



Regular Board of Directors Meeting
3615 E Las Posas Road, Suite 161
Camarillo, CA 93010
Tuesday, December 8, 2015
8:30 a.m.

This page intentionally left blank.

Mission

The Camarillo Health Care District

Ensure That Quality Health And

Wellness Services Are Available

To All District Residents.

This page intentionally left blank.

2015 Board Meeting Calendar

January

27 Board Meeting – 5:00 p.m.

February

24 Board Meeting - 12:00 p.m.

March

24 Board Meeting – 5:00 p.m.

April

21 Board Meeting – 12:00 p.m. - AMENDED

May

26 Board Meeting – 5:00 p.m.

June

9 Board Meeting - 12:00 p.m.
(Budget Presentation)

23 Board Meeting – 12:00 p.m.

July

28 Board Meeting – 5:00 p.m.

August

Dark

September

29 Board Meeting – 5:00 p.m.

October

27 Board Meeting – 12:00 p.m.

November

Dark

December

8 Annual Board Work-study – 8:30 a.m.

Board Meetings in odd numbered months are held at 5:00 p.m.

Board Meetings in even numbered months are held at 12:00 p.m. except for the December 8th meeting will be held at 8:30 a.m.

2016 Regular Board Meeting Calendar

January

- Tuesday, January 26, 2016 – 5:00 p.m.

February

- Tuesday, February 23, 2016 – 12:00 p.m.

March

- Tuesday, March 22, 2016 – 5:00 p.m.

April

- Tuesday, April 26, 2016 – 12:00 p.m.

May

- Tuesday, May 24, 2016 – 5:00 p.m.

June

- Tuesday, June 7, 2016 – 12:00 p.m.
(Budget Presentation)
- Tuesday, June 28, 2016 – 12:00 p.m.

July

- Tuesday, July 26, 2016 – 5:00 p.m.

August

- Dark

September

- Tuesday, September 27, 2016 – 5:00 p.m.

October

- Tuesday, October 25, 2016 – 12:00 p.m.

November

- Dark

December

- Tuesday, December 6, 2016 – 8:30 a.m.
(Annual Board Work Study)

**Camarillo Health Care District
Procedures for Communication With
The Board of Directors**

Meetings with the Board of Directors are conducted for the purpose of accomplishing District business. As a matter of District policy and state law, meetings shall ordinarily be held in public. Pursuant to state law, the Board of Directors may conduct closed meeting sessions to discuss certain matters which are confidential.

Community involvement in the District is an essential element of an effective health care district.

Communications with the Board of Directors as a unit may be either in writing or by personal appearance at a meeting of the Board.

Written Communication – In order that the subject of the communication may be placed on the agenda, it must be requested in correspondence to the Board. Written communication addressed to the Board of Directors should reach the Administration office of the District no later than ten (10) business days prior to the date of the meeting at which the matter concerned is to be discussed.

Oral Presentations by Members of the Public to the Board of Directors and Requests by the Public to Place a Matter Directly Related to District Business on a Board Agenda – When an individual or group expects to communicate with the Board of Directors by means of personal appearance at a meeting of the Board or requests that a matter relating to District business be added to the Board's agenda, the District's Chief Executive Officer must be notified no later than ten (10) days before the Board meeting at which the matter concerned is to be discussed by the Board and those submitting the request.

Individuals wishing to comment on an agenda item when an item appears on the agenda for discussion or at the designated time for Public Comments, during the Board meeting, shall complete a Speakers Card and submit it to the Clerk of the Board.

It is desirable that when a statement presented to the Board is extensive or is formally requesting consideration of specific items the statement should be written and a copy filed with the Board of Directors.

Public comments at Board Meetings – The Board may receive comments or testimony at regularly scheduled meetings on matters *not on the agenda* which any member of the public may wish to bring before the Board, provided that no action is taken by the Board on such matters at the same meeting at which such testimony is taken.

In addressing the Board, the following rules of courtesy will be observed:

- **All remarks will be addressed to the President of the Board.**
- **All persons will identify themselves and state their address.**
- **Individuals will speak on a specific item of concern.**
- **Three (3) minutes will be allowed individuals, or in the case of a group of people speaking on a specific item, ten (10) minutes will be permitted for the presentation.**
- **Members of the Board of Directors reserve the right to waive time limitations.**

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the Board of Directors conducting the meeting may order the meeting room cleared, and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

The Board may discuss and take action on any agenda item properly submitted by a member of the public and published in an agenda. The Board President reserves the right to limit discussion and/or defer further deliberations on an agenda topic to a subsequent meeting if additional information is needed to render a decision or appropriate action. Matters involving legal procedure will be referred to Administration for study or further referral.

**AGENDA
DECEMBER 8, 2015
BOARD WORK STUDY**

December 8, 2015

This page intentionally left blank.

CAMARILLO HEALTH CARE DISTRICT

**Agenda for the Regular Meeting of the Board of Directors to be held on
Tuesday, December 8, 2015 at 8:30 a.m.
3687 E. Las Posas Road, Suite 190, Camarillo, CA 93010**

1. CALL TO ORDER

2. ROLL CALL

Camarillo Health Care District

Rod Brown, MBA, President
Christopher Loh, M.D., Vice President
Mark Hiepler, Esq., Clerk of the Board
Richard Loft, M.D., Director
Scott W. Packham, DDS, Director

3. PLEDGE OF ALLEGIANCE

Director Packham

4. AMENDMENTS TO THE AGENDA

This is the time and place to change the order of the agenda, delete, or add any agenda item(s) and to remove any consent agenda items for discussion.

5. PUBLIC COMMENT

The Camarillo Health Care District Board of Directors will hear from the public on any item of interest that is not on the agenda. The Board of Directors cannot take action on any item not scheduled on the agenda. These items may be referred for administrative action or scheduled on a future agenda. You have the opportunity to address the Board at the following times:

- A. AGENDA ITEM during Public Comments or at the time the Board considers the agenda item.**
- B. UNSCHEDULED ITEMS during Public Comments.**
- C. PUBLIC HEARING at the time for public hearings.**

6. APPROVAL OF MINUTES *Pages 16-19*

It is the recommendation of the District Administration that the Board of Directors approve the minutes of the Regular Meeting of October 27, 2015. (Please see Section 6)

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

7. CONSENT CALENDAR

- A. Approval of Final Audit Report for the 2014/2015 Fiscal Year from Mark Poindexter, CPA, Poindexter & Company. (Please see Section 7-A) *Pages 24-77*
- B. Approval of contract extension with Mark Poindexter, Poindexter & Company, as District Auditor for 2015/2016 and 2016/2017 fiscal years. (Please see Section 7-B) *Pages 80-85*
- C. Approval of the Minutes of the Finance Committee Meeting held on October 27, 2015. (Please see Section 7-C) *Page 89*
- D. Approval of the Minutes of the Executive Committee Meeting held on December 1, 2015. (Please see Section 7-D) *Page 93*
- E. Donations: October and November 2015 (Please see Section 7-E) *Page 96*

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

8. ACTION ITEM

- A. Review and approval of Professional Fee Agreement with Meyers Nave to assist as General Counsel to the Camarillo Health Care District.

(Please see Section 8-A) *Pages 100-105*

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

- B. Consideration and approval of Resolution 15-11, Authorizing Investment of Monies in the Local Agency Investment Fund. (Please see Section 8-B) *Pages 108-111*

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

C. Consideration and approval of Resolution 15-12, authorizing amendment of retirement plan via adoption of VALIC Retirement Services Company Retirement Plan for Governmental Employers. (Please see Section 8-C) *Pages 114-205*

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

D. Review and approve Attachment B, determining the amount of compensation earnable pursuant to California Code of Regulations (CCR) Title 2, Section 570.5. (Please see Section 8-D) *Page 209*

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

9. CLOSED SESSION - *Page 211*

Pursuant to Government Code 54956.9(d)(4) – Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

- A. Ruthann Ziegler, Meyers Nave, District Legal Counsel
- B. Michael A. Velthoen, Ferguson Case Orr Paterson, LLP

10. RECONVENE FROM CLOSED SESSION *Page 213*

11. ANNOUNCEMENT OF CLOSED SESSION *Page 215*

Pursuant to Government Code 54957.1 - The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present.

12. REORGANIZATION OF THE BOARD *Page 217*

Call for Nominations:

- A. PRESIDENT _____
Nomination by _____

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

B. VICE PRESIDENT _____
Nomination by _____

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

C. CLERK OF THE BOARD _____
Nomination by _____

MOTION _____ SECOND _____ ABSTAIN _____ PASS _____

BROWN _____ LOH _____ HIEPLER _____ LOFT _____ PACKHAM _____

13. BOARD PRESIDENT'S REPORT Page 219

Consideration and discussion of Regular Board Meeting Times.

14. BOARD MEMBERS' INTERESTS AND CONCERNS Page 221

15. FUTURE MEETINGS AND EVENTS Page 223

Board of Directors Meetings

Tuesday, January 26, 2016, 5:00 p.m.

Tuesday, February 23, 2016, 12:00 p.m.

Tuesday, March 22, 2016, 5:00 p.m.

16. ADJOURNMENT Page 225

Having no further business, this meeting is adjourned at _____ p.m.

ACTION ITEMS not appearing on the Agenda may be addressed on an emergency basis by a majority vote of the Board of Directors when need for action arises.

ADA compliance statement; In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk to the Board of Directors, Karen Valentine, at (805) 482-9382. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

SECTION 6

**APPROVAL OF MINUTES
BOARD MEETING
OCTOBER 27, 2015**

December 8, 2015

**REGULAR MEETING
BOARD OF DIRECTORS
October 27, 2015**

CALL TO ORDER

The regular meeting of the Camarillo Health Care District Board of Directors was called to order on Tuesday, October 27, 2015, at 12:01 p.m., at the Camarillo Health Care District, 3615 E. Las Posas Road, Suite 160, Camarillo, California, by Rod Brown, President.

QUORUM:

The following Directors were present:

Rodger Brown, M.B.A., President
Mark Hiepler, Esq., Clerk of the Board
Richard Loft, M.D., Director

Absent:

Christopher Loh, M.D., Vice President

Staff:

Kara Ralston, Chief Executive Officer
Sue Tatangelo, Chief Resource Officer
Sonia Amezcua, Chief Human Resources Officer
Renee Murphy, Accounting Manager
Karen Valentine, Clerk to the Board

Consultant:

David Mitchell, Certified Public Accountant, Mitchell and Associates, LLP
Mark Poindexter, Certified Public Accountant, Poindexter & Company

Guests:

Scott W. Packham, DDS

PLEDGE OF ALLEGIANCE

Director Loft

AMENDMENTS TO THE AGENDA

Delete Agenda Items 13, 14, and 15.

PUBLIC COMMENT

David Maron of the Ventura County Civic Alliance presented the current issue of their State of the County publication. The Ventura County Civic Alliance is a coalition of civic leaders with a shared commitment to the Economic, Environmental and Social Equity interests of the region.

APPROVAL OF MINUTES

It was **MOVED** by Director Loft, **SECONDED** by Director Hiepler, and **MOTION PASSED** that the Board of Directors approve the minutes of the Regular Meeting of September 29, 2015.

Vote of Minutes

Director Brown:	Aye
Director Loh:	Absent
Director Hiepler:	Aye
Director Loft:	Aye

ACTION ITEMS

- A. Consideration and approval of applicant Scott W. Packham, DDS, to fill the vacancy on the Board of Directors. Director Brown discussed the Ad Hoc Committee Meeting where Directors Brown and Loh met with applicants for the Board of Directors vacancy. Committee members discussed candidates’ qualifications and came to a unanimous decision to recommend the appointment of Scott W. Packham, DDS, to the full Board.

It was **MOVED** by Director Hiepler, **SECONDED** by Director Loft, and **MOTION PASSED** that the Board of Directors appoint Scott W. Packham, DDS, to fill the vacated position on the Camarillo Health Care Districts Board of Directors.

Vote of Director Appointment

Director Brown:	Aye
Director Loh:	Absent
Director Hiepler:	Aye
Director Loft:	Aye

OATH OF OFFICE

The Oath of Office was administered to Scott W. Packham by Notary Public Monica Teverbaugh.

- B. Consideration and approval of the Camarillo Health Care District Financial Audit Report for fiscal year 2014/2015, prepared and presented by Mark Poindexter, CPA, Poindexter & Company. CPA Poindexter discussed in the effect of Government Accounting Standard Board (GASB) 68 on District Financial Statements.

It was **MOVED** by Director Loft, **SECONDED** by Director Hiepler, and **MOTION PASSED** to accept the Camarillo Health Care District’s Financial Audit Report for 2014/2015 fiscal year.

Vote to Accept Financial Audit

Director Brown:	Aye
Director Loh:	Aye
Director Hiepler:	Absent
Director Loft:	Aye
Director Packham:	Aye

- C. Consideration and approval of Resolution 15-10 honoring Peggy O’Neill, RN, for her nineteen years of service as a Director for the Camarillo Health Care District.

It was **MOVED** by Director Brown, **SECONDED** by Director Hiepler, and **MOTION PASSED** to approve Resolution 15-10, honoring Peggy O’Neill for her nineteen years of service to the Camarillo Health Care District.

Vote to Approve Resolution 15-10

Director Brown:	Aye
Director Loh:	Absent
Director Hiepler:	Aye
Director Loft:	Aye
Director Packham:	Aye

Director Hiepler left the meeting at 12:25 p.m.

- D. Consideration and approval of revisions to the Camarillo Health Care District’s Bylaws. CEO Ralston presented each of the changes to the Board of Directors.

It was **MOVED** by Director Loft, **SECONDED** by Director Brown, and **MOTION PASSED** To approve the Camarillo Health Care District’s amended Bylaws as presented.

Vote to Approve Amended Bylaws

Director Brown:	Aye
Director Loh:	Absent
Director Hiepler:	Absent
Director Loft:	Aye
Director Packham:	Aye

- E. Review and approve Professional Fee Agreement with Meyers Nave to assist as General Counsel to the Camarillo Health Care District. Director Brown tabled this item until the December 8, 2015 Regular Board Meeting.

CONSENT CALENDAR

It was **MOVED** by Director Loft, **SECONDED** by Director Brown, and **MOTION PASSED** that the Board of Directors approve the Consent Calendar.

Vote of Consent Calendar

Director Brown:	Aye
Director Loh:	Absent
Director Hiepler:	Absent
Director Loft:	Aye
Director Packham:	Aye

Director Packham left the meeting at 1:04 p.m.

MANAGEMENT REPORTS

Chief Executive Officer, Kara Ralston, presented the California Special District’s Association (CSDA) video, which was produced to showcase our award winning Adult Day Program. The Adult Day Program welcomed Orville Hiepler who shared his book and memoirs with clients and staff.

Ms. Ralston discussed the District’s partnership with Community Memorial Health Systems (CMH), and their recent tour of our facilities. CMH executives were excited to see the full range of services and classes offered.

David Mitchell C.P.A., Mitchell and Associates LLP, presented the financial report.

BOARD PRESIDENT’S REPORT

Board President Brown suggested we discuss Board Meeting times at the December meeting.

FUTURE MEETINGS AND EVENTS

Board of Directors

November - Dark

Tuesday, December 8, 2015, 8:30 a.m., Board Work Study

Tuesday, January 26, 2016, 5:00 p.m.

Tuesday, February 23, 2016, 12:00 P.M.

ADJOURNMENT

President Rod Brown, adjourned the meeting in memory of Mrs. Florence Hiepler at 1:20 p.m.

Mark Hiepler
Clerk of the Board

This page intentionally left blank.

SECTION 7

CONSENT CALENDAR

December 8, 2015

This page intentionally left blank.

SECTION 7

7-A

**CONSENT CALENDAR
APPROVAL OF FINAL AUDIT REPORT
MARK POINDEXTER & COMPANY
MARK POINDEXTER, CPA**

December 8, 2015

POINDEXTER AND COMPANY

Certified Public Accountant

November 24, 2015

Camarillo Health Care District

Enclosed please find the following information relative to the audit of the District's financial statements for the year-ended June 30, 2015.

- Invoice for professional services rendered.
- Final copy of the Audit Report
Please review this report and notify us immediately of any modifications. A copy should be sent to the State Controller and the County Auditor/Controller.
- Final copy of the of Management Letter
Please review this report for modifications and inform us immediately if any are required. A copy should be sent to the State Controller and the County Auditor/Controller.
- Adjusting Journal Entries
Please record these entries to your general ledger as soon as possible to properly reflect the financial activity of the District. If you need assistance, please call our office.
- Other

Post Office Box 4488, Ventura, California 93007 ◊ (805) 659-3600 ◊ FAX (805) 659-1136
Email: mark@poindexterandco.com ◊ Website: www.poindexterandco.com

Audits • Reviews • Compilations • Tax Planning and Preparation • Consulting Services

POINDEXTER AND COMPANY

Certified Public Accountant

October 15, 2015

To the Board of Directors
Camarillo Health Care District

I have audited the financial statements of Camarillo Health Care District (District) for the year ended June 30, 2015, and have issued my draft report thereon dated October 27, 2015. Professional standards require that I provide you with the following information regarding my audit.

My Responsibility under Generally Accepted Auditing Standards

As stated in my engagement letter dated October 6, 2012 my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because I did not perform a detailed examination of all transactions, there is risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by me.

As part of my audit, I considered the internal controls of the District. With the assistance of management and staff I documented the design and implementation of the District's programs and controls to prevent and detect fraud and to insure compliance with applicable laws and regulations. Such considerations were solely for the purposes of determining my audit procedures and not to provide any assurance concerning such internal controls.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in note one to the financial statements. I noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Post Office Box 4488, Ventura, California 93007 ♦ (805) 659-3600 ♦ FAX (805) 659-1136
Email: mark@poindexterandco.com ♦ Website: www.poindexterandco.com

Audits • Reviews • Compilations • Tax Planning and Preparation • Consulting Services

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The significant estimates used in the preparation of the financial statements are outlined in the notes of the financial statements. I evaluated the key factors and assumptions used to develop the allocation bases in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction to the financial statements that, in my judgment may not have been detected except through my auditing procedures. These adjustments may include those proposed by me but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though I have concluded that such adjustments are not material to the current financial statements.

I proposed five significant adjustments: AJE01, AJE02, AJE03, AJE04 and AJE05; see attached.

The following adjustment was provided to me to correct the trial balance originally received for audit: CJE01 and CJE02; see attached.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of our audit.

Board of Directors
Camarillo Health Care District
October 15, 2015
Page 3

Consultations with Other Independent Accountants

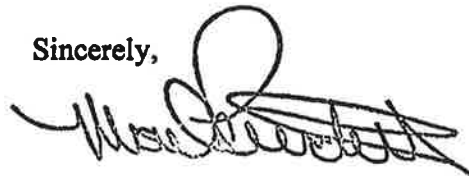
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Difficulties Encountered in Performing the Audit

I encountered no difficulties in dealing with management in performing and completing my audit.

This information is intended solely for use of the Board of Directors and management of Camarillo Health Care District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Poindexter', written over a horizontal line.

Mark A. Poindexter, C.P.A.
Poindexter and Company, C.P.A.

Camarillo Health Care District
Year End: June 30, 2016
Adjusting Journal Entries
Date: 7/1/2014 To 6/30/2015

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE01	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		117,936.93			
AJE01	6/30/2015	Net Pension Liability	21800.000	32.6			1,311,042.00		
AJE01	6/30/2015	Change in Accounting Principle	30130.000	32.6		1,183,105.07			
Record effect of changes in accounting principle related to GASB 68									
AJE02	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			117,936.93		
AJE02	6/30/2015	Net Pension Liability	21800.000	32.6		117,936.93			
Reclassify 2014 pension contributions									
AJE03	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		112,246.47			
AJE03	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			24,891.05		
AJE03	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			13.63		
AJE03	6/30/2015	Benefits-PERS-ADP	60340.020	32.6			14,822.01		
AJE03	6/30/2015	Benefits-PERS-Lifetime/Comm	60340.040	32.6			6,606.89		
AJE03	6/30/2015	Benefits-PERS-Education	60340.050	32.6			13,089.04		
AJE03	6/30/2015	Benefits-PERS-Vol.	60340.060	32.6			8,559.39		
AJE03	6/30/2015	Benefits-PERS-Relations	60340.070	32.6			5,406.00		
AJE03	6/30/2015	Benefits-PERS-Service Contract	60340.080	32.6			16,379.88		
AJE03	6/30/2015	Benefits-PERS-Trans	60340.090	32.6			10,612.17		
AJE03	6/30/2015	Benefits-PERS-Applo Event	60340.110	32.6			12,086.61		
Reclassify 2015 pension contributions									
AJE04	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		647.00			
AJE04	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			170.00		
AJE04	6/30/2015	Net Pension Liability	21800.000	32.6		233,590.07			
AJE04	6/30/2015	Deferred Inflows of Resources	28000.000	32.6			336,361.00		
AJE04	6/30/2015	Deferred Inflows of Resources	28000.000	32.6			90.00		
AJE04	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6		196,708.00			
AJE04	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			94,504.07		
Changes in net position liability during 2015									
AJE05	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			170.00		
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		80,520.00			
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		4,971.00			
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		90.00			
AJE05	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			85,411.00		
Changes in deferred outflows and deferred inflows (amortization)									
CJE01	6/30/2015	Accrued Vacation	21600.000	6. A			1,355.41		
CJE01	6/30/2015	Salaries-Admin	60100.010	6. A		1,355.41			
Client post closing entry to adjust administration vacation accrual as of 6/30/15									
CJE02	6/30/2015	Accounts Payable	20100.000	6			4,746.63		
CJE02	6/30/2015	Legal Fees-Admin	62400.010	6		648.38			
CJE02	6/30/2015	Awards & Recognition- Admin	63400.010	6		2,597.75			
CJE02	6/30/2015	Continuing Education-Trustee	63600.010	6		1,502.50			
Client post closing entry to record outstanding liability to Meyers Nave									
						2,063,945.51	2,063,945.51		

Net Income (Loss) (1,067,274.04)

Prepared by	Reviewed by
MAP 12/26/2014	

CAMARILLO HEALTH CARE DISTRICT

Independent Auditor's Reports, Management's Discussion and Analysis, Financial Statements and Supplementary Information June 30, 2015 and 2014

Prepared by:

POINDEXTER AND COMPANY

Certified Public Accountant

*Post Office Box 4488
Ventura, California 93007
(805) 659-3600*

**Tax Planning & Consultation · Tax Return Preparation · Business Consultation
Financial Statement Preparation · Auditing Services**

Camarillo Health Care District
Table of Contents
June 30, 2015 and 2014

Governing Board of Directors and Management	ii
---	----

Financial Section:

Independent Auditor's Report	1 - 2
Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
Management 's Discussion and Analysis	5 - 8
Statements of Net Position	9
Statements of Revenues, Expenses and Changes in Net Position	10 - 11
Statements of Cash Flows	12
Notes to Financial Statements	13 - 28

Required Supplementary Information:

Required Supplementary Information	29 - 31
------------------------------------	---------

POINDEXTER AND COMPANY

Certified Public Accountant

To the Board of Directors of
Camarillo Health Care District

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the Camarillo Health Care District, as of and for the years ended June 30, 2015 and June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the Camarillo Health Care District, as of June 30, 2015 and June 30, 2014, and the respective changes in net position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Post Office Box 4488, Ventura, California 93007 ♦ (805) 659-3600 ♦ FAX (805) 659-1136
Email: mark@poindexterandco.com ♦ Website: www.poindexterandco.com

Audits • Reviews • Compilations • Tax Planning and Preparation • Consulting Services

Camarillo Health Care District
Governing Board of Directors
As of June 30, 2015

<u>Name</u>	<u>Office</u>
Rodger Brown, M.B.A.	President
Christopher Loh, M.D.	Vice President
Mark Hiepler, Esg.	Clerk of the Board
Richard S. Loft, M.D.	Director
Peggy O'Neill, R.N.	Director
Management	
Kara Ralston	Chief Executive Officer
Sue Tatangelo	Chief Resource Officer
Sonia Amezcua	Human Resources Officer

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages five through eight, and the funding status of the pension plan and post employment health insurance benefit plan on pages twenty-nine to thirty-one be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance

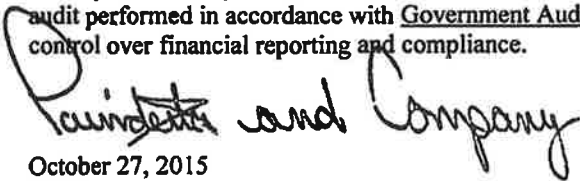
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camarillo Health Care District's basic financial statements. The governing board of directors section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The governing board of directors section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated October 27, 2015 on my consideration of the Camarillo Health Care District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Camarillo Health Care District's internal control over financial reporting and compliance.



Pwintata and Company

October 27, 2015

POINDEXTER AND COMPANY

Certified Public Accountant

To the Board of Directors of
Camarillo Health Care District

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts, the financial statements of Camarillo Health Care District, as of and for the years ended June 30, 2015 and June 30, 2014, and the related notes to the financial statements, which collectively comprise Camarillo Health Care District's basic financial statements, and have issued my report thereon dated October 27, 2015.

Internal Control Over Financial Reporting

In planning and performing my audits of the financial statements, I considered Camarillo Health Care District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Camarillo Health Care District's internal control. Accordingly, I do not express an opinion on the effectiveness of Camarillo Health Care District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camarillo Health Care District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Post Office Box 4488, Ventura, California 93007 ♦ (805) 659-3600 ♦ FAX (805) 659-1136
Email: mark@poindexterandco.com ♦ Website: www.poindexterandco.com

Audits • Reviews • Compilations • Tax Planning and Preparation • Consulting Services

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Quintana and Company

October 27, 2015

**Camarillo Health Care District
Management Discussion and Analysis
For Years Ended June 30, 2015 and 2014**

This discussion and analysis of the Camarillo Health Care District's ("District") financial performance during the stated period provides an overview of the District's operational activities that had an impact on the financial performance of the District.

This report consists of a series of financial statements with accompanying notes. The Statements of Net Position reflects the financial position of the District at June 30, 2015 and 2014. The Statements of Revenues, Expenses and Changes in Net Position provide the results from operations through the fiscal years ended June 30, 2015 and 2014, and reflect how the operating results for the fiscal years affected the Statements of Net Position.

The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referenced above include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The District is operated and reported as a single enterprise fund; there are no subsidiary fund statements presented as part of this report. The following is a summary of the net position of the District and the change in those net positions from the prior fiscal year.

See Auditor's Report
The Notes to Financial Statements Are An Integral Part of This Statement
Page 5 of 31

Camarillo Health Care District
Management Discussion and Analysis
For Years Ended June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$1,938,432	\$1,666,711
Restricted Assets	10,492	10,582
Capital Assets	2,304,261	2,007,726
Total Assets	\$4,253,185	\$3,685,019
<u>Deferred Outflows of Resources</u>	<u>112,553</u>	<u>0</u>
Total Assets and Deferred Outflows of Resources	\$4,365,738	\$3,685,019
<u>Liabilities</u>		
Current Liabilities	\$ 436,535	\$ 422,202
Long-Term Liabilities	1,482,971	0
Total Liabilities	\$ 1,919,506	\$ 422,202
Deferred Inflows of Resources	\$ 250,690	\$ 0
<u>Net Position</u>		
Invested in Capital Assets	\$ 2,227,717	\$ 2,007,726
Unrestricted Net Position	(32,175)	1,255,091
Total Net Position	\$ 2,195,542	\$ 3,262,817
Total Liabilities and Net Position	\$ 4,365,738	\$ 3,685,019

The net position of the District decreased 32.7%, as follows:

- Current assets increased by 16.3% from the prior year reflecting less use of funds for operating expenses due to operating efficiencies and the culmination of a program.
- An increase in capital assets of 14.8% reflects the retirement of various assets with corresponding accumulated depreciation and the purchase of additional fixed assets including the improvements to the Adult Daycare Center.
- An increase in current liabilities of 3.4% reflects an increase in accrued operating expenses that were paid subsequent to year end and an increase in accrued liability for unfunded healthcare cost.
- A decrease in unrestricted net assets reflects a change in accounting principle that requires certain future obligations for pension liabilities to be recorded.

See Auditor's Report
The Notes to Financial Statements Are An Integral Part of This Statement
Page 6 of 31

Camarillo Health Care District
Management Discussion and Analysis
For Years Ended June 30, 2015 and 2014

<u>Operating Revenues</u>	<u>2015</u>	<u>2014</u>
Program Revenues	\$ 645,065	\$ 705,907
Operating Grants	205,146	299,316
Bequest Distribution - Care-A-Van	141,199	135,885
<u>Other Operating Revenue</u>	<u>51,328</u>	<u>48,687</u>
Total Operating Revenues	\$1,042,738	\$1,189,795
<u>Non-Operating Revenues/(Expenses)</u>		
Property Taxes	\$2,244,695	\$2,123,180
Investment Income	2,927	1,878
Other Non-Operating Revenue	113,889	47,845
Loss on Sale of Equipment	(10,552)	(5,346)
<u>Interest Expense</u>	<u>(16,875)</u>	<u>0</u>
Total Non-Operating Revenues/ (Expenses)	\$2,334,084	\$2,167,557
<u>Program Expenses</u>		
Salaries, wages and benefits	\$1,674,455	\$1,779,768
Professional fees	263,719	346,277
Depreciation	148,472	139,768
<u>Combined other</u>	<u>453,698</u>	<u>409,044</u>
Total Program Expenses	\$ 2,540,344	\$2,674,857
<u>Administration Expenses</u>	<u>\$ 710,648</u>	<u>\$ 713,952</u>
Change in Accounting Principle	\$(1,193,105)	\$ 0

- Total Operating Revenues reflect a decrease of 12.4%, primarily due to a decrease in operating grants and the cessation of a program.
- Total Non-Operating Revenues/(Expenses) have increased by 7.7%, primarily due to an increase in property tax revenue and an increase in contributions.
- Total Program Expenses decreased by 5.0% due primarily to the cessation of a program.
- Administration Expenses have decreased by 0.5%, due operating efficiencies.
- Change in accounting principles represents the requirement of GASB 68 to record accrued unfunded pension liabilities. This change affects the net assets of the organization by the cumulative effect of the unfunded amount.

See Auditor's Report
The Notes to Financial Statements Are An Integral Part of This Statement
Page 7 of 31

Camarillo Health Care District
Management Discussion and Analysis
For Years Ended June 30, 2015 and 2014

Actual Results Compared to Budget

The Board of Directors adopts an annual budget in June for the following fiscal year, beginning on July 1. Performance to budget is monitored by the Board throughout the year. Following is a summary of actual results in comparison to budget.

	<u>Actual</u>	<u>Budget</u>
Total Operating Revenues	\$ 1,042,738	\$ 1,027,956
Less: Expenses		
Salaries and Benefits	(2,131,784)	(2,185,690)
<u>Other Operating Expenses</u>	<u>(928,193)</u>	<u>(963,038)</u>
Net Operating Loss	\$(2,017,239)	\$(2,120,772)
Non-Operating Revenues/(Expenses)		
Property Taxes	\$ 2,244,695	\$ 2,184,183
Investment Income	2,927	1,300
<u>Other Non-Operating Revenue/(Expenses)</u>	<u>86,462</u>	<u>123,956</u>
Total Non-Operating Revenues/ (Expenses)	\$ 2,334,084	\$ 2,309,439
<u>Less Depreciation</u>	<u>\$ (191,015)</u>	<u>\$ (187,109)</u>
<u>Less Change in Accounting Principle</u>	<u>\$(1,193,105)</u>	<u>\$ 0</u>
<u>Change in Net Position and Accounting Principle</u>	<u>\$(1,067,275)</u>	<u>\$ 1,558</u>

Requests for information:

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report should be addressed to the Chief Financial Officer, Camarillo Health Care District, 3639 East Las Posas Road, Suite 117, Camarillo, California 93010.

See Auditor's Report
The Notes to Financial Statements Are An Integral Part of This Statement
Page 8 of 31

Camarillo Health Care District
 Statements of Net Position
 June 30, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 1,826,085	\$ 1,487,903
Accounts receivable	5,628	
Taxes Receivable	49,553	46,687
Other receivables	1,193	652
Grant receivable	22,430	105,869
Interest receivable		637
Prepaid expenses	33,543	24,963
Total Current Assets	1,938,432	1,666,711
Restricted cash and cash equivalents (Note 2)	10,492	10,582
Building and equipment, net of accumulated depreciation (Note 3)	2,304,261	2,007,726
DEFERRED OUTFLOWS OF RESOURCES	112,553	
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	61,047	104,384
Accrued expenses	113,896	131,233
OPEB payable (Note 8)	156,378	155,379
Accrued Interest Payable	16,875	
Deferred revenue (Note 4)	11,795	31,206
Current Portion of Long Term Debts (Note 6)	76,544	
Total Current Liabilities	436,535	422,202
Net Pension Liability (Note 7)	959,515	
Notes Payable (Note 6)	523,456	
Total Liabilities	1,919,506	422,202
DEFERRED INFLOWS OF RESOURCES	250,690	
NET POSITION		
Invested in capital assets	2,227,717	2,007,726
Unrestricted net position	(32,175)	1,255,091
Total Net Position	\$ 2,195,542	\$ 3,262,817

See Auditor's Report
 The Notes to Financial Statements Are An Integral Part of This Statement
 Page 9 of 31

Camarillo Health Care District
 Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Program revenues	\$ 645,065	\$ 705,907
Legacies and bequests (Note 10)	141,199	135,885
Grant income (Note 11)	205,146	299,316
Miscellaneous revenue	51,328	48,687
Total Operating Revenues	1,042,738	1,189,795
OPERATING EXPENSES		
Program Expenses		
Salaries, wages and benefits	1,674,455	1,779,768
Professional fees	263,719	346,277
Postage and printing	106,590	77,110
Supplies and activities	75,781	66,559
Depreciation	148,472	139,768
Insurance	23,888	26,911
Advertising and promotion	26,010	17,411
Utilities and telephone	98,660	94,124
Repairs and maintenance	50,230	44,125
Other program	72,539	82,804
Total Program Expenses	2,540,344	2,674,857
Administration Expenses		
Salaries, wages and benefits	457,329	483,759
Professional fees	32,386	39,651
Postage and printing	733	736
Supplies and activities	27,455	18,613
Depreciation	42,543	45,171
Insurance	21,875	21,033
Advertising and promotion	499	-
Association fees, utilities and telephone	17,985	17,389
Repairs and maintenance	3,544	4,814
Other administration	52,232	39,539
Board	54,067	43,247
Total Administration Expenses	710,648	713,952
Total Operating Expenses	3,250,992	3,388,809
Operating Changes in Net Position	(2,208,254)	(2,199,014)

See Auditor's Report
 The Notes to Financial Statements Are An Integral Part of This Statement
 Page 10 of 31

Camarillo Health Care District
 Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
NON-OPERATING REVENUES/(EXPENSES)		
Property taxes	2,244,695	2,123,180
Contributions	79,061	17,739
Interest income	2,927	1,764
Unrealized gain/loss on investments		114
Other non-operating revenue	34,828	30,106
Loss on sale of equipment	(10,552)	(5,346)
Interest expense	<u>(16,875)</u>	
 Total Non-Operating Revenues and Expenses	 <u>2,334,084</u>	 <u>2,167,557</u>
 Changes in Net Position	 <u>125,830</u>	 <u>(31,457)</u>
 Net Position at Beginning of Year	 3,262,817	 3,294,274
 Change in Accounting Principle (Note 12)	 <u>(1,193,105)</u>	
 Net Position at Beginning of Year - Restated	 <u>2,069,712</u>	 <u>3,294,274</u>
 Net Position at End of Year	 <u>\$ 2,195,542</u>	 <u>\$ 3,262,817</u>

See Auditor's Report
 The Notes to Financial Statements Are An Integral Part of This Statement
 Page 11 of 31

Camarillo Health Care District
 Statements of Cash Flows
 For Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Cash receipts from user charges	\$ 619,485	\$ 721,794
Operating grant revenue received	288,585	300,335
Other operating receipts	51,328	48,687
Distribution from Ventura County Community Foundation	141,199	135,885
Cash payments to other suppliers of goods or services and other operating expenses	(980,110)	(892,726)
Cash payments to employees and for employee benefits	(2,243,575)	(2,285,336)
Net Cash Provided/(Used) By Operating Activities	(2,123,088)	(1,971,361)
Cash Flows From Investing Activities		
Interest income	3,564	1,820
Other non-operating income	113,889	47,845
Net Cash Provided/(Used) By Investing Activities	117,453	49,665
Cash Flows From Capital Activities		
Purchase of capital assets	(498,102)	(130,511)
Proceeds from issuance of debt	600,000	
Net Cash Provided/(Used) By Capital Activities	101,898	(130,511)
Cash Flows From Non-capital Financing Activities		
Property taxes collected	2,241,829	2,121,849
Net Cash Provided/(Used) By Non-capital Financing Activities	2,241,829	2,121,849
Net Increase/(Decrease) In Cash And Cash Equivalents	338,092	69,642
Cash And Cash Equivalents At Beginning Of Year	1,498,485	1,428,843
Cash And Cash Equivalents At End Of Year	\$ 1,836,577	\$ 1,498,485
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating changes in position	\$ (2,208,254)	\$ (2,199,014)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	191,015	184,939
(Increase)/Decrease in Assets:		
Accounts receivable	(5,628)	3,110
Grant receivable	83,439	1,019
Other receivables	(541)	(316)
Prepaid expenses	(8,580)	(1,081)
Deferred Outflows of Resources	(112,553)	
Increase/(Decrease) in Liabilities:		
Accounts payable	(43,337)	48,698
Accrued expenses	(17,337)	(22,208)
OPEB payable	999	399
Deferred revenue	(19,411)	13,093
Net Pension Liability	(233,590)	
Deferred Inflows of Resources	250,690	
Net Cash Provided/(Used) By Operating Activities	\$ (2,123,088)	\$ (1,971,361)

See Auditor's Report
 The Notes to Financial Statements Are An Integral Part of This Statement
 Page 12 of 31

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Entity:

Camarillo Health Care District (the "District") is a political subdivision of the State of California, classified as a public not-for-profit local government special district. The District encompasses the greater Camarillo area which includes Somis, the Las Posas Valley, and a portion of the Santa Rosa Valley. The District's overall goal is to provide quality health and wellness related services to meet the needs of all District residents. The District's five-member Board of Directors comprises representatives who are elected at large and serve four year terms.

Reporting Entity:

The District's reporting entity includes all significant operation and revenue sources which the District Board of Directors exercises oversight responsibility determined under the criteria established by the National Council on Governmental Accounting Statement No. 3, as adopted by the Financial Accounting Standards Board ("FASB"). Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. There are no component units included within the reporting entity.

