



ADDENDUM # 10

To: File 1908-945-56-4931
RFP for: Retirement Plan Investment Advisory Services Addendum #10

NOTICES:

- 1. The Housing Authority will be closed beginning December 20, 2019 at approximately 3:00 pm for the Holiday Break and will re-open on January 2, 2020 at 8:00 am.**
- 2. If you have already submitted a proposal and should anything within this Addendum require you to make changes to that proposal, SAHA will try to accommodate the submission and inclusion of your changes or you may re-submit with a notice that the new submission replaces any previous submission.**

The following questions are asked:

Question 1: What is the reason the RFP has been issued? Why is the authority conducting the search at this time?

Answer 1: The Authority is not aware of a time when an official RFP was issued for this service.

Question 2: Are you looking for only one consultant, or would you consider using more than one? We ask because we are a specialist consultant, advising on alternative investments - private equity, private credit, private real estate, real assets, hedge funds, etc.

Answer 2: The Authority is open to a team of consultants.

Question 3: "Profile of Firm" Exhibit requests San Antonio License and State of Texas License numbers, which is not applicable. Does a FINRA/SEC Securities Rep Code apply or CRD Number?

Answer 3: If those are available, please provide them.

Question 4: What is the size of the plan by assets, active accounts, and inactive (terminated employee) accounts? What is the number of active participants, terminated participants, and total number of employees? How many participants are in the plan?

Answer 4: The audited financial statements for the Money Purchase Pension Plan and Trust at December 31, 2018, indicate a net position of \$42,117,528, active participants of 367, terminated participants of 152, for a total of 519 Plan members. SAHA's employee count is 443 full time employees.



Question 5: What is the current value of the employees retirement plan? What is the total value of SAHA Pension Plan assets?

Answer 5: As of November 15, 2019, unaudited information indicates \$47,891,457 is in the Plan.

Question 6: What is your current asset allocation? Can you provide the current fund line-up and asset allocation?

Answer 6: As of November 15, 2019, the asset allocation is as follows:

- i. Equity Allocation - \$26,276,905
- ii. Fixed Income Allocation - \$16,127,742
- iii. Alternatives Allocation - \$4,749,870

Question 7: What is the current investment lineup? What is the market value in each investment?

Answer 7: See response to Question 6.

Question 8: Listing of investments with ticker symbols?

Answer 8: See below:

- I. Equity Allocation - \$26,276,905
 - A. iShares S&P 500 Index Fund - Large Cap Blend - \$14,635,654
 - B. iShares Russell Mid Cap Index Fund - Mid Cap Blend - \$3,168,165
 - C. iShares Russell 2000 Index Fund - Small Cap Blend - \$3,178,040
 - D. Lazard International Equity Select - Foreign Large Blend - \$5,295,046
- II. Fixed Income Allocation - \$16,127,742
 - . Metropolitan West Total Return Bond - Intermediate Term Bond - \$9,078,881
 - A. Brandywine Unconstrained Bond - Nontraditional Bond - \$5,035,461
 - B. FPA New Income - Short Term Bond - \$2,013,400
- III. Alternatives Allocation - \$4,749,870
 - . Invesco Real Estate - US Real Estate - \$1,142,675
 - A. Prudential Global Real Estate - Global Real Estate - \$1,122,792
 - B. MFS Global Alternative Strategy - Multialternative - \$1,056,905
 - C. FPA Crescent - Allocation 50-70% Equity - \$1,427,498

Question 9: What are the current investments in the plan?

Answer 9: See response to Question 8.

Question 10: Is the plan currently self-directed by participants?

Answer 10: No.

Question 11: Is your plan a participant-directed plan in which participants have their own personal account and are responsible for managing their own investments or is it committee directed in that Plan assets are pooled?

Answer 11: No.



Question 12: Can we obtain a copy of the current Investment Policy Statement?

Answer 12: Attached.

Question 13: Does the Authority anticipate having federal expenditures in excess of \$750,000 for fiscal years ending 2020 and/or 2021? If so, how many major programs and approximately what dollar value?

Answer 13: Yes, the Authority's major program is CFDA 14.881 Moving to Work Demonstration Program. For 2020, the amount budgeted is \$133.4 million.

Question 14: Is there a targeted annual return the pension plan is compared against, or a target benchmark that can be illustrated?

Answer 14: The current Investment Policy states an annualized rate of return of 9%.

Question 15: What fees are you currently being charged?

Answer 15: Manager fees, advisory fees, and administrative fees.

Question 16: Is the plan a Defined Benefit or Defined Contribution plan?

Answer 16: Defined Contribution plan.

Question 17: There are several references to the investment advisor providing participant education and training directly. Is SAHA open to hiring an advisor who doesn't work directly with participants but works closely with the plan record-keeper to ensure they are providing participants with the proper education and training requested by SAHA?

Answer 17: Yes.

Question 18: Can you provide more insight on the education you are looking for in Exhibit A, Scope of Services #5 for both the committee and the plan participants? We can provide robust communication, but I would like to make sure that what we propose is in scope with what the Housing Authority would like to obtain.

Answer 18: Investing 101; What's the Difference between a Defined Benefit Plan and a Defined Contribution Plan; What's the Difference between Equity, Fixed, and Alternative Investments.

Question 19: Can we please obtain a current performance report?

Answer 19: Attached is the performance of the assets, as of September 30, 2019.

Question 20: What is the name of the current recordkeeping Trustee and Third Party Administrator?

Answer 20: Frost Bank is the Trustee and the Third Party Administrator is OneAmerica.

Question 21: What vendor(s) currently perform recordkeeping and asset custody/trading for the plans to be managed?

Answer 21: Frost Bank is the Trustee and the Third Party Administrator is OneAmerica.



Question 22: Are both EE and ER contributions allowed in the plan?

Answer 22: Yes.

Question 23: Does the RFP cover only the Money Purchase Pension or are there any other plans to consider? If there are other plans, please breakdown the assets by plan.

Answer 23: Only the Money Purchase Pension Plan.

Question 24: It sounds as if the plan investments are employer managed and employees cannot self-direct their own investment line-up for their account, is this correct?

Answer 24: Yes.

Question 25: Are SAHA employees eligible for social security benefits or other state program similar to that or is the Money Purchase set up to replace such missing benefits?

Answer 25: SAHA participates in the Social Security system.

Question 26: Is there a SAHA 457 or other salary deferral program employees can use to enhance their retirement benefits?

Answer 26: Yes, employees have access to a 457 plan.

Question 27: Is there any documentation of the risk profile the committee established when they last designed the portfolio?

Answer 27: See the Investment Policy.

Question 28: Are service providers paid out of the trust assets or paid by SAHA?

Answer 28: Paid from trust assets.

Question 29: What type of investment advisory relationship does SAHA currently have, 3(21) or 3(38)?

Answer 29: 3(21)

Question 30: How many meetings per year with the Administrator & Advisory Committee is the consultant required to attend and are these in person, via teleconference or some combination?

Answer 30: SAHA has had quarterly in-person meetings in the past between the Administrator, Advisory Committee and Pension Advisor.

Question 31: Do you currently have an investment advisor/incumbent and has the firm been invited to rebid?

Answer 31: Yes. The current advisor is The Quantitative Group at Graystone Consulting and they are included in the companies that are permitted to submit a proposal.



Question 32: When does the authority hope to make a decision?

Answer 32: We currently anticipate the award to occur sometime during the first quarter of 2020.

Question 33: How many copies are needed when sending the responses to the Request for Proposals?

Answer 33: Per Section B Item VIII (page 10) of the RFP you will submit 1 original, marked “Original and 3 exact copies, marked “Copy”.

Question 34: Are any digital copies needed via PDF loaded or onto a USB drive or emailed?

Answer 34: Please include a digital copy of the original on a Read/Write CD or a USB/Flash drive.

Question 35: For Tab 1, question C.1.4, what does it mean when asking for the “type of property” for the three references? Could you please explain what an example of the “type of property” would be for the three references?

Answer 35: Please indicate the type of entity, ex.: government, non-profit, corporation, partnership, etc.

Question 36: The second to the last paragraph on page 3 of the RFP includes language that I believe you would like removed.

Answer 36: You may delete this paragraph.

Question 37: Referencing page 14, the RFP states “but within page limitations,” can you please provide the number of pages allowed? If there are page limitations, would our supporting documents be included in the count?

Answer 37: There are no specific page limitations, we do however request that respondents be concise and not include irrelevant materials.

Question 38: Would you be able to provide the Company Biography and the Exception Letter forms in Word format?

Answer 38: Forms are available in word through the following link:

https://drive.google.com/drive/folders/1L-OqkYpDz_bJC2eim_Dsb7AFptzacEn4?usp=sharing

Question 39: Referencing Page 25 question 5, Scope of Services, specifically “the advisor may need to provide training or information sessions with plan participants, if alternatives or changes to the plan are adopted.” Is our service description below acceptable?

Answer 39: SAHA cannot advise if your proposed response is acceptable or not. Your response will be evaluated by the evaluation committee and be rated according to the item criteria.



Question 40: Reference the Conflict of Interest Questionnaire, if there is no existing relationship between vendor and government entity does this form still need to be filled out? In the absence of any relationship should the name of the officer be reflected as “none” and check “no” in the boxes under item 4?

Answer 40: Yes it must be completed. Under block 1 enter your Business Name, Under Block 3 enter “None” if there is no information to disclose then sign and date the form.

Question 41: Reference the Proposal Checklist, should this be behind Tab 5 or Tab 4 as page 16 indicates it should be behind Tab 5 and page 35 indicates behind Tab 4?

Answer 41: Place it behind Tab 5 as per the instructions in Section C. The correct tab identification for the checklist should be as follows:

- Tab 1 References**
- Tab 2 Conflict of Interest Questionnaire**
- Tab 3 Profile of Firm and Company Biography**
- Tab 4 Evaluation Factors**
- Tab 5 Proposal Checklist and Respondent's Certification**

By: Charles R Bode
Charles Bode Asst. Director of Procurement

Date: December 20, 2019

***Written Investment Policy
Housing Authority of the City of San Antonio
Employees' Money Purchase
Pension Plan***

Investment Policy Statement

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Written Investment Policy, Objectives, and Guidelines
Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan

GENERAL INFORMATION

Name of sponsor:	Housing Authority of the City of San Antonio (SAHA)
Plan name:	Housing Authority of the City of San Antonio Pension Plan (referred to in this document as the "SAHA Pension Plan" or "the Plan.")
Type of Plan:	Defined Contribution Plan
Plan Mission:	Partial funding of the retirement benefits of SAHA employee participants
Plan's effective date:	Originally effective June 7, 1948; Restated effective January 1, 1998

SCOPE OF THIS WRITTEN INVESTMENT POLICY STATEMENT

This written investment policy reflects the investment policy, objectives and constraints of the SAHA Pension Plan.

PURPOSE OF THE WRITTEN INVESTMENT POLICY

The purpose of this policy is to outline investment goals and objectives that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. The written investment policy has been adopted in order to:

1. Establish a clear understanding for all involved parties of the investment goals and objectives for Plan assets.
2. Establish the investment time horizon of the Plan
3. Determine acceptable asset classes and strategies
4. Establish a strategic asset allocation
5. Establish acceptable risk (volatility) perimeters
6. Provide an objective framework in which investment manager can operate
7. Establish a basis for evaluating and reporting investment results.
8. Ensure that Plan assets are managed in accordance with the applicable requirements of the Department of Housing and Urban Development, the Texas Government Code, and the Texas Pension Review Board.

DESCRIPTION OF AUTHORITY

Administrator

The Administrator of the SAHA Plan is a committee appointed by the SAHA Board of Commissioners. As “governing body” of the SAHA Plan, as that term is described in the Texas Government Code. The Administrator is responsible for the management and administration of the funds of the SAHA Plan.

Employee Pension Advisory Committee

The SAHA Board of Commissioners has created a committee of employees to provide nonbinding recommendations to the Administrator on issues of concern and interest to the Plan participants. The function of the Employee Pension Advisory Committee is advisory only.

The Employee Pension Advisory Committee will provide an executive summary of the plan performance and any recommendations to the Administrator on a regular basis, but no less than once per year.

Outside Service Providers

The Administrator is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

Trustee

The trustee bank will physically or electronically (or through agreement with a sub-custodian) maintain possession of all securities assets owned by the SAHA Plan, collect interest and dividends payments redeem maturing securities, and effect receipt and delivery following purchases and sales. The trustee bank may also perform regular accounting of all assets owned, purchased, sold or exchanged, as well as movement of assets into and out of the SAHA Plan accounts. In addition, the trustee bank acts as plan participant recordkeeper, benefits paying agent and interpreter of the Plan document when questions or disputes arise.

Investment Managers

Investment managers have discretion to purchase and sell securities that will be used to meet the SAHA Plan’s investment goals and objectives.

The Administrator will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers’ minimum objective is to achieve the goals stated in the appropriate Appendix.

While it is not believed that the limitations will hamper investment managers, each manager must request modifications that they deem appropriate.

Managers are deemed to be fiduciaries and they must acknowledge such in writing.

Investment Policy Statement

Managers' fees must be competitive, customary and reasonable. The trustee will pay each manager's fees and transaction costs from the funds in the SAHA Plan.

Investment Consultant

The Investment Consultant will assist the Administrator to:

- Establish investment policy objectives, goals and guidelines
- Screen and recommend investment managers
- Review investment strategy and the contribution of each investment style and manager
- Measure and evaluate investment performance
- Other investment related tasks deemed appropriate

Other Specialists

Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants and others may be employed by the Administrator to assist in meeting its responsibilities and obligations to administer plan assets prudently.

DEFINITIONS

1. "SAHA Plan" shall mean the Housing Authority of the City of San Antonio Authority Employees Money Purchase Plan, as restated effective January 1, 1998.
2. "Administrator" shall refer to the governing board established by the SAHA Administrator to administer the SAHA Plan as specified by applicable ordinance.
3. "Pension Advisory Committee" and "Advisory Committee" mean the appointed SAHA Employee Pension Advisory Committee.
4. "HUD" means the U.S. Department of Housing and Urban Development.
5. "Pension Review Board. Means the State of Texas Pension Review Board.
6. "Fiduciary means any individual or group of individuals as defined in the Texas Government Code, Section 801 and the Texas Trust Act.
7. "Investment Managers" means any individual, group of individuals, partnership or corporation appointed to manage the investments of all or part of the SAHA Plan assets.
8. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
9. "Securities" shall refer to the marketable investment securities that are defined as acceptable in this statement.
10. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met.

DESCRIPTION OF RESPONSIBILITY

Administrator

The Administrator is charged by law with the responsibility for the management of the assets of the SAHA Plan. The specific responsibilities of the Administrator relating to the investment management of the assets include:

1. Projecting the SAHA's Plan's financial needs, and communicating such needs to the Investment Managers on a timely basis.
2. Determining the SAHA Plan's risk tolerance and investment horizon, and communicating these to the appropriate parties.
3. Establishing reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the Plan's assets.
4. Prudently and diligently select qualified investment professionals, including an Investment Consultant.
5. Regularly evaluating the performance of the investment manager to assure adherence to policy guidelines and monitor investment objective progress.
6. Developing and enacting proper control procedures: For example, replacing investment manager due to poor performance, fundamental change in investment management process, or failure to comply with established guidelines.
7. Delegate by formal resolution, to the SAHA Pension Advisory Committee such duties listed above which the Administrator deems appropriate.
8. Receive and act on recommendations made to the trustees by the Advisory Committee.

Pension Plan Advisory Committee

Governance

The Advisory Committee was created by resolution of the SAHA Administrator and is made up of nine or more members including:

- The Chief Financial Officer
- The Director of Human Resources
- The Payroll Accountant
- Five or more employees appointed at-large by the Board of Commissioners

Terms are specified in the by-laws of the Advisory Committee.

The employees' Pension Advisory Committee establishes its own governance, agenda, meeting schedule, and selects a Chair and Vice Chair and Secretary from among its at-large members.

The Advisory Committee strives to reflect the approximate demographics of the SAHA employee workforce.

Responsibility of the Investment Consultant(s)

Investment Policy Statement

The Investment Consultant's role is that of a non-discretionary advisor to the SAHA Pension Advisory Committee. Investment advice concerning the investment management of Plan assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the Pension Advisory Committee.
3. Providing "due diligence", or research, on the Investment Manager(s).
4. Monitoring the performance of the Investment Manager(s) to provide the Pension Advisory Committee with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the Pension Advisory Committee.
6. Reviewing Plan investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Pension Advisory Committee.

Responsibility of the Investment Manager(s)

Each Investment Manager of separately managed accounts must acknowledge in writing its acceptance of responsibility as a fiduciary of the SAHA Plan.

