** Instead of 1,000 Hours of Service, Year of Service means the applicable computation period during which an Employee has completed at least _____ (not to exceed 1,000) Hours of Service for:

- a. ☐ all purposes
- b. ☐ the following purposes (select one or more):
 1. ☐ eligibility to participate
 2. ☐ vesting
 3. ☐ allocations, distributions and contributions

Non-Standardized Governmental 401(a)

- c. ☐ **Alternative for counting all prior service.** Instead of the default which recognizes all prior service for rehired Employees, the Plan will not recognize prior service and rehired Employee are treated as new hires for the following purposes: (select one)
1. ☐ all purposes
 2. ☐ the following purposes (select one or more):
 - a. ☐ eligibility to participate
 - b. ☐ vesting
 - c. ☐ sharing in allocations or contributions
- d. ☐ **Other service crediting provisions:** _____ (must be definitely determinable; e.g., for vesting a Year of Service is based on 1,000 Hours of Service but for eligibility a Year of Service is based on 900 Hours of Service.)

NOTE: Must not list more than 1,000 hours in this Section. This servicing credit provision will be used for:

1. ☐ All purposes
2. ☐ The following purposes (select one or more):
 - a. ☐ eligibility to participate
 - b. ☐ vesting
 - c. ☐ allocations, distributions and contributions

VESTING**17. VESTING OF PARTICIPANT'S INTEREST – EMPLOYER CONTRIBUTIONS (Plan Section 6.4(b))**

- a. ☐ N/A (no Employer contributions; skip to Question 19)
- b. ☒ The vesting provisions selected below apply. Section B of Appendix A can be used to specify any exceptions to the provisions below.

NOTE: The Plan provides that contributions for converted sick leave and/or vacation leave are fully Vested.

Vesting for Employer contributions other than matching contributions

- c. ☐ N/A (no Employer contributions (other than matching contributions); skip to f.)
- d. ☒ 100% vesting. Participants are 100% Vested in Employer contributions (other than matching contributions) upon entering Plan.
- e. ☐ The following vesting schedule, based on a Participant's Years of Service (or Periods of Service if the elapsed time method is selected), applies to Employer contributions (other than matching contributions):
1. ☐ 6 Year Graded: 0-1 year-0%; 2 years-20%; 3 years-40%; 4 years-60%; 5 years-80%; 6 years-100%
 2. ☐ 4 Year Graded: 1 year-25%; 2 years-50%; 3 years-75%; 4 years-100%
 3. ☐ 5 Year Graded: 1 year-20%; 2 years-40%; 3 years-60%; 4 years-80%; 5 years-100%
 4. ☐ Cliff: 100% vesting after _____ (not to exceed 15) years
 5. ☐ Other graded vesting schedule (must provide for full vesting no later than 15 years of service; add additional lines as necessary)

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Vesting for Employer matching contributions

- f. ☒ N/A (no Employer matching contributions)
- g. ☐ The schedule above will also apply to Employer matching contributions.
- h. ☐ 100% vesting. Participants are 100% Vested in Employer matching contributions upon entering Plan.
- i. ☐ The following vesting schedule, based on a Participant's Years of Service (or Periods of Service if the elapsed time method is selected), applies to Employer matching contributions:
1. ☐ 6 Year Graded: 0-1 year-0%; 2 years-20%; 3 years-40%; 4 years-60%; 5 years-80%; 6 years-100%
 2. ☐ 4 Year Graded: 1 year-25%; 2 years-50%; 3 years-75%; 4 years-100%
 3. ☐ 5 Year Graded: 1 year-20%; 2 years-40%; 3 years-60%; 4 years-80%; 5 years-100%
 4. ☐ Cliff: 100% vesting after _____ (not to exceed 15) years
 5. ☐ Other graded vesting schedule (must provide for full vesting no later than 15 years of service; add additional lines as necessary)

Non-Standardized Governmental 401(a)

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

NOTE: If any Part-time/Seasonal/Temporary Employees who are not covered under Social Security are participating in this Plan as a Social Security Replacement Plan, any contributions used to satisfy the minimum contribution requirements of Question 24.e. will be 100% vested.

18. **VESTING OPTIONS**

Excluded vesting service. The following Years of Service will be disregarded for vesting purposes (select all that apply; leave blank if none apply):

- a. ☐ Service prior to the initial Effective Date of the Plan or a predecessor plan (as defined in Regulations § 1.411(a)-5(b)(3))
- b. ☐ Service prior to the computation period in which an Employee has attained age _____.
- c. ☐ Service during a period for which an Employee did not make mandatory Employee contributions.

Vesting for death, Total And Permanent Disability and Early/Normal Retirement. Regardless of the vesting schedule, a Participant will become fully Vested upon (select all that apply; leave blank if none apply):

- d. ☐ Death
- e. ☐ Total and Permanent Disability
- f. ☐ Early Retirement Date
- g. ☐ Normal Retirement Age

RETIREMENT AGES19. **NORMAL RETIREMENT AGE ("NRA")** (Plan Section 1.33) means:

This Question 19 and Question 20 may be skipped if the Plan does not base any benefits, distributions or other features on Normal Retirement Age.

- a. ☒ **Specific age.** The date a Participant attains age 65
- b. ☐ **Age/participation.** The later of the date a Participant attains age _____ or the _____ anniversary of the first day of the Plan Year in which participation in the Plan commenced
- c. ☐ **Other:** _____ (must be definitely determinable)

NOTE: If this is a Money Purchase Pension Plan and in-service distributions at Normal Retirement Age are permitted, then the Normal Retirement Age cannot be less than age 62, or age 50 if substantially all Participants are qualified public safety employees (as defined in Code § 72(t)(1)). The "substantially all" requirement for qualified public safety employees will no longer be a requirement as of the effective date of the final regulations once they are issued & effective. If an age less than 62 is inserted (unless the age 50 safe harbor is applicable for a qualified public safety employee), no reliance will be afforded on the Opinion Letter issued to the Plan that such age is reasonably representative of the typical retirement age for the industry in which the Participants works. Effective for Employees hired during Plan Years beginning on or after the later of (1) January 1, 2015, or (2) the close of the first legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is three (3) months after the final regulations are published in the Federal Register, an NRA of less than age 62 must comply with the final regulations under § 401(a).

Qualified public safety employees. Normal Retirement Age for public safety employees (as defined in Code § 72(t)(1)) (leave blank if not applicable)

- d. ☐ Age _____ (may not be less than 50 for a Money Purchase Pension Plan or 40 for a Profit Sharing Plan)

20. **NORMAL RETIREMENT DATE** (Plan Section 1.34) means, with respect to any Participant, the:

- a. ☒ date on which the Participant attains "NRA"
- b. ☐ first day of the month coinciding with or next following the Participant's "NRA"
- c. ☐ first day of the month nearest the Participant's "NRA"
- d. ☐ Anniversary Date coinciding with or next following the Participant's "NRA"
- e. ☐ Anniversary Date nearest the Participant's "NRA"
- f. ☐ Other: _____ (e.g., first day of the month following the Participant's "NRA").

Non-Standardized Governmental 401(a)

21. EARLY RETIREMENT DATE (Plan Section 1.15)
- a. ☒ N/A (no early retirement provision provided)
 - b. ☐ Early Retirement Date means the:
 1. ☐ date on which a Participant satisfies the early retirement requirements
 2. ☐ first day of the month coinciding with or next following the date on which a Participant satisfies the early retirement requirements
 3. ☐ Anniversary Date coinciding with or next following the date on which a Participant satisfies the early retirement requirements
- Early retirement requirements**
4. ☐ Participant attains age _____
AND, completes.... (leave blank if not applicable)
 - a. ☐ at least _____ Years (or Periods) of Service for vesting purposes
 - b. ☐ at least _____ Years (or Periods) of Service for eligibility purposes
- c. ☐ Early Retirement Date means: _____ (must be definitely determinable)

COMPENSATION

22. COMPENSATION with respect to any Participant is defined as follows (Plan Sections 1.10 and 1.23).

Base definition

- a. ☒ Wages, tips and other compensation on Form W-2
- b. ☐ Code §3401(a) wages (wages for withholding purposes)
- c. ☐ 415 safe harbor compensation

NOTE: Plan Section 1.10(c) provides that the base definition of Compensation includes deferrals that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), 402(h)(1)(B)(SEP), 414(h)(2), & 457.

Determination period. Compensation will be based on the following "determination period" (this will also be the Limitation Year unless otherwise elected at option f. under Section B of Appendix A):

- d. ☒ the Plan Year
- e. ☐ the Fiscal Year coinciding with or ending within the Plan Year
- f. ☐ the calendar year coinciding with or ending within the Plan Year

Adjustments to Compensation (for Plan Section 1.10). Compensation will be adjusted by:

- g. ☐ **No adjustments** (skip to Question 23. below)
- h. ☒ **Adjustments.** Compensation will be adjusted by (select all that apply):
 1. ☐ excluding salary reductions (401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2) pickup, & 457)
 2. ☒ excluding reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation (other than deferrals specified in 1. above) and welfare benefits.
 3. ☒ excluding Compensation paid during the "determination period" while not a Participant in the Plan.
 4. ☐ excluding Military Differential Pay
 5. ☒ excluding overtime
 6. ☒ excluding bonuses
 7. ☒ other: The Plan provides for two tiers of contributions: Regular and Additional. Within each tier, there are two types of contributions: Employer contributions and mandatory Employee contributions (which are sometimes referred to as "pick-up contributions"). For purposes of Regular Employer contributions and Regular pick-up contributions, the definition of Plan Compensation is determined by reference to all of the selected elections in this Adoption Agreement section 22.h. Additionally, for purposes of Regular Employer contributions and Regular pick-up contributions, the definition of Plan Compensation excludes: amounts received as commissions; amounts received for services performed for a non-signatory Employer; unused leave that a Participant defers immediately prior to retirement to the JEA 457 Deferred Compensation Plan; and rollback and sellback pay for annual leave. For the avoidance of doubt, for purposes of Regular Employer contributions and Regular pick-up contributions, the exclusion in Adoption Agreement section 22.h.6. of amounts received as bonus operates to exclude any and all amounts of annual one-time performance pay from the definition of Plan Compensation. In contrast, for purposes of Additional Employer contributions and Additional pick-up contributions, the only type of compensation that is considered to be Plan Compensation is the gross amount (before any deductions) of the annual one-time performance pay, if any, that the Participant receives from the Employer maintaining the Plan (JEA); all other types of compensation are excluded. For the avoidance of doubt, for purposes of Additional Employer contributions and Additional pick-up contributions, the definition of Plan Compensation excludes post-severance annual one-time performance pay, regardless of whether such post-severance annual one-time performance pay is received before or after the later of: 2 1/2 months after severance from employment with the Employer maintaining the Plan or the end of the Limitation Year that includes the date of severance from employment. (e.g., describe Compensation from the elections available above or a combination thereof as to a Participant group (e.g., no exclusions as to Division A Employees and exclude bonuses as to Division B Employees); and/or describe another exclusion (e.g., exclude shift differential pay)).

Non-Standardized Governmental 401(a)

23. POST-SEVERANCE COMPENSATION (415 REGULATIONS)

415 Compensation (post-severance compensation adjustments) (select all that apply at a.; leave blank if none apply)

NOTE: Unless otherwise elected under a. below, the following defaults apply: 415 Compensation will **include** (to the extent provided in Plan Section 1.23), post-severance regular pay, leave cash-outs and payments from nonqualified unfunded deferred compensation plans.

- a. ☒ The defaults listed above apply except for the following (select one or more):
1. ☒ Leave cash-outs will be **excluded**
 2. ☒ Nonqualified unfunded deferred compensation will be **excluded**
 3. ☐ Disability continuation payments will be **included** for all Participants and the salary continuation will continue for the following fixed or determinable period: _____
 4. ☒ Other: Post-severance annual one-time performance pay will be excluded (must be definitely determinable)

Plan Compensation (post-severance compensation adjustments)

- b. ☐ **Defaults apply.** Compensation will **include** (to the extent provided in Plan Section 1.10 and to the extent such amounts would be included in Compensation if paid prior to severance of employment) post-severance regular pay, leave cash-outs, and payments from nonqualified unfunded deferred compensation plans. (skip to Question 24)
- c. ☐ **Exclude all post-severance compensation.** Exclude all post-severance compensation for allocation purposes.
- d. ☐ **Post-severance adjustments.** The defaults listed at b. apply except for the following (select one or more):
1. ☐ Exclude all post-severance compensation
 2. ☐ Regular pay will be **excluded**
 3. ☐ Leave cash-outs will be **excluded**
 4. ☐ Nonqualified unfunded deferred compensation will be **excluded**
 5. ☐ Military Differential Pay will be **included**
 6. ☐ Disability continuation payments will be **included** for all Participants and the salary continuation will continue for the following fixed or determinable period: _____
- e. ☒ Other: The defaults listed at b. apply, except for the following: (i) Leave cash-outs will be excluded; (ii) Nonqualified unfunded deferred compensation will be excluded; (iii) Military Differential Pay will be included; and (iv) post severance annual one-time performance pay will be excluded. (must be definitely determinable)

CONTRIBUTIONS AND ALLOCATIONS

24. EMPLOYER CONTRIBUTIONS (OTHER THAN MATCHING CONTRIBUTIONS) (Plan Section 4.1 (b)(3)) (skip to Question 26 if Employer contributions are NOT selected at Question 11.b.)

CONTRIBUTION FORMULA (select one or more of the following contribution formulas:)

- a. ☐ **Discretionary contribution (no groups).** (may not be elected if this Plan is a Money Purchase Pension Plan) The Employer may make a discretionary contribution, to be determined by the Employer. Any such contribution will be allocated to each Participant eligible to share in allocations in the same ratio as each Participant's Compensation bears to the total of such Compensation of all Participants.
- b. ☐ **Discretionary contribution (Grouping method).** (may not be elected if this Plan is a Money Purchase Pension Plan) The Employer may designate a discretionary contribution to be made on behalf of each Participant group selected below (only select 1. or 2.). The groups must be clearly defined in a manner that will not violate the definite predetermined allocation formula requirement of Regulation § 1.401-1(b)(1)(ii). The Employer must notify the Trustee in writing of the amount of the Employer Contribution being given to each group.
1. ☐ Each Participant constitutes a separate classification.
 2. ☐ Participants will be divided into the following classifications with the allocation methods indicated under each classification.

Definition of classifications. Define each classification and specify the method of allocating the contribution among members of each classification. Classifications specified below must be clearly defined in a manner that will not violate the definitely determinable allocation requirement of Regulation § 1.401-1(b)(1)(ii).

Classification A will consist of _____
 The allocation method will be: ☐ pro rata based on Compensation
☐ equal dollar amounts (per capita)

Classification B will consist of _____
 The allocation method will be: ☐ pro rata based on Compensation
☐ equal dollar amounts (per capita)

Classification C will consist of _____
 The allocation method will be: ☐ pro rata based on Compensation
☐ equal dollar amounts (per capita)

Non-Standardized Governmental 401(a)

Classification D will consist of _____

The allocation method will be: ☐ pro rata based on Compensation
☐ equal dollar amounts (per capita)

Additional Classifications: _____ (specify the classifications and which of the above allocation methods (pro rata or per capita) will be used for each classification).

NOTE: If more than four (4) classifications, the additional classifications and allocation methods may be attached as an addendum to the Adoption Agreement or may be entered under Additional Classifications above.

Determination of applicable group. If a Participant shifts from one classification to another during a Plan Year, then unless selected below, the Participant is in a classification based on the Participant's status as of the last day of the Plan Year, or if earlier, the date of termination of employment. If selected below, the Administrator will apportion the Participant's allocation during a Plan Year based on the following:

- a. ☐ Beginning of Plan Year. The classification will be based on the Participant's status as of the beginning of the Plan Year.
 - b. ☐ Months in each classification. Pro rata based on the number of months the Participant spent in each classification.
 - c. ☐ Days in each classification. Pro rata based on the number of days the Participant spent in each classification.
 - d. ☐ One classification only. The Employer will direct the Administrator to place the Participant in only one classification for the entire Plan Year during which the shift occurs.
- c. ☐ **Fixed contribution** equal to (only select one):
1. ☐ _____% of each Participant's Compensation for each:
 - a. ☐ Plan Year
 - b. ☐ calendar quarter
 - c. ☐ month
 - d. ☐ pay period
 - e. ☐ week
 2. ☐ \$_____ per Participant.
 3. ☐ \$_____ per Hour of Service worked while an Eligible Employee
 - a. ☐ up to _____ hours (leave blank if no limit)
 4. ☐ other: _____ (the formula described must satisfy the definitely determinable requirement under Regulation § 1.401-1(b)) **NOTE:** Under Question 24.c.4., the Employer may only describe the allocation of Nonelective Contributions from the elections available under Question 24.c of this Adoption Agreement and/or a combination thereof as to a Participant group (e.g., a monthly contribution applies to Group A).
- d. ☐ **Sick leave/vacation leave conversion.** The Employer will contribute an amount equal to an Employee's current hourly rate of pay multiplied by the Participant's number of unused accumulated sick leave and/or vacation days (as selected below). Only unpaid sick and vacation leave for which the Employee has no right to receive in cash may be included. In no event will the Employer's contribution for the Plan Year exceed the maximum contribution permitted under Code § 415(c).

The following may be converted under the Plan: (select one or both):

1. ☐ Sick leave
2. ☐ Vacation leave

Eligible Employees. Only the following Participants shall receive the Employer contribution for sick leave and/or vacation leave (select 3. and/or 4; leave blank if no limitations provided, however, that this Plan may not be used to only provide benefits for terminated Employees)

3. ☐ **Former Employees.** All Employees terminating service with the Employer during the Plan Year and who have satisfied the eligibility requirements based on the terms of the Employer's accumulated benefits plans checked below (select all that apply; leave blank if no exclusions):
 - a. ☐ The Former Employee must be at least age _____ (e.g., 55)
 - b. ☐ The value of the sick and/or vacation leave must be at least \$ _____ (e.g., \$2,000)
 - c. ☐ A contribution will only be made if the total hours is over _____ (e.g., 10) hours
 - d. ☐ A contribution will not be made for hours in excess of _____ (e.g., 40) hours
4. ☐ **Active Employees.** Active Employees who have not terminated service during the Plan Year and who meet the following requirements (select all that apply; leave blank if no exclusions):
 - a. ☐ The Employee must be at least age _____ (e.g., 55)
 - b. ☐ The value of the sick and/or vacation leave must be at least \$ _____ (e.g., \$2,000)
 - c. ☐ A contribution will only be made if the total hours is over _____ (e.g., 10) hours
 - d. ☐ A contribution will not be made for hours in excess of _____ (e.g., 40) hours

Non-Standardized Governmental 401(a)

- e. ☐ **Social Security Replacement Plan.** Except as provided below, the Employer will contribute an amount equal to 7.5% of each eligible Participant's Compensation for the entire Plan Year, reduced by mandatory Employee contributions that are picked-up under Code §414(h) and Employer contributions to this Plan actually contributed to the Participant's Account during such Plan Year. (may only be selected if Question 11.b.1. has also been selected)

AND, only the following Employees will NOT be eligible for the Social Security Replacement Plan contribution: (select all that apply)

1. ☐ Part-time Employees who are not otherwise covered by another qualifying public retirement system as defined for purposes of Regulation §31.3121(b)(7)-2. A part-time Employee is an Employee whose regularly scheduled service is less than _____ Hours of Service in the relevant eligibility computation period (as defined in Plan Section 1.55).
2. ☐ Seasonal Employees who are not otherwise covered by another qualifying public retirement system as defined for purposes of Regulation §31.3121(b)(7)-2. A seasonal Employee is an Employee who is categorized as a seasonal Employee on the Employer's payroll records.
3. ☐ Temporary Employees who are not otherwise covered by another qualifying public retirement system as defined for purposes of Regulation §31.3121(b)(7)-2. A temporary Employee is an Employee who is categorized as a temporary Employee on the Employer's payroll records.
4. ☐ Employees in elective positions (filled by an election, which may be by legislative body, board or committee, or by a jurisdiction's qualified electorate)
5. ☐ Other: _____ (any other group of Employees that is definitely determinable and not eligible for the Social Security Replacement Plan contribution).

The minimum contribution of 7.5% stated above will be satisfied by:

- a. ☐ the Employee only (specify the contribution at the mandatory Employee contributions Question 30)
- b. ☐ the Employer only
- c. ☐ both the Employee and the Employer. The Employee shall contribute the amount specified in Question 30 for mandatory Employee contributions) and the Employer shall contribute _____ % of each eligible Participant's Compensation.

NOTE: If a. or c. above is selected, then the mandatory Employee contribution must be picked-up by the Employer at Question 30. Also, if b. or c. above is selected, then the allocation conditions in Question 25 below do not apply to the Employer contribution made pursuant to this provision.

- f. ☒ Other: The Plan provides for two tiers of Employer contributions: Regular and Additional. Within each tier, the Plan provides for Employer contributions. Both Regular and Additional Employer contributions are discretionary. The discretionary Regular Employer contributions are allocated as a uniform percentage of Plan Compensation (as the term Plan Compensation is defined for purposes of Regular Employer contributions), and the discretionary Additional Employer contributions are allocated as a uniform percentage of Plan Compensation (as the term Plan Compensation is defined for purposes of Additional Employer contributions). Employer contributions will be based on Plan Compensation earned during each Plan Year or earned at an earlier date as determined by the Plan Administrator (the formula described must satisfy the definitely determinable requirement under Regulation §1.401-1(b) and if this is a Money Purchase Pension, it must not be a discretionary contribution formula). **NOTE:** Under Question 24.f., the Employer may only describe the allocation of Nonelective Contributions from the elections available under Question 24 and/or a combination thereof as to a Participant group or contribution type (e.g., pro rata allocation applies to Group A; contributions to other Employees will be allocated in accordance with the classifications allocation provisions of Plan Section 4.3 with each Participant constituting a separate classification).

25. ALLOCATION CONDITIONS (Plan Section 4.3). If 24.a., b., c., or f. is selected above, indicate requirements to share in allocations of Employer contributions (select a. OR b. and all that apply at c. - e.)

- a. ☒ **No conditions.** All Participants share in the allocations regardless of service completed during the Plan Year or employment status on the last day of the Plan Year (skip to Question 26).

- b. ☐ **Allocation conditions apply** (select one of 1. - 5. AND one of 6. - 9. below)

Conditions for Participants NOT employed on the last day of the Plan Year

1. ☐ A Participant must complete at least _____ (not to exceed 500) Hours of Service if the actual hours/equivalency method is selected (or at least _____ (not to exceed 3) months of service if the elapsed time method is selected).
2. ☐ A Participant must complete a Year of Service (or Period of Service if the elapsed time method is selected).
3. ☐ Participants will NOT share in the allocations, regardless of service.
4. ☐ Participants will share in the allocations, regardless of service.
5. ☐ Other: _____ (must be definitely determinable and not subject to Employer discretion)

Conditions for Participants employed on the last day of the Plan Year

6. ☐ No service requirement.
7. ☐ A Participant must complete a Year of Service (or Period of Service if the elapsed time method is selected).
8. ☐ A Participant must complete at least _____ Hours of Service during the Plan Year.
9. ☐ Other: _____ (must be definitely determinable and not subject to Employer discretion)

Non-Standardized Governmental 401(a)

Waiver of conditions for Participants NOT employed on the last day of the Plan Year. If b.1., 2., 3., or 5. above is selected, Participants who are not employed on the last day of the Plan Year in which one of the following events occur will be eligible to share in the allocations regardless of the above conditions (select all that apply; leave blank if none apply):

- c. ☐ Death
- d. ☐ Total and Permanent Disability
- e. ☐ Termination of employment on or after Normal Retirement Age
 - 1. ☐ or Early Retirement Date

26. **EMPLOYER MATCHING CONTRIBUTIONS** (Plan Section 4.1(b)(2) and Plan Section 4.12). (skip to Question 29 if matching contributions are NOT selected at Question 11.c.) The Employer will (or may with respect to any discretionary contribution) make the following matching contributions:

- A. **Employee contributions taken into account.** For purposes of applying the matching contribution provisions below, the following amounts are being matched (hereafter referred to as "matched Employee contributions" (select one or more):

- a. ☐ Elective deferrals to a **457 plan**. Enter Plan name(s): _____
- b. ☐ Elective deferrals to a **403(b) plan**. Enter Plan name(s): _____
- c. ☐ Voluntary Employee Contributions
- d. ☐ Other: _____ (specify amounts that are matched under this Plan and are provided for within this Adoption Agreement)

- B. **Matching Formula.** (select one)

- e. ☐ **Fixed - uniform rate/amount.** The Employer will make matching contributions equal to _____% (e.g., 50) of the Participant's "matched Employee contributions"
 - 1. ☐ that do not exceed _____% of a Participant's Compensation (leave blank if no limit)
Additional matching contribution (choose 2. if applicable):
 - 2. ☐ plus an additional matching contribution of a discretionary percentage determined by the Employer,
 - a. ☐ but not to exceed _____% of Compensation. Such contribution is subject to the Instructions and Notice requirement of Section 4.12.

- f. ☐ **Fixed - tiered.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's "matched Employee contributions", determined as follows:

NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____%
Next _____	_____%
Next _____	_____%
Next _____	_____%

- g. ☐ **Fixed - Years of Service.** The Employer will make matching contributions equal to a uniform percentage of each Participant's "matched Employee contributions" based on the Participant's Years of Service (or Periods of Service if the elapsed time method is selected), determined as follows (add additional tiers if necessary):

Years (or Periods) of Service	Matching Percentage
_____	_____%
_____	_____%
_____	_____%

For purposes of the above matching contribution formula, a Year (or Period) of Service means a Year (or Period) of Service for:

- 1. ☐ vesting purposes
- 2. ☐ eligibility purposes

- h. ☐ **Flexible Discretionary Match.** (may not be elected if this Plan is a Money Purchase Pension Plan) "Flexible Discretionary Match" means a Matching Contribution which the Employer in its sole discretion elects to make to the Plan. Except as specified below, the Employer retains discretion over the formula or formulas for allocating the Flexible Discretionary Match, including the Discretionary Matching Contribution rate or amount, the limit(s) on Elective Deferrals or Employee Contributions subject to match, the per Participant match allocation limit(s), the Participants or categories of Participants who will receive the allocation, and the time period applicable to any matching formula(s) (collectively, the "Flexible Discretionary Matching Formula"), except as the Employer otherwise elects in its Adoption Agreement. Such contributions will be subject to the Instructions and Notice requirement of Section 4.12, reproduced below, unless the Employer elects to use a "Rigid Discretionary Match" in Election 26.B.h.1. below.

Non-Standardized Governmental 401(a)

The discretionary matching contribution under this Question 26.B.h. is a "Flexible Discretionary Match" unless the Employer elects to use a "Rigid Discretionary Match." (Choose 1. if applicable.)

1. ☐ **Rigid Discretionary Match.** A "Rigid Discretionary Match" means a Matching Contribution which the Employer in its sole discretion elects to make to the Plan. Such discretion will only pertain to the amount of the annual contribution. The Employer must select the allocation method for this Contribution by selecting among those Adoption Agreement options which confer no Employer Discretion regarding the allocation of such discretionary amount, for example, the limit(s) on Elective Deferrals or Employee Contributions subject to match, the per Participant match allocation limit(s), the Participants who will receive the allocation, and the time period applicable to any matching formula(s). This "Rigid Discretionary Match" is not subject to the Instructions and Notice requirement of Section 4.12.

Section 4.12 provides: INSTRUCTIONS TO ADMINISTRATOR AND NOTIFICATION TO PARTICIPANTS. For Plan Years beginning after the end of the Plan Year in which this document is first adopted, if a "Flexible Discretionary Match" contribution formula applies (i.e., a formula that provides an Employer with discretion regarding how to *allocate* a matching contribution to Participants) and the Employer makes a "Flexible Discretionary Match" to the Plan, the Employer must provide the Plan Administrator or Trustee written instructions describing (1) how the "Flexible Discretionary Match" formula will be allocated to Participants (e.g., a uniform percentage of Elective Deferrals or a flat dollar amount), (2) the computation period(s) to which the "Flexible Discretionary Match" formula applies, and (3) if applicable, a description of each business location or business classification subject to separate "Flexible Discretionary Match" allocation formulas. Such instructions must be provided no later than the date on which the "Flexible Discretionary Match" is made to the Plan. A summary of these instructions must be communicated to Participants who receive an allocation of the "Flexible Discretionary Match" no later than 60 days following the date on which the last "Flexible Discretionary Match" contribution is made to the Plan for the Plan Year.

- i. ☐ **Discretionary - tiered.** (may not be elected if this Plan is a Money Purchase Pension Plan) The Employer may make matching contributions equal to a discretionary percentage of a Participant's "matched Employee contributions," to be determined by the Employer, of each tier, to be determined by the Employer. Such discretion will only pertain to the amount of the contribution. The tiers may be based on the rate of a Participant's "matched Employee contributions" or Years of Service. Such contribution is subject to the Instructions and Notice requirement of Section 4.12.
NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

- j. ☐ **Other:** _____ (the formula described must satisfy the definitely determinable requirement under Regulation § 1.401-1(b) and if this is a Money Purchase Pension Plan, it must not be a discretionary contribution formula. **NOTE:** Under Question 26.B.j., the Employer may only describe the allocation of Matching Contributions from the elections available under Question 26 and/or a combination thereof as to a Participant group or contribution type (e.g., fixed – uniform rate applies to Group A; contributions to other Employees will be allocated as a tiered contribution.)