Basis of Accounting:

The Camarillo Health Care District is accounted for as a proprietary fund in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. Proprietary funds are used to account for operations that are either (a) financed and operated in a manner similar to private business enterprises where the expenses, including depreciation, of providing goods or services to the general public, are recovered through user charges, or (b) governed by the decision that periodic determination of revenues earned, expenses incurred, and net income are appropriate for capital maintenance, public policy, management control, or other purposes. Because the Camarillo Health Care District is accounted for as a proprietary fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The District applies all Governmental Accounting Standards Board ("GASB") pronouncements as well as the FASB pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the Statements of Net Position. The net positions are segregated into invested in capital, restricted net position and unrestricted net position. Unrestricted resources are used first to fund a restricted purpose only after the restricted resources are depleted.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are program fees charged to clients for services and grants received from other governmental agencies and private enterprises for operating purposes. Operating expenses include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Presentation:

The accompanying financial statements are presented utilizing the accrual method of accounting.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions include, but are not limited to:

- depreciation
- compensated absences
- allowance for uncollectible receivables
- investments
- pension obligations

Cash and Cash Equivalents:

For the purpose of the Statement of Cash Flows, the District considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. The District considers funds in the Local Agency Investment Fund and the Ventura County Treasury Fund to be cash equivalents.

Investments:

Investments are carried at fair value. The District's Investment Policy authorizes investments in obligations of the U. S. Treasury, U. S. Agencies, certificates of deposit, money market checking accounts, the Local Agency Investment Fund and the Ventura County Treasury Fund.

Capital Assets:

The District capitalizes assets with a cost greater than \$1,000 and an estimated useful life greater than one year at cost. Depreciation is calculated using the straight-line or accelerated methods of depreciation over the estimated useful lives of the assets ranging from two to thirty-nine years.

Compensated Absences:

The District accrues the estimated obligation for vacation pay as earned. Sick leave is not included in the accrual as the District does not pay for unused sick leave upon employee termination.

Budgets:

The District annually adopts a budget prior to and for the upcoming fiscal year, which includes anticipated expenditures and their means of financing. Once adopted, the budget as approved is subject to amendment as considered necessary.

Property Taxes:

Tax revenues are received by the District pursuant to its status as a political subdivision of the State of California.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

The District is exempt from income taxes.

Subsequent Events:

The District has evaluated subsequent events through October 27, 2015, the date which the financial statements were available to be issued.

Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - CASH AND CASH EQUIVALENTS, AND INVESTMENTS

The District's carrying value of deposits were \$291,686 and \$255,899 at June 30, 2015 and 2014, respectively. The corresponding bank balances were \$300,588 and \$272,661, respectively. The deposits are insured up to \$250,000 by Federal Deposit insurance. As of June 30, 2015 two accounts went over the insured limit, but as of June 30, 2014, all accounts were within the insured limit. The California Government Code requires all financial institutions to secure a local government agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

Cash and cash equivalents, and investments consist of the following as of June 30, 2015:

	<u>Fair Value</u>	<u>Carrying Value</u>
State of California Local Agency Investment Fund	\$ 1,540,102	\$ 1,540,102
County Treasury Investment	3,634	3,634
Total	<u>\$ 1,543,736</u>	<u>\$ 1,543,736</u>

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash and cash equivalents, and investments consist of the following as of June 30, 2014:

	Fair Value	Carrying Value
State of California Local Agency Investment Fund	\$ 1,237,926	\$ 1,237,926
County Treasury Investment	3,505	3,505
Total	\$ 1,241,431	\$ 1,241,431

The State of California Local Agency Investment Fund (“LAIF”) is an external investment pool. LAIF operates in accordance with appropriate state laws and is an unrated pool. The share value of the District’s investment in LAIF is \$1,539,523.

The County of Ventura Treasurer maintains a cash investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the District based on the average daily balances on deposit with the County Treasurer. Investment earnings are accrued at year-end. The County Treasurer invests District funds in accordance with the County’s investment policy as approved by the Treasury Oversight Committee and the County Board of Supervisors. The policy emphasizes safety, liquidity, and yield and follows the “prudent investor rule”. The County Treasurer is authorized by Government Code Section to invest in U.S. Government Treasury and Agency Securities, certain commercial paper, bankers’ acceptances, corporate bonds and notes repurchase agreements and the State of California Local Agency Investment Fund. The fair value of the District’s investment in the pool approximates cost.

To address credit risk, the District invests its funds in accordance with state statutes and the District’s investment policy. The criteria for selecting investments are, in order of priority, (1) safety – consideration of the potential loss of principal or interest, (2) liquidity – the ability to have funds available at any moment in time with a minimal potential loss and (3) yield – the optimum rate of return while preserving capital.

Restricted assets of \$10,492 and \$10,582 as of June 30, 2015 and 2014, respectively, are amounts received that are designated for program scholarship awards.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 3 - CAPITAL ASSETS

As of June 30, 2015, capital assets were comprised of the following:

<u>Asset Description</u>	<u>Estimated Lives</u>	<u>Cost as of 6/30/14</u>	<u>Additions</u>	<u>Deletions/Transfers</u>	<u>Cost as of 6/30/15</u>
Building and related improvements	3 to 39 years	\$ 3,142,572	\$ 20,823	\$ 502,427	\$ 3,665,822
IS equipment	3 to 8 years	219,286	3,793	(4,963)	218,116
Equipment and furnishings	2 to 15 years	244,807	23,858	(2,171)	266,494
Transportation vehicles	10 years	349,636			349,636
Construction in progress		<u>94,792</u>	<u>449,628</u>	<u>(544,420)</u>	
Total capital assets		4,051,093	498,102	(49,127)	4,500,068
Less accumulated depreciation		<u>(2,043,367)</u>	<u>(191,015)</u>	<u>38,575</u>	<u>(2,195,807)</u>
Net capital assets		<u>\$ 2,007,726</u>	<u>\$ 307,087</u>	<u>\$ (10,552)</u>	<u>\$ 2,304,261</u>

As of June 30, 2014, capital assets were comprised of the following:

<u>Asset Description</u>	<u>Estimated Lives</u>	<u>Cost as of 6/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Cost as of 6/30/14</u>
Building and related improvements	3 to 39 years	\$ 3,145,025		\$ (2,453)	\$ 3,142,572
IS equipment	3 to 8 years	335,617	\$ 29,818	(146,149)	219,286
Equipment and furnishings	2 to 15 years	258,782	6,585	(20,560)	244,807
Transportation vehicles	10 years	349,636			349,636
Construction in progress			<u>94,792</u>		<u>94,792</u>
Total capital assets		4,089,060	131,195	(169,162)	4,051,093
Less accumulated depreciation		<u>(2,021,560)</u>	<u>(184,939)</u>	<u>163,132</u>	<u>(2,043,367)</u>
Net capital assets		<u>\$ 2,067,500</u>	<u>\$ (53,744)</u>	<u>\$ (6,030)</u>	<u>\$ 2,007,726</u>

Note 4 - DEFERRED REVENUE

Deferred scholarship revenue is comprised of undisbursed donations received by the District which are designated by the donors for specific internal scholarship use. The District records restricted donations as deferred revenue until the restrictions are satisfied, at which time the donation is recorded as revenue.

Note 5 - LINE OF CREDIT

The District has a secured line of credit with a bank with no maturity date. Security consists of inventory, chattel paper, accounts, equipment and general intangibles. The line of credit has a maximum borrowing amount of \$300,000 with interest at .90% over the lender's base rate (Bank of the West prime rate), but not less than 4%.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 6 - LONG-TERM DEBT

Long-term debt consists of the following debt issues:

	Issuance Date	Security	Interest Rates	Balance 6/30/14	Proceeds/Retirement	Balance 6/30/15	Current	Long-Term
Municipal Finance Corporation	9/1/04	None	3.75%	\$ 0	\$ 600,000	\$ 600,000	\$ 76,544	\$ 523,456

Fiscal Year Ending June 30,	Municipal Finance Corporation	Total Interest	Total
2016	\$ 76,544	\$ 22,500	\$ 99,044
2017	79,415	19,630	99,045
2018	82,393	16,652	99,045
2019	85,482	13,562	99,044
2020	88,688	10,356	99,044
2021-2022	187,478	10,610	198,088
	<u>\$ 600,000</u>	<u>\$ 93,310</u>	<u>\$ 693,310</u>

Note 7 - DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description:

The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions under the Plan are established by State statute and city ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided:

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members are eligible to retire at age 60 with statutory benefits. All members are eligible for non-duty disability benefits. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	Prior to January 1, 2013	On of after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 60
Retirement age	60	60
Required employee contribution rates	6.880%	6.308%
Requires employer contribution rates	8.486%	6.250%

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Contributions:

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance the costs unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 112,246
Contributions - employee	<u>\$ 96,367</u>

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net</u>
	<u>Pension Liability</u>
Miscellaneous	<u>\$ 959,515</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions for all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the plan as of June 30, 2013 and 2014 was as follows:

	<u>Proportionate Share of Net</u>
	<u>Pension Liability</u>
Proportion - June 30, 2013	\$ 1,311,042
Proportion - June 30, 2014	959,515
Change - Increase/(Decrease)	<u>\$ (351,527)</u>

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2015, the District recognized pension expense of \$16,779. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 112,246	
Differences between actual and expected experience		
Changes in assumptions		
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	307	\$ (8,949)
Net differences between projected and actual earnings on plan investments		(241,741)
Total	<u>\$ 112,553</u>	<u>\$ (250,690)</u>

\$112,246 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ (85,411)
2017	\$ (84,451)
2018	\$ (80,521)
2019	\$ 0
2020	\$ 0
Thereafter	\$ 0

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions:

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.50% (2)
Mortality	(3)

- (1) Depending on age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate:

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes. Refer to page 9 of this report, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	.99%	2.43%
Inflation Sensitive	6.0%	.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	(.55%)	(1.05%)
Total	<u>100.0%</u>		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 7 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District's proportionate share of the net pension liability of the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1 % Decrease	6.50%
Net Pension Liability	\$ 1,709,559
Current Discount Rate	7.50%
Net Pension Liability	\$ 959,515
1% Increase	8.50%
Net Pension Liability	\$ 337,050

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

E. Payable to the Pension Plan

At June 30, 2015, the District reported a payable of \$2,611 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

Note 8 - OTHER POST EMPLOYMENT BENEFITS

Plan Description:

The District administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime post-employment medical insurance to eligible retirees and their spouses through the California Public Employees Retirement System. Annually, the District establishes a maximum monthly premium that the District will contribute to the cost of current-year medical insurance premiums. For calendar year 2015 and 2014, the maximum monthly contribution by the District was \$790 per retiree.

Funding Policy:

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. During the year ended June 30, 2011, the District entered into an agreement and elected to prefund OPEB through CalPERS in the California Employer's Retiree Benefit Trust Program (CERBT). During the years ended June 30, 2015 and 2014, the District chose to contribute \$145,000 and \$145,000, respectively, in cash for each of the years to the CERBT. The other post-employment benefits that are due to retirees during the fiscal year are funded and expensed on a pay-as-you-go basis. The District will pay 100% of the cost of the post-employment benefit plan.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 8 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation:

The following table shows the components of the District's annual OPEB expense for the year ended June 30, 2015 and 2014, the amount actually contributed to the Plan, and the changes in the District's net OPEB obligation:

	<u>2015</u>	<u>2014</u>
Annual required contribution (ARC)	\$ 145,399	\$ 145,399
Interest on net OPEB obligation	11,265	11,794
Adjustment to annual required contribution	<u>(10,665)</u>	<u>(11,794)</u>
Annual OPEB cost	145,999	145,399
Contribution made to Plan during fiscal year	<u>(145,000)</u>	<u>(145,000)</u>
Increase in net OPEB obligation	999	399
Net OPEB obligation - beginning of year	<u>155,379</u>	<u>154,980</u>
 Net OPEB obligation - end of year	 <u><u>\$ 156,378</u></u>	 <u><u>\$ 155,379</u></u>

The District's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2015 and 2014 are shown in the following table. Only six years' information is available since 2010 was the District's initial year of implementation for GASB Statement No. 45.

	<u>Annual OPEB Cost (AOC)</u>	<u>% of AOC Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2010	\$ 124,644	107.10%	\$ 116,377
06/30/2011	\$ 115,520	81.41%	\$ 141,897
06/30/2012	\$ 105,935	67.12%	\$ 157,832
06/30/2013	\$ 107,148	69.14%	\$ 154,980
06/30/2014	\$ 145,399	93.38%	\$ 155,379
06/30/2015	\$ 145,399	92.98%	\$ 156,378

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 8 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress:

The funded status of the Plan as of June 30, 2015, the most recent actuarial valuation date, was as follows:

	2015	2014
Actuarial accrued liability	\$ 1,798,158	\$ 1,078,857
Actuarial value of plan assets	670,469	316,585
Unfunded actuarial accrued liability	\$ 1,127,689	\$ 762,272
Funded ratio	37.29%	29.34%
Covered payroll	\$ 1,409,091	\$ 1,457,087
Unfunded actuarial accrued liability as a percentage of covered payroll	80.03%	52.31%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, is intended to present multiyear trend information about whether the actuarial value of plans assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 8 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The following is a summary of the actuarial assumptions and methods:

Valuation date	June 30, 2015
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 Years as of the valuation date
Asset valuation method	5 Year smoothed market

Actuarial assumptions:

Investment rate of return	7.10%
Projected salary increase	2.75%
Inflation – discount rate	2.75%

Note 9 - RISK MANAGEMENT

The District is exposed to potential losses from claims arising from its business operation; torts; theft; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance coverage through independent carriers for property and equipment and employee dishonesty. There have been no significant reductions in insured coverage.

The District participates in the workers' compensation program organized by the Association of California Hospital Districts, Inc., ALPHA Fund Joint Powers Agreement ("ALPHA"). ALPHA is a Joint Powers Authority ("JPA") which is comprised of 48 participants organized pursuant to the California Government Code. The purpose of the JPA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage; whereby the risk of loss is mitigated by the public entity pool. The Fund currently has \$1,000,000 of workers' compensation coverage. The JPA is not a component unit of the District for financial purposes, as explained below.

ALPHA provides workers' compensation insurance for the District. Periodic deposits paid by each participant for the workers' compensation joint protection are computed based on independent actuarial computations taking into account factors such as the participants' number of employees, types of employees, annual budget, all relevant loss experience and rates established through the California Inspection Ratings Bureau. The Fund may assess the participants in order to eliminate any deficiency in the fund balance of the Fund.

Under the terms of the JPA, withdrawing or terminated member districts owe their pro-rata share of the fund deficiency. A withdrawing or terminated member district's pro-rata share contributions is based on its total contributions during its membership in the Fund as a percentage of the total contributions by all member districts during the same period.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 9 - RISK MANAGEMENT (Continued)

The District also participates in the Beta Healthcare Group Joint Powers Agreement (“BETA”). BETA is a Joint Powers Authority (“JPA”) which is comprised of local health care districts, counties, other governmental entities and qualified nonprofits which operate hospitals, clinics and other health-related facilities and is organized pursuant to the California Government Code. The purpose of the JPA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage; whereby the risk of loss is mitigated by the public entity pool. BETA currently has \$5,000,000 of auto liability, \$5,000,000 of comprehensive liability and \$2,000,000 of directors, officers and trustee liability coverage.

BETA provides automobile, comprehensive liability and directors’ and officers’ liability insurance for the District. Periodic deposits paid by each participant for the insurance joint protection are computed based on individual coverage contracts.

Note 10 - DISTRIBUTIONS FROM VENTURA COUNTY COMMUNITY FOUNDATION

In 2006, the District was named as a beneficiary recipient of a permanent endowment now managed by the Ventura County Community Foundation (VCCF). The District has a current beneficial interest of 100%. However, VCCF has variance power which allows the Foundation to modify the donor’s stipulations under certain rare circumstances and as the Foundation monitors the changing needs of the community.

Each year, VCCF distributes a portion of the earnings based on its distribution policies, which are subject to change based on VCCF’s investment management performance. The amounts received in 2015 and 2014, were \$141,199 and \$135,885 respectively. The distribution amounts are to be used only for the Care-a-Van service in Camarillo. At June 30, 2015, the market value of the fund held by VCCF on behalf of the District was \$3,033,639. At June 30, 2014, the market value of the fund held by VCCF on behalf of the District was \$3,128,222.

Note 11 - GRANTS

The District is the recipient of grants from government agencies and the private sector. The grants received for the year ended June 30, 2015 are:

Funding Source	Program	Purpose	Amount
Ventura County Area Agency on Aging (VCAAA)	Wellness & Caregiver Center	Caregiver Support	\$ 44,355
Ventura County Area Agency on Aging (VCAAA)	Senior Lunch Program	Senior Meals	65,474
Dignity Health	Wellness & Caregiver Center	Care Coordinator	17,500
The Scan Foundation	Care Transitions	IT Infrastructure	5,000
Ventura County Area Agency on Aging (VCAAA)	Wellness & Caregiver Center	Senior Helpline	53,617
The Scan Foundation	Wellness & Caregiver Center	Community of Constituents	<u>19,200</u>
Total Grant Funds			<u>\$ 205,146</u>

Camarillo Health Care District
Notes to Financial Statements
June 30, 2015 and 2014

Note 12 - CHANGE IN ACCOUNTING PRINCIPLE

During 2015, the District implemented GASB 68 and changed its method of reporting net pension liability and pension expense. The District implemented GASB 68 as required by the Government Accounting Standards Board. The effect of this change was to decrease net positions at June 30, 2014 by \$1,193,105.

Note 13 - CONTINGENCY

The District has made a claim against one of its vendors for reimbursement of costs totaling \$90,000 to \$150,000. The District has filed an arbitration proceeding to participate in business arbitration, and no estimate can be made of the amount of the reimbursement, if any, that will actually be received.

Camarillo Health Care District
 Required Supplementary Information
 June 30, 2015 and 2014

Schedule of Proportionate Share of the Net Pension Liability

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered employee payroll

Schedule of Contributions

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered employee payroll.

***Cost Sharing Defined Benefit Pension Plan
 Last 10 Years****

Schedule of the District's Proportionate Share of the Net Pension Liability

	<u>CLASSIC</u>	<u>PEPRA</u>
	2014	2014
Proportion of the net pension liability	.01540%	.00002%%
Proportionate share of the net pension liability	\$ 958,442	\$ 1,073
Covered employee payroll	\$ 1,257,288	\$ 115,690
Proportionate share of the net pension liability as percentage of covered employee payroll	76.23%	.93%
Plan's fiduciary net position	83.03%	83.03%
Plan fiduciary net position as a percentage of the total pension liability	\$ 126,978	\$ 142

Notes to Schedule:

Changes in Assumptions: In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Camarillo Health Care District
 Required Supplementary Information
 June 30, 2015 and 2014

**Cost Sharing Defined Benefit Pension Plan
 Last 10 Years*
 Schedule of Contributions**

	CLASSIC	PEPRA
	2014	2014
Contractually required contribution (actuarially determined)	\$ 106,486	\$ 15,889
Contributions in relation to the actuarially determined contributions	(106,486)	(15,889)
Contribution deficiency (excess)	\$ 0	\$ 0
Covered employee payroll	\$ 1,257,288	\$ 115,690
Contributions as a percentage of covered employee payroll	8.47%	13.73%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Change in Assumptions: None

Methods and assumptions used to determine contribution rates:

Agent Multiple Employers	Entry age	
Amortization method	Level percentage of payroll, closed	
Remaining amortization period	15 years	
Asset valuation method	5 year smoothed market	
Inflation	2.75%	
Projected salary increases	Variable entry age and service	
Investment rate of return	7.50%, net of pension plan investment expense, including inflation	
Retirement age	60 yrs.	
Mortality	Derived using CalPERS membership data for all funds	

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

Camarillo Health Care District
 Required Supplementary Information
 June 30, 2015 and 2014

Funded Status of the Post Employment Health Insurance Benefit Plan

Valuation Date	Entry Age Normal Accrual Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2011	\$ 910,096	\$ 92,308	\$ 817,788	10.1%	\$ 1,463,230	55.9%
6/30/2012	\$ 817,788	\$ 184,804	\$ 632,984	22.6%	\$ 1,516,405	41.7%
6/30/2013	\$ 1,078,857	\$ 316,585	\$ 762,272	29.34%	\$ 1,371,151	55.6%

The District implemented GASB No. 45 during the year ended June 30, 2010 on a prospective basis.

Camarillo Health Care District

Year End: June 30, 2015

Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount Chg	%Chg
10100.000 Bank of The West - General	250,438.23	0.00	250,438.23		158,889.29	91,548.94	58
10150.000 Bank of The West - Payroll	0.00	0.00	0.00		(651.74)	651.74	(100)
10600.000 Petty Cash-Admin	1,000.00	0.00	1,000.00 M		1,000.00	0.00	0
10650.000 Petty Cash-Community Servi	50.00	0.00	50.00 M		50.00	0.00	0
10660.000 Petty Cash-Volunteer Guild	20.00	0.00	20.00 M		20.00	0.00	0
10680.000 Petty Cash-Senior Meals	85.00	0.00	85.00		85.00	0.00	0
10745.000 Rabobank	30,755.80	0.00	30,755.80		87,079.67	(56,323.87)	(65)
10860.000 Guild Cash-Ckng Bank of the	10,492.00	0.00	10,492.00		10,581.59	(89.59)	(1)
10 Cash	292,841.03	0.00	292,841.03		257,053.81	35,787.22	14
10700.000 Cash-LAIF	1,540,102.08	0.00	1,540,102.08		1,237,555.89	302,546.19	24
10701.000 LAIF Contra Account	0.00	0.00	0.00		369.72	(369.72)	(100)
10720.000 Cash-County Treasury Invest	3,633.45	0.00	3,633.45		3,505.39	128.06	4
12 Investments	1,543,735.53	0.00	1,543,735.53		1,241,431.00	302,304.53	24
13150.000 Due From County Property T	49,552.81	0.00	49,552.81		46,687.20	2,865.61	6
14 Receivables	49,552.81	0.00	49,552.81		46,687.20	2,865.61	6
12000.000 Accounts Receivable	5,628.00	0.00	5,628.00		0.00	5,628.00	0
14. 1 Accounts Receivable-Participat	5,628.00	0.00	5,628.00		0.00	5,628.00	0
12200.000 Accrued Interest Receivable	0.00	0.00	0.00		637.14	(637.14)	(100)
14. 2 Interest Recievable	0.00	0.00	0.00		637.14	(637.14)	(100)
12050.000 Employee Payroll Advance R	0.00	0.00	0.00		651.74	(651.74)	(100)
12100.000 Employee Advance	1,193.34	0.00	1,193.34		0.00	1,193.34	0
12500.000 VCTC-ADA Receivable	0.00	0.00	0.00		26,372.80	(26,372.80)	(100)
12520.000 AAA-Senior Meals Receivabl	11,760.95	0.00	11,760.95		8,610.57	3,150.38	37
12530.000 AAA-Caregiver IIIE Receivabl	1,366.50	0.00	1,366.50		18,146.50	(16,780.00)	(92)
12540.000 AAA-Senior Support IIIB Reci	8,350.31	0.00	8,350.31		8,673.32	(323.01)	(4)
12550.000 AAA-Healthy IDEAS IIID Reci	0.00	0.00	0.00		5,528.62	(5,528.62)	(100)
12600.000 AAA-Care Transitions	0.00	0.00	0.00		38,537.00	(38,537.00)	(100)
12610.000 PICF BS Contract	952.33	0.00	952.33		0.00	952.33	0
14. 5 Other Receivable	23,623.43	0.00	23,623.43		106,520.55	(82,897.12)	(78)
18100.000 Prepaid Insurance	1,306.00	0.00	1,306.00		1,306.00	0.00	0
18150.000 Pre Paid-Workers Comp	25,854.64	0.00	25,854.64		16,603.91	9,250.73	56
18250.000 Prepaid Postage	266.23	0.00	266.23		710.24	(444.01)	(63)
18270.000 Prepaid Other	6,116.00	0.00	6,116.00		6,343.16	(227.16)	(4)
18 Prepaid Expenses	33,542.87	0.00	33,542.87		24,963.31	8,579.56	34
15200.000 Building & Improvements	3,665,822.17	0.00	3,665,822.17		3,142,571.87	523,250.30	17
15350.000 IS equipment	218,116.24	0.00	218,116.24		219,285.99	(1,169.75)	(1)
15500.000 Equipment and furnishings	266,494.37	0.00	266,494.37		244,808.18	21,686.19	9
15550.000 Transportation vehicles	349,635.55	0.00	349,635.55		349,635.55	0.00	0
15600.000 Construction in Progress	0.00	0.00	0.00		94,791.75	(94,791.75)	(100)
16200.000 Accumulated Depreciation-Bu	(1,603,961.75)	0.00	(1,603,961.75)		(1,507,265.99)	(96,695.76)	6
16350.000 Accumulated Depreciation-IS	(188,417.28)	0.00	(188,417.28)		(182,159.40)	(6,257.88)	3
16500.000 Accumulated Depreciation-Ec	(206,933.88)	0.00	(206,933.88)		(192,412.02)	(14,521.86)	8
16550.000 Accumulated Depreciation-Ve	(196,494.00)	0.00	(196,494.00)		(161,530.43)	(34,963.57)	22
24 Property, Plant and Equipment	2,304,261.42	0.00	2,304,261.42		2,007,725.50	296,535.92	15

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District

Year End: June 30, 2015

Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount	Chg	%Chg
20100.000 Accounts Payable	(56,297.75)	(4,748.63)	(61,046.38)		(104,384.08)	43,337.70	(42)	
30 Accounts Payable	(56,297.75)	(4,748.63)	(61,046.38)		(104,384.08)	43,337.70	(42)	
19000.000 Deferred Outflows of Resourc	0.00	112,553.47	112,553.47		0.00	112,553.47	0	
21200.000 Accrued Payroll	(37,044.93)	0.00	(37,044.93)		(35,983.14)	(1,061.79)	3	
21450.000 PERS Payable-Retirement	(2,611.26)	0.00	(2,611.26)		(2,624.89)	13.63	(1)	
21550.000 Accrued OPEB Liability	(156,378.36)	0.00	(156,378.36)		(155,379.32)	(999.04)	1	
21600.000 Accrued Vacation	(72,884.78)	(1,355.41)	(74,240.19)		(92,625.40)	18,385.21	(20)	
21800.000 Net Pension Liability	0.00	(959,515.00)	(959,515.00)		0.00	(959,515.00)	0	
28000.000 Deferred Inflows of Resource	0.00	(250,690.00)	(250,690.00)		0.00	(250,690.00)	0	
32 Accrued Salaries & Related Items	(268,919.33)	(1,099,006.94)	(1,367,926.27)		(286,612.75)	(1,081,313.52)	377	
24200.000 Scholarships-Volunteer Expei	(3,692.20)	0.00	(3,692.20)		(6,315.79)	2,623.59	(42)	
24300.000 Scholarships-Senior Services	(2,856.80)	0.00	(2,856.80)		(3,906.80)	1,050.00	(27)	
24500.000 Scholarships-Transportation	(409.00)	0.00	(409.00)		(359.00)	(50.00)	14	
24550.000 Scholarships-W.I.C.	(3,534.00)	0.00	(3,534.00)		0.00	(3,534.00)	0	
25100.000 Deferred Revenue	0.00	0.00	0.00		(17,500.00)	17,500.00	(100)	
25200.000 Deferred Lease	(1,303.00)	0.00	(1,303.00)		(2,103.00)	800.00	(38)	
27000.000 Deferred Revenue	0.00	0.00	0.00		(1,022.00)	1,022.00	(100)	
38 Unearned Revenue	(11,795.00)	0.00	(11,795.00)		(31,206.59)	19,411.59	(62)	
22100.000 Accrued Interest	(16,875.00)	0.00	(16,875.00)		0.00	(16,875.00)	0	
25000.000 Construction Loan 2015	(76,544.22)	0.00	(76,544.22)		0.00	(76,544.22)	0	
26000.000 Construction Loan 2021	(523,455.78)	0.00	(523,455.78)		0.00	(523,455.78)	0	
40 Long Term Debt	(616,875.00)	0.00	(616,875.00)		0.00	(616,875.00)	0	
30200.000 Fund Balance	(3,262,816.48)	0.00	(3,262,816.48)		(3,294,273.81)	31,457.33	(1)	
50 Equity	(3,262,816.48)	0.00	(3,262,816.48)		(3,294,273.81)	31,457.33	(1)	
40100.010 Tax Revenue	(582,852.08)	0.00	(582,852.08)		(2,123,179.82)	1,540,327.74	(73)	
40100.020 Tax Revenue	(304,699.10)	0.00	(304,699.10)		0.00	(304,699.10)	0	
40100.040 Tax Revenue	(77,450.19)	0.00	(77,450.19)		0.00	(77,450.19)	0	
40100.050 Tax Revenue	(513,701.97)	0.00	(513,701.97)		0.00	(513,701.97)	0	
40100.060 Tax Revenue	(139,077.95)	0.00	(139,077.95)		0.00	(139,077.95)	0	
40100.080 Tax Revenue	(443,820.03)	0.00	(443,820.03)		0.00	(443,820.03)	0	
40100.090 Tax Revenue	(183,093.52)	0.00	(183,093.52)		0.00	(183,093.52)	0	
40150.050 Community Education Fees	(41,056.50)	0.00	(41,056.50)		(50,144.75)	9,088.25	(18)	
40150.080 Community Education Fees	(1,324.00)	0.00	(1,324.00)		(120.00)	(1,204.00)	003	
40170.090 Transportation Fees	(29,370.00)	0.00	(29,370.00)		(28,014.00)	(1,356.00)	5	
40190.090 ADP Transport Fees	(20,358.00)	0.00	(20,358.00)		(24,794.50)	4,436.50	(18)	
40195.090 ADA Transport Fees	0.00	0.00	0.00		(2,080.00)	2,080.00	(100)	
40220.050 Wellness Fees	(634.00)	0.00	(634.00)		(419.00)	(215.00)	51	
40230.050 Facility Use - Counsel	(590.00)	0.00	(590.00)		(2,360.00)	1,770.00	(75)	
40230.080 Facility Use Counsel Wellnes	(550.00)	0.00	(550.00)		0.00	(550.00)	0	
40242.040 PLL Fees	(88,440.00)	0.00	(88,440.00)		(78,936.00)	(9,504.00)	12	
40245.060 Sr Lunch Home Recipients	(20,012.90)	0.00	(20,012.90)		(17,318.50)	(2,694.40)	16	
40252.060 Sr. Lunch Mealsite Recipients	(1,836.05)	0.00	(1,836.05)		(1,344.66)	(491.39)	37	
40262.110 Demonstration Revenue	(193,984.00)	0.00	(193,984.00)		(296,172.00)	102,188.00	(35)	
40263.110 PICF BS Contract	(2,823.66)	0.00	(2,823.66)		0.00	(2,823.66)	0	
40270.020 ADP Fees	(201,466.00)	0.00	(201,466.00)		(165,244.50)	(36,221.50)	22	

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District
Year End: June 30, 2015
Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount	Chg	%Chg
40288.080 Grant AAA-Caregiver Resour	(44,355.00)	0.00	(44,355.00)		(41,458.00)	(2,897.00)	7	
40300.020 Scholarship Revenue-ADP	(310.00)	0.00	(310.00)		(1,344.00)	1,034.00	(77)	
40330.090 VCTC-ADA	0.00	0.00	0.00		(26,372.80)	26,372.80	(100)	
40355.060 Sr. Meals Community Sponsc	(2,950.00)	0.00	(2,950.00)		(975.00)	(1,975.00)	203	
40360.050 Healthy Attitude Sponsorship:	(3,500.00)	0.00	(3,500.00)		(2,000.00)	(1,500.00)	75	
40400.010 Interest Income	(2,926.81)	0.00	(2,926.81)		(1,763.63)	(1,163.18)	66	
40450.010 Unrealized Gain(Loss) on Inv	0.00	0.00	0.00		(113.95)	113.95	(100)	
40550.050 Facility Use-Education	(19,242.50)	0.00	(19,242.50)		(17,040.00)	(2,202.50)	13	
40550.080 Facility Use-Resource Center	(5,827.92)	0.00	(5,827.92)		(5,753.88)	(74.04)	1	
40600.050 Facility Use-Lease	(25,118.00)	0.00	(25,118.00)		(23,533.00)	(1,585.00)	7	
40720.010 Donations-Unrestricted-Admi	0.00	0.00	0.00		(613.76)	613.76	(100)	
40720.060 Donations-Unrestricted-Volun	(668.36)	0.00	(668.36)		(74.00)	(594.36)	803	
40720.080 Donations-Unrestricted-	(549.50)	0.00	(549.50)		(210.00)	(339.50)	162	
40740.090 Legacies & Bequests	(141,199.00)	0.00	(141,199.00)		(135,885.00)	(5,314.00)	4	
40810.060 AAA Senior Meals Grant	(65,474.00)	0.00	(65,474.00)		(52,572.00)	(12,902.00)	25	
40815.080 Grant-Dignity Heath	(17,500.00)	0.00	(17,500.00)		(17,500.00)	0.00	0	
40820.060 City of Camarillo Designation	(37,000.00)	0.00	(37,000.00)		(37,000.00)	0.00	0	
40825.110 Grant-SCAN	(5,000.00)	0.00	(5,000.00)		(62,500.00)	57,500.00	(92)	
40850.080 Grant-AAA Senior Helpline III	(53,617.00)	0.00	(53,617.00)		(51,279.00)	(2,338.00)	5	
40860.080 Grant-AAA Healthy IDEAS IIII	0.00	0.00	0.00		(33,234.00)	33,234.00	(100)	
40865.080 Grant-SCAN Community	0.00	0.00	0.00		(14,400.00)	14,400.00	(100)	
40865.110 SCAN Comm Grant	(19,200.00)	0.00	(19,200.00)		0.00	(19,200.00)	0	
40910.010 Other Income	(34,227.60)	0.00	(34,227.60)		(29,519.83)	(4,707.77)	16	
40910.020 Other Income-ADP	(77,842.85)	0.00	(77,842.85)		(16,840.90)	(61,001.95)	362	
40910.040 Other Income-Lifeline	0.00	0.00	0.00		(336.00)	336.00	(100)	
40910.050 Other Income-Education	(600.00)	0.00	(600.00)		(50.00)	(550.00)	100	
40910.110 Other Income-Care Transifior	0.00	0.00	0.00		(200.00)	200.00	(100)	
70200.010 Gain/(Loss) Asset Disposal	0.00	0.00	0.00		4,915.23	(4,915.23)	(100)	
70200.020 Gain/(Loss) Asset Disposal	10,552.36	0.00	10,552.36		0.00	10,552.36	0	
70200.050 Gain/(Loss) Asset Disposal	0.00	0.00	0.00		663.31	(663.31)	(100)	
70200.080 Gain/(Loss) Asset Disposal	0.00	0.00	0.00		261.49	(261.49)	(100)	
70200.090 Gain/(Loss) Asset Disposal	0.00	0.00	0.00		(23.00)	23.00	(100)	
70200.110 Gain/(Loss) Asset Disposal	0.00	0.00	0.00		(470.90)	470.90	(100)	
60 Revenue	(3,393,696.13)	0.00	(3,393,696.13)		(3,357,350.35)	(36,345.78)	1	
30130.000 Change in Accounting Princip	0.00	1,193,105.07	1,193,105.07		0.00	1,193,105.07	0	
40840.070 Internal Service-Comm Relati	(168,868.42)	0.00	(168,868.42)		(117,663.47)	(51,204.95)	44	
60200.010 Payroll Taxes-Admin.	19,904.26	0.00	19,904.26		19,376.94	527.32	3	
60200.020 Payroll Taxes-ADP	22,092.96	0.00	22,092.96		20,609.68	1,483.28	7	
60200.030 Payroll Taxes-Wellness	0.00	0.00	0.00		24.61	(24.61)	(100)	
60200.040 Payroll Taxes-Lifeline/Comm	5,790.75	0.00	5,790.75		5,654.13	136.62	2	
60200.050 Payroll Taxes-Education	16,193.30	0.00	16,193.30		12,121.77	4,071.53	34	
60200.060 Payroll Taxes-Senior Lunch	10,651.72	0.00	10,651.72		16,593.09	(5,941.37)	(36)	
60200.070 Payroll Taxes-Rel.	5,331.75	0.00	5,331.75		0.00	5,331.75	0	
60200.080 Payroll Taxes-Wellness Cent	20,385.07	0.00	20,385.07		20,068.09	316.98	2	
60200.090 Payroll Taxes-Trans.	10,685.74	0.00	10,685.74		14,054.25	(3,368.51)	(24)	
60200.110 P/R Taxes - Apple	13,510.54	0.00	13,510.54		21,004.37	(7,493.83)	(36)	
62100.010 Audit Fees	12,185.00	0.00	12,185.00		12,345.00	(160.00)	(1)	
62300.080 Community Paternership Initi	0.00	0.00	0.00		6,517.40	(6,517.40)	(100)	
62350.080 Community Support	0.00	0.00	0.00		500.00	(500.00)	(100)	
62400.010 Legal Fees-Admin	8,894.10	648.38	9,542.48		21,072.00	(11,529.52)	(55)	