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Communicating any major changes to economic outlook, investment strategy, or any other factors that affect implementation of investment process, or the investment objective progress of the Plan's investment management.
4. Informing the Pension Advisory Committee regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies on behalf of the Plan, and communicating such voting records to the Pension Advisory Committee on a timely basis (unless this responsibility is reserved by the Pension Advisory Committee).

WRITTEN INVESTMENT POLICY

General Principals

1. Investments shall be made solely in the interest of the participants and beneficiaries of the Plan and for the exclusive purpose of providing benefits accrued thereunder and defraying the reasonable expenses of administration.

Investment Policy Statement

2. The Plan shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the Plan shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Pension Advisory Committee may employ one or more investment managers of varying styles and philosophies to attain the Plan's objectives.
5. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

Investment Management Policy

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Pension Advisory Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Plan's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

Investment Objectives

In order to meet its objectives, the investment strategy of the SAHA Pension is to emphasize total return; that is, the aggregate returns from capital appreciation and dividend and interest income. The primary objective in the investment management for Plan assets is the long-term growth of capital that is to emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

Specific Investment Goals

Over the investment horizon established in this statement, it is the goal of the aggregate Plan assets to exceed: An annualized rate of return of 9%.

The investment goals above are the objectives of the aggregate Plan, and are not meant to be imposed on each investment account (if more than one account is used). The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the Pension Advisory Committee that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio that is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Investment Policy Statement

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire Plan.

Risk and Volatility

The Pension Advisory Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Sample Pension assets understands how it defines risk so that the assets are managed in a manner consistent with the Plan's objectives and investment strategy as designed in this statement of investment policy. The Pension Advisory Committee defines risk as the **possibility of losing money over the rolling ten-year time horizon.**

Investment Guidelines

Allowable Assets

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds
 - Short Term Investment (STIF) Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income Securities
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Taxable Municipal Bonds, Notes and Certificates of Obligation
 - Mortgage or asset-backed Bonds
 - Preferred Stock
 - Fixed Income Securities of Foreign Governments and Corporations
 - Planned Amortization Class Collateralized Mortgage Obligations (PAC CMS) or other "early tranche" CMOs
 - SEC Rule 144 securities
3. Equity Securities
 - Listed Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
 - Exchange Traded Funds
4. Mutual Funds

Investment Policy Statement

- No-load mutual funds or institutional class shares of mutual funds that invest in securities as allowed in this statement.

5. Other Assets

- Guaranteed Investment Contracts (GIC's)
- Specified real estate subject to limits specified in Section 4 of the Asset Allocation statement below
- Derivative Investments-Unless a specific type of derivative security is allowed in this document or is part of an investment strategy disclosed by the money manager, and disclosure is accepted by the investment committee by virtue of its engagement of the manager,
- or the Investment Manager(s) must seek permission from the Pension Advisory Committee to include derivative investments in the Plan's portfolio.

Prohibited Assets

Prohibited investments include the following instruments provided they were not disclosed in the proposal process:

1. Commodities and Futures Contracts, except as part of a hedge program.
2. Private Placements, except if approved in advance
3. Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMOs

If these instruments are part of a manager's normal strategy and they are disclosed as such prior to the manager's engagement, then the instruments are permitted.

Prohibited Transactions

Prohibited transactions include the following instruments provided they were not disclosed in the proposal process:

1. Short Selling
2. Margin Transactions

If these transactions are part of a manager's normal strategy and they are disclosed as such prior to the manager's engagement, then the transactions are permitted.

Liquidity of Assets

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Pension Advisory Committee will periodically provide investment counsel with an estimate of expected net cash flow. The Pension Advisory Committee will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

The Pension Advisory Committee requires that a minimum of 2% of Plan assets shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills. The purpose of this cash account is to fund participant withdrawals.

Asset Allocation Guidelines

Investment management of the assets of the SAHA Pension will be in accordance with the following asset allocation guidelines:

1. Aggregate Plan Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Maximum</u>
Equities	75%
Fixed Income	50%
International Equity	15%
Specified Real Estate	15%
Cash and Equivalents	10%

* Subject to annual review.

2. The Pension Advisory Committee may employ investment managers whose investment disciplines requires investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Plan, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Pension Advisory Committee regarding specific objectives and guidelines.
3. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Pension Advisory Committee will instruct the Investment Manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Pension Advisory Committee expects that the Investment Manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Pension Advisory Committee.
4. The Administrator has determined that illiquid investments will be limited to the percentage allocation to specified real estate as of June 30, 1997.

Diversification Guidelines for Investment Managers

The Pension Advisory Committee does not believe it is necessary or desirable those securities held in the Plan represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 15% of the total fund, and no more than 30% of the total fund should be invested in any one industry. Individual treasury securities may represent 30% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the Plan's aggregate bond position.

Guidelines for Fixed Income Investments and Cash Equivalents

Investment Policy Statement

1. Generally, Plan assets may be invested only in investment grade bonds rated BBB (or equivalent) or better. Within the context of a managed portfolio or pooled account an individual manager may position less than investment-grade bonds on an opportunistic basis.
2. Plan assets may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Money market funds shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's.

Selection of Investment Managers

To be eligible for appointment as an investment manager, the firm or individual must be:

1. Registered under the Investment Advisors Act of 1940
2. A bank as defined by that Act, or
3. An insurance company qualified to perform investment services under the laws of the State of Texas.

The Pension Advisory Committee' selection of Investment Manager(s) must be based on prudent due diligence process. The Pension Advisory Committee requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Sample Pension.

Investment Manager Performance and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Pension Advisory Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement.

Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

The Pension Advisory Committee intends to evaluate the portfolio(s) and individual managers and investment products (mutual funds and pooled accounts) over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance, which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

WRITTEN INVESTMENT POLICY REVIEW

Investment Policy Statement

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Pension Advisory Committee plans to review investment policy at least annually.

WRITTEN INVESTMENT POLICY ADOPTION

This statement of investment policy is adopted on _____, ___ 20___ by resolution of the Pension Advisory Committee of the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust.

Chair

Secretary

APPENDIX A: SPECIFIC INSTRUCTIONS

Exhibit to the Written Investment Policy, Objectives and Guidelines

Specific Investment Guidelines for Frost Asset Management

The general investment guidelines for the portfolio managed by Frost Asset Management (Houston, TX) for the Housing Authority of the City of San Antonio Employees' Money Purchase Plan and Trust (SAHA Pension Plan) are defined in the Written Investment Policy, Objectives and Guidelines. The purpose of this appendix is to define any special objectives or instructions to the asset manager. In the event of a conflict between the written statement and this appendix, this appendix will govern.

Mandate:

SAHA Pension Mandate: Domestic Fixed Income
Manager's Product Description: Intermediate Fixed Income

Benchmark Index

Lehman Brother's Government/Corporate Intermediate Index.

Specific Return Goals

Over the time horizon defined in this written statement, it is the goal of the SAHA Pension Plan that assets managed by Frost Asset Management (Houston, TX) meet or exceed the returns of the benchmark index.

Volatility (Risk)

Frost Asset Management (Houston, TX) is expected to achieve its return goals with a level of risk associated with the benchmark index.

Asset Allocation Guidelines

	<i>Minimum</i>	<i>Maximum</i>	<i>Preferred</i>
Equities	0%	0%	0%
Fixed Income	50%	100%	100%
Cash and Equivalents	0%	50%	0%

Hedging

Hedging is not contemplated as part of this mandate.

Fees

An annualized asset-based fee of xx basis points (x/100 of 1%) will be computed and charged every quarter in (arrears/advance). Fees will be deducted from the account under management by the trustee and remitted to the manager.

Acceptance

Frost Asset Management (Houston, TX) understands and considers the written policy and guidelines to be reasonable and achievable. We accept this written statement and the appendix, and we will management the assets of the SAHA Pension Plan assigned to us accordingly.

Frost Asset Management (Houston, TX)

Specific Investment Guidelines for Stralem & Company

The general investment guidelines for the portfolio managed by Stralem & Company (Naples, FL) for the Housing Authority of the City of San Antonio Employees' Money Purchase Plan and Trust (SAHA Pension Plan) are defined in the Written Investment Policy, Objectives and Guidelines. The purpose of this appendix is to define any special objectives or instructions to the asset manager. In the event of a conflict between the written statement and this appendix, this appendix will govern.

Mandate:

SAHA Pension Mandate: Domestic Large Cap Equities
Manager's Product Description: Large Cap

Benchmark Index

Standard & Poor's 500

Specific Return Goals

Over the time horizon defined in this written statement, it is the goal of the SAHA Pension Plan that assets managed by Stralem & Company meet or exceed the returns of the benchmark index.

Volatility (Risk)

Stralem & Company is expected to achieve its return goals with a level of risk associated with the benchmark index.

Asset Allocation Guidelines

	<i>Minimum</i>	<i>Maximum</i>	<i>Preferred</i>
Equities	80%	100%	100%
Fixed Income	0%	0%	0%
Cash and Equivalents	0%	20%	0%

Hedging and Option Writing

Hedging covered call option writing is not contemplated as part of this mandate.

Fees

An annualized asset-based fee of 85 basis points (85/100 of 1%) will be computed and charged every quarter in (arrears/advance). Fees will be deducted from the account under management by the trustee and remitted to the manager.

Acceptance

Stralem & Company understands and considers the written policy and guidelines to be reasonable and achievable. We accept this written statement and the appendix, and we will management the assets of the SAHA Pension Plan assigned to us accordingly.

Stralem & Company

Specific Investment Guidelines for Private Capital Management

The general investment guidelines for the portfolio managed by Private Capital Management (Naples, FL) for the Housing Authority of the City of San Antonio Employees' Money Purchase Plan and Trust (SAHA Pension Plan) are defined in the Written Investment Policy, Objectives and Guidelines. The purpose of this appendix is to define any special objectives or instructions to the asset manager. In the event of a conflict between the written statement and this appendix, this appendix will govern.

Mandate:

SAHA Pension Mandate: Domestic Small/Mid-Cap Equities
Manager's Product Description: Value Equity

Benchmark Index

Russell 2500 Index

Specific Return Goals

Over the time horizon defined in this written statement, it is the goal of the SAHA Pension Plan that assets managed by Private Capital Management meet or exceed the returns of the benchmark index.

Volatility (Risk)

Private Capital Management is expected to achieve its return goals with a level of risk associated with the benchmark index.

Asset Allocation Guidelines

	<i>Minimum</i>	<i>Maximum</i>	<i>Preferred</i>
Equities	80%	100%	100%
Fixed Income	0%	0%	0%
Cash and Equivalents	0%	20%	0%

Hedging and Option Writing

Hedging covered call option writing is not contemplated as part of this mandate.

Fees

An annualized asset-based fee of 100 basis points (1%) will be computed and charged every quarter in (arrears/advance). Fees will be deducted from the account under management by the trustee and remitted to the manager.

Acceptance

Private Capital Management understands and considers the written policy and guidelines to be reasonable and achievable. We accept this written statement and the appendix, and we will management the assets of the SAHA Pension Plan assigned to us accordingly.

Private Capital Management

Specific Investment Guidelines for Stralem & Company

The general investment guidelines for the portfolio managed by Stralem & Company (Naples, FL) for the Housing Authority of the City of San Antonio Employees' Money Purchase Plan and Trust (SAHA Pension Plan) are defined in the Written Investment Policy, Objectives and Guidelines. The purpose of this appendix is to define any special objectives or instructions to the asset manager. In the event of a conflict between the written statement and this appendix, this appendix will govern.

Mandate:

SAHA Pension Mandate: Domestic Large Cap Equities
Manager's Product Description: Large Cap

Benchmark Index

Standard & Poor's 500

Specific Return Goals

Over the time horizon defined in this written statement, it is the goal of the SAHA Pension Plan that assets managed by Stralem & Company meet or exceed the returns of the benchmark index.

Volatility (Risk)

Stralem & Company is expected to achieve its return goals with a level of risk associated with the benchmark index.

Asset Allocation Guidelines

	<i>Minimum</i>	<i>Maximum</i>	<i>Preferred</i>
Equities	80%	100%	100%
Fixed Income	0%	0%	0%
Cash and Equivalents	0%	20%	0%

Hedging and Option Writing

Covered call writing is permitted.

Fees

An annualized asset-based fee of 85 basis points (85/100 of 1%) will be computed and charged every quarter in (arrears/advance). Fees will be deducted from the account under management by the trustee and remitted to the manager.

Acceptance

Stralem & Company understands and considers the written policy and guidelines to be reasonable and achievable. We accept this written statement and the appendix, and we will management the assets of the SAHA Pension Plan assigned to us accordingly.

Stralem & Company

Specific Guidelines for Smith Barney Inc.

Smith Barney Inc. (San Antonio, TX) has been retained by the SAHA Pension Plan as the plan's investment consultant. The primary contact at Smith Barney is Gerardo Gonzalez.

The purpose of this appendix is to define any special objectives or instructions to the consultant. In the event of a conflict between the written statement and this appendix, this appendix will govern.

Mandate:

SAHA Pension Mandate: Comprehensive Investment Consulting Services, including:

- Writing and maintaining the written investment policy, objectives and guidelines
- Provide educational and training to the members of the Pension Advisory Committee
- Provide periodic asset allocation recommendations
- Conduct national asset manager searches and screening
- Compile quarterly time-weighted performance measurement report on managers
- Make quarterly presentations to the Pension Advisory Committee
- As the primary operational contact with asset managers
- Conduct other investment-related studies as required

Fees

The consultant will provide the services above for an annualized asset-based fee of 8 basis points (8/100 of 1%). The fee will be computed and charged every quarter in advance. Fees will be submitted to the trustee for payment.

Acceptance

Smith Barney understands and considers the written policy and guidelines. We accept this written statement and the appendix, and we will provide consulting services to the SAHA Pension Plan accordingly.

Smith Barney Inc.

SAHA Money Purchase Pension Plan

Compilation including Amendments 1 and 2

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APPENDIX A: Special Entry Dates

**HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO
EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST**

THIS AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into by and between the Housing Authority of the City of San Antonio, a municipal housing authority created under Chapter 392 of the Texas Local Government Code (hereinafter referred to as the "Employer"), and the Frost National Bank of San Antonio, N.A. (hereinafter referred to as the "Trustee"):

WITNESSETH:

WHEREAS, the Employer heretofore has established and maintained this money purchase pension plan and trust, effective June 7, 1948, known as the Housing Authority of the City of San Antonio Employees' Pension Plan and Trust (hereinafter referred to as the "Plan") in recognition of the contribution made to its successful operation by its employees and for the exclusive benefit of its eligible employees; and

WHEREAS, the terms and provisions of the aforesaid Plan were amended and restated, effective July 1, 1993, effective January 1, 1998, and again effective January 1, 2008, and the 2008 restatement has been amended four times; and

WHEREAS, the Plan is a "public retirement system," as defined in and authorized by Section 810.001 of the Texas Government Code, and the Employer intends to operate the Plan as a "governmental plan" within the meaning of Code Section 414(d); and

WHEREAS, under the terms and provisions of the Plan, the Employer has the ability to amend the Plan, provided that the Trustee joins in such amendment if the provisions of the Plan affecting the Trustee are amended.

NOW, THEREFORE, effective January 1, 2013, except as otherwise provided, the Employer and the Trustee in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amend the Plan in its entirety and restate the Plan to provide as follows:

**ARTICLE 1
CONTINUATION AND PURPOSE OF PLAN AND TRUST**

1.1 CONTINUATION OF PLAN AND TRUST

The Employer hereby amends, restates, and continues the Plan, upon and in accord with the terms and provisions provided herein. Except as otherwise specifically provided, the terms and provisions contained herein are effective January 1, 2013 ["Effective Date"]. Any employee who was a Participant in the Plan as of the Effective Date and has an Hour of Service after such Effective Date shall continue such participation in accord with the terms and provisions provided herein.

1.2 NAME OF PLAN AND TRUST

The plan amended, restated, and continued in accordance with the terms and provisions herein shall be known as the HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST.

1.3 GOVERNMENTAL PLAN

It is the intent of the Employer that this Plan constitute a “public retirement system” within the meaning of Section 810.001 of the Texas Government Code, and a “governmental plan” within the meaning of Code Section 414(d) and ERISA Section 3(32). Consequently, it is the intent of the Employer that this Plan satisfy those provisions of the Code which apply to, or determine the qualification of, a governmental plan and its related trust, and that the Plan be exempt from the requirements of ERISA, as amended. To the extent that this Plan includes provisions not normally applicable to “governmental plans,” such inclusion shall not be deemed an election to be subject to any other requirements of ERISA or the Code which are not applicable to governmental plans.

