

DEFERRED COMPENSATION PLAN

RECEIVED
AUG 10 2000
GROUP PLAN SERVICES

ARTICLE I. INTRODUCTION

CITY OF PANAMA CITY BEACH (hereinafter the "Employer") hereby establishes the PANAMA CITY BEACH Deferred Compensation Plan (hereinafter the "Plan"). The Plan is intended to be an eligible deferred compensation plan under section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

ARTICLE II. PLAN ELECTIONS

2.01 Plan Effective Date. (Check one.)

- ☒ This Plan is being established by the Employer effective 8/1/2000
- ☐ This Plan replaces the Plan previously established by the Employer and is effective on _____, _____ (hereinafter the "Effective Date").

2.02 Additional Distribution Election. The additional election to defer commencement of benefits as described in section 7.02 is available to Participants. (Check one.)

- ☒ Yes.
- ☐ No. Section 7.02 shall not apply to this Plan.

2.03 Distribution without Participant's Consent. Small accounts of certain inactive participants may be distributed without the participant's consent as described in section 7.09. (Check one.)

- ☒ Yes, if the total amount payable to a participant under the Plan does not exceed \$,000 (insert an amount up to \$5,000).
- ☐ No. Section 7.09 shall not apply to this Plan.

2.04 Participant's Election to Receive Distribution. A Participant may elect to receive a distribution of his account balance as described in section 7.10. (Check one.)

- ☒ Yes, if the total amount payable to a Participant under the Plan does not exceed \$,000 (insert an amount up to \$5,000).
- ☐ No. Section 7.10 shall not apply to this Plan.

2.05 Governing Law. This Plan shall be construed under the laws of the State of FLORIDA (insert state).

ARTICLE III. DEFINITIONS

SAA
DAD
DCC
DCI
DCJ

- 3.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.
- 3.02 Agreement: A Deferred Compensation Agreement entered into between a Participant and the Employer and any amendments or modifications thereof. Such Agreement shall fix the amount of Deferred Compensation, establish the time when the payment of benefits shall commence, specify the Participant's investment selection with respect to his Deferred Compensation, designate the Employee's Beneficiary or Beneficiaries and incorporate the terms, conditions, and provisions of this Plan by reference.
- 3.03 Annuity Contract: If selected by the Employer as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by The Variable Annuity Life Insurance Company (VALIC) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provides for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.
- 3.04 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Agreement. If no Beneficiary is designated in the Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that the primary Beneficiary (or Beneficiaries) does not survive the Participant.
- 3.05 Code: The Internal Revenue Code of 1986, as amended.
- 3.06 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant which the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under section 8.01, or any other amount which the Employer agrees to credit to a Participant's Account, and which does not exceed the Maximum Limitation.
- 3.07 Employee: Any individual, whether appointed, elected or under contract, providing services for the Employer for which compensation is paid.
- 3.08 Includible Compensation: The amount of compensation payable to a Participant from the Employer which is includible in the Participant's gross income for federal income tax purposes. Such term does not include any amount excludible from gross income under this Plan or any other plan described in section 457(b) of the Code or any other amount excludible from gross income for federal income tax purposes. Includible gross income shall be determined without regard to any community property laws.

3.09 Maximum Limitation: The maximum amount that may be deferred under this Plan for the taxable year of a Participant. Such amount shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable.

(a) Normal Limitation: The maximum amount deferred shall not exceed the lesser of \$7,500 (as adjusted for cost-of living increases in accordance with section 457(e)(15) of the Code) or 33-1/3% of Includible Compensation, as adjusted by section 3.09(c) below. [Ordinarily this limit shall be the equivalent of the lesser of \$7,500 (as adjusted) or 25% of Normal Compensation.]

(b) Catch-Up Limitation: For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal Retirement Age, the maximum amount deferred for each such year shall be the lesser of:

(1) \$15,000; or

(2) the sum of the Normal Limitation, plus that portion of the Normal Limitation not used in each of the prior taxable years of the Participant commencing after 1978 in which (i) the Participant was eligible to participate in this Plan or the plan of another employer, and (ii) compensation deferred under this Plan (or such other plan) was subject to the deferral limitations set forth in this section.

A Participant may utilize the Catch-Up Limitation only if the Participant has not previously utilized it with respect to a different Normal Retirement Age under this Plan or any other plan.

(c) Coordination with Other Plans: The amount excludible from a Participant's gross income for any taxable year under this Plan or any other plan under section 457(b) of the Code shall not exceed \$7,500 (as adjusted for cost-of-living increases in accordance with section 457(e)(15) of the Code, or such greater amount allowed under paragraph (b) of this section) less any amount excluded from gross income under sections 403(b), 402(e)(3), or 402(h)(1)(B) or (k) of the Code, or any amount with respect to which a deduction is allowable by reason of a contribution to an organization under section 501(c)(18) of the Code.