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District
Year End: June 30, 2015
Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount	Chg	%Chg
62400.020 Legal Fees-ADP	1,629.60	0.00	1,629.60		819.00	810.60		99
62400.040 Legal Fees-Lifeline	0.00	0.00	0.00		2,460.00	(2,460.00)		(100)
62400.060 Legal Fees-SLP	0.00	0.00	0.00		2,190.00	(2,190.00)		(100)
62400.080 Legal Fees-Wellness & Cargi	1,687.80	0.00	1,687.80		0.00	1,687.80		0
62400.090 Legal Fees-Transportation	0.00	0.00	0.00		11,715.00	(11,715.00)		(100)
62400.110 Legal Fees	21,731.70	0.00	21,731.70		23,931.70	(2,200.00)		(9)
62500.010 Outside Contractors-Admin	10,658.32	0.00	10,658.32		6,233.74	4,424.58		71
62500.020 Outside Contractors-ADP	14,839.90	0.00	14,839.90		6,879.00	7,960.90		116
62500.040 Outside Contractors-Lifeline/C	3,479.93	0.00	3,479.93		777.30	2,702.63		348
62500.050 Outside Contractors-Educatic	25,713.76	0.00	25,713.76		35,893.40	(10,179.64)		(28)
62500.060 Outside Contractors-Vol.	1,914.76	0.00	1,914.76		1,850.97	63.79		3
62500.070 Outside Contractors-Relation:	72,535.96	0.00	72,535.96		104,318.36	(31,782.40)		(30)
62500.080 Outside Contractors-Service	49,087.02	0.00	49,087.02		47,040.13	2,046.89		4
62500.090 Outside Contractors-Trans.	1,571.42	0.00	1,571.42		2,401.02	(829.60)		(35)
62500.110 Outside Contractors - Apple	45,405.55	0.00	45,405.55		67,361.30	(21,955.75)		(33)
62550.010 Int Service-Info/Comm Rel-Ar	22,026.68	0.00	22,026.68		15,347.60	6,679.08		44
62550.020 Int Service-Info/Comm Rel-AI	36,710.32	0.00	36,710.32		25,578.98	11,131.34		44
62550.040 Int Service-Info/Comm Rel-Lit	3,671.19	0.00	3,671.19		2,558.37	1,112.82		43
62550.050 Int Service-Info/Comm Rel-Ed	55,619.21	0.00	55,619.21		40,926.27	14,692.94		36
62550.060 Int Service-Info/Comm Rel-Vol	6,787.38	0.00	6,787.38		2,557.87	4,229.51		165
62550.080 Int Service-Info/Comm Rel-Ser	22,026.52	0.00	22,026.52		15,347.44	6,679.08		44
62550.090 Int Service-Info/Comm Rel-Tr	7,342.36	0.00	7,342.36		5,115.79	2,226.57		44
62550.110 Int Service-Info/Comm Rel	14,684.76	0.00	14,684.76		10,231.15	4,453.61		44
62650.050 Educators Costs	24,122.00	0.00	24,122.00		31,621.97	(7,499.97)		(24)
63010.010 Community/Staff Rel-Admin	15,295.97	0.00	15,295.97		7,634.22	7,661.75		100
63010.020 Community/Staff Rel-ADP	1,284.42	0.00	1,284.42		140.71	1,143.71		813
63010.040 Community/Staff Rel-Lifeline/	328.00	0.00	328.00		157.52	170.48		108
63010.050 Community/Staff Rel-Educatic	0.00	0.00	0.00		131.06	(131.06)		(100)
63010.060 Community/Staff Rel-Vol.	407.01	0.00	407.01		762.52	(355.51)		(47)
63010.070 Community/Staff Rel-Relator	887.93	0.00	887.93		116.84	771.09		660
63010.080 Community/Staff Rel-Svc Cor	1,512.31	0.00	1,512.31		61.35	1,450.96		2365
63010.090 Community/Staff Re.-Trans.	0.00	0.00	0.00		34.52	(34.52)		(100)
63010.110 Community/Staff Rel.	235.22	0.00	235.22		603.07	(367.85)		(61)
63400.010 Awards & Recognition- Admir	0.00	2,597.75	2,597.75		0.00	2,597.75		0
63500.010 Dues/Subscription-Admin.	5,365.00	0.00	5,365.00		7,449.38	(2,084.38)		(28)
63500.020 Dues/Subscription-ADP	1,553.43	0.00	1,553.43		1,458.48	94.95		7
63500.040 Dues/Subscriptions-Lifeline/C	748.88	0.00	748.88		552.46	196.42		36
63500.050 Dues/Subscriptions-Educatic	1,177.59	0.00	1,177.59		695.22	482.37		69
63500.060 Dues/Subscriptions-Vol.	142.72	0.00	142.72		215.46	(72.74)		(34)
63500.070 Dues/Subscriptions-Relations	430.00	0.00	430.00		475.50	(45.50)		(10)
63500.080 Dues/Subscriptions-Svc Cont	1,492.03	0.00	1,492.03		635.71	856.32		135
63500.090 Dues/Subscriptions-Trans.	241.72	0.00	241.72		215.90	25.82		12
63500.110 Dues/Subscriptions-Care Trai	944.30	0.00	944.30		173.80	770.50		443
63600.010 Continuing Education-Trustee	47,364.99	1,502.50	48,867.49		37,746.74	11,120.75		29
63650.010 Continuing Ed-Staff/Admin	21,686.58	0.00	21,686.58		23,807.61	(2,121.03)		(9)
63650.020 Continuing Ed-Staff/ADP	2,792.64	0.00	2,792.64		4,283.96	(1,491.32)		(35)
63650.040 Continuing Ed-Staff/Lifeline	567.99	0.00	567.99		1,330.17	(762.18)		(57)
63650.050 Continuing Ed-Staff/Educatic	348.99	0.00	348.99		0.00	348.99		0
63650.060 Continuing Ed-Staff/Voluntee	59.95	0.00	59.95		122.00	(62.05)		(51)
63650.070 Continuing Ed-Staff/Comm R	12.00	0.00	12.00		0.00	12.00		0
63650.080 Continuing Ed-Staff/Svc Cont	13,047.91	0.00	13,047.91		3,728.56	9,319.35		250

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District
Year End: June 30, 2015
Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount Chg %Chg
63650.110 Continuing Ed-Staff/	2,070.35	0.00	2,070.35		7,491.06	(5,420.71) (72)
63700.010 Trustee Stipends/Developme	5,200.00	0.00	5,200.00		5,500.00	(300.00) (5)
63730.010 Election Costs	15,598.19	0.00	15,598.19		0.00	15,598.19 0
63770.010 LAFCO Participation	2,217.00	0.00	2,217.00		2,610.00	(393.00) (15)
63800.010 Mileage-Admin	2,180.82	0.00	2,180.82		1,712.47	468.35 27
63800.020 Mileage- ADP	1,980.10	0.00	1,980.10		1,970.32	9.78 0
63800.040 Mileage-Lifeline/Comm	1,999.63	0.00	1,999.63		2,353.15	(353.52) (15)
63800.050 Mileage - Education	454.47	0.00	454.47		409.56	44.91 11
63800.060 Mileage - Vol.	3,030.00	0.00	3,030.00		3,201.36	(171.36) (5)
63800.070 Mileage - Comm Rel	404.60	0.00	404.60		0.00	404.60 0
63800.080 Mileage - Service Contracts	2,534.02	0.00	2,534.02		3,021.72	(487.70) (16)
63800.090 Mileage - Trans	409.56	0.00	409.56		409.56	0.00 0
63800.110 Mileage - Apple Event	3,520.06	0.00	3,520.06		11,222.56	(7,702.50) (69)
65000.020 Program Activities-ADP	13,808.81	0.00	13,808.81		11,528.42	2,280.39 20
65000.050 Program Activities-Education	476.45	0.00	476.45		1,055.01	(578.56) (55)
65000.060 Program Activities-Vol.	4,986.17	0.00	4,986.17		4,481.38	504.79 11
65000.080 Program Activities-Serv Cont.	2,331.76	0.00	2,331.76		890.58	1,441.18 162
65000.110 Program Materials & Activitie:	951.67	0.00	951.67		1,803.25	(851.58) (47)
65100.090 Gas & Oil	13,078.61	0.00	13,078.61		20,668.14	(7,589.53) (37)
65150.090 Fleet Maintenance	21,828.98	0.00	21,828.98		14,548.08	7,280.90 50
65200.010 Minor Equipment-Admin.	1,835.49	0.00	1,835.49		2,510.89	(675.40) (27)
65200.020 Minor Equipment-ADP	13,039.06	0.00	13,039.06		1,065.15	11,973.911124
65200.040 Minor Equipment-Lifeline/Cor	240.95	0.00	240.95		13.55	227.401678
65200.050 Minor Equipment-Education	1,365.94	0.00	1,365.94		1,841.04	(475.10) (26)
65200.060 Minor Equipment-Vol	3,798.37	0.00	3,798.37		788.77	3,009.60 382
65200.070 Minor Equipment-Relations	49.18	0.00	49.18		273.94	(224.76) (82)
65200.080 Minor Equipment-Svc Contra	177.55	0.00	177.55		2,061.55	(1,884.00) (91)
65200.090 Minor Equipment-Trans.	10.94	0.00	10.94		85.51	(74.57) (87)
65200.110 Minor Equipment-	983.06	0.00	983.06		4,980.38	(3,997.32) (80)
65300.010 Office Expense-Admin.	7,725.83	0.00	7,725.83		8,467.96	(742.13) (9)
65300.020 Office Expense-ADC	5,391.67	0.00	5,391.67		3,262.07	2,129.60 65
65300.040 Office Expense-Lifeline/Comr	129.92	0.00	129.92		162.39	(32.47) (20)
65300.050 Office Expense-Education	3,912.75	0.00	3,912.75		2,924.57	988.18 34
65300.060 Office Expense - Vol.	908.71	0.00	908.71		1,034.36	(125.65) (12)
65300.070 Office Expense-Relations	17.11	0.00	17.11		32.00	(14.89) (47)
65300.080 Office Expense- SVC CONT	3,263.88	0.00	3,263.88		2,420.74	843.14 35
65300.090 Office Expense-Trans.	492.70	0.00	492.70		657.95	(165.25) (25)
65300.110 Office Expense-	1,710.63	0.00	1,710.63		2,521.07	(810.44) (32)
65500.010 Postage-Admin	336.11	0.00	336.11		224.52	111.59 50
65500.020 Postage-ADP	0.00	0.00	0.00		2,579.50	(2,579.50) (100)
65500.030 Postage-Wellness	5,030.45	0.00	5,030.45		0.00	5,030.45 0
65500.040 Postage-Lifeline/Comm	2,856.06	0.00	2,856.06		2,334.64	521.42 22
65500.050 Postage-Education	13,736.75	0.00	13,736.75		11,199.70	2,537.05 23
65500.060 Postage-Vol	2,902.55	0.00	2,902.55		2,490.17	412.38 17
65500.070 Postage-Relations	155.58	0.00	155.58		111.97	43.61 39
65500.080 Postage-Service Contracts	2,977.45	0.00	2,977.45		2,423.64	553.81 23
65500.090 Postage-Trans.	2,855.88	0.00	2,855.88		2,378.13	477.75 20
65500.110 Postage - Apple	2,849.12	0.00	2,849.12		2,337.71	511.41 22
66100.010 Advertising & Promotion-Adm	499.00	0.00	499.00		0.00	499.00 0
66100.020 Advertising & Promotion-ADP	5,050.00	0.00	5,050.00		1,371.75	3,678.25 268
66100.040 Advertising & Promotion-Lifel	2,504.57	0.00	2,504.57		815.72	1,688.85 207

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District

Year End: June 30, 2015

Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount Chg %Chg
66100.060 Advertising & Promotion-Vol.	2,190.72	0.00	2,190.72		1,057.03	1,133.69 107
66100.070 Advertising & Promotion-Rel.	8,500.00	0.00	8,500.00		150.00	8,350.005567
66100.080 Advertising & Promotion-Svc	7,610.00	0.00	7,610.00		6,550.00	1,060.00 16
66100.090 Advertising & Promotion	115.00	0.00	115.00		1,516.63	(1,401.63) (92)
66100.110 Advertising & Promotion-	39.72	0.00	39.72		5,949.50	(5,909.78) (99)
66350.020 Refunds-ADP	1,012.00	0.00	1,012.00		329.00	683.00 208
66350.040 Refunds- Lifetime / Comm	0.00	0.00	0.00		(46.00)	46.00 (100)
66350.050 Refunds-Education	1,198.20	0.00	1,198.20		1,274.00	(75.80) (6)
66350.060 Refunds-Special Projects	0.00	0.00	0.00		2,746.41	(2,746.41) (100)
66350.090 Refund - Trans	140.00	0.00	140.00		6.00	134.002233
66350.110 Refunds-Care Transitions	0.00	0.00	0.00		5,629.00	(5,629.00) (100)
66400.010 Printing-Admin.	396.57	0.00	396.57		511.61	(115.04) (22)
66400.020 Printing-ADP	12,627.15	0.00	12,627.15		4,828.43	7,798.72 162
66400.040 Printing-Lifeline/Comm	5,508.98	0.00	5,508.98		4,347.45	1,161.53 27
66400.050 Printing-Education	27,886.49	0.00	27,886.49		21,367.41	6,519.08 31
66400.060 Printing	6,191.29	0.00	6,191.29		4,931.26	1,260.03 26
66400.070 Printing-Relations	43.13	0.00	43.13		20.00	23.13 116
66400.080 Printing	6,400.98	0.00	6,400.98		5,850.15	550.83 9
66400.090 Printing	5,556.42	0.00	5,556.42		4,298.02	1,258.40 29
66400.110 Printing-Apple	9,011.22	0.00	9,011.22		5,611.32	3,399.90 61
66500.010 Repairs & Maintenance-Admi	3,544.17	0.00	3,544.17		4,814.22	(1,270.05) (26)
66500.020 Repair & Maintenance-ADP	7,067.29	0.00	7,067.29		6,541.34	525.95 8
66500.040 Repair & Maintenance-Lifelin	557.64	0.00	557.64		548.42	9.22 2
66500.050 Repair & Maintenance-Educa	11,998.99	0.00	11,998.99		10,832.16	1,166.83 11
66500.060 Repair & Maintenance-Vol.	1,493.18	0.00	1,493.18		1,521.90	(28.72) (2)
66500.080 Repair & Maintenance-Svc C	3,466.88	0.00	3,466.88		5,240.38	(1,773.50) (34)
66500.090 Repair & Maintenance-Trans.	1,023.14	0.00	1,023.14		1,219.80	(196.66) (16)
66500.110 Repair & Maintenance-Transi	2,793.43	0.00	2,793.43		3,673.10	(879.67) (24)
67100.010 Association Fees-Admin.	6,088.93	0.00	6,088.93		5,726.26	362.67 6
67100.020 Association Fees-ADP	11,293.17	0.00	11,293.17		10,620.89	672.28 6
67100.040 Association Fees-Lifeline/Cor	1,144.90	0.00	1,144.90		1,076.77	68.13 6
67100.050 Association Fees-Education	21,848.67	0.00	21,848.67		20,564.25	1,284.42 6
67100.060 Association Fees-Vol.	1,873.56	0.00	1,873.56		1,762.02	111.54 6
67100.080 Association Fees-Svc Contra	6,765.47	0.00	6,765.47		6,362.74	402.73 6
67100.090 Association Fees-Trans.	1,873.56	0.00	1,873.56		1,762.02	111.54 6
67100.110 Association Fees-Transition	4,891.84	0.00	4,891.84		4,600.65	291.19 6
67200.010 Insurance-Admin.	2,654.93	0.00	2,654.93		2,868.25	(213.32) (7)
67200.020 Insurance-ADP	4,925.88	0.00	4,925.88		4,780.32	145.56 3
67200.040 Insurance-Lifeline/Comm	498.00	0.00	498.00		478.08	19.92 4
67200.050 Insurance-Education	7,894.32	0.00	7,894.32		7,648.20	246.12 3
67200.060 Insurance-Vol	816.84	0.00	816.84		478.08	338.76 71
67200.080 Insurance-Svc Contracts	2,951.88	0.00	2,951.88		2,868.24	83.64 3
67200.090 Insurance-Trans.	23,887.84	0.00	23,887.84		26,911.06	(3,023.22) (11)
67200.110 Insurance-Transitions	2,133.12	0.00	2,133.12		1,911.96	221.16 12
67300.010 Rental/Lease Expense-Admir	3,372.58	0.00	3,372.58		3,406.44	(33.86) (1)
67300.020 Rental/Lease Expense-ADP	6,249.46	0.00	6,249.46		5,725.40	524.06 9
67300.040 Rental/Lease Expense-Lifelin	633.54	0.00	633.54		573.15	60.39 11
67300.050 Rental/Lease Expense-Educa	10,022.03	0.00	10,022.03		9,162.40	859.63 9
67300.060 Rental/Lease Expense-Vol.	1,033.61	0.00	1,033.61		603.93	429.68 71
67300.080 Rental/Lease Expense-Serv (3,743.95	0.00	3,743.95		4,302.39	(558.44) (13)
67300.090 Rental/Lease Expense-Trans	1,038.50	0.00	1,038.50		2,261.12	(1,222.62) (54)

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District

Year End: June 30, 2015

Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount	Chg	%Chg
67300.110 Rental/Lease Expense-Trans	2,705.31	0.00	2,705.31		2,306.01	399.30	17	
67400.010 Telephone-Admin	8,132.96	0.00	8,132.96		7,986.57	146.39	2	
67400.020 Telephone-ADP	1,789.00	0.00	1,789.00		1,748.16	40.84	2	
67400.040 Telephone-Lifeline/Comm	1,035.22	0.00	1,035.22		2,163.11	(1,127.89)	(52)	
67400.050 Telephone-Education	2,783.91	0.00	2,783.91		3,164.18	(380.27)	(12)	
67400.060 Telephone-Vol.	2,120.25	0.00	2,120.25		1,705.39	414.86	24	
67400.070 Telephone-Relations	956.57	0.00	956.57		5,234.01	(4,277.44)	(82)	
67400.080 Telephone-Svc Contract	5,785.17	0.00	5,785.17		0.00	5,785.17	0	
67400.090 Telephone-Trans.	1,163.08	0.00	1,163.08		3,068.07	(1,904.99)	(62)	
67400.110 Telephone-Transitions	4,937.27	0.00	4,937.27		5,550.10	(612.83)	(11)	
67500.010 Utilities-Admin	3,762.89	0.00	3,762.89		3,676.33	86.56	2	
67500.020 Utilities-ADP	6,979.06	0.00	6,979.06		6,176.96	802.10	13	
67500.040 Utilities-Lifeline/Comm	707.56	0.00	707.56		618.37	89.19	14	
67500.050 Utilities-Education	11,192.20	0.00	11,192.20		9,884.91	1,307.29	13	
67500.060 Utilities-Vol.	1,157.82	0.00	1,157.82		650.05	507.77	78	
67500.080 Utilities-Svc Contract	4,181.00	0.00	4,181.00		3,705.75	475.25	13	
67500.090 Utilities-Trans.	1,157.82	0.00	1,157.82		1,218.64	(60.82)	(5)	
67500.110 Utilities-Transitions	3,023.17	0.00	3,023.17		2,487.02	536.15	22	
67530.010 Tax & Licenses - Admin	352.84	0.00	352.84		348.82	4.02	1	
67530.020 Tax & Licenses - ADP	303.00	0.00	303.00		275.00	28.00	10	
67530.060 Tax & Licenses - Volunteers	506.00	0.00	506.00		0.00	506.00	0	
67530.090 Tax & Licenses - Transp	3.00	0.00	3.00		3.00	0.00	0	
67530.110 Tax & Licenses - Transitions	600.00	0.00	600.00		0.00	600.00	0	
68100.010 Depreciation-Admin	42,542.51	0.00	42,542.51		45,171.40	(2,628.89)	(6)	
68100.020 Depreciation-ADP	24,237.66	0.00	24,237.66		5,716.25	18,521.41	324	
68100.040 Depreciation-Lifeline/Comm	140.65	0.00	140.65		210.96	(70.31)	(33)	
68100.050 Depreciation-Education	60,082.34	0.00	60,082.34		62,852.62	(2,770.28)	(4)	
68100.060 Depreciation-Vol.	801.31	0.00	801.31		871.58	(70.27)	(8)	
68100.070 Depreciation Expense - Comm	5,432.39	0.00	5,432.39		12,164.86	(6,732.47)	(55)	
68100.080 Depreciation-Svc Contract	9,718.94	0.00	9,718.94		9,701.33	17.61	0	
68100.090 Depreciation-Trans	42,348.66	0.00	42,348.66		42,368.63	(19.97)	0	
68100.110 Depreciation-Transitions	5,710.15	0.00	5,710.15		5,881.58	(171.43)	(3)	
69100.010 Bank Service Charge	1,457.46	0.00	1,457.46		204.15	1,253.31	614	
69100.020 Bank Charges - ADP	18,665.67	0.00	18,665.67		1,762.74	16,902.93	959	
69100.040 Bank Charges - Lifeline	0.00	0.00	0.00		3.35	(3.35)	(100)	
69100.050 Bank Charges - Comm Ed	1,519.97	0.00	1,519.97		1,802.91	(282.94)	(16)	
69100.060 Bank Service - Sr Lunch	1.31	0.00	1.31		33.88	(32.57)	(96)	
69100.080 Bank Charges - Svc Contract	23.94	0.00	23.94		0.00	23.94	0	
69100.090 Banking Fees	51.82	0.00	51.82		84.04	(32.22)	(38)	
70 Expenses	1,255,878.05	1,197,853.70	2,453,731.75		1,254,788.83	1,198,942.92	96	
60100.010 Salaries-Admin	319,798.72	1,355.41	321,154.13		307,013.18	14,140.95	5	
60100.020 Salaries-ADP	246,290.35	0.00	246,290.35		223,536.60	22,753.75	10	
60100.040 Salaries-Lifeline/Comm.	80,078.45	0.00	80,078.45		76,557.91	3,520.54	5	
60100.050 Salaries-Education	192,294.00	0.00	192,294.00		138,341.49	53,952.51	39	
60100.060 Salaries-Senior Lunch	121,740.72	0.00	121,740.72		199,771.41	(78,030.69)	(39)	
60100.070 Salaries-Relations	64,938.60	0.00	64,938.60		0.00	64,938.60	0	
60100.080 Salaries-Wellness Center	248,798.31	0.00	248,798.31		234,010.35	14,787.96	6	
60100.090 Salaries-Transportation	129,012.87	0.00	129,012.87		168,093.20	(39,080.33)	(23)	
60100.110 Salaries-App'l	165,192.79	0.00	165,192.79		248,144.22	(82,951.43)	(33)	
70. 1 Salaries and Wages	1,568,144.61	1,355.41	1,569,500.02		1,595,468.36	(25,968.34)	(2)	

Prepared by	Reviewed by
MAP	
8/1/2015	

10/15/2015
1:30 PM

Camarillo Health Care District
Year End: June 30, 2015
Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount Chg %Chg
60310.010 Benefits-Health-Admin.	23,823.01	0.00	23,823.01		27,193.95	(3,370.94) (12)
60310.020 Benefits-Health-ADC	13,557.90	0.00	13,557.90		9,291.45	4,266.45 46
60310.040 Benefits-Health-Lifeline/Comr	12,534.08	0.00	12,534.08		11,824.87	709.21 6
60310.050 Benefits-Health-Education	21,390.73	0.00	21,390.73		15,580.76	5,809.97 37
60310.060 Benefits-Health-Vol.	17,388.13	0.00	17,388.13		20,193.07	(2,804.94) (14)
60310.070 Benefits-Health-Relations	2,400.00	0.00	2,400.00		0.00	2,400.00 0
60310.080 Benefits-Health-Service Conti	24,582.35	0.00	24,582.35		22,573.00	2,009.35 9
60310.090 Benefits-Health-Trans.	22,067.43	0.00	22,067.43		28,625.46	(6,558.03) (23)
60310.110 Benefits-Health-Apple Event	16,751.78	0.00	16,751.78		26,030.86	(9,279.08) (36)
60340.010 Benefits-PERS-Admin.	24,891.05	(21,168.73)	3,722.32		24,861.75	(21,139.43) (85)
60340.020 Benefits-PERS-ADP	14,622.01	(12,435.96)	2,186.05		14,170.98	(11,984.93) (85)
60340.040 Benefits-PERS-Lifeline/Comn	6,606.89	(5,619.13)	987.76		6,484.58	(5,496.82) (85)
60340.050 Benefits-PERS-Education	13,089.04	(11,132.17)	1,956.87		9,076.45	(7,119.58) (78)
60340.060 Benefits-PERS-Vol.	8,559.39	(7,279.72)	1,279.67		19,728.64	(18,448.97) (94)
60340.070 Benefits-PERS-Relations	5,406.00	(4,597.78)	808.22		0.00	808.22 0
60340.080 Benefits-PERS-Service Contr	16,379.68	(13,930.85)	2,448.83		17,145.71	(14,696.88) (86)
60340.090 Benefits-PERS-Trans	10,612.17	(9,026.60)	1,585.57		13,947.98	(12,362.41) (89)
60340.110 Benefits-PERS-Apple Event	12,066.61	(10,262.60)	1,804.01		17,470.88	(15,666.87) (90)
60350.010 Benefits-Worker's Comp.-Adr	5,436.74	0.00	5,436.74		3,048.67	2,388.07 78
60350.020 Benefits-Worker's Comp-ADF	24,894.24	0.00	24,894.24		21,520.45	3,373.79 16
60350.030 Benefits-Worker's Comp-Wel	0.00	0.00	0.00		28.12	(28.12) (100)
60350.040 Benefits-Worker's Comp-Lifel	676.00	0.00	676.00		672.01	3.99 1
60350.050 Benefits-Worker's Comp-Edu	1,649.26	0.00	1,649.26		1,313.46	335.80 26
60350.060 Benefits-Worker's Comp-Vol.	3,481.44	0.00	3,481.44		3,935.37	(453.93) (12)
60350.070 Benefits-Worker's Comp-Rel.	615.52	0.00	615.52		0.00	615.52 0
60350.080 Benefits-Worker's Comp-Sen	2,603.56	0.00	2,603.56		2,478.17	125.39 5
60350.090 Benefits-Worker's Comp-Trar	9,860.56	0.00	9,860.56		15,878.65	(6,018.09) (38)
60350.110 Benefits-Worker's Comp-App	1,828.95	0.00	1,828.95		2,580.93	(751.98) (29)
60360.010 Benefits-Life/ADD-Admin.	24,255.56	0.00	24,255.56		24,547.78	(292.22) (1)
60360.020 Benefits-Life/ADD-ADP	1,748.76	0.00	1,748.76		1,642.74	106.02 6
60360.040 Benefits-Life/ADD-Lifeline/Co	824.88	0.00	824.88		794.70	30.18 4
60360.050 Benefits-Life/ADD-Education	1,713.24	0.00	1,713.24		689.41	1,023.83 149
60360.060 Benefits-Life/ADD-Vol.	906.46	0.00	906.46		1,792.92	(886.46) (49)
60360.070 Benefits-Life/ADD-Relations	752.10	0.00	752.10		0.00	752.10 0
60360.080 Benefits-Life/ADD-Service	2,148.24	0.00	2,148.24		2,478.41	(330.17) (13)
60360.090 Benefits-Life/ADD-Trans	1,086.72	0.00	1,086.72		1,583.88	(497.16) (31)
60360.110 Benefits-Life/ADD-Apple Ever	2,083.86	0.00	2,083.86		2,220.16	(136.30) (6)
60370.010 Benefits-Retiree OPEB	59,033.35	0.00	59,033.35		77,716.46	(18,683.11) (24)
60370.020 Benefits-Retiree OPEB	0.00	0.00	0.00		9,203.76	(9,203.76) (100)
60370.040 Benefits-Retiree OPEB	15,196.69	0.00	15,196.69		8,537.81	6,658.88 78
60370.050 Benefits-Retiree OPEB	37,894.63	0.00	37,894.63		21,466.78	16,427.85 77
60370.060 Benefits-Retiree OPEB	7,906.86	0.00	7,906.86		9,203.76	(1,296.90) (14)
60370.080 Benefits-Retiree OPEB	20,331.95	0.00	20,331.95		12,082.67	8,249.28 68
60370.090 Benefits-Retiree OPEB	15,813.66	0.00	15,813.66		12,286.22	3,527.44 29
60370.110 Benefits-Retiree OPEB	23,720.46	0.00	23,720.46		16,648.20	7,072.26 42
70. 2 Employee Benefits and Related	533,191.94	(95,453.54)	437,738.40		538,551.88	(100,813.48) (19)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		<u>0.00</u>	<u>0.00</u> 0
Net Income (Loss)	36,481.53		(1,067,274.04)		(31,458.72)	(1,035,815.32) (293)

10/15/2015
1:30 PM

Prepared by	Reviewed by
MAP	
8/1/2015	

Camarillo Health Care District

Year End: June 30, 2015

Trial Balance

Account	Prelim	Adj's	Rep	Annotation	Rep 06/14	Amount Chg	%Chg
---------	--------	-------	-----	------------	-----------	------------	------

Note: Balances and amounts were traced to the general ledger, noting agreement.

10/15/2015
1:30 PM

Prepared by	Reviewed by
MAP 8/1/2015	

1-8

Camarillo Health Care District
Year End: June 30, 2015
Adjusting Journal Entries
Date: 7/1/2014 To 6/30/2015

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE01	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		117,936.93			
AJE01	6/30/2015	Net Pension Liability	21800.000	32.6			1,311,042.00		
AJE01	6/30/2015	Change in Accounting Principle	30130.000	32.6		1,193,105.07			
Record effect of changes in accounting principle related to GASB 68									
AJE02	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			117,936.93		
AJE02	6/30/2015	Net Pension Liability	21800.000	32.6		117,936.93			
Reclassify 2014 pension contributions									
AJE03	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		112,246.47			
AJE03	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			24,891.05		
AJE03	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			13.63		
AJE03	6/30/2015	Benefits-PERS-ADP	60340.020	32.6			14,622.01		
AJE03	6/30/2015	Benefits-PERS-Lifeline/Comm	60340.040	32.6			6,606.89		
AJE03	6/30/2015	Benefits-PERS-Education	60340.050	32.6			13,089.04		
AJE03	6/30/2015	Benefits-PERS-Vol.	60340.060	32.6			8,559.39		
AJE03	6/30/2015	Benefits-PERS-Relations	60340.070	32.6			5,406.00		
AJE03	6/30/2015	Benefits-PERS-Service Contract	60340.080	32.6			16,379.68		
AJE03	6/30/2015	Benefits-PERS-Trans	60340.090	32.6			10,612.17		
AJE03	6/30/2015	Benefits-PERS-Apple Event	60340.110	32.6			12,066.61		
Reclassify 2015 pension contributions									
AJE04	6/30/2015	Deferred Outflows of Resources	19000.000	32.6		647.00			
AJE04	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			170.00		
AJE04	6/30/2015	Net Pension Liability	21800.000	32.6		233,590.07			
AJE04	6/30/2015	Deferred Inflows of Resources	28000.000	32.6			336,361.00		
AJE04	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		90.00			
AJE04	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6		196,708.00			
AJE04	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			94,504.07		
Changes in net position liability during 2015									
AJE05	6/30/2015	Deferred Outflows of Resources	19000.000	32.6			170.00		
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		80,520.00			
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		4,971.00			
AJE05	6/30/2015	Deferred Inflows of Resources	28000.000	32.6		90.00			
AJE05	6/30/2015	Benefits-PERS-Admin.	60340.010	32.6			85,411.00		
Changes in deferred outflows and deferred inflows (amortization)									
CJE01	6/30/2015	Accrued Vacation	21600.000	6. A			1,355.41		
CJE01	6/30/2015	Salaries-Admin	60100.010	6. A		1,355.41			
Client post closing entry to adjust administration vacation accrual as of 6/30/15									
CJE02	6/30/2015	Accounts Payable	20100.000	6			4,748.63		
CJE02	6/30/2015	Legal Fees-Admin	62400.010	6		648.38			
CJE02	6/30/2015	Awards & Recognition- Admin	63400.010	6		2,597.75			
CJE02	6/30/2015	Continuing Education-Trustee	63600.010	6		1,502.50			
Client post closing entry to record outstanding liability to Meyers Nave									
						2,063,945.51	2,063,945.51		
Net Income (Loss)			(1,067,274.04)						

Prepared by	Reviewed by
MAP	
12/26/2014	

Camarillo Health Care District
Year End: June 30, 2015
Reclassifying Journal Entries
Date: 7/1/2014 To 6/30/2015

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
RJE01	6/30/2015	Benefits-PERS-Admin.	60340.010	70			13,056.98		
RJE01	6/30/2015	Benefits-PERS-ADP	60340.020	70		2,186.05			
RJE01	6/30/2015	Benefits-PERS-Lifeline/Comm	60340.040	70		987.76			
RJE01	6/30/2015	Benefits-PERS-Education	60340.050	70		1,956.87			
RJE01	6/30/2015	Benefits-PERS-Vol.	60340.060	70		1,279.67			
RJE01	6/30/2015	Benefits-PERS-Relations	60340.070	70		808.22			
RJE01	6/30/2015	Benefits-PERS-Service Contract	60340.080	70		2,448.83			
RJE01	6/30/2015	Benefits-PERS-Trans	60340.090	70		1,585.57			
RJE01	6/30/2015	Benefits-PERS-Apple Event	60340.110	70		1,804.01			
		Reclassify pension expense to departments							
						13,056.98	13,056.98		

Net Income (Loss) (1,067,274.04)

Prepared by	Reviewed by
MAP 12/26/2014	

October 27, 2015

Poindexter and Company
Post Office Box 4488
Ventura, California 93007

This representation letter is provided in connection with your audits of the financial statements of Camarillo Health Care District, which comprise the respective financial position of the business-type activities as of June 30, 2015 and 2014, and the respective changes in financial position and, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 27, 2015, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 6, 2012, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of board of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the management's discussion and analysis, and the funding status of the pension plan and post employment health insurance benefits plan.
 - a) We acknowledge our responsibility for presenting the management's discussion and analysis, and the funding status of the pension plan and post employment health insurance benefits plan in accordance with accounting principles generally accepted in the United States of America, and we believe the management's discussion and analysis, and the funding status of the pension plan and post employment health insurance benefits plan, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the management's discussion and analysis, and the funding status of the pension plan and post employment health insurance benefits plan have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the management's discussion and analysis, and the funding status of the pension plan and post employment health insurance benefits plan are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: Loeys E. Beau
 Title: Prosecutor

Signature: Christopher Holz
 Title: Vice President

This page intentionally left blank.

SECTION 7

7-B

**CONSENT CALENDAR
APPROVAL OF CONTRACT EXTENSION
DISTRICT AUDITOR
MARK POINDEXTER, CPA,
MARK POINDEXTER & COMPANY
2015/2016 AND 2016/2017 FISCAL YEARS**

December 8, 2015

POINDEXTER AND COMPANY

BY: _____

Certified Public Accountant

October 28, 2015

Board of Directors
Camarillo Health Care District
3639 East Las Posas Road, Suite 117
Camarillo, California 93010

We are pleased to confirm our understanding of the services we are to provide Camarillo Health Care District for each of the years ended June 30, 2016 and 2017. We will audit the financial statements of Camarillo Health Care District as of and for each of the years ended June 30, 2016 and 2017. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Camarillo Health Care District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Camarillo Health Care District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Pension Plan
- 3) Postemployment Benefit Plan

Audit Objectives

The objective of our audits is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Camarillo Health Care District and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audits we become aware that Camarillo Health Care District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. We will not, as part of the audit, prepare your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the Camarillo Health Care District and the respective changes in financial position and cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audits to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audits, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Camarillo Health Care District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audits will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

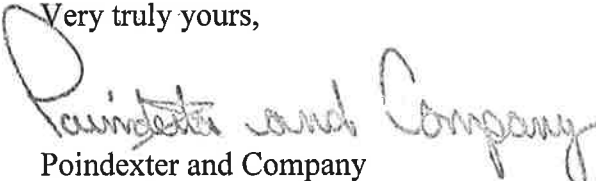
The audit documentation for this engagement is the property of Poindexter and Company and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Poindexter and Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audits on approximately September 12th each year and to issue our draft reports no later than September 30th each year. Mark Poindexter is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$13,170.00 and \$13,560.00 for June 30, 2016 and 2017, respectively. Should a single audit be necessary our gross fee will not exceed \$3,340.00 and \$3,440.00 for June 30, 2016 and 2017, respectively. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audits. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review report was provided with our proposal, dated August 29, 2012.

We appreciate the opportunity to be of service to Camarillo Health Care District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Poindexter and Company

RESPONSE:

This letter correctly sets forth the understanding of Camarillo Health Care District.

By: _____

Title: _____

Date: _____

This page intentionally left blank.

SECTION 7

**7-C
CONSENT CALENDAR
APPROVAL OF FINANCE COMMITTEE MEETING
OCTOBER 27, 2015**

December 8, 2015

This page intentionally left blank.

**Camarillo Health Care District
Board of Directors
Finance/Investment Committee**

Date October 27, 2015

Directors

Mark Hiepler, Esq., Clerk of the Board – Arrived at 11:10 a.m.
Rod Brown, President, Alternate Member

Staff

Kara Ralston, Chief Executive Officer
Sonia Amezcua, Chief Human Resources Officer
Renee Murphy, Accounting Manager
Karen Valentine, Clerk to the Board

Contractors

David E. Mitchell, CPA, Mitchell & Schwartz, LLP – Arrived at 11:25 a.m.
Mark Poindexter, CPA, Poindexter & Company

Call To Order

On Tuesday, October 27, 2015, at 11:01 a.m., the Finance/Investment Committee meeting was called to order by President, Rod Brown, at the Camarillo Health Care District, 3615 E. Las Posas Road, Suite 153, Camarillo, CA 93010.

1. Reviewed the Financial Audit Report for Fiscal Year 2014/2015. Mark Poindexter, CPA, Poindexter & Company, discussed the effect of Government Accounting Standard Board (GASB) 68 on District Financial Statements.
2. CEO, Kara Ralston, presented the investment results, tax revenue, and capital purchases for the quarter ending September 30, 2015.
3. CEO Ralston, reviewed Operating Results by Department for quarter ending September 30, 2015.
3. Next Finance/Investment Committee Meeting is scheduled for Tuesday, January 26, 2016, at 4:00 p.m.

Meeting adjourned at 11:48 a.m.

Mark Hiepler
Clerk of the Board

This page intentionally left blank.

SECTION 7

7-D

**CONSENT CALENDAR
APPROVAL OF EXECUTIVE COMMITTEE MEETING
DECEMBER 1, 2015**

December 8, 2015

This page intentionally left blank.

**Camarillo Health Care District
Board of Directors
Executive/Planning Committee**

Date December 1, 2015

Directors

The following Directors were present:

Rod Brown, President

Christopher Loh, Vice President

Staff

The following staff members were present:

Kara Ralston, Chief Executive Officer

Karen Valentine, Clerk to the Board

Call to Order

On Tuesday, December 1, 2015, at 12:01 p.m., the Executive Committee meeting was called to order by President Rod Brown, at the Camarillo Health Care District, 3615 E. Las Posas Road, Suite 153, Camarillo, CA 93010.

1. Reviewed the Minutes of the regularly scheduled Board Meeting of Tuesday, October 27, 2015.
2. Reviewed the Agenda for the regularly scheduled Board Meeting of Tuesday, December 8, 2015.
3. Reviewed all Action Items on the December 8, 2015 regular Board Meeting Agenda.
4. Reviewed the Minutes of the Finance Committee Meeting of October 27, 2015.
5. Reviewed and approved written representations from the Board of Directors of the Camarillo Health Care District, for the final audit report for the 2014/2015 fiscal year, to Mark Poindexter, CPA, Poindexter & Company.
6. Reviewed the contract extension with Mark Poindexter, CPA, Poindexter & Company, as District Auditor for the 2015/2016 and 2016/2017 fiscal years.
7. Reviewed and amended Attachment B, determining the amount of compensation earnable pursuant to California Code of Regulations (CCR) Title 2, Section 570.5, changing job title from Care Transitions Director, to Clinical Care Director.
8. Set date for next Executive Committee Meeting for Tuesday, January 19, 2015, at 12:00 p.m.