ARTICLE 2

DEFINITIONS

2.1 “Administrator” means the committee designated by the Employer pursuant to Section 3.2 to administer the Plan on behalf of the Employer.

2.2 “Account” or “Accounts” means, with respect to each Participant, all of the following accounts, as the context requires, which may be established and maintained on behalf of a Participant: Employer Contribution Account, Mandatory Contribution Account, Voluntary Contribution Account and Rollover Account.

2.3 “Adjusted Account Balance” means, with respect to each Participant, the aggregate balance of such Participant’s Accounts, as adjusted in accordance with Article 5, as of the applicable Anniversary Date or other Valuation Date.

2.4 “Anniversary Date” means December 31.

2.5 “Beneficiary” means a person designated by a Participant who is, or may become, entitled to receive all or a portion of a deceased Participant’s Account, subject to the restrictions of Sections 7.2 and 7.6. Unless otherwise designated in accordance with Subsection 7.2.d, the Beneficiary of a married Participant shall be such Participant’s spouse.

2.6 “Code” means the Internal Revenue Code of 1986, as amended or replaced from time to time.

2.7 “Compensation” means all of the Participant’s wages within the meaning of Code Section 3401(a) for the purposes of income tax withholding at the source, but shall 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)), and shall include the following: (1) elective contributions made by the Employer on behalf of Participants pursuant to salary reduction agreements and not includible in gross income of Participants under Code Sections 125, 132(f)(4), 402(e)(3), 402(h), 403(b) and 457, and Participant contributions described in Code Section 414(h)(2) and treated as Employer contributions; and (2) merit increases paid in lump sum form. For all purposes herein, however, the term “Compensation” shall exclude all items listed in Regulation Section 1.414(s)-1(c)(3) (even if includible in gross income of the Participant), as follows: reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits. For example, Compensation will exclude cashout of Sick Leave Buy Back Payments or Annual Leave Buy Back Payments, Employer payments of the Participant’s share of FICA, group term life insurance premiums attributable to coverage in excess of \$50,000, Employer contributions to nonqualified deferred compensation plans, and auto allowances.

The annual Compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). 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.

For any short Plan Year, the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the Plan Year begins, multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by 12.

2.8 “Disability” means, for purposes of the Plan, that a Participant has either (i) suffered a disability for purposes of the Employer’s Long Term Disability policy and is eligible for benefits thereunder, or (ii) suffered a disability, as determined by the Social Security Administration, under Title II of the Social Security Act and is eligible for benefits thereunder.

2.9 “Effective Date” with respect to this amended and restated Plan means January 1, 2013.

2.10 “Eligible Employee” means any Employee who is a “Regular Full Time Appointment Employee,” as defined in Section 4.1 of the San Antonio Housing Authority Personnel Procedures Manual. The term “Employee” excludes all other persons employed by the Employer, including, but not limited to:

2.10.a Any person who is designated a “Temporary Appointment Employee” under the provisions of Section 4.4 of the San Antonio Housing Authority Personnel Procedures Manual;

2.10.b Any person who is designated a “Part Time Appointment Employee” under the provisions of Section 4.3 of the San Antonio Housing Authority Personnel Procedures Manual;

2.10.c Any person who is designated a “Force Account Employee” under the provisions of Section 4.5 of the San Antonio Housing Authority Personnel Procedures Manual, including but not limited to those Employees hired to perform construction and/or maintenance work on an as needed basis under the Comprehensive Improvement Assistance Program (“C.I.A.P.”) and other maintenance and construction Employees designated “Force Account Employees” under the operating budget;

2.10.d Any person employed as a “Security Employee” other than those who are designated as “Regular Full Time Appointment Employees” under the provisions of Section 4.1 of the San Antonio Housing Authority Personnel Procedures Manual;

2.10.e Any person who is a “Leased Employee” of the Employer within the meaning of Code Sections 414(n)(2) or 414(o)(2). In general, the term “Leased Employee” shall mean any person who (1) performs services for the Employer pursuant to an agreement between the Employer and a leasing organization, (2) has performed such services for the Employer for a

12-month period, and (3) performs such services under the primary direction or control of the Employer; and

2.10.f All other persons employed by the Employer who are not designated “Regular Full Time Appointment Employees” under Section 4.1 of the San Antonio Housing Authority Personnel Procedures Manual.

Notwithstanding the above, with respect to any Leased Employee who subsequently becomes designated as a “Regular Full Time Appointment Employee” under Section 4.1 of the San Antonio Housing Authority Personnel Procedures Manual, such Leased Employee’s period of service as a Leased Employee shall be counted for purposes of Hours of Service and Years of Service, except to the extent that Code Section 414(n)(5) was satisfied with respect to such individual while he or she was a Leased Employee.

2.11 “Employee” shall mean any common-law employee of the Employer.

2.12 “Employer” means the Housing Authority of the City of San Antonio, any successor which may maintain this Plan, and any predecessor which has maintained this Plan. The Employer is a municipal housing authority created under Chapter 392 of the Texas Local Government Code with principal offices in the State of Texas.

2.13 “Employer Contribution Account” means the account established and maintained by the Administrator for a Participant with respect to his or her total interest under the Plan resulting from Employer Contributions made pursuant to Subsection 5.1.b.

2.14 “Excess Compensation” with respect to any Participant means the Participant’s Compensation which is in excess of the Taxable Wage Base.

2.15 “Forfeiture” means that portion of a Participant’s or Former Participant’s Account that is not Vested. A Forfeiture occurs upon the distribution of the entire Vested portion of a Participant’s or Former Participant’s Account. For purposes of this Section 2.15, however, in the case of a Terminated Participant whose Vested benefit is zero percent (0%), such Terminated Participant shall be deemed to have received a distribution of his or her Vested Benefit upon termination of his or her employment. Moreover, restoration of Forfeitures which are deemed to have occurred pursuant to the provisions of this Section 2.15 shall be governed by the rules contained in Subsection 7.4.d. Finally, the term Forfeiture shall also include amounts deemed to be Forfeitures pursuant to any other provision of this Plan, such as Sections 4.7 and 7.10.

2.16 “Former Participant” means a person who has been a Participant, but who has ceased to be a Participant for any reason.

2.17 “415 Compensation” means compensation as defined in Subsection 5.4.b.

2.18 “Hour of Service” means (A) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties during the applicable computation period, (B) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties such as vacation, holiday, sickness, jury duty, disability, lay off, military duty or leave of absence during the applicable computation period, and (C) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages. These hours will be credited to the Employee for the computation period or periods to which the award, agreement or payment is made. The same Hours of Service shall not be credited both under (A) or (B) above, as the case may be, and under (C) above. Notwithstanding the above, however, the following rules shall apply for determining Hours of Service:

2.18.a no more than 501 Hours of Service are required to be credited to any Employee on account of any single continuous period during which the Employee performs no duties whether or not such period occurs in a single computation period;

2.18.b 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 insurance laws; and

2.18.c no Hours of Service are 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 2.18, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made 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.

2.19 “Investment Manager” means an entity that has the power to manage, acquire or dispose of Plan assets, and acknowledges its fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisors Act of 1940, a bank, or an insurance company qualified to perform investment services under the law of more than one state.

2.20 “Late Retirement Date” means the first day of the month coinciding with or following a Participant’s actual Retirement Date that occurs after the Participant’s Normal Retirement Date.

2.21 “Mandatory Contribution Account” means the account established and maintained for a Participant with respect to his or her total interest under the Plan resulting from the Participant’s Mandatory Contributions made pursuant to Subsection 5.1.a.

2.22 “Normal Retirement Date” means the first day of the month coinciding with or next following the Participant’s 65th Birthday (“Normal Retirement Age”). A Participant shall become fully Vested in his or her Accounts upon attaining Normal Retirement Age.

2.23 “Participant” means any Eligible Employee who participates in the Plan as provided in Section 4.2 and has not for any reason become ineligible to participate further in the Plan.

2.24 “Plan” means the money purchase pension plan amended, restated, and continued by the Employer in the form of this Agreement, and shall also refer to this Agreement.

2.25 “Plan Year” means the 12-month period commencing on January 1 of each year and ending the following December 31.

2.26 “Regulation” means the Income Tax Regulations as promulgated by the Secretary of the Treasury or his or her delegate, and as amended from time to time.

2.27 “Retirement Date” means the date as of which a Participant retires for reasons other than Disability, whether such retirement occurs on a Participant’s Normal Retirement Date or Late Retirement Date.

2.28 “Taxable Wage Base” means, with respect to any Plan Year, the contribution and benefit base in effect under Section 230 of the Social Security Act at the beginning of the Plan Year.

2.29 “Terminated Participant” means a person who has been a Participant, but whose employment has been terminated other than by death, Disability or retirement on the Participant’s Retirement Date.

2.30 “Trust Fund” means all property of every kind held or acquired by the Trustee under this Plan and Trust as the same shall exist from time to time.

2.31 “Trustee” means any person or entity appointed by the Employer to hold the assets of the Trust Fund.

2.32 “Vested” means the portion of a Participant’s benefits under the Plan that are nonforfeitable.

2.33 “Voluntary Contribution Account” means the account established and maintained for a Participant with respect to his or her total interest in the Plan resulting from his or her Voluntary Contributions made pursuant to Subsection 5.7.a.

2.34 “Year of Service” means a computation period of 12 consecutive months of completed service during which an Employee is credited with at least 1,000 Hours of Service.

For purposes of eligibility for participation, the computation period shall begin with the date on which the Employee first performs an Hour of Service. For vesting purposes, the computation period shall be the Plan Year, including periods prior to the Effective Date of the Plan. For all other purposes, the computation period shall be the Plan Year.

ARTICLE 3

PLAN ADMINISTRATION

3.1 POWERS OF THE EMPLOYER

The Employer shall be empowered to appoint and remove the Trustee and the 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, the Code, and Section 802.203 of the Texas Government Code. In addition, the Employer may from time to time appoint a non-discretionary Advisory Committee to assist the Administrator with its duties hereunder, including providing advice to the Administrator with respect to the investment of all or a portion of the Trust Fund.

The Employer shall periodically review the performance of any fiduciary or 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.

3.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Administrator of this Plan shall be the Employee Pension Administrative Committee, which shall be a committee of at least three and no more than five individuals (referred to collectively herein as the “Committee,” and individually as “Committee Members”), one of whom shall be the Chief Financial Officer of the Employer, one of whom shall be the Chief Legal Officer of the Employer (or the person serving in that capacity), and one of whom shall be the President/Chief Executive Officer of the Employer. Any person, including, but not limited to the Employees of the Employer, shall be eligible to serve on the Committee. Any person so

appointed shall signify his or her acceptance by filing written acceptance with the Employer. Members of the Committee shall serve at the pleasure of the Employer which, in its sole discretion, may remove members by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Committee Members if no date is specified. Committee Members may resign by delivery of written resignation to the Employer.

The Employer, upon the resignation or removal of a Committee Member, may promptly designate in writing a successor to the position. The Employer may also, in its sole discretion, appoint additional members to the Committee. If the Employer does not appoint any Committee Members, the Employer will function as the Administrator.

3.3 MAJORITY DECISION

The decision of a majority of the Committee serving as Administrator shall be final and binding on all parties thereto. However, any member of such Committee who is also a Participant in the Plan shall refrain from voting in any matter that relates solely to himself or herself. Further, the Committee may adopt a policy requiring (a) the written approval of all members of the Committee and/or (b) the holding of a meeting of all members of the Committee for certain changes in administrative rules and procedures affecting the Plan, and shall notify persons involved in administration of the Plan of any such policy.

3.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The Administrator is the “governing body” of the Plan and Trust, as that term is described in the Texas Government Code. As “governing body” of the Plan and Trust, the Administrator is responsible for the management and administration of the Trust Fund. In addition, the Administrator shall be responsible for the administration of 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 to 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 it may deem necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be performed in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan continue to be deemed a qualified plan under the terms of Code Section 401(a) that apply to “governmental plans” within the meaning of Code Section 414(d). The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan, including the authority to delegate its duties to Employees of the Employer, or appoint and remove Investment Managers from time to time as it deems necessary to manage the investments of the Trust Fund.

The Administrator shall establish a “written investment policy,” in accordance with Section 802.202 of the Texas Government Code, to determine the goals and objectives of the Trust Fund (e.g., whether the Plan has a short run need for liquidity or whether liquidity is a long

run goal and investment growth is a more current need), or shall appoint a qualified person to do so. The Administrator or its delegate shall communicate such objectives and goals to the Trustee and/or any Investment Manager responsible for management of all or a portion of the Trust Fund, who shall coordinate such management of the Trust Fund with the Plan's needs. The communication of such a "written investment policy" shall not, however, constitute a directive to the Trustee and/or any Investment Manager as to the specific investment of the Trust Fund.

In addition, the Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

3.4.a the discretion to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;

3.4.b to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;

3.4.c to authorize and direct the Trustee with respect to all nondiscretionary or otherwise directed disbursements from the Plan;

3.4.d to maintain all necessary records for the administration of the plan;

3.4.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;

3.4.f to compute and certify to the Employer and to the Trustee from time to time the amount of the annual contribution to be made by the Employer or other sums of money necessary or desirable to be contributed to the Plan;

3.4.g to compute and certify to the Trustee the amount and kind of benefits payable to Participants, Former Participants, or their Beneficiaries, and to authorize all disbursements by the Trustee from the Plan;

3.4.h to consult with the Employer and the Trustee regarding the short and long-term liquidity needs of the Plan in order that the Trustee or Investment Manager can exercise any investment discretion in a manner designed to accomplish specific objectives;

3.4.i to assist each Participant regarding his or her rights, benefits, or elections available under the Plan.

3.5 RECORDS AND REPORTS

The Administrator shall keep accurate records 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 any required information and reports to the Internal Revenue Service, Participants, Beneficiaries or others as required by law.

3.6 APPOINTMENT OF ADVISERS

The Administrator, or the Trustee with the consent of the Administrator, may retain the services of actuaries, attorneys, accountants, specialists, advisers, and other persons as the Administrator or Trustee deems necessary or desirable to assist in connection with the administration of this Plan.

3.7 INFORMATION FROM EMPLOYER

To enable the Administrator to perform its functions, the Employer shall furnish to the Administrator such information with respect service, eligibility, compensation, termination, and other matters required or desirable for the purpose of enabling the Administrator to carry out its duties; and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator may rely upon such information supplied by the Employer as being correct and shall have no duty or responsibility to verify such information.

3.8 EXPENSES, INDEMNITY

All expenses of administration shall be paid out of the Trust Fund to the extent not 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 Trust Fund. The Employer may pay directly or reimburse the Trust Fund for any expense of administration which may be paid by a housing authority under applicable HUD Guidelines and/or with the approval of the appropriate HUD Field Office. If such expenses are initially paid by the Trust Fund, the Employer may reimburse the Trust Fund for any such administration expense incurred. Any administration expense paid to the Trust Fund as a reimbursement shall not be considered an Employer Contribution. The Employer may reimburse the Administrator directly for all necessary expenses incurred by the Administrator.

Each member of the Committee serving as Administrator shall be liable only for his or her own willful misconduct or gross negligence. The Employer shall indemnify and save harmless each Committee Member against all liabilities and costs including, without limitation, demands made by any individual claiming an interest under the Plan, which the Committee Member may incur in the lawful performance of his or her duties, including all actions taken at the direction of the Employer, whether or not such Employer-directed actions are authorized herein, except as to any liabilities arising from the Committee Member's willful misconduct or gross negligence.

3.9 CLAIMS PROCEDURE

Claims for benefits under the Plan shall be made in writing and filed with the Administrator. An application for a distribution shall be made on forms supplied by the Employer or Administrator. Any other claims may be made by any written request. Any written notice of the disposition of a claim shall be furnished to the Claimant within 90 days after the

application is filed unless special circumstances require an extension and written notice of the extension is provided to the Claimant. The notice will set forth the reasons for the denial, pertinent provisions of the Plan shall be cited, and, where appropriate, a description of any additional material and information needed in order for the Claimant to perfect the claim will be provided. In addition, the claimant shall be informed of the Plan's claims review procedure. In the event that a written notice is not provided within the required period, the claim shall be deemed denied and eligible for the Plan's claims review procedure.