3.10 Normal Compensation: The amount of compensation which would be payable to a Participant by the Employer if no Agreement were in effect to defer compensation under this Plan.

3.11 Normal Retirement Age: Age 70½, unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Employer prior to Separation from Service. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the Catch-Up Limitation of section 3.09(b) hereunder.

Once a Participant has to any extent utilized the Catch-Up Limitation of section 3.09(b), his Normal Retirement Age may not be changed.

A Participant's alternative Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under the Employer's basic retirement plan covering that Participant and may not be later than the calendar year in which the Participant attains age 70½.

If a Participant continues employment after attaining age 70½ not having previously elected an alternative Normal Retirement Age, the Participant's alternative Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer or the age at which the Participant actually separates from service if the Employer has no mandatory retirement age.

If the Participant will not be eligible to receive benefits under a basic retirement plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 55 and may not be later than the calendar year in which the Participant attains age 70½.

- 3.12 Participant: Any Employee who has enrolled in this Plan pursuant to the requirements of Article V.
- 3.13 Plan Year: The 12-month period commencing each January 1 and ending on the following December 31.
- 3.14 Retirement: The first date upon which each of the following shall have occurred: Separation from Service and attainment of age 65.
- 3.15 Separation from Service: Severance of the Participant's employment with the Employer within the meaning of section 402(d)(4)(A)(iii) of the Code.
- 3.16 Service Provider: The Variable Annuity Life Insurance Company or such other entity as the Employer designates to perform administrative services under this Plan.

ARTICLE IV. ADMINISTRATION

- 4.01 Plan Administrator. This Plan shall be administered by the Employer or one or more persons designated by the Employer. The Plan Administrator, if other than the Employer, shall act as the agent of the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under section 7.07 of this Plan.
- 4.02 Employee with Administrative Responsibilities. Any Employee who is charged with administrative responsibilities hereunder may participate in the Plan under the same terms and conditions as apply to other Employees. However, he shall not have the power to participate in any discretionary action taken with respect to his participation under section 7.07 of this Plan.
- 4.03 Administrative Services. The Employer may enter into an agreement with a Service Provider to provide nondiscretionary administrative services under this Plan for the

convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

ARTICLE V. PARTICIPATION IN THE PLAN

- 5.01 Participant. An Employee becomes a Participant when he has executed and entered into an Agreement with the Employer.
- 5.02 Enrollment in the Plan. An Employee may become a Participant as of the first day of any calendar month by entering into an Agreement with respect to compensation not yet earned. A new Employee may become a Participant on the first day of employment by entering into an Agreement on or before the first day of employment with respect to compensation not yet earned. The Agreement shall defer compensation not yet earned, and each Agreement must be made on or before the beginning of the month in which it is to become effective or, with respect to a new employee, on or before the first day of employment.
- 5.03 Minimum Deferral Amount. At the time of entering into or amending an Agreement hereunder, a Participant must agree to defer a minimum periodic amount as specified by the Committee.
- 5.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. A Participant may change the Beneficiary designated in his Agreement at any time by giving written notice to the Employer.
- 5.05 Revocation of Agreement. A Participant may revoke his Agreement and thereafter be restored to his Normal Compensation in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.
- 5.06 New Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Separation from Service, or who has revoked his Agreement under section 5.05, may again become an active Participant by executing a new Agreement with the Employer prior to the beginning of the calendar month as to which it is to be effective.
- 5.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Agreement for such a Participant. If a Participant is absent from work without compensation for a period of not more than six months, whether by reason of illness, strike, lockout, shutdown or otherwise, his Agreement will remain in effect and compensation will again be deferred thereunder when he returns to work.

ARTICLE VI. INVESTMENT OF DEFERRED COMPENSATION

- 6.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the Employer shall invest the amount of compensation deferred by each Participant in Annuity Contracts and other Plan investments as specified in the Participants' Agreements. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer, and the Employer shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer, and the Employer shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Employer.
- 6.02 Exclusive Benefit. Notwithstanding any provision of the Plan to the contrary, all amounts held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan Participants and Beneficiaries (i) in annuity contracts, or (ii) in trust or in one or more custodial accounts pursuant to one or more separate written instruments. Any such annuity contract, trust, or custodial account must satisfy the requirements of section 457(g)(1) of the Code. For purposes of this section, the terms Participant and Beneficiary shall also include contingent beneficiaries and/or spouses, former spouses, or children of Participants for whose benefit amounts are being held under the Plan pursuant to the terms of a domestic relations order which has been recognized under the terms of the Plan. Any discretionary authority reserved to the Employer (or to any administrator or administrative committee) under the Plan or under any investment held under the Plan, to the extent the exercise thereof would otherwise be inconsistent with this section, shall be exercised for the exclusive benefit of Plan Participants and Beneficiaries. Any issuer of an annuity contract or trustee or custodian of other investments held under the Plan shall have no authority to pay any amounts from such Plan investments to any creditor of the Employer, and shall have no duty to inquire into the validity of any request by the Employer or by an administrator or administrative committee for distribution of amounts for the benefit of a Participant or a Beneficiary under the Plan.
- 6.03 Benefits Based on Participant's Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VII of this Plan shall be based upon the value of the Participant's Account. In no event shall the Employer's liability to pay benefits exceed the value of the Participant's Account, and the Employer shall not be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.
- 6.04 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.