Meeting adjourned at 1:04 p.m.

Rod Brown, President

This page intentionally left blank.

SECTION 7

**7-E
CONSENT CALENDAR
DONATIONS
OCTOBER 2015**

December 8, 2015

DONATION: OCTOBER 2015

Name	Campaign	Cause/Relationship	In Memory Of	In Honor Of
Belzer, Jeri and Maynard	SUMR15	Adult Day Services		
Delta Kappa Gamma Society	SUMR15	Adult Day Services		
Deraney, Eleanor	SUMR15	Adult Day Services		
Dice, Nancy	GEN	Sr. Meals Program		
Jorda, Christian	SUMR15	Adult Day Services		
Ng, Lily	SUMR15	Adult Day Services		
Ourmazdi, Behzad	ADP14	Adult Day Services		
Ratto, James and Mary Ann	SUMR15	Adult Day Services		
Ravitz, Jo An	SUMR15	Adult Day Services		
Ventura County Homecare Association	SUMR15	Adult Day Services		
	SUMR15=	\$14,300.00		
	ADP14=	\$1,000.00		
	GEN=	\$445.60		
	TOTAL=	\$15,745.60		
SUMR15: Summer Solicitation 2015				
ADP14: Adult Day Program 2014				

SECTION 8

ACTION ITEMS

December 8, 2015

This page intentionally left blank.

SECTION 8

ACTION ITEMS

8 -A

**REVIEW AND APPROVE PROFESSIONAL FEE AGREEMENT
WITH MEYERS NAVE TO ASSIST AS GENERAL COUNSEL
TO THE CAMARILLO HEALTH CARE DISTRICT**

December 8, 2015

RECEIVED
APR 06 2015

BY: _____

April 3, 2015

Jane Rozanski
Chief Executive Officer
Camarillo Health Care District
3639 E. Las Posas Road, Suite 117
Camarillo, CA 93010

Re: Engagement of Legal Services

Dear Ms. Rozanski:

Thank you for your interest in retaining Meyers, Nave, Riback, Silver & Wilson ("Meyers Nave") to assist as General Counsel to the Camarillo Health Care District ("District"). I and Meyers Nave appreciate the opportunity to work with you.

This letter sets forth our agreement concerning the legal services we will provide and our fee arrangements for those services. Please read this entire agreement before signing and returning it to us.

- 1. Scope of Engagement.** We will provide the legal services reasonably required to represent and advise you and the District on the current legal issues relating to the Public Records Act request and personnel handbook, and such other matters on which you may request our legal advice on behalf of the District.
- 2. Fees and Personnel.** My rate for legal counsel services to the District would be \$325/per hour. Depending on the nature of the issue, I may use other attorneys to assist me so as to provide the District legal services at a lower rates and/or with attorneys with experience in specialized areas. The rates for these services would range from \$225-\$275/per hour.
- 3. Disbursements and Expenses.** In addition to hourly fees, we may incur out-of-pocket expenses related to your representation. Our Statement of Fee and Billing Information, which sets forth the details of our disbursement and expense policy, is attached as Attachment 1.
- 4. Billing and Payment Responsibilities.** We will send monthly statements which are due within 30 days of receipt. If you have any questions about an invoice, please

promptly telephone or write me so that we may discuss these matters. Our Statement of Fee and Billing Information sets forth the details of our fee and billing policy.

5. Termination of Services. You may terminate our services at any time by providing fifteen (15) days written notice. After receiving such notice, we will cease providing services unless you request that we continue to provide services during the notice period. We will cooperate with you in the orderly transfer of all related files and records to your new counsel.

We may terminate our services at any time with your consent or for good cause. Good cause exists if (a) any statement is not paid within 60 days of its date; (b) you fail to meet any other obligation under this agreement and continue in that failure for 15 days after we send written notice to you; (c) you have misrepresented or failed to disclose material facts to us, refused to cooperate with us, or refused to follow our advice on a material matter; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If we terminate our services, you agree to execute a substitution of attorneys promptly and otherwise cooperate in effecting that termination.

Termination of our services, whether by you or by us, will not relieve the obligation to pay for services rendered and costs incurred before our services formally ceased.

6. Insurance. During the term of this engagement, this law firm shall take out and maintain general liability and property damage insurance in amounts not less than \$1,000,000; professional errors and omissions insurance, in amounts not less than \$2,000,000 per occurrence; and \$4,000,000 aggregate, which insurance may not be canceled or reduced in required limits of liability unless at least ten days advance written notice be given to you.

7. No Guarantee of Outcome. Any comments made by us about the potential outcome of this matter are expressions of opinion only and are not guarantees or promises about any outcome or results.

8. Dispute Resolution. In the event you become dissatisfied with any aspect of our relationship, we encourage you to bring such concerns to our attention immediately. If we are unable to resolve any dispute, either arising out of or in connection with this Agreement or relating to the services performed by our firm or any of its attorneys, to our mutual satisfaction, our firm will first comply with any mandatory dispute resolution procedures that may apply to any such dispute.

If we are unable to resolve any dispute, and after mandatory dispute resolution procedures have been waived or exhausted, the parties shall submit such dispute to final and binding arbitration in Ventura County, California before an arbitrator with the American Arbitration

Jane Rozanski
April 3, 2015
Page 3

Association, pursuant to its then prevailing rules, unless the parties agree in writing to a different arbitration method or forum.

By signing this agreement, you acknowledge and agree that you have read and understand this arbitration provision. You understand that by agreeing to arbitration we each give up the right to present our claims or defenses for trial by a judge or jury, and we also give up the right to an appeal. The initial resort to the courts by either party shall not be considered a waiver of that party's right to compel binding arbitration under this provision. This agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

9. Entire Agreement; Full Understanding; Modifications in Writing. This letter contains our entire agreement about our representation. Any modifications or additions to this letter agreement must be made in writing.

10. Joint Representation. Our firm maintains "of counsel" agreements with certain attorneys. Because these individuals are deemed independent contractors under the applicable provisions of the tax laws and not employees of our firm, it is necessary that you consent to dual representation by our firm and that of counsel attorney in the event the matter which you have engaged us to handle requires the use of that attorney. This arrangement has no effect whatsoever on the cost of your legal services, rather it is an ethical requirement that we disclose this fact and that you consent. You are consenting by signing this letter.

11. Conflicts. Our firm represents many public agencies in California, Nevada and Arizona. Since 1986, we have represented over seven hundred public clients, including numerous cities, redevelopment agencies, special districts, counties and other public entities, and we are accepting new engagements all the time. It is virtually inevitable that we will work on projects from other clients having different governmental or political objectives, beliefs or views from the District.

In view of the fact that the District is a public entity, this letter confirms that the services which we are rendering to you are limited in scope and for the benefit of the District only. Meyers Nave performs a variety of professional services for its clients and it is possible that we will represent public agency clients which are adverse to you on other matters. To avoid potential problems, you agree that you expressly waive any actual or potential conflicts that might arise from such representation, that you will not attempt to disqualify Meyers Nave on such matters, and that our firm is free to represent its clients on such matters.

By signing this letter and returning it to us, you acknowledge that we have discussed these matters and you confirm that District does not object to our representation of clients on matters where their legal, governmental or political objectives and/or positions may be different from or adverse to those of District, and that District waives any conflict of

Jane Rozanski
April 3, 2015
Page 4


interests with respect to our representation of such clients with differing legal, governmental or political interests. You further confirm that District will not assert any conflict of interest concerning such representation or attempt to disqualify this firm from representing such clients notwithstanding such adversity. While you would certainly be free to terminate our relationship, you agree that this firm nonetheless would be free to represent such clients even on those matters which you consider adverse, and that you waive any conflict of interest in connection therewith.

Needless to say, these acknowledgments do not permit our firm to represent another client in opposing the specific project for which you engage us without your specific written consent.

You may wish, and we encourage you, to consult legal counsel regarding the effect of this conflict waiver.

We would request that you review this letter carefully and, if it is consistent with your understanding of our respective responsibilities, please so indicate by returning a signed copy of this letter to me at your earliest convenience. Enclosed is an additional copy of this letter which you should retain for your records. Again, we thank you for allowing us the opportunity to serve as your lawyers.

Very truly yours,


Ruthann G. Ziegler
Attorney at Law

RGZ:MLN

These terms are accepted and agreed to as of the date of this letter.

CAMARILLO HEALTH CARE DISTRICT


Jane Rozanski, Chief Executive Officer

ATTACHMENT 1

MEYERS, NAVE, RIBACK, SILVER & WILSON STATEMENT OF FEE AND BILLING INFORMATION

The following is a general description of our fee and billing policies. These general policies may be modified by the specific engagement letter or agreement to which this summary is attached.

Professional Fees. Our fees for professional services are based on the fair value of the services rendered. To help us determine the value of our services, our attorneys and paralegals maintain time records for each client and matter. Our attorneys and paralegals are assigned hourly rates which are based on years of experience, specialization, training and level of professional attainment. We adjust our rates periodically (usually at the beginning of each year) to take into account inflation and the increased experience of our professional personnel.

To keep professional fees at a minimum, legal work that does not require more experienced attorneys will be performed, where feasible, by attorneys with lower billing rates. Of course, the quality of the work is paramount, and we do not sacrifice quality to economy.

Before undertaking a particular assignment, we will, if requested, provide you with a fee estimate to the extent possible. Estimates are not possible for some matters, however, and cannot be relied on in many others because the scope of our work will not be clear at the outset. When a fee estimate is given, it is only an estimate; it is not a maximum or minimum fee quotation. The actual fee may be more or less than the quoted estimate.

Retainer. Our normal practice is to require a retainer to cover a portion of the anticipated attorneys' fees and costs. Any retainer will be placed in the firm's trust account. At the conclusion of our services, we will return to our client any unapplied retainer, after deducting payment for charges billed or to-be-billed for services and any remaining out-of-pocket expenses.

Billing And Payment Procedures. Unless other arrangements are made at the time of the engagement, invoices will be sent monthly. Invoices for outside services exceeding \$100 may be billed separately. Occasionally, however, we may defer billing for a given month or months if the accrued fees and costs do not warrant current billing or if other circumstances would make it appropriate to defer billing.

Our invoices contain a brief narrative description of the work performed; if requested, the initials of the attorney who performed the work will appear on the statement. The invoice will include a line item reflecting in-house administrative costs. The firm's in-house administrative costs include, but are not limited to, duplicating, facsimile charges, telephone charges, E-mail, postage, mileage and other administrative expenses. We have determined

that the most effective method of accounting for these administrative costs is to charge a flat 5% of the professional fees incurred.

The firm will be reimbursed for all outside services incurred in the course of providing legal services to our client(s). Outside services will include, but are not limited to, all third-party expenses, delivery charges, travel expenses associated with General Counsel or Litigation Services only, outside research services, filing fees, expert witness and expert consultant fees. To defray the firm's costs for administering these services, there will be an additional cost advance charge of 2% for all outside services of \$100 or more.

If you have any questions regarding an invoice, the Finance Director or Executive Director is available to answer your questions. For any unresolved matters, the Bar Association has an arbitration mechanism that can be used to resolve such matters.

Late Payments. Statements for services are payable upon presentation and, in all events, within thirty (30) days after receipt. Occasionally a client has difficulty in making timely payments. To avoid burdening those clients who pay their statements promptly with the added costs we incur as a result of late payments, a late charge will be assessed on statements not paid within thirty (30) days. The maximum monthly late payment charge will be 1.5% per month. In the unlikely event we are required to institute legal proceedings to collect fees and costs, the prevailing party will be entitled to reasonable attorneys' fees and other costs of collection.

2421668.1

This page intentionally left blank.

SECTION 8

ACTION ITEMS

8 - B

**CONSIDERATION AND APPROVAL OF RESOLUTION 15-11
AUTHORIZING INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND**

December 8, 2015

RESOLUTION NO. 15-11

**A RESOLUTION OF THE BOARD OF DIRECTORS
CAMARILLO HEALTH CARE DISTRICT
VENTURA COUNTY, CALIFORNIA
AUTHORIZING INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Camarillo Health Care District Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et seq. for the purpose of investment as provided therein is in the best interests of the Camarillo Health Care District;

NOW THEREFORE, BE IT RESOLVED, that the Camarillo Health Care District hereby authorizes the deposit and withdrawal of Camarillo Health Care District monies in the Local Agency Investment Fund in the State treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, that Resolution No. 15-08, approved by the Camarillo Health Care District Board of Directors on the 9th day of June, 2015 is hereby rescinded. The following Camarillo Health Care District Board members holding the titles specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

<u>Name</u>	<u>Title</u>
Rod Brown	President
Christopher Loh	Vice President
Mark Hiepler	Clerk of the Board
Richard Loft	Director
Scott Packham	Director

This resolution shall remain in full force and effect until rescinded by the Camarillo Health Care District Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, BY THE Camarillo Health Care District Board of Directors of Ventura County of the State of California on December 8th, 2015.

Rod Brown, President
Board of Directors

Attest: _____
Mark Hiepler, Clerk of the Board
Board of Directors

STATE OF CALIFORNIA)

COUNTY OF VENTURA) ss

I, **Mark Hiepler**, Clerk of the Board of Directors of the Camarillo Health Care District

DO HEREBY CERTIFY that the foregoing Resolution 15-11 was duly adopted by the Board of Directors of said District at a Regular Meeting held on the 8th day of December, 2015, and was adopted by the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

Mark Hiepler, Clerk of the Board
Board of Directors
Camarillo Health Care District



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)**

Authorization for Transfer of Funds

Effective Date
12/08/2015

Agency Name
Camarillo Health Care District

LAIF Account #
20-56-001

Agency's LAIF Resolution # 15-11 or Resolution Date December 8, 2015

ONLY the following individuals of this agency whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERCEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Rodger Brown	President
Christopher Loh	Vice President
Mark Hiepler	Clerk of the Board
Richard Loft	Director
Scott Packham	Director
Kara Ralston	Chief Executive Officer
Sue Tatangelo	Chief Resource Officer

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature
Rodger Brown

Print Name
President

Title
805.482.9382

Telephone

Signature
Christopher Loh

Print Name
Vice President

Title
805.482.9382

Telephone

Please provide email address to receive LAIF notifications.

Name	Email
Kara Ralston	kralston@camhealth.com
Renee Murphy	reneem@camhealth.com

Mail completed form to: State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)**

Authorization for Transfer of Funds

Effective Date
12/08/2015

Agency Name
Camarillo Health Care District

LAIF Account #
20-56-001

Agency's LAIF Resolution # 15-11 or Resolution Date December 8, 2015

ONLY the following individuals of this agency whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERCEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Renee Murphy	Accounting Manager

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature
Rodger Brown

Print Name
President

Title
805 482 9382

Telephone

Signature
Christopher Lon

Print Name
Vice President

Title
805.482.9382

Telephone

Please provide email address to receive LAIF notifications

Name	Email
Kara Ralston	kralston@camhealth.com
Renee Murphy	rmursem@camhealth.com

**Mail completed form to: State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001**

This page intentionally left blank.

SECTION 8

ACTION ITEMS

8 - C

**CONSIDERATION AND APPROVAL OF RESOLUTION 15-12
AUTHORIZING AMENDMENT OF RETIREMENT PLAN
VIA ADOPTION OF VALIC RETIREMENT SERVICES COMPANY
RETIREMENT PLAN FOR GOVERNMENTAL EMPLOYERS**

December 8, 2015



CAMARILLO HEALTH CARE DISTRICT

Board Memorandum

To: Camarillo Health Care District Board of Directors

From: Kara Ralston, Chief Executive Officer

Date: December 8, 2015

Re: *Resolution Authorizing Amendment of the VALIC Retirement Services Company Retirement Plan for Governmental Employers*

BACKGROUND

- The Camarillo Health Care District utilizes VALIC Retirement Services as a contracted deferred compensation employee benefit.
- Periodically, Internal Revenue Service (IRS) regulations require retirement plan documents to be updated to incorporate changes in the law.
- Camarillo Health Care District's Exclusive Benefit Governmental 401(A) Non-trusteed Retirement Plan (GA#61592 Plan #001) must be modified to incorporate changes in the law, which changes are referred to as the Pension Protection Act Restatement Plan (PPA).
- VALIC issues Adoption Agreements which serve as plan documents; VALIC has pre-approved the restated Adoption Agreement through the IRS.
- The last time a restatement was required was 2010.
- The deadline for completion of all documents regarding this restatement is April 2016.

ANALYSIS

As Congress and legislative bodies make changes to these plans, restatements are issued to plan participants, along with the necessary forms for signature. CHCD is a plan participant through VALIC, and thus needs to be modified, authorized, and sign new documents.

The following reflect the restated PPA changes, as they relate to retirement plans and as referred to in the PPA restatement document:

1. Pension Protection Act of 2006 (PPA)
 - **Automatic Enrollment Provisions:** *Provides statutory authority for employers to enroll workers in 401(k) and 403(b) plans automatically*
 - **Automatic Enrollment Opt Out:** *Allows automatic contributions to be returned to employees without tax penalties, if employee opts out of participation within 90 days*
 - **Funding Notifications:** *Expands disclosure that workers must receive about the performance of their pension plans*
 - **Investment Advice Rules:** *Removes the conflict of interest for giving certain types of investment advice to participants in retirement accounts*
 - **Contribution Limits:** *Extends the 2001 tax act's contribution limits*

- **Qualified Default Investment Arrangements:** Establishes safe harbor investments, also known as Qualified Default Investment Alternatives, to protect employers from liability of losses suffered by automatically enrolled employees
2. Final regulations under Internal Revenue Code Section 415
 3. Heroes Earnings Assistance and Relief Act ("HEART")
 4. Worker, Retiree and Employer Recovery Act ("WRERA")
 5. Small Business Jobs Act ("JOBS")

The **VALIC Adoption Agreement** has been pre-approved by the IRS as satisfying the form requirements for the restated PPA.

- VALIC has restated CHCD's current plan provisions onto this PPA Governmental Volume Submitter Adoption Agreement.
- The Basic Plan Document contains standard language common to plans of that type, and matches CHCD's provision as closely as possible, with no substantive or adverse misalignments.
- The Basic Plan Document, in conjunction with the Adoption Agreement, constitutes the CHCD plan.
- The IRS Advisory Letter is an opinion from the IRS that the form and written terms of VALIC's Governmental Volume Submitter Plan documents are acceptable under Section 401 of the Internal Revenue Code.

FISCAL IMPACT

Plan Documents were reviewed by Staff and submitted to David Mitchell, CPA, of Mitchell & Associates, who determined that the changes represented in the restated PPA, are mandatory for the type of plan used by CHCD, indicated that there are no new provisions which would adversely affect CHCD, and concurred that approval of proposed Board Resolution 15-12, and the VALIC Retirement Services Company Retirement Plan for Governmental Employers, Adoption Agreement #001 – Profit Sharing Plan, Advisory Letter Number J593778a, will have no fiscal impact on the District.

RECOMMENDATION & ACTION REQUIRED

- 1) It is the recommendation of Administration that the Board of Directors approve Resolution 15-12, authorizing amendment and restatement of retirement plan.
- 2) It is the recommendation of Administration that the Board of Directors approve and execute by signature the VALIC Retirement Services Company Retirement Plan for Governmental Employers, Adoption Agreement #001 – Profit Sharing Plan Advisory Letter Number: J593778a.

Attachments:

1. *Board Resolution 15-12: authorizing amendment and restatement of deferred compensation plan through VALIC, via adoption of VALIC Retirement Services Company Retirement Plan for Governmental Employers (signature required)*
2. *Adoption Agreement #001: VALIC Retirement Services Company Retirement Plan for Governmental Employers, Profit Sharing Plan Advisory Letter Number J593778a (signature required)*
3. *Department of the Treasury opinion letter (supporting documentation)*
4. *VALIC Retirement Services Company Retirement Plan for Governmental Employers, BasicPlan Documents (supporting documentation)*

RESOLUTION NO. 15-12

**A RESOLUTION OF THE BOARD OF DIRECTORS
CAMARILLO HEALTH CARE DISTRICT
VENTURA COUNTY, CALIFORNIA
AUTHORIZING AMENDMENT AND RESTATEMENT OF RETIREMENT PLAN
VIA ADOPTION OF VALIC RETIREMENT SERVICES COMPANY
RETIREMENT PLAN FOR GOVERNMENTAL EMPLOYERS**

WHEREAS, Camarillo Health Care District (hereinafter, the "Employer"), previously established the Camarillo Health Care District Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan (hereinafter, the "Plan") for the exclusive benefit of its employees and their beneficiaries, which Plan was originally effective as of March 28, 2000; and

WHEREAS, the Employer retained the power to amend and/or terminate the Plan; and

WHEREAS, the Employer now desires to amend and restate the Plan by adopting the VALIC Retirement Services Company Retirement Plan for Governmental Employers document; and

NOW THEREFORE, BE IT RESOLVED, that the Employer hereby amends and restates the Plan, effective July 1, 2015, by adopting the document titled "VALIC Retirement Services Company Retirement Plan for Governmental Employers," in the form and substance as the document heretofore presented to the governing body of the Employer, and

RESOLVED FURTHER, that the appropriate representatives of the Employer be, and the same hereby are, authorized and directed to:

(i) execute the adoption agreement to the VALIC Retirement Services Company Retirement Plan for Governmental Employers document as approved;

(ii) execute all other documents and to do all other things as may be necessary or appropriate to make the VALIC Retirement Services Company Retirement Plan for Governmental Employers document effective July 1, 2015, including the execution of any amendments required by the Internal Revenue Service in order to continue to maintain the qualified and exempt status of the Plan; and

(iii) execute any other documents required to obtain reliance on advisory letters issued to the VALIC Retirement Services Company Retirement Plan for Government Employers by the Internal Revenue Service.

PASSED AND ADOPTED, by the Camarillo Health Care District Board of Directors, of Ventura County, of the State of California, on December 8th, 2015.

Rod Brown, President
Board of Directors
Camarillo Health Care District

Attest: _____
Mark Hiepler, Clerk of the Board
Board of Directors
Camarillo Health Care District

STATE OF CALIFORNIA)

COUNTY OF VENTURA) ss

I, Mark Hiepler, Clerk of the Board of Directors of the Camarillo Health Care District

DO HEREBY CERTIFY that the foregoing Resolution 15-12 was duly adopted by the Board of Directors of said District at a Regular Meeting held on the 8th day of December, 2015, and was adopted by the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

Mark Hiepler, Clerk of the Board
Board of Directors
Camarillo Health Care District

Karen Valentine

From: David Mitchell <david@mscg.com>
Sent: Tuesday, November 17, 2015 11:24 AM
To: Karen Valentine
Subject: RE: Valic Retirement Plan for CEO

Hi Karen,

All of the changes are mandatory based on the type of plan CHCD has. There are no new provisions that would currently affect CHCD in an adverse way.

Take care,

David Mitchell, CPA
Mitchell & Associates, APC
Certified Public Accountants and Consultants
A Member of Mitchell & Schwartz Consulting Group

Office: 805: 445-7121
Fax: 805: 445-9071

www.mscg.com

NOTICE: This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

From: Karen Valentine
Sent: Tuesday, November 17, 2015 9:59 AM
To: 'david@mscg.com' <david@mscg.com>
Cc: Kara Ralston <kralston@camhealth.com>
Subject: Valic Retirement Plan for CEO

Hi David,

The District is required to restate our plan document for the District's Exclusive Benefit Governmental 401(A) Nontrusteed Retirement Plan. Please review the attached documents. If there is anything that you feel is not in the District's or the CEO's best interest, please let me know. As it stands now, this will be an Action Item at the next Board Meeting.

Many thanks,
Karen

Karen Valentine
Administrative Assistant to the CEO
Clerk to the Board
Camarillo Health Care District
3639 E. Las Posas Road, Suite 117
Camarillo, CA 93010
(805) 482-9382
karenv@camhealth.com

Changing Aging

Karen Valentine

From: David Mitchell <david@mscg.com>
Sent: Tuesday, November 17, 2015 11:25 AM
To: Karen Valentine
Subject: RE: Valic Retirement Plan for CEO

Hi Karen,

It all looks good. The changes are all mandatory for the type of plan CHCD has.

Take care,

David Mitchell, CPA
Mitchell & Associates, APC
Certified Public Accountants and Consultants
A Member of Mitchell & Schwartz Consulting Group

Office: 805: 445-7121

Fax: 805: 445-9071

www.mscg.com

NOTICE: This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

From: Karen Valentine
Sent: Tuesday, November 17, 2015 9:59 AM
To: 'david@mscg.com' <david@mscg.com>
Cc: Kara Ralston <kralston@camhealth.com>
Subject: Valic Retirement Plan for CEO

Hi David,

The District is required to restate our plan document for the District's Exclusive Benefit Governmental 401(A) Nontrusteed Retirement Plan. Please review the attached documents. If there is anything that you feel is not in the District's or the CEO's best interest, please let me know. As it stands now, this will be an Action Item at the next Board Meeting.

Many thanks,
Karen

Karen Valentine
Administrative Assistant to the CEO
Clerk to the Board
Camarillo Health Care District
3639 E. Las Posas Road, Suite 117
Camarillo, CA 93010
(805) 482-9382
karenv@camhealth.com
Changing Aging



VALIC Retirement Services Company
P.O. Box 15648
Amarillo, TX 79105

October 30, 2015

Re: **REQUIRED PLAN UPDATE**
Camarillo Health Care District Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan;
GA#61592.P001 (the "Plan")

Dear Retirement Plan Administrator:

It is time to restate your plan document. Internal Revenue Service ("IRS") regulations require retirement plan documents be updated periodically to incorporate law changes. The law changes incorporated in this restatement include:

- Pension Protection Act ("PPA")
- Final regulations under Internal Revenue Code Section 415
- Heroes Earnings Assistance and Relief Tax Act ("HEART")
- Worker, Retiree and Employer Recovery Act ("WRERA")
- Small Business Jobs Act ("JOBS")

Collectively these are included in the "PPA document".

Failure to execute a restated document by the April 30, 2016 deadline may result in costly corrections.

To assist you in the timely update of the Plan, VALIC has drafted a restatement of your current document onto VALIC's preapproved Governmental Volume Submitter plan document which incorporates the law changes listed above. Please review all provisions in the enclosed plan documents carefully to ensure they are consistent with the operation of your Plan.

As a valued partner, VALIC is pleased to provide this PPA restatement to you at no cost. Additionally we have provided an **ACTION ITEMS** list to assist you.

Should you have any questions please do not hesitate to contact our Plan Sponsor Service Team at 1-888-478-7020 or contact your VALIC financial advisor.

VALIC, Institutional Services

Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member FINRA, SIPC and an SEC-registered investment advisor. Annuities issued by The Variable Annuity Life Insurance Company. Variable annuities distributed by its affiliate, AIG Capital Services, Inc., member FINRA. VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company.



VALIC Retirement Services Company
P.O. Box 15648
Amarillo, TX 79105

**CAMARILLO HEALTH CARE DISTRICT EXCLUSIVE BENEFIT GOVERNMENTAL 401(A) NONTRUSTEED
RETIREMENT PLAN (GA#61592 Plan #001)
PENSION PROTECTION ACT RESTATEMENT PLAN DOCUMENT CHECKLIST**

Please check each box as you complete each item and note the action required for each item listed below:

- Adopting Resolution.** Many organizations have internal governance procedures and protocols that must be followed when transacting certain types of activities. We have included a resolution or you may prefer to use your own format. **Please return an executed copy of the adopting resolution to VALIC.**
- Adoption Agreement.** This Adoption Agreement has been pre-approved by the Internal Revenue Service (IRS) as satisfying the form requirement(s) for PPA. The Adoption Agreement contains option(s) which may be selected among the available plan design alternatives. VALIC has restated your current plan provisions onto this PPA Governmental Volume Submitter Adoption Agreement as closely as possible. Please review this Adoption Agreement carefully to ensure it reflects your understanding of the actual operation/administration of your plan. If you find that changes are necessary, please contact VALIC as soon as possible. **Please have an authorized individual sign and date the Adoption Agreement and return an executed copy to VALIC.**
- Legislative Amendment(s).** Please be advised that VALIC has not received an executed copy of the PPA/HEART/WRERA Amendment previously mailed to you. Since VALIC could adopt this Legislative Amendment on your behalf we have prepared the PPA restated plan document based on the default provisions within this amendment. If you need to change a plan provision from the default provision, please contact VALIC immediately.
- Basic Plan Document.** The Basic Plan Document contains standard language that is common to all plans of that type. The Basic Plan Document in conjunction with the Adoption Agreement constitutes your Plan. Please keep this document with your Plan records.
- IRS Advisory Letter.** The IRS Advisory Letter is an opinion from the IRS that the form and written terms of VALIC's Governmental Volume Submitter Plan document are acceptable under Section 401 of the Internal Revenue Code. As an adopting employer, you may rely on this favorable Advisory Letter without having to request an individual determination letter from the IRS. If this Checklist includes an Addendum, your reliance on the IRS Advisory Letter issued to VALIC may be limited. Please keep this document with your Plan records.
- Return signed copies to VALIC.** Please sign, date and return one copy of the plan documents listed above to the address below. Items not requiring a signature should be maintained with your Plan records.

VALIC, Institutional Services
2929 Allen Parkway, L8-10
Houston, Texas 77019
Email: plan.documents@valic.com
Fax: 713-831-8237



VALIC Retirement Services Company
P.O. Box 15648
Amarillo, TX 79105

ACTION ITEMS

<u>Action Item Description</u>	<u>Due Date</u>	<u>Completion Date</u>
Adopt Resolution		
Sign Adoption Agreement		

Documents to be returned to VALIC:

Adopting Resolution
Adoption Agreement

Please return all signed documents to:

VALIC Institutional Services
2929 Allen Parkway, L8-10
Houston, TX 77019



The Variable Annuity Life Insurance Company
P.O. Box 15648
Amarillo, TX 79105

**PENSION PROTECTION ACT, HEART ACT AND
WORKER, RETIREE, AND EMPLOYER RECOVERY ACT AMENDMENT DEFAULTS**

Default Provisions:

- a. Nonspousal beneficiary rollovers are allowed effective for distributions made after December 31, 2006.
- b. Hardship distributions for expenses of a beneficiary are allowed effective as of August 17, 2006.
- c. The option to permit in-service distributions at age 62 (with respect to amounts attributable to a money purchase pension plan, target benefit plan, or any other defined contribution plan that has received a transfer of assets from a pension plan) is not adopted.
- d. Qualified Reservist Distributions are not allowed.
- e. Continued benefit accruals pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act) are not provided.
- f. Differential wage payments are treated as "Compensation" for all Plan benefit purposes.
- g. The Plan does not permit distributions pursuant to the HEART Act on account of "deemed" severance of employment.
- h. Required Minimum Distributions (RMDs) for 2009 shall continue in accordance with the terms of the Plan for Participants or Beneficiaries receiving distributions in the form of installment payments (unless such Participant or Beneficiary elects otherwise), but shall be suspended for all other Participants and Beneficiaries.

VALIC Retirement Services Company
Retirement Plan for Governmental Employers
Adoption Agreement #001 – Profit Sharing Plan
Advisory Letter Number: J593778a

The undersigned, Camarillo Health Care District ("Employer"), by executing this Adoption Agreement, elects to establish (or restate) a retirement plan (and trust, if applicable) (hereinafter, the "Plan") under the VALIC Retirement Services Company Retirement Plan for Governmental Employers (the "Basic Plan Document"). The Employer, subject to the Employer's elections in this Adoption Agreement, adopts fully the Plan provisions (and if applicable, the Trust provisions). The Adoption Agreement and the Basic Plan Document together constitute the Employer's entire Plan (and Trust, if applicable) document. All section references within this Adoption Agreement are Adoption Agreement section references unless the Adoption Agreement or the context indicates otherwise. All "Article" references, and all "Plan Section" references, are references to the applicable article or section of the Basic Plan Document.

The Employer makes the following elections, as permitted under the corresponding provisions of the Basic Plan Document:

A. VOLUME SUBMITTER PRACTITIONER INFORMATION.

VALIC Retirement Services Company
Attn: Institutional Services
2929 Allen Parkway, L8-10
Houston, Texas 77019
888-478-7020

B. PLAN INFORMATION.

1. Plan Name: Camarillo Health Care District Exclusive Benefit Governmental 401(a) Nontrusteed Retirement Plan
2. Plan Number (e.g., 001, 002, etc.): 001
3. Effective Date: (**Note:** *The Effective Date for a new Plan or the Restated Effective Date for a restated Plan generally cannot be earlier than the first day of the Plan Year in which this plan or restatement is adopted. If this is a restatement to comply with the Pension Protection Act of 2006 ("PPA"), the Restated Effective Date may be the first day of the current Plan Year as the Plan contains applicable retroactive effective dates with respect to provisions affected by PPA and subsequent legislation/guidance. Section 414(h) pick-up contributions must relate solely to Compensation for services rendered after the later of the adoption or effective date of this Plan or restatement.*)
 - a. This is a new Plan effective as of _____ (hereinafter "Effective Date").
 - b. This amendment is a restatement of a previously established qualified plan which was originally effective March 28, 2000 (hereinafter "Effective Date"). The effective date of this restatement is July 1, 2015 (hereinafter "Restated Effective Date").
4. Plan Year/Limitation Year means the 12-consecutive month period (except for Short Plan Years) ending every (Check a. or b., and c., if applicable).
 - a. December 31
 - b. Other: June 30
 - c. Short Plan Year commencing on _____ and ending on _____.
5. Anniversary Date (annual Valuation Date):
 - a. last day of the Plan Year
 - b. first day of the Plan Year

C. EMPLOYER INFORMATION.

1. Name of Employer: Camarillo Health Care District
2. Address: 3639 E. Las Posas Road #117
(Number and Street)
Camarillo California 93010
(City) (State) (Zip Code)
3. Telephone Number: (805) 388-1952
4. Employer Identification Number: 95 - 2834854

5. By signing this Adoption Agreement, the Employer represents and affirms that it is a state or local governmental entity, as defined in Code section 414(d), and is a:
- a. K-12 educational organization
 - b. higher educational organization
 - c. city or county government
 - d. state government
 - e. other governmental entity (specify) Public Health Services

6. Employer's Fiscal Year: June 30

D. TRUST ELECTION.

1. All or a portion of this Plan shall be Truſteed pursuant to Article V of the Plan.
- a. No, this Plan ſhall be funded excluſively with annuity contracts pursuant to Article X.
 - b. Yes, this Plan ſhall have a nondiscretionary Truſtee (as deſcribed in Article V).
 - c. Yes, this Plan ſhall have a discretionary Truſtee (as deſcribed in Article V).

E. SERVICE.

1. PREDECESSOR EMPLOYER OR OTHER EMPLOYER.

This Plan ſhall recognize ſervice with a predecessor Employer or other entity.

- a. No
- b. Yes, ſervice with _____ ſhall be recognized for purpoſes of (check all that apply):
 - (i) eligibility
 - (ii) veſting
 - (iii) contribution accrual
 - (iv) early retirement
 - (v) normal retirement
 - (vi) other: _____

2. SERVICE CREDITING METHODS.

If this Plan requires an annual ſervice requirement to receive an Employer contribution as ſelected in Section G, the Hours of Service crediting method ſhall be uſed for this purpoſe, and the applicable computation period ſhall be the Plan Year (or Short Plan Year). The ſervice crediting method for all other purpoſes ſhall be as follows:

- a. SERVICE CREDITING METHOD (ſelect one)
 - (i) Hours of Service crediting method
 - (ii) elapſed time crediting method
- b. If the Hours of Service crediting method is ſelected in Section E.2.a.(i) above, then the following muſt be completed, and ſhall apply to all Employees:
 - (i) Hours of Service crediting method (ſelect one of the following):
 - (a) actual hours
 - (b) days worked
 - (c) months worked
 - (d) other: _____
 - (ii) Year of Service means the applicable computation period during which an Employee has completed (ſelect one of the following):
 - (a) at leaſt _____ Hours of Service. (May not exceed 2000 hours.)
 - (b) other: _____
- c. Break in ſervice rules (deſcribed in Plan Section 6.04(e)) will be applied under this Plan.
 - (i) No
 - (ii) Yes

- d. If the Hours of Service Crediting Method is selected in E.2.a.(i) above, then the following computation period elections must be completed, and shall apply to all Employees (select all applicable):
- (i) If service is required for eligibility, the computation period for eligibility shall begin on the date an Employee first performs an Hour of Service and
 - (a) each anniversary thereof.
 - (b) shift to the Plan Year which includes the first anniversary of the date on which the Employee first performed an Hour of Service.
 - (ii) If service is required for vesting, early retirement or normal retirement, the computation period for such purposes shall begin on the date an Employee first performs an Hour of Service and:
 - (a) each anniversary thereof.
 - (b) shift to the Plan Year which includes the first anniversary of the date on which the Employee first performed an Hour of Service.
 - (c) end on the last day of each Plan Year.

F. ELIGIBILITY REQUIREMENTS; INITIAL PLAN ENTRY; PLAN ENTRY DATE.

NOTE: This Section F must not be completed in a manner which restricts an Employee's participation to the Plan Year in which that Employee terminates employment.

1. EXCLUDED CLASSIFICATIONS OF EMPLOYEES shall mean all Employees of the Employer checked below: (**NOTE:** Any classification under "other" must be objectively determinable and free from Employer discretion, and may not identify specific individuals (other than by eligible position or title). In addition, any classification under "other" must not exclude all employees other than a closed or finite group of individuals. Exclusions shall not apply to contributions under Section G.3.b. of this Adoption Agreement.)