3.10 CLAIMS REVIEW PROCEDURE

Any Claimant who has had a claim denied or deemed denied by the Administrator pursuant to Section 3.9 shall be entitled to request the Administrator to give further consideration to his or her claim by filing with the Administrator (on a form which may be obtained from the Administrator) a request for review. Such request, together with a written statement of the reasons why the Claimant believes his or her claim should be allowed, shall be filed with the Administrator no later than 60 days after receipt of the written notification of denial, or within 60 days of a deemed denial, in accordance with Section 3.9. Claimant's duly authorized representative may submit written arguments in support of his or her claim and may review pertinent Plan documents. The Administrator shall then re-examine all facts related to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances. A final decision as to the allowance or disallowance of the claim shall be made by the Administrator within 60 days of receipt of the appeal (unless there has been an extension of 60 days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the Claimant within the 60 day period). A written notice of such final decision shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. In the event that a final decision is not rendered within the required period, the claim shall be deemed denied on review.

ARTICLE 4 ELIGIBILITY

4.1 CONDITIONS OF ELIGIBILITY

Any Eligible Employee who has completed one Year of Service shall be eligible to participate in accordance with Section 4.2 as of the date he or she has satisfied such requirements. However, any employee who is a Participant in the Plan prior to the Effective Date of this restated Plan shall continue to participate in the Plan. An Eligible Employee shall cease to be eligible to participate in the Plan upon the termination of his or her employment with the Employer or if he or she ceases to be an Eligible Employee for any other reason. Notwithstanding the provisions of this Section and of Sections 2.34 and 4.2, however, and effective for Employees hired before January 1, 2016, the President/Chief Executive Officer of the Employer shall have the authority to designate a participation commencement date earlier than the date described above ("Special Entry Date") for any Eligible Employee hired on or after August 1, 2002, provided that such Eligible Employee's name, Special Entry Date, and any other identifying information deemed necessary and desirable shall be reflected in an amendment to Appendix A, Special Entry Dates, attached to the Plan and made a part hereof. The

President/Chief Executive Officer shall also have the authority to adopt and execute any such addition to Appendix A. Any such amendment shall be adopted by the President/Chief Executive Officer of the Employer solely in cases where, in the judgment of the President/Chief Executive Officer, the best interests of the Employer will be furthered by such amendment and designation. In the event, however, that the Eligible Employee for whom a Special Entry Date is proposed is the President/Chief Executive Officer, the authority otherwise delegated to the President/Chief Executive Officer under this Section shall be exercised solely by the Board of Commissioners of the Employer. Effective for Employees hired after December 31, 2015, all Eligible Employees holding the title of "Director" or a higher title shall participate in the Plan as of the Eligible Employee's date of hire, and no further amendments to Appendix A shall be made. The participation of any Eligible Employee who is assigned a Special Entry Date under this paragraph shall commence as of his or her Special Entry Date, and the designated Eligible Employee shall make Mandatory Employee Contributions as of such Special Entry Date.

In the event that an Eligible Employee was previously employed by a Local Public Agency (as defined by the United States Department of Housing and Urban Development) prior to being employed by the Employer, such Eligible Employee's Years of Service with such Local Public Agency shall be recognized solely for purposes of participation if the Administrator in its sole discretion determines, on a nondiscriminatory basis, that there is a business reason for counting such prior Years of Service. However, such Eligible Employee's Years of Service with his or her prior employer shall not be considered for vesting in Employer Contributions made under this Plan.

4.2 PARTICIPATION

Upon an Eligible Employee's satisfaction of the eligibility requirements of Section 4.1, participation in the Plan is mandatory and is a condition of employment with the Employer. Except for an Eligible Employee assigned a Special Entry Date under Section 4.1 above, an Eligible Employee shall become a Participant effective as of the first day of January, April, July, or October which coincides with or next follows the date on which such Eligible Employee met the eligibility requirements of Section 4.1, and shall remain a Participant until he or she ceases to be eligible to participate. A Participant shall be eligible to receive allocations of Employer Contributions for purposes of Section 5.3 with respect to all periods during which such Participant makes Mandatory Employee Contributions in accordance with Subsection 5.1.a. Upon the acceptance of any benefits under this Plan, an Employee shall automatically be bound by the terms and conditions of the Plan and all amendments hereto.

4.3 LEAVES OF ABSENCE

For purposes of determining the period of an Eligible Employee's Year of Service for purposes of this Article 4, an Eligible Employee shall be given credit for those hours he or she would have otherwise completed with the Employer had the Eligible Employee not been on an authorized leave of absence granted by the Employer. Such authorized leave of absence shall be for specific purposes such as sickness, disability, leave granted pursuant to the Family and Medical Leave Act, or any emergency taken with the advance approval of the Employer and during which the Eligible Employee worked for no other employer. In the event that the Eligible

Employee does not return to the service of the Employer at the end of the authorized leave of absence, he or she shall be deemed to have terminated employment as of the earliest of the following dates: the date the leave expired, the first anniversary of the date the leave began, or the date of the Eligible Employee's resignation, discharge, or death.

Any Eligible Employee who is absent on account of military service with the armed forces of the United States shall be given full credit for those hours he or she would have completed with the Employer had the Eligible Employee not been in such service, provided he or she returns to active employment as an Eligible Employee at the time and under the circumstances required to entitle the Eligible Employee to reemployment rights under any state or federal law.

4.4 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Eligible Employee for participation in the Plan based upon information furnished by the Employer. Subject to the Plan's claims and review procedures in Sections 3.9 and 3.10, the Administrator's determination of eligibility shall be conclusive and binding upon all persons.

4.5 PARTICIPATION UPON REEMPLOYMENT

Participation in the Plan upon reemployment with the Employer shall be determined as follows:

4.5.a In the event a Former Participant whose employment terminates is subsequently reemployed as an Eligible Employee on or before the expiration of 12 months from the date his or her employment with the Employer terminated, such Former Participant shall reenter the Plan as a Participant on the date of such reemployment.

4.5.b In the event a Former Participant whose employment terminates is subsequently reemployed as an Eligible Employee after the expiration of 12 months from the date his or her employment with the Employer terminated, such Former Participant shall be considered a new Employee and shall become a Participant in the Plan in accordance with the provisions of Section 4.1.

4.5.c In the event a Former Participant ceases to be an Eligible Employee, but remains in the employ of the Employer and subsequently returns to the class of Eligible Employees, such Former Participant shall reenter the Plan as a Participant on the date of such return to the class of Eligible Employees.

4.5.d In the event an Employee who is not an Eligible Employee becomes an Eligible Employee, such Eligible Employee will participate immediately if such Eligible Employee has satisfied the requirements of Section 4.1 and would have otherwise previously become a Participant.

4.5.e In the case of the reemployment of a Former Participant and subsequent participation in accordance with Subsection 4.5.a or 4.5.b above, any intermittent or installment

distributions under the Plan shall cease upon such Former Participant's reentry into the Plan as a Participant.

4.5.f Effective December 12, 1994, notwithstanding anything to the contrary in this Plan, an Eligible Employee who is reemployed in accordance with the reemployment provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") following a period of qualifying military service (as determined under USERRA) shall reenter the Plan as a Participant immediately upon such reemployment.

4.6 OMISSION OF ELIGIBLE EMPLOYEE

If, in any Plan Year, any Eligible Employee who should be included as a Participant in the Plan is erroneously omitted and discovery of such omission is not made until after a contribution by the Employer for the year has been made, the Employer shall correct the omission. A subsequent correcting Employer Contribution with respect to the omitted Eligible Employee (in the amount which the Employer would have contributed with respect to such omitted Eligible Employee had he or she not been omitted) shall also include reasonable earnings thereon.

4.7 INCLUSION OF INELIGIBLE EMPLOYEE

If, in any Plan Year, any person who should not have been included as a Participant in the Plan is erroneously included and discovery of such incorrect inclusion is not made until after a contribution for the year has been made, the Employer shall not be entitled to recover the contribution made with respect to the ineligible person. In such event, the amount contributed with respect to the ineligible person shall constitute a Forfeiture for the Plan Year in which the discovery is made.

ARTICLE 5 **CONTRIBUTION AND ALLOCATION**

5.1 DETERMINING EMPLOYEE AND EMPLOYER CONTRIBUTIONS

5.1.a Mandatory Employee Contributions: As a condition of participation in the Plan, and as a condition of sharing in Employer Contributions, each Participant is required to make mandatory contributions to the Plan (referred to herein as "Mandatory Employee Contributions"). Such Mandatory Employee Contributions shall amount to five percent (5%) of such Participant's Compensation and shall be credited to such Participant's Mandatory Contribution Account. Such Mandatory Employee Contributions will be deducted, without any election on the part of the Participant, from each payment of Compensation made to the Participant and transmitted by the Employer to the Trustee within a reasonable time.

5.1.a.1 Mandatory Employee Contributions shall be credited to the Mandatory Contribution Account created for each Participant and such account shall share in Trust fund earnings and losses.

5.1.a.2 A Participant shall be fully Vested at all times in his or her Mandatory Contribution Account.

5.1.a.3 Withdrawals from the Mandatory Contribution Account shall not be permitted prior to termination of employment.

5.1.a.4 At Normal Retirement or such other date when the Participant or his or her Beneficiary shall be entitled to receive benefits, the Fair Market Value of the Mandatory Contribution Account shall be used to provide additional benefits to the Participant or to his or her Beneficiary.

5.1.a.5 Pursuant to Resolution number 2437 (February 26, 1985), Mandatory Employee Contributions have been designated as “picked up” contributions within the meaning of Code Section 414(h)(2). Although deducted from the Participant’s pay, these Mandatory Employee Contributions shall be treated as contributions made by the Employer for federal income tax purposes.

5.1.a.6 Effective April 13, 2009, in lieu of the requirements imposed by Subparagraph 5.1.a above, the Employer shall make contributions on behalf of President/Chief Executive Officer Lourdes Castro Ramirez in the amount of five percent (5%) of such Employee’s Compensation, and the Employee shall be relieved of the obligations of Subparagraph 5.1.a. Such Employer contributions shall be deposited to the Employee’s Mandatory Contribution Account at the same time or times that the Employer deposits Mandatory Employee Contributions to the Plan, shall be fully Vested at all times, and shall be subject to all other provisions of the Plan that apply to Mandatory Employee Contributions, excepting only the provisions of Subparagraph 5.1.a.5. The provisions of this subparagraph shall not affect the Employee’s entitlement to additional Employer contributions made under Section 5.1.b below.

5.1.b Employer Contributions:

5.1.b.1 The Employer shall make Contributions (“Employer Contributions”) on the following basis. For each Plan Year, the Employer shall contribute an amount which equals the sum of the following amounts on behalf of all Participants eligible to share in allocations for such Plan Year: (A) 10% of the total Compensation of such Participant (the “Base Contribution”), plus (B) 5.7% of the Excess Compensation of such Participant (the “Excess Contribution”). Effective for Compensation earned on or after July 9, 2000, however, the Employer shall contribute an amount which equals the sum of the following amounts on behalf of all Participants eligible to share in allocations for the Plan Year: (A) 11% of the total Compensation of such Participant (the “Base Contribution”), plus (B) 5.7% of the Excess Compensation of such Participant (the “Excess Contribution”).

5.1.b.2 If an underpayment of the Employer’s Contribution occurs for any Plan Year, the deficiency shall be corrected in the Plan Year the underpayment is discovered or disclosed, and a corresponding amount shall be added to the Employer Contribution made for the Plan Year of discovery or disclosure. For purposes of allocation under Section 5.3, the

deficiency amount shall be added to the Employer Contribution otherwise made and shall be allocated in the same manner and among the same Participants as though it were part of the Employer Contribution made for the Plan Year of correction. If an overpayment of the Employer's Contribution occurs, the Employer shall not be entitled to recoup any part of the excess and such excess shall be placed in a suspense account and reallocated in the following year as if it were a Forfeiture.

5.1.b.3 The Employer's Contribution with respect to an individual Participant shall be reduced by the amount, if any, by which such Employer Contribution would result in an excess annual addition under Code Section 415 with respect to such Participant. To the extent appropriate under the facts and circumstances, this reduction of the Employer Contribution with respect to an individual Participant shall occur after any adjustments of excess "annual additions" are made under Section 5.5.

5.1.b.4 The Employer shall not contribute on behalf of any Participant who is not entitled to share in the allocation of the Employer's Contribution.

5.2 TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION

The Employer shall pay to the Trustee its contribution to the Plan for each Plan Year as soon as administratively feasible following the end of the Plan Year. The Employer may but is not required to pay a portion of its contribution for a Plan Year during such Plan Year.

5.3 ACCOUNTING AND ALLOCATIONS

5.3.a The Administrator shall establish and maintain Accounts in the name of each Participant, to which Accounts the Administrator shall credit as of each Anniversary Date all amounts allocated to each such Participant as set forth herein.

5.3.b The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's Contributions 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 the Mandatory Employee Contributions and the Employer Contributions as follows:

5.3.b.1 Mandatory Employee Contributions: The Mandatory Employee Contributions made by each Participant shall be allocated to the Mandatory Contribution Account set up for such Participant.

5.3.b.2 Employer Contributions: The Employer Contribution (including the amount by which Forfeitures are used to reduce the Employer Contribution) shall be allocated to the Employer Contribution Account of each Participant eligible to share in allocations for a Plan Year, as follows: (A) 10% of the total Compensation of such Participant (the "Base Contribution"), plus (B) 5.7% of the Excess Compensation of such Participant (the "Excess Contribution"). Effective for Compensation earned on or after July 9, 2000, however, the Employer Contribution (including the amount by which Forfeitures are used to reduce the

Employer Contribution) shall be allocated to the Employer Contribution Account of each Participant eligible to share in allocations for a Plan Year, as follows: (A) 11% of the total Compensation of such Participant (the "Base Contribution"), plus (B) 5.7% of the Excess Compensation of such Participant (the "Excess Contribution"). (Notwithstanding the above, however, no portion of the Employer Contribution shall be allocated to a Participant's Employer Contribution Account to the extent such allocation would result in an excess annual addition under Code Section 415 with respect to such Participant.

5.3.c Each Participant's proportionate share of any earnings or losses (net appreciation or net depreciation) of the Trust Fund (excluding segregated accounts) shall be allocated based on the proportionate value of each Participant's Accounts (excluding those which have been segregated pursuant to Subsections 5.6.d or 5.7.d) as of the last Anniversary Date or other valuation date (referred to herein as the "Valuation Date"), less any withdrawals since the last Valuation Date. Upon a recordkeeping conversion date occurring on or about September 1, 2011 ("Conversion Date"), the Administrator shall cause Participants' Accounts to be valued on every day that the financial markets are open. Until the Conversion Date, however, for purposes of allocation of earnings and losses pursuant to this Subsection 5.3.c, the adjusted value of each Participant's Accounts shall include one-half of the Mandatory Employee Contributions, Employer Contributions and Voluntary Contributions credited to the Participant's Accounts since the previous Valuation Date, less any withdrawals since the last Valuation Date. Beginning after the Conversion Date, the adjusted value of each Participant's Accounts shall include all of the Mandatory Employee Contributions, Employer Contributions and Voluntary Contributions credited to the Participant's Accounts since the previous daily Valuation Date, less any withdrawals since the last daily Valuation Date. Each segregated account, if any, maintained on behalf of a Participant shall be credited or charged only with its separate earnings and losses. Until the Conversion Date, any non-segregated assets transferred from other qualified plans as described in Section 5.6, shall, to the extent invested as a part of the general Trust Fund, be credited with investment earnings and losses in proportion to the number of days that such assets have been invested as a part of the general Trust Fund since the last Valuation Date.

5.3.d As of each Anniversary Date any amounts which became Forfeitures since the last Anniversary Date shall first be made available to reinstate previously forfeited account balances of Former Participants, if any, in accordance with Subsection 7.4.d.2, and then shall be used to satisfy any contribution that may be required pursuant to Subsection 5.1.b.2 or Section 7.10. The remaining Forfeitures, if any, shall then be credited to and shall reduce the Employer Contribution under Subsection 5.1.b.1.

5.3.e A Participant's Accounts shall be debited for any annuity contract premiums paid on behalf of the Participant.

5.3.f For the purposes of this Section 5.3, "415 Compensation" shall be limited to \$200,000 (unless adjusted in such manner as permitted under Code Section 415(d)) for Plan Years beginning on or after January 1, 1989. Notwithstanding the preceding sentence, however, the dollar limitation on "415 Compensation" shall be \$150,000 (as adjusted pursuant to Code Section 415(d)) for all Plan Years beginning on or after July 1, 1994.

5.4 LIMITATION ON ANNUAL ADDITIONS.

5.4.a Incorporation by Reference: For “limitation years” beginning on or after July 1, 2007, notwithstanding anything contained in the Plan to the contrary, the Plan shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder, the terms of which are specifically incorporated herein by reference. For all purposes of this Plan, the maximum dollar limitation shall be automatically increased as permitted by Regulations under Code Section 415(c)(1)(A). For the purposes herein, the “limitation year” shall be the Plan Year.