27. **MATCHING CONTRIBUTION PROVISIONS**

- A. **Maximum matching contribution.** The total matching contribution made on behalf of any Participant for any Plan Year will not exceed:
- ☐ N/A (no Plan specific limit on the amount of matching contribution)
 - ☐ \$_____.
 - ☐ _____% of Compensation.
- B. **Period of determination.** Any matching contribution other than a "Flexible Discretionary Match" will be applied on the following basis (and "matched Employee contributions" and any Compensation or dollar limitation used in determining the matching contribution will be based on the applicable period. Skip if the only Matching Contribution is a Flexible Discretionary Match.):
- ☐ the Plan Year (potential annual true-up required)
 - ☐ each payroll period (no true-up)
 - ☐ each month (potential monthly true-up required)
 - ☐ each Plan Year quarter (potential quarterly true-up required)
 - ☐ each payroll unit (e.g., hour) (no true-up)
 - ☐ Other (specify): _____ The time period described must be definitely determinable under Treas. Reg. § 1.401-1(b). This line may be used to apply different options to different matching contributions

Non-Standardized Governmental 401(a)

(e.g., Discretionary matching contributions will be allocated on a Plan Year period while fixed matching contributions will be allocated on each payroll period.) Such contribution period is subject to the Instructions and Notice requirement of Section 4.12.

28. ALLOCATION CONDITIONS (Plan Section 4.3) Select a. OR b. and all that apply of c. - h.
- a. ☐ **No conditions.** All Participants share in the allocations regardless of service completed during the Plan Year or employment status on the last day of the Plan Year (skip to Question 29).
- b. ☐ **Allocation conditions apply** (select one of 1. - 5. AND one of 6. - 9. below)
- Conditions for Participants NOT employed on the last day of the Plan Year.**
1. ☐ A Participant must complete more than _____ Hours of Service (or _____ months of service if the elapsed time method is selected).
2. ☐ A Participant must complete a Year of Service (or Period of Service if the elapsed time method is selected).
3. ☐ Participants will NOT share in the allocations, regardless of service.
4. ☐ Participants will share in the allocations, regardless of service.
5. ☐ Other: _____ (must be definitely determinable)
- Conditions for Participants employed on the last day of the Plan Year**
6. ☐ No service requirement.
7. ☐ A Participant must complete a Year of Service (or Period of Service if the elapsed time method is selected).
8. ☐ A Participant must complete at least _____ Hours of Service during the Plan Year.
9. ☐ Other: _____ (must be definitely determinable and not subject to Employer discretion)

Waiver of conditions for Participants NOT employed on the last day of the Plan Year. If b.1., 2., 3., or 5. is selected, Participants who are not employed on the last day of the Plan Year in which one of the following events occur will be eligible to share in the allocations regardless of the above conditions (select all that apply; leave blank if none apply):

- c. ☐ Death
- d. ☐ Total and Permanent Disability
- e. ☐ Termination of employment on or after Normal Retirement Age
1. ☐ or Early Retirement Date

Conditions based on period other than Plan Year. The allocation conditions above will be applied based on the Plan Year unless otherwise selected below. If selected, the above provisions will be applied by substituting the term Plan Year with the specified period (e.g., if Plan Year quarter is selected below and the allocation condition is 250 Hours of Service per quarter, enter 250 hours (not 1000) at b.8. above).

- f. ☐ The Plan Year quarter.
- g. ☐ Payroll period.
- h. ☐ Other: _____ (must be definitely determinable and not subject to Employer discretion and may not be longer than a twelve month period).

29. FORFEITURES (Plan Sections 1.21 and 4.3(e))
- Timing of Forfeitures.** Except as provided in Plan Section 1.21, a Forfeiture will occur:
- a. ☒ N/A (may only be selected if all contributions are fully Vested (default provisions at Plan Section 4.3(e) apply))
- b. ☐ As of the earlier of (1) the last day of the Plan Year in which the former Participant incurs five (5) consecutive 1-Year Breaks in Service, or (2) the distribution of the entire Vested portion of the Participant's Account.
- c. ☐ As of the last day of the Plan Year in which the former Participant incurs five (5) consecutive 1-Year Breaks in Service.
- d. ☐ As soon as reasonably practical after the date the Participant severs employment.

Use of Forfeitures. (skip if this is NOT a Money Purchase Pension Plan; for Profit Sharing Plans, Forfeitures are disposed of in accordance with Employer direction that is consistent with Section 4.3(e)).

Forfeitures will be (select one):

- e. ☐ added to the Employer contribution and allocated in the same manner
- f. ☐ used to reduce any Employer contribution
- g. ☐ allocated to all Participants eligible to share in the allocations of Employer contributions or Forfeitures in the same proportion that each Participant's Compensation for the Plan Year bears to the Compensation of all Participants for such year
- h. ☐ other: _____ (describe the treatment of Forfeitures in a manner that is definitely determinable and that is not subject to Employer discretion)

Non-Standardized Governmental 401(a)

30. MANDATORY EMPLOYEE CONTRIBUTIONS (Plan Section 4.8) (skip if mandatory Employee contributions NOT selected at Question 11.d.)

Type of mandatory Employee Contribution. The mandatory Employee contribution is being made in accordance with the following: (select one)

- a. ☐ The mandatory Employee contribution is a condition of employment.
 b. ☒ The Employee must make, on or before first being eligible to participate under any Plan of the Employer, an irrevocable election to contribute the mandatory Employee contribution to the Plan. No Eligible Employee will become a Participant unless the Employee makes such an irrevocable election.

Amount of mandatory Employee Contribution (select one)

- c. ☐ An Eligible Employee must contribute to the Plan _____% (not to exceed 25%) of Compensation.
 d. ☐ An Eligible Employee must, prior to his or her first Entry Date, make a one-time irrevocable election to contribute to the Plan from _____% (not less than 1%) to _____% (not to exceed 25%) of Compensation.

Conditions of Mandatory Employee Contributions

- e. ☒ **Additional provisions and conditions:** The Plan provides for two tiers of contributions: Regular and Additional. Within each tier, the Plan provides for mandatory Employee contributions (which are referred to as "pick-up contributions"). For purposes of Regular pick-up contributions, the amount that will be contributed to the Plan as a Regular Employer pick-up contribution is either 0% or a percentage from 1% up to 20%, in one percent (1%) increments, of Plan Compensation (as the term Plan Compensation is defined for purposes of Regular pick-up contributions), as designated by the Participant. For purposes of Additional pick-up contributions, the amount that will be contributed to the Plan as an Additional pick-up Contribution is either 0% or a percentage from 1% up to 80%, in one percent (1%) increments, of Plan Compensation (as the term Plan Compensation is defined for purposes of Additional pick-up contributions), as designated by the Participant. (must be definitely determinable; e.g., Only full-time Employees must make mandatory Employee contributions)

Employer pick-up contribution. The mandatory Employee contribution is "picked-up" by the Employer under Code §414(h)(2) unless elected below. (select if applicable)

- f. ☐ The mandatory Employee contribution is not "picked-up" by the Employer.

DISTRIBUTIONS

31. FORM OF DISTRIBUTIONS (Plan Sections 6.5 and 6.6)

Distributions under the Plan may be made in (select all that apply; must select at least one):

- a. ☒ lump-sums
 b. ☒ substantially equal installments
 c. ☒ partial withdrawals, provided the minimum withdrawal is \$ _____ (leave blank if no minimum)
 d. ☐ partial withdrawals or installments are only permitted for Participants or Beneficiaries who must receive required minimum distributions under Code §401(a)(9) except for the following (leave blank if no exceptions):
 1. ☐ Only Participants (and not Beneficiaries) may elect partial withdrawals or installments
 2. ☐ Other: _____ (e.g., partial is not permitted for death benefits. Must be definitely determinable and not subject to Employer discretion.)
 e. ☒ annuity: An annuity based on the life of the Participant or upon the joint lives of the Participant and designated Beneficiary based on the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and a designated Beneficiary. One of the available forms of annuity is a "qualified optional survivor annuity," which is an annuity that provides monthly payments to the Participant for the Participant's life, with monthly payments continuing to the Participant's surviving spouse (to whom the Participant was married on the Participant's Annuity Starting Date) equal to 75% of the amount payable during the Participant's lifetime, and that is the actuarial equivalent of a single life annuity for the life of the Participant. (describe the form of annuity or annuities)
 f. ☒ other: A participant may elect distribution in more than one form of payment. (must be definitely determinable and not subject to Employer discretion)

NOTE: Regardless of the above, a Participant is not required to request a withdrawal of his or her total Account for an in-service distribution, a hardship distribution, or a distribution from the Participant's Rollover Account.

Cash or property. Distributions may be made in:

- g. ☒ cash only, except for (select all that apply; leave blank if none apply):
 1. ☐ insurance Contracts
 2. ☒ annuity Contracts
 3. ☐ Participant loans
 4. ☒ all investments in an open brokerage window or similar arrangement
 h. ☐ cash or property, except that the following limitation(s) apply: (leave blank if there are no limitations on property distributions):
 1. ☐ _____ (must be definitely determinable and not subject to Employer discretion)

Non-Standardized Governmental 401(a)

Joint and Survivor Annuity provisions. (Plan Sections 6.5(e) and 6.6(e) (select one) The Joint and Survivor Annuity provisions do not apply to the Plan unless selected below (choose if applicable)

- i. ☐ **Joint and Survivor Annuity applicable as normal form of distribution.** The Joint and Survivor annuity rules set forth in Plan Sections 6.5(e) and 6.5(f) apply to all Participants (if selected, then annuities are a form of distribution under the Plan even if e. above is not selected)
- j. ☒ **Joint and Survivor Annuity rules apply based on Participant election.** Plan Section 6.5(f) will apply and the joint and survivor rules of Code §§401(a)(11) and 417 (as set forth in Plan Sections 6.5(e) and 6.6(e) will apply only if an annuity form of distribution is selected by a Participant.

AND, if i. or j. is selected above, the one-year marriage rule does not apply unless selected below (choose if applicable).

- 1. ☐ The one-year marriage rule applies.

Spousal consent requirements. Spousal consent is not required for any Plan provisions (except as otherwise elected in i. above for the joint and survivor annuity rules) unless selected below (choose if applicable)

- k. ☐ **Required for all distributions.** A Spouse must consent to all distributions (other than required minimum distributions).
- l. ☐ **Beneficiary designations.** A married Participant's Spouse will be the Beneficiary of the entire death benefit unless the Spouse consents to an alternate Beneficiary.

AND, if k. or l. is selected, the one-year marriage rule does not apply unless selected below (choose if applicable).

- 1. ☐ The one-year marriage rule applies.

32. **CONDITIONS FOR DISTRIBUTIONS UPON SEVERANCE OF EMPLOYMENT.** Distributions upon severance of employment pursuant to Plan Section 6.4(a) will not be made unless the following conditions have been satisfied:

A. Accounts in excess of \$5,000

- a. ☒ Distributions may be made as soon as administratively feasible following severance of employment.
- b. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.
- c. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year quarter coincident with or next following severance of employment.
- d. ☐ Distributions may be made as soon as administratively feasible after the Valuation Date coincident with or next following severance of employment.
- e. ☐ Distributions may be made as soon as administratively feasible after _____ months have elapsed following severance of employment.
- f. ☐ No distributions may be made until a Participant has reached Early or Normal Retirement Date.
- g. ☐ Other: _____ (must be objective conditions which are ascertainable and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 6.7)

B. Accounts of \$5,000 or less

- h. ☐ Same as above
- i. ☒ Distributions may be made as soon as administratively feasible following severance of employment.
- j. ☐ Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.
- k. ☐ Other: _____ (must be objective conditions which are ascertainable and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 6.7)

- C. Timing after initial distributable event.** If a distribution is not made in accordance with the above provisions upon the occurrence of the distributable event, then a Participant may elect a subsequent distribution at any time after the time the amount was first distributable (assuming the amount is still distributable), unless otherwise selected below (may not be selected with 32.f and 32.h.):

- l. ☐ Other: _____ (e.g., a subsequent distribution request may only be made in accordance with l. above (i.e., the last day of another Plan Year); must be objective conditions which are ascertainable and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 6.7)

- D. Participant consent (i.e., involuntary cash-outs).** Should Vested Account balances less than a certain dollar threshold be automatically distributed without Participant consent (mandatory distributions)?

NOTE: The Plan provides that distributions of amounts of \$5,000 or less are only paid as lump-sums.

- m. ☐ No, Participant consent is required for all distributions.
- n. ☒ Yes, Participant consent is required only if the distribution is over:
 - 1. ☒ \$5,000
 - 2. ☐ \$1,000
 - 3. ☐ \$_____ (less than \$1,000)

NOTE: If 2. or 3. is selected, rollovers will be included in determining the threshold for Participant consent.

Non-Standardized Governmental 401(a)

Automatic IRA rollover. With respect to mandatory distributions of amounts that are \$1,000 or less, if a Participant makes no election, the amount will be distributed as a lump-sum unless selected below.

4. ☒ If a Participant makes no election, then the amount will be automatically rolled over to an IRA provided the amount is at least \$ 1000 (e.g., \$200).

- E. **Rollovers in determination of \$5,000 threshold.** Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be **included** in determining the \$5,000 threshold for timing of distributions, form of distributions, or consent rules.
- o. ☒ Exclude rollovers (rollover contributions will be **excluded** in determining the \$5,000 threshold)

NOTE: Regardless of the above election, if the Participant consent threshold is \$1,000 or less, then the Administrator must include amounts attributable to rollovers for such purpose. In such case, an election to exclude rollovers above will apply for purposes of the timing and form of distributions.

33. **DISTRIBUTIONS UPON DEATH** (Plan Section 6.8(b)(2))

Distributions upon the death of a Participant prior to the "required beginning date" will:

- a. ☒ be made pursuant to the election of the Participant or "designated Beneficiary"
- b. ☐ begin within 1 year of death for a "designated Beneficiary" and be payable over the life (or over a period not exceeding the "life expectancy") of such Beneficiary, except that if the "designated Beneficiary" is the Participant's Spouse, begin prior to December 31st of the year in which the Participant would have attained age 70 1/2
- c. ☐ be made within 5 (or if lesser _____) years of death for all Beneficiaries
- d. ☐ be made within 5 (or if lesser _____) years of death for all Beneficiaries, except that if the "designated Beneficiary" is the Participant's Spouse, begin prior to December 31st of the year in which the Participant would have attained age 70 1/2 and be payable over the life (or over a period not exceeding the "life expectancy") of such "surviving Spouse"

NOTE: The elections above must be coordinated with the Form of distributions (e.g., if the Plan only permits lump-sum distributions, then options a., b. and d. would not be applicable).

34. **OTHER PERMITTED DISTRIBUTIONS** (select all that apply; leave blank if none apply)

A. **IN-SERVICE DISTRIBUTIONS** (Plan Section 6.11)

In-service distributions will NOT be allowed (except as otherwise permitted under the Plan without regard to this provision) unless selected below (if applicable, answer a. - e.; leave blank if not applicable):

- a. ☒ In-service distributions may be made to a Participant who has not separated from service provided the following has been satisfied (select one or more) (options 2. - 5. may only be selected with Profit Sharing Plans):
1. ☒ Age. The Participant has reached: (select one)
 - a. ☐ Normal Retirement Age
 - b. ☐ age 62
 - c. ☒ age 59 1/2 (may not be selected if a Money Purchase Pension Plan)
 - d. ☐ age _____ (may not be less than age 62 for Money Purchase Pension Plans)
 2. ☐ the Participant has been a Participant in the Plan for at least _____ years (may not be less than five (5))
 3. ☐ the amounts being distributed have accumulated in the Plan for at least 2 years
 4. ☒ other: As to all contributions, upon a Participant experiencing a Total and Permanent Disability. (must satisfy the definitely determinable requirement under Regulations §401 -1(b); may not be subject to Employer discretion; and must be limited to a combination of items a.1. - a.3. or a Participant's disability.)

More than one condition. If more than one condition is selected above, then a Participant only needs to satisfy one of the conditions, unless selected below:

5. ☐ A Participant must satisfy each condition

NOTE: Distributions from a Transfer Account attributable to a Money Purchase Pension Plan are not permitted prior to age 62.

Account restrictions. In-service distributions are permitted from the following Participant Accounts:

- b. ☐ all Accounts
- c. ☒ only from the following Accounts (select one or more):
1. ☐ Account attributable to Employer matching contributions
 2. ☒ Account attributable to Employer contributions other than matching contributions
 3. ☒ Rollover Account
 4. ☐ Transfer Account
- Permitted from the following assets attributable to (select one or both):
- a. ☐ non-pension assets
 - b. ☐ pension assets (e.g., from a Money Purchase Pension Plan)
5. ☒ Mandatory Employee Contribution Account
6. ☐ Other: _____ (specify Account(s) and conditions in a manner that satisfies the definitely determinable requirement under Regulation §1.401 -1(b) and is not subject to Employer discretion)

Non-Standardized Governmental 401(a)

Limitations. The following limitations apply to in-service distributions:

- d. ☐ N/A (no additional limitations)
- e. ☒ Additional limitations (select one or more):
1. ☐ The minimum amount of a distribution is \$_____.
 2. ☐ No more than _____ distribution(s) may be made to a Participant during a Plan Year.
 3. ☐ Distributions may only be made from Accounts which are fully Vested.
 4. ☒ In-service distributions may be made subject to the following provisions: Except to the extent that other provisions of the Plan permit in-service distributions, if a Participant is reemployed, no further distribution will be made until subsequent termination and prior form of payment election will be null and void (must satisfy the definitely determinable requirement under Regulation § 1.401-1(b) and not be subject to Employer discretion).

- B. **HARDSHIP DISTRIBUTIONS** (Plan Sections 6.12) (may not be selected if this is a Money Purchase Pension Plan)
Hardship distributions will NOT be allowed (except as otherwise permitted under the Plan without regard to this provision) unless selected below (leave blank if not applicable):

- f. ☒ Hardship distributions are permitted from the following Participant Accounts:
1. ☐ all Accounts
 2. ☒ only from the following Accounts (select one or more):
 - a. ☐ Account attributable to Employer matching contributions
 - b. ☒ Account attributable to Employer contributions other than matching contributions
 - c. ☒ Rollover Account (if not available at any time under Question 36)
 - d. ☐ Transfer Account (other than amounts attributable to a money purchase pension plan)
 - e. ☒ Mandatory Employee Contribution Account
 - f. ☐ Other: _____ (specify Account(s) and conditions in a manner that is definitely determinable and not subject to Employer discretion)

NOTE: Hardship distributions are NOT permitted from a Transfer Account attributable to pension assets (e.g., from a Money Purchase Pension Plan).

Additional limitations. The following limitations apply to hardship distributions:

3. ☒ N/A (no additional limitations)
4. ☐ Additional limitations (select one or more):
- a. ☐ The minimum amount of a distribution is \$_____.
 - b. ☐ No more than _____ distribution(s) may be made to a Participant during a Plan Year.
 - c. ☐ Distributions may only be made from Accounts which are fully Vested.
 - d. ☐ A Participant does not include a Former Employee at the time of the hardship distribution.
 - e. ☐ Hardship distributions may be made subject to the following provisions: _____ (must satisfy the definitely determinable requirement under Regulation § 1.401-1(b) and not be subject to Employer discretion).

Beneficiary Hardship. Hardship distributions for Beneficiary expenses are NOT allowed unless otherwise selected below.

5. ☒ Hardship distributions for expenses of Beneficiaries are allowed
Special effective date (may be left blank if effective date is same as the Plan or Restatement Effective Date; select a. and, if applicable, b.)
- a. ☐ effective as of _____
 - b. ☐ eliminated effective as of _____

MISCELLANEOUS

35. **LOANS TO PARTICIPANTS** (Plan Section 7.4)

- a. ☐ New loans are NOT permitted.
- b. ☒ New loans are permitted.

NOTE: Regardless of whether new loans are permitted, if the Plan permits rollovers and/or plan-to-plan transfers, then the Administrator may, in a uniform manner, accept rollovers and/or plan-to-plan transfers of loans into this Plan.

36. **ROLLOVERS** (Plan Section 4.6) (skip if rollover contributions are NOT selected at 11.f.)

Eligibility. Rollovers may be accepted from all Participants who are Employees as well as the following (select all that apply; leave blank if not applicable):

- a. ☐ Any Eligible Employee, even prior to meeting eligibility conditions to be a Participant
- b. ☐ Participants who are Former Employees

Distributions. When may distributions be made from a Participant's Rollover Account?

- c. ☒ At any time
- d. ☐ Only when the Participant is otherwise entitled to any distribution under the Plan

Non-Standardized Governmental 401(a)

37. **HEART ACT** (Plan Section 4.11) (select one or more)
- a. ☐ **HEART ACT Continued benefit accruals.** Continued benefit accruals will apply
 - b. ☒ **Distributions for deemed severance of employment.** The Plan permits distributions for deemed severance of employment.

Non-Standardized Governmental 401(a)

Reliance on Provider Opinion Letter. The Provider has obtained from the IRS an Opinion Letter specifying the form of this document satisfies Code §401 as of the date of the Opinion Letter. An adopting Employer may rely on the Provider's IRS Opinion Letter *only* to the extent provided in Rev. Proc. 2017-41 or subsequent guidance. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the Opinion Letter and in Rev. Proc. 2017-41 or subsequent guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, the Employer must apply for a determination letter to Employee Plans Determinations of the IRS.

An Employer who has ever maintained or who later adopts an individual medical account, as defined in Code §415(l)(2)) in addition to this Plan may not rely on the opinion letter issued by the Internal Revenue Service with respect to the requirements of Code §415.

This Adoption Agreement may be used only in conjunction with the basic Plan document #02. This Adoption Agreement and the basic Plan document will together be known as Great-West Trust Company, LLC Non-Standardized Governmental 401(a) Pre-Approved Plan #001.

The adoption of this Plan, its qualification by the IRS, and the related tax consequences are the responsibility of the Employer and its independent tax and legal advisors.

Execution for Page Substitution Amendment Only. If this paragraph is completed, this Execution Page documents an amendment to Adoption Agreement Election(s) _____ effective _____, by substitute Adoption Agreement page number(s) _____. The Employer should retain all Adoption Agreement Execution Pages and amended pages. (*Note: The Effective Date may be retroactive or may be prospective.*)

The Provider, Great-West Trust Company, LLC will notify the Employer of any amendment to this Pre-approved Plan or of any abandonment or discontinuance by the Provider of its maintenance of this Pre-approved Plan. In addition, this Plan is provided to the Employer either in connection with investment in a product or pursuant to a contract or other arrangement for products and/or services. Upon cessation of such investment in a product or cessation of such contract or arrangement, as applicable, the Employer is no longer considered to be an adopter of this Plan and Great-West Trust Company, LLC no longer has any obligations to the Employer that relate to the adoption of this Plan. For inquiries regarding the adoption of the Pre-approved Plan, the Provider's intended meaning of any Plan provisions or the effect of the Opinion Letter issued to the Provider, please contact the Provider or the Provider's representative.

Provider Name: Great-West Trust Company, LLC

Address: 8515 East Orchard Road

Greenwood Village

Colorado

80111

Telephone Number: (877) 694-4015

Email address (optional): _____

The Employer, by executing below, hereby adopts this Plan (add additional signature lines as needed). NOTE: If more than one Plan type is adopted, the Plan Provider must provide multiple plan documents for Employer signature.

EMPLOYER: JEA

By: _____

Jay Stowe, Managing Director and Chief Executive Officer

DATE SIGNED

APPENDIX A
SPECIAL EFFECTIVE DATES AND OTHER PERMITTED ELECTIONS

A. Special effective dates (leave blank if not applicable):

- a. ☐ **Special effective date(s):** _____. For periods prior to the specified special effective date(s), the Plan terms in effect prior to its restatement under this Adoption Agreement will control for purposes of the designated provisions. A special effective date may not result in the delay of a Plan provision beyond the permissible effective date under any applicable law. (The Employer has reliance on the IRS Opinion Letter only if the features described in the preceding sentence constitute protected benefits within the meaning of Code Section 411(d)(6) and the regulations thereunder, and only if such features are permissible in a "Cycle 3" preapproved plan, i.e., the features are not specifically prohibited by Revenue Procedure 2017-41 (or any superseding guidance))

B. Other permitted elections (the following elections are optional):

- a. ☐ **No other permitted elections**

The following elections apply (select one or more):

- b. ☒ **Deemed 125 compensation** (Plan Section 1.23). Deemed 125 compensation will be included in Compensation and 415 Compensation.
- c. ☐ **Break-in-Service Rules.** The following Break-in-Service rules apply to the Plan. (select 1. or 2.)
1. ☐ **Reemployed after five (5) 1-Year Breaks in Service ("rule of parity" provisions)** (Plan Section 3.5(e)). The "rule of parity" provisions in Plan Section 3.5(d) will apply for (select one or both):
- a. ☐ eligibility purposes
- b. ☐ vesting purposes
2. ☐ **Break-in-Service rules for rehired Employees.** The following Break-in-Service rules set forth in Plan Sections 3.2 and 3.5 apply: (select one or both)
- a. ☐ all Break-in-Service rules set forth in such Sections.
- b. ☐ only the following: _____ (specify which provisions apply to the Plan)
- d. ☒ **Beneficiary if no beneficiary elected by Participant** (Plan Section 6.2(f)). In the event no valid designation of Beneficiary exists, then in lieu of the order set forth in Plan Section 6.2(f), the following order of priority will be used: The default beneficiary is the Participant's surviving Spouse, or if the Participant was not married at the time of death, the Participant's estate (specify an order of beneficiaries; e.g., children per stirpes, parents, and then step-children).
- e. ☐ **Joint and Survivor Annuity/Pre-Retirement Survivor Annuity.** If the Plan applies the Joint and Survivor Annuity rules, then the normal form of annuity will be a joint and 50% survivor annuity (i.e., if 31.i. or 31.j. is selected) and the Pre-Retirement Survivor Annuity will be equal to 50% of a Participant's interest in the Plan unless selected below (select 1. and/or 2.)
1. ☐ **Normal form of annuity.** Instead of a joint and 50% survivor annuity, the normal form of the qualified Joint and Survivor Annuity will be: (select one)
- a. ☐ joint and 100% survivor annuity
- b. ☐ joint and 75% survivor annuity
- c. ☐ joint and 66 2/3% survivor annuity
2. ☐ **Pre-Retirement Survivor Annuity.** The Pre-Retirement Survivor Annuity (minimum Spouse's death benefit) will be equal to 50% of a Participant's interest in the Plan unless a different percentage is selected below: (select one)
- a. ☐ 100% of a Participant's interest in the Plan.
- b. ☐ _____% (may not be less than 50%) of a Participant's interest in the Plan.
- f. ☐ **Limitation Year** (Plan Section 1.30). The Limitation Year for Code §415 purposes will be _____ (must be a consecutive twelve month period) instead of the "determination period" for Compensation.
- g. ☐ **415 Limits when 2 defined contribution plans are maintained** (Plan Section 4.4). If any Participant is covered under another qualified defined contribution plan maintained by the Employer or an Affiliated Employer, or if the Employer or an Affiliated Employer maintains a welfare benefit fund, as defined in Code §419(e), or an individual medical account, as defined in Code §415(l)(2), under which amounts are treated as "annual additions" with respect to any Participant in this Plan, then the provisions of Plan Section 4.4(b) will apply unless otherwise specified below:
1. ☐ Specify, in a manner that precludes Employer discretion, the method under which the plans will limit total "annual additions" to the "maximum permissible amount" and will properly reduce any "excess amounts": _____
- h. ☐ **Recognition of Service with other employers** (Plan Sections 1.40 and 1.55). Service with the following employers (in addition to those specified at Question 15) will be recognized as follows (select one or more):

	Eligibility	Vesting	Contribution Allocation
1. <input type="checkbox"/> Employer name: _____	a. <input type="checkbox"/>	b. <input type="checkbox"/>	c. <input type="checkbox"/>
2. <input type="checkbox"/> Employer name: _____	a. <input type="checkbox"/>	b. <input type="checkbox"/>	c. <input type="checkbox"/>

3. ☐ Employer name: _____ a. ☐ b. ☐ c. ☐
4. ☐ Employer name: _____ a. ☐ b. ☐ c. ☐
5. ☐ Employer name: _____ a. ☐ b. ☐ c. ☐
6. ☐ Employer name: _____ a. ☐ b. ☐ c. ☐

Limitations

7. ☐ The following provisions or limitations apply with respect to the recognition of prior service: _____ a. ☐ b. ☐ c. ☐
(e.g., credit service with X only on/after 1/1/19)
- i. ☒ **Other vesting provisions.** The following vesting provisions apply to the Plan (select one or more):
1. ☒ **Special vesting provisions.** The following special provisions apply to the vesting provisions of the Plan: Notwithstanding any other provisions of the Plan to the contrary, all Plan benefits are subject to section 112.3173, Florida Statutes, titled "Felonies involving breach of public trust and other specified offenses by public officers and employees; forfeiture of retirement benefits". (must be definitely determinable and satisfy the parameters set forth at Question 17)
 2. ☐ **Pre-amendment vesting schedule.** (Plan Section 6.4(b)). If the vesting schedule has been amended and a different vesting schedule other than the schedule at Question 17 applies to any Participants, then the following provisions apply (must select one of a. – d.):

Applicable Participants. The vesting schedules in Question 17 only apply to:
 a. ☐ Participants who are Employees as of _____ (enter date).
 b. ☐ Participants in the Plan who have an Hour of Service on or after _____ (enter date).
 c. ☐ Participants (even if not an Employee) in the Plan on or after _____ (enter date).
 d. ☐ Other: _____ (e.g., Participants in division A. Must be definitely determinable.)
- j. ☐ **Minimum distribution transitional rules** (Plan Section 6.8(e)(5))
- NOTE:** This Section does not apply to (1) a new Plan, (2) an amendment or restatement of an existing Plan that never contained the provisions of Code §401(a)(9) as in effect prior to the amendments made by the Small Business Job Protection Act of 1996 (SBJPA), or (3) a Plan where the transition rules below do not affect any current Participants.
- The "required beginning date" for a Participant is:
1. ☐ April 1st of the calendar year following the year in which the Participant attains age 70 1/2. (pre-SBJPA rules continue to apply)
 2. ☐ April 1st of the calendar year following the later of the year in which the Participant attains age 70 1/2 or retires (the post-SBJPA rules), with the following exceptions (select one or both; leave blank if both applied effective as of January 1, 1996):
 - a. ☐ A Participant who was already receiving required minimum distributions under the pre-SBJPA rules as of _____ (may not be earlier than January 1, 1996) was allowed to stop receiving distributions and have them recommence in accordance with the post-SBJPA rules. Upon the recommencement of distributions, if the Plan permits annuities as a form of distribution then the following apply:
 1. ☐ N/A (annuity distributions are not permitted)
 2. ☐ Upon the recommencement of distributions, the original Annuity Starting Date will be retained.
 3. ☐ Upon the recommencement of distributions, a new Annuity Starting Date is created.
 - b. ☐ A Participant who had not begun receiving required minimum distributions as of _____ (may not be earlier than January 1, 1996) may elect to defer commencement of distributions until retirement. The option to defer the commencement of distributions (i.e., to elect to receive in-service distributions upon attainment of age 70 1/2) applies to all such Participants unless selected below:
 1. ☐ The in-service distribution option was eliminated with respect to Participants who attained age 70 1/2 in or after the calendar year that began after the later of (1) December 31, 1998, or (2) the adoption date of the restatement to bring the Plan into compliance with the SBJPA.
- k. ☐ **Other spousal provisions** (select one or more)
1. ☐ **Definition of Spouse.** The term Spouse includes a spouse under federal law as well as the following: _____
 2. ☐ **Automatic revocation of spousal designation** (Plan Section 6.2(g)). The automatic revocation of a spousal Beneficiary designation in the case of divorce does not apply.
 3. ☐ **Timing of QDRO payment.** A distribution to an Alternate Payee shall not be permitted prior to the time a Participant would be entitled to a distribution.