<u>For all purposes of the Plan (Do not check items in additional columns if this column selected):</u>	<u>For purposes of Employee nonelective (414(h) pick-up) contributions:</u>	<u>For purposes of Employer matching contributions:</u>	<u>For purposes of Special Pay contributions and Employer contributions, other than Employer matching contributions:</u>
<input type="checkbox"/> N/A. No exclusions	<input type="checkbox"/> N/A. No exclusions	<input type="checkbox"/> N/A. No exclusions	<input type="checkbox"/> N/A. No exclusions
<input type="checkbox"/> hourly paid	<input type="checkbox"/> hourly paid	<input type="checkbox"/> hourly paid	<input type="checkbox"/> hourly paid
<input type="checkbox"/> salaried	<input type="checkbox"/> salaried	<input type="checkbox"/> salaried	<input type="checkbox"/> salaried
<input type="checkbox"/> union employees	<input type="checkbox"/> union employees	<input type="checkbox"/> union employees	<input type="checkbox"/> union employees
<input type="checkbox"/> non-resident aliens	<input type="checkbox"/> non-resident aliens	<input type="checkbox"/> non-resident aliens	<input type="checkbox"/> non-resident aliens
<input type="checkbox"/> Leased Employees	<input type="checkbox"/> Leased Employees	<input type="checkbox"/> Leased Employees	<input type="checkbox"/> Leased Employees
<input type="checkbox"/> Reclassified Employees (as defined in the basic plan document)	<input type="checkbox"/> Reclassified Employees (as defined in the basic plan document)	<input type="checkbox"/> Reclassified Employees (as defined in the basic plan document)	<input type="checkbox"/> Reclassified Employees (as defined in the basic plan document)
<input type="checkbox"/> employees who have not accumulated at least _____ Special Pay days.	<input type="checkbox"/> employees who have not accumulated at least _____ Special Pay days.	<input type="checkbox"/> employees who have not accumulated at least _____ Special Pay days.	<input type="checkbox"/> employees who have not accumulated at least _____ Special Pay days.
<input checked="" type="checkbox"/> other (see limitations in "Note" above) <u>Employees not classified as Chief Executive Officer</u>	<input type="checkbox"/> other (see limitations in "Note" above) _____	<input type="checkbox"/> other (see limitations in "Note" above) _____	<input type="checkbox"/> other (see limitations in "Note" above) _____

2. CONDITIONS OF ELIGIBILITY (Plan Section 3.01).

Any Employee who is not a member of an excluded classification (Section F.1.) must satisfy the following minimum age and service requirements, if any, for participation in the Plan (other than contributions described in G.3.b.): (Check one of a. – e. May also check f., if applicable).

- a. No age or service required.
- b. Attainment of age _____ (not to exceed 26).
- c. Completion of _____ (not to exceed 5) Year(s) of Service.
- d. Completion of _____ (not to exceed 60) Month(s) of Service.

- e. Other age or service requirement (not to exceed the parameters in b.- d. above): _____
- f. FOR NEW PLANS ONLY – Regardless of any of the above age or service requirements, any Employee who was employed on the Effective Date of the Plan shall be eligible to participate in Employer contributions as of such date. (Must also elect 3.f. below.)

3. EFFECTIVE DATE OF PARTICIPATION (Plan Section 3.02).

An Employee who has satisfied the requirements, if any, of Section F shall become a Participant as of: (Check one of a. – e.; check f. if applicable.)

- a. such Employee's first Hour of Service (no age or service requirements).
- b. the first day of the first payroll period coinciding with or next following the date the eligibility requirements are satisfied.
- c. the 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 the eligibility requirements are satisfied.
- d. the first day of the Plan Year next following the date the eligibility requirements are satisfied.
- e. other: _____
- f. FOR NEW PLANS ONLY – Any Employee who was employed on the Effective Date of the Plan shall become a Participant on the Effective Date of the Plan. All other Employees shall become Participants as of the date selected in 3.a. through 3.e. above. (Must also elect 2.f. above.)

G. CONTRIBUTIONS AND FORFEITURES.

1. EMPLOYEE NONELECTIVE CONTRIBUTIONS (414(h) pick-up; Plan Section 4.01(c)):

- a. N/A. No Employee nonelective contributions are allowed.
- b. Employee nonelective contributions in the amount of _____ (must be greater than zero if selected) percent of Compensation shall be made to the Plan.

2. EMPLOYER MATCHING CONTRIBUTIONS:

a. Formulas (select all that apply):

- (i) N/A. No Employer matching contributions in this Plan.
- (ii) A discretionary percentage of a Participant's elective deferral contributions.
- (iii) _____% of a Participant's elective deferral contributions. Elective deferral contributions in excess of _____% of a Participant's Compensation for the year shall not be matched. (Must also complete G.2.b. below.)
- (iv) Equals the percentage of elective deferral contributions determined under the following schedule: (Must also complete G.2.b. below.)

Years of Service	Matching Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Elective deferral contributions in excess of _____% of a Participant's Compensation for the year shall not be matched.

- (iv) Other: _____

b. Employer matching contributions shall be made based on elective deferral (pre-tax) contributions to the following plan(s) of the Employer (insert name of plan(s) to which the elective deferral contributions being matched will be made):

3. EMPLOYER CONTRIBUTIONS (other than Employer matching contributions):

The Employer profit sharing contribution is:

- a. EMPLOYER CONTRIBUTIONS GENERALLY (choose all that apply): (Note: Contributions under this Section G.3.a. must be "substantial and recurring" in accordance with Treasury Regulation Sections 1.401-1(a)(3) and – 1(b)(2), and must be for the exclusive benefit of Employees or their Beneficiaries. The applicable dollar amount or percentage of Compensation in options (ii) through (v) below must be greater than zero.)
 - (i) A discretionary amount to be allocated to each Participant's Account in the same proportion that each such Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

- (ii) A discretionary amount equal to \$_____ on behalf of each Participant per period indicated below:
 - (a) calendar quarter
 - (b) month
 - (c) pay period
 - (d) week
 - (e) plan year
- (iii) A discretionary amount equal to \$_____ per Hour of Service up to _____ hours per Plan Year.
- (iv) A discretionary amount, equal to _____% of each Participant's Compensation for the Plan Year, or \$_____ on behalf of each Participant for the Plan Year. (May select either percentage of Compensation or dollar amount, but not both.)
- (v) A discretionary amount equal to _____% of each Participant's Compensation for the Plan Year, plus _____% of such Compensation in excess of \$_____ (Must be an amount which is less than the applicable "annual compensation limit" as specified in Plan Section 1.08).
- (vi) The Employer will make a separate discretionary contribution on behalf of each of the following classifications of Employees. Such contribution will be allocated in the following manner:
 - (a) in the same ratio that each Participant's Compensation in that classification bears to the total Compensation of all Participants in that classification for the Plan Year.
 - (b) in the same dollar amount for each Participant in that classification for the Plan Year.

Note: Must describe classifications by objective, determinable business criteria.

Classification 1: _____

Classification 2: _____

Classification 3: _____

Classification 4: _____

(vii) Other: _____

- b. CONTRIBUTIONS FOR PART-TIME, SEASONAL AND TEMPORARY EMPLOYEES: An amount equal to 7.5% of the Participant's Compensation for the entire Plan Year, reduced by the Employee Nonelective Contributions described in Section G.1. actually contributed to the Participant's account during such Plan Year, provided that such Contribution shall be made solely for Part-time, Seasonal, or Temporary Employees who are not otherwise covered by another qualifying public retirement system as defined for purposes of Treasury Regulation Section 31.3121(b)(7)-2.
- c. SPECIAL PAY CONTRIBUTIONS: An amount equal to the Employee's current daily rate of pay, multiplied by the Participant's number of unused accumulated Special Pay Days in excess of _____ (enter 0 if no excluded days), but not to exceed _____ days (enter N/A if no upper limit).

Special Pay contributions shall be made with respect to:

- (i) accumulated Vacation Pay Days
- (ii) accumulated Sick Leave Days
- (iii) both accumulated Vacation Pay and accumulated Sick Leave Days

Such contributions shall be made for a Plan Year:

- (i) for any Employee who is terminating employment during such Plan Year and who has accumulated Special Pay Days described in this Section G.3.c.
- (ii) for any active or terminating Employee with accumulated Special Pay Days described in this Section G.3.c.

4. HOURS REQUIRED TO SHARE IN ALLOCATION: An active Participant must work a specified number of Hours of Service in order to share in:

a. Employer matching contributions.

- (i) No minimum number of hours is required.
- (ii) Yes, a Participant must work a minimum of _____ Hours of Service during such year. (May not exceed 2000 hours. This option not available if matching contributions are remitted to the Plan each pay period.)

b. Employer contributions described in Section G.3.a.

- (i) No minimum number of hours is required.
- (ii) Yes, a Participant must work a minimum of _____ Hours of Service during the Plan Year. (May not exceed 2000 hours. This option not available if Special Pay contributions are elected in Section G.3.c. This option also not available if Employer contributions are remitted to the Plan each pay period, or if an allocation period other than the Plan Year is selected in Section G.3.a.(ii).)

5. FORFEITURES (Plan Section 4.03(e)):

Forfeitures of Employer contributions under Sections G.2. and G.3.a. shall be:

- a. N/A. Employer contributions are 100% Vested.
- b. used to reduce future Employer contributions under this Plan.
- c. allocated to all Participants eligible to share in the allocations in the same proportion that each Participant's Compensation for the Plan Year bears to the Compensation of all Participants for the year.
- d. Other (*must require use/exhaustion of forfeitures as soon as administratively feasible*):

6. CONTRIBUTIONS AND FORFEITURES ALLOCATED TO TERMINATED PARTICIPANTS (Plan Section 4.03(e)):

For contributions described in Section G.2. only, a Terminated Participant shall share in the allocation of Employer matching contributions and forfeitures for the Plan Year as follows:

- a. A Participant must be employed on the last day of the Plan Year in order to share in the allocation.
- b. A Participant must be employed on the last day of the Plan Year in order to share in the allocation, unless termination was for reason of death, Total and Permanent Disability, early retirement or normal retirement.
- c. A Participant must be employed on the last day of the Plan Year in order to share in the allocation, unless such Participant worked at least _____ Hours of Service during such year. (May not exceed 2000 hours.)
- d. A Participant must be employed on the last day of the Plan Year in order to share in the allocation, unless termination was for reason of death, Total and Permanent Disability, early retirement or normal retirement, and such Participant worked at least _____ Hours of Service during such year. (May not exceed 2000 hours.)
- e. A Participant is not required to be employed on the last day of the Plan Year or work a minimum number of hours in order to share in the allocation.

For contributions described in Section G.3.a. only, a Terminated Participant shall share in the allocation of Employer contributions (other than Employer matching contributions) for the Plan Year or other allocation period as follows. Notwithstanding the period selected in Section G.3.a.(ii), forfeitures shall be allocated based on the Plan Year.

- a. A Participant must be employed on the last day of such Plan Year (or other applicable period as selected in Section G.3.a.(ii)) to share in the allocation of Employer contributions.
- b. A Participant must be employed on the last day of the Plan Year (or other allocation period as selected in Section G.3.a.(ii)) in order to share in the allocation, unless termination was for reason of death, Total and Permanent Disability, early retirement or normal retirement. Notwithstanding the period selected in Section G.3.a.(ii), forfeitures shall be allocated to any Participant employed on the last day of the Plan Year, unless termination was for reason of death, Total and Permanent Disability, early retirement or normal retirement.
- c. A Participant must be employed on the last day of the Plan Year (or other applicable period as selected in Section G.3.a.(ii)) in order to share in the allocation, unless such Participant worked at least _____ Hours of Service during such year. (May not exceed 2000 hours.) If Section G.3.a.(ii) is selected, then the Hours of Service requirement is applicable to allocation of forfeitures only.
- d. A Participant must be employed on the last day of the Plan Year (or other applicable period as selected in Section G.3.a.(ii)) in order to share in the allocation, unless termination was for reason of death, Total and Permanent Disability, early retirement or normal retirement, and such Participant worked at least _____ Hours of Service during such year. (May not exceed 2000 hours.) If Section G.3.a.(ii) is selected, then the Hours of Service requirement is applicable to allocation of forfeitures only.
- e. A Participant is not required to be employed on the last day of the Plan Year (or other applicable period as selected in Section G.3.a.(ii)) or work a minimum number of hours in order to share in the allocation.

7. FROZEN PLAN:

- a. N/A. Plan is not frozen.
- b. This Plan is a frozen plan effective _____. No contributions will be made to the Plan with respect to any period following the stated date.

8. CONTINUED BENEFIT ACCRUALS FOR PARTICIPANTS ON MILITARY LEAVE (Plan Section 12.02). Continued benefit accruals for the HEART Act will not apply unless elected below:

- a. The provisions of Plan Section 12.02 apply effective as of: (select one)
 - (i) the first day of the 2007 Plan Year
 - (ii) _____ (may not be earlier than first day of the 2007 Plan Year)

However, the provisions no longer apply effective as of: (select if applicable)

(iii) _____

H. COMPENSATION.

1. COMPENSATION with respect to any Participant means:

- a. Wages, tips and other Compensation on Form W-2.
- b. 415 safe-harbor compensation.
- c. Code section 3401 wages (wages for Federal income tax withholding).

However, Compensation shall exclude:

- (i) N/A. No exclusions
- (ii) overtime
- (iii) bonuses
- (iv) commissions
- (v) shift differential pay
- (vi) other _____
(Must be objectively determinable and applied in a uniform, nondiscriminatory basis, e.g., taxable reimbursements or other fringe benefits.)

2. Compensation shall be based on:

- a. the Plan Year.
- b. the Fiscal Year ending with or within the Plan Year.
- c. the calendar year ending with or within the Plan Year.

3. However, for an Employee's first year of participation, Compensation shall be recognized as of:

- a. the first day of the period selected in 2. above.
- b. the Participant's Effective Date of Participation (Section F.3.).

4. In addition, Compensation shall include compensation that is not currently includible in the Participant's gross income (salary reduction amounts) by reason of the application of Code Sections 125, 402(g)(3) or 457, and 132(f)(4).

- a. Yes
 - (i) Code Section 125 elective deferrals will include deemed Code Section 125 compensation.
 - (ii) Code Section 125 elective deferrals will not include deemed Code Section 125 compensation.

b. No

5. Compensation for purposes of calculating contributions to the Plan will be determined:

- a. on an annual basis.
- b. on a payroll period basis (must also check (i) or (ii) below).
 - (i) Contributions will be adjusted, if necessary, to meet the Plan formula on an annual basis.
 - (ii) Contributions will not be adjusted to meet the Plan formula on an annual basis.

6. Differential wage payments (as described in Plan Section 12.03) will be treated, for Plan Years beginning after December 31, 2008, as Compensation for all Plan benefit purposes unless a. is elected below:

- a. In lieu of the above default provision, the Employer elects the following (select all that apply):
 - (i) The inclusion is effective for Plan Years beginning after _____ (may not be earlier than December 31, 2008).
 - (ii) The inclusion only applies to Compensation for purposes of Employee nonelective contributions.
 - (iii) Differential wage payments shall not be treated as Compensation for purposes of any Plan benefit accruals.

7. Compensation paid after severance from employment (Plan Section 4.04). Note: The Employer only needs to complete Section H.7.b. in order to override the default provisions set forth in H.7.a., below. If the Plan will use all of the default provisions, then Section H.7.b. should be skipped.

- a. **Default provisions.** Unless the Employer elects otherwise in Section H.7.b. below, the following defaults will apply:
 - (i) The provisions of the Plan setting forth the definition of compensation for purposes of Code § 415 (hereinafter referred to as "415 Compensation") shall be modified (with respect to amounts paid after Severance from Employment) by (1) including payments for unused sick, vacation or other leave and payments from nonqualified unfunded deferred compensation plans (Plan Section 4.04(d)(2)(ii)), (2) excluding salary continuation payments for participants on military leave (Plan Section 4.04(d)(2)(iii)), and (3) excluding salary continuation payments for disabled participants (Plan Section 4.04(d)(2)(iv)).
 - (ii) The "first few weeks rule" does not apply for purposes of 415 Compensation (Plan Section 4.04(d)(2)).

2. In determining Years of Service or Periods of Service for vesting purposes, the following service shall be EXCLUDED:
 - a. N/A. All Years of Service or Periods of Service shall be counted.
 - b. Service prior to the Effective Date of the Plan or a predecessor plan.
 - c. Service prior to the time an Employee attained age 18.

3. Vesting Upon Death
 - a. 100% vesting, or
 - b. apply vesting schedule

4. Vesting Upon Disability
 - a. 100% vesting, or
 - b. apply vesting schedule

K. NORMAL RETIREMENT AGE; EARLY RETIREMENT AGE.

1. NORMAL RETIREMENT AGE ("NRA") means:
 - a. attainment of age 65 (not to exceed 65).
 - b. the later of attainment of age _____ (not to exceed 65) or the _____ (not to exceed 10th) anniversary of the first day of the Plan Year in which participation in the Plan commenced.
 - c. other: _____.
2. EARLY RETIREMENT AGE ("ERA") means:
 - a. no early retirement provision.
 - b. attainment of age _____ (not to exceed 65).
 - c. the later of attainment of age _____ (not to exceed 65) or the _____ (not to exceed 10th) anniversary of the first day of the Plan Year in which participation in the Plan commenced.
 - d. the later of attainment of age _____ (not to exceed 65) or completion of _____ (not to exceed 10) Years of Service or _____ (not to exceed 120) Months of Service.
 - e. other: _____.

L. IN-SERVICE DISTRIBUTIONS (Plan Section 6.10)

1. Except as provided in Sections I or M, no distribution may be made prior to termination of employment. (must be selected for plans that select G.3.b.)
2. Distributions may be made, at the Participant's election, from any accounts that are 100% Vested without requiring the Participant to terminate employment, provided the following condition(s) has been satisfied (must select at least one):
 - a. the Participant has attained age _____.
 - b. the amount distributed has accumulated for at least two (2) Plan Years.
 - c. the Participant has participated in the Plan for at least five (5) Plan Years.

M. HARDSHIP DISTRIBUTIONS (Plan Section 6.11)

1. Hardship distributions may be made from any accounts that are 100% Vested:
 - a. No (must be selected for plans that select G.3.b.)
 - b. Yes (must also complete item 2. below)
2. Hardship distributions for expenses of Beneficiaries will be allowed effective as of August 17, 2006, unless a. or b. is elected below (applies only to plans that allow hardship distributions):
 - a. Hardship distributions for Beneficiary expenses are allowed effective as of _____ (may not be earlier than August 17, 2006).
 - b. Hardship distributions for Beneficiary expenses are not allowed.

N. DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT (Plan Section 6.04(a)). Distributions upon termination of employment shall not be made unless the following conditions have been satisfied:

1. N/A. Immediate distributions may be made at Participant's election.
2. The Participant has incurred _____ (not to exceed five (5)) 1-Year Break(s) in Service.
3. The Participant has reached Early or Normal Retirement Age.
4. Distributions may be made at the Participant's election on or after the Anniversary Date following termination of employment.

O. RESTRICTIONS ON FORM OF DISTRIBUTIONS (Plan Sections 6.05 and 6.06). If the Employer has designated one or more annuity contracts as eligible investments under the Plan, distributions under the Plan may be made in the form of an annuity. In all cases, distributions under the Plan may be made:

1. in lump sums.
2. in lump sums or installments.

P. INVOLUNTARY DISTRIBUTIONS

An immediate distribution of a terminated Participant's Vested interest in the Plan may be made without the consent of the Participant. Note: If the Employer elects 3. or 4., below, the Employer must select an IRA provider for automatic rollovers. See Plan Section 6.05(b).

- 1. No.
- 2. Yes, but only if the distribution does not exceed \$1,000.
- 3. Yes, but only if the Participant's Vested interest does not exceed the cash-out limit in effect under Code Section 411(a)(11)(A) for the Plan Year that includes the date of distribution. For purposes of determining whether the Participant's Vested interest exceeds the cash-out limit, rollover contributions shall be (must select a. or b. below):
 - a. excluded
 - b. included
- 4. Yes, regardless of the amount. Note: If any portion of the Participant's Vested interest is attributable to contributions for Part-time, Seasonal or Temporary Employees under Section G.3.b., distribution may not be made without the Participant's consent if the Participant's Vested interest is greater than the cash-out limit in effect under Code Section 411(a)(11)(A) for the Plan Year that includes the date of distribution.
- 5. Other: _____

Q. NON-SPOUSAL ROLLOVERS (Plan Section 6.14(g)). Non-spousal rollovers are allowed after December 31, 2006 unless 1. or 2. is elected below (Plan Section 6.14(g) provides that such distributions are always allowed after December 31, 2009):

- 1. Non-spousal rollovers are not allowed prior to January 1, 2010.
- 2. Non-spousal rollovers are allowed effective _____ (not earlier than January 1, 2007 and not later than December 31, 2009).

R. IN-SERVICE DISTRIBUTIONS OF TRANSFERRED MONEY PURCHASE ASSETS (Plan Section 6.10). In-service distributions (of amounts transferred to this Plan from a money purchase pension plan) will not be allowed unless 1. is elected below:

- 1. In-service distributions (of amounts transferred to this Plan from a money purchase pension plan) will be allowed for Participants at age ____ (cannot be less than 62) effective as of the first day of the 2007 Plan Year unless another date is elected below:
 - a. ____ (may not be earlier than the first day of the 2007 Plan Year).

AND, the following limitations apply to such in-service distributions:

- b. The Plan already provides for in-service and the restrictions set forth in the Plan (e.g., minimum amount of distributions or frequency of distributions) are applicable to in-service distributions of amounts transferred from a money purchase plan.
- c. N/A. No limitations.
- d. The following elections apply to in-service distributions of transferred money purchase assets (select all that apply):
 - (i) The minimum amount of a distribution is \$_____ (may not exceed \$1,000).
 - (ii) No more than _____ distribution(s) may be made to a Participant during a Plan Year.
 - (iii) Distributions may only be made from accounts that are fully Vested.
 - (iv) In-service distributions may be made subject to the following provisions:
_____ (must be definitely determinable and not subject to discretion).

S. QUALIFIED RESERVIST DISTRIBUTIONS (Plan Section 6.12). Qualified Reservist Distributions will not be allowed unless 1. is elected below:

- 1. Qualified Reservist Distributions are allowed effective as of _____ (may not be earlier than September 12, 2001).

T. DISTRIBUTIONS FOR "DEEMED" SEVERANCE OF EMPLOYMENT OF PARTICIPANT ON MILITARY LEAVE (Plan Section 12.04). The Plan does not permit distributions pursuant to Plan Section 12.04 unless otherwise elected below:

- 1. The Plan permits such distributions, effective January 1, 2007.
- 2. The Plan permits such distributions effective as of _____ (may not be earlier than January 1, 2007).

U. WRERA (RMD WAIVERS FOR 2009) (Plan Section 6.16). The provisions of Plan Section 6.16(a) apply (RMDs continue in accordance with the terms of the Plan for Participants or Beneficiaries receiving installment payments unless such Participant or Beneficiary elects otherwise, whereas RMDs are suspended for all other Participants and Beneficiaries) unless otherwise elected below:

- 1. The provisions of Plan Section 6.16(b) apply (RMDs continue in accordance with the terms of the Plan for all Participants and Beneficiaries, unless otherwise elected by a Participant or Beneficiary).
- 2. The provisions of Plan Section 6.16(c) apply (RMDs continue in accordance with the terms of the Plan for all Participants and Beneficiaries, but only Participants or Beneficiaries receiving installment payments may elect otherwise).
- 3. Other: _____

For purposes of Plan Section 6.16, the Plan will also treat the following as eligible rollover distributions in 2009: (If no election is made, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H)):

- 4. 2009 RMDs (as defined in Section 6.16(a) of the Plan) and installment payments that include 2009 RMDs.
- 5. 2009 RMDs (as defined in Section 6.16(a) of the Plan) but only if paid with an additional amount that is an eligible rollover distribution without regard to Code §401(a)(9)(H).

V. LOANS TO PARTICIPANTS (Plan Section 11.01)

Loans to Participants shall be made:

- 1. No (must be selected for plans that select G.3.b.)
- 2. Yes, for any reason
- 3. Yes, but only on account of hardship or financial need

W. DIRECTED INVESTMENT ACCOUNTS (Plan Section 4.09) are permitted for the interest in any one or more accounts:

- 1. Yes, but subject to the following restrictions:

- a. No restrictions apply.
- b. Only if accounts are 100% vested.

- 2. No

- 3. Other: _____

X. DOMESTIC RELATIONS ORDERS (Plan Section 6.13). Distributions to an "alternate payee" may be made prior to the time when the Participant is entitled to a distribution under the terms of the Plan:

- 1. No
- 2. Yes

Y. TOTAL AND PERMANENT DISABILITY (Plan Section 1.45). Total and Permanent Disability will be determined based on the definition in Section 1.45 of the Plan unless an alternate definition is elected and described below:

- 1. Alternate definition: _____

RESTRICTIONS ON USE OF ADOPTION AGREEMENT: This Adoption Agreement may be used solely in conjunction with the VALIC Retirement Services Company Retirement Plan for Governmental Employers (the Basic Plan Document). The Adoption Agreement and the Basic Plan Document together constitute the "volume submitter document" that is being adopted by the Employer.

APPROVAL BY VOLUME SUBMITTER PRACTITIONER REQUIRED: This volume submitter specimen document may be adopted only with the approval of the Volume Submitter Practitioner identified in Section A above. However, 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. The Volume Submitter Practitioner will inform the adopting Employer of any amendments made to the volume submitter document, or of the discontinuance or abandonment of the volume submitter document.

RELIANCE ON VOLUME SUBMITTER PLAN: The adopting Employer may rely on an advisory letter issued to the Volume Submitter Practitioner by the Internal Revenue Service as evidence that the plan is qualified under Code Section 401 only if (1) the Employer's plan is identical to a volume submitter specimen plan with a currently valid favorable advisory letter, (2) the Employer has chosen only options permitted under the Adoption Agreement portion of the specimen document, (3) the Employer has followed the terms of the plan, and (4) all other conditions of section 19 of Revenue Procedure 2011-49 have been satisfied.

The Employer may not rely on an advisory letter in certain circumstances or with respect to certain qualification requirements as described in section 19 of Revenue Procedure 2011-49. For example, the Employer may not rely on an advisory letter with respect to the requirements of Section 415 if the Employer maintains or has ever maintained another plan covering some of the same participants. In those circumstances where an Employer is not permitted to rely on an advisory letter issued to the Volume Submitter Practitioner, either generally or with respect to a particular qualification requirement, the Employer may choose to apply to the Internal Revenue Service for a determination letter.

CAUTION: This volume submitter document has been designed for use solely by Employers that are state or local governmental entities. As such, it is designed solely for "governmental plans" that are exempt from Title I of ERISA and certain provisions of the Internal Revenue Code that otherwise apply to qualified plans. However, there may be restrictions under state or local law on a governmental Employer's right to establish its own qualified plan (or on the types of provisions that may be included in such plan). The Employer should consult with legal counsel to verify that the establishment of this plan (or the specific provisions elected in this Adoption Agreement) are not contrary to existing state law. Neither the Volume Submitter Practitioner nor its employees or representatives are authorized to provide legal or tax advice to the Employer or its employees or representatives. Failure to properly complete this Adoption Agreement may result in disqualification of the plan.

Signed this 8th day of December, 2015

Name of Employer: Camarillo Health Care District

Signed: _____
Kara Ralston, Chief Executive Officer

Name of Trustee: Rodger Brown

Signed: _____
Rodger Brown, President
Camarillo Health Care District

Name of Co-Trustee: Christopher Loh

Signed: _____
Christopher Loh, Vice President
Camarillo Health Care District

Mailing Address of Trustee(s)*:

Camarillo Health Care District
3639 E Las Posas Road, Suite 117
Camarillo, CA 93010

Approval of Volume Submitter Practitioner: The Employer's adoption of this volume submitter document is approved by the Volume Submitter Practitioner, VALIC Retirement Services Company.

By: _____

Name: _____

Title: _____

Date: _____

Appendix A

Special Effective Dates

Pursuant to Section 7.01(a) of the Basic Plan Document, the Employer may specify or change the effective date of one or more provisions of the Adoption Agreement by completing this Appendix A. The Employer may wish to specify one or more special effective dates if, for example, (i) certain Plan provisions will not be effective until a later date, or (ii) the Plan is being restated for the Pension Protection Act of 2006 (retroactive to the first day of the current Plan Year), and special effective dates are needed to reflect discretionary amendments to the Plan since the beginning of the Plan Year. However, no special effective date may be earlier than the Effective Date (or the Restated Effective Date, in the case of a restatement) of the Plan, and no special effective date shall result in the delay of a Plan provision beyond the permissible effective date under any applicable law. For periods prior to the special effective date(s) specified below, the Plan terms in effect prior to its restatement under this Adoption Agreement will control for purposes of the designated provisions.

SPECIAL EFFECTIVE DATES. The following special effective dates apply: (select a. or all that apply)

- a. **N/A.** The Employer is not electing any special effective dates.
- b. **Eligibility Requirements.** The Eligibility and/or Entry Date provisions in Section F. are effective: _____
- c. **Contributions and Forfeitures.** The Contribution and/or Forfeiture provisions in Section G. are effective: _____
- d. **Compensation.** The Compensation provisions in Section H. are effective: _____
- e. **Vesting.** The Vesting provisions in Section J. are effective: _____
- f. **Other special effective date(s):** _____

PARTICIPATION AGREEMENT

[X] Check here if not applicable and do *not* complete this page

The undersigned, by executing this Participation Agreement, elects to become a Participating Employer in the Plan identified in Section B.1. of the accompanying Adoption Agreement, as if the Participating Employer were a signatory to that Adoption Agreement. The Participating Employer accepts, and agrees to be bound by, all of the elections granted under the provisions of the Plan as made by the Signatory Employer to the Adoption Agreement, except as otherwise provided in this Participation Agreement.

1. **EFFECTIVE DATE.** (Note: The Effective Date for a new Plan (or the Restated Effective Date for a restated plan) cannot be earlier than the first day of the Plan Year in which this plan is adopted (or restated). Restatements for the Pension Protection Act of 2006 ("PPA") may be effective as of the first day of the current Plan Year, as the Plan contains applicable retroactive effective dates with respect to provisions affected by PPA and subsequent legislation/guidance. Section 414(h) Pick-up contributions must relate solely to Compensation for services rendered after the later of the adoption or effective date of this Plan or restatement.)

The Effective Date (or Restated Effective Date) of the Plan for the Participating Employer is: _____.

2. **NEW PLAN/RESTATEMENT.** The Participating Employer's adoption of this Plan constitutes: *(Choose one of (a) or (b))*

- a. The adoption of a new plan by the Participating Employer.
- b. The adoption of an amendment and restatement of a plan currently maintained by the Participating Employer identified as: _____ and having an original effective date of: _____.

3. **PREDECESSOR EMPLOYER SERVICE.** In addition to the predecessor service credited by reason of Section E.1. of the Adoption Agreement, the Plan credits as Service under this Plan, service with this Participating Employer for purposes of: *(Choose one or more of (a) through (e) as applicable)*

- a. Eligibility.
- b. Vesting.
- c. Contribution Accrual.
- d. Early Retirement Age.
- e. Normal Retirement Age.

Name of Plan: _____

Name of Participating Employer: _____

Signed: _____

Name: _____

Title: _____

Date: _____

Participating Employer's EIN: _____

Acceptance by the Signatory Employer of the Adoption Agreement and by the Trustee, if applicable.

Name of Signatory Employer: _____

Name(s) of Trustee: _____

Signed: _____

Signed: _____

Name/Title: _____

Name/Title: _____

Date: _____

Date: _____

[Note: Each Participating Employer must execute a separate Participation Agreement.]



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

Plan Description: Volume Submitter Profit Sharing Plan
FFN: 31558340002-001 Case: 201200204 EIN: 76-0519990
Letter Serial No: J593778a
Date of Submission: 04/04/2012

VALIC RETIREMENT SERVICES COMPANY
2929 ALLEN PARKWAY, L11-40
HOUSTON, TX 77019

Contact Person:
Janell Hayes
Telephone Number:
513-263-3602
In Reference To: TEGE:EP:7521
Date: 03/31/2014

Dear Applicant:

In our opinion, the form of the plan identified above is acceptable under section 401 of the Internal Revenue Code for use by employers for the benefit of their employees. This opinion relates only to the acceptability of the form of the plan under the Internal Revenue Code. It is not an opinion of the effect of other Federal or local statutes.

You must furnish a copy of this letter, a copy of the approved plan, and copies of any subsequent amendments to adopting employers if the practitioner is authorized to amend the plan on their behalf, to each employer who adopts this plan. Effective on or after 10/31/2011, interim amendments adopted by the practitioner on behalf of employers must provide the date of adoption by the practitioner.

This letter considers the changes in qualification requirements contained in the 2010 Cumulative List of Notice 2010-90, 2010-52 I.R.B. 909.

Our opinion on the acceptability of the form of the plan is not a ruling or determination as to whether an employer's plan qualifies under Code section 401(a). However, an employer that adopts this plan may rely on this letter with respect to the qualification of its plan under Code section 401(a), as provided for in Rev. Proc. 2011-49, 2011-44 I.R.B. 608, and outlined below. The terms of the plan must be followed in operation.

Except as provided below, our opinion does not apply with respect to the requirements of Code sections 401(a)(4), 401(l), 410(b), and 414(s). Our opinion does not apply for purposes of Code section 401(a)(10)(B) and section 401(a)(16) if an employer ever maintained another qualified plan for one or more employees who are covered by this plan. For this purpose, the employer will not be considered to have maintained another plan merely because the employer has maintained another defined contribution plan(s), provided such other plan(s) has been terminated prior to the effective date of this plan and no annual additions have been credited to the account of any participant under such other plan(s) as of any date within the limitation year of this plan. Also, for this purpose, an employer is considered as maintaining another plan, to the extent that the employer maintains a welfare benefit fund defined in Code section 419(e), which provides postretirement medical benefits allocated to separate accounts for key employees as defined in Code section 419A(d)(3), or an individual medical account as defined in Code section 415(l)(2), which is part of a pension or annuity plan maintained by the employer, or a simplified employee pension plan.

Our opinion does not apply for purposes of the requirement of section 1.401(a)-1(b)(2) of the regulations applicable to a money purchase plan or target benefit plan where the normal retirement age under the employer's plan is lower than age 62.

Letter 4333

This is not a ruling or determination with respect to any language in the plan that reflects Section 3 of the Defense of Marriage Act, Pub. L. 104-199, 110 Stat. 2419 (DOMA) or U.S. v. Windsor, 133 S. Ct. 2675 (2013), which invalidated that section.

This letter is not a ruling with respect to the tax treatment to be accorded contributions which are picked up by the governmental employing unit within the meaning of section 414(h)(2) of the Internal Revenue Code.

Our opinion applies with respect to the requirements of Code section 410(b) if 100 percent of all nonexcludable employees benefit under the plan. Employers that elect a safe harbor allocation formula and a safe harbor compensation definition can also rely on an advisory letter with respect to the nondiscriminatory amounts requirement under section 401(a)(4). If this plan includes a CODA or otherwise provides for contributions subject to sections 401(k) and/or 401(m), the advisory letter can be relied on with respect to the form of the nondiscrimination tests of 401(k)(3) and 401(m)(2) if the employer uses a safe harbor compensation definition. In the case of plans described in section 401(k)(12) or (13) and/or 401(m)(11) or (12), employers may also rely on the advisory letter with respect to whether the form of the plan satisfies the requirements of those sections unless the plan provides for the safe harbor contribution to be made under another plan.

The employer may request a determination (1) as to whether the plan, considered with all related qualified plans and, if appropriate, welfare benefit funds, individual medical benefit accounts, and simplified employee pension plans, satisfies the requirements of Code section 401(a)(16) as to limitations on benefits and contributions in Code section 415 and the requirements of Code section 401(a)(10)(B) as to the top-heavy plan requirements in Code section 416; (2) with respect to whether a money purchase or target benefit plan's normal retirement age which is earlier than age 62 satisfies the requirements of section 401(a)-1(b)(2) of the Income Tax Regulations; (3) that the plan is a multiple employer plan; (4) whether there has been a partial termination; and (5) to comply with published procedures of the Service (e.g. minimum funding waiver request). The employer may request a determination letter by filing an application with Employee Plans Determinations on Form 5307, with regard to item (1) above, and Form 5300, for items (2), (3), (4) and (5), without restating for the Cumulative List in effect when the application is filed.

If you, the volume submitter practitioner, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the practitioner. Individual participants and/or adopting employers with questions concerning the plan should contact the volume submitter practitioner. The plan's adoption agreement, if applicable, must include the practitioner's address and telephone number for inquiries by adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us if you modify or discontinue sponsorship of this plan.