5.4.b Timing Rules for 415 Compensation: For purposes of this Section, the following timing rules shall apply.

5.4.b.1 Payment during the “limitation year”. Except as otherwise provided in this Subsection b, in order to be taken into account for a “limitation year,” “415 Compensation” must be actually paid or made available to the Participant (or, if earlier, includible in the gross income of the Participant) within the “limitation year”. For this purpose, compensation is treated as paid on a date if it is actually paid on that date or if it would have been paid on that date but for an election under Code Section 125, 132(f)(4), 401(k), 408(k), 408(p)(2)(A)(i), or 457(b).

5.4.b.2 Payment Prior to Severance from Employment. Except as otherwise provided in this Subsection b, in order to be taken into account for a “limitation year,” “415 Compensation” must be paid or treated as paid to the Participant (in accordance with the rules of paragraph b.1. above) prior to the Participant’s severance from employment (as defined in Regulation Section 1.415(a)-1(f)(5)) with the Employer.

5.4.b.3 Certain Minor Timing Differences. Notwithstanding the provisions of paragraph c.1 of this Section, “415 Compensation” for a “limitation year” includes amounts earned during that “limitation year” solely because of the timing of pay periods and pay dates if:

- A. These amounts are paid during the first few weeks of the next “limitation year”;
- B. The amounts are included on a uniform and consistent basis with respect to all similarly situated Employees; and
- C. No compensation is included in more than one “limitation year.”

5.4.b.4 Compensation Paid after Severance from Employment.

A. In General. Any compensation described in paragraph b.4.B. of this Section does not fail to be “415 Compensation” merely because it is paid after the Participant’s severance from employment with the Employer, provided the compensation is paid by the later of 2½ months after severance from employment with the Employer or the end of the “limitation year” that includes the date of severance from employment with the Employer.

B. Regular Pay after Severance from Employment. An amount is described in this paragraph b.4.B. if:

i. The payment is regular compensation for services during the Participant’s regular working hours, or compensation for services outside the Participant’s regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

ii. The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

C. Other Post-Severance Payments. Any payment that is not described in paragraph b.4.B. of this Section is not considered compensation under paragraph b.4.A. of this Section if paid after severance from employment with the Employer, even if it is paid within the period described in paragraph b.4.A. of this Section. Thus, “415 Compensation” does not include severance pay, or parachute payments within the meaning of Code Section 280G(b)(2), if they are paid after severance from employment with the Employer.

5.4.b.5 Salary Continuation Payments for Military Service. The rule of paragraph b.2. of this Section does not apply to 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.

5.5 ADJUSTMENT FOR EXCESS ANNUAL ADDITIONS

5.5.a Notwithstanding any other provision in this Plan, if any “annual addition” under this Plan would cause the maximum “annual additions” to be exceeded for any Participant, the Administrator shall, to the extent necessary, take corrective action available under the Employee Plans Compliance Resolution System, as set forth in Revenue Procedure 2008-50 and subsequent guidance. For purposes of applying the limitations of Code Section 415, “annual additions” means the sum credited to a Participant’s Account for any “limitation year” of (1) Employer Contributions, (2) Employee Contributions (both Mandatory Employee Contributions and Voluntary Contributions), (3) Forfeitures, and (4) any other amounts required to be treated as “annual additions” under Code Section 415(c)(2).

5.6 TRANSFERS FROM QUALIFIED PLANS

5.6.a With the consent of the Administrator, the Plan may accept a “rollover” made by an Eligible Employee (including an Eligible Employee who has not completed one Year of Service and is not otherwise eligible to participate in the Plan pursuant to Section 4.1), provided the “rollover” will not jeopardize the tax-exempt status of the Plan. The Administrator shall refuse to accept such transfers from other plans unless it reasonably concludes that the amounts to be rolled over to this Plan meet the requirements of this Section. The amounts rolled over shall be set up in a separate account herein referred to as a “Participant’s Rollover Account.” Such account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason. Any transfer pursuant to this Subsection 5.6.a shall be in cash or its equivalent.

5.6.b For purposes of this Section, the term “rollover” means a “direct rollover” of an “eligible rollover distribution” from an “eligible retirement plan” (as the latter terms are defined in Section 7.12). In addition, the Plan will accept an Eligible Employee’s contribution of an eligible rollover distribution from a qualified plan described in Code Section 401(a); an annuity plan described in Code Section 403(a); an annuity contract described in Code Section 403(b); an eligible plan under Code Section 457(b) 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; an individual retirement account described in Code Section 408(a); or an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), provided that the amounts are transferred to this Plan within 60 days of the Employee’s receipt thereof. The Plan will also accept amounts transferred to this Plan from a conduit individual retirement account provided that the amounts were deposited in the conduit individual retirement account within 60 days of the Employee’s receipt thereof. The Plan shall accept an Eligible Employee rollover that includes after-tax employee contributions and shall separately account for the portion of such rollover which is includible in gross income and the portion of such rollover which is not so includible. However, the Plan shall not accept any portion of an eligible rollover distribution that is attributable to payments or distribution from a designated Roth account as defined in Code Section 402A.

5.6.c Amounts in a Participant’s Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan and shall be, subject to Subsection 5.6.c, distributed at the same times and in the manner set forth in Article 7.

5.6.d At Normal Retirement Date, or such other date when the Participant or his or her Beneficiary is entitled to receive benefits, the fair market value of the Participant’s Rollover Account shall be used to provide additional benefits to the Participant or his or her Beneficiary.

5.6.e The Administrator may direct that employee transfers made after a valuation date be segregated into a separate account for each Participant in a federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate, or other short term debt security acceptable to the Trustee until such time as the

allocations pursuant to this Plan have been made, at which time they may remain segregated or be invested as part of the general Trust Fund, to be determined by the Administrator.

5.7 VOLUNTARY EMPLOYEE CONTRIBUTIONS

5.7.a In order to allow Participants the opportunity to increase their retirement income, each Participant may elect to voluntarily contribute to the Trust Fund in any Plan Year, on an after-tax basis, a portion of his or her Compensation for that Plan Year (referred to herein as "Voluntary Contributions"). Voluntary Contributions shall be held in a Participant's Voluntary Contribution Account, shall be fully Vested at all times, and shall not be subject to Forfeiture for any reason.

5.7.b A Participant who has elected to make Voluntary Contributions may suspend his or her Voluntary Contributions at any time by giving advance written notice to the Administrator on a form provided by the Administrator.

5.7.c At Normal Retirement Date, or such other date when the Participant or his or her Beneficiary is entitled to receive benefits, the Fair Market Value of the Voluntary Contribution Account shall be used to provide additional benefits to the Participant or his or her Beneficiary. Amounts in the Participant's Voluntary Contribution Account shall be held by the Trustee pursuant to the provisions of this Plan and shall be distributed at the same time and in the same manner set forth in Article 7.

5.7.d The Administrator may direct that Voluntary Contributions made after a Valuation Date be segregated into a separate account for each Participant in a federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate, or other short term debt security acceptable to the Trustee until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated or be invested as part of the general Trust Fund, to be determined by the Administrator.

5.8 SPECIAL RIGHTS FOR VETERANS

If an Eligible Employee is reemployed in accordance with the reemployment provisions of USERRA following a period of qualifying military service (as determined under USERRA), the following rules shall apply upon the Eligible Employee's reentry into the Plan as a Participant in accordance with Subsection 4.5.f:

5.8.a Such Participant shall be permitted to make up Mandatory Employee Contributions missed during the period of qualifying military service. The period of time during which the Participant is permitted to make any such make-up contributions begins on the date of the Participant's reemployment with the Employer following his or her period of qualifying military service (as determined under USERRA) and will end upon the expiration of the lesser of (1) 3 times the Participant's period of qualifying military service, and (2) 5 years.

5.8.b If the Participant elects to make up Mandatory Employee Contributions in accordance with Subsection 5.8.a, such make-up Mandatory Employee Contributions are hereby

designated as picked-up contributions within the meaning of Code Section 414(h)(2), provided, however, that such Participant enters into an irrevocable salary reduction agreement with the Employer to accomplish the make up of Mandatory Employee Contributions. In such a case, although deducted from the Participant's pay, the make-up Mandatory Employee Contributions shall be treated as contributions made by the Employer for federal income tax purposes.

5.8.c Upon a Participant's contribution of make-up Mandatory Employee Contributions in accordance with Subsection 5.8.a, regardless of whether such contributions are made through an irrevocable salary reduction agreement in accordance Subsection 5.8.b, the Employer shall make any Employer Contributions that would have been made on behalf of such Participant had the Participant made such Mandatory Employee Contributions during the period of qualifying military service.

5.8.d For purposes of this Section 5.8, including determining the amount of any Employer Contribution made under this Section 5.8, the Participant shall be treated as having received Compensation from the Employer based upon the rate of Compensation the Participant would have received during the period of qualifying military service, or if that rate is not reasonably certain, on the basis of the Participant's average rate of Compensation during the 12-month period immediately preceding such period.

5.8.e Notwithstanding the foregoing, the Employer shall not credit earnings with respect to any make-up Mandatory Employee Contributions or Employer Contributions made under this Section 5.8 before such contributions are actually made, and shall not make up any allocations of forfeitures the Participant would have otherwise received with respect to the period of qualifying military service.

5.8.f If a Participant makes make-up Mandatory Employee Contributions and/or has Employer Contributions made on his or her behalf in accordance with this Section 5.8, such contributions shall be taken into account in applying the limitations under Code Section 415 solely with respect to the Participant in the Plan Year to which such contributions relate and only in accordance with any regulations prescribed by the Internal Revenue Service in accordance with Code Section 414(u).

5.9 DIRECTED INVESTMENT ACCOUNT

No Participant shall be permitted to direct the Trustee as to the investment of all or any portion of his or her individual account balances.

ARTICLE 6 **VALUATIONS**

6.1 VALUATION OF THE TRUST FUND

The Administrator shall direct the Trustee, as of each Anniversary Date, and at such other date or dates deemed necessary by the Administrator, herein called "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” and shall deduct all expenses for which the Trustee has not yet obtained reimbursement from the Employer or the Trust Fund.

6.2 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 in its discretion, employ one or more appraisers for that purpose and rely on the values established by such appraiser or appraisers.

ARTICLE 7 DETERMINATION AND DISTRIBUTION OF BENEFITS

7.1 DETERMINATION OF BENEFITS UPON RETIREMENT

Every Participant may terminate his or her employment with the Employer and retire for purposes hereof on his or her Normal Retirement Date, provided, however, that such Participant actually separates from service with the Employer. Upon such Normal Retirement Date, all amounts credited to such Participant’s Account shall become distributable. However, a Participant may postpone the termination of his or her 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 under Section 5.3, shall continue until his or her Late Retirement Date. Upon a Participant’s Retirement Date, or as soon thereafter as is practicable, the Trustee shall, in accordance with Section 7.5, distribute all amounts credited to such Participant’s Account.

7.2 DETERMINATION OF BENEFITS UPON DEATH

7.2.a 100 Percent Vesting upon Death. Upon the death of a Participant before his or her Retirement Date or other termination of his or her employment, all amounts credited to such Participant’s Account shall become fully Vested. The Administrator shall direct the Trustee to distribute, in accordance with the provisions of Sections 7.6 and 7.8, the value of the deceased Participant’s Accounts to the Participant’s Beneficiary. For deaths occurring on or after January 1, 2007, and for purposes of vesting upon death under this Subsection, a Participant who dies while performing “qualified military service” shall be treated as if the Participant had resumed employment with the Employer and then terminated employment on account of death. For purposes of this provision, “qualified military service” means any service in the uniformed

services of the United States by any individual if such individual is entitled to reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 with respect to such service.

7.2.b Distributions upon Death. Upon the death of a Former Participant, the Administrator shall direct the Trustee to distribute, in accordance with the provisions of Sections 7.6 and 7.8, any remaining amounts credited to the accounts of a deceased Former Participant to such Former Participant's Beneficiary.

7.2.c Proof of Death. The Administrator may require such proper proof of death, marriage, or any other 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 upon any person having or claiming any right to benefits as a consequence of the death of a Participant or Former Participant.

7.2.d Designation of Beneficiaries. Each Participant shall have a right to designate one or more Beneficiaries to receive benefits that may become payable upon such Participant's death by filing with the Administrator the forms specified for this purpose. For a Participant who is married, the Beneficiary of at least one-half of the Participant's benefits is the Participant's spouse, except that the Participant may designate a Beneficiary other than his or her spouse for such half if:

7.2.d.1 The Participant's spouse has waived his or her right to be the Participant's Beneficiary, or

7.2.d.2 The Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect (and there is no "qualified domestic relations order" as defined in Section 804.003 of the Texas Government Code which provides otherwise), or

7.2.d.3 The Participant no longer has a spouse, or

7.2.d.4 The spouse cannot be located.

Furthermore, the Participant may designate, without spousal consent, a non-spouse Beneficiary for the portion of the Participant's benefit which is not required to be distributed to the spouse. In either event, the designation of a Beneficiary (and any spouse's waiver of such spouse's right to be a Participant's Beneficiary) shall be made on a form (or forms) satisfactory to the Administrator. A Participant may at any time revoke his or her designation of a Beneficiary or change his or her Beneficiary by filing written notice of such revocation or change with the Administrator. However, the Participant's spouse must again consent in writing to any change in Beneficiary unless the original consent acknowledged that the spouse had the right to limit consent only to a specific Beneficiary and that the spouse voluntarily elected to relinquish such right. In the event no valid designation of Beneficiary exists at the time of the Participant's death, the Participant's benefit (including the portion of the

Participant's benefit which is not required to be distributed to the Participant's spouse) shall be payable to such Participant's spouse or, if the Participant has no spouse at the time of death, to his or her estate.

7.3 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY

In the event of a Participant's Disability prior to his or her Retirement Date or other termination of employment, all amounts credited to such Participant's Account shall become fully Vested. In the event of a Participant's Disability, distribution of such Participant's Account shall be made on the occurrence of an event which would otherwise result in the distribution under the terms of this Plan (e.g., the Participant's death, termination of employment or Normal Retirement). However, at the election of the Participant, the Administrator shall direct the Trustee to cause the entire balance credited to the Participant's Account to be distributed, as soon as administratively feasible, to such Participant as though he or she had retired.

7.4 DETERMINATION OF BENEFITS UPON TERMINATION

7.4.a Segregated Accounts on Termination of Employment. On or before the Anniversary Date coinciding with or subsequent to the termination of a Participant's employment for any reason other than death, Disability, or retirement, the Administrator may direct the Trustee to segregate the amount of the Vested portion of such Terminated Participant's Account and invest the aggregate amount thereof in a separate, federally insured savings account, certificate of deposit, common or collective trust fund of a bank or a deferred annuity. In the event the Vested portion of a Participant's Account is not segregated, the amount shall remain in a separate account for the Terminated Participant and shall share in allocations under Section 5.3 until such time as a distribution is made to the Terminated Participant in accordance with the following:

7.4.a.1 Distribution Upon Termination. Distribution of the Vested portion of a Terminated Participant's Account 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 (e.g., upon the Participant's death or Normal Retirement). However, at the election of the Participant, the Administrator shall direct the Trustee to cause the entire Vested portion of the Terminated Participant's Account to be distributed to such Terminated Participant as soon as administratively feasible following completion of all necessary valuation and accounting for the Plan Year or period in question. Any distribution under this paragraph shall be made in a manner which is consistent with and satisfies the provisions of Section 7.5, including, but not limited to, any consent requirements.

For purposes of this Section 7.4, if the value of a Terminated Participant's Vested Benefit is zero, the Terminated Participant shall be deemed to have received a distribution of his or her entire Vested benefit in full satisfaction and release of all further rights of the Participant and his or her Beneficiaries to receive any benefits under the Plan, and the non-Vested portion shall be treated as a Forfeiture in accordance with Section 2.15.

7.4.a.2 Involuntary Cashout. If the value of a Terminated Participant's Vested benefit does not exceed \$1,000, the Administrator may, in accordance with a uniform, non-discriminatory policy, direct the Trustee to cause the entire Vested benefit to be distributed to such Terminated Participant in a single lump sum in full satisfaction and release of all further rights of the Participant and his or her Beneficiaries to receive any benefits under the Plan, and the non-Vested portion, if any, shall be treated as a Forfeiture in accordance with Section 2.15.