- l. ☐ **Applicable law.** Instead of using the applicable laws set forth in Plan Section 9.4(a), the Plan will be governed by the laws of: _____
- m. ☒ **Total and Permanent Disability.** Instead of the definition at Plan Section 1.50, Total and Permanent Disability means: the Participant has been determined to be disabled under one or both of the following: (i) Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits, and/or (ii) the Employer's long-term disability insurance plan (must be definitely determinable).
- n. ☐ **Inclusion of Reclassified Employees** (Plan Section 1.17(a)). The Employer does not exclude Reclassified Employees subject to the following provisions: (leave blank if not applicable): _____
- o. ☐ **Claims procedures** (Plan Section 2.10). The claims procedures forth in Plan Section 2.10(a) – (b) apply unless otherwise elected below or unless the Administrator has operationally adopted alternative procedures.
 1. ☐ The claims procedures set forth in Plan Section 2.10(c) – (g) apply instead of Plan Section 2.10(a).
 2. ☐ The claims procedures set forth in Plan Section 2.10(c)-(g) apply as follows: _____
(specify which provisions apply and/or modified)
- p. ☒ **Age 62 In-Service Distributions For Transferred Money Purchase Assets** (Plan Section 6.11)
In-service distributions will be allowed for Participants at age 62. (applies only for Transfer Accounts from a Money Purchase Pension Plan) (skip this question if the Plan is a Money Purchase Pension Plan or if in-service distributions are already permitted for Transferred Accounts at Question 34)
Limitations. The following limitations apply to these in-service distributions:
 1. ☒ The Plan already provides for in-service distributions and the restrictions set forth in the Plan (e.g., minimum amount of distributions or frequency of distributions) are applicable to in-service distributions at age 62.
 2. ☐ N/A (no limitations)
 3. ☐ The following elections apply to in-service distributions at age 62 (select one or more):
 - a. ☐ The minimum amount of a distribution is \$ _____ (may not exceed \$1,000).
 - b. ☐ No more than _____ distribution(s) may be made to a Participant during a Plan Year.
 - c. ☐ Distributions may only be made from Accounts which are fully Vested.
 - d. ☐ In-service distributions may be made subject to the following provisions: _____ (must be definitely determinable and not subject to discretion).
- q. ☐ **QLACs.** (Plan Section 6.8(e)(4)) A Participant may elect a QLAC (as defined in Plan Section 6.8(e)(4)) or any alternative form of annuity permitted pursuant to a QLAC in which the Participant's Account has been invested.

Non-Standardized Governmental 401(a)

ADMINISTRATIVE PROCEDURES

The following are optional administrative provisions. The Administrator may implement procedures that override any elections in this Section without a formal Plan amendment. In addition, modifications to these procedures will not affect an Employer's reliance on the Plan.

A. **Loan Limitations.** (complete only if loans to Participants are permitted; leave blank if none apply)

- a. ☒ Limitations (select one or more):
1. ☒ Loans will be treated as Participant directed investments.
 2. ☐ Loans will only be made for hardship or financial necessity as specified below (select a. or b.)
 - a. ☐ hardship reasons specified in Plan Section 6.12
 - b. ☐ financial necessity (as defined in the loan program).
 3. ☒ The minimum loan will be \$ 1,000.
 4. ☒ A Participant may only have 1 (e.g., one (1)) loan(s) outstanding at any time.
 5. ☒ All outstanding loan balances will become due and payable in their entirety upon the occurrence of a distributable event (other than satisfaction of the conditions for an in-service distribution (including a hardship distribution), if applicable).
 6. ☒ The home loan term will be 15 years. (if not selected, the Administrator establishes the term for repayment of a home loan)
 7. ☐ **Account restrictions.** Loans will only be permitted from the following Participant Accounts (select all that apply or leave blank if no limitations apply):
 - a. ☐ Account(s) attributable to Employer matching contributions
 - b. ☐ Account attributable to Employer contributions other than matching contributions
 - c. ☐ Rollover Account
 - d. ☐ Transfer Account
 - e. ☐ Other: _____

AND, if loans are restricted to certain accounts, the limitations of Code §72(p) will be applied:

 - f. ☐ by determining the limits by only considering the restricted accounts.
 - g. ☐ by determining the limits taking into account a Participant's entire interest in the Plan.

Additional Loan Provisions (select all that apply; leave blank if none apply)

- b. ☐ **Loan payments.** Loans are repaid by (if left blank, then payroll deduction applies unless Participant is not subject to payroll (e.g., partner who only has a draw)):
1. ☐ payroll deduction
 2. ☐ ACH (Automated Clearing House)
 3. ☐ check
 - a. ☐ Only for prepayment
- c. ☒ **Interest rate.** Loans will be granted at the following interest rate (if left blank, then 3. below applies):
1. ☒ 2 percentage points over the prime interest rate
 2. ☐ _____%
 3. ☐ the Administrator establishes the rate at the time the loan is made
- d. ☒ **Refinancing.** Loan refinancing is allowed.

B. **Life Insurance.** (Plan Section 7.5)

- a. ☒ Life insurance may not be purchased.
- b. ☐ Life insurance may be purchased...
1. ☐ at the option of the Administrator
 2. ☐ at the option of the Participant

Limitations

3. ☐ N/A (no limitations)
4. ☐ The purchase of initial or additional life insurance will be subject to the following limitations (select one or more):
 - a. ☐ Each initial Contract will have a minimum face amount of \$ ____.
 - b. ☐ Each additional Contract will have a minimum face amount of \$ ____.
 - c. ☐ The Participant has completed ____ Years (or Periods) of Service.
 - d. ☐ The Participant has completed ____ Years (or Periods) of Service while a Participant in the Plan.
 - e. ☐ The Participant is under age ____ on the Contract issue date.
 - f. ☐ The maximum amount of all Contracts on behalf of a Participant may not exceed \$ ____.
 - g. ☐ The maximum face amount of any life insurance Contract will be \$ ____.

C. **Plan Expenses.** Will the Plan assess against an individual Participant's Account certain Plan expenses that are incurred by, or are attributable to, a particular Participant based on use of a particular Plan service?

- a. ☐ No
- b. ☒ Yes

Non-Standardized Governmental 401(a)**Use of Forfeitures**

Forfeitures of Employer contributions other than matching contributions will be:

- c. ☐ added to the Employer contribution and allocated in the same manner
- d. ☐ used to reduce any Employer contribution
- e. ☐ allocated to all Participants eligible to share in the allocations of Employer contributions or Forfeitures in the same proportion that each Participant's Compensation for the Plan Year bears to the Compensation of all Participants for such year
- f. ☐ other: _____ (describe the treatment of Forfeitures in a manner that is definitely determinable and not subject to Employer discretion)

Forfeitures of Employer matching contributions will be:

- g. ☐ N/A. Same as above or no Employer matching contributions.
- h. ☐ used to reduce the Employer matching contribution.
- i. ☐ used to reduce any Employer contribution.
- j. ☐ other: _____ (describe the treatment of Forfeitures in a manner that is definitely determinable and not subject to Employer discretion)

D. Directed investments

- a. ☐ Participant directed investments are NOT permitted.
- b. ☒ Participant directed investments are permitted from the following Participant Accounts:
 - 1. ☐ all Accounts
 - 2. ☒ only from the following Accounts (select one or more):
 - a. ☐ Account attributable to Employer contributions
 - b. ☐ Rollover Account
 - c. ☐ Transfer Account
 - d. ☒ Other: Participant directed investments are permitted from all Participant Accounts subject to the following: Participant direction of investment is limited to specific investment options, which options are determined by the Employer or its designee (e.g., Investment Committee). The Participant's investment direction must specify the percentage, in one percent (1%) increments, of the Participant's Account to be invested in one or more of the available investment options, with the sum of such percentages equaling 100%. A Participant may, subject to applicable trading restrictions, transfer a specific dollar amount of the Participant's Account from any of the available investment options to any other of the available investment options. Participant direction of investment is subject to administrative procedures specified by the Employer or its designee (e.g., Investment Committee). (specify Account(s) and conditions in a manner that is definitely determinable and not subject to Employer discretion)

E. Rollover Limitations. Will the Plan accept rollover contributions and/or direct rollovers from the sources specified below?

- a. ☒ No, Administrator determines in operation which sources will be accepted.
- b. ☐ Yes

Rollover sources. Indicate the sources of rollovers that will be accepted (select one or more)

- 1. ☐ **Direct Rollovers.** The Plan will accept a direct rollover of an eligible rollover distribution from (select one or more):
 - a. ☐ a qualified plan described in Code §401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), excluding after-tax employee contributions
 - b. ☐ a qualified plan described in Code §401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan), including after-tax employee contributions
 - c. ☐ a plan described in Code §403(a) (an annuity plan), excluding after-tax employee contributions
 - d. ☐ a plan described in Code §403(a) (an annuity plan), including after-tax employee contributions
 - e. ☐ a plan described in Code §403(b) (a tax-sheltered annuity), excluding after-tax employee contributions
 - f. ☐ a plan described in Code §403(b) (a tax-sheltered annuity), including after-tax employee contributions
 - g. ☐ a plan described in Code §457(b) (eligible deferred compensation plan)

Direct Rollovers of Participant Loan. The Plan will NOT accept a direct rollover of a Participant loan from another plan unless selected below (leave blank if default applies)

- h. ☐ The Plan will accept a direct rollover of a Participant loan
- i. ☐ The Plan will only accept a direct rollover of a Participant loan only in the following situation(s): _____ (e.g., only from Participants who were employees of an acquired organization).

- 2. ☐ **Participant Rollover Contributions from Other Plans (i.e., not via a direct plan-to-plan transfer).** The Plan will accept a contribution of an eligible rollover distribution (select one or more):
 - a. ☐ a qualified plan described in Code §401(a) (including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan and money purchase plan)
 - b. ☐ a plan described in Code §403(a) (an annuity plan)
 - c. ☐ a plan described in Code §403(b) (a tax-sheltered annuity)
 - d. ☐ a governmental plan described in Code §457(b) (eligible deferred compensation plan)

Non-Standardized Governmental 401(a)

3. ☐ **Participant Rollover Contributions from IRAs:** The Plan will accept a rollover contribution of the portion of a distribution from a traditional IRA that is eligible to be rolled over and would otherwise be includible in gross income. Rollovers from Roth IRAs or a Coverdell Education Savings Account (formerly known as an Education IRA) are not permitted because they are not traditional IRAs. A rollover from a SIMPLE IRA is allowed if the amounts are rolled over after the individual has been in the SIMPLE IRA for at least two years.

F. **Trustee(s) or Insurer(s).** Information regarding Trustee(s)/Insurer(s) (required for the Summary Plan Description and, if requested, the Trust Agreement)

(Note: Select a. if not using provided trust. MUST select b and following question s as applicable):

- a. ☐ Do not produce the trust agreement
 b. ☒ Complete the following UNLESS not selecting supporting forms:

Trustee/Insurer (select a. OR one or more of d. - e.)

- c. ☐ **Insurer.** This Plan is funded exclusively with Contracts (select one or more of 1. - 4.)

Name of Insurer(s)

1. ☐ _____
 2. ☐ _____
 3. ☐ Use Employer address/telephone number/email
 4. ☐ Use following address/telephone number/email
 a. Street: _____
 b. City: _____
 c. State: _____
 d. Zip: _____
 e. Telephone: _____
 f. Email: _____

- d. ☐ Individual Trustee(s)
 e. ☒ Corporate Trustee

Name of Trust

- f. Specify name of Trust (required for FIS trust): Great West Trust Company, LLC Trust for JEA 401(a) Defined Contribution Retirement Plan

Individual Trustees (if d. selected above, complete g. - j.)

Directed/Discretionary Trustees. The individual Trustee(s) executing this Adoption Agreement are (select g. or h.)

- g. ☐ Select for each individual Trustee (skip to next question)
 h. ☐ The following selections apply to all individual Trustee(s) (select 1. - 4. as applicable)
 1. ☐ A discretionary Trustee over all plan assets (may not be selected with 2. - 4.)
 2. ☐ A nondiscretionary (directed) Trustee over all plan assets (may not be selected with 1., 3. or 4.)
 3. ☐ The individual Trustee(s) will serve as a discretionary Trustee over the following assets: _____
 (may not be selected with 1. or 2.)
 4. ☐ The individual Trustee(s) will serve as a nondiscretionary (directed) Trustee over the following assets:
 _____ (may not be selected with 1. or 2.)

Individual Trustee(s) (complete if d. selected above)

- i. ☐ Individual Trustee(s) are (select one or more of a. - j.; enter address at j. below)
- a. **Name** _____
 Title/Email:
 1. Title _____
 2. Email _____ (optional)
 Trustee is: (complete if g. selected above; select 3. - 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. - 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be select with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- b. **Name** _____
 Title/Email:
 1. Title _____
 2. Email _____ (optional)
 Trustee is: (complete if g. selected above; select 3. - 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. - 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be select with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)

Non-Standardized Governmental 401(a)

- c. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. – 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- d. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- e. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- f. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- g. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)
- h. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)

Non-Standardized Governmental 401(a)

- i. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)

- j. **Name** _____
Title/Email:
 1. Title _____
 2. Email _____ (optional)
Trustee is: (complete if g. selected above; select 3. – 6. as applicable)
 3. ☐ Discretionary Trustee over all plan assets (may not be selected with 4. or 6.)
 4. ☐ A discretionary Trustee over the following plan assets: _____ (may not be selected with 3. or 5.)
 5. ☐ Nondiscretionary Trustee over all plan assets (may not be selected with 3., 4. or 6.)
 6. ☐ A nondiscretionary (directed) Trustee or Custodian over the following plan assets _____ (may not be selected with 3. or 5.)

j. ☐ **Individual Trustee Address** (complete if d. selected above)

1. ☐ Use Employer address/telephone number/email
 2. ☐ Use following address/telephone number/email
 a. Street: _____
 b. City: _____
 c. State: _____
 d. Zip: _____
 e. Telephone: _____
 f. Email: _____

Corporate Trustee Name/Type/Address (complete if e. selected above)

- k. ☒ **Name** Great-West Trust Company, LLC
Address/telephone number/email
 1. ☐ Use Employer address/telephone number/email
 2. ☒ Use following address/telephone number/email
 a. Street: 8525 East Orchard Road
 b. City: Greenwood Village
 c. State: Colorado
 d. Zip: 80111
 e. Telephone: (877) 694-4015
 f. Email: GWTrustCo@greatwest.com

Directed/Discretionary. The Corporate Trustee is (select 3. - 6. as applicable)

3. ☐ A discretionary Trustee over all plan assets (may not be selected with 4. – 6.)
 4. ☒ A nondiscretionary (directed) Trustee over all plan assets (may not be selected with 3., 5. or 6.)
 5. ☐ A discretionary Trustee over the following plan assets over the following assets: _____ (may not be selected with 3. – 4.)
 6. ☐ A nondiscretionary (directed) Trustee over the following plan assets _____ (may not be selected with 3. – 4.)

Signee (optional):

7. ☐ Name of person signing on behalf of the corporate Trustee _____
 8. ☐ Email address of person signing on behalf of the corporate Trustee _____

Special Trustee for collection of contributions. The Employer appoints the following Special Trustee with the responsibility to collect delinquent contributions (*optional*)

- l. ☐ **Name** _____
Title:
 1. _____
Address/telephone number/email
 2. ☐ Use Employer address/telephone number/email

Non-Standardized Governmental 401(a)

3. ☐ Use following address/telephone number/email
- a. Street: _____
 - b. City: _____
 - c. State: _____
 - d. Zip: _____
 - e. Telephone: _____
 - f. Email: _____

Custodian(s) Name/Address . The Custodian(s) are *(optional)*

- m. ☐ **Name(s)** _____
- Address/telephone number/email**
1. ☐ Use Employer address/telephone number/email
 2. ☐ Use following address/telephone number/email
 - a. Street: _____
 - b. City: _____
 - c. State: _____
 - d. Zip: _____
 - e. Telephone: _____
 - f. Email: _____

Investment in common, collective or pooled trust funds. The nondiscretionary Trustee, as directed or the discretionary Trustee acting without direction (and in addition to the discretionary Trustee's authority to invest in its own funds), may invest in any of the following trust funds: *(optional)*

- n. ☒ Such collective investment trust funds as are available via the Plan recordkeeper's investment platform and may be selected, from time to time, by the Plan's investment advisory committee for inclusion in the Plan's investment menu. (Specify the names of one or more trust funds in which the Plan can invest)

Choice of law

- o. ☒ This trust will be governed by the laws of the state of:
1. ☐ State in which the Employer's principal office is located
 2. ☐ State in which the corporate trustee or insurer is located
 3. ☒ Other Florida

BOARD RESOLUTION: 2022-03

EXHIBIT 3

Hardship Distributions Amendment

**AMENDMENT TO IMPLEMENT HARDSHIP DISTRIBUTION
PROVISIONS OF THE BIPARTISAN BUDGET ACT OF 2018**

JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN

**ARTICLE I
PREAMBLE**

- 1.1 **Adoption and effective date of Amendment.** The Document Provider, on behalf of the Employer, hereby adopts this Amendment to the Employer's Plan. Except as otherwise specified in this Amendment, this Amendment is effective ("the Effective Date") on the first day of the first Plan Year beginning after December 31, 2018, or as soon as administratively feasible thereafter, and in no event later than the Latest Effective Date. If the Plan, prior to this Amendment, does not provide for hardship distributions, then this Amendment will be void and of no effect.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any "Section" reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section, or other numbering designations.
- 1.4 **Effect of restatement of Plan.** If the Employer restates the Plan using the Document Provider's pre-approved plan based on The Cumulative List of Changes in Plan Qualification Requirements for Pre-approved Defined Contribution Plans for 2017 (Notice 2017-37) or any earlier Cumulative List, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions).
- 1.5 **Adoption by Document Provider.** The Document Provider hereby adopts this Amendment on behalf of all of the Document Provider's plans adopted by its adopting employers. The adoption by the Document Provider becomes applicable with respect to an Employer's Plan on the Effective Date (or, if later, the Effective Date of the Plan), unless the Employer individually adopts this Amendment, or an alternative amendment, prior to the expiration of the remedial amendment period relating to this Amendment.

**ARTICLE II
ELECTIONS**

Instructions: Complete the elections at Sections 2.1 and 2.2. Unless this Amendment is signed by the Employer, the default elections in Section 2.3 will apply. If the Employer is satisfied with those defaults and the Document Provider's elections in Sections 2.1 and 2.2, the Employer does not need to execute this Amendment. Otherwise, the Employer must complete the elections at Sections 2.1 and 2.2, may complete one or more of Sections 2.4 through 2.7 in order to override the default elections in Amendment Section 2.3, and must execute the amendment.

- 2.1 **Termination of deferral suspension.** Hardship distributions made on or after the Effective Date will not trigger a suspension of Elective Deferrals, pursuant to Section 3.1(c). If a Participant received a hardship distribution before the Effective Date, and therefore Elective Deferrals were suspended, will the Participant be able to resume deferrals as soon as practical after the Effective Date?
 - a. ☐ **YES.** Beginning on the Effective Date, Elective Deferrals will not be suspended on account of a hardship distribution, regardless of the date of the distribution.
 - b. ☒ **NO.** The Participant's suspension of Elective Deferrals begun before the Effective Date will continue as originally scheduled.
- 2.2 **Expansion of sources available for a hardship distribution.** Pursuant to Amendment Section 3.2, are QNECs and QMACs available for hardship distributions?
 - a. ☐ **YES.** QNECs and QMACs are available for hardship distributions.
 - b. ☒ **NO.** QNECs and QMACs are not available for hardship distributions.
- 2.3 **Default Provisions.** The following provisions apply except to the extent the Employer makes a different election in one or more of Sections 2.4 through 2.7 and executes the Amendment.
 - a. **After the Effective Date, Participants do not need to take plan loans before taking hardship distributions.**
 - b. **After the Effective Date, earnings on Elective Deferrals may be withdrawn on account of a hardship.**
 - c. **Hardship needs include residential casualty losses (without regard to whether the casualty was in a federally declared disaster area) and Disaster Losses, effective January 1, 2018 or as soon as practical thereafter.**

Hardship Distributions Amendment

- d. **The Effective Date is the first day of the first Plan Year beginning after December 31, 2018, or as soon as administratively feasible thereafter, and in no event later than the Latest Effective Date.**

Skip Sections 2.4 through 2.7 if you accept the default provisions listed in Section 2.3. Any entry in Sections 2.4 through 2.7 will override those defaults.

- 2.4 **Loan Requirement.** The provisions of Amendment Section 3.1(b), requiring recipients of hardship distributions to take available nontaxable loans, will NOT apply unless selected below:
- a. ☐ Amendment Section 3.1(b) APPLIES (i.e., Participants are required to obtain a Plan loan) indefinitely, unless and until the Plan is further amended.
- 2.5 **Expansion of sources available for a hardship distribution.** Earnings on amounts attributable to Elective Deferrals are available for hardship distribution, unless selected below:
- a. ☐ Earnings on amounts attributable to Elective Deferrals are NOT available for hardship distributions.
- 2.6 **Hardship needs/events.** The provisions of Amendment Sections 3.3 (relating to residential casualty losses) and 3.4 (relating to Disaster Losses) apply as of January 1, 2018, or as soon as practical thereafter, unless otherwise elected below.
- a. ☐ Amendment Section 3.3 will NOT apply (and so casualty losses are limited to federally declared disasters, pursuant to Code § 165(h)).
- b. ☐ Amendment Section 3.4 will NOT apply (and so the Plan will not make hardship distributions on account of Disaster Losses).
- 2.7 **Effective Dates.** Unless otherwise selected below, the Effective Date is the first day of the first Plan Year beginning after December 31, 2018, or as soon as administratively feasible thereafter, and in no event later than the Latest Effective Date. Except as otherwise specified in this Amendment, all provisions are effective on the Effective Date.
- a. ☐ Other general Effective Date: _____ (may not be earlier than the first day of the first Plan Year beginning on or after January 1, 2019 or after the Latest Effective Date).
- b. ☐ Special Effective Date for Amendment Section 2.2a: _____ *[Enter a special effective date, no sooner than the first day of the 2019 Plan Year.]*
- c. ☐ Special Effective Date for Amendment Section 2.3a: _____ *[Enter a special effective date, no sooner than the first day of the 2019 Plan Year.]*
- d. ☐ Special Effective Date for Amendment Section 2.3b: _____ *[Enter a special effective date no sooner than the first day of the 2019 Plan Year.]*
- e. ☐ Special Effective Date for Amendment Section 2.3c: _____ *[Enter a special effective date for the expansion of hardship needs/events, no sooner than January 1, 2018.]*

ARTICLE III DISTRIBUTION BASED ON HARDSHIP

3.1 Modification of hardship necessity provisions.

- a. The Necessity Provisions of the Plan are repealed. Except as otherwise provided in this Section 3.1, the Plan will not make a hardship distribution to a Participant unless the Participant has obtained all other currently available distributions (including distributions of ESOP dividends under section Code § 404(k), but not hardship distributions) under the plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer. In addition, for a distribution that is made on or after the Latest Effective Date (or such earlier date as the Plan Administrator has implemented the procedure), the Participant must certify (in writing, by an electronic medium as defined in Treas. Reg. § 1.401(a)-21(e)(3), or in such other form as authorized in IRS guidance) that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need.
- b. If and only if elected in Amendment Section 2.4, before a hardship distribution may be made, a Participant must obtain all nontaxable loans (determined at the time a loan is made) available under the plan and all other plans maintained by the Employer.
- c. The Plan will not suspend the Participant from making Elective Deferrals on account of receipt of a hardship distribution. This provision will apply to hardship distributions made after the Effective Date. Under Amendment Section 2.1, it may also apply, as of the Effective Date, to certain suspensions of Elective Deferrals on account of receipt of a hardship distribution prior to the Effective Date.

3.2 Modification of amounts that may be withdrawn on account of a hardship.

Except as otherwise elected in Amendment Sections 2.2 and 2.5, earnings on Elective Deferrals, QNECs, and QMACs (and the earnings thereon) may be withdrawn on account of a hardship. The hardship provisions set forth in the Plan, except as modified by this Amendment, continue to apply.

Hardship Distributions Amendment

- 3.3 **Residential casualty loss.** Except as otherwise provided in Amendment Section 2.6, effective January 1, 2018 or as soon as practical thereafter, to the extent the Plan permits hardship distributions for expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code § 165, such amounts will be determined without regard to Code § 165(h)(5).
- 3.4 **Disaster loss.** If the Plan is a Deemed Need Plan, then except as otherwise provided in Amendment Section 2.6, effective January 1, 2018 or as soon as practical thereafter, the financial needs which can justify a hardship distribution to a Participant are expanded to include Disaster Losses.

ARTICLE IV DEFINITIONS

- 4.1 **Suspensions of Elective Deferrals.** Any reference to suspension of Elective Deferrals means and includes a suspension of Elective Deferrals and/or Employee Contributions to this Plan or any other qualified plan, a 403(b) plan, or an eligible governmental plan (described in Treas. Reg. § 1.457-2(f)) of the Employer.
- 4.2 **QNECs.** A "QNEC" is a Qualified Nonelective Contribution, described in Code § 401(m)(4)(C) or a safe harbor nonelective contribution described in Code § 401(k)(12)(C). For purposes of this Amendment only, a QACA nonelective contribution described in Code § 401(k)(13)(D)(i)(II) will also be treated as though it were a QNEC.
- 4.3 **QMACs.** A "QMAC" is a Qualified Matching Contribution, described in Code § 401(k)(3)(D)(ii)(I), or a safe harbor matching contribution described in Code § 401(k)(12)(B). For purposes of this Amendment only, a QACA matching contribution described in Code § 401(k)(13)(D)(i)(I) will also be treated as though it were a QMAC.
- 4.4 **Necessity Provisions.** The "Necessity Provisions" of the Plan are those provisions which implement the provisions of Treas. Reg. § 1.401(k)-1(d)(3)(iv)(B), (C), (D), and (E), as in effect prior to April 1, 2019. These provisions may either reflect the safe harbor "deemed necessary" standards of subparagraph (E) of that regulation, or the non-safe harbor "no alternative means" standards of subparagraphs (B), (C), and (D) of that regulation.
- 4.5 **Deemed Need Plan.** The Plan is a "Deemed Need Plan" to the extent the Plan limits eligibility for a hardship distribution to the deemed immediate and heavy financial needs described in Treas. Reg. § 1.401(k)-1(d)(3)(ii)(B), (as revised effective April 1, 2019).
- 4.6 **Disaster Losses.** Disaster Losses are expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.
- 4.7 **Document Provider.** The Document Provider means the Sponsor of a Prototype Plan or VS Practitioner of a Volume Submitter Plan as defined in Rev. Proc. 2015-36, or the Provider of a Pre-approved Plan, as defined in Rev. Proc. 2017-41. References to the Document Provider's plans or to pre-approved plans refer to the Prototype Plans, Volume Submitter Plans, and/or Pre-approved Plans sponsored by the Document Provider for use by adopting employers, as the case may be.
- 4.8 **Latest Effective Date.** The "Latest Effective Date" is the latest of January 1, 2020, the Effective Date of the Plan, or the effective date of any amendment adding hardship distributions to the Plan.

Except with respect to any election made by the employer in Article II, this Amendment is hereby adopted by the prototype sponsor/volume submitter practitioner on behalf of all adopting employers.

Signature and date on file
(signature and date)

Sponsor/Practitioner Name: Great-West Trust Company, LLC

NOTE: The Employer only needs to execute this Amendment if an election has been made in one or more of Sections 2.4 through 2.7, or the Employer has made a different selection from the Document Provider's selection in Sections 2.1 or 2.2.

Hardship Distributions Amendment

This Amendment has been executed this _____ day of _____, _____.

Name of Plan: JEA 401(a) Defined Contribution Retirement Plan

Name of Employer: JEA

By: _____

EMPLOYER

By: Jay Stowe, Managing Director and
Chief Executive Officer

BOARD RESOLUTION: 2022-03

EXHIBIT 4

Participant Loan Program**JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN****PARTICIPANT LOAN PROGRAM**

The JEA 401(a) Defined Contribution Retirement Plan ("Plan") permits loans to be made to active Participants and their Beneficiaries. However, before any loan is made, the Plan requires that a written loan program be established which sets forth the rules and guidelines for making Participant loans. This document shall serve as the required written loan program. In addition, the Administrator may use this document to serve as, or supplement, any required notice of the loan program to Participants and their beneficiaries. All references to Participants in this loan program shall only include Participants and their Beneficiaries with respect to the Plan. Furthermore, it shall only include those individuals to the extent they are "parties in interest" as defined by ERISA Section 3(14) (even though ERISA does not apply to the Plan).

The Administrator is authorized to administer the Participant Loan Program. A Participant must apply to the Administrator for a loan in the manner set forth by the Administrator.