Sincerely Yours,



Andrew E. Zuckerman
Director, Employee Plans Rulings and Agreements

**VALIC RETIREMENT SERVICES COMPANY
RETIREMENT PLAN FOR GOVERNMENTAL EMPLOYERS
Basic Plan Document**

TABLE OF CONTENTS

ARTICLE I - DEFINITIONS.....4

ARTICLE II - ADMINISTRATION13

 2.01 POWERS AND RESPONSIBILITIES OF THE EMPLOYER 13

 2.02 DESIGNATION OF ADMINISTRATIVE AUTHORITY 13

 2.03 ALLOCATION AND DELEGATION OF RESPONSIBILITIES..... 13

 2.04 POWERS AND DUTIES OF THE ADMINISTRATOR..... 14

 2.05 RECORDS AND REPORTS..... 14

 2.06 APPOINTMENT OF ADVISERS 15

 2.07 INFORMATION FROM EMPLOYER..... 15

 2.08 PAYMENT OF CONTRACT FEES 15

 2.09 PAYMENT OF EXPENSES 15

 2.10 MAJORITY ACTIONS..... 15

 2.11 CLAIMS PROCEDURE 15

 2.12 CLAIMS REVIEW PROCEDURE..... 15

ARTICLE III - ELIGIBILITY.....17

 3.01 CONDITIONS OF ELIGIBILITY 17

 3.02 EFFECTIVE DATE OF PARTICIPATION 17

 3.03 DETERMINATION OF ELIGIBILITY 17

 3.04 TERMINATION OF ELIGIBILITY 17

 3.05 ELECTION NOT TO PARTICIPATE..... 18

ARTICLE IV - CONTRIBUTION AND ALLOCATION19

 4.01 FORMULA FOR DETERMINING EMPLOYER’S CONTRIBUTION..... 19

 4.02 TIME OF PAYMENT OF EMPLOYER’S CONTRIBUTION 20

 4.03 ALLOCATION OF CONTRIBUTIONS, FORFEITURES AND EARNINGS 20

 4.04 MAXIMUM ANNUAL ADDITIONS 21

 4.05 ADJUSTMENT FOR EXCESSIVE ANNUAL ADDITIONS..... 27

 4.06 TRANSFERS AND ROLLOVERS FROM OTHER EMPLOYER PLANS 28

 4.07 VOLUNTARY EMPLOYEE CONTRIBUTIONS (EMPLOYEE AFTER-TAX CONTRIBUTIONS)..... 29

 4.08 QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS 29

 4.09 DIRECTED INVESTMENT ACCOUNT..... 30

ARTICLE V - TRUSTEE AND CUSTODIAN.....31

 5.01 BASIC RESPONSIBILITIES OF THE TRUSTEE 31

 5.02 INVESTMENT POWERS AND DUTIES OF THE TRUSTEE..... 32

 5.03 OTHER POWERS OF THE TRUSTEE 33

 5.04 DUTIES OF THE TRUSTEE REGARDING PAYMENTS..... 35

 5.05 TRUSTEE’S COMPENSATION AND EXPENSES AND TAXES 35

 5.06 ANNUAL REPORT OF THE TRUSTEE..... 35

 5.07 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE 36

 5.08 TRUSTEE INDEMNIFICATION 36

 5.09 VALUATION OF THE TRUST FUND 36

 5.10 METHOD OF VALUATION..... 37

 5.11 USE OF CUSTODIAL ACCOUNT..... 37

ARTICLE VI - DETERMINATION AND DISTRIBUTION OF BENEFITS38

 6.01 DETERMINATION OF BENEFITS UPON RETIREMENT..... 38

 6.02 DETERMINATION OF BENEFITS UPON DEATH 38

 6.03 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY 38

 6.04 DETERMINATION OF BENEFITS UPON TERMINATION 38

6.05	DISTRIBUTION OF BENEFITS.....	40
6.06	DISTRIBUTION OF BENEFITS UPON DEATH	41
6.07	TIME OF SEGREGATION OR DISTRIBUTION	42
6.08	DISTRIBUTION FOR MINOR BENEFICIARY	42
6.09	LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN	42
6.10	IN-SERVICE DISTRIBUTION	43
6.11	ADVANCE DISTRIBUTION FOR HARDSHIP	43
6.12	QUALIFIED RESERVIST DISTRIBUTIONS	44
6.13	LIMITATIONS ON BENEFITS AND DISTRIBUTIONS UNDER DOMESTIC RELATIONS ORDERS	44
6.14	DIRECT ROLLOVER	45
6.15	REQUIRED MINIMUM DISTRIBUTIONS	46
6.16	WAIVER OF 2009 REQUIRED MINIMUM DISTRIBUTIONS	49
6.17	PARTICIPANT DISTRIBUTION NOTIFICATION	51
ARTICLE VII - AMENDMENT AND TERMINATION.....		52
7.01	AMENDMENT BY EMPLOYER	52
7.02	AMENDMENT BY VOLUME SUBMITTER PRACTITIONER.....	52
7.03	TERMINATION	53
ARTICLE VIII - MISCELLANEOUS		54
8.01	EMPLOYER ADOPTIONS	54
8.02	PARTICIPANT'S RIGHTS	54
8.03	ALIENATION.....	54
8.04	CONSTRUCTION OF PLAN.....	55
8.05	GENDER AND NUMBER	55
8.06	LEGAL ACTION.....	55
8.07	PROHIBITION AGAINST DIVERSION OF FUNDS.....	55
8.08	EMPLOYER'S, ADMINISTRATOR'S AND TRUSTEE'S PROTECTIVE CLAUSE	55
8.09	INSURER'S PROTECTIVE CLAUSE.....	55
8.10	RECEIPT AND RELEASE FOR PAYMENTS.....	55
8.11	ACTION BY THE EMPLOYER	56
8.12	RESPONSIBLE PARTIES AND ALLOCATION OF RESPONSIBILITY	56
8.13	HEADINGS.....	56
8.14	APPROVAL BY INTERNAL REVENUE SERVICE.....	56
8.15	UNIFORMITY	57
ARTICLE IX - PARTICIPATING EMPLOYERS.....		58
9.01	ELECTION TO BECOME A PARTICIPATING EMPLOYER.....	58
9.02	REQUIREMENTS OF PARTICIPATING EMPLOYERS.....	58
9.03	DESIGNATION OF AGENT.....	58
9.04	EMPLOYEE TRANSFERS	58
9.05	PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES	58
9.06	AMENDMENT	59
9.07	DISCONTINUANCE OF PARTICIPATION.....	59
9.08	ADMINISTRATOR'S AUTHORITY	59
ARTICLE X - CONTRACTS.....		60
10.01	PURCHASE OF CONTRACTS.....	60
10.02	EMPLOYER DESIGNATED AS OWNER.....	60
10.03	TYPE OF CONTRACT(S).....	60
10.04	VOTING RIGHTS	60
10.05	CERTIFICATE OF PARTICIPATION.....	60
10.06	INSURER INDEMNIFICATION	60

ARTICLE XI - LOANS, AUDITS AND TRANSFERS	61
11.01 LOANS TO PARTICIPANTS	61
11.02 TRANSFER OF INTEREST	62
ARTICLE XII - HEART ACT PROVISIONS	63
12.01 DEATH BENEFITS	63
12.02 BENEFIT ACCRUAL.....	63
12.03 DIFFERENTIAL WAGE PAYMENTS.....	63
12.04 DEEMED SEVERANCE	63

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:

1.01 "Administrator" means the Employer or such person(s) or entity designated by the Employer pursuant to Section 2.02 to administer the Plan on behalf of the Employer.

1.02 "Adoption Agreement" means the separate Agreement which is executed by the Employer and accepted by the Insurer (or Trustee, if applicable) and sets forth the elective provisions of this Plan and Trust as specified by the Employer.

1.03 "Affiliated Employer" means the Employer and any other entity that is required to be aggregated with the Employer under the provisions of the Code (or the Regulations or other IRS guidance) applicable to qualified retirement plans under Section 401(a) and/or Section 403(a) of the Code.

1.04 "Aggregate Account" means with respect to each Participant, the value of all accounts maintained on behalf of a Participant, whether attributable to Employer or Employee contributions.

1.05 "Anniversary Date" means the anniversary date specified in the Adoption Agreement.

1.06 "Beneficiary" means any person to whom a share of a deceased Participant's interest in the Plan is payable, subject to Sections 6.02 and 6.06.

1.07 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.08 "Compensation" with respect to any Participant means one of the following definitions, as selected in the Adoption Agreement:

(a) Compensation on Form W-2. Compensation is defined as wages, as defined in Code Section 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 Sections 6041(d), 6051(a)(3) and 6052. Compensation must be determined without regard to any rules under Code Section 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 Section 3401(a)(2)).

(b) Code Section 3401(a) Wages. Compensation is defined as wages within the meaning of Code Section 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 Section 3401(a)(2)).

(c) 415 Safe-Harbor Compensation. Compensation is defined as wages, salaries, 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 salesmen, 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 Section 1.62-2(c)), and excluding the following:

(1) 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 deductible by the Employee, or any distributions from a plan of deferred compensation;

(2) 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;

(3) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(4) Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Internal Revenue Code (whether or not the contributions are actually excludable from the gross income of the Employee).

If so elected in the Adoption Agreement, Compensation shall be adjusted, as set forth herein and as otherwise elected in the Adoption Agreement, for the following types of compensation paid after a Participant's severance from employment with the Employer maintaining the Plan (or any other entity that is treated as the Employer pursuant to Code Section 414(b), (c), (m) or (o)). However, amounts described in subsections (d) and (e) below may only be included in Compensation to the extent such amounts are paid by the later of 2 1/2 months after severance from employment or by the end of the limitation year that includes the date of such severance from employment. 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.

(d) Regular pay. Unless otherwise elected in the Adoption Agreement, Compensation shall include regular pay after severance of employment if:

(1) 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

(2) 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.

(e) Leave cashouts and deferred compensation. Leave cashouts shall be included in Compensation, unless otherwise elected in the Adoption Agreement, if those amounts would have been included in the definition of Compensation if they were paid prior to the participant's severance from employment, and the amounts are payment 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. In addition, deferred compensation shall be included in Compensation, unless otherwise elected in the Adoption Agreement, if the compensation would have been included in the definition of Compensation if it had been paid prior to the participant's severance from employment, and the compensation is 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 that the payment is includible in the participant's gross income.

(f) Salary continuation payments for military service participants. Compensation does not include, unless otherwise elected in the Adoption Agreement, 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 Section 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.

(g) Salary continuation payments for disabled Participants. Unless otherwise elected in the Adoption Agreement, Compensation does not include compensation paid to a participant who is permanently and totally disabled (as defined in Code Section 22(e)(3)). If elected, this provision shall apply to all participants for the period specified in the Adoption Agreement.

In addition, if specified in the Adoption Agreement, Compensation for all Plan purposes shall also include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125 or 457, and 132(f)(4).

If specified in the Adoption Agreement, amounts under Code Section 125 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 (deemed Code Section 125 compensation). An amount will be treated as an amount under Code Section 125 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.

The annual compensation of each Participant taken into account in determining allocations for any Plan Year shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code (the "annual compensation limit"). Annual compensation means Compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the "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).

Notwithstanding the previous paragraph, the "annual compensation limit" for "eligible participants" shall be the greater of (i) the "annual compensation limit" as described in the previous paragraph, or (ii) the amount of compensation that was allowed to be taken into account under the Plan as in effect on July 1, 1993. Therefore, if the Plan as in effect on July 1, 1993 determined benefits without any limit on compensation, then the "annual compensation limit" in effect under this Section 1.08 will not apply to any "eligible participant" in any future year. For purposes of this paragraph, an "eligible participant" is an individual who first became a participant in the Plan prior to the first day of the first Plan Year beginning after the earlier of: (i) the last day of the Plan Year by which a plan amendment to reflect the requirements of Section 13212 of the Omnibus Budget Reconciliation Act of 1993 was both adopted and effective; or (ii) December 31, 1995. However, this paragraph shall not apply unless (i) the Plan was in effect on July 1, 1993, and (ii) the Plan was amended to incorporate by reference the annual compensation limitation under Section 401(a)(17) of the Code, effective (with respect to all participants other than the "eligible participants") for Plan Years beginning after December 31, 1995 (or earlier, if the Plan so provided). Any reference in any other section of this Plan to the limitation under Code Section 401(a)(17) shall mean the "annual compensation limit" set forth in this Section 1.08, but taking into account the special provisions of this paragraph.

Notwithstanding the following paragraph or any election in the Adoption Agreement, if the Plan is a 401(k) plan, then participants may not make elective deferrals with respect to amounts that are not 415 Compensation. However, for this purpose, 415 Compensation is not limited to the annual compensation limit of Code Section 401(a)(17).

Compensation for purposes of allocations (hereinafter referred to as Plan Compensation) shall be adjusted, unless otherwise elected in the Adoption Agreement, in the same manner as 415 Compensation pursuant to Section 4.04, except in applying Section 4.04, the term "limitation year" shall be replaced with the term "plan year" and the term "415 Compensation" shall be replaced with the term "Plan Compensation."

The provisions of the two preceding paragraphs (and the provisions above regarding post-severance compensation) shall apply for Plan Years beginning more than ninety (90) days after the close of the first regular legislative session (of the legislative body with authority to amend the Plan) that begins on or after July 1, 2007, unless an earlier effective date is specified in the Adoption Agreement.

1.09 "Contract" means any 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.

1.10 "Designated Investment Alternative" means a specific investment identified by name by the Employer (or such other responsible party who has been given the authority to select investment options) as an available investment under the Plan in which Plan assets may be invested by the Insurer (or Trustee, if applicable) pursuant to the investment direction of the Participant.

1.11 "Directed Investment Option" means one or more of the following to be acquired or disposed of pursuant to the investment direction of a Participant:

(a) a Designated Investment Alternative as defined in Section 1.10, or

(b) any other investment permitted by the Plan and the Participant Direction Procedures as set forth in Section 4.09.

1.12 "Early Retirement Age" means the date at which the Participant satisfies the age or service requirement, selected in the Adoption Agreement, at which time a Participant's Account shall become fully vested.

1.13 "Employee" means any person who is employed by the Employer, but excludes any person who is providing services as an independent contractor. The term Employee shall also include Leased Employees as provided in Code Sections 414(n) or 414(o).

Employees of Affiliated Employers will not participate unless the Affiliated Employer becomes a Participating Employer as defined in Section 9.01.

1.14 "Employer" means the entity specified in the Adoption Agreement, any Participating Employer (as defined in Section 9.01) which shall adopt this Plan, any successor which shall maintain this Plan and any predecessor which has maintained this Plan.

1.15 "Fiscal Year" means the Employer's accounting year as set forth in the Adoption Agreement.

1.16 "Forfeiture" means that portion of a Participant's Account that is not Vested, and occurs upon the distribution (or deemed distribution) of the entire Vested portion of a Participant's Account.

In the case of a Terminated Participant whose Vested benefit is zero, such Terminated Participant shall be deemed to have received a distribution of such Terminated Participant's Vested benefit upon termination of employment. In addition, the term Forfeiture shall also include amounts deemed to be Forfeitures pursuant to any other provision of this Plan.

1.17 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

1.18 "Hour of Service" means (1) 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; (2) 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, jury duty, disability, lay-off, military duty or leave of absence) during the applicable computation period; (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages. The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3). 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.

Notwithstanding the above, (i) no more than 501 Hours of Service are required to 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); (ii) 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 worker's compensation, or unemployment compensation or disability insurance laws; and (iii) 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.

For purposes of this Section, 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 must be counted for the purpose of determining a Year of Service, a year of participation for purposes of accruing benefits, a 1-Year Break in Service, and employment commencement date (or reemployment commencement date).

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 Sections 414(n) or 414(o) and the Regulations thereunder.

Hours of Service will be determined on the basis of the method selected in the Adoption Agreement. If "actual hours" is selected, an Employee shall be credited on the basis of actual hours for which such Employee is paid or entitled to payment. If "days worked" is selected, an Employee shall be credited with ten (10) Hours of Service if under the Plan such Employee would be credited with at least one Hour of Service during the day. If "months worked" is selected, 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.

Hours of Service with any predecessor Employer which maintained this Plan shall be recognized. Hours of Service with any other predecessor Employer shall be recognized as specified in the Adoption Agreement.

1.19 "Insurer" means The Variable Annuity Life Insurance Company (VALIC) and any affiliate or subsidiary thereof, or any legal reserve insurance company which shall issue one or more Contracts under the Plan.

1.20 "Leased Employee" means any person (other than an Employee of the Employer) who pursuant to an agreement between the Employer and any other person ("leasing organization") has performed services for the Employer (or for the Employer and related persons determined in accordance with Code Section 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 Employer. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer.

A leased employee shall not be considered an Employee of the Employer if:

- (a) such employee is covered by a money purchase pension plan providing:
 - (1) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b), or for Plan Years beginning on or after January 1, 2001, 132(f)(4), and
 - (2) immediate participation, and

(3) full and immediate vesting; and

(b) leased employees do not constitute more than twenty percent (20%) of the Employer's nonhighly compensated workforce.

1.21 "Month of Service" means a calendar month during which an Employee completes at least one Hour of Service.

1.22 "Normal Retirement Age" means the date at which the Participant satisfies the age or service requirement specified in the Adoption Agreement, at which time a Participant's Account shall become fully Vested.

1.23 "1-Year Break in Service" means the applicable computation period specified in the Adoption Agreement during which an Employee has not completed more than one-half (1/2) of the number of Hours of Service specified in the Adoption Agreement for a Year of Service with the Employer. However, for purposes of provisions utilizing the elapsed time method, the term "1-Year Break in Service" means a 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 during such 12-consecutive month period does not complete an Hour of Service.

Further, solely for the purpose of determining whether a Participant 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."

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory 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. 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.

1.24 "Participant" means any Employee who has satisfied the requirements of Section 3.01 and has not become a Former Participant.

1.25 "Participant Direction Procedures" means such instructions, guidelines or policies, the terms of which are incorporated herein, as shall be established pursuant to Section 4.09 and observed by the Administrator and applied and provided to Participants who have Participant Directed Accounts.

1.26 "Participant(s) Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's total interest under the Plan resulting from the Employer's contributions. If this is a Profit Sharing Plan which includes assets transferred (other than by a rollover) from a Money Purchase Plan, then a separate accounting shall be maintained with respect to that portion of the Participant's Account attributable to the Money Purchase Plan.

1.27 "Part-time Employee" means any Employee who normally works twenty (20) hours or less per week. For purposes of this definition, a teacher employed by a post-secondary institution is not considered part-time

if the teacher normally teaches classroom hours of one-half or more of the number of classroom hours normally considered to be full time employment.

1.28 "Period of Service" means (except for periods of service which may be disregarded on account of the "rule of parity" described in Section 6.04(e)) the aggregate of all periods commencing with the Employee's first day of employment or reemployment with the Employer or Affiliated Employer and ending on the date a "Break in Service" begins. The first day of employment or reemployment is the first day the Employee performs an "Hour of Service." An Employee will also receive credit for any Period of Severance of less than twelve (12) consecutive months. Fractional periods of a year will be expressed in terms of days.

For purposes of this Section, "Hour of Service" means each hour for which an Employee is paid or entitled to payment for the performance of duties for the Employer and "Break in Service" means a Period of Severance of at least twelve (12) consecutive months.

Periods of Service with any predecessor Employer which maintained this Plan shall be recognized. Periods of Service with any other predecessor Employer shall be recognized as specified in the Adoption Agreement.

Periods of Service with any Affiliated Employer shall be recognized.

1.29 "Period of Severance" means a continuous period of time during which the 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 12-consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a 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.

1.30 "Plan" means this instrument (hereinafter referred to as VALIC Retirement Services Company Retirement Plan for Governmental Employers Basic Plan Document) including all amendments thereto, and the Adoption Agreement as adopted by the Employer.

This Plan is designed to qualify as a governmental plan as defined in Code Section 414(d). This Plan is established and maintained as a plan that is exempt from the requirements of Title I of the Employee Retirement Income Security Act (ERISA), as provided by Section 4 of such statute. While some provisions of the Plan may mirror provisions of ERISA, such provisions are included for the benefit of the Participants and are not intended to provide ERISA status or ERISA rights to Participants or their Beneficiaries.

1.31 "Plan Year" means the Plan's accounting year as specified in the Adoption Agreement.

1.32 "Qualified Voluntary Employee Contribution Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's total interest under the Plan resulting from the Participant's tax-deductible qualified voluntary Employee contributions made pursuant to Section 4.08.

1.33 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or such Secretary of the Treasury's delegate, and as amended from time to time.

1.34 "Reclassified Employee" means an individual (including, but not limited to, independent contractors, persons the Employer pays outside of its payroll system and out-sourced workers) the Employer does not treat as an Employee for federal income tax withholding purposes under Code Section 3401(a), but who is later

reclassified, pursuant to a binding determination by a court or a governmental entity (other than the Employer), as an Employee or a Leased Employee of the Employer.

1.35 "Retired Participant" means a person who has been a Participant, but who has become entitled to retirement benefits under the Plan.

1.36 "Retirement Date" means the date as of which a Participant retires for reasons other than Total and Permanent Disability, whether such retirement occurs on a Participant's Early or Normal Retirement age, or on a later date (see Section 6.01).

1.37 "Rollover Account" means the account established and maintained by the Administrator for each Employee with respect to such Employee's total interest in the Plan resulting from amounts transferred from another employer plan or individual retirement account in accordance with Section 4.06. A separate account will also be maintained for any prior voluntary (after-tax) Employee contributions of each Participant.

1.38 "Seasonal Employee" means any Employee who normally works on a full-time basis less than five (5) months in a year.

1.39 "Short Plan Year" means, if specified in the Adoption Agreement, that the Plan Year shall be less than a twelve (12) month period. If chosen, the following rules shall apply in the administration of this Plan. In determining whether an Employee has completed a Year of Service for benefit accrual purposes in the Short Plan Year, the number of the Hours of Service required shall be proportionately reduced based on the number of days in the Short Plan Year. In the event a Plan amendment changes a vesting computation period, the first vesting computation period established under such amendment shall begin before the last day of the preceding vesting computation period and an Employee who is credited with the requisite Hours of Service to be credited with a Year of Service for vesting purposes in both the vesting computation period under the Plan before the amendment and the first vesting computation period under the Plan as amended shall be credited with two (2) Years of Service for those vesting computation periods.

1.40 "Sick Leave Day" means a day (as determined under a separate plan or program maintained by the Employer or pursuant to applicable local or state law) for which the Employee is entitled to payment of one day's compensation by the Employer, when the Employee is physically or mentally unable to perform his or her duties or is otherwise absent from work for medical reasons.

1.41 "Special Pay Day" means accrued but unused Sick Leave Days or Vacation Pay Days, but only if such Special Pay Day represents leave for which the Employee has no right to request a cash payment.

1.42 "Tax-exempt" means exempt from Federal income tax under Code Section 501(a).

1.43 "Temporary Employee" means any Employee who performs services under a contractual arrangement that is expected to last two (2) years or less.

1.44 "Terminated Participant" means a person who has been a Participant, but whose employment has been terminated for any reason including death, Total and Permanent Disability or normal or early retirement.

1.45 "Total and Permanent Disability" means (unless the Employer elects a different definition in the Adoption Agreement) 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 permanence and degree of such impairment shall be supported by medical evidence. The determination shall be applied uniformly to all Participants.

1.46 "Trustee" (applies only to trustee portion of the Plan) means the person or entity, if any, named in the Adoption Agreement and any successors.

1.47 "Trust Fund" (applies only to trusteed portion of the Plan) means the assets of the Plan held in the Plan's Trust as the same shall exist from time to time.

1.48 "Vacation Pay Day" means a day (as determined under a separate plan or program maintained by the Employer or pursuant to applicable local or state law) for which the Employee is entitled to payment of one day's compensation by the Employer when the Employee is absent from work for vacation or holiday. Excluded from the term Vacation Pay Day is any day in which the Employee is entitled to the payment of compensation by the Employer while absent from work on account of jury duty, active military service, training or sabbatical.

1.49 "Valuation Date" means the Anniversary Date and each 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 Insurer (or Trustee, if applicable), any transfer agent appointed by the Trustee or the Employer, or any stock exchange used by such agent, are open for business.

1.50 "Vested" means the nonforfeitable portion of any account maintained on behalf of a Participant.

1.51 "Volume Submitter Practitioner" means VALIC Retirement Services Company, a wholly-owned subsidiary of The Variable Annuity Life Insurance Company ("VALIC").

1.52 "Voluntary Contribution Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's total interest in the Plan resulting from the Participant's nondeductible voluntary Employee contributions described in Section 4.07.

1.53 "Year of Service" means, except as otherwise specified in the Adoption Agreement and in the case of a Short Plan Year, the computation period of twelve (12) consecutive months, as herein set forth and in the Adoption Agreement, and during which an Employee has completed at least the number of Hours of Service specified in the Adoption Agreement.

The initial computation period shall begin with the date on which the Employee first performs an Hour of Service (employment commencement date). The computation period beginning after a 1-Year Break in Service shall be measured as elected in the Adoption Agreement. If an election is made to shift to the Plan Year, then after the initial computation period, the 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. An Employee who is credited with the number of Hours of Service specified in the Adoption Agreement in both the initial computation period and the first Plan Year which commences prior to the first anniversary of the Employee's initial computation period, will be credited with two Years of Service.

Years of Service and breaks in service will be measured on the same computation period.

Years of Service with any predecessor Employer which maintained this Plan shall be recognized. Years of Service with any other predecessor Employer shall be recognized as specified in the Adoption Agreement.

Years of Service with any Affiliated Employer shall be recognized.

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

ARTICLE II ADMINISTRATION

2.01 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) The Employer shall be empowered to appoint and remove the Insurer (or Trustee, if applicable), and Administrator from time to time as it deems necessary for the proper administration of the Plan to assure 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.

(b) The Employer shall periodically review the performance of the Trustee, the Plan Administrator, or any other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

(c) Unless the Employer has elected to have a discretionary Trustee, the Employer (or its delegate) shall have the power and authority to select and monitor the investment alternatives under the Plan. Furthermore, unless the Employer elects under Section 4.09 to allow Participants to direct the investment of their Accounts, the Employer (or its delegate) shall direct the Insurer (or Trustee, if applicable) with respect to the investment of the assets of the Plan. If the Employer elects under Section 4.09 to allow Participants to direct the investment of their accounts, the Employer shall direct the Insurer (or Trustee, if applicable) with respect to the investment of any contributions which are forwarded to the Insurer (or Trustee) prior to the date on which the Participant completes the necessary paperwork with the Insurer or Trustee or takes such other action or actions as may be necessary to direct the investment of such amounts. Such direction shall be communicated to the Insurer (or Trustee) by means of an Employer-Directed Account Agreement between the Employer and the Insurer (or Trustee), which agreement will include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as such Participant exercises his or her right to direct the investment of such amounts.

2.02 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Administrator of the Plan shall be the Employer unless the Employer appoints another person to serve as 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 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.

The Employer, upon the resignation or removal of an Administrator, shall promptly designate in writing a successor to this position. If the Employer does not appoint an Administrator, the Employer will function as the Administrator.

2.03 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that no such delegation is made by the Employer, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Insurer (or Trustee, if applicable) in writing of such action and specify the responsibilities of each Administrator. The Insurer (or Trustee, if applicable) 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 Insurer (or Trustee, if applicable) a written revocation of such designation.

2.04 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. 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 in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Sections 401(a) or 403(a), as amended from time to time. 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, including, but not limited to, the following:

- (a) to determine in the Administrator's sole discretion, all questions relating to the eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;
 - (b) to compute, certify, and direct the Insurer (or Trustee, if applicable) with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
 - (c) to authorize and direct the Insurer (or Trustee, if applicable) with respect to all nondiscretionary or otherwise directed disbursements from the Plan assets;
 - (d) to maintain all necessary records for the administration of the Plan;
 - (e) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are consistent with the terms hereof;
 - (f) to compute and certify to the Employer from time to time the sums of money necessary or desirable to be contributed to the Plan;
 - (g) to consult with the Employer and to direct the Insurer (or Trustee, if applicable) regarding the short- and long-term liquidity needs of the Plan in order to implement those objectives;
 - (h) if the Employer elects to allow Participants to direct the investment of their accounts under the Plan, to act as the party responsible for communications with Participants, including, but not limited to, the receipt and transmitting of Participants' directions as to the investment of their accounts under the Plan and the formulation of policies, rules, and procedures pursuant to which Participants may give investment instructions with respect to the investment of their accounts;
 - (i) to assist Participants regarding their rights, benefits, or elections available under the Plan;
- and
- (j) to determine the validity of, and take appropriate action with respect to, any domestic relations order received by it.

2.05 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 law.

2.06 APPOINTMENT OF ADVISERS

The Administrator may appoint counsel, specialists, advisers, and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan, including, but not limited to, 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 Fiduciaries and to Plan Participants.

2.07 INFORMATION FROM EMPLOYER

To enable the Administrator to perform its functions, the Employer shall supply full and timely information to the Administrator on all matters relating to the Compensation of all Participants, their Hours of Service, their Years of Service or Periods of Service, their retirement, death, disability, or termination of employment, and such other pertinent facts as the Administrator may require; and the Administrator shall advise the Insurer (and/or the Trustee if applicable) of such of the foregoing facts as may be pertinent to the Insurer's (or the Trustee's) duties under 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. In turn, the Insurer (or Trustee) may rely upon such information as may be provided by the Administrator, and shall have no duty or responsibility to verify such information.

2.08 PAYMENT OF CONTRACT FEES

All fees and charges relating to any Contracts issued pursuant to the Plan shall be paid from the portion of the Participant's Account that is invested in such Contracts unless the Employer and the Insurer agree for such expenses to be paid by the Employer.

2.09 PAYMENT OF EXPENSES

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, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. Contract fees shall be paid in accordance with Section 2.08.

2.10 MAJORITY ACTIONS

Except where there has been an allocation and delegation of administrative authority pursuant to Section 2.03, if there shall be more than one Administrator, they shall act by a majority of their number, but may authorize one or more of them to sign all papers on their behalf.

2.11 CLAIMS PROCEDURE

Claims for benefits under the Plan may be filed in writing with the Administrator. Notice of the disposition of a claim shall be provided to the claimant within ninety (90) days after the claim is filed. If the claim is denied, the claimant must follow the claims review procedures in Section 2.12 before the claimant may take any legal action against the Plan.

2.12 CLAIMS REVIEW PROCEDURE

Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 2.11 shall be entitled to request the Administrator to give further consideration to a claim by filing with the Administrator a written request for review of the claim (i.e., an appeal). Such request, together with a written statement of the reasons why the claimant believes such claims should be allowed, shall be filed with the Administrator no later than sixty (60) days after receipt of the notification provided for in Section 2.11. A final decision as to the allowance of the claim shall be made by the Administrator and communicated to the claimant within ninety (90) days of receipt of the written appeal (unless there has been an extension of up to ninety

(90) days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the ninety (90) day period).

ARTICLE III ELIGIBILITY

3.01 CONDITIONS OF ELIGIBILITY

Any Employee who is not in an excluded classification of Employees (as set forth in the Adoption Agreement) shall be eligible to participate hereunder on the date such Employee has satisfied the age and service requirements specified in the Adoption Agreement. However, if this Plan is a restatement or amendment of a prior plan, any Employee who was a Participant in the Plan prior to the effective date of this amendment or restatement shall continue to be a Participant. No minimum age or service is required for contributions under Section G.3.b. of the Adoption Agreement, on behalf of Part-time, Seasonal and Temporary Employees.

For purposes of this section and any Adoption Agreement elections, the term "union employees" refers to 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. The term "non-resident aliens" refers to Employees who are non-resident aliens (within the meaning of Code Section 7701(b)(1)(B)) who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)). The term "reclassified employees" refers to workers who are treated by the Employer as Leased Employees or independent contractors but are later determined to be common law Employees of the Employer.

For purposes of this section and any Adoption Agreement elections, the term "elapsed time crediting method" means that service for purposes of eligibility or vesting will be based on Periods of Service (as defined in Section 1.28) and Periods of Severance (as defined in Section 1.29).

3.02 EFFECTIVE DATE OF PARTICIPATION

An Employee shall become a Participant as of the Effective Date of Participation specified in the Adoption Agreement. If said Employee is not employed on such date, but is reemployed before a 1-Year Break in Service has occurred, then such Employee shall become a Participant on the date of reemployment or, if later, the date the Employee would have otherwise entered the Plan had the Employee not terminated employment.

If an Employee, who has satisfied the Plan's age and service requirements and would otherwise have become a Participant, shall change from an excluded classification of Employees to an included classification of Employees, such Employee shall become a Participant on the date such Employee is no longer in an excluded classification of Employees.

If an Employee, who has satisfied the Plan's age and service requirements and would otherwise have become a Participant, shall become a member of an excluded classification of Employees and has not incurred a 1-Year Break in Service, such Employee shall become a Participant on the date such Employee again is not a member of an excluded classification of Employees. If such Employee does incur a 1-Year Break in Service, eligibility will be determined under the rules in Section 6.04(e).

3.03 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan. Such determination shall be subject to review pursuant to Section 2.11.

3.04 TERMINATION OF ELIGIBILITY

In the event a Participant shall become a member of an excluded classification of Employees, such Former 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 until such time as the Participant's Account shall be forfeited or distributed pursuant to

the terms of the Plan. Additionally, the Former Participant's interest in the Plan shall continue to share in the earnings.

3.05 ELECTION NOT TO PARTICIPATE

An Employee may, subject to the approval of the Employer, elect voluntarily not to participate in the Plan. The election not to participate must be communicated to the Employer, in writing, at least thirty (30) days before the beginning of a Plan Year. However, if the Employer elects, in Section G.3.b. of the Adoption Agreement, to make contributions for Part-time, Seasonal and Temporary Employees, such Employees may not elect not to participate. Furthermore, the foregoing election not to participate must be irrevocable and made either at Plan inception or when the Employee is first eligible to participate.

ARTICLE IV
CONTRIBUTION AND ALLOCATION

4.01 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION

(a) For a Money Purchase Plan –

On behalf of each Participant eligible to share in allocations, for each year of such Participant's participation in this Plan, the Employer shall contribute the amount specified in the Adoption Agreement. All contributions by the Employer shall be made in cash.

(b) For a Profit Sharing Plan –

For each Plan Year, the Employer, in its sole discretion, may contribute to the Plan such amount as specified in the Adoption Agreement, which may be either a discretionary amount (to be determined in the Employer's sole discretion) or a fixed dollar or percentage amount. All contributions by the Employer shall be made in cash.

(c) 414(h) pick up contributions –

If selected in the Adoption Agreement, eligible Employees who become Participants under this Plan in accordance with the provisions of Article III shall be deemed to have authorized the Employer to deduct from such Participant's Compensation, prior to its payment, a percentage of such Participant's Compensation, as a nonelective contribution to the Plan. The amount of the nonelective contribution shall be picked up by the Participant's Employer as provided for in Section 414(h)(2) of the Code. The Participant shall not have the option to receive this picked up contribution directly and such contributions shall be paid by the Employer directly to the Insurer (or Trustee, if applicable).

(d) Employer matching contributions –

If specified in the Adoption Agreement, the Employer shall make a matching contribution equal to the percentage of elective deferrals specified for each Participant eligible to share in the allocations of the matching contribution. The Employer must specify in the Adoption Agreement the plan to which the elective deferral contributions being matched shall be made.

(e) Contributions for Part-time, Seasonal and Temporary Employees –

If specified in the Adoption Agreement, the Employer shall make a contribution in the amount of 7.5% of Compensation, reduced by Employee Nonelective Contributions, for each Participant who is also a Part-time, Seasonal or Temporary Employee.

(f) Special Pay contributions –

If specified in the Adoption Agreement, the Employer shall make a nonelective "leave conversion" contribution for each Participant eligible to share in such contributions equal to the Participant's current daily rate of pay multiplied by the number of unused accumulated Special Pay days that the Participant has accumulated, as of the end of the Plan Year, in excess of the minimum number of Special Pay days set forth in the Adoption Agreement. The Employer may elect in the Adoption Agreement to make such Special Pay contributions on account of accumulated Vacation Pay Days, accumulated Sick Leave Days, or both Vacation Pay Days and Sick Leave Days. The Employer may also elect, in the Adoption Agreement, to convert unused accumulated Special Pay Days to employer Special Pay contributions each Plan Year (including the Plan Year in which the Participant terminates employment with the Employer), or solely in the Plan Year in which the Participant terminates employment.

(g) Offset for contributions to certain merged plans –

Notwithstanding any other provision of the Plan or the Adoption Agreement, if one or more qualified defined contribution plans ("Merged Plans") is/are merged into (or onto) this Plan after the first day of a Plan Year, any Employer contribution obligation under this Section 4.01 and/or Section G of the Adoption Agreement for the Plan Year of the merger that is based on a Participant's Compensation for the entire Plan Year shall be offset by any substantially similar Employer contributions that are made to, or on account of, the Merged Plans for such Plan Year.

4.02 TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION

The Employer shall pay to the Insurer (or Trustee, if applicable) its contribution to the Plan as soon as administratively feasible, but no later than the time required by law to be considered an Annual Addition (as defined in Section 4.04(d)) for the Plan Year to which the Employer contribution is attributed. For purposes of this section, contributions must be made to the Plan no later than the 15th day of the tenth calendar month following the end of the Plan Year with or within which the limitation year ends, or such other time as specified under Code Section 415 and the Regulations thereunder.

4.03 ALLOCATION OF CONTRIBUTIONS, FORFEITURES AND EARNINGS

(a) 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.

(b) The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's contributions, 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 such contribution as follows:

(1) 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 4.01 herein and as specified in the Adoption Agreement.

(ii) Except, however, if elected in the Adoption Agreement for any Plan Year, the Employer shall not contribute on behalf of a Participant who performs less than the Hours of Service set forth in the Adoption Agreement during any Plan Year. The Employer may not make such an election for Employer nonelective contributions (other than matching contributions) if the Employer has elected to make Special Pay contributions.

(2) For a Profit Sharing Plan:

(i) If the Employer elects (in the Adoption Agreement) a discretionary profit sharing contribution formula, the Employer's contribution shall be allocated to each Participant's Account in the same proportion that each such Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year. If the Employer elects (in the Adoption Agreement) a fixed profit sharing contribution formula, the Employer's contribution shall be allocated in accordance with such formula. In the event that the Employer elects (in the Adoption Agreement) to make separate discretionary contributions for separate classifications of Participants, the Employer will annually notify the Trustee (or Insurer), in writing, of the amounts of the contribution(s), if any, that it is making for each classification of Participants described in the Adoption Agreement for the Plan Year. The Plan Administrator will allocate and credit for the Plan Year the Employer contribution (and forfeitures, if any) for a particular classification to the account of each Participant within

the classification who is entitled to a contribution for the Plan Year in the manner selected in the Adoption Agreement.

(ii) Except, however, if elected in the Adoption Agreement, a Participant who performs less than the Hours of Service set forth in the Adoption Agreement during any Plan Year shall not share in the Employer's contribution for that Plan Year. The Employer may not make such an election for Employer nonelective contributions (other than matching contributions) if the Employer has elected to make Special Pay Contributions.

(3) Notwithstanding anything herein to the contrary, any Participant who terminated employment during the Plan Year shall or shall not share in the allocations of the Employer's contributions and Forfeitures, based on whether the Participant completed the requirements set forth in the Adoption Agreement.

(c) Except as provided in Section 4.09(b), as of each Anniversary Date or other Valuation Date, before allocation of Employer contributions and Forfeitures, any earnings or losses (net appreciation or net depreciation) in the value of the Plan's assets (exclusive of assets segregated for distribution) shall be allocated in the same proportion that each Participant's and Former Participant's nonsegregated accounts bear to the total of all Participants' and Former Participants' nonsegregated accounts as of such date. If any nonsegregated account of a Participant has been distributed prior to the Anniversary Date or other Valuation Date subsequent to a Participant's termination of employment, no earnings or losses shall be credited to such account.

(d) Participants' Accounts shall be debited for annuity payments made, if any, and credited with any dividends or interest earned on Contracts.

(e) As of each Anniversary Date any amounts which became Forfeitures since the last Anniversary Date shall first be made available to satisfy any contribution that may be required pursuant to Section 6.09 or be used to pay any administrative expenses of the Plan. The remaining Forfeitures, if any, shall be treated in accordance with the Adoption Agreement. Provided, however, that in the event the allocation of Forfeitures provided herein shall cause the "Annual Addition" (as defined in Section 4.04) to any Participant's Account to exceed the amount allowable by the Code, the excess shall be reallocated in accordance with Section 4.04(a)(4). Except, however, if elected in the Adoption Agreement, a Participant who fails to satisfy the conditions set forth in the Adoption Agreement during any Plan Year shall not share in the Plan Forfeitures for that year.

(f) If a Former Participant is reemployed after five (5) consecutive 1-Year Breaks in Service, then separate accounts shall be maintained as follows:

(1) one account for nonforfeitable benefits attributable to pre-break service; and

(2) one account representing the Former Participant's employer derived account balance in the Plan attributable to post-break service.