ARTICLE VII. BENEFITS

- 7.01 Retirement Benefits and Election on Separation from Service Except as otherwise provided in this Article, the distribution of a Participant's Account shall commence

on the benefit commencement date specified in the Participant's Agreement, or if none, April 1 of the calendar year following the calendar year of the Participant's Retirement; and such distributions shall be made in accordance with one of the payment options described in section 7.03. A Participant's election of a benefit commencement date that is made in his Agreement prior to Separation from Service may be changed at any time up until the 60th day following the Participant's Separation from Service, after which the election shall become irrevocable (subject to section 7.02, if elected by the Employer). Notwithstanding the foregoing, the Participant may irrevocably elect within 60 days following Separation from Service to have the distribution of such Retirement benefits commence on the first day of a specified calendar month that is (i) no earlier than 61 days after the Participant's Separation from Service or 30 days after the election is made, whichever is later, and (ii) no later than April 1 of the calendar year following the year of the Participant's Retirement or attainment of age 70½, whichever is later.

7.02 Additional Distribution Election. If elected by the Employer in section 2.02, notwithstanding a Participant's prior irrevocable election to defer payment of any or all amounts under this Plan as provided by section 457 of the Code and the Treasury regulations thereunder, any such Participant may elect to defer commencement of distributions under this Plan if:

- (a) the election is made after amounts may be available under the Plan in accordance with section 457(d)(1)(A) of the Code, and before commencement of such distributions; and
- (b) there has been no prior election by such participant under this section 7.02.

7.03 Payment Options. A Participant (or a Beneficiary as provided in section 7.06) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is consistent with the limitations set forth in section 7.04:

- (a) life annuity;
- (b) life annuity with 60, 120, or 180 monthly payments guaranteed;
- (c) unit refund life annuity;
- (d) joint and last survivor annuity (spouse only);
- (e) lump sum;
- (f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;
- (g) withdrawals for a specified number of years (once this payment option is chosen, neither the amount of the payments nor the period over which the payments are taken can be changed);
- (h) withdrawals of a specified amount (once this payment option is chosen, neither the amount of the payments nor the period over which the payments

are taken can be changed); or

- (g) any other method of payment agreed upon between Participant and Employer and accepted by the issuer or Service Provider.

The election of a payment option must be made at least thirty (30) days before the payment of benefits is to commence. If a Participant fails to make a timely election of a payment option, benefits shall be paid under a Life Annuity with 120 monthly payments guaranteed.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

- 7.04 Limitation on Options. No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code sections 401(a)(9) and 457(d)(2), including that payments commencing before the death of the Participant shall satisfy (i) the incidental death requirement under Code section 457(d)(2)(B)(i)(I), and (ii) the substantially nonincreasing requirement of Code section 457(d)(2)(C). For purposes of determining required distributions under section 401(a)(9) of the Code and applicable regulations, in the event no recalculation election is made, life expectancy of a Participant and his spouse will be recalculated (except in the case of a life annuity), but no more than once each year.
- 7.05 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under a payment option, the guaranteed or remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary commencing with the first payment due after the death of the Participant. Payment to the Participant's Beneficiary must be made at least as rapidly as under the method of distribution in effect at the time of the Participant's death. If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the remaining benefits under the payment option shall be paid to the Beneficiary's estate. In no event shall the Employer be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.
- 7.06 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under section 7.01, a death benefit equal to the value of the Participant's Account shall be payable to the Beneficiary commencing on the 61st day following the Participant's death, unless the Beneficiary elects a later commencement date within 60 days of the Participant's death. Such benefit commencement date shall not be later than that permitted under sections 401(a)(9) and 457(d)(2) of the Code, and the regulations thereunder. Such death benefit shall be paid in a lump sum unless the Beneficiary makes a timely election of a different payment option. The payment option chosen by the Beneficiary must provide for payments to the Beneficiary over a period no longer than the life or life expectancy of the Beneficiary, provided that such period may not exceed 15 years if the Beneficiary is not the Participant's spouse. Should the Beneficiary die before the completion of payments under the payment option, the value of the remaining payments under the payment option shall be paid to the estate of the Beneficiary.