1. Loan application. Any Participant that is actively employed may apply for a loan from the Plan. A Participant must apply for each loan in a form approved by the Administrator, which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan.

All loan applications will be considered by the Administrator within a reasonable time after the Participant applies for the loan. The Participant will be required to provide any supporting information deemed necessary by the Administrator.

The Administrator may refuse to make a loan to any Participant who is determined to be not creditworthy. For this purpose, a Participant is not creditworthy if, based on the facts and circumstances, it is reasonable to believe that the Participant will not repay the loan. A Participant who has defaulted on a previous loan from the Plan and has not repaid such loan (with accrued interest) at the time of any subsequent loan will be treated as not creditworthy until such time as the Participant repays the defaulted loan (with accrued interest).

2. Loan limitations and rules. The Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable account balance attributable only to those accounts from which loans may be taken, as described below. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan. In applying the foregoing limitations of this section 2, all plans maintained by the Employer are aggregated and treated as a single plan. With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:

- a. No loan in an amount less than \$1,000 will be granted to any Participant.
- b. A Participant can only have one (1) loan currently outstanding from the Plan.
- c. All loans made pursuant to this program will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant. The Plan also will charge that portion of the Participant's account balances with expenses directly related to the origination, maintenance and collection of the note.
- d. Loan refinancing is permitted without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate and periodic repayment requirements under section 4 below and the adequate security requirement under section 5 below) and the renegotiated loan does not exceed the loan amount limitations under this section 2, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the loan amount limitations under this section 2.

Participant Loan Program

3. **Account restrictions.** Loans may only be made from the following sources in the following order:

Loans may be made from all available contribution sources, to the extent vested. The Administrator may determine the order of contribution sources from which a loan is taken or may follow the directions of the Participant.

Each payment of principal and interest paid by a Participant on the Participant's loan shall be credited to the same Participant Accounts and investment funds within such Accounts from which the loan was taken.

4. **Evidence and terms of loan.** The Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, together with a commercially reasonable rate of interest.

Any loan granted or renewed under this program will bear an interest rate equal to 2% above the prime rate. The interest rate will be fixed for the duration of the loan.

The loan must provide at least quarterly payments under a level amortization schedule. Generally, the Administrator will require that the Participant repay the loan by agreeing to payroll deduction.

The Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence. The home loan term will be a maximum of fifteen (15) years.

Unless the Participant is a "party in interest" on the day after his or her termination of employment with the Employer, a loan becomes due and payable in full when the Participant terminates employment with the Employer unless directly rolled over (if otherwise permitted) to another employer's plan. Upon a Participant's termination of employment, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following termination of employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account balance will be reduced by the remaining outstanding amount due on the loan to the extent such Account balance is available as security on the loan. If the outstanding loan balance of a deceased Participant is not repaid, the outstanding loan balance shall be treated as a distribution to the Participant and shall reduce the death benefit amount otherwise payable to the Beneficiary under the terms of the Plan.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

Participants should note that federal law generally treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

5. **Security for loan.** The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than the Participant's vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Administrator will require that such security be provided before the loan will be granted.

6. **Form of pledge.** The pledge and assignment of a Participant's account balances will be in the form prescribed by the Administrator.

7. **Military service.** If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan shall suspend loan repayments upon request by the Participant until the earlier of: the Participant's completion of military service; or the expiration of five years from the date the Participant began military leave. Loan payments will

Participant Loan Program

recommence under the amortization schedule in effect prior to the Participant's military leave, without regard to the five-year maximum loan repayment period. Alternatively, the loan may be re-amortized to require a different level of loan payment, as long as the amount and frequency of such payments are not less than the amount and frequency under the amortization schedule in effect prior to the Participant's military leave. The Administrator will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan. While the Participant is on active duty in the United States military, the interest rate on the loan generally shall not exceed six percent (6%), compounded annually.

8. Leave of absence/suspension of payment. The Administrator may, upon request by the Participant, suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be re-amortized over the remaining period of the loan to make up for the missed payments. The re-amortized loan may extend beyond the original loan terms so long as the loan is paid in full by whichever of the following dates comes first: (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period. The Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

9. Default. The Administrator will treat a loan in default if any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment.

The Participant will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan, request distribution of the note. If the loan remains in default, the Administrator will offset the Participant's vested account balances by the outstanding balance of the loan to the extent permitted by law. The Administrator will treat the note as repaid to the extent of any permissible offset. Pending the offset of a Participant's vested account balances following a defaulted loan or other final disposition of the note, the following rules apply with respect to the amount of the default: (i) interest continues to accrue and the Participant remains obligated for any unpaid principal and accrued interest; (ii) a subsequent offset of the amount in default is not reported as a taxable distribution, except to the extent the taxable portion of the default amount was not previously reported by the Plan as a taxable distribution; and (iii) the post-default accrued interest included in the loan offset is not reported as a taxable distribution at the time of the offset.

10. Amendment of Plan to Eliminate Participant Loans. The Plan may be amended at any time to eliminate Participant loans on a prospective basis. However, the elimination of a Participant loan feature may not result in the acceleration of payment of any existing Participant loans, unless the terms of the Participant loan permit such acceleration.

* * * * *

ADOPTION OF LOAN PROGRAM

The Administrator of JEA 401(a) Defined Contribution Retirement Plan adopts this Loan Program on the date specified below.

Date: _____ By: _____
 Administrator: JEA Jay Stowe, Managing Director and
 Chief Executive Officer



INTER-OFFICE MEMORANDUM

March 14, 2022

SUBJECT: REAL PROPERTY PURCHASE – NORTHWEST UTILITY SITE

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

In support of JEA's system growth and reliability, JEA Real Estate Services has negotiated the purchase of a 101.83± acre parcel from Laurens Street, LLC, a Delaware limited liability company, for a new water reclamation facility. The parcel is immediately north of the larger Jacksonville International Airport parcel and in proximity to Gold Star Family Parkway formerly known as Arnold Road in northwest Jacksonville.

DISCUSSION:

The subject parcel will allow for the construction of a proposed water reclamation facility in a largely unserved or underserved portion of JEA's service territory. Several parcels in the northwest area of Jacksonville have plans to initiate land development which will require a solution that will allow JEA to provide utility services for continued system growth and reliability. The site is adequately sized for plant design and allows for sufficient land buffer for the future facility.

FINANCIAL IMPACT:

A negotiated purchase price for the real property rights has been reached with the seller in the amount of \$3,243,150.00. JEA's current appraisal on the subject 101.83± acre site reflects an appraised amount of \$4,324,200.00.

RECOMMENDATION:

That the Board of Directors approve the purchase of real property as outlined in Resolution 2022-07.

Jay Stowe, Managing Director/CEO

JCS/LMD/JAP

Attachments:
Resolution 2022-07
Purchase Agreement
Location Map

**BOARD RESOLUTION: 2022-07**

March 14, 2022

A RESOLUTION TO DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR IN ACCORDANCE WITH JEA CHARTER SECTION 21.10.

WHEREAS, the purchase of real property for a new water reclamation facility will provide for JEA's continued system growth and reliability;

WHEREAS, the JEA Charter, Section 21.10, provides that the JEA Board may delegate the authority to an officer, agent, or employee of JEA by resolution to execute purchase and sale agreements;

WHEREAS, the Real Estate Services Procurement Directive dated May 26, 2016 requires Board approval for all real estate purchases of more than \$500,000.00;

WHEREAS, JEA staff has negotiated, and Office of General Counsel has approved, acceptable terms and conditions for the purchase of a 101.83± acre parcel of real property more particularly described in the purchase agreement and property description attached hereto as **Exhibit A** (the "Subject Property");

WHEREAS, JEA's current appraisal of the Subject Property has estimated the property value to be \$4,324,200.00; and

WHEREAS, JEA Real Estate Services has requested and the Seller has agreed to a purchase price of \$3,243,150.00.

BE IT RESOLVED by the JEA Board of Directors that:

1. The Board hereby approves the Purchase Agreement between Laurens Street, LLC, a Delaware limited liability company, and JEA in substantially the form attached hereto as **Exhibit A**.
2. The Board hereby delegates to the Chief Executive Officer and Managing Director or his designee to execute the Purchase Agreement in its substantial form and any and all documents in connection with the Purchase Agreement and all other documentation as may be reasonably required to consummate the real estate transaction.
3. The purchase price for the Subject Property shall not exceed \$3,243,150.00 without additional approval by the JEA Board of Directors.

Dated this ____ day of April 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

EXHIBIT A

Project: Northwest Utility Site
RE Parcel #: 019619-0010 (portion thereof)

PURCHASE AGREEMENT
(Fee Simple and Easement)

THIS PURCHASE AGREEMENT (“Agreement”) is made and entered as of the date on which the latter of the Buyer and Seller hereto executes this Agreement (the “Effective Date”) by and between **JEA**, a body politic and corporate (“Buyer”), and **LAURENS STREET LLC**, a Delaware limited liability company (“Seller”).

W I T N E S S E T H:

In consideration of the mutual undertakings of the parties set forth in this Agreement and of other valuable considerations, the receipt and sufficiency of which the parties hereby acknowledge the parties hereby agree as follows:

1. General Outline of Transaction.

Seller is the owner in fee simple of that certain tract of land located in Duval County, Florida described on Exhibit A attached hereto and made a part hereof, together with all appurtenances, hereditaments and improvements located thereon (the “Property”), and a certain tract of land to be more particularly described as the easement area in the Easement Agreement pursuant to Section 4(b) below (the “Easement Area”). The location of the Easement Area shall be agreed upon pursuant to Section 4(b) below, provided that Seller and Buyer agree that the Easement Area shall be no less than sixty feet (60’) in width. Upon the terms and conditions hereafter set forth, Buyer intends to purchase (i) the Property from Seller in fee simple, together with all of Seller’s development rights, permits, approvals, and other rights or privileges pertaining to the Property, and (ii) a perpetual, relocatable easement for ingress, egress, and utilities on, upon, over and under the Easement Area (the “Easement”) upon the terms and conditions more particularly set forth in the Easement Agreement (defined below).

2. Purchase Price and Earnest Money.

a. Purchase Price. In consideration of the purchase of the Property and Easement, Buyer shall pay to Seller THREE MILLION TWO HUNDRED FORTY-THREE THOUSAND ONE HUNDRED FIFTY AND NO/100 DOLLARS (\$3,243,150.00) (the “Purchase Price”), which Purchase Price shall be adjusted to reflect, costs, credits, prorations and other adjustments provided for herein, and payable at the Closing by wire transfer of immediately available federal funds. The Purchase Price shall be adjusted to reflect the total number of Useable Acres as determined by the final Survey at a price of \$45,000.00 per Useable Acre (defined below).

b. Earnest Money.

i. Within ten (10) business days after Buyer and Seller have executed this Agreement, Buyer shall deliver to Edwards Cohen, as escrow agent ("Escrow Agent"), by cashier's check or wired funds, a deposit in an amount equal to \$50,000.00 (the "Earnest Money"), to be deposited by the Escrow Agent in an IOTA trust account. If the sale of the Property is consummated pursuant to the terms of this Agreement, the Earnest Money shall be paid to Seller and applied to the payment of the Purchase Price.

ii. Upon expiration of the Inspection Period, Purchaser shall make an additional deposit of \$50,000, which deposit shall increase the amount of and be included in the Earnest Money and be applied to the Purchase Price at Closing.

3. Survey, Title, Buyer's Review, Environmental Reports and Inspection.

a. Survey. Buyer has received a preliminary survey of the Property dated September 13, 2021, and last revised September 21, 2021, prepared by Clary & Associates and assigned Job No. 2021-789 (the "Preliminary Survey"). Buyer shall within thirty (30) days after the Effective Date, at Buyer's cost and expense, obtain an updated boundary survey of the Property and the Easement Area (the "Survey"), prepared by Clary & Associates, and shall provide Seller a copy thereof within such time period. The Survey shall contain the certification of the surveyor of the number of net upland acres (to the nearest 1/100th (one-hundredth) of an acre) contained in the Property, exclusive of any land lying within roadways, streets, highways, alleys, canals, jurisdictional wetlands, or rights of way or areas that are, by dedication or easement or use over time, open to public use (collectively, the "Useable Acres"), and the Survey shall be certified to Seller, Buyer, title agent, Seller's counsel, and all necessary parties required by the Title Insurer, and shall list and have located (to the extent applicable) on the face thereof all of the exceptions listed in the Commitment.

b. Title. Buyer shall within fourteen (14) days after the Effective Date, at Buyer's cost and expense, obtain an owner's title insurance commitment issued by Fidelity National Title Insurance Company or another licensed title insurance company ("Title Insurer"), committing to insure Buyer's fee simple title to the Property and easement interest in the Easement Area in the total amount of the Purchase Price ("Commitment") and shall provide Seller a copy thereof and all supporting documents within such time period. The policy, when issued, shall insure in Buyer good and insurable title to the Property and Easement Area, in fee simple and easement interest, respectively, free and clear of all liens and encumbrances, subject to such other matters appearing in the Commitment which Buyer has approved or accepted (or be deemed to have accepted) as title exceptions under Section 3(c), and any matters caused by Buyer or Buyer's Related Parties.

c. Buyer's Review.

i. Buyer shall have until March 31, 2022 (the "Title and Survey Review Period"), in which to examine the Survey and Commitment and to determine the nature of any defects in title to the Property and Easement Area and in those matters or facts disclosed by the

Survey. If either the Commitment or Survey reveals any encroachments, overlaps, easements, restrictions, covenants, conditions, liens, encumbrances, other title defects, or other matters that are unacceptable to Buyer, Buyer shall give written notice to Seller of such defects prior to the expiration of the Title and Survey Review Period (“Buyer’s Title Objection Notice”). Any matters identified in the Commitment or the Survey and not objected to by Buyer as set forth above shall be deemed to be approved by Buyer.

ii. If Buyer timely furnishes a Buyer’s Title Objection Notice to Seller, then Seller shall have until three (3) business days after Seller’s receipt of the Buyer’s Title Objection Notice (the “Seller Title Response Period”) in which to indicate to Buyer which of the title and survey objections raised by Buyer that Seller will cure and those which Seller declines to cure, and if Seller does not respond in writing to Buyer’s Title Objection Notice within the Seller Title Response Period, then Seller shall be deemed to have declined to cure all title and survey objections set forth in Buyer’s Title Objection Notice.

iii. If Seller declines in writing, or is deemed to have declined, to cure any of the title and survey objections set forth in Buyer’s Title Objection Notice, then Buyer may, at its option and sole remedy, either (i) terminate this Agreement by providing written notice to Seller prior to the expiration of the Inspection Period and the parties shall thereafter be relieved of all further obligations under this Agreement which do not specifically survive its termination, and the Earnest Money shall be returned to Buyer; or (ii) accept the uncured defects and take title as it then exists without reduction in the Purchase Price.

iv. If Seller timely elects in writing to cure any of the title and survey objections set forth in Buyer’s Title Objection Notice, then Seller shall have until the Closing Date to cure the applicable title and survey objections (“Seller’s Title Cure Period”), and Seller shall have the right to extend the Closing Date for a period of time determined by Seller, in Seller’s reasonable discretion, to accommodate Seller’s efforts to cure such applicable title and survey objections. Seller shall have no duty or obligation to cure any title and survey objections except for those title and survey objections set forth in Buyer’s Title Objection Notice that Seller timely elects in writing to cure. If any such title and survey objections, other than those that will be cured or satisfied at Closing, remain uncured by Seller at the end of Seller’s Title Cure Period, then Buyer may then do one of the following as Buyer’s sole remedy: (i) accept the uncured defects and take title as it then exists without reduction in the Purchase Price; or (ii) terminate this Agreement by providing written notice to Seller and the parties shall thereafter be relieved of all further obligations under this Agreement which do not specifically survive its termination, and the Earnest Money shall be returned to Buyer. Buyer’s decision either to accept the uncured title and survey objections or to terminate this Agreement shall be made by written notice thereof from Buyer to Seller within the later of (A) three (3) days after Buyer receives written notice from Seller of the uncured title and survey objections, or (B) the Closing Date, and the Closing Date shall be extended to accommodate Buyer’s three (3) day response period described in Subsection (A) above, as applicable. If Buyer has not provided Seller with written notice of termination within the period set forth herein, any uncured title and survey objections shall be deemed to be acceptable to Buyer, and any objection shall be deemed to have been waived and Buyer shall be deemed to have elected option (i) above.

d. Environmental Reports. Buyer may within twenty (20) days after the Effective Date, at Buyer's cost and expense, obtain a Phase I environmental site assessment with respect to the Property, which meets the standard of practice of the American Society of Testing Materials. Buyer shall use the services of a competent, professional consultant with expertise in the environmental site assessing process. Buyer shall not conduct a Phase II environmental site assessment without Seller's express prior written consent (which may be granted or withheld in Seller's sole discretion), and any such Phase II environmental site assessment shall be performed at Buyer's cost and expense and shall be completed prior to the expiration of the Inspection Period. If Buyer, in its sole discretion, determines the Property is not acceptable, Buyer shall have the right to terminate this Agreement by written notice to Seller prior to the expiration of the Inspection Period, whereupon the parties shall be relieved of all further obligations under this Agreement which do not specifically survive its termination, and the Earnest Money shall be returned to Buyer.

e. Inspection. Buyer and its agents, contractors, subcontractors, vendors, consultants, and invitees ("Buyer's Related Parties") shall, at their own risk and expense, at any time prior to Closing, have the right and privilege to enter upon any portion of the Property and the Easement Area to inspect, examine, survey and otherwise perform or conduct such tests, inspections, studies, audits, or other evaluations as Buyer may deem necessary in conjunction with Buyer's acquisition of the Property and Easement, including, but not limited to, final determination of wetlands, environmental testing (subject to the limitations set forth in Section 3(d) above), and an engineering feasibility study which may include topographic surveys, core borings, soil test pits and load bearing tests, as may be required by Buyer to determine the physical characteristics of the substrata of the Property and Easement Area. Following Buyer's or Buyer's Related Parties' access to the Property, Easement Area, and Seller's Other Lands (defined below), Buyer shall restore the Property and Easement Area and Seller's Other Lands to its original condition, normal wear and tear excepted. Subject to the provisions and limitations of Section 768.28, Florida Statutes, which are neither waived, expanded, or altered hereby, Buyer shall indemnify and hold Seller harmless from and against any and all claims, costs, expenses and damages to persons and/or property (including but not limited to personal injury and/or death) incurred by, through, or out of the Buyer's or Buyer's Related Parties' entry and/or inspections on the Property and Easement Area or access to the Seller's Other Lands, unless caused by preexisting conditions of the land or Seller's negligence. Buyer shall maintain its status as a Florida self-insured entity. Prior to entering the Property or Seller's Other Lands, Buyer will provide Seller with a letter of self-insurance confirming coverage for general and automotive liability and Florida workers' compensation. Buyer shall cause the Buyer's Related Parties who will enter the Property or Seller Other Lands to obtain and maintain in effect, the following forms of insurance coverage: (i) workers compensation and employer's liability insurance issued for protection of all employees engaged in or participating in Buyer's due diligence activities; (ii) commercial general liability insurance with a minimum combined bodily injury and property damage limit of not less than \$1,000,000 per occurrence; (iii) Professional errors and omissions liability for consultants only with a limit of not less than \$750,000 per occurrence; and (iv) automotive liability for bodily injury with a limit of not less than \$1,000,000 per occurrence. Buyer and Seller acknowledge that Buyer's and Buyer's Related Parties' access to the Property may require Buyer to cross other lands currently owned by Seller ("Seller's Other Lands"). Seller hereby grants Buyer a temporary license to access and cross such Seller's Other

Lands solely for the purpose of accessing the Property, subject to the terms and conditions of this Section, and further provided that Buyer shall not conduct any inspections or investigations upon Seller's Other Lands. The license described in the foregoing sentence shall automatically terminate at Closing or the earlier termination or expiration of this Agreement, and said license may be terminated at any time by Seller providing written notice thereof to Buyer, and in all events said license shall expire 120 days after the Effective Date hereof. All of Buyer's and Buyer's Related Parties' actions and investigations upon the Property and access upon Seller's Other Lands must be completed in a safe, professional, and workmanlike manner in accordance with customary standards of care. Buyer and Buyer's Related Parties shall not have the right to cut or remove any trees or vegetation upon the Property or Seller's Other Lands without Seller's prior written consent.

Seller shall deliver to (or make available to during normal business hours) Buyer, within ten (10) days of the Effective Date, all to the extent in Seller's actual possession and with no representations or warranties of any kind, copies of all engineering studies, zoning information, soil investigations and reports, water and sewer studies, topographic maps, platting materials, site plans, permits, approvals, if any, and applications for permits and approvals, and any other reasonable similar materials presently in Seller's actual possession concerning the Property (subject to attorney-client privilege/work product, proprietary or other confidentiality requirements) which materials will be promptly returned or destroyed/deleted by Buyer if this Agreement does not close. Buyer acknowledges that Buyer shall conduct its own investigation regarding the Property and Easement Area and the accuracy of any representations and warranties of Seller contained herein, and that except as otherwise expressly set forth herein, the Property and Easement are being conveyed on an "AS-IS, WHERE-IS" basis. Seller authorizes Buyer (at Buyer's cost and expense) to consult with Seller's attorneys, engineers, surveyors and other agents pertaining to the Property and Easement Area (subject to attorney-client privilege/work product, proprietary or other confidentiality requirements) and, at Buyer's expense, to consult those governmental agencies having jurisdiction over approvals or permits relating thereto. This Subsection (e) shall survive Closing and any termination or expiration of this Agreement.

f. If any of Buyer's inspections disclose matters unsatisfactory to Buyer in Buyer's sole and absolute discretion, Buyer may terminate (subject to any provisions which expressly survive termination of this Agreement) this Agreement on or before April 6, 2022 at 8:00 PM (the "Inspection Period"), and receive a refund of the Earnest Money, provided that if the April 5, 2022 Buyer board meeting (as described in Section 23) is cancelled, delayed or fails to meet quorum (or if the this Agreement is otherwise not voted on at said board meeting), then Buyer shall have one (1) option to extend the Inspection Period to May 25, 2022 at 8:00 PM, which Buyer may exercise only by providing to Seller written notice of such election on or before April 6, 2022 at 8:00 PM. In the event that Buyer does not terminate this Agreement prior to the end of the Inspection Period, then the Earnest Money shall be deemed non-refundable to Buyer (but fully applicable against the Purchase Price) unless this Agreement is terminated under the following circumstances (each, a "Refundability Event"):

i. Seller defaults hereunder and Buyer elects to terminate this Agreement and receive the return of the Earnest Money in accordance with Section 6;

ii. Buyer elects to terminate this Agreement and receive the return of the Earnest Money as expressly provided in and in accordance with Section 3(c);

iii. Buyer elects to terminate this Agreement and receive the return of the Earnest Money as expressly provided in and in accordance with Section 5; or

iv. in the event there is any material adverse environmental condition of the Property and Easement Area arising subsequent to the Inspection Period, but prior to the Closing, and Buyer elects to terminate this Agreement in writing based thereon within ten (10) days after it is notified or otherwise becomes aware of such event.

g. Land Use and Zoning Approvals.

i. Buyer acknowledges and agrees that Seller has previously obtained the land use and zoning approvals deemed reasonably necessary by Buyer for Buyer's use of the Property (the "Land Use and Zoning Approvals").

ii. In the event of Closing, Buyer shall pay Seller the fixed amount of \$20,000.00 (the "Approvals Reimbursement") which shall be paid to Seller at Closing. Buyer shall not be responsible for any costs related to the Land Use and Zoning Approvals that exceed the Approvals Reimbursement. In the event this transaction does not close for any reason other than Buyer's default, Buyer shall not be responsible for the Approvals Reimbursement or other payment or reimbursement of costs incurred by Seller in connection with the Land Use and Zoning Approvals. This Subsection (ii) shall survive Closing and any expiration or termination of this Agreement.

4. Conveyance Documents.

a. Seller shall convey to Buyer fee simple title to the Property by recordable special warranty deed, on an "As-Is, Where-Is" basis without representations or warranties other than the customary limited warranty of title, and subject to such matters appearing in the Commitment which Buyer has approved or accepted as title exceptions (or are deemed approved or accepted), in form reasonably acceptable to Buyer and Seller (the "Special Warranty Deed"). The Special Warranty Deed will contain a restriction that prohibits use of the Property by third parties for ingress/egress to adjacent parcels through the Property; however, there shall be no restriction on utility services on the Property serving adjacent parcels.

b. Seller shall convey the Easement to Buyer pursuant to the easement agreement in the form attached hereto as Exhibit B (the "Easement Agreement"). The parties acknowledge that the Easement shall terminate upon public dedication as more particularly set forth in the Easement Agreement. Buyer and Seller currently anticipate that a third party ("Third Party Buyer") will purchase certain other lands currently owned by Seller, which lands include the Easement Area. The Easement Agreement (including the location of the Easement Area which shall be agreed upon as set forth herein) has been or shall be approved by Buyer and Seller in writing (with such approval not to be unreasonably withheld) and shall be subject to approval

by Third Party Buyer; and if such form of Easement Agreement (including the location of the Easement Area which shall be agreed upon as provided herein) is not so approved by the Buyer, Seller and Third Party Buyer as of the Effective Date hereof, then Buyer and Seller shall use commercially reasonable efforts to obtain all such approvals prior to the Closing Date, and once approved in writing by Buyer, Seller, and Third Party Buyer, such approved form of Easement Agreement shall be automatically deemed attached hereto as Exhibit B. Buyer and Seller acknowledge that the Easement Area may be relocated in accordance with the provisions of the Easement Agreement. If the Easement Agreement (including the location of the Easement Area) is not approved in writing by Buyer, Seller, and Third Party Buyer prior to the Closing Date, the Closing Date shall automatically be extended fifteen (15) days. If after such fifteen (15) day period, the Easement Agreement is not approved in writing by Buyer, Seller, and Third Party Buyer, then Buyer or Seller may terminate this Agreement by providing written notice to the other party prior to the then current Closing Date, and upon such termination the Earnest Money shall be returned to Buyer and this Agreement shall terminate except as to the specific provisions that survive termination.

5. Casualty and Eminent Domain. Risk of any casualty to or loss of the Property and Easement Area occurring prior to Closing shall be borne by Seller. Notwithstanding the foregoing, if all or any portion of the Property or Easement Area or access thereto (unless a reasonable alternative easement area or access route is available in Buyer's and Seller's reasonable discretion) shall be damaged by fire or other casualty or taken by public authority and the value of such loss is in excess of \$200,000.00 (excluding the value of timber), or notice of such proposed taking be obtained prior to the Closing Date, then Seller shall provide prompt written notice thereof to Buyer and, at Buyer's option, (i) this Agreement shall terminate and the parties shall be relieved of all further obligations under this Agreement which do not specifically survive its termination and the Earnest Money shall be returned to Buyer, or (ii) Buyer may consummate the sale, pay the full Purchase Price and have assigned to it all claims and right of recovery for such casualty or taking as to the Property. Buyer shall make the foregoing election in writing within ten (10) days after Seller shall have notified Buyer in writing of such taking or proposed taking or casualty damage and the Closing shall be extended if necessary to accommodate this notice period. If Buyer fails to make such election in writing within such ten (10) day period, then Buyer shall be deemed to have elected option (ii) above.

6. Default and Remedies.

a. Notice of Default. In the event either party is in default of any provision hereof, the non-defaulting party, as a condition precedent to the exercise of its remedies, shall be required to give the defaulting party written notice of the same specifying the nature of default in reasonable detail. The defaulting party shall have ten (10) business days from the receipt of such notice to cure the default. If the defaulting party timely cures the default, the default shall be deemed waived and this Agreement shall continue in full force and effect. If the defaulting party does not timely cure such default, the non-defaulting party shall be entitled to pursue its remedies as set forth in this Section 6 below, as applicable. Notwithstanding the foregoing, there shall be no notice requirement or cure period for a failure of a party to close on the Closing Date.

b. Remedies of Seller. If Buyer shall default in the performance of any of

the terms and conditions of this Agreement, or if the Closing shall not occur through the fault of Buyer, Seller may elect as its sole remedy, to retain the Earnest Money as liquidated damages (and Buyer shall pay to Seller the Approvals Reimbursement) and this Agreement shall be terminated, except as to the specific provisions that survive termination, and Seller shall expressly retain its rights to reimbursement and/or indemnification by Buyer as provided in this Agreement.

c. Remedies of Buyer. If Seller shall default in the performance of any of the terms and conditions of this Agreement, or if the Closing shall not occur through the fault of Seller, Buyer may (as Buyer's sole remedy) either (a) terminate this Agreement (except as to the specific provisions that survive termination) in which case the Escrow Agent is irrevocably instructed to return the Earnest Money to Buyer, or (b) sue Seller for specific performance of Seller's obligations under this Agreement. If Seller intentionally renders the remedy of specific performance to be unavailable, then Buyer may pursue any legal and equitable remedies available to Buyer, provided that, in all events, cumulative monetary damages (of any kind or nature) recoverable by Buyer under this Agreement shall be capped at and shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), inclusive of any applicable attorney's fees and costs (the "Cap"). Seller shall not be liable for any amounts in excess of the Cap.

d. Notwithstanding anything to the contrary contained herein, under no circumstances will either party be entitled to punitive damages in connection with this Agreement. This Section 6 shall survive Closing or any termination of this Agreement.

7. Real Estate Commission. Both parties represent and warrant to the other that it has not entered into any agreement or taken any other action which would result in a real estate brokerage commission, finder's fee or other similar charge being payable on account of this Agreement or the Closing. Each party hereby agrees to indemnify, defend and hold harmless the other party from any and all claims, demands or the cost and expense of, including reasonable attorneys' fees, arising out of any brokerage commission or fee or other compensation due or alleged to be due in connection with the transaction contemplated by this Agreement based upon any agreement alleged to have been made or other action alleged to have been taken by the indemnifying party. This indemnification shall survive the Closing or the termination of this Agreement.