7.4.b Vesting Schedule. The Vested portion of any Participant's Account shall be the sum of: (1) 100% of such Participant's Mandatory Contribution Account, plus (2) 100% of such Participant's Voluntary Contribution Account, plus (3) 100% of any benefits held in such Participant's Rollover Account representing assets transferred from another qualified plan, plus (4) a percentage of the total amount credited to his or her Employer Contribution Account resulting from Employer Contributions, on the basis of the Participant's number of completed Years of Service, according to the following schedule:

Vesting Schedule

<u>Years of Service</u>	<u>Percentage</u>
1	10%
2	20%
3	30%
4	40%
5	60%
6	80%
7 or more	100%

Effective for Participants who are credited with an Hour of Service after December 31, 2005, however, Employer Contributions shall vest in accordance with the following schedule:

Vesting Schedule

<u>Years of Service</u>	<u>Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

7.4.c 100 Percent Vesting. Notwithstanding the Vesting Schedule above, upon termination of the Plan in accordance with Section 9.3 or upon a complete discontinuance of contributions under the Plan (as described in pre-ERISA Code Section 401(a)(7)), all amounts credited to the account of any affected Participant shall become 100% Vested and shall not thereafter be subject to Forfeiture.

7.4.d Vesting Upon Reemployment. The following rules shall apply with respect to Former Participants who become reemployed and reenter the Plan in accordance with Subsections 4.5.a or 4.5.b:

7.4.d.1 Rights on Reemployment. If any Former Participant reenters the Plan as a Participant in accordance with Subsections 4.5.a or 4.5.b, such Former Participant shall have the right to have restored, upon reentering the Plan as a Participant in accordance with Subsections 4.5.a or 4.5.b, any amounts forfeited in accordance with Subsection 2.15.a (concerning Forfeitures based on the distribution of all or a portion of the Vested interest of a Participant's or Former Participant's Account). In order to have such Forfeitures restored, however, the Participant or Former participant must (1) notify the Administrator in writing within 90 days of the date of reemployment, and (2) the amount of any distribution of all or a portion of the Vested interest of such Former Participant's Account must be repaid in full within 60 days after providing the Administrator with the written notice required above.

7.4.d.2 Restoration of Forfeitures. In the event a Former Participant repays the full amount of any distribution of all or a portion of the Vested interest of such Former Participant's Account in accordance with Subsection 7.4.d.1 above, amounts forfeited with respect to such Former Participant in accordance with Subsection 2.15.a shall be restored in full, unadjusted by any gains or losses occurring subsequent to the date such amount was forfeited. The source for such reinstatement shall be any Forfeitures occurring during the year of reinstatement. However, if such source is insufficient, then the Employer shall contribute an amount which, when added to Forfeitures available for such reinstatement, is sufficient to restore any such forfeited amount.

7.4.d.3 Vesting on Reemployment Within 5 Years. If any Former Participant reenters the Plan as a Participant in accordance with Subsections 4.5.a or 4.5.b, and prior to the expiration of 5 years after the date his or her employment with the Employer terminated, Years of Service for purposes of determining the Vested interest in such Former Participant's Account which accrues after the Participant reenters the Plan as a Participant shall include Years of Service prior to the date his or her employment with the Employer terminated. However, if such Former Participant had an amount forfeited in accordance with Subsection 2.15.a, then his or her Years of Service shall not include Years of Service prior to the date his or her employment with the Employer terminated, for purposes of determining the Vested interest in such Former Participant's Account which accrues after the Participant reenters the Plan as a Participant, unless such Former Participant repays the full amount of any distribution of all or a portion of the Vested interest of such Former Participant's Account in accordance with Subsection 7.4.d.1 above.

7.4.d.4 Vesting on Reemployment After 5 Years. With respect to any Former Participant who reenters the Plan as a Participant in accordance with Subsection 4.5.b after the expiration of 5 years after the date his or her employment with the Employer terminated, Years of Service prior to the date his or her employment with the Employer terminated shall not be included for purposes of determining the Vested interest in such Former

Participant's Account which accrues after the Participant reenters the Plan as a Participant in accordance with Subsection 4.5.b.

7.4.d.5 USERRA Rights. Notwithstanding anything to the contrary in this Subsection 7.4.d, Former Participants who are reemployed under USERRA shall have all repayment rights provided by applicable law and regulations.

7.4.e Service Prior to Age 18. In determining Years of Service for purposes of Vesting under the Plan, Years of Service prior to the vesting computation period in which an Employee attained his or her eighteenth birthday shall be excluded.

7.4.f Special Rule for Military Service. Notwithstanding anything to the contrary in this Section 7.4, if an Eligible Employee is reemployed in accordance with the reemployment provisions of USERRA following a period of qualifying military service (as determined under USERRA) and reenters the Plan as a Participant in accordance with Subsection 4.5.f, such period of qualifying military service shall constitute service with the Employer for purposes of determining the Vested portion of the Participant's Account.

7.5 DISTRIBUTION OF BENEFITS

7.5.a Normal Form of Payment. Unless otherwise elected in accordance with the rules under this Subsection 7.5.a, the normal method of payment of a Participant's benefits shall be a Joint and Survivor Annuity, in the case of a married Participant, or a Life Annuity, in the case of a Participant who is not married.

7.5.a.1 Married Participants. If a Participant is married at the date payments of his or her benefits under the Plan are to commence, the Vested portion of his or her Accounts shall be payable in the form of a Joint and Survivor Annuity unless the Participant, with the consent of his or her spouse, makes an election to waive payments in the form of a Joint and Survivor Annuity. The Joint and Survivor Annuity is an annuity contract purchased with the Vested portion of the Participant's Accounts and shall be the amount of benefit that can be purchased with the Adjusted Balance of the Participant's Account that is Vested at the time such Participant's benefits under the Plan are to commence. Such Joint and Survivor Benefits following the Participant's death shall continue to the spouse during the spouse's lifetime at a rate equal to 50% of the rate at which such benefits were payable during the life of the Participant. This Joint and 50% Survivor Annuity shall be considered the automatic form of payment for the purposes of this Plan. However, the Participant may elect to receive, without the consent of his or her spouse, a smaller annuity benefit during the Participant's life with continuation of payments to the spouse at a rate of seventy-five percent (75%) or one hundred percent (100%) of the rate payable to the Participant during his or her lifetime, which alternative Joint and Survivor Annuity shall be the amount of benefit that can be purchased with the Adjusted Balance of the Participant's Account that is Vested at the time such Participant's benefits under the Plan are to commence.

7.5.a.2 Waiver of Normal Form of Payment. Any election to waive the Joint and Survivor Annuity must be made by the Participant in writing during the election period

and, with respect to the portion of the Participant's benefits that the spouse has a right to have paid in the form of a Joint and Survivor Annuity, must be consented to, in writing, by the Participant's spouse. If the spouse is legally incompetent to give consent, the spouse's legal guardian, even if such guardian is the Participant, may give consent. Such spouse's consent shall be irrevocable and be witnessed by a Plan representative or a notary public. Such consent shall not be required if it is established to the satisfaction of the Administrator that the required consent cannot be obtained because there is no spouse, or the spouse cannot be located, or the Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect (and there is no "qualified domestic relations order" as defined in Section 804.003 of the Texas Government Code which provides otherwise). Any consent by the spouse to the Participant's waiver of the Joint and Survivor Annuity hereunder shall be deemed to be a waiver of the spouse's right to be designated as the Participant's Beneficiary with respect to at least one-half of the Participant's benefits, provided that the waiver and consent designates an alternate Beneficiary (or Beneficiaries). With respect to the portion of the Participant's benefits as to which the spouse has a right to be designated as the Participant's Beneficiary, the designation of an alternate Beneficiary (or Beneficiaries) may not be changed without further spousal consent (unless the consent of the spouse expressly permits designations by the Participant without the requirement of further consent by the spouse). However, the election made by the Participant and consented to by his or her spouse may be revoked by the Participant in writing at any time during the election period. The number of revocations shall not be limited. Any new election must comply with the requirements of this Subsection 7.5.a.2. A former spouse's consent shall not be binding on a new spouse.

7.5.a.3 Election Period to Waive Normal Form. The election period to waive the Joint and Survivor Annuity shall be obtained in writing within the 90-day period ending on the earliest date with respect to which payments to the Participant may commence (excluding benefits that commence by reason of Subsection 7.7, relating to "Required Minimum Distributions").

7.5.a.4 Explanation of Normal Form, Waiver of 30-day Period. No less than 30 days and no more than 90 days before the date payments of a Participant's benefits under this Plan are to commence, the Administrator shall provide a written explanation of: (A) the terms and conditions of the Joint and Survivor Annuity; (B) the Participant's right to make, and the effect of, an election to waive the Joint and Survivor Annuity; (C) the right of the Participant's spouse to consent to any election to waive the Joint and Survivor Annuity, and the effect of such consent; (D) the right of the Participant to revoke such election; and (E) the effect of such revocation. However, the Administrator may provide such explanation less than 30 days (but in no event less than 7 days) prior to the commencement of benefits if the Participant waives the 30-day notice requirement.

7.5.a.5 Unmarried Participants. An unmarried Participant shall receive the value of his or her benefit in the form of a Life Annuity (an annuity payable to the Participant for his or her life). An unmarried Participant, however, may elect in writing to waive the Life Annuity. The election must comply with the provisions of this Section as if it were an election to waive the Joint and Survivor Annuity by a married Participant, but without the spousal consent

requirement. The Life Annuity form of distribution shall be the amount of benefit that can be purchased with the Adjusted Balance of the Participant's Account that is Vested at the time such Participant's benefits under the Plan are to commence.

7.5.b Alternate Forms of Payment. In the event a married Participant duly elects pursuant to Subsection 7.5.a.2 not to receive his or her benefit in the form of a Joint and Survivor Annuity, or if such Participant is not married, in the form of a Life Annuity, the Administrator, pursuant to the election of the Participant, shall direct the Trustee to distribute to a Participant or his or her Beneficiary any amount which he or she is entitled under the Plan in one or more of the following methods:

7.5.b.1 A lump-sum distribution (or more than one partial lump sum distribution) in cash or its equivalent;

7.5.b.2 Payments over a period certain in monthly, quarterly, semiannual, or annual installments. In order to provide such installment payments, the Administrator may:

A. segregate the aggregate amount thereof in a separate, federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate or other liquid short-term security; or

B. Purchase a nontransferable annuity contract for a term certain (with no life contingencies) providing for such payment. The period over which such payment is to be made shall not exceed the Participant's life expectancy (or the joint life expectancy of the Participant and his or her designated Beneficiary).

7.5.b.3 Purchase 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 his or her designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and his or her designated Beneficiary).

7.5.c Involuntary Cashout. The present value of a Participant's Joint and Survivor Annuity or Life Annuity derived from the Vested portion of his or her Accounts may not be paid without his or her written consent if the Vested portion of such Accounts exceeds \$1,000 (including his or her Rollover Account). If the Vested portion of the Participant's Accounts does not exceed such amount, the Administrator may immediately distribute the Participant's entire Vested interest without such Participant's consent. No distribution may be made under the preceding sentence after the commencement of benefits unless the Participant and, if married, his or her spouse consent in writing to such distribution as provided in Subsection 7.5.d, below.

7.5.d Consent to Distribution. Any distribution to a Participant who has a Vested interest in his or her Account which exceeds the amount described in subparagraph 7.5.c

above shall require such Participant's consent if such distribution commences prior to his or her Normal Retirement Age. With regard to this required consent, the following rules shall apply:

7.5.d.1 No consent shall be valid unless the Participant has received a general description of the material features and an explanation of the relative values of the optional forms of benefit available under the Plan.

7.5.d.2 The Participant must be informed of his or her right to defer receipt of the distribution. If a Participant fails to consent, it shall be deemed an election to defer the commencement of payment of any benefit. However, any election to defer the receipt of benefits shall not apply with respect to distributions which are required under Subsection 7.7.

7.5.d.3 Notice of the rights specified under this Subsection 7.5.d shall be provided no less than 30 days and no more than 90 days before the date which such Participant's benefits are to commence. However, the Participant may waive the 30-day requirement.

7.5.d.4 Written consent of the Participant to the distribution must not be made before the Participant receives the notice and must not be made more than 90 days before the date which such Participant's benefits are to commence.

7.6 DISTRIBUTION OF BENEFITS UPON DEATH

7.6.a Normal Form of Benefit on Participant's Death Before Retirement. If a Participant dies before the date payments of his or her benefits under the Plan are to commence, and has a surviving spouse, at least 50 percent of the Adjusted Balance of the Participant's Account shall be payable to the surviving spouse in the form of an annuity for the life of the surviving spouse ("Surviving Spouse's Annuity") unless the Participant, with the consent of the spouse, elects to waive payment in the form of a Surviving Spouse's Annuity in accordance with the requirements of Subsection 7.6.b, below. A Surviving Spouse's Annuity shall be provided by means of the purchase of an annuity contract with 50 percent or 100 percent, as directed by the Participant in a properly executed Beneficiary designation form, of the Participant's Adjusted Balance at the time of such purchase. The surviving spouse may direct that payment of the Surviving Spouse's Annuity commence within a reasonable period after the Participant's death. If the spouse does not so direct, payment of such benefit shall commence to the spouse at the time the Participant would have attained his or her Normal Retirement Age, unless the spouse elects a later commencement date. Any distribution to the Participant's spouse, however, shall be subject to the rules specified in Subsection 7.7, relating to "Required Minimum Distributions."

7.6.b Waiver of Normal Form of Benefits on Participant's Death. Any election to waive payment of at least 50 percent of a married Participant's Account in the form of a Surviving Spouse's Annuity must be made by the Participant, with the consent of the spouse, within the period described in Subsection 7.6.c. The spouse's consent must be irrevocable and shall be made in the same manner provided for in Subsection 7.5.a.2. Any consent by the spouse to the Participant's waiver of the Surviving Spouse's Annuity shall be deemed to be a waiver of the spouse's right to be the Beneficiary of at least 50 percent of the Participant's benefits,

provided that the waiver designates an alternate Beneficiary(ies) and/or alternate form of payment. With respect to the portion of the Participant's benefits as to which the spouse has a right to be the Participant's Beneficiary, the designation of an alternate Beneficiary(ies) may not be changed without further spousal consent (unless the consent of the spouse expressly permits designations by the Participant without the requirement of further consent by the spouse). However, the election made by the Participant and consented to by his or her spouse may be revoked by the Participant in writing at any time prior to his or her death. The number of revocations shall not be limited. Any new election must comply with the requirements of this Subsection 7.6.b. A former spouse's consent shall not be binding on a new spouse.

7.6.c Timing of Waiver. An election to waive the Surviving Spouse's Annuity may be made at any time prior to the Participant's death. In addition, to the extent not previously waived prior to the Participant's death, a Participant's surviving spouse may elect to waive payment in the form of the Surviving Spouse's Annuity and receive the designated portion of the Adjusted Balance of the Participant's Account in an optional form permitted under Subsection 7.6.f.

7.6.d Explanation of Surviving Spouse's Annuity Benefit. With regard to the election, the Administrator shall provide each Participant, within a reasonable period after the individual becomes a Participant, a written explanation of the Surviving Spouse's Annuity containing comparable information to that required pursuant to Subsection 7.5.a.4.

7.6.e Involuntary Cashout. Notwithstanding the above, if the Adjusted Balance of a deceased Participant's Account (excluding his or her Rollover Account) does not exceed \$5,000, the Administrator shall direct the immediate distribution of the Adjusted Balance of the Participant's Account (including his or her Rollover Account) as directed by the Participant in a properly executed Beneficiary designation form, provided that at least 50 percent of the Adjusted Balance of the Participant's Account shall be payable to the Participant's surviving spouse unless the surviving spouse has waived such rights in accordance with the Plan. No distribution may be made under the preceding sentence after the commencement of benefits unless the spouse or Beneficiary consents in writing. If the Adjusted Balance of a deceased Participant's Account (excluding his or her Rollover Account) exceeds \$5,000, an immediate distribution of all or any portion of the Adjusted Balance of the Participant's Account (including his or her Rollover Account) may not be made to any particular Beneficiary (including the surviving spouse) unless such Beneficiary consents in writing to such distribution. Any written consent required under this Subsection 7.6.e must be obtained not more than 90 days before commencement of the distribution and shall be made in a manner consistent with Subsection 7.5.a.2.

7.6.f Alternate Methods of Payment. To the extent that the death benefit is not paid in the form of the Surviving Spouse's Annuity, it shall be paid to the Participant's surviving spouse or other 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 his or her surviving spouse or other Beneficiary), subject to the rules specified in Subsection 7.7 (relating to "Required Minimum Distributions").

7.6.f.1 One lump-sum payment (or more than one partial lump sum distribution) in cash or in property;

7.6.f.2 Payment in monthly, quarterly, semi-annual, or annual cash installments over a period to be determined by the Participant or his or her Beneficiary. After periodic installments commence, the Beneficiary shall have the right to direct the Trustee to reduce the period over which such periodic installments shall be made, and the Trustee shall adjust the cash amount of such periodic installments accordingly.