4.04 MAXIMUM ANNUAL ADDITIONS

(a) (1) If the 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 Section 419(e)), maintained by the Employer, or an individual medical account (as defined in Code Section 415(1)(2)) maintained by the Employer, or a simplified employee pension, as defined in Code Section 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."

(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.

(3) As soon as is administratively feasible after the end of the "Limitation Year," the "Maximum Permissible Amount" for such "Limitation Year" shall be determined on the basis of the Participant's actual "415 Compensation" for such "Limitation Year."

(b)(1) This subsection (b) applies if, in addition to this Plan, the Participant is covered under another qualified defined contribution plan maintained by the Employer, or a welfare benefit fund (as defined in Code Section 419(e)) maintained by the Employer, or an individual medical account (as defined in Code Section 415(l)(2)) maintained by the Employer, or a simplified employee pension as defined in Code Section 408(k) maintained by the Employer 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 accounts, and simplified employee pensions for the same "Limitation Year." If the "Annual Additions" with respect to the Participant under other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions 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." If the "Annual Additions" with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical 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 in the manner described in Section 4.04(a)(2).

(3) As soon as is administratively feasible after the end of the "Limitation Year," the "Maximum Permissible Amount" for the "Limitation Year" will be determined on the basis of the Participant's actual "415 Compensation" for the "Limitation Year."

(4) If, pursuant to Section 4.04(b)(3) or Section 4.05, 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 account, and then by "Annual Additions" to a plan subject to Code Section 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 (1) the "Annual Additions" allocated to the Participant for the "Limitation Year" as of such date under this Plan to (2) 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.

(6) Any "Excess Amount" attributed to this Plan will be disposed in the manner described in Section 4.04(a)(4).

(c) For purposes of applying the limitations of Code Section 415, the transfer of funds from one qualified plan to another is not an "Annual Addition." In addition, the following are not Employee contributions for the purposes of Section 4.04(d)(1):

(1) rollover contributions (as defined in Code Sections 402(c)(4), 403(a)(4), 403(b)(8), 408(d)(3) and 457(e)(16)); and

(2) Employee contributions to a simplified employee pension excludable from gross income under Code Section 408(k)(6).

(d) 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:

(i) Employer contributions (including elective deferrals and Employee nonelective contributions that are picked up pursuant to Section 414(h) of the Code);

(ii) Employee (after-tax) contributions;

(iii) Forfeitures;

(iv) amounts allocated, after March 31, 1984, to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer;

(v) amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit fund (as defined in Code Section 419(e)) maintained by the Employer; and

(vi) allocations under a simplified employee pension.

Except, however, the 415 Compensation percentage limitation referred to in paragraph (e)(7)(ii) below shall not apply to:

(1) any contribution for medical benefits (within the meaning of Code Section 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 Section 415(l)(1).

For this purpose, any "Excess Amount" applied under Sections 4.04(a)(4) and 4.04(b)(6) in the "Limitation Year" to reduce Employer contributions shall be considered "Annual Additions" for such "Limitation Year."

Effective for Limitation Years beginning more than ninety (90) days after the close of the first regular legislative session (of the legislative body with authority to amend the Plan) that begins on or after July 1, 2007, the Plan's definition of "Annual Additions" is modified as follows:

(1) Restorative payments. Annual additions for purposes of Code Section 415 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). This includes payments to a plan made pursuant to a court approved settlement to restore losses to a qualified defined contribution plan on account of the 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.

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

(3) Date of tax-exempt Employer contributions. Notwithstanding anything in the Plan to the contrary, in the case of an Employer that is exempt from Federal income tax (including a governmental employer), 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.

(2) "415 Compensation" means a Participant's Compensation as elected in the Adoption Agreement. However, regardless of any selection made in the Adoption Agreement, 415 Compensation shall include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Sections 125, 457, and 132(f)(4). Any exclusions from Compensation selected in the Adoption Agreement shall not apply for purposes of the definition of 415 Compensation.

Effective for Limitation Years beginning more than ninety (90) days after the close of the first regular legislative session (of the legislative body with authority to amend the Plan) that begins on or after July 1, 2007, 415 Compensation shall be adjusted, as set forth herein and as otherwise elected in the Adoption Agreement, for the following types of compensation paid after a Participant's severance from employment with the Employer maintaining the Plan (or any other entity that is treated as the Employer pursuant to Code Section 414(b), (c), (m) or (o)). However, amounts described in subsections (i) and (ii) below may only be included in 415 Compensation to the extent such amounts are paid by the later of 2 1/2 months after severance from employment or by the end of the limitation year that includes the date of such severance from employment. 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 within the meaning of Code Section 415(c)(3), even if payment is made within the time period specified above.

(i) Regular pay. 415 Compensation shall include regular pay after severance of employment if:

(1) 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

(2) 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.

(ii) Leave cashouts and deferred compensation. Leave cashouts shall be included in 415 Compensation, unless otherwise elected in the Adoption Agreement, 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, and the amounts are payment 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. In addition, deferred compensation shall be included in 415 Compensation, unless otherwise elected in the Adoption Agreement, if the compensation would have been included in the definition of 415 Compensation if it had been paid prior to the participant's severance from employment, and the compensation is 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 that the payment is includible in the participant's gross income.

(iii) Salary continuation payments for military service participants. 415 Compensation does not include, unless otherwise elected in the Adoption Agreement, 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 Section 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.

(iv) Salary continuation payments for disabled Participants. Unless otherwise elected in the Adoption Agreement, 415 Compensation does not include compensation paid to a participant who is permanently and totally disabled (as defined in Code Section 22(e)(3)). If elected, this provision shall apply to all participants for the period specified in the Adoption Agreement.

415 Compensation for a Limitation Year shall not include, unless otherwise elected in the Adoption Agreement, amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates. However, if elected in the Adoption Agreement, 415

Compensation for a limitation year shall include amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next limitation year, the amounts are included on a uniform and consistent basis with respect to all similarly situated participants, and no compensation is included in more than one limitation year.

If the Plan's definition of Compensation for purposes of Code Section 415 is the definition in Regulation Section 1.415(c)-2(b) (Regulation Section 1.415-2(d)(2) under the Regulations in effect for Limitation Years beginning prior to July 1, 2007) and the simplified compensation definition of Regulation Section 1.415(c)-2(d)(2) (Regulation Section 1.415-2(d)(10) under the Regulations in effect for Limitation Years prior to July 1, 2007) is not used, then 415 Compensation shall include amounts that are includible in the gross income of a Participant under the rules of Code Section 409A or Code Section 457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 wages or wages for withholding purposes, then these amounts are already included in Compensation.]

(3) "Defined Contribution Dollar Limitation" means \$40,000 (as adjusted for increases in the cost-of-living under Code Section 415(d)).

(4) "Employer" means the Employer that adopts this Plan and all Affiliated Employers, except that for purposes of this Section, Affiliated Employers shall be determined pursuant to the modification made by Code Section 415(h).

(5) "Excess Amount" means the excess of the Participant's "Annual Additions" for the "Limitation Year" over the "Maximum Permissible Amount."

(6) "Limitation Year" means the Compensation year (a twelve (12) consecutive month period) as elected by the Employer in the Adoption Agreement. All qualified plans maintained by the Employer must use the same Limitation Year. 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.

(7) "Maximum Permissible Amount" means the maximum "Annual Addition" that may be contributed or allocated to a Participant's account under the Plan for any "Limitation Year." Except to the extent permitted under Section 414(v) of the Code, if applicable, the Annual Addition that may be contributed or allocated to a Participant's account under the Plan for any Limitation Year shall not exceed the lesser of:

- (i) the "Defined Contribution Dollar Limitation" or
- (ii) 100 percent of the Participant's 415 Compensation for the Limitation Year.

The compensation limit referred to in (ii) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) 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 Contribution" multiplied by the following fraction:

(e) For purposes of applying the limitations of Code Section 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 are treated as one defined contribution plan. The "Employer" means the Employer that adopts this Plan and all members of a controlled group or an affiliated service group that includes the Employer (within the meaning of Code Section 414(b), (c), (m) or (o)), except that for purposes of this Section, the determination shall be made by applying Code Section 415(h), and shall take into account tax-exempt organizations under Regulation Section 1.414(c)-5, as modified by Regulation Section 1.415(a)-1(f)(1). For purposes of this Section:

(1) 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 Section 1.415(f)-1(b)(2) apply as if the Employer and predecessor Employer constituted a single employer under the rules described in Regulation Section 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 Section 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.

(2) 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 former entity.

(f) For purposes of aggregating plans for Code Section 415, a "formerly affiliated plan" of an employer is taken into account for purposes of applying the Code Section 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 Section 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 Section 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 Section 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 Section 1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group).

(g) Two or more defined contribution plans that are not required to be aggregated pursuant to Code Section 415(f) and the Regulations thereunder as of the first day of a limitation year do not fail to satisfy the requirements of Code Section 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.

(h) The limitations, adjustments and other requirements prescribed in this section shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder.

4.05 ADJUSTMENT FOR EXCESSIVE ANNUAL ADDITIONS

If as a result of:

- (a) the allocation of Forfeitures,
- (b) a reasonable error in estimating a Participant's annual 415 Compensation,
- (c) a reasonable error in determining the amount of elective deferrals (within the meaning of Code Section 402(g)(3)) that may be made with respect to a Participant,
- (d) or other facts and circumstances to which Regulation Section 1.415-6(b)(6) shall be applicable, the "Annual Additions" under this Plan would cause the maximum provided in Section 4.04 to be exceeded, the Administrator shall treat the excess in accordance with Section 4.04(a)(4).

Notwithstanding any provision of the Plan to the contrary, if the Annual Additions (within the meaning of Code Section 415) 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 Revenue Procedure 2008-50 or any superseding guidance, including, but not limited to, the preamble of the final Section 415 regulations.

4.06 TRANSFERS AND ROLLOVERS FROM OTHER EMPLOYER PLANS

(a) As specified in the Adoption Agreement and with the consent of the Administrator, amounts may be transferred or rolled over on behalf of any Employee from other employer plans or individual retirement accounts, provided that the employer plan or account from which such funds are transferred permits the transfer to be made and, in the opinion of legal counsel for the Employer, the transfer or rollover will not jeopardize the qualified status of the Plan (or the Tax-exempt status of the related Trust, if applicable) or create adverse tax consequences for the Employer. The amounts transferred or rolled over shall be set up in a separate account herein referred to as a Rollover Account. Such account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason. No amounts attributable to deductible Employee contributions (as defined in Code Section 219) may be rolled over or transferred to this Plan.

(b) Amounts in a Rollover Account shall be held by the Insurer (or Trustee, if applicable) pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Employee, in whole or in part, except as provided in Paragraphs (c), (d), (e) of this Section.

(c) Amounts attributable to elective contributions (as defined in Regulation Section 1.401(k)-1(g)(3), or for Plan Years beginning on or after January 1, 2006, Regulations section 1.401(k)-6), including amounts treated as elective contributions, which are transferred from another employer plan in a plan-to-plan transfer shall be subject to the distribution limitations provided for in Regulation Section 1.401(k)-1(d).

(d) A separate account will be maintained by the Administrator for any transferred voluntary Employee contributions of each Participant, and earnings and losses on such voluntary Employee contributions will be allocated to the separate account. A Participant may, upon a written request submitted to the Administrator, withdraw all or a portion of such transferred voluntary Employee contributions at any time. Such written request must be consistent with and satisfy all notice requirements of Code Section 402(f) and the Regulations thereunder.

(e) At Normal Retirement Age, or such other date when the Employee or the Employee's Beneficiary shall be entitled to receive benefits as set forth in the Plan and Adoption Agreement, the fair market value of the Rollover Account shall be used to provide additional benefits to the Employee or the Employee's Beneficiary. If elected in the Adoption Agreement, distributions of rollovers may be made at any time, even if there is no distributable event which permits distribution of other accounts. Any distributions of amounts held in a Rollover Account shall be made in a manner which is consistent with and satisfies the provisions of Section 6.05, including, but not limited to, all notice requirements of Code

Section 402(f). Furthermore, such amounts shall be considered as part of an Employee's benefit in determining whether an involuntary cash-out of benefits without such Employee's consent may be made.

(f) For purposes of this section, the term "employer plan" shall mean any tax-qualified plan under Code Section 401(a), 403(a), 403(b), or 457(b) maintained by a state or local governmental entity. The term "amounts transferred or rolled over from other employer plans" shall mean:

(1) amounts transferred to this Plan directly from another employer plan by means of a trustee-to-insurer (or trustee-to-trustee or insurer-to-insurer) transfer; and

(2) eligible rollover distributions payable to or received by an Employee from another employer plan which are eligible for tax-free rollover to an employer plan and which are directly transferred to this Plan or are transferred by the Employee to this Plan within sixty (60) days following such Employee's receipt thereof. .

(g) Prior to accepting any transfers to which this section applies, the Administrator may require the Employee to establish that the amounts to be transferred to this Plan meet the requirements of this section and may also require the Employee to provide an opinion of counsel satisfactory to the Employer that the amounts to be transferred meet the requirements of this section.

(h) If the Employer has elected in the Adoption Agreement to allow rollovers from other plans, the Employer, operationally and on a nondiscriminatory basis, may limit the source of rollover contributions that may be accepted by this Plan.

4.07 VOLUNTARY EMPLOYEE CONTRIBUTIONS (EMPLOYEE AFTER-TAX CONTRIBUTIONS)

(a) If this is an amendment or restatement of a plan that previously permitted voluntary nondeductible (after-tax) Employee contributions, then such voluntary Employee contributions shall be held in a separate account as defined in Section 1.52.

(b) 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) A Participant may elect to withdraw nondeductible 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 6.05, including, but not limited to, all notice requirements of Code Section 402(f). If the Administrator maintains sub-accounts with respect to nondeductible 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. No Forfeitures shall occur solely as a result of an Employee's withdrawal of nondeductible voluntary Employee contributions.

(d) At Normal Retirement Age, or such other date when the Participant or such Participant's Beneficiary shall be entitled to receive benefits, the fair market value of the Voluntary Contribution Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary.

4.08 QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS

(a) If this is an amendment or restatement of a Plan that previously permitted deductible voluntary Employee contributions, then each Participant who made a qualified voluntary employee contribution within the meaning of Code Section 219(e)(2) as it existed prior to the enactment of the Tax Reform Act of 1986, shall have such Participant's contribution held in a separate Qualified Voluntary Employee Contribution Account which shall be fully Vested at all times. Such contributions, however, shall not be permitted if they are attributable to taxable years beginning after December 31, 1986.

(b) A Participant may, upon written request delivered to the Administrator, make withdrawals from such Participant's Qualified Voluntary Employee Contribution Account. Any distribution shall be made in a manner which is consistent with and satisfies the provisions of Section 6.05, including, but not limited to, all notice requirements of Code Section 402(f).

(c) At Normal Retirement Age, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the fair market value of the Qualified Voluntary Employee Contribution Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary.

4.09 DIRECTED INVESTMENT ACCOUNT

(a) If elected in the Adoption Agreement, except as provided below, all Participants may direct the investment of all or a portion of their individual account balances within limits set by the Employer. Participants may direct the Insurer (or Trustee, if applicable) in writing to invest their account in specific assets, specific funds or other investments permitted under the Plan and the Participant Direction Procedures. That portion of the interest of any Participant which is subject to investment direction of such Participant will be considered a Participant Directed Investment Account. With respect to Participants under age 18 (or the applicable age of majority), the Administrator may direct that such Participant's accounts be invested in the Designated Investment Option available under the Plan that has the lowest risk of loss.

(b) As of each Valuation Date, all Participant Directed Investment 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 that the assets in a Participant Directed Investment 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.

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

(c) 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 the Participant in one or more written documents which are separate from the Participant Direction Procedures and are not thereby incorporated by reference into this Plan.

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

ARTICLE V
TRUSTEE AND CUSTODIAN
(APPLICABLE ONLY TO TRUSTEED PLAN
OR PORTION OF PLAN ASSETS HELD IN TRUST OR CUSTODIAL ACCOUNT)

5.01 BASIC RESPONSIBILITIES OF THE TRUSTEE

In the event this is a Trusteed Plan, the Trustee shall have the responsibilities in this Article V with respect to any assets which are not held in Annuity Contracts subject to the terms of Article X. If a discretionary Trustee is selected in the Adoption Agreement, then the Trustee has full discretion and authority with regard to the investment of the Plan assets, except with respect to assets under the control or direction of an investment manager, the Employer, the Administrator or a Participant. If a nondiscretionary Trustee is selected in the Adoption Agreement, then the Trustee will not have any discretion or authority with regard to the Plan assets, but must act solely as a directed Trustee of funds contributed. A nondiscretionary Trustee is authorized and empowered with the following rights, powers, and duties, each of which the nondiscretionary Trustee exercises solely as directed Trustee in accordance with the written direction of the investment manager, the Employer, the Administrator or a Participant. If the nondiscretionary Trustee should be directed but is not, the Employer is responsible for providing necessary direction.

The nondiscretionary Trustee has no duty to review or to make recommendations regarding investments made at the written direction of the investment manager, Employer or Participant. The nondiscretionary Trustee must retain any investment obtained at the written direction of the investment manager, Employer or Participant until further directed in writing to dispose of such investment. The nondiscretionary Trustee is not liable in any manner or for any reason for making, retaining or disposing of any investment pursuant to any written direction described in this paragraph. Furthermore, to the extent permitted by law, the Employer agrees to indemnify and to hold the nondiscretionary Trustee harmless from any damages, costs or expenses, including reasonable counsel fees, which the nondiscretionary Trustee may incur as a result of any claim asserted against the nondiscretionary Trustee arising out of the nondiscretionary Trustee's compliance with any written direction described in this paragraph.

(a) The Trustee shall have the power to invest, manage, and control the Plan assets subject, however, to the direction of the Employer, the Administrator, a Participant or any agent of the Employer as to all or a portion of the assets of the Plan as follows:

(1) To the extent and in the manner permitted by the Participant Direction Procedures, if permitted in the Adoption Agreement, a Participant may direct the Trustee with respect to the investment or reinvestment of the Participant's Accounts under the Plan in such pooled investments (including, but not limited to the pooled funds of the Trustee) as are made available by agreement between the Trustee and the Employer.

(2) The Employer may by written agreement or designation appoint at its option an investment adviser or other agent to provide direction to the Trustee 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 and shall specifically identify the Plan assets with respect to which the agent shall have authority to direct the investment.

(3) In the event that the Trustee shall be directed by a Participant (pursuant to the Participant Direction Procedures), the Employer, or other agent appointed by the Employer with respect to the investment of any or all Plan assets, the Trustee shall have no liability with respect to the investment of such assets, but shall be responsible only to execute such investment instruction as so directed.

(4) The Trustee shall be entitled to rely fully on the written instructions of a Participant pursuant to the Participant Direction Procedures, the Employer, or any fiduciary or nonfiduciary agent of the Employer, in the discharge of such duties, and shall not be liable for any loss or other liability resulting from such direction (or lack of direction) of the investment of any part of the Plan assets.

(5) The Trustee may delegate the duty to execute such instructions to any nonfiduciary agent, which may be an affiliate of the Trustee or any Plan representative.

(6) The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole and absolute discretion, deems such instructions improper by virtue of applicable law. The Trustee shall not be responsible or liable for any loss or expense which may result from the Trustee's refusal or failure to comply with any directions from the Participant.

(7) Any costs and expenses related to compliance with the Participant's directions shall be borne by the Participant Directed Investment Account, unless paid by the Employer.

(i) At the direction of the Administrator, the Trustee shall have the power to pay benefits required under the Plan to be paid to Participants, or, in the event of their death, to their Beneficiaries;

(ii) The Trustee shall maintain records of receipts and disbursements and furnish to the Employer and/or Administrator for each Plan Year a written annual report per Section 5.06; and

(iii) If there shall be more than one Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

5.02 INVESTMENT POWERS AND DUTIES OF THE TRUSTEE

The Trustee shall have the following investment powers and duties, which shall be exercisable in the Trustee's sole discretion (if the Trustee is a discretionary Trustee), or at the direction of the Employer, the Administrator, a designated investment manager or a Participant (if the Trustee is a directed, nondiscretionary Trustee):

(a) The Trustee shall, except as otherwise provided in this Plan, invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code so that at all times this Plan may qualify as a qualified Plan and Trust.

(b) The Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.

(c) With respect to assets in a Participant's Directed Investment Account, the Participant or Beneficiary shall direct the Trustee with regard to any voting, tender and similar rights associated with the ownership of such assets, (i.e., the "Stock Right(s)") as follows:

(1) Each Participant or Beneficiary shall direct the Trustee to vote or otherwise exercise such Stock Rights in accordance with the provisions, conditions and terms of any such Stock Right(s);

(2) Such directions shall be provided to the Trustee by the Participant or Beneficiary in accordance with the procedure as established by the Administrator. The Trustee shall vote or

otherwise exercise such Stock Right(s) with respect to which it has received directions to do so under this Section; and

(3) To the extent to which a Participant or Beneficiary does not instruct the Trustee to vote or otherwise exercise such Stock Right(s), such Participants or Beneficiaries shall be deemed to have directed the Trustee that such Stock Rights remain nonvoted and unexercised.

(d) The Trustee may from time to time transfer to a common, collective, or pooled trust fund maintained by any corporate Trustee hereunder pursuant to Revenue Ruling 81-100, all or such part of the Trust Fund as the Trustee may deem advisable, and such part or all of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The Trustee may withdraw from such common, collective, or pooled trust fund all or such part of the Trust Fund as the Trustee may deem advisable.

(e) Amounts attributable to contributions for Part-time, Seasonal and Temporary Employees pursuant to Section 4.01(e) shall be held in a separate account that is subject to general fiduciary standards, and these amounts shall be credited with the actual earnings of the assets held in such account.

5.03 OTHER POWERS OF THE TRUSTEE

The Trustee, in addition to all powers and authorities under common law, statutory authority and other provisions of this Plan, shall have the following powers and authorities, except as otherwise provided in this Plan, exercisable at the Trustee's sole discretion (if the Trustee is a discretionary trustee), or at the direction of the Employer, the Administrator, or designated investment manager or Participant (if the Trustee is a directed nondiscretionary Trustee):

(a) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;

(b) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(c) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property. However, the Trustee shall not vote proxies relating to securities for which it has not been assigned full investment management responsibilities. In those cases where another party has such investment authority or discretion, the Trustee will deliver all proxies to said party who will then have full responsibility for voting those proxies;

(d) To cause any securities or other property to be registered in the Trustee's own name or in the name of one or more of the Trustee's nominees, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;

(e) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(f) To keep such portion of the Trust Fund in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(g) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(h) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(i) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(j) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be agent or counsel for the Employer;

(k) To apply for and procure from the Insurer as an investment of the Trust Fund such Contracts as the Administrator shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such Contracts; to collect, receive, and settle for the proceeds of all such Contracts as and when entitled to do so under the provisions thereof;

(l) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest in the Trustee's bank;

(m) To invest in Treasury Bills and other forms of United States government obligations;

(n) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange;

(o) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(p) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or any Affiliated Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests;

(q) To appoint an agent or agents to assist the Trustee in carrying out any investment instructions of Participants and any fiduciary or responsible party;

(r) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

(s) To invest in shares of investment companies registered under the Investment Company Act of 1940.

(t) Directed Investment Account. If elected in the Adoption Agreement, each Participant may direct the Trustee to separate and keep separate all or a portion of such Participant's interest in the Plan; and further each Participant is authorized and empowered, in such Participant's sole and absolute discretion, to give directions to the Trustee in such form as the Trustee may require concerning the

investment of the Participant's Directed Investment Account, which directions must be followed by the Trustee. Neither the Trustee nor any other persons including the Administrator or otherwise shall be under any duty to question any such direction of the Participant or to review any securities or other property, real or personal, or to make any suggestions to the Participant in connection therewith, and the Trustee shall comply as promptly as practicable with directions given by the Participant hereunder. Any such direction may be of a continuing nature or otherwise and may be revoked by the Participant at any time in such form as the Trustee may require. The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole and absolute discretion, deems such directions improper by virtue of applicable law, and in such event, the Trustee shall not be responsible or liable for any loss or expense which may result. Any costs and expenses related to compliance with the Participant's directions shall be borne by the Participant Directed Investment Account.

Notwithstanding anything hereinabove to the contrary, the Trustee shall not invest any portion of a Participant Directed Investment Account in "collectibles" within the meaning of that term as employed in Code Section 408(m).

5.04 DUTIES OF THE TRUSTEE REGARDING PAYMENTS

At the direction of the Administrator, the Trustee shall, from time to time, in accordance with the terms of the Plan, make payments out of the Plan assets. The Trustee shall not be responsible in any way for the application of such payments.

5.05 TRUSTEE'S COMPENSATION AND EXPENSES AND TAXES

The Trustee shall be paid such reasonable compensation as set forth in the Trustee's fee schedule (if the Trustee has such a schedule) or as agreed upon in writing by the Employer and the Trustee. An individual serving as Trustee who already receives full-time pay from the Employer shall not receive compensation from this Plan. In addition, the Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by it as Trustee. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Employer. All taxes of any kind and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof, shall be paid from the Trust Fund.

5.06 ANNUAL REPORT OF THE TRUSTEE

Within a reasonable period of time after the later of the Anniversary Date or receipt of the Employer's contribution for each Plan Year, the Trustee, or its agent, shall furnish to the Employer and Administrator a written statement of account with respect to the Plan Year for which such contribution was made setting forth:

- (a) the net income, or loss, of the Trust Fund;
- (b) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;
- (c) the increase, or decrease, in the value of the Trust Fund;
- (d) all payments and distributions made from the Trust Fund; and
- (e) such further information as the Trustee and/or Administrator deems appropriate. The Employer, forthwith upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustee and/or Administrator of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within sixty (60) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding as to all matters embraced therein as between the Employer and the Trustee to the same extent as if the account of the Trustee had been settled by judgment or decree in an action for a judicial settlement of its account in a court of competent jurisdiction in which the Trustee, the Employer and all persons having

or claiming an interest in the Plan were parties; provided, however, that nothing herein contained shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so desires.

5.07 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

(a) The Trustee may resign at any time by delivering to the Employer, at least sixty (60) days before its effective date, a written notice of resignation.

(b) The Employer may remove the Trustee by mailing by registered or certified mail, addressed to such Trustee at the Trustee's last known address, at least sixty (60) days before its effective date, a written notice of such Trustee's removal.

(c) Upon the death, resignation, incapacity, or removal of any Trustee, a successor may be appointed by the Employer; and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of the predecessor with like respect as if such Trustee were originally named as a Trustee herein. Until such a successor is appointed, the remaining Trustee or Trustees shall have full authority to act under the terms of the Plan.

(d) The Employer may designate one or more successors prior to the death, resignation, incapacity, or removal of a Trustee. In the event a successor is so designated by the Employer and accepts such designation, the successor shall, without further act, become vested with all the estate, rights, powers, discretions, and duties of such successor's predecessor with the like effect as if such successor were originally named as Trustee herein immediately upon the death, resignation, incapacity, or removal of the predecessor.

(e) Whenever any Trustee hereunder ceases to serve as such, the Trustee shall furnish to the Employer and Administrator a written statement of account with respect to the portion of the Plan Year during which the individual or entity served as Trustee. This statement shall be either (i) included as part of the annual statement of account for the Plan Year required under Section 5.06 or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Employer no later than the due date of the annual statement of account for the Plan Year. The procedures set forth in Section 5.06 for the approval by the Employer of annual statements of account shall apply to any special statement of account rendered hereunder and approval by the Employer of any such special statement in the manner provided in Section 5.06 shall have the same effect upon the statement as the Employer's approval of an annual statement of account. No successor to the Trustee shall have any duty or responsibility to investigate the acts or transactions of any predecessor who has rendered all statements of account required by Section 5.06 and this subsection.

5.08 TRUSTEE INDEMNIFICATION

To the extent permitted by law, the Employer agrees to indemnify and save harmless the Trustee against any and all claims, losses, damages, expenses and liabilities the Trustee may incur in the exercise and performance of the Trustee's powers and duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct.

5.09 VALUATION OF THE TRUST FUND

The Administrator shall direct the Trustee, as of each Valuation Date, to determine the net worth of the assets comprising the Trust Fund as it exists on the Valuation Date prior to taking into consideration any contribution to be allocated for that Plan Year. In determining such net worth, the Trustee shall value the assets comprising the Trust Fund at their fair market value as of the Valuation Date.

5.10 METHOD OF VALUATION

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 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 may appraise such assets itself or employ one or more appraisers for that purpose and rely on the values established by such appraiser or appraisers.

5.11 USE OF CUSTODIAL ACCOUNT

In the event that the Employer elects, in Section D.1.b. of the Adoption Agreement, to have all or a portion of the Plan's assets held in trust by a nondiscretionary Trustee, the Employer may, in lieu of or in addition to appointing a Trustee and creating a trust, appoint a bank (as defined in Code Section 408(n)), or another person who meets the requirements for a non-bank custodian under Code Section 401(f)(2), to serve as the custodian ("Custodian") of such assets, and may direct the Custodian to hold such assets in an account ("Custodial Account") that, but for the fact that it is not a trust, would otherwise constitute a qualified trust under Code Section 401(a). If the Employer makes the election described in this Section 5.11, the Custodial Account shall, for all purposes under the Plan, be treated as the Plan's Trust Fund (as described in Section 1.47), and the Custodian shall, for all purposes under the Plan, be treated as the nondiscretionary trustee of such Trust Fund. Consequently, any reference in the Plan to the Trustee shall be treated as a reference to the Custodian of the Custodial Account, and the Custodian shall have all the powers, duties and responsibilities of a nondiscretionary Trustee as set forth under Article V; provided, however, that the Custodian shall not have the power to, and shall not be permitted to, invest the assets of the Trust Fund in a common, collective or pooled trust fund maintained by a corporate Trustee, as described in Section 5.02(d).

ARTICLE VI
DETERMINATION AND DISTRIBUTION OF BENEFITS

6.01 DETERMINATION OF BENEFITS UPON RETIREMENT

Upon the Participant's attainment of Normal Retirement Age or Early Retirement Age, all amounts credited to a Participant's Account shall become fully Vested. However, a Participant may postpone the termination 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 4.03, shall continue until such Participant's Retirement Date. Upon a Participant's Retirement Date, or as soon thereafter as is practicable, all amounts credited to such Participant's Account shall be distributable in accordance with Section 6.05.

6.02 DETERMINATION OF BENEFITS UPON DEATH

(a) Upon the death of a Participant before the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Account shall, if elected in the Adoption Agreement, become fully Vested. The Administrator shall direct the Insurer (or Trustee, if applicable), in accordance with the provisions of Sections 6.06 and 6.07, to distribute the value of the deceased Participant's Vested accounts to the Participant's Beneficiary.

(b) Upon the death of a Former Participant, the Administrator shall direct, in accordance with the provisions of Sections 6.06 and 6.07, the Insurer (or Trustee, if applicable), to distribute the value of any remaining Vested amounts credited to the accounts of such deceased Former Participant to such Former Participant's Beneficiary.

(c) 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 or Former 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) 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 notice of such revocation or change with the Administrator. In the event no valid designation of Beneficiary exists at the time of the Participant's death, the death benefit shall be payable to the Participant's estate.

(e) 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.

6.03 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 termination of employment, all amounts credited to such Participant's Account shall, if elected in the Adoption Agreement, become fully Vested. In such event, the Administrator, in accordance with the provisions of Sections 6.05 and 6.07, shall direct the Insurer (or Trustee, if applicable) to distribute to such Participant all Vested amounts credited to such Participant's Account in a manner consistent with Section 6.05, including, but not limited to, all notice requirements of Code Section 402(f).

6.04 DETERMINATION OF BENEFITS UPON TERMINATION

(a) 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, or Retirement Date). However, at the election of the Participant, the Administrator shall direct the Insurer (or Trustee, if applicable) to cause the entire Vested portion of the Terminated Participant's Account to 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 6.05, including but not limited to, the notice requirements under Code Section 402(f).

(b) 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 twelve month Periods of Service if the Elapsed Time Method is elected) according to the vesting schedule specified in the Adoption Agreement. Notwithstanding any other provision of this Plan to the contrary, contributions for Part-time, Seasonal and Temporary Employees pursuant to Section 4.01(e), Special Pay contributions and Employee non-elective contributions, shall be 100% immediately vested.

(c) Notwithstanding the vesting schedule above, upon any termination of the Plan or in the case of a profit sharing plan the complete discontinuance of contributions to the Plan, all amounts credited to the account of any affected Participant shall become 100% Vested and shall not thereafter be subject to Forfeiture.

(d) If this is an amended or restated Plan, then notwithstanding the vesting schedule specified in the Adoption Agreement, the Vested percentage of a Participant's Account shall not be less than the Vested percentage attained as of the later of the effective date or adoption date of this amendment and restatement. The computation of a Participant's nonforfeitable percentage of such Participant's interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Article.

(e) This subsection (e) applies if break in service rules have been selected in the Adoption Agreement.

(1) If any Former Participant shall be reemployed by the Employer before a 1-Year Break in Service occurs, the Former Participant shall continue to participate in the Plan in the same manner as if such termination had not occurred.

(2) If any Former Participant shall be reemployed by the Employer, and such Former Participant had received a distribution of the entire Vested interest prior to reemployment, the forfeited account shall not be reinstated.

(3) If any Former Participant is reemployed after a 1-Year Break in Service has occurred, Years of Service (or Periods of Service) shall include Years of Service (or Periods of Service) prior to the 1-Year Break in Service subject to the following rules:

(i) Any Former Participant who under the Plan does not have a nonforfeitable right to any interest in the Plan resulting from Employer contributions shall lose credits if the consecutive 1-Year Breaks in Service equal or exceed the greater of (A) five (5) or (B) the aggregate number of pre-break Years of Service (or Periods of Service);

(ii) After five (5) consecutive 1-Year Breaks in Service, a Former Participant's Vested Account balance attributable to pre-break service shall not be increased as a result of post-break service;

(iii) A Former Participant who is reemployed and who has not had Years of Service (or Periods of Service) before a 1-Year Break in Service disregarded pursuant to (i) above, shall participate in the Plan as of the date of reemployment.

(iv) If a Former Participant completes a Year of Service (a 1-Year Break in

Service previously occurred, but employment had not terminated), the Former Participant shall participate in the Plan retroactively from the first day of the Plan Year during which one (1) Year of Service (or Period of Service) is completed.

(f) In determining Years of Service (or Periods of Service) for purposes of vesting under the Plan, Years of Service (or Periods of Service) shall be excluded as specified in the Adoption Agreement.

6.05 DISTRIBUTION OF BENEFITS

(a) The Trustee (or Insurer) will make Plan distributions in the form of cash except where (1) the Plan is a restated Plan and under the prior Plan, distribution in the form of property ("in-kind distribution") is a Protected Benefit, or (2) the Employer is terminating the Plan, and in the reasonable judgment of the Administrator, some or all Plan assets may not within a reasonable time for making final distributions of Plan assets, be liquidated to cash or may not be so liquidated without undue loss in value. Under clause (2), the Administrator will direct the Trustee (or Insurer) to make Plan termination distributions to Participants and Beneficiaries in cash, in-kind or in a combination of these forms, in a reasonable and nondiscriminatory manner which may take into account the preferences of the distributees. All in-kind distributions will be made based on the current fair market value of the property, as determined by the Administrator.

(b) The portion of a Participant's benefit derived from Employer contributions will generally not be paid without the Participant's consent. If elected in the Adoption Agreement, the Administrator will distribute such benefit in a lump-sum without such Participant's consent. If any portion of the Participant's benefit is derived from contributions made for Part-time, Seasonal or Temporary Employees pursuant to Section 4.01(e), no distribution will be made without the Participant's consent if the Participant's Vested Interest is greater than the cash-out limit in effect under Code Section 411(a)(11)(A) for the Plan Year which includes the date of distribution. If, in the Adoption Agreement, the Employer elects to distribute a terminated Participant's Vested account without the Participant's consent, but only if the Participant's Vested account balance does not exceed \$1,000, then the value of the Participant's Vested account shall be determined by including the portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

For distributions on or after March 28, 2005, in the event of a mandatory distribution greater than \$1,000 (but not greater than the cash-out limit in effect under Code Section 411(a)(11)(A)) in accordance with the provisions of this Section 6.05(b) (or any other section of the Plan relating to involuntary distributions), if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Administrator will direct the Trustee (or Insurer) to pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator. In such event, the Administrator shall:

(1) Select and enter into a written agreement with an IRA service provider that is willing to accept small account distributions as rollovers;

(2) Select a default IRA investment that meets regulatory requirements;

(3) Execute the necessary documents to establish an IRA on the Participant's behalf; and

(4) Ensure that Participants are provided with a detailed written explanation of the default IRA, including a description of the investment, the fees associated with the IRA, notification that the distribution may be transferred by the Participant to another individual retirement plan, as well as the name, address, and phone number of a plan contact for additional information.

(c) The Participant's consent shall not be required for any distribution required under Section 6.15, below.

(d) Notwithstanding any provision in the Plan to the contrary, distributions shall be made in accordance with Section 6.15 and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder.

(e) All Contracts purchased for purposes of the payment of benefits under this Plan shall be non-transferable.

(f) If a distribution is made at a time when a Participant who has not terminated employment is not fully Vested in the Participant's Account and the Participant may increase the Vested percentage in such account:

(1) A separate account shall be established for the Participant's interest in the Plan as of the time of the distribution, and

(2) At any relevant time the Participant's Vested portion of the separate account shall be equal to an amount ("X") determined by the formula:

$$X \text{ equals } P(\text{AB plus } (R \times D)) - (R \times D)$$

For purposes of applying the formula: P is the Vested percentage at the relevant time, AB is the account balance at the relevant time, D is the amount of distribution, R is the ratio of the account balance at the relevant time to the account balance after distribution, and the relevant time is the time at which, under the Plan, the vested percentage in the account cannot increase .

(g) The Administrator, pursuant to the election of the Participant, shall direct the Insurer (or Trustee, if applicable) to distribute to a Participant or the Participant's 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;

(2) Payments in monthly, quarterly, semiannual, or annual cash installments after first having:

(i) purchased a nontransferable annuity Contract for such payment, or,

(ii) if a trustee Plan, segregated the aggregate amount thereof in a separate savings account or certificate of deposit in a bank or savings and loan association, money market certificate or other liquid short-term security. The period over which such payment is to be made shall not extend beyond the Participant's life expectancy (or the life expectancy of the Participant and the Participant's designated Beneficiary);

(3) Payments in the form of 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.