8. Representations and Warranties.

a. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that as of the date hereof, to Seller's Knowledge:

i. Seller has no knowledge of any violations of city, county, state, federal, building, land use, fire, health, safety, environmental, hazardous materials or other governmental or public agency codes, ordinances, regulations, or orders with respect to the Property or Easement Area, except as may be provided in that certain Resolution Agreement dated June 3, 2015 by and between Seller and the St. Johns River Water Management District (the "**SJRWMD Resolution Agreement**").

ii. No litigation is pending or threatened in writing with respect to the Property or Easement Area, Seller's interest therein, or which would inhibit Buyer obtaining clear title to the Property and Easement, except as may be provided in the SJRWMD Resolution Agreement.

iii. There are no unrecorded leases, arrangements, agreements, understandings, options, contracts, or rights of first refusal affecting or relating to the Property or Easement Area, except for Seller's negotiations and purchase agreement with Third Party Buyer as to the Easement Area and the Easement Agreement.

iv. The individual signing this Agreement on behalf of Seller has the authority to bind the Seller to the agreements set forth herein.

v. Seller has not, and has no knowledge of any other person who has caused any release, threatened release, or disposal of any hazardous material at the Property or Easement Area in material quantity.

vi. To Seller's Knowledge, the Property or Easement Area does not contain any: (i) underground storage tank; (ii) material amounts of asbestos containing building material; (iii) any landfills or dumps; (iv) hazardous waste management facility as defined pursuant to the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, *et. seq.* (RCRA) or any comparable Florida state law; or (v) a site on or nominated for the National Priority List promulgated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et. seq.* (CERCLA) or any state remedial priority list promulgated or published pursuant to any comparable Florida state law.

vii. Seller has not used a material quantity of any hazardous material on the Property or Easement Area and has conducted no hazardous material activity at the Property or Easement Area.

viii. To Seller's Knowledge, there are no conditions or occurrences at the Property or Easement Area which could reasonably be anticipated to form the basis for an environmental claim against the Seller as to the Property or Easement Area, except as may be provided in the SJRWMD Resolution Agreement.

ix. The Property/Easement Area is not subject to any restriction on the ownership, occupancy, use, or transferability of the Property or Easement Area in connection with any (i) environmental law (except as may be provided in the SJRWMD Resolution Agreement), or (ii) release or disposal of a hazardous material.

x. The representations and warranties contained in this Section 8(a) shall be true and correct as of the Closing Date and shall survive for a period of six months from the date of the Closing, after which time such representations and warranties shall have no further force and effect.

xi. "Seller's Knowledge" as used herein shall mean the actual knowledge of

James Hissam, without any duty of investigation, solely in his capacity as an agent of Seller and nothing contained herein shall be deemed to create any personal liability for James Hissam as an individual whatsoever.

xii. Notwithstanding anything to the contrary set forth herein, in the event Buyer determines or is made aware prior to the end of the Inspection Period that any representation or warranty of Seller in this Section 8(a) in this Agreement is untrue, incorrect, or incomplete in any material respect and Buyer does not elect to terminate this Agreement prior to the end of the Inspection Period, then such representation or warranty shall be deemed modified to include as an exception the information that Buyer determines or has been made aware of prior to the end of the Inspection Period.

b. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller that as of the date hereof, to Buyer's knowledge:

i. Buyer has full power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated hereby, subject only the Board Approval described in Section 23 below.

ii. The execution, delivery and performance by Buyer of this Agreement, and all other agreements, instruments and documents referred to or contemplated herein or therein do not to Buyer's knowledge require the consent, waiver, approval, license or authorization of any person or public authority which has not been obtained (subject only the Board Approval described in Section 23 below) and do not and will not contravene or violate (with or without the giving of notice or the passage of time or both) any judgment, injunction, order, law, rule or regulation applicable to Buyer.

iii. Buyer is not a party to, or subject to or bound by, any judgment, injunction or decree of any court or governmental authority or any agreement, instrument or document which may restrict or interfere with the performance by Buyer of this Agreement, or such other agreements, instruments and documents.

iv. This Agreement is a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally.

v. The representations and warranties contained in this Section 8(b) shall be true and correct as of the Closing Date and shall survive for a period of six months from the date of the Closing, after which time such representations and warranties shall have no further force and effect.

9. Closing. The consummation of the transaction contemplated hereby for the purchase of the Property (the "Closing") shall take place on a date mutually agreed upon by Buyer and Seller not later than thirty (30) days after the expiration of the Inspection Period (the "Closing Date"). The Closing shall take place at the offices of Escrow Agent, or at such other

place as may be mutually selected by Buyer and Seller, or may be conducted as a “mail away” closing.

10. Closing Deliverables.

a. Seller’s Closing Deliverables. On or before Closing, Seller shall deliver to Escrow Agent the following documents:

i. Special Warranty Deed conveying to Buyer fee simple title to the Property in form and content specified in Section 4 hereof;

ii. The Easement Agreement conveying to Buyer a perpetual, relocatable easement interest in the Easement Area in the form attached hereto as Exhibit B and as specified in Section 4 hereof;

iii. One or more affidavits of Seller in form reasonably satisfactory to the Seller and Title Insurer, evidencing that there have been no improvements or repairs made to the Property within ninety (90) days preceding the Closing, and sufficient in form and content to cause the Title Insurer to eliminate any exception for mechanics liens from the title policy. Such affidavit(s) shall also evidence that Seller is in sole possession of the Property, and shall contain a certification that Seller is not a foreign person for purposes of Section 1445, Internal Revenue Code (the “Code”) and such other certifications as may be reasonably sufficient for the Title Insurer to insure the “gap” at Closing;

iv. A properly completed and executed beneficial interest affidavit and disclosure statement as required by Section 286.23, Florida Statutes, if applicable, in form reasonably acceptable to Seller;

v. A closing statement;

vi. An Assignment and Assumption of Development Rights, in form and substance mutually agreed upon by Buyer and Seller;

vii. Any and all other documentation as may be reasonably required by the Title Insurer to consummate the transactions contemplated in this Agreement, all in form reasonably acceptable to Seller.

b. Buyer’s Closing Deliverables. On or before Closing, Buyer shall deliver to Escrow Agent the following:

i. The Purchase Price (less credit for the Earnest Money) and as adjusted for costs and prorations as provided herein.

ii. A closing statement.

iii. The Easement Agreement to the extent the same requires Buyer's countersignature.

iv. Such evidence of authority and good standing of Buyer as the Title Insurer may reasonably request.

v. An Assignment and Assumption of Development Rights, in form and substance mutually agreed upon by Buyer and Seller.

vi. Any and all other documentation as may be reasonably required by the Title Insurer to consummate the transactions contemplated in this Agreement, all in form reasonably acceptable to Buyer.

11. Possession. Possession of the Property shall be delivered to Buyer at Closing.

12. Closing Costs.

a. At Closing, Buyer shall pay for (i) recording fees of the Special Warranty Deed and Easement Agreement; (ii) all Buyer inspections; (iii) Buyer's attorneys' fees; (iv) the Survey; (v) the search fees and premium in connection with the owner's title policy issued pursuant to the Commitment described in Section 3(b) and any endorsements requested by Buyer, (vi) the Approvals Reimbursement, as set forth in Section 3(g); (vii) all costs related to any financing obtained by Buyer in connection with the transaction; (viii) brokerage commission due to any brokers representing Buyer, if any; and (ix) costs and fees and recording costs in connection with any curative title documents if caused by Buyer or Buyer's Related Parties.

b. At Closing, Seller shall pay for (i) Seller's attorneys' fees; (ii) documentary stamp taxes on the Special Warranty Deed and Easement Agreement; (iii) brokerage commission due to any brokers representing Seller, if any, and (iv) recording fees for curative title documents, unless the same was caused by Buyer or Buyer's Related Parties.

13. Taxes and Assessments. All real estate taxes and assessments which are or which may become a lien against the Property shall be satisfied of record by Seller at Closing. In the event the Buyer acquires fee title to the Property between January 1 and November 1, Seller shall, in accordance with Section 196.295, Florida Statutes, place in escrow with the tax collector an amount equal to the current property taxes prorated to the Closing Date. In the event the Buyer acquires fee title to the Property on or after November 1, Seller shall pay to the tax collector an amount equal to the taxes that are determined to be legally due and payable by the tax collector for the year of Closing.

14. Notices. Any notice, demand, consent, authorization, request, approval or other communication (collectively, "Notice") that any party is required, or may desire, to give to or make upon the other party pursuant to this Agreement shall be effective and valid only if in writing, and delivered personally to the other party or sent by express 24-hour guaranteed courier or delivery service, by facsimile transmission with telephone confirmation, certified mail of the United States Postal Service, postage prepaid, or by e-mail transmission (with any applicable

files attached thereto in PDF file format, unless another file format is necessary or required, and provided the sender of the email receives no notification of failed delivery) addressed to the other party as follows (or such other place as any party may by Notice to the other specify):

To Buyer: JEA, Real Estate
21 W. Church Street (CC-6)
Jacksonville, Florida 32202
Attention: V.P., Corporate Strategy
Email: popeja@jea.com

With copy to: Edwards Cohen
200 W. Forsyth St., Suite 1300
Jacksonville, FL 32202
Attention: Brian Dawes, Esq.
Email: bdawes@edcolaw.com

To Seller: LAURENS STREET LLC
Attn: Jim Hissam
63 Fairway Wood Way
Ponte Vedra Beach, FL 32802
E-mail: jhissam@bhkcap.com

With copy to: Sodl & Ingram PLLC
Attn: Thomas O. Ingram, Esq.
William E. Gibbs, Esq.
233 E Bay Street, Suite 1113
Jacksonville, Florida 32202
E-mail: thomas.ingram@si-law.com
william.gibbs@si-law.com

To Escrow Agent: Edwards Cohen
200 W. Forsyth St., Suite 1300
Jacksonville, FL 32202
Attention: Brian Dawes, Esq.
E-mail: bdawes@edcolaw.com

Notice shall be deemed given when received, except that if delivery is not accepted, Notice shall be deemed given on the date of such non-acceptance.

15. State Required Disclosure. The following disclosure is required to be made by the laws of the State of Florida if the Property is located within the State of Florida:

“RADON GAS” Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guideline have been found in buildings in Florida. Additional information regarding radon and radon testing may be

obtained from your county public health unit.”

16. Governing Law/Waiver of Jury Trial. The parties hereto expressly agree that the terms and conditions hereof, and the subsequent performance hereunder, shall be construed and controlled in accordance with the laws of the State of Florida. Venue for any dispute or action related to this Agreement shall lie in Duval County, Florida.

To the extent allowed by applicable law, each party to this Agreement hereby expressly **waives any right to trial by jury** of any claim, demand, action or cause of action (each, an “Action”) (i) arising out of this Agreement, including any present or future amendment thereof or (ii) in any way connected with or related or incidental to the dealings of the parties or any of them with respect to this Agreement (as hereafter amended) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether such Action is now existing or hereafter arising, and whether sounding in contract or tort or otherwise and regardless of which party asserts such Action; and each party hereby agrees and consents that any such Action shall be decided by court trial without a jury, and that any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties to the waiver of any right they might otherwise have to trial by jury. This Section shall survive Closing and any termination of this Agreement.

17. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and no statement or representation of the respective parties hereto, their agents or employees, made outside this Agreement, and not contained herein, shall form any part hereof or be binding upon the other party hereto. This Agreement shall not be changed or modified except by written instrument signed by the parties hereto.

18. Captions. Captions used in this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement. Whenever used, the singular shall include the plural, the plural shall include the singular, and the neuter gender shall include all genders.

19. Assignment. This Agreement shall inure to the benefit of and be binding upon and is intended solely for the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; and no third party will have any rights, privileges or other beneficial interest herein or hereunder. Buyer may not assign this Agreement or any rights hereunder without Seller’s prior written consent.

20. Time is of the Essence. Time is of the essence of this Agreement. If any date referenced herein falls on a Saturday, Sunday or legal holiday, then such date automatically is extended to the next business day.

21. Interpretation. Should any of the provisions of this Agreement require interpretation, the party or parties interpreting or construing the same shall not apply a presumption that the terms herein shall be more strictly construed against on party by reason of the rule of construction that a document is to be construed more strictly against the party who

itself or through its agents prepared the same, it being agreed that the agents of all parties participated in the preparation hereof.

22. Waiver. The waiver by one party of the performance of any covenant or condition herein shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant or condition herein. The waiver by either or both parties of the time for performing any act shall not constitute a waiver at the time for performing any other act or any identical act required to be performed at a later time. No waiver hereunder shall be effective unless it is in writing.

23. Board Approval. This Agreement and purchase is contingent upon Buyer being able to obtain approval from Buyer's Board of Directors ("Board Approval") for the purchase of the Property and Easement prior to the expiration of the Inspection Period. It is understood that Buyer shall use commercially reasonable efforts to obtain the Board Approval at the Buyer's Board of Directors' meeting currently scheduled for April 5, 2022, and if that meeting is cancelled, delayed, or fails to meet quorum (or this Agreement is otherwise not voted on at said board meeting), then Buyer shall use commercially reasonable efforts to obtain the Board Approval at the board meeting currently scheduled for May 24, 2022. Buyer shall notify Seller in writing within one (1) day after the applicable board meeting described in the preceding sentence of the decision of Buyer's Board of Directors. If the decision is "yes" this Agreement shall continue in full force and effect. If the decision is "no" Escrow Agent is irrevocably instructed to return the Earnest Money and any interest earned thereon to Buyer and this Agreement shall terminate and neither party shall have any further obligations under this Agreement, except for such provisions hereof which survive termination. Notwithstanding the foregoing, if Buyer fails to terminate this Agreement prior to the expiration of the Inspection Period, then Buyer shall be deemed to have waived its right to terminate this Agreement under this Section 23. Furthermore, if, upon the expiration of the Inspection Period, Buyer has not notified Seller in writing as to a definitive "yes" or "no" board decision described above and Buyer has not otherwise timely terminated this Agreement in accordance with Section 3(f) above, then Seller shall have the option (in Seller's sole discretion) to terminate this Agreement by providing written notice thereof to Buyer within three (3) business day after the expiration of the Inspection Period, and upon such Seller termination, Buyer shall receive a refund of the Earnest Money less the Approvals Reimbursement, with the Approvals Reimbursement being released to and deemed fully earned by Seller, and thereafter neither party shall have any further obligations under this Agreement, except for such provisions hereof which survive termination.

24. Attorney Fees and Costs. In connection with any disputes arising out of this transaction, each party shall be responsible for its own costs and attorney, paralegal, witness and expert fees incurred at the pre-trial, trial and retrial levels, and in all administrative, bankruptcy, collection, insolvency and appellate proceedings, irrespective of which party prevails or is deemed to prevail in any such dispute or proceeding. Escrow Agent (acting in its capacity as escrow agent) shall never have any liability for any such costs or fees. This Section shall survive Closing and any termination of this Agreement.

25. Relationship of the Parties. Nothing contained in this Agreement shall be deemed to (i) create a relationship between Seller and Buyer as other than buyer and seller; (ii) authorize

either party to bind the other in any manner whatever; or (iii) create a fiduciary duty on the part of either party to the other.

26. No Recordation. Neither this Agreement nor any reference to it shall be recorded by Buyer in any public records and any such recording or attempted recording by Buyer shall be an event of default by Buyer under this Agreement.

27. Counterparts. This Agreement may be executed in any number of counterparts, any one and all of which shall constitute the Agreement of the parties, and each of which shall be deemed an original, but all of which together shall constitute one and the same document. Counterpart signature pages transmitted via fax, e-mail, or other electronic means shall be deemed to be originals for all purposes.

28. 1031 Exchange. In the event Seller or Buyer seeks to cause this transaction to qualify as a like-kind exchange (“Like-Kind Exchange”) under Section 1031 of the Code, the other party agrees to cooperate with such party in effectuating such like-kind exchange. In the event a like-kind exchange for some portion or all of the Property cannot be coordinated prior to the date of the Closing, then, at the request of such party, the other party shall cooperate with such party in coordinating a non-simultaneous like-kind exchange under the provisions of Section 1031 of the Code. Notwithstanding anything contained in this Section to the contrary, it is expressly understood and agreed that (a) the party seeking to make such exchange shall pay, within five (5) business days of receipt of a request for reimbursement, all actual costs and expenses of the cooperating party, including but not limited to fees of attorneys, accountants and professional advisors, arising from the cooperating party’s facilitation of the exchange; (b) the party cooperating with the party seeking to make such exchange shall not be required to take title to or be in the chain of title of any like-kind property; and (c) the Closing Date shall not be delayed or postponed as a result of said like-kind exchange.

29. Escrow Provisions. Escrow Agent signs this Agreement for the sole purpose of accepting its engagement as escrow agent pursuant to the terms of this Agreement and agreeing to be bound by the applicable terms hereof. It is agreed that the duties of Escrow Agent with respect to the Earnest Money are only as herein specifically provided and purely ministerial in nature, and Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence, as long as Escrow Agent has acted in good faith. Buyer and Seller each release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of its duties hereunder, except the parties shall not release Escrow Agent from willful misconduct or gross negligence. Escrow Agent is acting as stakeholder only with respect to the Earnest Money and any other monies or documents to the extent delivered to Escrow Agent pursuant to this Agreement. Escrow Agent agrees that at such time as either party alleges that there is a default entitling the other party to the Earnest Money or a document, then Escrow Agent shall send notice to Seller and Buyer advising that the other party has made demand on Escrow Agent for such Earnest Money or document. If the party alleged to be in default does not dispute Escrow Agent disbursing the Earnest Money or document within ten (10) business days of receipt of notice that Escrow Agent intends to disburse the Earnest Money or document or Escrow Agent notifies the parties that it intends to disburse a portion of the Earnest Money or a document and neither of the parties disputes such disbursement within ten (10) business days after

written notice that Escrow Agent intends to disburse all or a portion of such Earnest Money or the document, then Escrow Agent is authorized to disburse the Earnest Money or document as set forth in Escrow Agent's notice. If there is any valid dispute as to whether Escrow Agent is obligated to deliver the Earnest Money or the cash or documents to close or as to whom the Earnest Money, or cash or documents to close is to be delivered, Escrow Agent shall not make any delivery, but in such event, Escrow Agent shall hold same until receipt by it of an authorization in writing, directing the disposition of same executed by Buyer and Seller or in the absence of such authorization, Escrow Agent shall hold the Earnest Money and/or the cash or documents to close until final determination of the rights of the parties in the appropriate proceedings. If such written authorization is not given or proceedings for such determination are not begun within thirty (30) days of written demand by Escrow Agent to Seller and Buyer and diligently continued, Escrow Agent may bring an appropriate action or proceeding to interplead such deposits or documents. Any such interpleader action must be brought in the County in which the Property is located. Escrow Agent shall be reimbursed for all actual costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements, by the party determined to have wrongfully disputed Escrow Agent's authority to disburse. Upon making delivery of the Earnest Money and/or the cash or documents to close, Escrow Agent shall have no further liability unless such delivery constituted willful misconduct or gross negligence.

Buyer may at any time remove the Escrow Agent and appoint a successor. The Escrow Agent may resign at any time from its obligations hereunder by providing written notice to the Seller and Buyer. Such resignation shall be effective on the date set forth in such written notice, which shall be no earlier than ten (10) business days after such written notice has been furnished. In such event, the Buyer shall promptly appoint a successor escrow agent that is approved by Seller. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, the Escrow Agent shall be entitled to tender into the custody of any court of competent jurisdiction all funds and other property then held by the Escrow Agent hereunder and the Escrow Agent shall thereupon be relieved of all further duties and obligations hereunder. The Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

The provisions of this Section shall survive Closing or any earlier termination of this Agreement.

{Signature Pages Follow}

IN WITNESS WHEREOF, Buyer and Seller have caused these presents to be signed in their names on the day and year set forth below.

BUYER:

JEA, a body politic and corporate

By: Jordan Pope
Jordan Pope
V.P., Corporate Strategy

Date: 03/04/2022

SELLER:

LAURENS STREET LLC, a Delaware
limited liability company

By: [Signature]
Print: TODD KAHN
Title: AUTHORIZED PERSON

Date: 03/09/2022

Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent has received and shall hold the Earnest Money in escrow, and shall disburse the Earnest Money pursuant to the provisions of Section 29.

Edwards, Cohen, Dawson, Noble & Dawes, P.A.

By: _____
Print: _____
Its: _____
Date: _____

EXHIBIT A

DESCRIPTION OF PROPERTY

A PORTION OF LOT 3, SUBDIVISION OF PART OF DAVID O. OGILVE ESTATE LYING IN THE CHARLES SETON GRANT, SECTION 39, TOWNSHIP 1 NORTH, RANGE 26 EAST, AS RECORDED IN PLAT BOOK 6, PAGE 70 OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF SAID LOT 3; THENCE NORTH 00°12'51" WEST, ALONG THE WEST LINE OF SAID LOT 3, A DISTANCE OF 2754.44 FEET; THENCE NORTH 83°07'37" EAST, 927.98 FEET; THENCE SOUTH 43°59'10" EAST, 829.43 FEET; THENCE SOUTH 07°53'38" EAST, 2318.94 FEET, TO THE SOUTH LINE OF SAID LOT 3; THENCE NORTH 89°06'10" WEST, ALONG LAST SAID LINE, 1805.74 FEET TO THE POINT OF BEGINNING.

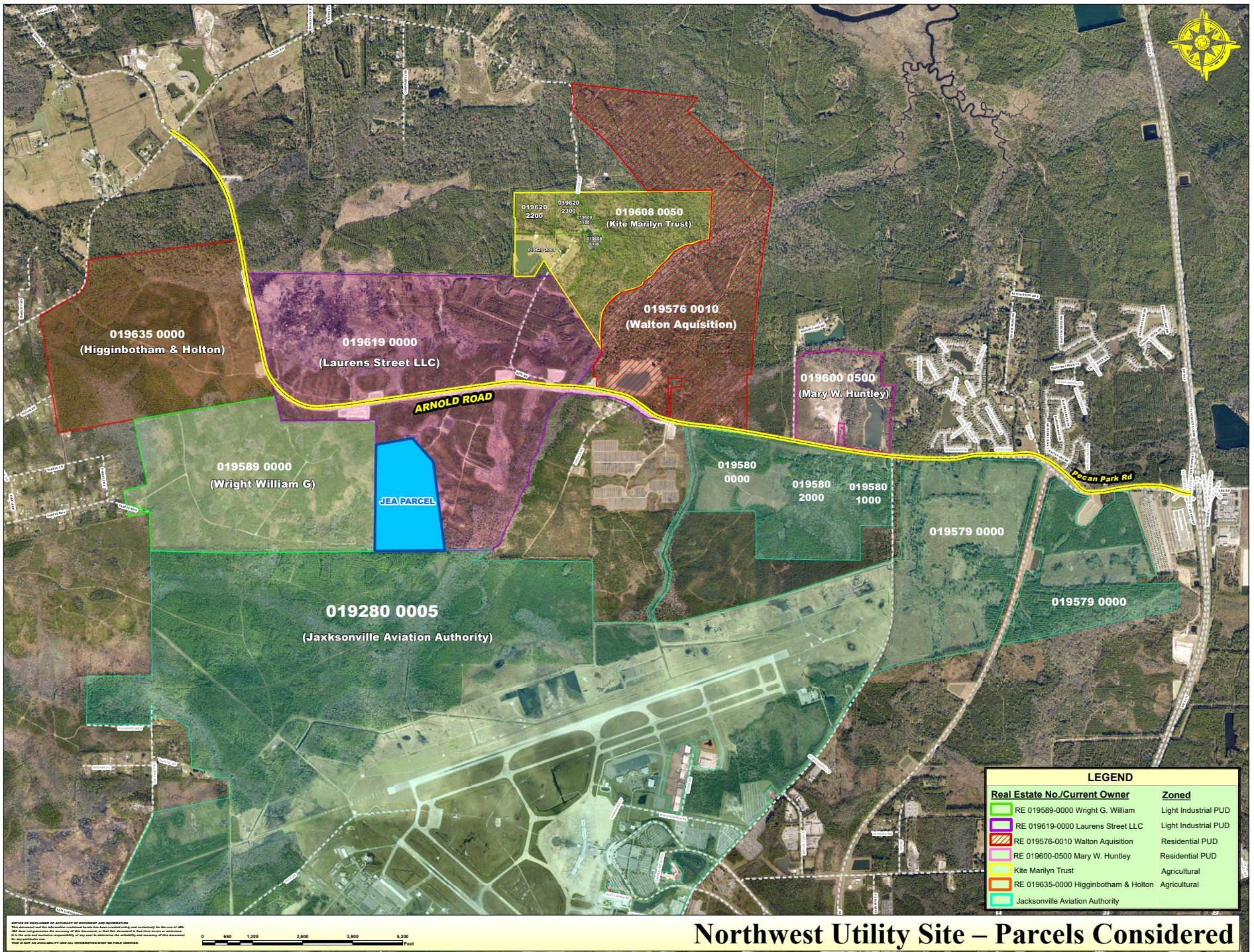
CONTAINING 101.83 ACRES, MORE OR LESS.

EXHIBIT B

FORM OF EASEMENT AGREEMENT

[attach]





IRP

Electric Integrated Resource Plan Update

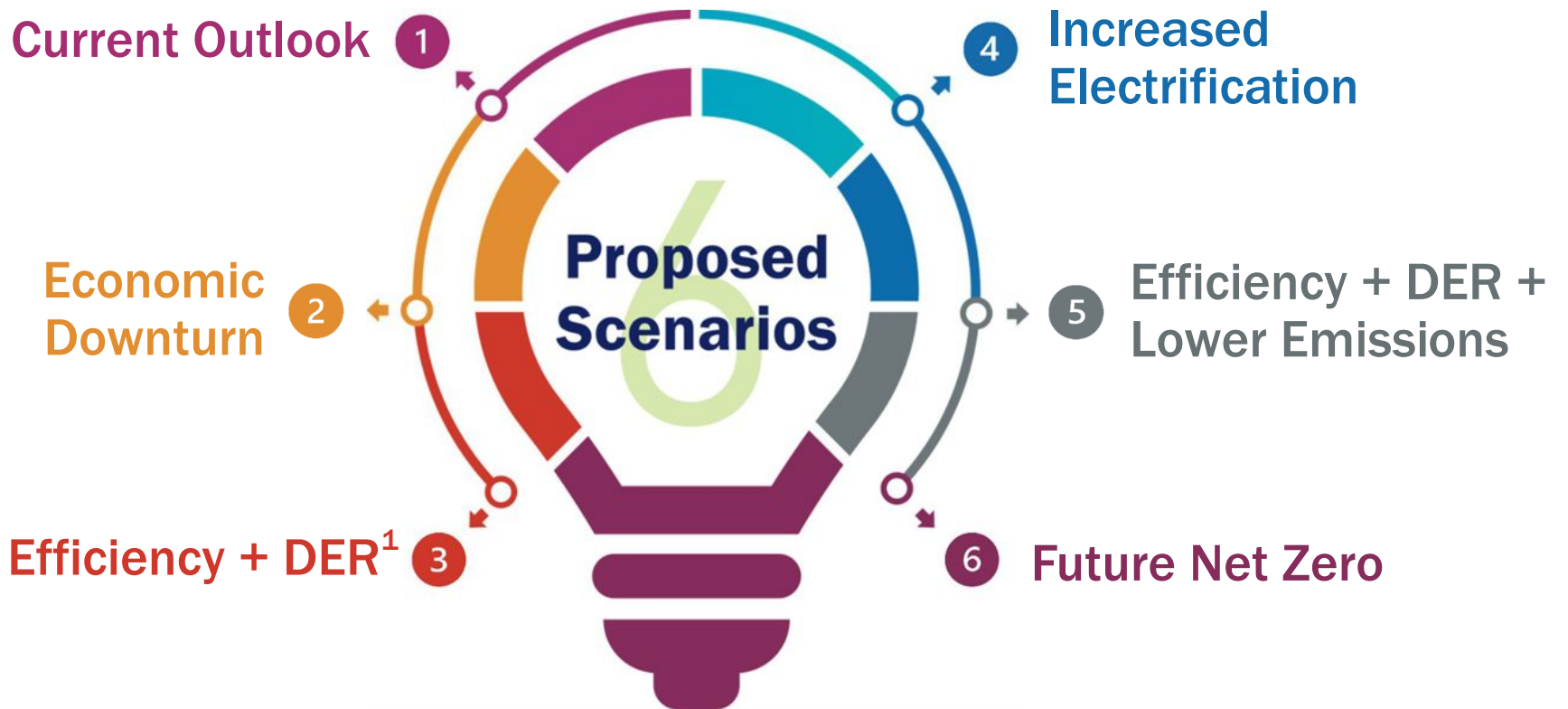
Raynetta Curry Marshall
Chief Operating Officer

Laura Schepis
Chief External Affairs Officer



Electric Integrated Resource Plan

Proposed Scenarios



¹Distributed Energy Resources

Electric Integrated Resource Plan

Scenario Comparison



Scenarios are developed to analyze resource decisions under various potential futures

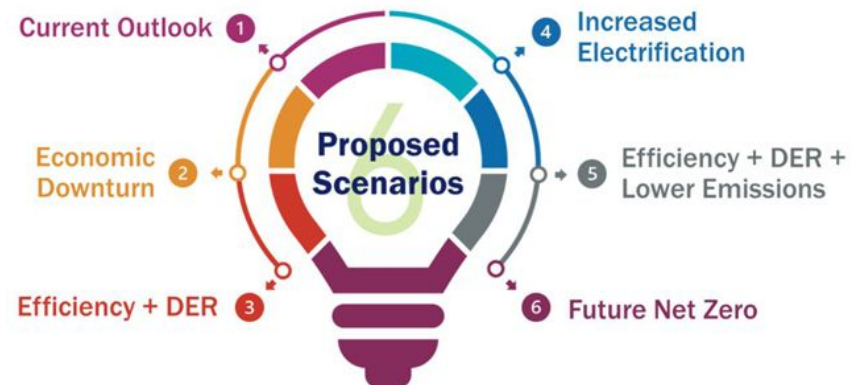
Each scenario has different variables and considerations relative to the current outlook

Analyzing multiple scenarios help:

- Illustrate how future resources may vary across scenarios

- Allows for evaluation of robustness of future resource decisions

- Identify commonalities in many or all scenarios



Electric Integrated Resource Plan

Variables and Considerations



Electric Integrated Resource Plan

Stakeholder Engagement Update

March 10, 2022 Meeting

Closer look at planning elements:

- Load forecast

- Plug-In electric vehicles

- JEA Demand-side Management/Energy Efficiency programs & initiatives

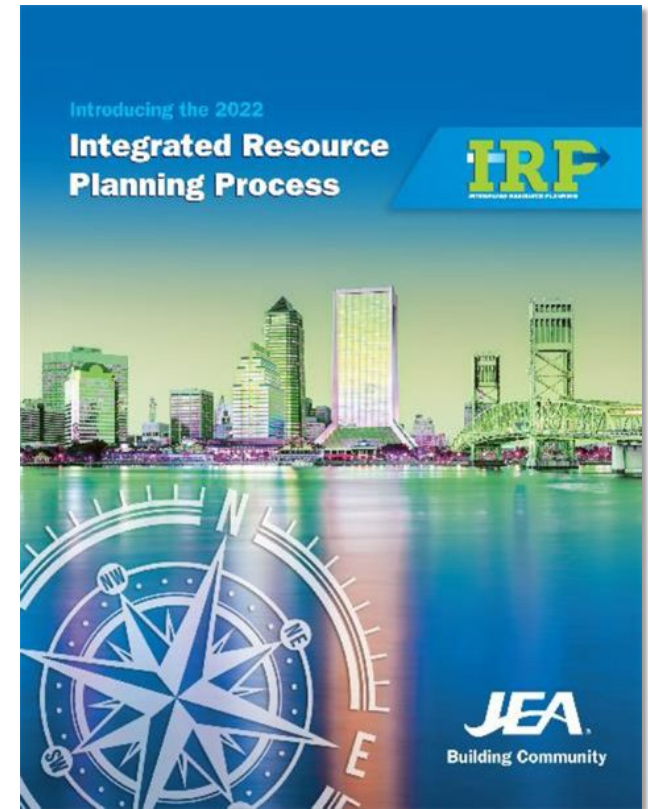
- Future Demand-side Management/Energy Efficiency/Customer-sited generation

Revisit proposed IRP scenarios

Seek stakeholders' feedback on what is important to them

Mid-May stakeholders report

Materials and other key information about the IRP are posted on [JEA.com/IRP](https://jea.com/IRP)



The Stakeholder Advisory Committee provides a valuable sounding board

Electric Integrated Resource Plan



**INTER-OFFICE MEMORANDUM**

March 21, 2022

SUBJECT: CORPORATE HEADQUARTERS UPDATE**FROM:** Jay Stowe, Managing Director/CEO**TO:** JEA Board of Directors**BACKGROUND:**

JEA has been planning for a new corporate headquarters (HQ) for several years to address business continuity risks while meeting our headquarters needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019 meeting and the lease was executed on July 9, 2019 after approval of the site purchase and sale agreement between Ryan and the City of Jacksonville. Reviews by the JEA Board and its Corporate Headquarters Committee in May 2020 resulted in approved changes to the scope of the HQ project. A lease amendment reflecting the scope changes was executed on June 23, 2020. JEA executed a third lease amendment on February 26, 2021 setting the guaranteed maximum price (GMP) for construction scope with Ryan Companies in line with the target budget established in the June 2020 lease amendment. A fourth amendment to the lease was executed on July 19, 2021 establishing a process for change orders and associated scope changes within the tenant improvement allowance funds to maintain the lease budget and GMP. A fifth amendment to the lease executed December 30, 2021 provides that JEA pay certain carry costs due to delayed tenant improvement design and construction after building core and shell completion and documents how JEA security and specialty subcontractors will work with the building management group during tenant improvement construction and post occupancy. Spring 2020 changes to the building size and scope support the decision to migrate to a flexible work model.