Any election of the above methods of payment pursuant to this Subsection 7.6.f shall be deemed a consent for purposes of Subsection 7.6.e, relating to amounts in excess of \$5,000. In the event the death benefit payable pursuant to Section 7.2 is payable in installments, then, upon the death of the Participant, the Administrator may direct the Trustee to segregate the death benefit into a separate account, and the Trustee shall invest such segregated account separately, and the funds accumulated in such account shall be used for the payment of the installments.

7.7 REQUIRED MINIMUM DISTRIBUTIONS

7.7.a. Plan provisions to the contrary notwithstanding, commencement of distribution of a Participant's interest in the Plan shall not occur at a time or in a manner inconsistent with the provisions of Code Section 401(a)(9) and (to the extent applicable to this governmental plan) Treasury regulations thereunder and shall in no event occur after the Participant's Required Beginning Date, which means the April 1 of the calendar year following the later of: (1) the calendar year in which such Participant attains age seventy and one-half, or (2) the calendar year in which such Participant retires from employment with the Employer. The provisions of Code Section 401(a)(9) are incorporated herein by reference.

7.7.b The requirements of Subsection 7.7.a above shall not apply to the Plan for calendar year 2009. However, the Required Beginning Date of any Participant shall be determined without regard to this Subsection 7.7.b for calendar years after 2009. If the "five-year rule" of Treasury regulations under Code Section 401(a)(9) applies to any person, the five-year period therein described shall be determined without regard to calendar year 2009.

7.8 TIME OF SEGREGATION OR DISTRIBUTION

Except as limited by Sections 7.5, 7.6, and 7.7, whenever the Trustee is to make a distribution or to commence a series of payments on or as of an Anniversary Date or other valuation date, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable.

7.9 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY

In the event a distribution is to be made to a Beneficiary who is a minor (as defined by applicable state law or an applicable Transfers to Minors Act) or a legally incompetent person, then the Administrator may, in its sole discretion, direct that such distribution be made for the

benefit of such Beneficiary to such Beneficiary's legal representative, to a relative of such Beneficiary or to a custodian of such Beneficiary under the Uniform Transfers to Minors Act, Transfers to Minors Act, or similar statute in effect in the Participant's, the Beneficiary's, or the custodian's state of residence, if such statute so permits. The Administrator may also in its discretion direct the Trustee to use such distribution directly for the support, maintenance or education of such Beneficiary. A payment under this Section to the legal representative, relative, or custodian of such person shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

7.10 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all or any portion of the benefits payable under this Plan to a Participant, Former Participant, or a Beneficiary, at the expiration of five years after becoming payable, remains unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address of such individual, and after further diligent effort, to ascertain the whereabouts of such Participant, Former Participant, or Beneficiary, the amount so distributable shall be treated as a Forfeiture pursuant to the Plan. In the event that a Participant, Former Participant, or Beneficiary is located subsequent to such Forfeiture, such benefit shall be restored.

7.11 QUALIFIED DOMESTIC RELATIONS ORDERS

Notwithstanding anything to the contrary contained in the Plan, the Employer hereby adopts the rules contained in Chapter 804 of the Texas Government Code, relating to "qualified domestic relations orders." For purposes of this Section 7.11, the term "qualified domestic relations order" shall have the meaning set forth under Section 804.001 of the Texas Government Code. 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 "qualified domestic relations order" in accordance with Section 804.003 of the Texas Government Code. Furthermore, a distribution to an alternate payee shall be permitted if such distribution is authorized by such a "qualified domestic relations order," even if the affected Participant has not reached the earliest retirement age under the Plan. In accordance with Section 804.101 of the Texas Government Code, the death of an "alternate payee" shall terminate the interest of such "alternate payee" in the Plan except as otherwise provided in the Plan. All provisions of this Plan relating to involuntary cashouts of amounts not exceeding \$5,000 in value shall apply separately to the interest of an "alternate payee" under a "qualified domestic relations order." For purposes of this Section and with respect to distributions made after December 31, 2001 to alternate payees whose "qualified domestic relations orders" were accepted at any time, the value of an alternate payee's interest shall be determined without regard to that portion of the interest 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). If the value of the alternate payee's interest as so determined is \$5,000 or less, the Plan may immediately distribute the alternate payee's entire interest without the "alternate payee's" consent.

7.12 DIRECT ROLLOVER

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

7.12.a An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); effective for distributions made after December 31, 2001, any distribution which is made upon hardship of a distributee; and the portion of any distribution that is not includible in gross income, except to the extent such portion consists of after-tax employee contributions which are not includible in gross income and are to be transferred to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) 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.

7.12.b An "eligible retirement plan" is any of the following that accepts the "distributee's" "eligible rollover distribution": a qualified trust described in Code Section 401(a); an annuity plan described in Code Section 403(a); an annuity contract described in Code Section 403(b); an individual retirement account described in Code Section 408(a); an individual retirement annuity described in Code Section 408(b); an eligible plan under Code Section 457(b) 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; and a Roth IRA described in Code Section 408A. The Administrator shall not be responsible for determining the eligibility of any "distributee" to make a rollover to a Roth IRA. Effective for distributions made after December 31, 2009 to a non-spouse Designated Beneficiary, an "eligible retirement plan" is limited to an individual retirement account described in Code Section 408(a) and an individual retirement annuity described in Code Section 408(b).

7.12.c A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse. Effective for distributions made after December 31, 2009, a "distributee" also includes a non-spouse Designated Beneficiary.

7.12.d A “direct rollover” is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.12.e Effective for distributions made after December 31, 2007 and before January 1, 2010, a non-spouse Beneficiary may elect, at the time and manner prescribed by the Administrator, to have any portion of any otherwise “eligible rollover distribution” paid directly to an individual retirement account that is treated by the Beneficiary as an inherited individual retirement account described in Code Section 402(c)(11) specified by the distributee in a direct trustee-to-trustee transfer. The direct trustee-to-trustee requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f) and the mandatory withholding requirements of Code Section 3405(c) shall not apply to a rollover described in this subsection.

ARTICLE 8 **TRUSTEE**

8.1 BASIC RESPONSIBILITIES OF THE TRUSTEE

The Trustee shall have the following categories of responsibilities:

8.1.a Consistent with any “written investment policy” determined by the Employer, to invest, reinvest, manage, and control the Plan assets subject, however, to the direction of an Investment Manager, if appointed, with respect to all or a portion of the assets of the Plan;

8.1.b At the direction of the Administrator, to pay benefits required under the Plan to be paid to Participants, or, in the event of their death, to their Beneficiaries;

8.1.c To maintain records of receipts and disbursements and furnish to the Employer and/or Administrator for each Plan Year a written annual report in accordance with Section 8.6; and

8.1.d 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.

8.2 INVESTMENT POWERS AND DUTIES OF THE TRUSTEE

8.2.a The Trustee shall 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 the “written investment policy” furnished by the Administrator. 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, the Plan

may qualify as a qualified governmental plan and trust within the meaning of Code Section 414(d).

8.2.b The Trustee, if a bank, shall serve as custodian of the assets of the Trust Fund, and this Agreement shall constitute a custody account agreement required by Section 802.205 of the Texas Government Code. If, however, the Trustee is not a bank, the Employer shall designate a bank or depository trust company to serve as custodian of the assets of the Trust Fund, and shall enter into a custody account agreement under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature. In no event, however, may an Investment Manager that is not a bank serve as custodian of the assets of the Trust Fund.

8.2.c The Trustee may, upon approval of the Administrator, ratably apply for, own, and pay premiums on life insurance contracts on the lives the Participants. If a life insurance policy is to be purchased for a Participant, the aggregate premium for ordinary life insurance for each Participant must be less than 50% of the aggregate of the contributions and Forfeitures to the credit of the Participant at any particular time. If term insurance is purchased with such contributions, the aggregate premium must be less than 25% of the aggregate contributions and Forfeitures allocated to a Participant's Account. If both term insurance and ordinary life insurance are purchased with such contributions, the amount expended for term insurance plus one-half of the premium for ordinary life insurance may not in the aggregate exceed 25% of the aggregate contributions and Forfeitures allocated to a Participant's Account. The Trustee must convert the entire value of the life insurance contracts at or before retirement into cash or provide for a periodic income so that no portion of such value may be used to continue life insurance protection beyond retirement, or distribute the contracts to the Participant. In the event any conflict between the terms of this Plan and the terms of any insurance contract purchased hereunder, the Plan provisions shall control.

8.2.d In making and supervising investments of the Trust Fund, the Trustee shall, in accordance with Section 802.203 of the Texas Government Code, discharge its duties solely in the interest of Participants and Beneficiaries for the exclusive purposes of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan, and at all times shall act in accordance with the requirements of Section 10.10, relating to fiduciary responsibilities.

8.3 OTHER POWERS OF THE TRUSTEE

The Trustee, in addition to all powers and authorities under common law, statutory authority, and other provisions of the Plan, shall have the following powers and authorities, to be exercised in the Trustee's sole discretion:

8.3.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;

8.3.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 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;

8.3.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;

8.3.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;

8.3.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 the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

8.3.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;

8.3.g To accept and retain for such time as the Trustee may deem advisable any securities or other property received or acquired as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

8.3.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;

8.3.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;

8.3.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;

8.3.k To apply for and procure from responsible insurance companies, to be selected by the Administrator, as an investment of the Trust Fund such annuity, or other life

insurance contracts (on the life of any Participant) 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 annuity, or other contracts; to collect, receive, and settle for the proceeds of any such annuity or other contracts as and when entitled to do so under the provisions thereof;

8.3.l To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest;

8.3.m To invest in Treasury Bills and other forms of United States government obligations;

8.3.n To invest in shares of investment companies registered under the Investment Company Act of 1940;

8.3.o 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;

8.3.p To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

8.3.q 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, 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;

8.3.r To do all such acts and exercises all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

8.4 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 Trust Fund. The Trustee shall not be responsible in any way for the application of such payments.

8.5 TRUSTEE'S COMPENSATION AND EXPENSES AND TAXES

The Trustee shall be paid such reasonable compensation as shall from time to time be 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 the 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.

8.6 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 shall provide to the Employer and the Administrator a written Statement of Account with respect to the Plan Year for which such Contribution was made setting forth:

8.6.a The net income, or loss, of the Trust Fund;

8.6.b The gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;

8.6.c The increase, or decrease, in the value of the Trust Fund;

8.6.d All payments and distributions made from the Trust Fund; and

8.6.e Such further information as the Trustee and/or Administrator deems appropriate.

8.7 AUDIT

If an audit of the Plan's records is required by Section 802.102 of the Texas Government Code for any Plan Year, the Administrator shall direct the Trustee to engage on behalf of all Participants and Beneficiaries an independent certified public accountant for that purpose. Such accountant shall, after an audit of the books and records of the Plan in accordance with generally accepted auditing standards, within a reasonable period after the close of the Plan Year, furnish to the Administrator and the Trustee a report of his or her audit. All auditing and accounting fees shall be paid as provided in Section 3.8.

8.8 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

8.8.a The Trustee may resign at any time by delivering to the Employer, at least thirty (30) days before its effective date, a written notice of resignation.

8.8.b The Employer may remove the Trustee by mailing by registered or certified mail, addressed to such Trustee's last known address, at least thirty (30) days before its effective date, a written notice of removal.

8.8.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 Trustee with like respect as if such successor Trustee were originally named as a Trustee herein. Until such a

successor Trustee is appointed, the remaining Trustee or Trustees shall have full authority to act under the terms of the Plan.

8.8.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 the predecessor Trustee 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 Trustee.

8.8.e If a Trustee ceases to serve as Trustee, such Trustee shall provide the Employer and the Administrator a written Statement of Account with respect to the portion of the Plan Year such Trustee served as Trustee. This Statement shall be either (1) included as part of the Annual Statement of Account for the Plan Year required under Section 8.6, or (2) set forth in a special Statement. Any such special Statement of Account should be rendered no later than the due date of the Annual Statement of Account for the Plan Year. No successor to the Trustee shall have any duty or responsibility to investigate the acts or transactions of any predecessor Trustee who has rendered all Statements of Accounts required by Section 8.6 and this Subsection 8.8.e.

ARTICLE 9

AMENDMENT, TERMINATION AND MERGERS

9.1 AMENDMENT

9.1.a The Employer shall have the right at any time to amend the Plan, subject to the limitations of this Section 9.1. The Employer hereby delegates to its President/Chief Executive Officer the authority to amend the Plan (1) as described in Section 4.1 and (2) in any respect when the amendment is required by applicable law or is determined by the President/Chief Executive Officer to have no adverse financial effect upon the Employer. Any amendment which affects the rights, duties or responsibilities of the Trustee, however, may be made only with the Trustee's written consent. Any amendment shall become effective as provided therein upon its execution. The Trustee shall not be required to execute any such amendment unless the Trust provisions contained herein are a part of the plan and the amendment affects the duties of the Trustee hereunder.

9.1.b No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries.

9.1.c No Plan amendment or transaction having the effect of a Plan amendment (such as a merger, plan transfer or similar transaction) shall be effective if it operates to decrease the Vested interest in a Participant's Accounts, determined without regard to the amendment.

9.2 NO OBLIGATION TO CONTINUE PLAN

The Employer has established this Plan and Trust with the bona fide intention and expectation that it will be continued indefinitely, but the Employer is not and shall not be under any obligation or liability whatsoever to continue its contribution or to maintain the Plan for any given length of time, and may, in its sole discretion, discontinue such contributions and terminate the Plan in accordance with Section 9.3 at any time without any liability whatsoever for such termination.

9.3 TERMINATION

9.3.a The Employer shall have the right at any time to terminate the Plan by delivering to the Trustee and Administrator written notice of such termination. Upon such termination, all amounts credited to the affected Participants' Accounts shall become 100% Vested as provided in Subsection 7.4.c and shall not thereafter be subject to forfeiture, and all unallocated amounts shall be allocated to the accounts of all Participants in accordance with the provisions hereof.

9.3.b Upon the termination of the Plan, the Employer shall direct the ultimate distribution of the assets of the Trust Fund to Participants in a manner which is consistent with and satisfies the provisions of Section 7.5.

9.4 MERGER OR CONSOLIDATION

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

ARTICLE 10 MISCELLANEOUS

10.1 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 him or her as a Participant of this Plan.

10.2 ALIENATION

10.2.a Subject to the exceptions provided below, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or his or her 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, execution, or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.

10.2.b This provision shall not apply to a “qualified domestic relations order” as defined in Section 804.001 of the Texas Government Code. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a “qualified domestic relations order,” a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan. Notwithstanding this Subsection 10.2.b, however, a court does not have jurisdiction over the Plan with respect to a divorce or other domestic relations action in which an alternate payee’s right to receive all or a portion of the benefits payable to a Participant is established unless a domestic relations order which constitutes a “qualified domestic relations order” within the meaning of Section 804.001 of the Texas Government Code is issued in such divorce or other domestic relations action. Any party to such an action who attempts to make the Plan a party to such an action contrary to the provisions of Section 804.003(c) of the Texas Government Code shall be liable to the Plan for its costs and attorney’s fees.

10.3 CONSTRUCTION OF PLAN

This Agreement and the Plan and Trust created hereby shall be construed and governed in all respects under and by the laws of the State of Texas.

10.4 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, 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.

10.5 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee or Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney’s fees and other expenses pertaining thereto incurred by them for which they shall have become liable and to the extent that they are not reimbursed by the Employer pursuant to Section 3.8.

10.6 PROHIBITION AGAINST DIVERSION OF FUNDS

Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of

revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any trust fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries.

10.7 INVALIDITY OF CERTAIN PROVISIONS

If any provisions of this Plan and Trust are ever held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision. This Plan and Trust shall be construed and enforced as if such invalid or unenforceable provision had been excluded.

10.8 RECEIPT AND RELEASE FOR PAYMENT

Any payment to any Participant, his or her legal representative, Beneficiary, or to any guardian, custodian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian, custodian 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 Trustee or Employer.

10.9 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.

10.10 FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The fiduciaries of this Plan are the Administrator, the Trustee and, with respect to the assets of the Trust Fund under the control of an Investment Manager appointed hereunder, such Investment Manager. The fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan. Pursuant to Section 114.003 of the Texas Property Code, the authority to direct the making or retention of an investment is reserved and vested, to the exclusion of the Employer, with the Administrator, the Trustee or, to the extent an Investment Manager is appointed hereunder, with such Investment Manager. Each fiduciary 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 fiduciary may rely upon any such direction, information or action of another fiduciary 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 fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan. No fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one fiduciary capacity.