6.06 DISTRIBUTION OF BENEFITS UPON DEATH

(a) If the Participant dies before his entire Vested Account is distributed to him, his remaining Vested interest in the Plan shall be distributed to his designated Beneficiary by either of the following methods, as elected by the Participant (or, if no election has been made prior to the Participant's

death, by the Participant's Beneficiary) subject to the rules specified in Section 6.06(b) and the selections made in the Adoption Agreement:

- (1) One lump-sum payment in cash;
- (2) In the form of an annuity over the life expectancy of the Participant's Beneficiary.
- (3) In the form of installments. In the event the death benefit is payable in
- (4) installments, then, upon the death of the Participant, the Administrator may direct that the death benefit be segregated and invested separately, and that the funds accumulated in the segregated account be used for the payment of the installments.

(b) Notwithstanding the above, if the Participant's Vested account balance as of the date of death does not exceed the amount selected in the Adoption Agreement (for involuntary distributions), the entire Vested account balance shall be distributed as soon as administratively practicable in a single lump sum subject to the mandatory rollover to IRA provisions of Section 6.05(b). The value of a Participant's Vested account balance shall be determined by including the portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

(c) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant shall be made in accordance with Section 6.15 and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder.

(d) In the event that less than 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.

6.07 TIME OF SEGREGATION OR DISTRIBUTION

Except as limited by Sections 6.05 and 6.06, whenever the Insurer (or Trustee, if applicable) is to make a distribution or commence a series of payments on or as of an Anniversary Date, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable.

6.08 DISTRIBUTION FOR MINOR BENEFICIARY

In the event a distribution is to be made to a minor Beneficiary, then the Administrator may direct that such distribution be paid to the legal guardian or to the custodian for such Beneficiary under the applicable state Uniform Transfers (Gifts) to Minors Act, if such is permitted by the laws of the state in which said Beneficiary resides. Such a payment to the legal guardian or custodian of a minor Beneficiary shall fully discharge the Insurer (or Trustee, if applicable), Employer, and Plan from further liability on account thereof.

6.09 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 retirement annuity described in Code §408(b). 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 or be paid directly to an individual retirement account described in

Code §408(a) or an individual retirement annuity described in Code §408(b) 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, 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.

6.10 IN-SERVICE DISTRIBUTION

For Profit Sharing Plans, if elected in the Adoption Agreement, at such time as the conditions specified 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 then credited to the accounts maintained on behalf of the Participant. However, no such distribution from the Participant's Account shall occur prior to 100% Vesting. 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 6.05, including, but not limited to, the notice requirements of Code Section 402(f) and the Regulations thereunder. The provisions of the paragraph shall not apply to contributions made pursuant to Section G.3.b. of the Adoption Agreement on behalf of Part-time, Seasonal and Temporary Employees.

Except as provided in the following paragraph, to the extent that any optional form of benefit under this Plan permits a distribution prior to the Participant'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 Section 414(l), to this Plan from a Money Purchase Pension Plan qualified under Code Section 401(a) (other than any portion of those assets and liabilities attributable to voluntary Employee contributions).

If elected in the Adoption Agreement, then beginning as of the date specified in the Adoption Agreement, if the Plan is a money purchase pension plan (or a profit sharing plan that has received a transfer of assets from a pension plan), a Participant who has attained age 62, but has not separated from employment, may elect to receive a distribution of up to 100% of the Vested portion of the Participant's Account (or, in the case of a transferee plan, of up to the entire amount attributable to such transferred assets).

6.11 ADVANCE DISTRIBUTION FOR HARDSHIP

(a) For Profit Sharing Plans, 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 up to the lesser of 100% of the Participant's Account valued as of the last Anniversary Date or other Valuation Date or the amount necessary to satisfy the immediate and heavy financial need of the Participant. 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 on account of:

- (1) Medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, or any of the Participant's dependents (as defined in Code Section 152) or expenses necessary for these persons to obtain medical care;
- (2) The purchase (excluding mortgage payments) of a principal residence for the Participant;
- (3) Funeral expenses for a member of the Participant's family;

(4) Payment of tuition and related educational fees for the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, children, or dependents;

(5) The need to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage of the Participant's principal residence: or

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

(b) No such distribution shall be made from the Participant's Account until such account has become fully Vested.

(c) Any distribution made pursuant to this section shall be made in a manner which is consistent with and satisfies the provisions of Section 6.05, including, but not limited to, all notice requirements of Code Section 402(f).

(d) The provisions of the paragraph shall not apply to contributions made pursuant to Section G.3.b. of the Adoption Agreement on behalf of Part-time, Seasonal and Temporary Employees.

(e) Unless otherwise elected in the Adoption Agreement, then effective as of August 17, 2006, a Participant's hardship event, for purposes of the Plan's hardship distribution provisions, 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 Section 152 (such hardship events being limited to educational expenses, funeral expenses and certain medical expenses). For purposes of this subparagraph (e), a Participant's "primary Beneficiary under the Plan" is an individual who is named as a Beneficiary under the Plan and has an unconditional right to all or a portion of the Participant's account balance under the Plan upon the Participant's death.

6.12 QUALIFIED RESERVIST DISTRIBUTIONS

If elected in the Adoption Agreement, then effective as of the date specified in the Adoption Agreement, the Plan permits a Participant to elect a Qualified Reservist Distribution, as defined in this Section 6.12.

A "Qualified Reservist Distribution" is any distribution to an individual who is ordered or called to active duty after September 11, 2001, if: (i) the distribution is from amounts attributable to elective deferrals in a 401(k) plan; (ii) the individual was (by reason of being a member of a reserve component, as defined in Section 101 of Title 37, United States Code) ordered or called to active duty for a period in excess of 179 days or for an indefinite period; and (iii) the Plan makes the distribution during the period beginning on the date of such order or call, and ending at the close of the active duty period.

6.13 LIMITATIONS ON BENEFITS AND DISTRIBUTIONS UNDER DOMESTIC RELATIONS ORDERS

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "domestic relations order" ("DRO") as defined in Code Section 414(p). Furthermore, if elected in the Adoption Agreement, a distribution to an "alternate payee" shall be permitted if such distribution is authorized by a DRO, even if the affected Participant is not yet entitled to a distribution under the terms of the Plan.

Effective April 6, 2007, a domestic relations order will not fail to be a DRO: (i) solely because the order is issued after, or revises, another domestic relations order or DRO; 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. Such a domestic relations order is subject to the same requirements and protections that apply to DROs.

6.14 DIRECT ROLLOVER

(a) 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 any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more; any distribution that is required under Section 401(a)(9) of the Code; or any distribution which is made on account of hardship. However, the portion of any eligible rollover distribution that consists of after-tax employee contributions which are not includible in gross income may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code or a qualified trust described in Section 401(a) of the Code, or an annuity contract described in Section 403(b) of the Code that accepts the distributee's eligible rollover distribution. An eligible retirement plan shall also mean an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternative payee under a domestic relations order.

(d) A distributee includes a Participant or Former Participant. In addition, the Participant's or Former Participant's surviving spouse and the Participant's or Former Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

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

(f) For taxable years beginning after December 31, 2006, a Participant may elect to transfer employee (after-tax) or Roth elective deferral contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amounts so transferred, including accounting separately for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

(g) For distributions after December 31, 2009, and unless otherwise elected in the Adoption Agreement, for distributions between January 1, 2007 and December 31, 2009, a non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the Beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. For purposes of this paragraph, the following additional provisions shall apply:

(1) Although a non-spouse Beneficiary may roll over directly a distribution as provided in this subsection (g), any distribution made prior to January 1, 2010 is not subject to the

direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c)). If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

(2) If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code Section 401(a)(9)(E).

(3) A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. Section 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

(h) For distributions made after December 31, 2007, a Participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code Section 408A(b).

6.15 REQUIRED MINIMUM DISTRIBUTIONS

(a) Except as otherwise provided in Subsection (g) below, the provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year. The requirements of this section will take precedence over any inconsistent provisions of the Plan. All distributions required under this section will be determined and made in accordance with the Regulations under Section 401(a)(9) and the minimum distribution incidental benefit requirement of Section 401(a)(9)(G) of the Code. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to Section 242(b)(2) of TEFRA.

(b) 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. 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:

(1) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then except as provided in subsection (f), below, 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.

(2) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then except as provided in subsection (f), 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.

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

(4) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the

surviving spouse begin, this subsection (b), other than paragraph (b)(1), will apply as if the surviving spouse were the Participant.

For purposes of this subsection (b) and subsection (d), unless paragraph (b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (b)(1). 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 paragraph (b)(1)), the date distributions are considered to begin is the date distributions actually commence.

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 subsections (c) and (d) of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Regulations.

(c) During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A-2 of the Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, Q&A-3 of the Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions will be determined under this subsection (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) (1) 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:

(i) 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.

(ii) 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.

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

(2) 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.

(3) Except as provided in subsection (f) below, 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 paragraphs (d)(1) and (d)(2).

(4) 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.

(5) 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 paragraph (b)(1), paragraphs (d)(3) – (5) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(1) "Designated Beneficiary" means the individual who is designated as the Beneficiary under Section 6.02 of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Regulations.

(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, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection (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 life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q&A-1 of the Regulations.

(4) "Participant's account balance" means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The

account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) "Required beginning date" means April 1st of the calendar year following the later of:

- (i) the calendar year in which the Participant attains age 70-1/2; or
- (ii) the calendar year in which the Participant retires.

(f) For purposes of paragraphs (b)(1), (b)(2) and (d)(3) of this Section 6.15, Participants or beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under paragraphs (b)(1) or (b)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the beneficiary makes an election under this paragraph, distributions will be made in accordance with paragraphs (b)(1) or (b)(2) and (d)(3).

6.16 WAIVER OF 2009 REQUIRED MINIMUM DISTRIBUTIONS

(a) This subsection (a) applies unless the Employer elects (in the Adoption Agreement) to apply the provisions of subsection (b) or (c), below. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are one or more payments in a series of installments (that include 2009 RMDs), will continue to receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect not to receive the distributions that include 2009 RMDs. For all other Participants and Beneficiaries, the requirement to receive the 2009 RMD shall be suspended in accordance with Code Section 401(a)(9)(H).

(b) This subsection (b) applies if the Employer so elects in the Adoption Agreement. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2009 RMDs or (2) one or more payments in a series of installments (that include 2009 RMDs), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

(c) This subsection (c) applies if the Employer so elects in the Adoption Agreement. Notwithstanding the provisions of Code Section 401(a)(9)(H), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2009 RMDs or (2) one or more payments in a series of installments (that include the 2009 RMDs), will receive those distributions for 2009. However, Participants and Beneficiaries receiving installments will be given the opportunity to elect not to receive the distributions that include 2009 RMDs.

(d) Notwithstanding the provisions of the Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009, as elected by the Employer in the Adoption Agreement, will be treated as eligible rollover distributions. If no election is made by the Employer in the Adoption

Agreement, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(H).

6.17 PARTICIPANT DISTRIBUTION NOTIFICATION

For any distribution notice issued in Plan Years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code Section 402(f) (the rollover notice) will become 180 days.

ARTICLE VII
AMENDMENT and TERMINATION

7.01 AMENDMENT BY EMPLOYER

(a) The Employer shall have the right at any time to amend the Adoption Agreement, but limited to changes to the choice of options in the Adoption Agreement. The Employer may also add certain IRS sample or model amendments or other required good faith amendments which specifically provide that their adoption will not cause its Plan to be treated as individually designed. The Employer may specify or change the effective date of a provision as permitted under the Plan and correct obvious and unambiguous typographical errors and/or cross-references that merely correct a reference but that do not in any way change the original intended meaning of the provisions. However, no such amendment shall authorize or permit any part of the Plan's assets (other than such part as is required to pay administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries or estates; no such amendment shall cause any reduction in the account balance of any Participant or cause or permit any portion of the Plan's assets to revert to or become property of the Employer; and no such amendment which affects the rights, duties or responsibilities of the Insurer (or Trustee, if applicable) and Administrator may be made without the Insurer's (or Trustee's, if applicable) and Administrator's written consent. Any such amendment shall become effective upon delivery of a new duly executed Adoption Agreement, provided that the Insurer (or Trustee, if applicable) shall, in writing, consent to the terms of such amendment.

(b) Any other amendment of the Plan or the non-elective portions of the Adoption Agreement by the Employer shall result in this Plan's being treated as an individually-designed plan for which the Employer will have to apply to the appropriate key district of the Internal Revenue Service for a determination letter if the Employer wants assurance that the Plan meets the requirements of the Code.

7.02 AMENDMENT BY VOLUME SUBMITTER PRACTITIONER

(a) Effective as of the date of the advisory letter, the Volume Submitter Practitioner may, from time to time, amend the plan (without the Employer's consent) in order to conform the Plan to any requirement for qualification of the Plan (and the related Trust, if applicable) under the sections of the Code applicable to "governmental plans," as defined in Section 414(d) of the Code. Such amendments may address changes in the Code, the related Treasury regulations, revenue rulings, or other statements published by the Internal Revenue Service. The Volume Submitter Practitioner may not amend the Plan in any manner which would modify any election made by the Employer under the Plan without the Employer's written consent. Furthermore, the Volume Submitter Practitioner may not amend the Plan in any manner which would violate the proscriptions of Section 7.01(a), above. The Volume Submitter Practitioner's authority to amend the plan shall cease as of the date the Internal Revenue Service requires the Employer to file a Form 5300 as an individually designed plan because of substantial modifications of the specimen plan. If the Employer is required to obtain a determination letter in order to have reliance (for example, because the Employer has modified the specimen plan), the Volume Submitter Practitioner's authority to amend the Plan shall be conditioned on the Employer's plan being covered by a favorable determination letter.

(b) The Volume Submitter Practitioner shall furnish each adopting Employer with a copy of the approved Plan, copies of any subsequent amendments, and the most recently issued IRS advisory letter. The Volume Submitter Practitioner shall maintain, or have maintained on its behalf, a record of the names, business addresses and taxpayer identification numbers of all Employers that have adopted the Plan, and shall make reasonable and diligent efforts to ensure that adopting Employers have received and are aware of all Plan amendments and that such Employees adopt new documents as necessary. If the Volume Submitter Practitioner reasonably concludes that an Employer's plan may no longer be a qualified plan, the Volume Submitter Practitioner shall (i) notify the Employer accordingly, (ii) advise the Employer about the adverse tax consequences that may result from loss of the plan's qualified status, and (iii) inform the Employer about the availability of the Employee Plans Compliance Resolution System (EPCRS).

7.03 TERMINATION

(a) The Employer shall have the right at any time to terminate the Plan by delivering to the Insurer (or trustee, if applicable) and Administrator advanced written notice of such prospective termination. Upon termination of the Plan or, in the case of a profit sharing plan the complete discontinuance of contributions to the Plan, all amounts credited to the affected Participants' Accounts shall become 100% Vested and shall not thereafter be subject to Forfeiture, and all unallocated amounts, including Forfeitures, shall be allocated to the accounts of all Participants in accordance with the provisions hereof.

(b) Upon the termination of the Plan, the Employer shall direct the distribution of the assets to Participants in a manner which is consistent with and satisfies the provisions of Section 6.05. Distributions to a Participant shall be made in any form otherwise permitted by the Plan.

(c) Notwithstanding the foregoing, in the event this is a Money Purchase Plan which provides that Forfeitures must be used to reduce Employer contributions, any Forfeitures which cannot be reallocated may revert to the Employer. However, this provision shall not apply until the end of the fifth calendar year following the date the Plan provision was adopted.

ARTICLE VIII
MISCELLANEOUS

8.01 EMPLOYER ADOPTIONS

(a) Any state or local governmental entity may, with the approval of the Volume Submitter Practitioner, become the Employer hereunder by executing the Adoption Agreement in a form satisfactory to the Insurer (or Trustee, if applicable) and it shall provide such additional information as the Insurer (or Trustee, if applicable) may require.

(b) Except as otherwise provided in this Plan, the adoption of this Plan by the Employer and the participation of its Participants shall be separate and apart from that of any other employer and its participants hereunder.

8.02 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.

8.03 ALIENATION

(a) Subject to the exceptions provided below, 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) This provision shall not apply to the extent a Participant or Beneficiary is indebted to the Plan by reason of a loan made pursuant to Section 11.01. At the time a distribution is to be made to or for a Participant's or Beneficiary's benefit, such proportion 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 written notice by the Administrator that such indebtedness is to be so paid in whole or part from the Participant's Account. If the Participant or Beneficiary does not agree that the indebtedness is a valid claim against the Participant's Vested Account, the Participant or Beneficiary shall be entitled to a review of the validity of the claim in accordance with procedures provided in Sections 2.11 and 2.12.

(c) This provision shall not apply to amounts set aside or otherwise distributed to an "alternate payee" under a "domestic relations order," as defined in Code Section 414(p). The Administrator shall establish a written procedure to administer distributions under such domestic relations orders. Further, to the extent provided under a domestic relations order, a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.

(d) Notwithstanding any provision of this section to the contrary, an offset to a Participant's accrued benefit against an amount that the Participant is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into, on or after August 5, 1997, shall be permitted in accordance with Code Section 401(a)(13)(C) and (D).

8.04 CONSTRUCTION OF PLAN

This Plan and Trust 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, other than its laws respecting choice of law.

8.05 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neutral gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and 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.

8.06 LEGAL ACTION

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

8.07 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan (or of the Trust, if any) 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 Plan assets 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, Retired Participants, or their Beneficiaries.

(b) 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 Insurer (or Trustee, if applicable) 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.

8.08 EMPLOYER'S, ADMINISTRATOR'S AND TRUSTEE'S PROTECTIVE CLAUSE

Neither the Employer nor the Administrator (nor the Trustee, if applicable) nor their successors, shall 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.

8.09 INSURER'S PROTECTIVE CLAUSE

The Insurer who shall issue 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 Employer or Administrator (or Trustee, if applicable), and shall have no duty to see to the application of any funds paid to the Administrator (or Trustee, if applicable), nor be required to question any actions directed by the Employer or Administrator. 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.

8.10 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, shall, to the

extent thereof, be in full satisfaction of all claims hereunder against the Insurer (or Trustee, if applicable) and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Insurer or Employer. Any authorization of, or request for, payment directed to the Insurer shall be signed by the Administrator and/or Participant or Beneficiary.

8.11 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.

8.12 RESPONSIBLE PARTIES AND ALLOCATION OF RESPONSIBILITY

(a) The "responsible parties" of this Plan are (1) the Employer, (2) the Administrator and, if there is a discretionary Trustee, the Trustee. The responsible parties shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan, including but not limited to any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. Unless otherwise indicated herein or pursuant to such agreement(s), the Employer shall have the duties specified in Article II hereof, as the same may be allocated or delegated thereunder, including but not limited to the responsibility for making the contributions provided for under Section 4.01, and shall have the authority:

- (1) to appoint and remove the Insurer (or Trustee); and
- (2) to amend or terminate, in whole or in part, the Plan.

(b) The Administrator shall have the responsibility for the administration of the Plan, including but not limited to the items specified in Article II of the Plan, as the same may be allocated or delegated thereunder.

(c) The Trustee (if any) shall have the responsibility of management and control of the Plan assets that are not held in Contracts, including but not limited to the acquisition and disposition of Plan assets except to the extent it shall act under the direction of the Employer, the Administrator, or Participants pursuant to Article II and Article V of the Plan.

Each responsible party warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each responsible party may rely upon any such direction, information or action of another responsible party as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each responsible party shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan as specified or allocated hereunder. No responsible party shall guarantee the Plan assets in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one responsible party capacity.

8.13 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.

8.14 APPROVAL BY INTERNAL REVENUE SERVICE

Notwithstanding anything herein to the contrary, if, pursuant to an application timely filed by or on behalf of the Plan, the Commissioner of Internal Revenue Service or the Commissioner's delegate should determine that the Plan does not initially qualify as a qualified plan under Code Sections 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 year of the date the initial qualification is denied and the Plan shall terminate, and the Insurer (or Trustee, if applicable) shall be discharged from all further obligations. If the disqualification relates to an amended plan, then the Plan shall operate as if it had not been amended and restated. For purposes of this section, an application is timely filed if filed by such date as the Secretary of the Treasury may prescribe for plans maintained by governmental employers.

8.15 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

ARTICLE IX
PARTICIPATING EMPLOYERS

9.01 ELECTION TO BECOME A PARTICIPATING EMPLOYER

Notwithstanding anything herein to the contrary, with the consent of the Employer and Insurer (or Trustee, if applicable), any Affiliated Employer that is also a state or local governmental entity may adopt this 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.

9.02 REQUIREMENTS OF PARTICIPATING EMPLOYERS

(a) Each Participating Employer shall be required to select the same Adoption Agreement provisions as those selected by the Employer other than the Plan Year, the Fiscal Year, and such other items that must, by necessity, vary among employers.

(b) Each such Participating Employer shall be required to use the same Insurer (or Trustee, if a trusteed Plan) as provided in this Plan.

(c) The Insurer (or Trustee, if applicable) may, but shall not be required to, commingle, hold and invest as one fund all contributions made by Participating Employers, as well as all increments thereof.

(d) The transfer of any Participant from or to an Employer participating in this Plan, regardless of whether the Participant is an Employee of the Employer or a Participating Employer, shall not affect such Participant's rights under the Plan, and all amounts credited to such Participant's Account as well as accumulated service time with the transferor or predecessor, and length of participation in the Plan, shall continue to the credit of such Participant.

(e) Any expenses of the Plan which are to be paid by the Employer 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.

9.03 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 Insurer (or Trustee, if applicable) 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 the contrary, the word "Employer" shall be deemed to include each Participating Employer as related to its adoption of the Plan.

9.04 EMPLOYEE TRANSFERS

It is anticipated that an Employee may be transferred between Participating Employers, and in the event of any such transfer, accumulated service and eligibility shall be carried with the Employee involved. No such transfer shall effect a termination 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.

9.05 PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES

Any contribution or Forfeiture subject to allocation during each Plan Year shall be allocated among all Participants of all Participating Employers in accordance with the provisions of this Plan. On the basis of the information furnished by the Administrator, the Insurer (or Trustee, if applicable) may 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 Insurer (or Trustee, if applicable) 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 Insurer (or Trustee, if applicable) thereof.

9.06 AMENDMENT

This Plan may be amended by the Employer at any time without any action by each and every Participating Employer hereunder. However, the Employer may only amend this Plan with the consent of the Insurer (or Trustee, if applicable) where such consent is necessary in accordance with the terms of this Plan.

9.07 DISCONTINUANCE OF PARTICIPATION

Any Participating 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 Insurer (or Trustee, if applicable). The Insurer (or Trustee, if applicable) shall thereafter transfer, deliver and assign Contracts and other fund assets allocable to the Participants of such Participating Employer to such new Insurer (or Trustee, if applicable) as shall have been designated by such Participating Employer, in the event that it has established a separate pension plan for its Employees. If no successor is designated, the Insurer (or Trustee, if applicable) shall retain such assets for the Employees of said Participating Employer pursuant to the provisions of Article V hereof. In no such event shall any part of the corpus or income of the fund as it relates to such Participating Employer be used for or diverted for purposes other than for the exclusive benefit of the Employees of such Participating Employer.

9.08 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 X
CONTRACTS
(APPLIES ONLY TO ANNUITY CONTRACTS OR
PORTION OF PLAN FUNDED WITH ANNUITY CONTRACTS)

10.01 PURCHASE OF CONTRACTS

The benefits provided under this Plan may be funded through the purchase of Contracts issued by The Variable Annuity Life Insurance Company (VALIC) or any other authorized Insurer. The provisions of this Article shall apply to any such Contracts which, as determined by the Employer, will not be held by the Trustee. The Employer shall pay within a reasonable period of time all contributions which are made to this Plan to the Insurer for the purchase of such Contracts.

10.02 EMPLOYER DESIGNATED AS OWNER

Each Contract shall designate the Employer as sole owner, with rights reserved to said Employer to exercise those rights or options contained therein that apply to the owner of the Contract. All such Contracts shall be held by the Employer who shall have the power and right to take such actions with respect to such Contracts as shall be in accordance with this Plan for purposes of providing benefits to Participants. The Employer shall be treated as trustee to the extent that the Contracts are treated as trusts pursuant to Code Section 401(f).

10.03 TYPE OF CONTRACT(S)

The Employer shall have the right to determine whether to have fixed or combination fixed and variable Contracts and whether to have group or individual Contracts. The Employer shall base its decision on which Contract(s) would be more beneficial for the Participants and on the administrative tasks imposed by each Contract. Such decision shall be in the sole discretion of the Employer.

10.04 VOTING RIGHTS

The Employer shall solicit and act in accordance with the instructions of the Participant in regard to any voting rights which pertain to a Contract for variable accumulation of benefits. During the accumulation period, Participants will have the right to instruct the Employer with respect to the votes attributable to any Vested interest they have in the Contract. All other votes entitled to be cast during the accumulation period may be cast by the Employer in its sole discretion. During the annuity period, every Participant will have the right to instruct the Employer with respect to all votes attributable to the amount of assets established in the appropriate separate account to meet the annuity obligations related to such Participant. The Insurer will provide all notices and proxy materials to the Employer for distribution to the Participants. The Employer may cast all votes for which instructions were not received in accordance with the Employer's sole discretion.

10.05 CERTIFICATE OF PARTICIPATION

The Insurer shall issue a certificate of participation and/or a Contract, as applicable, to each Participant. Each such certificate of participation shall set forth in substance the benefits or other rights to which such Participant is entitled under the Contract.

10.06 INSURER INDEMNIFICATION

To the extent permitted by law, the Employer agrees to indemnify and hold harmless the Insurer against any and all claims, losses, damages, expenses and liabilities the Insurer may incur in the exercise and performance of the Insurer's duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct on the part of the Insurer.

ARTICLE XI
LOANS, AUDITS AND TRANSFERS

11.01 LOANS TO PARTICIPANTS

(a) If specified in the Adoption Agreement, the Administrator (or Trustee, if applicable) may authorize loans to Participants or Beneficiaries under the following circumstances:

- (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;
- (4) loans shall provide for periodic repayment over a reasonable period of time, as defined in subsection (d) below; and
- (5) loans shall not be made for an amount less than the minimum loan amount stated in the Contracts.

(b) Loans shall be evidenced by a legally enforceable agreement that specifies the amount and date of the loan and the repayment schedule. Such agreement must be either:

- (1) in a written paper document or
- (2) in an electronic medium under a system that is accessible to participants, and under which (i) only participants may make the loan request, (ii) participants are provided with an opportunity to review, confirm, modify or rescind their request, and (iii) the participant receives either a written or electronic confirmation of the request.

(c) Loans shall be permitted from all contribution sources, including rollovers.

(d) Loans made pursuant to this section (when added to the outstanding balance of all other loans made by the Plan to the Participant) shall be limited to the lesser of:

- (1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or
- (2) the greater of (i) one-half (1/2) of the present value of the non-forfeitable accrued benefit of the Employee under the Plan, or (ii) \$10,000.

For purposes of this limit, all plans of the Employer shall be considered one plan.

(e) Loans shall provide for level amortization with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of the Participant shall provide for periodic repayment over a reasonable period of time that may exceed five (5) years. Loan repayments must be suspended under this Plan as permitted under Code Section 414(u)(4).

(f) An assignment or pledge of any portion of a Participant's interest in the Plan and a loan, pledge, or assignment with respect to any Contract purchased under the Plan, shall be treated as a loan under this Section.

(g) 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.

(h) A Participant loan program shall be established which must 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, including what constitutes a hardship or financial need if selected in the Adoption Agreement;
- (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.

(i) Such Participant loan program shall be contained in a separate written document. Furthermore, such Participant loan program may be modified or amended in writing from time to time without the necessity of amending this Section. In the event of any conflict between the terms of this Plan and a separate loan program, the terms of the Plan will control.

11.02 TRANSFER OF INTEREST

Notwithstanding any other provision contained in this Plan, the Insurer (or Trustee, if applicable) at the direction of the Administrator may transfer the Vested interest, if any, of a Participant's Account to another trust or Contract forming part of a pension, profit sharing, or stock bonus plan meeting the requirements of Code Section 401(a) or 403(a), provided that the trust or Contract to which such transfers are made permits the transfer to be made.

ARTICLE XII
HEART ACT PROVISIONS

12.01 DEATH BENEFITS

In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) 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 USERRA immediately prior to the Participant's death.

12.02 BENEFIT ACCRUAL

If the Employer elects in the Adoption Agreement to apply this Section 12.02, then effective as of the date specified in the Adoption Agreement, for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

The Plan will determine the amount of Employee contributions and the amount of elective deferrals of an individual treated as reemployed under this Section 12.02 for purposes of applying paragraph Code Section 414(u)(8)(C) on the basis of the individual's average actual Employee contributions or elective deferrals for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

12.03 DIFFERENTIAL WAGE PAYMENTS

For years beginning after December 31, 2008: (a) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), is treated as an employee of the employer making the payment; (b) the differential wage payment is treated as compensation for purposes of Code Section 415(c)(3) and Treasury Reg. Section 1.415(c)-2 (e.g., for purposes of Code Section 415, top-heavy provisions of Code Section 416, determination of highly compensated employees under Code Section 414(q), and applying the 5% gateway requirement under the Code Section 401(a)(4) regulations); and (c) the Plan is not treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) (or corresponding plan provisions, including, but not limited to, Plan provisions related to the ADP or ACP test) by reason of any contribution or benefit which is based on the differential wage payment. The Plan Administrator operationally may determine, for purposes of the provisions described in Code Section 414(u)(1)(C), whether to take into account any deferrals, and if applicable, any matching contributions, attributable to differential wages. Differential wage payments (as described herein) will also be considered Compensation for all Plan purposes unless otherwise elected in the Adoption Agreement.

Subsection 12.03(c) above applies only if all employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Section 410(b)(3), (4), and (5)).

12.04 DEEMED SEVERANCE

Notwithstanding subsection 12.03(a), if a Participant performs service in the uniformed services (as defined in Code Section 414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code Section 412. However, the Plan will not distribute such a Participant's account on account of this deemed severance from employment unless (i) the Employer elects in the Adoption Agreement to allow such distributions, and (ii) 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 elective deferral or employee contribution to this Plan (or any other plan of the Employer) during the 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 (such as a Qualified Reservist Distribution), then the other Plan provision will control and the 6-month suspension will not apply.

This page intentionally left blank.

SECTION 8

ACTION ITEMS

8 - D

**REVIEW AND APPROVE ATTACHMENT B,
DETERMINING THE AMOUNT OF COMPENSATION EARNABLE
PURSUANT TO CALIFORNIA CODE OF REGULATIONS (CCR)
TITLE 2, SECTION 570.5**

December 8, 2015

This page intentionally left blank.

Camarillo Health Care District
Pay Schedule -effective December 2015

Classification	Time Base	Minimum	Maximum
Officers			
Chief Executive Officer	Annual	\$ 151,840.00	\$ 214,240.00
Chief Operation Officer	Annual	\$ 104,000.00	\$ 152,880.00
Chief Resource Officer	Annual	\$ 74,880.00	\$ 122,304.00
Chief Administrative Officer	Annual	\$ 74,880.00	\$ 122,304.00
Chief Human Resources Officer	Annual	\$ 74,880.00	\$ 122,304.00
Directors			
Finance & Operations, Senior Director	Annual	\$ 70,000.00	\$ 120,000.00
Adult Day Center Director	Annual	\$ 52,000.00	\$ 68,640.00
Community Services Director	Annual	\$ 52,000.00	\$ 68,640.00
Marketing Director	Annual	\$ 52,000.00	\$ 68,640.00
Wellness & Caregiver Center Director	Annual	\$ 52,000.00	\$ 68,640.00
Managers			
Accounting Manager	Hourly	\$ 20.00	\$ 29.92
Adult Day Center Manager	Annual	\$ 43,680.00	\$ 60,320.00
Business Development Manager	Annual	\$ 47,840.00	\$ 66,560.00
*Clinical Case Manager	Annual	\$ 64,480.00	\$ 83,200.00
Care Transitions Manager	Annual	\$ 43,680.00	\$ 60,320.00
Community Education Manager	Hourly	\$ 18.87	\$ 28.00
Community Outreach Manager	Hourly	\$ 19.00	\$ 26.25
Community Services Manager	Annual	\$ 39,520.00	\$ 58,240.00
Program Manager	Annual	\$ 39,520.00	\$ 58,240.00
Senior Support Manager	Annual	\$ 39,520.00	\$ 58,240.00
Special Project Manager	Hourly	\$ 18.73	\$ 24.74
Wellness & Caregiver Center Manager	Annual	\$ 43,680.00	\$ 60,320.00
Coordinators			
Administrator to the CEO	Hourly	\$ 18.00	\$ 26.00
Adult Day Center Coordinator	Hourly	\$ 18.73	\$ 24.74
Care Coordinator	Annual	\$ 37,440.00	\$ 56,160.00
Senior Lunch Coordinator	Hourly	\$ 17.00	\$ 25.00
Transportation Coordinator	Hourly	\$ 17.00	\$ 25.00
Wellness Coordinator	Hourly	\$ 17.00	\$ 25.00
Specialists and all other positions			
Accounting Assistant	Hourly	\$ 14.00	\$ 20.00
Activity Leader I	Hourly	\$ 13.00	\$ 18.00
Activity Leader I (On-Call)	Hourly	\$ 13.00	\$ 18.00
Activity Leader II	Hourly	\$ 13.50	\$ 18.50
Administrative Assistant	Hourly	\$ 13.00	\$ 18.00
Administrative Assistant II	Hourly	\$ 14.87	\$ 19.42
Administrative Assistant, IIR	Hourly	\$ 18.00	\$ 25.87
Aide	Hourly	\$ 12.00	\$ 16.00
Care Transitions Specialist	Hourly	\$ 18.00	\$ 23.29
Driver	Hourly	\$ 15.00	\$ 18.00
Driver (On-Call)	Hourly	\$ 15.00	\$ 18.00
Resource Specialist	Hourly	\$ 13.00	\$ 18.00
*New Position	Hourly	\$ 13.00	\$ 18.00

This page intentionally left blank.

SECTION 9

CLOSED SESSION

December 8, 2015

This page intentionally left blank.

SECTION 10

RECONVENE FROM CLOSED SESSION

December 8, 2015

This page intentionally left blank.

SECTION 11

ANNOUNCEMENT OF CLOSED SESSION

December 8, 2015

This page intentionally left blank.

SECTION 12

REORGANIZATION OF THE BOARD

December 8, 2015

This page intentionally left blank.

SECTION 13

BOARD PRESIDENT'S REPORT

**CONSIDERATION AND DISCUSSION OF
REGULAR BOARD MEETING DATES
AND TIMES**

December 8, 2015

This page intentionally left blank.

SECTION 14

**BOARD MEMBERS' INTERESTS
AND CONCERNS**

December 8, 2015

This page intentionally left blank.

SECTION 15

FUTURE MEETINGS AND EVENTS

TUESDAY, JANUARY 26, 2016, 5:00 PM
TUESDAY, FEBRUARY 23, 2016, 12:00 PM
TUESDAY, MARCH 22, 2016, 5:00 PM

December 8, 2015

This page intentionally left blank.

SECTION 16

ADJOURNMENT

HAVING NO FURTHER BUSINESS, THIS MEETING IS ADJOURNED AT _____ P.M.

December 8, 2015

This page intentionally left blank.

Camarillo Health Care District
Pay Schedule -effective December 2015

Classification	Time Base	Minimum	Maximum
<i>Officers</i>			
Chief Executive Officer	Annual	\$ 151,840.00	\$ 214,240.00
Chief Operation Officer	Annual	\$ 104,000.00	\$ 152,880.00
Chief Resource Officer	Annual	\$ 74,880.00	\$ 122,304.00
Chief Administrative Officer	Annual	\$ 74,880.00	\$ 122,304.00
Chief Human Resources Officer	Annual	\$ 74,880.00	\$ 122,304.00
<i>Directors</i>			
Finance & Operations, Senior Director	Annual	\$ 70,000.00	\$ 120,000.00
*Clinical Care Director	Annual	\$ 64,480.00	\$ 83,200.00
Adult Day Center Director	Annual	\$ 52,000.00	\$ 68,640.00
Community Services Director	Annual	\$ 52,000.00	\$ 68,640.00
Marketing Director	Annual	\$ 52,000.00	\$ 68,640.00
Wellness & Caregiver Center Director	Annual	\$ 52,000.00	\$ 68,640.00
<i>Managers</i>			
Accounting Manager	Hourly	\$ 20.00	\$ 29.92
Adult Day Center Manager	Annual	\$ 43,680.00	\$ 60,320.00
Business Development Manager	Annual	\$ 47,840.00	\$ 66,560.00
Care Transitions Manager	Annual	\$ 43,680.00	\$ 60,320.00
Community Education Manager	Hourly	\$ 18.87	\$ 28.00
Community Outreach Manager	Hourly	\$ 19.00	\$ 26.25
Community Services Manager	Annual	\$ 39,520.00	\$ 58,240.00
Program Manager	Annual	\$ 39,520.00	\$ 58,240.00
Senior Support Manager	Annual	\$ 39,520.00	\$ 58,240.00
Special Project Manager	Hourly	\$ 18.73	\$ 24.74
Wellness & Caregiver Center Manager	Annual	\$ 43,680.00	\$ 60,320.00
<i>Coordinators</i>			
Administrator to the CEO	Hourly	\$ 18.00	\$ 26.00
Adult Day Center Coordinator	Hourly	\$ 18.73	\$ 24.74
Care Coordinator	Annual	\$ 37,440.00	\$ 56,160.00
Senior Lunch Coordinator	Hourly	\$ 17.00	\$ 25.00
Transportation Coordinator	Hourly	\$ 17.00	\$ 25.00
Wellness Coordinator	Hourly	\$ 17.00	\$ 25.00
<i>Specialists and all other positions</i>			
Accounting Assistant	Hourly	\$ 14.00	\$ 20.00
Activity Leader I	Hourly	\$ 13.00	\$ 18.00
Activity Leader I (On-Call)	Hourly	\$ 13.00	\$ 18.00
Activity Leader II	Hourly	\$ 13.50	\$ 18.50
Administrative Assistant	Hourly	\$ 13.00	\$ 18.00
Administrative Assistant II	Hourly	\$ 14.87	\$ 19.42
Administrative Assistant, HR	Hourly	\$ 18.00	\$ 25.87
Aide	Hourly	\$ 12.00	\$ 16.00
Care Transitions Specialist	Hourly	\$ 18.00	\$ 23.29
Driver	Hourly	\$ 15.00	\$ 18.00
Driver (On-Call)	Hourly	\$ 15.00	\$ 18.00
Resource Specialist	Hourly	\$ 13.00	\$ 18.00
*New Position	Hourly	\$ 13.00	\$ 18.00