DISCUSSION:

Ryan is nearing completion of the core and shell main building and garage. Ryan, JEA, and JEA's CBRE Owner's Representatives continue to assess for core and shell completion milestone. Ryan continues the final exterior detailing and will rework limited perimeter hardscape elements at the request of the City. Tenant improvement (interiors) construction commenced in January 2022 and is estimated to be complete in September. The interiors will offer a variety of workspaces to support the flexible work model. There continues to be significant coordination between the design, construction, and project management groups.

View toward NW corner



Interior wall framing looking north from Level 7



RECOMMENDATION:

This is provided as information only.

Jay Stowe, Managing Director/CEO

JCS/LMD/NKV

APRIL 2022

CORPORATE COMMUNICATIONS & COMMUNITY OUTREACH



The Customer & Community Engagement Team develops engaging communications across a range of channels to educate our customers and community on JEA services and programs in order to help them save money and time and provide peace of mind.

ADVERTISING & SOCIAL MEDIA CAMPAIGNS • CUSTOMER COMMUNICATIONS • DIGITAL COMMUNICATIONS • VIDEOGRAPHY • COMMUNITY OUTREACH

JEA Launches New Educational Campaign: Your Community. Your YOUtility.

**YOUR COMMUNITY.
YOUR YOUUTILITY.**

In March, JEA launched a major customer education campaign with the purpose of spotlighting its services and offerings and demonstrating how committed JEA is to the customers and community it serves, as their YOUtility.

The campaign will focus on five messaging “pillars,” to educate customers on services and programs available to help improve their lives and help our community.

The five pillars are:

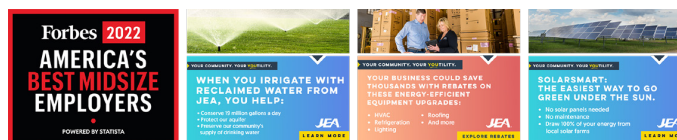
- **Local/Small Business**
- **Environmental Stewardship**
- **Customer Solutions and Programs**
- **Community Engagement**
- **Reliability/Infrastructure Investment**

The multichannel campaign will share content through various elements, including customized landing pages on jea.com, TV commercials and digital videos, radio spots and digital billboards. In addition, we will deliver messaging through online and social media ads and customer bill inserts.

Digital Billboards



Online and Social Media Ads



Bill Inserts



Custom Landing Pages



Radio Commercials

- 🎤 Local/Small Business Radio Spot
- 🎤 Environmental Radio Spot

TV Commercials and Digital Videos

- ▶ Local/Small Business
- ▶ Environmental
- ▶ Small Business Testimonial
- ▶ Wildlife Testimonial
- ▶ Water Conservation Testimonial



Monthly Paid Media Impressions

MEDIA	IMPRESSIONS
Radio	950,000
Out-of-Home	3,754,152
Online Display/Video	2,684,930
Paid Social	907,548
Online Paid Social	75,279
Print	3,000
TOTAL	8,374,909

Social Media Mentions

From February to early March, JEA saw an **increase** in mentions overall when compared to the December-to-January timeframe. **Positive mentions accounted for 20 percent** of the total. Key conversation starters were from people congratulating our crews at the Florida Municipal Electric Association's Lineman Competition in late February, JEA naming its first director of diversity, equity and inclusion, and the conclusion of the Ortega Pointe overhead-to-underground electric project. During this time, just over **70 percent of the mentions were neutral.**



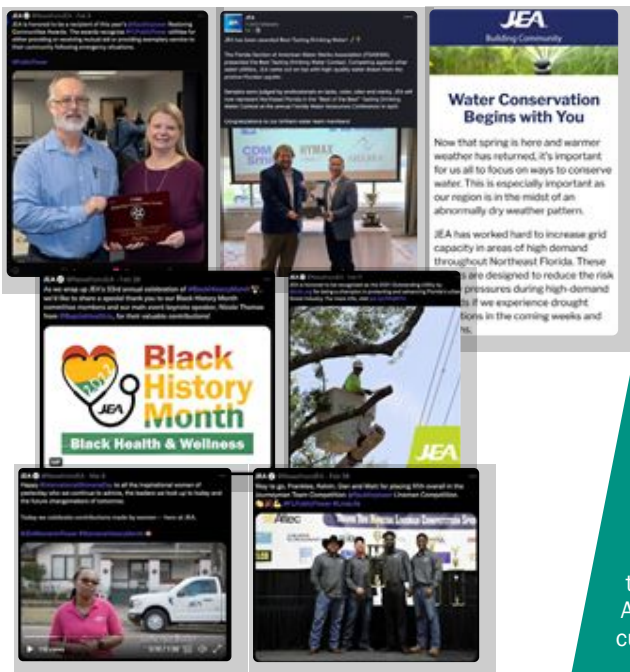
Digital Communications Update

Throughout February and March, our Social Media Team has promoted a variety of JEA observances and events, notably Black History Month, Women's History Month and International Women's Day, coverage of JEA's team performances at the 2022 FMEA Florida Lineman Competition in Ft. Pierce, Fla., and the APPA Lineworkers Rodeo in Austin.

We are preparing to participate in a pilot program with Customer & Utility Analytics and its vendor partner, BlastPoint, to test the use of enhanced customer segmentation data applied to social media and email campaigns to more precisely communicate with customers who may be receptive to JEA programs and offerings.

Our team is collaborating with Customer Solutions & Market Development to integrate new messaging on a large section of jea.com devoted to Ways to Save, with focuses on new residential and commercial rebate programs to encourage energy and water conservation. Most programs will go live in mid-April.

As we enter spring, we are collaborating with our water operational team to clarify customer messaging on effective measures to conserve water. All-customer email and social media marketing will be used to reach customers during Water Conservation Month in April.



Video Highlights

Women in Trades

In honor of March being Women's History Month, JEA celebrated women who work in trades. This video highlights three of those women: one who works in electric, one in water and a third in Customer Field and Meter Services.

[CLICK HERE TO WATCH](#)



[CLICK HERE TO WATCH](#)

FMEA Rodeo

JEA Linemen brought home some trophies from the FMEA Rodeo in Fort Pierce. This video celebrates their accomplishments!

FMEA Rodeo 2022



Media Highlights

From February 1 - March 14, earned media publicity value exceeded: **\$136,000**



COO Raynetta Marshall
Jacksonville Business Journal

We received significant positive local and statewide media coverage in February and March. During Black History Month, the Jacksonville Business Journal highlighted **COO Raynetta Marshall** in a feature and included her in an **editorial on diversity, equality and inclusion**. Also, APPA interviewed Paul McFadden on a podcast, highlighting his new role as director of diversity, equity and inclusion.

Several outlets reported on JEA receiving industry recognition. **WOKV** and **ActionNewsJax** covered JEA's lineworker teams winning awards at the Florida Lineman

Competition. ActionNewsJax reported on FMEA's Restoring Communities Award and **Florida Politics** highlighted our FMEA Safety Award.

Following the February board meeting, local news outlets reported on the **anticipated drop in fuel costs** in March and how **supply chain issues** have impacted JEA. The conflict of Ukraine prompted local coverage on how JEA's grid security and fuel prices would be impacted. Jay Stowe provided interviews to **News4Jax** and **First Coast News** emphasizing that JEA is prepared on both fronts.

Local, statewide, and national news coverage focused on previous JEA leaders in early March. A **Florida Times-Union** story outlined how a "death spiral" scenario never came to fruition for JEA. The story provided a detailed look at JEA's financial status, with insights and data from Stowe and Vice President, Financial Services Joe Orfano.



Lineman Rodeo
WOKV and ActionNewsJax



Gate River Run

Community Outreach

The months of February and March were busy ones for JEA Ambassadors and Volunteers. We offered a variety of virtual and in-person activities designed to impact our community in a positive way and educate customers on the quality services offered by JEA. A few of the highlights are:

Gate River Run—JEA volunteers supported thousands of runners at the Gate River Run in March.

Construction Career Days—Volunteers chaperoned high school students while Ambassadors worked the JEA Learning Labs.

St. Johns River Cleanup—Volunteers helped keep Jacksonville beautiful by removing debris from parks, boat ramps, and neighborhoods.

STEM Expo—Ambassadors worked on the Innovation campus of the River City Science Academy to educate students about JEA services.

HabiJax Builds—Volunteers participated in this event to assist HabiJax, one of the largest non-profit affordable housing builders in Duval County.

Help Animal Control & Protective Services—Volunteers made treats for pets waiting to be adopted.

Spring Cards for Seniors—Volunteers hand wrote messages in Spring- or Easter-themed cards to brighten the day of senior adults.

World of Nations Celebration—Ambassadors participated in this event, interacting with and educating customers, as we celebrated the diversity of more than 25 countries from around the world.

Reading Program for Communities in Schools of Jacksonville—Volunteers created a video of themselves reading a book or demonstrating a simple and easy craft project to elementary-aged children in Duval County Schools.

Newspaper and Magazine Images for Hope at Hand—Volunteers helped Hope at Hand instructors by cutting out words and images for upcoming lessons.



STEM Expo

AMBASSADOR OF THE MONTH



Della Williams
Customer Advisor

VOLUNTEER OF THE MONTH



Michael Hinson
Project Cost Specialist



Monthly Financial Statements

February 2022

Monthly Financial Statements

February 2022

Index

	Page
Statements of Net Position - Assets and Deferred Outflows of Resources	2
Statements of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flow	5
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Current Year	6
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Current Year	7
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Prior Year	8
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Prior Year	9
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Month	10
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Month	11
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Year-to-Date	12
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Year-to-Date	13
Combining Statements of Cash Flow - Current Year	14
Combining Statements of Cash Flow - Prior Year	15
Debt Service Coverage	16
Operating Statistics - Electric System	17
Operating Statistics - Water and Sewer	18

Appendix

Schedules of Cash and Investments	20
Investment Portfolio - All Funds	21
Schedule of Outstanding Indebtedness	22
Interest Rate Swap Position Report	23
Production Statistics - Electric System	24
Electric Revenues and Expenses for the Month - Budget versus Actual	26
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	27
Water and Sewer Revenues and Expenses - Budget versus Actual	28
District Energy System - Budget versus Actual	29

JEA

Page 2

**Statements of Net Position
(in thousands)**

	February 2022	
	(unaudited)	September 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 320,718	\$ 350,495
Investments	4,726	4,140
Customer accounts receivable, net of allowance (\$1,742 and \$3,155, respectively)	211,288	221,348
Inventories:		
Materials and supplies	65,998	62,796
Fuel	45,737	32,911
Other current assets	29,027	24,434
Total current assets	677,494	696,124
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	210,173	362,618
Investments	405,043	269,820
Accounts and interest receivable	420	240
Total restricted assets	615,636	632,678
Costs to be recovered from future revenues	866,043	881,949
Hedging derivative instruments	148,669	150,453
Other assets	30,033	22,939
Total noncurrent assets	1,660,381	1,688,019
Capital assets:		
Land and easements	216,060	213,649
Plant in service	12,619,202	12,415,504
Less accumulated depreciation	(7,783,779)	(7,522,027)
Plant in service, net	5,051,483	5,107,126
Construction work in progress	286,249	369,367
Net capital assets	5,337,732	5,476,493
Total assets	7,675,607	7,860,636
Deferred outflows of resources		
Unrealized pension contributions and losses	157,296	157,296
Accumulated decrease in fair value of hedging derivatives	123,538	129,355
Unamortized deferred losses on refundings	85,651	89,729
Unrealized asset retirement obligations	43,380	37,669
Unrealized OPEB contributions and losses	7,302	7,302
Total deferred outflows of resources	417,167	421,351
Total assets and deferred outflows of resources	\$ 8,092,774	\$ 8,281,987

JEA
Statements of Net Position
(in thousands)

Page 3

	February 2022 (unaudited)	September 2021
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 103,539	\$ 76,702
Customer deposits and prepayments	75,460	75,030
Billings on behalf of state and local governments	23,744	26,006
Compensation and benefits payable	14,977	13,361
City of Jacksonville payable	10,322	10,193
Asset retirement obligations	2,235	3,307
Total current liabilities	230,277	204,599
Current liabilities payable from restricted assets:		
Debt due within one year	74,070	91,535
Interest payable	42,602	51,454
Construction contracts and accounts payable	22,065	45,466
Renewal and replacement reserve	33,656	32,776
Total current liabilities payable from restricted assets	172,393	221,231
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,760,220	2,908,175
Unamortized premium, net	184,908	194,070
Fair value of debt management strategy instruments	123,045	129,355
Total long-term debt	3,068,173	3,231,600
Net pension liability	729,569	729,569
Asset retirement obligations	41,145	34,362
Compensation and benefits payable	32,128	33,433
Net OPEB liability	5,422	5,136
Other liabilities	18,610	18,338
Total noncurrent liabilities	3,895,047	4,052,438
Total liabilities	4,297,717	4,478,268
Deferred inflows of resources		
Revenues to be used for future costs	96,698	156,814
Accumulated increase in fair value of hedging derivatives	148,800	150,453
Unrealized OPEB gains	14,725	14,725
Unrealized pension gains	14,273	14,273
Total deferred inflows of resources	274,496	336,265
Net position		
Net investment in capital assets	2,761,169	2,696,104
Restricted for:		
Capital projects	354,237	296,059
Debt service	30,068	90,423
Other purposes	40,202	44,774
Unrestricted	334,885	340,094
Total net position	3,520,561	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 8,092,774	\$ 8,281,987

JEA

Page 4

Statements of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited)

	Month February		Year-to-Date February	
	2022	2021	2022	2021
Operating revenues				
Electric - base	\$ 49,782	\$ 61,924	\$ 322,355	\$ 333,612
Electric - fuel and purchased power	42,736	31,367	213,405	152,999
Water and sewer	35,791	32,677	192,942	174,920
District energy system	597	519	3,131	2,972
Other operating revenues	3,227	2,625	116,090	14,851
Total operating revenues	132,133	129,112	847,923	679,354
Operating expenses				
Operations and maintenance:				
Maintenance and other operating expenses	31,039	29,623	193,111	147,720
Fuel	29,972	27,511	168,294	135,248
Purchased power	19,850	7,885	82,260	36,820
Depreciation	32,350	32,411	271,927	162,622
State utility and franchise taxes	6,355	5,263	29,767	28,594
Recognition of deferred costs and revenues, net	2,443	1,959	(12,738)	10,175
Total operating expenses	122,009	104,652	732,621	521,179
Operating income	10,124	24,460	115,302	158,175
Nonoperating revenues (expenses)				
Interest on debt	(8,606)	(9,566)	(47,600)	(49,600)
Earnings from The Energy Authority	1,189	642	14,783	1,159
Allowance for funds used during construction	932	613	4,451	3,134
Other nonoperating income, net	545	558	2,732	2,862
Investment income	365	538	986	2,249
Other interest, net	(4)	(2)	21	37
Total nonoperating expenses, net	(5,579)	(7,217)	(24,627)	(40,159)
Income before contributions	4,545	17,243	90,675	118,016
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(10,100)	(10,001)	(50,505)	(50,005)
Developers and other	6,617	10,108	36,620	33,649
Reduction of plant cost through contributions	(3,587)	(6,575)	(23,683)	(19,146)
Total contributions, net	(7,070)	(6,468)	(37,568)	(35,502)
Change in net position	(2,525)	10,775	53,107	82,514
Net position, beginning of period	3,523,086	3,295,729	3,467,454	3,223,990
Net position, end of period	\$ 3,520,561	\$ 3,306,504	\$ 3,520,561	\$ 3,306,504

JEA

Page 5

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	February	
	2022	2021
Operating activities		
Receipts from customers	\$ 711,740	\$ 692,744
Payments to suppliers	(350,463)	(256,999)
Payments for salaries and benefits	(116,593)	(104,699)
Other operating activities	115,575	16,741
Net cash provided by operating activities	360,259	347,787
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(50,405)	(49,906)
Net cash used in noncapital and related financing activities	(50,405)	(49,906)
Capital and related financing activities		
Acquisition and construction of capital assets	(152,685)	(147,620)
Defeasance of debt	(74,885)	-
Interest paid on debt	(60,512)	(61,399)
Repayment of debt principal	(91,535)	(102,700)
Capital contributions	12,938	14,504
Revolving credit agreement withdrawals	1,000	-
Other capital financing activities	4,366	3,953
Net cash used in capital and related financing activities	(361,313)	(293,262)
Investing activities		
Proceeds from sale and maturity of investments	95,725	49,220
Purchase of investments	(232,318)	(109,873)
Distributions from The Energy Authority	4,448	(161)
Investment income	1,382	2,457
Net cash used in investing activities	(130,763)	(58,357)
Net change in cash and cash equivalents	(182,222)	(53,738)
Cash and cash equivalents at beginning of year	713,113	641,132
Cash and cash equivalents at end of period	\$ 530,891	\$ 587,394
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 115,302	\$ 158,175
Adjustments:		
Depreciation and amortization	272,202	163,093
Recognition of deferred costs and revenues, net	(12,738)	10,175
Other nonoperating income, net	56	95
Changes in noncash assets and noncash liabilities:		
Accounts receivable	9,873	37,595
Inventories	(16,028)	3,850
Other assets	(1,737)	(1,623)
Accounts and accrued expenses payable	26,576	(12,648)
Current liabilities payable from restricted assets	(124)	(2,059)
Other noncurrent liabilities and deferred inflows	(33,123)	(8,866)
Net cash provided by operating activities	\$ 360,259	\$ 347,787
Noncash activity		
Contribution of capital assets from developers	\$ 23,683	\$ 19,146
Unrealized investment fair market value changes, net	\$ (785)	\$ (522)

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2022

Page 6

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 199,734	\$ 51,547	\$ -	\$ 251,281	68,001	\$ 1,436	\$ 320,718
Investments	-	4,726	-	4,726	-	-	4,726
Customer accounts receivable, net of allowance (\$1,742)	158,925	-	-	158,925	51,998	365	211,288
Inventories:							
Materials and supplies	2,311	-	-	2,311	63,687	-	65,998
Fuel	45,737	-	-	45,737	-	-	45,737
Other current assets	24,794	42	(4,284)	20,552	8,461	14	29,027
Total current assets	431,501	56,315	(4,284)	483,532	192,147	1,815	677,494
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	50,541	72,455	-	122,996	86,300	877	210,173
Investments	272,548	9,081	-	281,629	123,414	-	405,043
Accounts and interest receivable	-	413	-	413	7	-	420
Total restricted assets	323,089	81,949	-	405,038	209,721	877	615,636
Costs to be recovered from future revenues	396,960	187,143	-	584,103	281,910	30	866,043
Hedging derivative instruments	148,669	-	-	148,669	-	-	148,669
Other assets	27,707	7,051	(4,765)	29,993	40	-	30,033
Total noncurrent assets	896,425	276,143	(4,765)	1,167,803	491,671	907	1,660,381
Capital assets:							
Land and easements	127,067	6,660	-	133,727	79,282	3,051	216,060
Plant in service	6,115,191	1,316,043	-	7,431,234	5,126,667	61,301	12,619,202
Less accumulated depreciation	(3,839,519)	(1,313,959)	-	(5,153,478)	(2,597,354)	(32,947)	(7,783,779)
Plant in service, net	2,402,739	8,744	-	2,411,483	2,608,595	31,405	5,051,483
Construction work in progress	65,513	-	-	65,513	217,355	3,381	286,249
Net capital assets	2,468,252	8,744	-	2,476,996	2,825,950	34,786	5,337,732
Total assets	3,796,178	341,202	(9,049)	4,128,331	3,509,768	37,508	7,675,607
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	97,919	-	-	97,919	25,619	-	123,538
Unamortized deferred losses on refundings	48,380	2,581	-	50,961	34,538	152	85,651
Unrealized asset retirement obligations	42,932	448	-	43,380	-	-	43,380
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	283,620	7,645	-	291,265	125,750	152	417,167
Total assets and deferred outflows of resources	\$ 4,079,798	\$ 348,847	\$ (9,049)	\$ 4,419,596	\$ 3,635,518	\$ 37,660	\$ 8,092,774

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2022

Page 7

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,384	\$ 27,621	\$ (12)	\$ 94,993	\$ 8,517	\$ 29	\$ 103,539
Customer deposits and prepayments	57,665	-	-	57,665	17,795	-	75,460
Billings on behalf of state and local governments	20,252	-	-	20,252	3,492	-	23,744
Compensation and benefits payable	10,837	-	-	10,837	4,108	32	14,977
City of Jacksonville payable	8,090	-	-	8,090	2,232	-	10,322
Asset retirement obligations	1,787	448	-	2,235	-	-	2,235
Total current liabilities	166,015	28,069	(12)	194,072	36,144	61	230,277
Current liabilities payable from restricted assets:							
Debt due within one year	47,120	15,285	-	62,405	9,850	1,815	74,070
Interest payable	19,769	3,471	-	23,240	18,859	503	42,602
Construction contracts and accounts payable	4,918	4,728	(4,272)	5,374	16,571	120	22,065
Renewal and replacement reserve	-	33,656	-	33,656	-	-	33,656
Total current liabilities payable from restricted assets	71,807	57,140	(4,272)	124,675	45,280	2,438	172,393
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,349,290	195,050	-	1,544,340	1,187,055	28,825	2,760,220
Unamortized premium (discount), net	95,645	255	-	95,900	89,025	(17)	184,908
Fair value of debt management strategy instruments	97,557	-	-	97,557	25,488	-	123,045
Total long-term debt	1,542,492	195,305	-	1,737,797	1,301,568	28,808	3,068,173
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	41,145	-	-	41,145	-	-	41,145
Compensation and benefits payable	22,851	-	-	22,851	9,186	91	32,128
Net OPEB liability	3,196	-	-	3,196	2,226	-	5,422
Other liabilities	18,610	4,765	(4,765)	18,610	-	-	18,610
Total noncurrent liabilities	2,058,740	200,070	(4,765)	2,254,045	1,612,103	28,899	3,895,047
Total liabilities	2,296,562	285,279	(9,049)	2,572,792	1,693,527	31,398	4,297,717
Deferred inflows of resources							
Revenues to be used for future costs	62,458	5,094	-	67,552	29,146	-	96,698
Accumulated increase in fair value of hedging derivatives	148,669	-	-	148,669	131	-	148,800
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	227,170	6,901	-	234,071	40,425	-	274,496
Net position							
Net investment in (divestment of) capital assets	1,114,842	(7,303)	-	1,107,539	1,649,405	4,225	2,761,169
Restricted for:							
Capital projects	228,985	-	-	228,985	125,634	(382)	354,237
Debt service	18,376	6,736	-	25,112	4,200	756	30,068
Other purposes	2,606	28,540	4,272	35,418	4,784	-	40,202
Unrestricted	191,257	28,694	(4,272)	215,679	117,543	1,663	334,885
Total net position	1,556,066	56,667	-	1,612,733	1,901,566	6,262	3,520,561
Total liabilities, deferred inflows of resources, and net position	\$ 4,079,798	\$ 348,847	\$ (9,049)	\$ 4,419,596	\$ 3,635,518	\$ 37,660	\$ 8,092,774

JEA
Combining Statement of Net Position
(in thousands) September 2021

Page 8

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 222,273	\$ 51,335	\$ -	\$ 273,608	\$ 75,668	\$ 1,219	\$ 350,495
Investments	-	4,140	-	4,140	-	-	4,140
Customer accounts receivable, net of allowance (\$3,155)	165,572	-	-	165,572	55,273	503	221,348
Inventories:							
Materials and supplies	2,248	-	-	2,248	60,548	-	62,796
Fuel	32,911	-	-	32,911	-	-	32,911
Other current assets	22,864	125	(4,279)	18,710	5,720	4	24,434
Total current assets	445,868	55,600	(4,279)	497,189	197,209	1,726	696,124
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	164,501	82,618	-	247,119	112,468	3,031	362,618
Investments	168,306	9,677	-	177,983	91,837	-	269,820
Accounts and interest receivable	-	233	-	233	7	-	240
Total restricted assets	332,807	92,528	-	425,335	204,312	3,031	632,678
Costs to be recovered from future revenues	376,214	220,155	-	596,369	285,550	30	881,949
Hedging derivative instruments	150,453	-	-	150,453	-	-	150,453
Other assets	20,335	7,051	(4,765)	22,621	318	-	22,939
Total noncurrent assets	879,809	319,734	(4,765)	1,194,778	490,180	3,061	1,688,019
Capital assets:							
Land and easements	124,836	6,660	-	131,496	79,102	3,051	213,649
Plant in service	6,007,751	1,316,043	-	7,323,794	5,030,852	60,858	12,415,504
Less accumulated depreciation	(3,643,809)	(1,313,789)	-	(4,957,598)	(2,532,588)	(31,841)	(7,522,027)
Plant in service, net	2,488,778	8,914	-	2,497,692	2,577,366	32,068	5,107,126
Construction work in progress	120,138	-	-	120,138	246,928	2,301	369,367
Net capital assets	2,608,916	8,914	-	2,617,830	2,824,294	34,369	5,476,493
Total assets	3,934,593	384,248	(9,044)	4,309,797	3,511,683	39,156	7,860,636
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	102,752	-	-	102,752	26,603	-	129,355
Unamortized deferred losses on refundings	51,043	3,099	-	54,142	35,430	157	89,729
Unrealized asset retirement obligations	37,601	68	-	37,669	-	-	37,669
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	285,785	7,783	-	293,568	127,626	157	421,351
Total assets and deferred outflows of resources	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA
Combining Statement of Net Position
(in thousands) September 2021