In carrying out their respective duties and responsibilities hereunder, the Administrator, the Trustee and, to the extent appointed, an Investment Manager, shall discharge such duties with the skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

10.11 PROHIBITED TRANSACTIONS

Neither the Employer nor any fiduciary shall cause the Plan to engage in any action or actions that would constitute a “prohibited transaction” as defined by Code Section 503. In accordance with Code Section 503, the Plan may not engage in any transaction by which any part of the Trust Fund is used for the following purposes:

10.11.a loan or loans, without the receipt of adequate security and a reasonable rate of interest, to the Employer;

10.11.b the payment of any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to the Employer;

10.11.c the making of any part of its services available on a preferential basis to the Employer;

10.11.d the substantial purchase of securities or any other property, for more than adequate consideration, from the Employer;

10.11.e a sale of any substantial part of the securities or other property, for less than adequate consideration, to the Employer; or

10.11.f engaging in any other transaction which results in a substantial diversion of any portion of the Trust Fund to the Employer.

10.12 MEANING OF SPOUSE

Pursuant to the United States Supreme Court’s decision dated June 26, 2015 in the case styled *Obergefell v. Hodges*, as of that date, and in appropriate cases as of any earlier administratively feasible date, the term “spouse,” when used anywhere in this Plan, shall mean any person married to a Participant in any jurisdiction, regardless of the sexes of the spouses.

IN WITNESS WHEREOF, this Plan has been executed the ____ day of _____, 2013.

EMPLOYER

HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO

BY:

_____, its

TRUSTEE

FROST NATIONAL BANK OF SAN ANTONIO

BY:

_____, its

**HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO
EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST**

APPENDIX A: Special Entry Dates

The Employer, Housing Authority of the City of San Antonio, grants "Special Entry Dates" to the following "Eligible Employees," as those terms are defined in Plan Sections 2.34, 4.1, and/or 4.2.

<u>Name of Eligible Employee</u>	<u>Special Entry Date</u>	<u>Other Identifying Information</u>
Paul Maggio	August 26, 2002	Chief Operating Officer
Sherry Austin	December 18, 2002	Operations Support Manager
Sonia Sconiers	January 1, 2003	Vice President Human Resources
Melanie K. Villalobos	January 2, 2003	VP Corporate Relations
Ruben Valdez	February 17, 2003	Customer Service Manager
Fabiola Ester Miranda	April 7, 2003	Client Services Manager
William G. Phillips	April 14, 2003	VP Asset Management
Brad D. McMurray	June 11, 2003	Asset Manager
Edward Hinojosa	July 1, 2003	Chief Financial Officer
Ricardo Crespo	July 16, 2003	Security Manager
Philip G. Perez	August 4, 2003	Treasury Analyst
Gary Linton	September 15, 2003	Customer Service Assistant Manager
Henry A. Alvarez III	August 16, 2004	Chief Executive Officer
Janet Bell	December 27, 2004	Customer Service Representative
Timothy Alcott	January 1, 2006	Chief Legal Officer
Lourdes Castro Ramirez	April 13, 2009	President/Chief Executive Officer
Muriel Rhoder	June 6, 2011	Auditing Manager
Leo J. Alonzo	October 1, 2011	Chief of Community Safety and Security

**HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO
EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST
Restated Effective January 1, 2013**

THIRD AMENDMENT

WHEREAS, on February 28, 2013, the Board of Commissioners (the "Commissioners") approved the restatement of the *Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust* (the "Plan"), generally effective January 1, 2013; and

WHEREAS, Section 9.1.a. of the Plan provides that the Plan may be amended by the Housing Authority at any time, provided that any amendment which affects the rights, duties, or responsibilities of the Trustee of the Plan may be made only with the Trustee's written consent; and

WHEREAS, the restated Plan has been amended twice; and

WHEREAS, the Commissioners desire to amend the administrative provisions of the Plan to provide for a three- to five-person Plan Administrator consisting of, at a minimum, the Chief Executive Officer, the Chief Financial Officer, and the Chief Administrative Officer (or the person serving in each such capacity); and

WHEREAS, the Commissioners also wish to amend several other provisions of the Plan to provide for the immediate entry into participation by existing Eligible Employees holding titles of Director or above, to reform the application of forfeitures under the Plan, and to create a priority list of default beneficiaries for those situations in which the Participant is not survived by a designated beneficiary.

WHEREAS, on 5-5-16, the Commissioners adopted Resolution No. 5615, amending and restating certain provisions of the Plan as set out below.

1. Section 3.2 of the Plan is amended and restated in its entirety, effective March 1, 2016, to read as follows:

3.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Administrator of this Plan shall be the Employee Pension Administrative Committee, which shall be a committee of at least three and no more than five individuals (referred to collectively herein as the "Committee," and individually as "Committee Members"), one of whom shall be the Chief Financial Officer of the Employer, one of whom shall be the Chief Administrative Officer of the Employer, and one of whom shall be the President/Chief Executive Officer of the Employer (or, in each case, the person serving in that capacity). Any person, including, but not limited to the Employees of the Employer, shall be eligible to serve on the Committee. Any person so appointed shall signify his or her acceptance by filing written acceptance with the Employer. Members of the Committee shall serve at the pleasure of the

Employer which, in its sole discretion, may remove members by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Committee Members if no date is specified. Committee Members may resign by delivery of written resignation to the Employer.

The Employer, upon the resignation or removal of a Committee Member, may promptly designate in writing a successor to the position. The Employer may also, in its sole discretion, appoint additional members to the Committee. If the Employer does not appoint any Committee Members, the Employer will function as the Administrator.

2. Section 4.1 of the Plan is amended and restated in its entirety, effective May 5, 2016, to read as follows:

4.1 CONDITIONS OF ELIGIBILITY

Any Eligible Employee who has completed one Year of Service shall be eligible to participate in accordance with Section 4.2 as of the date he or she has satisfied such requirements. However, any employee who is a Participant in the Plan prior to the Effective Date of this restated Plan shall continue to participate in the Plan. An Eligible Employee shall cease to be eligible to participate in the Plan upon the termination of his or her employment with the Employer or if he or she ceases to be an Eligible Employee for any other reason. Notwithstanding the provisions of this Section and of Sections 2.34 and 4.2, however, and effective for Employees hired before January 1, 2016, the President/Chief Executive Officer of the Employer shall have the authority to designate a participation commencement date earlier than the date described above ("Special Entry Date") for any Eligible Employee hired on or after August 1, 2002, provided that such Eligible Employee's name, Special Entry Date, and any other identifying information deemed necessary and desirable shall be reflected in an amendment to Appendix A, Special Entry Dates, attached to the Plan and made a part hereof. The President/Chief Executive Officer shall also have the authority to adopt and execute any such addition to Appendix A. Any such amendment shall be adopted by the President/Chief Executive Officer of the Employer solely in cases where, in the judgment of the President/Chief Executive Officer, the best interests of the Employer will be furthered by such amendment and designation. In the event, however, that the Eligible Employee for whom a Special Entry Date is proposed is the President/Chief Executive Officer, the authority otherwise delegated to the President/Chief Executive Officer under this Section shall be exercised solely by the Board of Commissioners of the Employer. Effective for Employees hired after December 31, 2015, all Eligible Employees holding the title of "Director" or a higher title shall participate in the Plan as of the Eligible Employee's date of hire, and no further amendments to Appendix A shall be made. Furthermore, any Eligible Employees holding the title of "Director" or a higher title on May 5, 2016 shall begin participation in the Plan immediately after said date. The participation of any Eligible Employee who is assigned a Special Entry Date under this paragraph shall commence as of his or her Special Entry Date, and the designated Eligible Employee shall make Mandatory Employee Contributions as of such Special Entry Date.

In the event that an Eligible Employee was previously employed by a Local Public Agency (as defined by the United States Department of Housing and Urban Development) prior

to being employed by the Employer, such Eligible Employee's Years of Service with such Local Public Agency shall be recognized solely for purposes of participation if the Administrator in its sole discretion determines, on a nondiscriminatory basis, that there is a business reason for counting such prior Years of Service. However, such Eligible Employee's Years of Service with his or her prior employer shall not be considered for vesting in Employer Contributions made under this Plan.

3. Section 5.3.d of the Plan is amended and restated in its entirety, effective January 1, 2016, to read as follows:

5.3.d As of each Anniversary Date, any amounts which became Forfeitures since the last Anniversary Date shall first be credited to and shall reduce the Employer Contribution under Subsection 5.1.b.1. The remaining Forfeitures, if any, shall then be used to reinstate previously forfeited account balances of Former Participants, if any, in accordance with Subsection 7.4.d.2, and then shall be used to satisfy any contribution that may be required pursuant to Subsection 5.1.b.2 or Section 7.10.

4. Section 7.2.d of the Plan is amended and restated in its entirety, effective for Participant and Beneficiary deaths occurring after May 31, 2016, to read as follows:

7.2.d Designation of Beneficiaries. Each Participant shall have a right to designate one or more Beneficiaries to receive benefits that may become payable upon such Participant's death by filing with the Administrator the forms specified for this purpose. For a Participant who is married, the Beneficiary of at least one-half of the Participant's benefits is the Participant's spouse, except that the Participant may designate a Beneficiary other than his or her spouse for such half if:

7.2.d.1 The Participant's spouse has waived his or her right to be the Participant's Beneficiary, or

7.2.d.2 The Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect (and there is no "qualified domestic relations order" as defined in Section 804.003 of the Texas Government Code which provides otherwise), or

7.2.d.3 The Participant no longer has a spouse, or

7.2.d.4 The spouse cannot be located.

Furthermore, the Participant may designate, without spousal consent, a non-spouse Beneficiary for the portion of the Participant's benefit which is not required to be distributed to the spouse. In either event, the designation of a Beneficiary (and any spouse's waiver of such spouse's right to be a Participant's Beneficiary) shall be made on a form (or forms) satisfactory to the Administrator. A Participant may at any time revoke his or her designation of a Beneficiary or change his or her Beneficiary by filing written notice of such revocation or change with the Administrator. However, the Participant's spouse must again

consent in writing to any change in Beneficiary unless the original consent acknowledged that the spouse had the right to limit consent only to a specific Beneficiary and that the spouse voluntarily elected to relinquish such right. In the event that no valid designation of Beneficiary exists at the time of the Participant's death, or if any of the Participant's Beneficiaries predecease the Participant, the Participant's benefit or the affected portion thereof (including the portion of the Participant's benefit which is not required to be distributed to the Participant's spouse) shall be payable to such Participant's spouse or, if the Participant has no spouse at the time of death, to the following persons in order of priority: (1) the Participant's children and descendants of deceased children, per stirpes (by right of representation); (2) the Participant's parents; (3) the Participant's brothers and sisters and their descendants, per stirpes (by right of representation); and (4) the Participant's heirs at law. In the event that a Beneficiary dies after the Participant's death but before complete distribution of that Beneficiary's share of the Participant's benefit, the Beneficiary shall be treated as having predeceased the Participant with respect to any undistributed portion.

Except as hereby amended, the Housing Authority of City of San Antonio Employees' Money Purchase Pension Plan and Trust, as restated effective January 1, 2013, is hereby ratified and confirmed.

EXECUTED this 5th day of May, 2016.

EMPLOYER

HOUSING AUTHORITY OF THE
CITY OF SAN ANTONIO

By: 

David Nisivoccia
Interim President & Chief Executive Officer

**HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO
EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST
Restated Effective January 1, 2013**

FOURTH AMENDMENT

WHEREAS, on February 28, 2013, the Board of Commissioners (the "Commissioners") approved the restatement of the *Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust* (the "Plan"), generally effective January 1, 2013; and

WHEREAS, Section 9.1.a. of the Plan provides that the Plan may be amended by the Housing Authority at any time, provided that any amendment which affects the rights, duties, or responsibilities of the Trustee of the Plan may be made only with the Trustee's written consent; and

WHEREAS, the restated Plan has been amended three times; and

WHEREAS, the Commissioners desire to amend the Plan to establish a new Employer Contribution formula with respect to Participants who are hired or rehired on or after July 1, 2017; and

WHEREAS, on September 7, 2017, the Commissioners adopted Resolution No. 5746, amending and restating Plan Section 5.3.b.2 as set out below.

NOW, THEREFORE, the Housing Authority of the City of San Antonio, in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amends the Plan, effective July 1, 2017, to provide as follows:

Plan Section 5.3.b.2 is amended and restated in its entirety to read as follows:

5.3.b.2 Employer Contributions: The Employer Contribution (including the amount by which Forfeitures are used to reduce the Employer Contribution) shall be allocated to the Employer Contribution Account of each Participant eligible to share in allocations for a Plan Year, as follows: (A) 10% of the total Compensation of such Participant (the "Base Contribution"), plus (B) 5.7% of the Excess Compensation of such Participant (the "Excess Contribution"). Effective for Compensation earned on or after July 9, 2000, however, the Employer Contribution (including the amount by which Forfeitures are used to reduce the Employer Contribution) shall be allocated to the Employer Contribution Account of each Participant eligible to share in allocations for a Plan Year, as follows: (A) 11% of the total Compensation of such Participant (the "Base Contribution"), plus (B) 5.7% of the Excess Compensation of such Participant (the "Excess Contribution"). (Notwithstanding the above, however, no portion of the Employer Contribution shall be allocated to a Participant's Employer Contribution Account to the extent such allocation would result in an excess annual addition under Code Section 415 with respect to such Participant. Furthermore, the Base Contribution made on behalf of

any Participant who is hired or rehired by the Employer on or after July 1, 2017, shall be 7% of the total Compensation of such Participant.)

Except as hereby amended, the Housing Authority of City of San Antonio Employees' Money Purchase Pension Plan and Trust as Restated, effective January 1, 2013, and subsequently amended, is hereby ratified and confirmed.

EXECUTED this 7th day of September, 2017.

EMPLOYER

HOUSING AUTHORITY OF THE
CITY OF SAN ANTONIO

By:



David Nisivoccia
President/Chief Executive Officer

Housing Authority of the City of San Antonio Employee's Money Purchase Pension Plan
Executive Summary Table as of September 30, 2019

Name	Market Value	% of Composite	Annualized Returns				
			QTD	YTD	1 Year	3 Year	5 Year
Composite	45,846,590	100.0%	0.55	13.37	8.22	8.31	5.75
60% MSCI World /40% BC Aggregate			1.26	14.13	5.54	7.44	5.84
60% MSCI ACWI /40% BC Global Agg			0.31	12.36	4.19	6.57	4.94
Equity Composite	25,126,811	54.8%	0.22	18.05	10.36	12.33	8.98
iShares S&P 500 Index Fund	13,929,181	30.4%	1.69	20.47	4.20	13.29	10.73
Standard & Poors 500			1.70	20.55	4.25	13.42	10.84
iShares Russell Mid Cap Index Fund	3,054,754	6.7%	0.47	21.72	3.18	10.61	N/A
Russell Mid Cap			0.48	21.93	3.19	10.71	9.10
iShares Russell 2000 Index Fund	3,027,154	6.6%	-2.38	14.17	-8.85	8.22	8.19
Russell 2000			-2.40	14.18	-8.89	8.24	8.19
Lazard International Equity Select	5,115,722	11.2%	-2.28	12.49	-1.28	5.22	2.49
MSCI ACWI ex US			-1.80	11.56	-1.23	6.34	2.90
Fixed Income Composite	16,031,092	35.0%	0.50	5.46	5.80	2.48	N/A
Met West Total Return Bond	9,101,184	19.9%	2.24	8.88	10.55	3.17	3.32
Barclays US Aggregate			2.27	8.52	10.30	2.93	3.38
Brandywine Unconstrained Bond	4,922,791	10.7%	-2.74	0.26	-1.36	1.54	0.72
Citi World Govt Bond Index			0.85	6.27	8.13	1.19	1.80
FPA New Income	2,007,117	4.4%	0.83	3.35	4.20	2.89	2.20
90 Day Treasury Bill			0.56	1.78	2.36	1.53	0.96
Alternatives Composite	4,688,687	10.2%	2.62	17.90	10.20	5.03	3.17
Invesco Real Estate	1,156,836	2.5%	7.22	28.02	19.84	8.24	9.96
Prudential Global Real Estate	1,113,061	2.4%	4.41	22.51	15.69	7.19	7.06
MFS Global Alt Strategy	1,038,666	2.3%	0.56	9.40	5.60	4.25	2.02
FPA Crescent	1,380,124	3.0%	-0.81	13.56	1.61	6.64	5.14
HFRF Fund of Funds Composite			-0.82	5.29	0.08	3.19	1.96