- 7.07 Unforeseeable Emergency Withdrawals. Except as provided in this section, no amount shall be distributable to a Participant or Beneficiary prior to the Participant's Separation from Service. In the event of an unforeseeable emergency before or after Separation from Service or the commencement of Retirement Benefits, a Participant may apply to the Employer to receive that part of the value of his Account that is reasonably needed to satisfy the emergency needs. If such application for withdrawal is approved by the Employer, the Employer shall direct the issuer to pay the Participant such value as the Employer deems necessary to meet the emergency needs. The Employer may establish written guidelines for nondiscretionary unforeseeable emergency determinations to be made by the Service Provider. The regulations under section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a dependent, loss of property due to casualty, or other similar extraordinary or unforeseeable circumstances arising as a result of events beyond the control of the Participant which would cause severe financial hardship to the Participant if early withdrawal were not permitted. Payment may not be made to the extent that such hardship is or may be relieved by other financial resources available to the Participant, including insurance reimbursement, cessation of deferrals under this Plan or liquidation of other assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Unforeseeable emergencies do not include the need to send a child to college or the desire to purchase a home.
- 7.08 Transitional Rule for Benefit Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer and if a Participant or Beneficiary has commenced receiving benefits under a payment option or has irrevocably elected a payment option or benefit commencement date, that payment option or election shall remain in effect notwithstanding any other provision of this Plan.
- 7.09 Distribution without Participant's Consent. If elected by the Employer in section 2.03, the total amount payable to a Participant under the Plan may be distributed to the participant without his consent if:
- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
 - (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
 - (c) there has been no prior distribution under the Plan to the participant under this section 7.09 or under section 7.10.
- 7.10 Participant's Election to Receive Distribution. If elected by the Employer in section 2.04, a Participant may elect to receive a distribution of the total amount payable to him under the Plan if:
- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
 - (b) no amount has been deferred under the Plan with respect to the

Participant during the two-year period ending on the date of the distribution, and

- (c) there has been no prior distribution under the Plan to the Participant under this section 7.10 or under section 7.09.

ARTICLE VIII. NON-ASSIGNABILITY

8.01 In General. Except as provided in section 8.02, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

8.02 Domestic Relations Orders

(a) Allowance of Transfers: To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law, any portion of a Participant's Account may be paid or set aside for payment to a spouse, former spouse, or child of the Participant. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant; any amount so set aside for a spouse, former spouse, or child shall be paid out in a lump sum at the earliest date that benefits may be paid to the Participant, unless the order directs a later time or a different form of payment. Where the final judgment, decree or order does not define a form or time of payment that is available under this Plan, the Employer or Service Provider shall have the right to interpret the final judgment, decree or order in a manner that is consistent with the terms of this Plan. Nothing in this section shall be construed to authorize any amount to be distributed under this Plan at a time or in a form that is not permitted under section 457 of the Code. Any payment made to a person other than the Participant pursuant to this section shall be reduced by required income tax withholding; the fact that payment is made to a person other than the Participant may not prevent such payment from being includible in the gross income of the Participant for withholding and income tax reporting purposes.

(b) Release from Liability to Participant: The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, or child pursuant to paragraph (a) of this section. No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Employer or Service Provider to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The

Participant shall also be deemed to have released the Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).

(c) Participation in Legal Proceedings: The Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Service Provider shall be authorized to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

ARTICLE IX. TRANSFERS

9.01 Transfers from Other Plans. This Plan shall accept transfers, pursuant to section 457 of the Code, of amounts deferred by an individual under another eligible deferred compensation plan meeting the requirements of section 457(g) of the Code. In the event of a request by a Participant for a transfer to a plan under which amounts are not held in the manner described in section 4.02, such transfer shall be permitted only if otherwise permitted by the Plan and applicable law. In no event may the Employer cause such a transfer to be made, except at the request of a Participant. Any such transferred amount shall not be treated as a deferral subject to the limitations of section 3.09, except that, for purposes of applying the limit of section 3.09, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

9.02 Transfers to Other Plans. A Participant may elect to have any portion of the amount payable to him transferred to another eligible deferred compensation plan. This election must be made before the earliest date that deferred amounts would otherwise be payable to the Participant under this Plan.

ARTICLE X. AMENDMENT OR TERMINATION OF PLAN

10.01 Amendment or Termination. The Employer may at any time amend this Plan or terminate this Plan and distribute the Participants' accounts in conformity with the Code and applicable regulations; provided, however, that such amendment or termination shall not impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as the same may be required to maintain the tax status of the Plan under the Code. Participants shall thereafter receive their Normal Compensation and benefits shall be paid as provided in Article VII.

- 10.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.

ARTICLE XI. RELATIONSHIP TO OTHER PLAN

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized officer on this 4th day of August, 2000

Employer

By: RICHARD E. JACKSON

Name: Richard E. Jackson

Title: City Manager