Page 9

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,698	\$ 517	\$ (33)	\$ 68,182	\$ 8,418	\$ 102	\$ 76,702
Customer deposits and prepayments	57,354	-	-	57,354	17,676	-	75,030
Billings on behalf of state and local governments	22,218	-	-	22,218	3,788	-	26,006
Compensation and benefits payable	7,229	-	-	7,229	6,069	63	13,361
City of Jacksonville payable	7,978	-	-	7,978	2,215	-	10,193
Asset retirement obligations	3,239	68	-	3,307	-	-	3,307
Total current liabilities	165,716	585	(33)	166,268	38,166	165	204,599
Current liabilities payable from restricted assets:							
Debt due within one year	66,220	14,175	-	80,395	9,370	1,770	91,535
Interest payable	24,886	4,947	-	29,833	20,994	627	51,454
Construction contracts and accounts payable	9,226	5,732	(4,246)	10,712	33,924	830	45,466
Renewal and replacement reserve	-	32,776	-	32,776	-	-	32,776
Total current liabilities payable from restricted assets	100,332	57,630	(4,246)	153,716	64,288	3,227	221,231
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,444,040	237,590	-	1,681,630	1,196,905	29,640	2,908,175
Unamortized premium (discount), net	99,631	331	-	99,962	94,127	(19)	194,070
Fair value of debt management strategy instruments	102,752	-	-	102,752	26,603	-	129,355
Total long-term debt	1,646,423	237,921	-	1,884,344	1,317,635	29,621	3,231,600
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	34,362	-	-	34,362	-	-	34,362
Compensation and benefits payable	23,915	-	-	23,915	9,441	77	33,433
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	18,338	4,765	(4,765)	18,338	-	-	18,338
Total noncurrent liabilities	2,156,514	242,686	(4,765)	2,394,435	1,628,305	29,698	4,052,438
Total liabilities	2,422,562	300,901	(9,044)	2,714,419	1,730,759	33,090	4,478,268
Deferred inflows of resources							
Revenues to be used for future costs	121,643	5,094	-	126,737	30,077	-	156,814
Accumulated increase in fair value of hedging derivatives	150,453	-	-	150,453	-	-	150,453
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	288,139	6,901	-	295,040	41,225	-	336,265
Net position							
Net investment in (divestment of) capital assets	1,089,669	(15,562)	-	1,074,107	1,619,661	2,336	2,696,104
Restricted for:							
Capital projects	184,086	-	-	184,086	111,339	634	296,059
Debt service	64,931	14,542	-	79,473	9,180	1,770	90,423
Other purposes	3,060	30,166	4,246	37,472	7,302	-	44,774
Unrestricted	167,931	55,083	(4,246)	218,768	119,843	1,483	340,094
Total net position	1,509,677	84,229	-	1,593,906	1,867,325	6,223	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA

Page 10

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 50,456	\$ -	\$ -	\$ 50,456	\$ -	\$ -	\$ (674)	\$ 49,782
Electric - fuel and purchased power	43,619	2,183	(2,183)	43,619	-	-	(883)	42,736
Water and sewer	-	-	-	-	35,804	-	(13)	35,791
District energy system	-	-	-	-	-	618	(21)	597
Other operating revenues	1,837	-	-	1,837	1,581	-	(191)	3,227
Total operating revenues	95,912	2,183	(2,183)	95,912	37,385	618	(1,782)	132,133
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	18,078	493	-	18,571	13,965	285	(1,782)	31,039
Fuel	29,972	-	-	29,972	-	-	-	29,972
Purchased power	22,033	-	(2,183)	19,850	-	-	-	19,850
Depreciation	17,735	34	-	17,769	14,366	215	-	32,350
State utility and franchise taxes	5,530	-	-	5,530	825	-	-	6,355
Recognition of deferred costs and revenues, net	691	1,239	-	1,930	513	-	-	2,443
Total operating expenses	94,039	1,766	(2,183)	93,622	29,669	500	(1,782)	122,009
Operating income	1,873	417	-	2,290	7,716	118	-	10,124
Nonoperating revenues (expenses)								
Interest on debt	(4,615)	(695)	-	(5,310)	(3,193)	(103)	-	(8,606)
Earnings from The Energy Authority	1,189	-	-	1,189	-	-	-	1,189
Allowance for funds used during construction	222	-	-	222	700	10	-	932
Other nonoperating income, net	319	22	-	341	204	-	-	545
Investment income	168	12	-	180	184	1	-	365
Other interest, net	(4)	-	-	(4)	-	-	-	(4)
Total nonoperating expenses, net	(2,721)	(661)	-	(3,382)	(2,105)	(92)	-	(5,579)
Income before contributions	(848)	(244)	-	(1,092)	5,611	26	-	4,545
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,878)	-	-	(7,878)	(2,222)	-	-	(10,100)
Developers and other	505	-	-	505	6,112	-	-	6,617
Reduction of plant cost through contributions	(505)	-	-	(505)	(3,082)	-	-	(3,587)
Total contributions, net	(7,878)	-	-	(7,878)	808	-	-	(7,070)
Change in net position	(8,726)	(244)	-	(8,970)	6,419	26	-	(2,525)
Net position, beginning of period	1,564,792	56,911	-	1,621,703	1,895,147	6,236	-	3,523,086
Net position, end of period	\$ 1,556,066	\$ 56,667	\$ -	\$ 1,612,733	\$ 1,901,566	\$ 6,262	\$ -	\$ 3,520,561

JEA

Page 11

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 62,584	\$ -	\$ -	\$ 62,584	\$ -	\$ -	\$ (660)	\$ 61,924
Electric - fuel and purchased power	31,951	2,224	(2,224)	31,951	-	-	(584)	31,367
Water and sewer	-	-	-	-	32,704	-	(27)	32,677
District energy system	-	-	-	-	-	541	(22)	519
Other operating revenues	1,750	25	-	1,775	1,035	-	(185)	2,625
Total operating revenues	96,285	2,249	(2,224)	96,310	33,739	541	(1,478)	129,112
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	18,350	585	-	18,935	11,943	223	(1,478)	29,623
Fuel	27,511	-	-	27,511	-	-	-	27,511
Purchased power	10,109	-	(2,224)	7,885	-	-	-	7,885
Depreciation	17,991	34	-	18,025	14,173	213	-	32,411
State utility and franchise taxes	4,458	-	-	4,458	805	-	-	5,263
Recognition of deferred costs and revenues, net	529	1,156	-	1,685	274	-	-	1,959
Total operating expenses	78,948	1,775	(2,224)	78,499	27,195	436	(1,478)	104,652
Operating income	17,337	474	-	17,811	6,544	105	-	24,460
Nonoperating revenues (expenses)								
Interest on debt	(5,107)	(815)	-	(5,922)	(3,537)	(107)	-	(9,566)
Earnings from The Energy Authority	642	-	-	642	-	-	-	642
Allowance for funds used during construction	174	-	-	174	438	1	-	613
Other nonoperating income, net	330	24	-	354	204	-	-	558
Investment income	320	9	-	329	209	-	-	538
Other interest, net	(2)	-	-	(2)	-	-	-	(2)
Total nonoperating expenses, net	(3,643)	(782)	-	(4,425)	(2,686)	(106)	-	(7,217)
Income before contributions	13,694	(308)	-	13,386	3,858	(1)	-	17,243
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,801)	-	-	(7,801)	(2,200)	-	-	(10,001)
Developers and other	53	-	-	53	10,055	-	-	10,108
Reduction of plant cost through contributions	(53)	-	-	(53)	(6,522)	-	-	(6,575)
Total contributions, net	(7,801)	-	-	(7,801)	1,333	-	-	(6,468)
Change in net position	5,893	(308)	-	5,585	5,191	(1)	-	10,775
Net position, beginning of period	1,403,580	87,312	-	1,490,892	1,798,515	6,322	-	3,295,729
Net position, end of period	\$ 1,409,473	\$ 87,004	\$ -	\$ 1,496,477	\$ 1,803,706	\$ 6,321	\$ -	\$ 3,306,504

JEA

Page 12

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 325,921	\$ -	\$ -	\$ 325,921	\$ -	\$ -	\$ (3,566)	\$ 322,355
Electric - fuel and purchased power	217,035	38,617	(38,616)	217,036	-	-	(3,631)	213,405
Water and sewer	-	-	-	-	193,019	-	(77)	192,942
District energy system	-	-	-	-	-	3,259	(128)	3,131
Other operating revenues	108,954	233	-	109,187	7,858	1	(956)	116,090
Total operating revenues	651,910	38,850	(38,616)	652,144	200,877	3,260	(8,358)	847,923
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	93,772	29,053	-	122,825	76,993	1,651	(8,358)	193,111
Fuel	168,294	-	-	168,294	-	-	-	168,294
Purchased power	120,876	-	(38,616)	82,260	-	-	-	82,260
Depreciation	198,648	171	-	198,819	72,002	1,106	-	271,927
State utility and franchise taxes	25,299	-	-	25,299	4,468	-	-	29,767
Recognition of deferred costs and revenues, net	(49,066)	32,762	-	(16,304)	3,566	-	-	(12,738)
Total operating expenses	557,823	61,986	(38,616)	581,193	157,029	2,757	(8,358)	732,621
Operating income	94,087	(23,136)	-	70,951	43,848	503	-	115,302
Nonoperating revenues (expenses)								
Interest on debt	(26,199)	(4,562)	-	(30,761)	(16,327)	(512)	-	(47,600)
Earnings from The Energy Authority	14,783	-	-	14,783	-	-	-	14,783
Allowance for funds used during construction	1,080	-	-	1,080	3,324	47	-	4,451
Other nonoperating income, net	1,606	108	-	1,714	1,018	-	-	2,732
Investment income	416	28	-	444	541	1	-	986
Other interest, net	10	-	-	10	11	-	-	21
Total nonoperating expenses, net	(8,304)	(4,426)	-	(12,730)	(11,433)	(464)	-	(24,627)
Income before contributions	85,783	(27,562)	-	58,221	32,415	39	-	90,675
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(39,394)	-	-	(39,394)	(11,111)	-	-	(50,505)
Developers and other	1,936	-	-	1,936	34,684	-	-	36,620
Reduction of plant cost through contributions	(1,936)	-	-	(1,936)	(21,747)	-	-	(23,683)
Total contributions, net	(39,394)	-	-	(39,394)	1,826	-	-	(37,568)
Change in net position	46,389	(27,562)	-	18,827	34,241	39	-	53,107
Net position, beginning of year	1,509,677	84,229	-	1,593,906	1,867,325	6,223	-	3,467,454
Net position, end of period	\$ 1,556,066	\$ 56,667	\$ -	\$ 1,612,733	\$ 1,901,566	\$ 6,262	\$ -	\$ 3,520,561

JEA

Page 13

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2021

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 337,040	\$ -	\$ -	\$ 337,040	\$ -	\$ -	\$ (3,428)	\$ 333,612
Electric - fuel and purchased power	156,123	11,112	(11,112)	156,123	-	-	(3,124)	152,999
Water and sewer	-	-	-	-	175,060	-	(140)	174,920
District energy system	-	-	-	-	-	3,100	(128)	2,972
Other operating revenues	10,526	87	-	10,613	5,162	-	(924)	14,851
Total operating revenues	503,689	11,199	(11,112)	503,776	180,222	3,100	(7,744)	679,354
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	88,611	718	-	89,329	64,465	1,670	(7,744)	147,720
Fuel	135,248	-	-	135,248	-	-	-	135,248
Purchased power	47,932	-	(11,112)	36,820	-	-	-	36,820
Depreciation	89,458	171	-	89,629	71,931	1,062	-	162,622
State utility and franchise taxes	24,300	-	-	24,300	4,294	-	-	28,594
Recognition of deferred costs and revenues, net	2,715	5,782	-	8,497	1,678	-	-	10,175
Total operating expenses	388,264	6,671	(11,112)	383,823	142,368	2,732	(7,744)	521,179
Operating income	115,425	4,528	-	119,953	37,854	368	-	158,175
Nonoperating revenues (expenses)								
Interest on debt	(26,772)	(4,076)	-	(30,848)	(18,222)	(530)	-	(49,600)
Earnings from The Energy Authority	1,159	-	-	1,159	-	-	-	1,159
Allowance for funds used during construction	1,103	-	-	1,103	2,027	4	-	3,134
Other nonoperating income, net	1,706	122	-	1,828	1,034	-	-	2,862
Investment income	1,140	51	-	1,191	1,057	1	-	2,249
Other interest, net	16	-	-	16	21	-	-	37
Total nonoperating expenses, net	(21,648)	(3,903)	-	(25,551)	(14,083)	(525)	-	(40,159)
Income before contributions	93,777	625	-	94,402	23,771	(157)	-	118,016
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(39,004)	-	-	(39,004)	(11,001)	-	-	(50,005)
Developers and other	298	-	-	298	33,351	-	-	33,649
Reduction of plant cost through contributions	(298)	-	-	(298)	(18,848)	-	-	(19,146)
Total contributions, net	(39,004)	-	-	(39,004)	3,502	-	-	(35,502)
Change in net position	54,773	625	-	55,398	27,273	(157)	-	82,514
Net position, beginning of year	1,354,700	86,379	-	1,441,079	1,776,433	6,478	-	3,223,990
Net position, end of period	\$ 1,409,473	\$ 87,004	\$ -	\$ 1,496,477	\$ 1,803,706	\$ 6,321	\$ -	\$ 3,306,504

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the five months ended February 2022

Page 14

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 520,445	\$ 38,429	\$ (38,621)	\$ 520,253	\$ 195,493	\$ 3,396	\$ (7,402)	\$ 711,740
Payments to suppliers	(339,691)	(1,981)	38,621	(303,051)	(54,326)	(1,444)	8,358	(350,463)
Payments for salaries and benefits	(83,294)	-	-	(83,294)	(32,992)	(307)	-	(116,593)
Other operating activities	110,365	206	-	110,571	5,959	1	(956)	115,575
Net cash provided by operating activities	207,825	36,654	-	244,479	114,134	1,646	-	360,259
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(39,316)	-	-	(39,316)	(11,089)	-	-	(50,405)
Net cash used in noncapital and related financing activities	(39,316)	-	-	(39,316)	(11,089)	-	-	(50,405)
Capital and related financing activities								
Acquisition and construction of capital assets	(62,664)	-	-	(62,664)	(87,836)	(2,185)	-	(152,685)
Defeasance of debt	(47,630)	(27,255)	-	(74,885)	-	-	-	(74,885)
Interest paid on debt	(31,966)	(5,273)	-	(37,239)	(22,644)	(629)	-	(60,512)
Repayment of debt principal	(66,220)	(14,175)	-	(80,395)	(9,370)	(1,770)	-	(91,535)
Capital contributions	-	-	-	-	12,938	-	-	12,938
Revolving credit agreement withdrawals	-	-	-	-	-	1,000	-	1,000
Other capital financing activities	2,942	56	-	2,998	1,368	-	-	4,366
Net cash used in capital and related financing activities	(205,538)	(46,647)	-	(252,185)	(105,544)	(3,584)	-	(361,313)
Investing activities								
Proceeds from sale and maturity of investments	74,776	554	-	75,330	20,395	-	-	95,725
Purchase of investments	(179,412)	(554)	-	(179,966)	(52,352)	-	-	(232,318)
Distributions from The Energy Authority	4,448	-	-	4,448	-	-	-	4,448
Investment income	718	42	-	760	621	1	-	1,382
Net cash provided by (used in) investing activities	(99,470)	42	-	(99,428)	(31,336)	1	-	(130,763)
Net change in cash and cash equivalents	(136,499)	(9,951)	-	(146,450)	(33,835)	(1,937)	-	(182,222)
Cash and cash equivalents at beginning of year	386,774	133,953	-	520,727	188,136	4,250	-	713,113
Cash and cash equivalents at end of period	\$ 250,275	\$ 124,002	\$ -	\$ 374,277	\$ 154,301	\$ 2,313	\$ -	\$ 530,891
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 94,087	\$ (23,136)	\$ -	\$ 70,951	\$ 43,848	\$ 503	\$ -	\$ 115,302
Adjustments:								
Depreciation and amortization	198,648	171	-	198,819	72,277	1,106	-	272,202
Recognition of deferred costs and revenues, net	(49,066)	32,762	-	(16,304)	3,566	-	-	(12,738)
Other nonoperating income, net	45	-	-	45	11	-	-	56
Changes in noncash assets and noncash liabilities:								
Accounts receivable	6,647	(187)	-	6,460	3,275	138	-	9,873
Inventories	(12,889)	-	-	(12,889)	(3,139)	-	-	(16,028)
Other assets	801	65	-	866	(2,593)	(10)	-	(1,737)
Accounts and accrued expenses payable	1,623	27,103	-	28,726	(2,045)	(105)	-	26,576
Current liabilities payable from restricted assets	-	(124)	-	(124)	-	-	-	(124)
Other noncurrent liabilities and deferred inflows	(32,071)	-	-	(32,071)	(1,066)	14	-	(33,123)
Net cash provided by operating activities	\$ 207,825	\$ 36,654	\$ -	\$ 244,479	\$ 114,134	\$ 1,646	\$ -	\$ 360,259
Noncash activity								
Contribution of capital assets from developers	\$ 1,936	\$ -	\$ -	\$ 1,936	\$ 21,747	\$ -	\$ -	\$ 23,683
Unrealized investment fair market value changes, net	\$ (395)	\$ (10)	\$ -	\$ (405)	\$ (380)	\$ -	\$ -	\$ (785)

JEA

Page 15

Combining Statement of Cash Flows**(in thousands - unaudited) for the five months ended February 2021**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 510,530	\$ 11,112	\$ (11,105)	\$ 510,537	\$ 186,323	\$ 2,704	\$ (6,820)	\$ 692,744
Payments to suppliers	(229,941)	(2,785)	11,105	(221,621)	(41,590)	(1,532)	7,744	(256,999)
Payments for salaries and benefits	(74,008)	-	-	(74,008)	(30,403)	(288)	-	(104,699)
Other operating activities	12,543	24	-	12,567	5,098	-	(924)	16,741
Net cash provided by operating activities	219,124	8,351	-	227,475	119,428	884	-	347,787
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(39,026)	-	-	(39,026)	(10,880)	-	-	(49,906)
Net cash used in noncapital and related financing activities	(39,026)	-	-	(39,026)	(10,880)	-	-	(49,906)
Capital and related financing activities								
Acquisition and construction of capital assets	(74,264)	-	-	(74,264)	(72,917)	(439)	-	(147,620)
Interest paid on debt	(31,731)	(5,222)	-	(36,953)	(23,798)	(648)	-	(61,399)
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Capital contributions	-	-	-	-	14,504	-	-	14,504
Other capital financing activities	2,556	160	-	2,716	1,237	-	-	3,953
Net cash used in capital and related financing activities	(171,204)	(18,402)	-	(189,606)	(100,844)	(2,812)	-	(293,262)
Investing activities								
Proceeds from sale and maturity of investments	41,891	550	-	42,441	6,779	-	-	49,220
Purchase of investments	(106,933)	(2,501)	-	(109,434)	(439)	-	-	(109,873)
Distributions from The Energy Authority	(161)	-	-	(161)	-	-	-	(161)
Investment income	1,584	60	-	1,644	812	1	-	2,457
Net cash provided by (used in) investing activities	(63,619)	(1,891)	-	(65,510)	7,152	1	-	(58,357)
Net change in cash and cash equivalents	(54,725)	(11,942)	-	(66,667)	14,856	(1,927)	-	(53,738)
Cash and cash equivalents at beginning of year	355,876	141,132	-	497,008	138,268	5,856	-	641,132
Cash and cash equivalents at end of period	\$ 301,151	\$ 129,190	\$ -	\$ 430,341	\$ 153,124	\$ 3,929	\$ -	\$ 587,394
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 115,425	\$ 4,528	\$ -	\$ 119,953	\$ 37,854	\$ 368	\$ -	\$ 158,175
Adjustments:								
Depreciation and amortization	89,458	171	-	89,629	72,402	1,062	-	163,093
Recognition of deferred costs and revenues, net	2,715	5,782	-	8,497	1,678	-	-	10,175
Other nonoperating income (loss), net	74	-	-	74	21	-	-	95
Changes in noncash assets and noncash liabilities:								
Accounts receivable	31,100	-	-	31,100	6,890	(395)	-	37,595
Inventories	3,746	-	-	3,746	104	-	-	3,850
Other assets	(1,215)	171	-	(1,044)	(558)	(21)	-	(1,623)
Accounts and accrued expenses payable	(8,555)	(242)	-	(8,797)	(3,723)	(128)	-	(12,648)
Current liabilities payable from restricted assets	-	(2,059)	-	(2,059)	-	-	-	(2,059)
Other noncurrent liabilities and deferred inflows	(13,624)	-	-	(13,624)	4,760	(2)	-	(8,866)
Net cash provided by operating activities	\$ 219,124	\$ 8,351	\$ -	\$ 227,475	\$ 119,428	\$ 884	\$ -	\$ 347,787
Noncash activity								
Contribution of capital assets from developers	\$ 298	\$ -	\$ -	\$ 298	\$ 18,848	\$ -	\$ -	\$ 19,146
Unrealized investment fair market value changes, net	\$ (504)	\$ (6)	\$ -	\$ (510)	\$ (12)	\$ -	\$ -	\$ (522)

JEA

Page 16

Debt Service Coverage**February 2022****(unaudited)**

	Month February		Year-to-Date February	
	2022	2021	2022	2021
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	5.57 x	9.71 x	11.12 x	11.07 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	3.03 x	4.23 x	6.04 x	4.83 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.11 x	1.23 x	13.68 x	1.35 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.14 x	3.87 x	1.14 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	6.84 x	6.35 x	7.08 x	6.51 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	5.24 x	4.76 x	5.55 x	5.04 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	5.93 x	5.55 x	6.15 x	5.69 x
District Energy System				
Debt service coverage	1.32 x	1.26 x	1.28 x	1.14 x

⁽¹⁾ Annual minimum coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges).

JEA

Page 17

Electric System

Operating Statistics

February 2022 and 2021 (unaudited)

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 58,076	\$ 48,127	20.67%	\$ 262,204	\$ 251,356	4.32%
Commercial	30,915	25,884	19.44%	159,269	146,627	8.62%
Industrial	15,815	13,067	21.03%	85,214	75,139	13.41%
Public street lighting	1,233	1,130	9.12%	5,988	5,689	5.26%
Electric revenues - territorial	106,039	88,208	20.21%	512,675	478,811	7.07%
Sales for resale - off system	34	405	-91.60%	246	1,343	-81.68%
Electric revenues	106,073	88,613	19.70%	512,921	480,154	6.82%
Regulatory	(11,998)	6,170	-294.46%	30,035	14,330	109.60%
Allowance for doubtful accounts	-	(248)	-100.00%	-	(1,321)	-100.00%
Net electric revenues	94,075	94,535	-0.49%	542,956	493,163	10.10%
MWh sales						
Residential	420,778	418,609	0.52%	2,094,264	2,193,294	-4.52%
Commercial	248,763	260,082	-4.35%	1,486,173	1,493,013	-0.46%
Industrial	161,379	175,307	-7.94%	1,052,616	1,030,195	2.18%
Public street lighting	4,299	4,435	-3.07%	22,959	23,319	-1.54%
Total MWh sales - territorial	835,219	858,433	-2.70%	4,656,012	4,739,821	-1.77%
Sales for resale - off system	750	2,455	-69.45%	3,660	2,974	23.07%
Total MWh sales	835,969	860,888	-2.89%	4,659,672	4,742,795	-1.75%
Average number of accounts						
Residential	443,336	435,232	1.86%	441,971	433,543	1.94%
Commercial	54,764	54,035	1.35%	54,682	53,937	1.38%
Industrial	198	195	1.54%	197	196	0.51%
Public street lighting	3,984	3,968	0.40%	3,981	3,964	0.43%
Total average accounts	502,282	493,430	1.79%	500,831	491,640	1.87%
Residential averages						
Revenue per account - \$	131.00	110.58	18.47%	593.26	579.77	2.33%
kWh per account	949	962	-1.32%	4,738	5,059	-6.34%
Revenue per kWh - ¢	13.80	11.50	20.05%	12.52	11.46	9.25%
Degree days						
Heating degree days	215	223	(8)	946	1,001	(55)
Cooling degree days	45	29	16	368	502	(134)
Total degree days	260	252	8	1,314	1,503	(189)
Degree days - 30 year average	258			1,381		

JEA
Water and Sewer System
Operating Statistics
February 2022 and 2021 (unaudited)

Page 18

	Month								
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 7,702	\$ 7,546	2.07%	\$ 11,766	\$ 11,234	4.74%	\$ 1,055	\$ 845	24.85%
Commercial and industrial	3,867	3,574	8.20%	9,481	8,176	15.96%	372	323	15.17%
Irrigation	2,126	1,813	17.26%	N/A	N/A	N/A	17	34	-50.00%
Gross revenues	13,695	12,933	5.89%	21,247	19,410	9.46%	1,444	1,202	20.13%
Rate stabilization	(219)	(285)	-23.16%	(340)	(430)	-20.93%	(23)	(27)	-14.81%
Allowance for doubtful accounts	-	(38)	-100.00%	-	(57)	-100.00%	-	(4)	-100.00%
Net revenues	\$ 13,476	\$ 12,610	6.87%	\$ 20,907	\$ 18,923	10.48%	\$ 1,421	\$ 1,171	21.35%
Kgal sales (000s omitted)									
Residential	1,322,256	1,214,968	8.83%	1,189,757	1,062,286	12.00%	135,603	95,133	42.54%
Commercial and industrial	1,074,242	956,449	12.32%	1,028,929	848,469	21.27%	74,101	64,659	14.60%
Irrigation	304,314	217,887	39.67%	N/A	N/A	N/A	41,515	126,951	-67.30%
Total kgal sales	2,700,812	2,389,304	13.04%	2,218,686	1,910,755	16.12%	251,219	286,743	-12.39%
Average number of accounts:									
Residential	316,836	307,220	3.13%	282,922	273,671	3.38%	21,326	18,563	14.88%
Commercial and industrial	26,865	26,439	1.61%	19,101	18,781	1.70%	804	719	11.82%
Irrigation	38,145	37,774	0.98%	N/A	N/A	N/A	43	41	4.88%
Total average accounts	381,846	371,433	2.80%	302,023	292,452	3.27%	22,173	19,323	14.75%
Residential averages:									
Revenue per account - \$	24.31	24.56	-1.02%	41.59	41.05	1.32%	49.47	45.52	8.68%
Kgals per account	4.17	3.95	5.57%	4.21	3.88	8.51%	6.36	5.12	24.22%
Revenue per kgals - \$	5.82	6.21	-6.28%	9.89	10.58	-6.52%	7.78	8.88	-12.39%
Year-to-Date									
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 41,031	\$ 38,924	5.41%	\$ 62,118	\$ 59,380	4.61%	\$ 6,419	\$ 5,150	24.64%
Commercial and industrial	19,886	19,034	4.48%	47,078	44,873	4.91%	2,623	1,895	38.42%
Irrigation	12,819	10,918	17.41%	N/A	N/A	N/A	114	131	-12.98%
Gross revenues	73,736	68,876	7.06%	109,196	104,253	4.74%	9,156	7,176	27.59%
Rate stabilization	1,696	(1,814)	-193.50%	(721)	(2,718)	-73.47%	(44)	(189)	-76.72%
Allowance for doubtful accounts	-	(199)	-100.00%	-	(303)	-100.00%	-	(22)	-100.00%
Net revenues	\$ 75,432	\$ 66,863	12.82%	\$ 108,475	\$ 101,232	7.15%	\$ 9,112	\$ 6,965	30.83%
Kgal sales (000s omitted)									
Residential	7,390,978	6,928,235	6.68%	6,514,181	6,065,317	7.40%	990,337	731,995	35.29%
Commercial and industrial	5,748,128	5,419,403	6.07%	5,133,656	4,816,247	6.59%	551,018	388,363	41.88%
Irrigation	2,038,288	1,574,180	29.48%	N/A	N/A	N/A	388,592	492,250	-21.06%
Total kgal sales	15,177,394	13,921,818	9.02%	11,647,837	10,881,564	7.04%	1,929,947	1,612,608	19.68%
Average number of accounts:									
Residential	315,330	305,737	3.14%	281,486	272,214	3.41%	20,859	18,136	15.01%
Commercial and industrial	26,796	26,374	1.60%	19,054	18,756	1.59%	791	708	11.72%
Irrigation	38,162	37,781	1.01%	N/A	N/A	N/A	43	40	7.50%
Total average accounts	380,288	369,892	2.81%	300,540	290,970	3.29%	21,693	18,884	14.88%
Residential averages:									
Revenue per account - \$	130.12	127.31	2.21%	220.68	218.14	1.16%	307.73	283.97	8.37%
Kgals per account	23.44	22.66	3.44%	23.14	22.28	3.86%	47.48	40.36	17.64%
Revenue per kgals - \$	5.55	5.62	-1.25%	9.54	9.79	-2.55%	6.48	7.04	-7.95%

	Month				Year-to-Date			
	2022	2021	Variance	30 Year Avg	2022	2021	Variance	30 Year Avg
Rainfall	2.09	6.63	(4.54)	2.86	12.22	16.44	(4.22)	14.95
Rain Days	7	12	(5)	8	29	53	(24)	38

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) February 2022

Page 20

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 73,989	\$ 34,426	\$ 108,415	\$ 21,711	\$ 1,436	\$ 131,562
Rate stabilization:						
Environmental	19,633	-	19,633	29,146	-	48,779
Purchased Power	12,109	-	12,109	-	-	12,109
DSM/Conservation	8,948	-	8,948	-	-	8,948
Total rate stabilization funds	40,690	-	40,690	29,146	-	69,836
Customer deposits	45,263	-	45,263	17,144	-	62,407
General reserve	-	21,847	21,847	-	-	21,847
Self insurance reserve funds:						
Self funded health plan	13,224	-	13,224	-	-	13,224
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	23,224	-	23,224	-	-	23,224
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 199,734	\$ 56,273	\$ 256,007	\$ 68,001	\$ 1,436	\$ 325,444
Restricted assets						
Renewal and replacement funds	\$ 228,699	\$ 33,656	\$ 262,355	\$ 117,576	\$ (382)	\$ 379,549
Debt service reserve account	53,353	9,543	62,896	56,606	-	119,502
Debt service funds	38,145	10,207	48,352	22,697	1,259	72,308
Construction funds	286	-	286	8,051	-	8,337
Environmental funds	24	-	24	980	-	1,004
Subtotal	320,507	53,406	373,913	205,910	877	580,700
Unrealized holding gain (loss) on investments	2,582	30	2,612	3,804	-	6,416
Other funds	-	28,100	28,100	-	-	28,100
Total restricted cash and investments	\$ 323,089	\$ 81,536	\$ 404,625	\$ 209,714	\$ 877	\$ 615,216
Total cash and investments	\$ 522,823	\$ 137,809	\$ 660,632	\$ 277,715	\$ 2,313	\$ 940,660

JEA
Schedule of Cash and Investments
(in thousands) September 2021

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 56,985	\$ 34,229	\$ 91,214	\$ 28,547	\$ 1,219	\$ 120,980
Rate stabilization:						
Fuel	41,767	-	41,767	-	-	41,767
Environmental	19,756	-	19,756	30,077	-	49,833
Purchased Power	10,513	-	10,513	-	-	10,513
DSM/Conservation	7,233	-	7,233	-	-	7,233
Total rate stabilization funds	79,269	-	79,269	30,077	-	109,346
Customer deposits	45,179	-	45,179	17,044	-	62,223
General reserve	-	21,246	21,246	-	-	21,246
Self insurance reserve funds:						
Self funded health plan	14,272	-	14,272	-	-	14,272
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,272	-	24,272	-	-	24,272
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 222,273	\$ 55,475	\$ 277,748	\$ 75,668	\$ 1,219	\$ 354,635
Restricted assets						
Renewal and replacement funds	\$ 183,800	\$ 32,776	\$ 216,576	\$ 97,066	\$ 634	\$ 314,276
Debt service reserve account	55,844	10,087	65,931	55,665	-	121,596
Debt service funds	89,817	19,489	109,306	30,006	2,397	141,709
Construction funds	286	-	286	14,266	-	14,552
Environmental funds	83	-	83	3,118	-	3,201
Subtotal	329,830	62,352	392,182	200,121	3,031	595,334
Unrealized holding gain (loss) on investments	2,977	72	3,049	4,184	-	7,233
Other funds	-	29,871	29,871	-	-	29,871
Total restricted cash and investments	\$ 332,807	\$ 92,295	\$ 425,102	\$ 204,305	\$ 3,031	\$ 632,438
Total cash and investments	\$ 555,080	\$ 147,770	\$ 702,850	\$ 279,973	\$ 4,250	\$ 987,073

JEA
INVESTMENT PORTFOLIO REPORT
February 2022
(unaudited)

Page 21

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
Treasuries	\$ 29,782,031	0.73%	3.21%
Agencies			
Federal Farm Credit Bank	24,938,536	1.07%	2.69%
Federal Home Loan Bank	109,686,824	0.89%	11.83%
Total	134,625,360	0.92%	14.52%
Municipal Bonds	116,570,184	2.94%	12.57%
Commercial Paper	124,829,474	0.26%	13.46%
U.S. Treasury Money Market Funds (1)	154,847,078	0.02%	16.70%
Agency Money Market Funds (2)	108,575,000	0.03%	11.71%
PALM Money Market Fund	30,500,000	0.06%	3.29%
Florida Prime Fund	130,288,000	0.15%	14.05%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	69,480,344	0.16%	7.49%
SJRPP	11,525,473	0.16%	1.24%
Water & Sewer, DES	16,295,559	0.16%	1.76%
Total Portfolio	\$ 927,318,503	0.61%	100.00%

Weighted Avg. Annual Yield for February 2022, Excluding Bank & Money Market Funds: 1.28%

Weighted Avg. Annual Yield for February 2022, Including Bank & Money Market Funds: 0.61%

Some investments listed above may be classified as Cash Equivalents on the Statements of Net Position in accordance with generally accepted accounting principles.

(1) Treasury Funds: Fidelity, Goldman Sachs, State Street

(2) Government Funds: State Street, Wells Fargo Allspring

(3) Month-end bank balances

JEA

Page 22

Schedule of Outstanding Indebtedness
February 2022
(unaudited)

	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric Enterprise				
<i>Electric System</i>				
Fixed Rate Senior	3.000 - 6.056%	2022-2044	440,625,000	17,195,000
Fixed Rate Subordinated	3.375 - 6.406%	2022-2039	434,550,000	15,850,000
Variable Rate Senior	0.140 - 0.608%	2022-2040	439,835,000	8,925,000
Variable Rate Subordinated	0.081 - 0.177%	2022-2038	54,225,000	2,740,000
Total Electric System	<u>2.726% (wtd avg)</u>	<u>2022-2044</u>	<u>1,369,235,000</u>	<u>44,710,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.750 - 5.920%	2022-2038	27,175,000	2,410,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.500 - 5.450%	2022-2039	210,335,000	15,285,000
Total Electric Enterprise	<u>2.906% (wtd avg)</u>	<u>2022-2044</u>	<u>1,606,745,000</u>	<u>62,405,000</u>
Water and Sewer System				
Fixed Rate Senior	3.000 - 6.310%	2022-2044	867,510,000	2,220,000
Fixed Rate Subordinated	2.750 - 5.000%	2023-2040	88,845,000	-
Variable Rate Senior ⁽¹⁾	0.165 - 6.365%	2022-2042	142,165,000	5,055,000
Variable Rate Subordinated	0.068 - 0.173%	2022-2038	98,385,000	2,575,000
Total Water and Sewer System	<u>3.114% (wtd avg)</u>	<u>2022-2044</u>	<u>1,196,905,000</u>	<u>9,850,000</u>
District Energy System				
Fixed Rate Senior	3.000 - 4.538%	2022-2034	29,640,000	1,815,000
Other Obligations	1.218%	2024	1,000,000	-
Total District Energy System	<u>4.209% (wtd avg)</u>	<u>2022-2034</u>	<u>30,640,000</u>	<u>1,815,000</u>
Total JEA	<u>3.008% (wtd avg)</u>	<u>2022-2044</u>	<u>2,834,290,000</u>	<u>74,070,000</u>

JEA
Debt Ratio
(unaudited)

	Current YTD
Electric Enterprise	55.9%
Water and Sewer System	38.9%

⁽¹⁾ Includes a variable rate CPI bond with a current variable rate of 6.365%, which is synthetically fixed at 4.09% with a CPI interest rate swap.

JEA
Interest Rate Swap Position Report
February 2022
(unaudited)

Page 23

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
<i>Electric System</i>									
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	3.717	0.072	3.645	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.158	4.193	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	78,300,000	3.661	0.072	3.589	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.072	3.644	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.158	3.750	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.158	3.679	n/a	SIFMA
Total				<u>399,510,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	5,055,000	4.090	6.365	(2.275)	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.158	3.738	n/a	SIFMA
Total				<u>90,345,000</u>					
Grand Total				<u>\$ 489,855,000</u>	Wtd Avg Spread		<u>3.700</u>		

Note: (1) The "Floating Rate" column is the average of the floating rate for each instrument for this month.

JEA
Electric System
Production Statistics
February 2022 and 2021 (unaudited)

Page 24

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ -	\$ 1,779,898	-100.00%	\$ 1,389,112	\$ 2,028,047	-31.50%
Barrels #6 oil consumed	-	16,409	-100.00%	13,100	18,697	-29.94%
\$/ per barrel consumed	\$ -	\$ 108.47	-100.00%	\$ 106.04	\$ 108.47	-2.24%
kWh oil generated (1)	614	9,564,240	-99.99%	7,289,009	9,564,240	-23.79%
Cost per MWh - oil	\$ -	\$ 186.10	-100.00%	\$ 190.58	\$ 212.04	-10.12%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 8,114,217	\$ 2,770,988	192.83%	\$ 31,965,128	\$ 22,453,753	42.36%
MMBTU's consumed	1,399,886	888,600	57.54%	5,798,700	8,267,054	-29.86%
\$/ per MMBTU consumed	\$ 5.80	\$ 3.12	85.88%	\$ 5.51	\$ 2.72	102.96%
kWh - gas generated (1)	118,528,746	82,932,285	42.92%	500,785,095	745,772,069	-32.85%
Cost per MWh - gas	\$ 68.46	\$ 33.41	104.89%	\$ 63.83	\$ 30.11	112.00%
Cost per MWh - gas & oil - steam	\$ 68.46	\$ 49.20	39.14%	\$ 65.65	\$ 32.41	102.54%
<i>Coal</i>						
Coal expense	\$ 2,308,042	\$ 1,496,813	54.20%	\$ 16,132,463	\$ 7,207,836	123.82%
kWh generated	31,360,281	59,965,041	-47.70%	224,211,749	283,096,877	-20.80%
Cost per MWh - coal	\$ 73.60	\$ 24.96	194.85%	\$ 71.95	\$ 25.46	182.60%
<i>Pet coke and limestone</i>						
Expense	\$ 5,965,133	\$ 2,969,131	100.91%	\$ 22,099,829	\$ 15,888,509	39.09%
kWh generated	77,690,144	82,894,867	-6.28%	311,305,792	443,035,847	-29.73%
Cost per MWh - pet coke and limestone	\$ 76.78	\$ 35.82	114.36%	\$ 70.99	\$ 35.86	97.95%
Cost per MWh - coal & petcoke - steam	\$ 75.87	\$ 31.26	142.68%	\$ 71.39	\$ 31.81	124.46%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 67,940	\$ 480,433	-85.86%	\$ 452,119	\$ 1,042,365	-56.63%
Barrels #2 oil consumed	393	4,860	-91.91%	2,953	8,909	-66.85%
\$/ per barrel consumed	\$ 172.88	\$ 98.85	74.88%	\$ 153.10	\$ 117.00	30.86%
kWh - oil generated	137,888	2,394,977	-94.24%	756,962	3,878,061	-80.48%
Cost per MWh - oil	\$ 492.72	\$ 200.60	145.62%	\$ 597.28	\$ 268.79	122.22%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 949,730	\$ 648,927	46.35%	\$ 6,483,912	\$ 2,243,592	189.00%
MMBTU's consumed	163,820	209,237	-21.71%	1,166,558	824,983	41.40%
\$/ per MMBTU consumed	\$ 5.80	\$ 3.10	86.93%	\$ 5.56	\$ 2.72	104.38%
kWh - gas generated (1)	15,092,828	18,356,776	-17.78%	102,115,023	72,859,469	40.15%
Cost per MWh - gas	\$ 62.93	\$ 35.35	78.00%	\$ 63.50	\$ 30.79	106.20%
Gas expense BB simple - variable	\$ 169,658	\$ 440,257	-61.46%	\$ 1,410,891	\$ 2,614,489	-46.04%
MMBTU's consumed	\$ 29,663	124,964	-76.26%	260,052	981,278	-73.50%
\$/ per MMBTU consumed	\$ 5.72	\$ 3.52	62.34%	\$ 5.43	\$ 2.66	103.63%
kWh - gas generated (1)	2,637,702	11,333,468	-76.73%	23,126,093	92,078,968	-74.88%
Cost per MWh - gas simple	\$ 64.32	\$ 38.85	65.58%	\$ 61.01	\$ 28.39	114.86%
Gas expense BB combined - variable	\$ 12,821,256	\$ 9,293,790	37.96%	\$ 74,892,561	\$ 39,900,935	87.70%
MMBTU's consumed	2,223,105	2,567,383	-13.41%	13,813,226	14,011,928	-1.42%
\$/ per MMBTU consumed	\$ 5.77	\$ 3.62	59.32%	\$ 5.42	\$ 2.85	90.40%
kWh - gas generated (1)	331,530,983	384,712,461	-13.82%	2,034,437,064	2,085,786,282	-2.46%
Cost per MWh - gas combined	\$ 38.67	\$ 24.16	60.08%	\$ 36.81	\$ 19.13	92.43%
Gas expense GEC simple - variable	\$ 1,163,667	\$ 1,525,190	-23.70%	\$ 10,461,300	\$ 5,448,222	92.01%
MMBTU's consumed	180,616	414,012	-56.37%	1,704,395	1,429,343	19.24%
\$/ per MMBTU consumed	\$ 6.44	\$ 3.68	74.89%	\$ 6.14	\$ 3.81	61.03%
kWh - gas generated	15,909,748	34,652,952	-54.09%	150,979,848	125,563,721	20.24%
Cost per MWh - gas simple	\$ 73.14	\$ 44.01	66.18%	\$ 69.29	\$ 43.39	59.69%
Cost per MWh - gas & oil ct	\$ 41.53	\$ 27.44	51.35%	\$ 40.54	\$ 21.53	88.27%
Natural gas expense - fixed	\$ 3,215,811	\$ 3,171,675	1.39%	\$ 16,820,327	\$ 16,501,150	1.93%
Total generated power:						
Fuels expense	\$ 34,775,454	\$ 24,577,102	41.50%	\$ 182,107,642	\$ 115,328,898	57.90%
kWh generated	592,888,934	686,807,067	-13.67%	3,355,006,635	3,861,635,534	-13.12%
Cost per MWh	\$ 58.65	\$ 35.78	63.91%	\$ 54.28	\$ 29.87	81.75%

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent - 95.5%) and oil MBTU's.

JEA
Electric System
Production Statistics (Continued)
February 2022 and 2021 (unaudited)

Page 25

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Production Statistics (Continued)						
Cost of fuels						
Natural gas	\$ 26,434,339	\$ 17,850,827	48.08%	\$ 142,034,119	\$ 89,162,141	59.30%
Petcoke	5,965,133	2,969,131	100.91%	22,099,829	15,888,509	39.09%
Coal	2,308,042	1,496,813	54.20%	16,132,463	7,207,836	123.82%
Fuel oil #2	67,940	480,433	-85.86%	452,119	1,042,365	-56.63%
Fuel oil #6	-	1,779,898	-100.00%	1,389,112	2,028,047	-31.50%
Total	\$ 34,775,454	\$ 24,577,102	41.50%	\$ 182,107,642	\$ 115,328,898	57.90%
Purchased power:						
<i>TEA & other</i>						
Purchases	\$ 13,033,364	\$ 7,885,546	65.28%	\$ 68,771,883	\$ 36,820,923	86.77%
kWh purchased	160,210,137	92,212,818	73.74%	888,334,248	577,885,266	53.72%
Cost per MWh	\$ 81.35	\$ 85.51	-4.87%	\$ 77.42	\$ 63.72	21.50%
<i>FPL</i>						
Purchases	\$ 6,817,680	\$ -		\$ 13,487,909	\$ -	
kWh purchased	133,911,000	-		278,082,000	-	
Cost per MWh	\$ 50.91			\$ 48.50		
<i>Plant Scherer</i>						
Purchases	\$ 299,558	\$ 3,989,997	-92.49%	\$ 16,264,045	\$ 21,644,734	-24.86%
kWh purchased	-	100,217,000	-100.00%	284,609,000	458,996,000	-37.99%
Cost per MWh		\$ 39.81		\$ 57.15	\$ 47.16	21.18%
<i>SJRPP</i>						
Purchases	\$ 2,182,586	\$ 2,223,510	-1.84%	\$ 38,616,466	\$ 11,111,544	247.53%
Total purchased power:						
Purchases	\$ 22,333,188	\$ 14,099,053	58.40%	\$ 137,140,303	\$ 69,577,201	97.11%
kWh purchased	294,121,137	192,429,818	52.85%	1,451,025,248	1,036,881,266	39.94%
Cost per MWh	\$ 75.93	\$ 73.27	3.64%	\$ 94.51	\$ 67.10	40.85%
Subtotal - generated and purchased power:	\$ 57,108,642	\$ 38,676,155	47.66%	\$ 319,247,945	\$ 184,906,099	72.65%
Fuel interchange sales	(34,094)	(196,491)	-82.65%	(164,788)	(217,496)	-24.23%
Earnings of The Energy Authority	(1,103,950)	(641,321)	72.14%	(14,698,392)	(1,158,806)	1168.41%
Realized and Unrealized (Gains) Losses	(5,072,759)	(520,180)	875.19%	(28,996,062)	(1,650,110)	1657.22%
Fuel procurement and handling	845,846	1,055,712	-19.88%	4,558,905	5,708,550	-20.14%
Byproduct reuse	218,366	971,821	-77.53%	1,914,968	3,576,643	-46.46%
Total generated and net purchased power:						
Cost, net	51,962,051	39,345,696	32.07%	281,862,576	191,164,880	47.44%
kWh generated and purchased	887,010,071	879,236,885	0.88%	4,806,031,883	4,898,516,800	-1.89%
Cost per MWh	\$ 58.58	\$ 44.75	30.91%	\$ 58.65	\$ 39.03	50.28%
Reconciliation:						
Generated and purchased power per above	\$ 51,962,051	\$ 58.58		\$ 281,862,576	\$ 58.65	
SJRPP operating expenses:						
SJRPP debt service	\$ (1,939,280)	(2.19)		(10,030,709)	(2.09)	
SJRPP R & R	\$ (243,306)	(0.27)		(28,585,756)	(5.95)	
Scherer operating expenses:						
Scherer power production	\$ (661,643)	(0.75)		(2,964,851)	(0.62)	
Scherer R & R	\$ (321,397)	(0.36)		(2,394,961)	(0.50)	
Scherer transmission	\$ -	-		(1,640,810)	(0.34)	
Scherer taxes	\$ (110,980)	(0.13)		(554,921)	(0.12)	
MEAG	\$ (2,366,718)	(2.67)		(11,267,757)	(2.34)	
FPL capacity	\$ (1,400,000)	(1.58)		(2,800,000)	(0.58)	
Florida and other capacity	\$ (1,333,958)	(1.50)		(4,793,710)	(1.00)	
Rounding	\$ 1	0.00		-	-	
Energy expense per budget page	\$ 43,584,770	\$ 49.14		\$ 216,829,101	\$ 45.12	

JEA

Page 26

Electric System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
February 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%		2020-21	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 368,899,940	\$ 26,936,474	\$ 44,316,008	64.52%	\$	27,670,111	60.16%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	281,848,943	22,465,286	30,766,907			26,084,455	
Other Purchased Power	93,782,639	5,636,562	12,817,863			5,668,416	
Subtotal Energy Expense	375,631,582	28,101,848	43,584,770	-55.10%		31,752,871	-37.26%
Transfer to (from) Rate Stabilization, Net	(7,284,992)	(1,205,778)	8			(4,165,040)	
Transfer to (from) Other Regulatory Funds, Net	-	-	730,412			-	
Fuel Related Uncollectibles	553,350	40,404	818			82,280	
Total	368,899,940	28,936,474	44,316,008	-64.52%		27,670,111	-60.16%
Fuel Balance	-	-	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	785,192,000	57,333,443	55,620,634			55,730,445	
Conservation Charge Revenue	732,000	53,449	78,739			49,636	
Environmental Charge Revenue	7,442,000	543,403	513,370			526,700	
Investment Income	3,194,911	266,070	167,987			319,874	
Natural Gas Revenue Pass Through	823,420	68,618	113,338			69,717	
Other Revenues	123,615,440	1,967,953	2,201,097			2,031,325	
Total	920,999,771	60,232,936	58,695,165	-2.55%		58,727,697	-0.06%
Nonfuel Related Expenses							
Non-Fuel O&M	255,776,299	18,306,928	23,214,843			13,761,357	
DSM / Conservation O&M	7,227,800	587,449	137,098			474,423	
Environmental O&M	2,263,500	188,624	36,312			179,531	
Rate Stabilization - DSM	(395,800)	(32,983)	795,772			21,285	
Rate Stabilization - Environmental	(3,821,756)	(318,480)	(25,234)			21,996	
Natural Gas Expense Pass Through	918,473	75,201	136,276			90,904	
Debt Principal - Electric System	44,710,000	3,725,833	3,725,833			4,928,333	
Debt Interest - Electric System	65,106,948	5,425,579	4,961,277			5,275,124	
R&R - Electric System	66,329,200	5,527,434	5,527,433			5,211,688	
Operating Capital Outlay	115,291,939	-	-			13,000,000	
Operating Capital Outlay - Environmental	3,294,788	274,566	502,292			593,610	
City Contribution Expense	94,545,651	7,878,804	7,878,804			7,800,796	
Taxes & Uncollectibles	1,391,596	103,691	19,726			183,320	
Emergency Reserve	5,000,000	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	15,285,000	1,273,750	1,273,750			1,181,250	
* SJRPP D/S Interest	5,036,315	419,693	672,694			800,443	
** Other Non-Fuel Purchased Power	243,039,818	90,708,897	17,215,215			4,398,991	
Total Nonfuel Expenses	920,999,771	134,144,986	66,072,091	50.75%		57,923,051	-14.07%
Non-Fuel Balance	-	(73,912,050)	(7,376,926)			804,646	
Total Balance	-	(73,912,050)	(7,376,926)			804,646	
Total Revenues	1,289,899,711	87,169,410	103,011,173	18.17%		86,397,808	19.23%
Total Expenses	1,289,899,711	161,081,460	110,388,099	31.47%		85,593,162	-28.97%
KWH Sold - Territorial	12,200,000,000	890,824,000	835,219,189	-6.24%		858,433,779	-2.70%
KWH Sold - Off System	-	-	750,000			2,455,000	
	12,200,000,000	890,824,000	835,969,189	-6.16%		860,888,779	-2.89%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

JEA

Page 27

Electric System		Year-to-Date				Prior Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
February 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%		2020-21	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 368,899,940	\$ 140,880,837	\$ 183,647,041	30.36%	\$	152,791,207	20.19%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	281,848,943	109,293,775	159,585,453			122,963,980	
Other Purchased Power	93,782,639	37,180,073	57,243,648			32,940,946	
Subtotal Energy Expense	375,631,582	146,473,848	216,829,101	-48.03%		155,904,926	-39.08%
Transfer to (from) Rate Stabilization, Net	(7,284,992)	(5,804,329)	(41,766,988)			(3,559,900)	
Transfer to (from) Other Regulatory Funds, Net	-	-	8,543,599			-	
Fuel Related Uncollectibles	553,350	211,318	41,329			446,181	
Total	368,899,940	140,880,837	183,647,041	-30.36%		152,791,207	-20.19%
Fuel Balance	-	-	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	785,192,000	299,860,460	300,789,983			299,757,260	
Conservation Charge Revenue	732,000	279,547	250,530			274,478	
Environmental Charge Revenue	7,442,000	2,842,059	2,861,562			2,908,468	
Investment Income	3,194,911	1,319,799	811,198			1,644,012	
Natural Gas Revenue Pass Through	823,420	343,090	484,652			314,957	
Other Revenues	123,615,440	109,839,765	110,424,463			10,963,948	
Total	920,999,771	414,484,720	415,622,388	0.27%		315,863,123	31.58%
Nonfuel Related Expenses							
Non-Fuel O&M	255,776,299	102,970,920	85,896,470			78,454,585	
DSM / Conservation O&M	7,227,800	2,996,719	1,280,463			1,774,586	
Environmental O&M	2,263,500	1,036,294	237,788			522,777	
Rate Stabilization - DSM	(395,800)	(164,915)	1,715,682			908,288	
Rate Stabilization - Environmental	(3,821,756)	(1,592,400)	(122,919)			(381,070)	
Natural Gas Expense Pass Through	918,473	381,360	589,231			384,299	
Debt Principal - Electric System	44,710,000	18,629,165	18,629,167			24,641,667	
Debt Interest - Electric System	65,106,948	27,127,895	25,629,054			27,612,197	
R&R - Electric System	66,329,200	27,637,166	27,637,167			26,058,438	
Operating Capital Outlay	115,291,939	76,000,000	76,000,000			84,000,000	
Operating Capital Outlay - Environmental	3,294,788	1,372,830	2,746,693			3,035,199	
City Contribution Expense	94,545,651	39,394,020	39,394,021			39,003,981	
Taxes & Uncollectibles	1,391,596	538,453	178,920			968,894	
Emergency Reserve	5,000,000	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	15,285,000	6,368,750	6,368,750			5,906,250	
* SJRPP D/S Interest	5,036,315	2,098,465	3,689,811			4,000,400	
** Other Non-Fuel Purchased Power	243,039,818	120,800,031	103,849,857			18,231,688	
Total Nonfuel Expenses	920,999,771	425,594,753	393,720,155	7.49%		315,122,179	-24.94%
Non-Fuel Balance	-	(11,110,033)	21,902,233			740,944	
Total Balance	-	(11,110,033)	21,902,233			740,944	
Total Revenues	1,289,899,711	555,365,557	599,269,429	7.91%		468,654,330	27.87%
Total Expenses	1,289,899,711	566,475,590	577,367,196	-1.92%		467,913,386	-23.39%
KWH Sold - Territorial	12,200,000,000	4,659,112,000	4,656,011,734	-0.07%		4,739,820,710	-1.77%
KWH Sold - Off System	-	-	3,660,000			2,974,000	
	12,200,000,000	4,659,112,000	4,659,671,734	0.01%		4,742,794,710	-1.75%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

JEA

Page 28

Water and Sewer System

Budget vs. Actual February 2022 and 2021 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2021-22	2021-22	2021-22	%	2020-21	%
REVENUES						
Water & Sewer Revenues	\$ 466,939,234	\$ 34,390,166	\$ 35,561,149		\$ 32,738,324	
Capacity & Extension Fees	47,000,000	3,086,605	3,030,886		3,523,389	
Capital Contributions	-	-	-		10,000	
Investment Income	2,075,631	172,969	184,296		208,874	
Other Income	25,494,531	2,124,544	2,958,685		1,233,976	
Total	541,509,396	39,774,284	41,735,016	4.93%	37,714,563	10.66%
EXPENSES						
O & M Expenses	192,815,330	14,819,317	14,387,820		11,511,819	
Debt Principal - Water & Sewer	9,850,000	820,833	820,833		780,833	
Debt Interest - Water & Sewer	57,285,355	4,773,779	4,019,740		4,154,970	
Rate Stabilization - Environmental	-	-	579,394		741,645	
R&R - Water & Sewer	28,358,000	2,363,167	2,363,167		2,217,175	
Operating Capital Outlay	146,356,780	14,886,918	14,886,918		12,712,602	
Operating Capital Outlay - Capacity/Extension	47,000,000	3,916,667	3,030,886		3,523,389	
Operating Capital Outlay - Contributions	-	-	-		10,000	
Operating Capital Outlay - Environmental	6,790,147	900,150	515,538		273,635	
City Contribution Expense	26,666,722	2,222,227	2,222,227		2,200,225	
Uncollectibles & Fees	700,409	58,367	19,303		98,000	
Interlocal Agreements	24,686,653	-	(1,133,615)		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	44,761,425	41,712,211	6.81%	38,224,293	-9.12%
Total Balance	\$ -	\$ (4,987,141)	\$ 22,805		\$ (509,730)	
Sales kgals						
Water	39,000,000	2,653,884	2,700,812	1.77%	2,389,304	13.04%
Sewer	34,000,000	2,374,056	2,469,905	4.04%	2,197,498	12.40%
Total	73,000,000	5,027,940	5,170,717	2.84%	4,586,802	12.73%

Budget vs. Actual February 2022 and 2021 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2021-22	2021-22	2021-22	%	2020-21	%
REVENUES						
Water & Sewer Revenues	\$ 466,939,234	\$ 185,448,774	\$ 187,620,179		\$ 176,010,186	
Capacity & Extension Fees	47,000,000	18,063,149	12,937,725		14,442,468	
Capital Contributions	-	-	-		61,057	
Investment Income	2,075,631	864,845	919,761		1,067,392	
Other Income	25,494,531	10,622,720	9,693,631		6,141,356	
Total	541,509,396	214,999,488	211,171,296	-1.78%	197,722,459	6.80%
EXPENSES						
O & M Expenses	192,815,330	79,001,589	69,694,339		62,587,822	
Debt Principal - Water & Sewer	9,850,000	4,104,165	4,104,165		3,904,168	
Debt Interest - Water & Sewer	57,285,355	23,868,895	20,460,265		21,307,839	
Rate Stabilization - Environmental	-	-	(1,040,294)		4,720,911	
R&R - Water & Sewer	28,358,000	11,815,833	11,815,833		11,085,875	
Operating Capital Outlay	146,356,780	72,737,324	72,737,324		64,463,008	
Operating Capital Outlay - Capacity/Extension	47,000,000	19,583,335	12,937,725		14,442,468	
Operating Capital Outlay - Contributions	-	-	-		61,057	
Operating Capital Outlay - Environmental	6,790,147	489,097	3,675,333		1,677,688	
City Contribution Expense	26,666,722	11,111,134	11,111,134		11,001,123	
Uncollectibles & Fees	700,409	291,835	86,060		523,880	
Interlocal Agreements	24,686,653	3,686,653	4,722,619		942,201	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	226,689,860	210,304,503	7.23%	196,718,040	-6.91%
Total Balance	\$ -	\$ (11,690,372)	\$ 866,793		\$ 1,004,419	
Sales kgals						
Water	39,000,000	14,968,275	15,177,394	1.40%	13,921,818	9.02%
Sewer	34,000,000	13,186,807	13,577,784	2.96%	12,494,172	8.67%
Total	73,000,000	28,155,082	28,755,178	2.13%	26,415,990	8.86%

JEA

Page 29

District Energy System

	Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
February 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%	2020-21	%
REVENUES						
Revenues	\$ 8,839,543	\$ 616,244	\$ 617,696		\$ 540,683	
Investment Income	-	-	146		184	
Total	8,839,543	616,244	617,842	0.26%	540,867	14.23%
EXPENSES						
O & M Expenses	5,127,990	408,379	300,114		219,029	
Debt Principal - District Energy System	1,815,000	151,250	151,250		147,500	
Debt Interest - District Energy System	1,356,208	113,017	101,465		104,491	
R&R - District Energy System	402,200	33,517	33,517		36,079	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	706,163	586,346	16.97%	507,099	-15.63%
Total Balance	\$ -	\$ (89,919)	\$ 31,496		\$ 33,768	

	Year-To-Date				Prior-Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
February 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%	2020-21	%
REVENUES						
Revenues	\$ 8,839,543	\$ 3,458,891	\$ 3,259,242		\$ 3,099,846	
Investment Income	-	-	589		1,318	
Total	8,839,543	3,458,891	3,259,831	-5.76%	3,101,164	5.12%
EXPENSES						
O & M Expenses	5,127,990	2,196,551	1,650,558		1,686,746	
Debt Principal - District Energy System	1,815,000	756,250	756,250		737,500	
Debt Interest - District Energy System	1,356,208	565,085	505,146		522,455	
R&R - District Energy System	402,200	167,583	167,583		180,396	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	3,685,469	3,079,537	16.44%	3,127,097	1.52%
Total Balance	\$ -	\$ (226,578)	\$ 180,294		\$ (25,933)	