

**FARM CREDIT FOUNDATIONS
DEFINED CONTRIBUTION / 401(k) PLAN
AND
TRUST AGREEMENT**

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FARM CREDIT FOUNDATIONS
DEFINED CONTRIBUTION / 401(k) PLAN

PREAMBLE
INTRODUCTION TO THE PLAN

The Farm Credit Foundations Defined Contribution / 401(k) Plan (the “Plan”) is sponsored and maintained by AgriBank Farm Credit Bank (“AgriBank”) and by U.S. AgBank, FCB (“AgBank”) for the benefit of the eligible employees of each Bank, their affiliated associations, Northwest FCS, and other employers within the federal Farm Credit System. The Plan is intended to conform to and qualify under § 401 and § 501 of the Internal Revenue Code of 1986, as amended.

The Plan resulted from the merger of the Farm Credit Consolidated Benefit Plan – 401(k) and Employer Contribution (“Consolidated Plan”) into the Ninth Farm Credit District 401(k) Thrift Plan (“Ninth District Plan”), which merger took place effective January 1, 2007. Upon the merger of the two plans, the Ninth District Plan was designated as the surviving plan, the name of the Plan was changed to the Farm Credit Foundations Defined Contribution / 401(k) Plan, and the Plan was restated using this Plan document.

The Consolidated Plan resulted from an earlier merger of the Seventh Farm Credit District Retirement Savings Plan, the Eleventh Farm Credit District’s Retirement Savings Plan, and the AgAmerica District Savings Plan, which merger took place effective January 1, 2003.

Participation in this Plan is limited to employers who are members of the federal Farm Credit System. The Farm Credit System is defined in the Farm Credit Act of 1971, as amended (12 U.S.C. § 2001 *et seq.*), to include “the Farm Credit Banks, the Federal land bank associations, the production credit associations, the banks for cooperatives, and such other institutions as may be made a part of the System, all of which shall be chartered by, and subject to, regulation by the Farm Credit Administration.” 12 U.S.C. § 2002(a).

Under the provisions of the Farm Credit Act of 1971, AgriBank and AgBank are defined and declared to be “instrumentalities of the United States.” 12 U.S.C. § 2011(a). Those participating employers that are Production Credit Associations and/or Federal Land Bank Associations are also defined and declared by statute to be “federally chartered instrumentalities of the United States.” 12 U.S.C. § 2071(a); 12 U.S.C. § 2091(a). Those participating employers that are Agricultural Credit Associations and Federal Land Credit Associations are defined and declared to be “instrumentalities of the United States” in the charters issued to them by the Farm Credit Administration.

For this reason, the Plan is intended to be a “governmental plan” as that term is defined in Code § 414(d).

For the same reason, the Plan is also intended to be a “governmental plan” as that term is defined in Section 3(32) of the Employee Retirement Income Security Act of 1974 (“ERISA”). As such, the Plan is not subject to the provisions of Title I of ERISA. ERISA § 4(b)(1).

Because of the close relationship that exists between the employers in the Plan under the provisions of the Farm Credit Act and the terms of their respective charters and because of their status as “instrumentalities of the United States,” the Plan, consistent with prior historical practice, is designed and intended to be a single employer plan.

ARTICLE I DEFINITIONS

1.01 **“Account”** means the separate Account(s) which the Plan Administrator or the Trustee maintains under the Plan for a Participant.

1.02 **“Account Balance”** or **“Accrued Benefit”** means the amount in a Participant’s Account(s) as of any date derived from Employer contributions and from Participant contributions, if any.

1.03 **“Accounting Date”** means the last day of the Plan Year.

1.04 **“Administrative Agreement”** means the Farm Credit System Administrative Agreement Regarding Employee Benefit Plans, as that agreement may be amended from time to time.

1.05 **“Annual Additions Limit”** has the meaning given to that term in Section 5.02(A).

1.06 **“Beneficiary”** means a person designated by a Participant or by the Plan who is or may become entitled to a benefit under the Plan. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Trustee has fully distributed to the Beneficiary his/her Plan benefit. A Beneficiary’s right to information or data concerning the Plan (and the Plan Administrator’s or a Trustee’s duty to provide such information or data to the Beneficiary) does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.07 **“Break in Service”** means a Vesting Computation Period in which a Participant does not complete more than 500 Hours of Service.

1.08 **“Code”** means the Internal Revenue Code of 1986, as amended, and includes applicable Treasury regulations.

1.09 **“Compensation”** means the amount paid to a Participant as W-2 wages by an Employer for services performed as an Employee plus Elective Contributions (as defined below) but not including fringe benefits and other excluded amounts (as defined below). Any reference in the Plan to Compensation is a reference to the definition in this Section 1.09, unless the Plan reference modifies this definition. The Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period, including, as may be relevant, amounts paid to a Participant prior to the date the Participant entered the Plan. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§ 3121 and 3306. Except as otherwise provided in Section 1.09(E), Compensation does not include any form of remuneration paid to the Participant after the Participant’s last day of employment.

(A) **Elements of Compensation.** Compensation includes the following amounts paid to a Participant by an Employer:

- (1) Base pay, overtime pay, extra-hours pay, shift differentials, and commissions and draws;
- (2) Bonus and incentive payments (both long-term and short-term), including lump-sum merit pay, and achievement bonus / spot awards (business related), unless specifically excluded under Section 1.09(B);
- (3) Vacation pay, holiday pay, sick days, sick-leave pay, bereavement pay, jury duty pay, and pay for other types of paid leave while the Participant is in an active-pay status;
- (4) Retroactive salary adjustments or corrections;
- (5) Salary continuation plan payments;
- (6) Short-term disability payments;
- (7) Intermittent pay and special temporary increases;
- (8) Severance pay and retention bonuses, but only if such amounts are paid on or before the Participant’s last day of employment; and
- (9) Elective Contributions (as that term is defined in Section 1.09(C) below).

(B) **Fringe Benefits and Other Excluded Amounts.** Compensation does not include any of the following amounts:

- (1) Payments received from the Western AgCredit Credit Staff Long Term-Retention Plan and/or the Sacramento Valley Farm Credit ACA Employee Retention Plan;
- (2) Moving and relocation expenses (including cash allowances);
- (3) Business travel expenses, expense reimbursements, and/or other expense allowances;
- (4) Sign-on bonuses and/or sign-on payments;
- (5) Payments made in lieu of giving notice of an impending termination of employment (unless paid prior to termination of employment);
- (6) Payments for the value of unused annual leave that are being made at or in connection with the termination of a Participant’s employment;
- (7) Long-term disability payments;

- (8) Benefit payments under the California State Disability Insurance Program ("California SDI"), benefits payable under or as required by the Hawaii Temporary Disability Insurance law, or benefits payable under or as required by any other state law requiring payments to be made to employees in the event an employee becomes disabled;
- (9) Compensation attributable to the personal use of an automobile;
- (10) Other nontaxable fringe benefits (both cash and non-cash);
- (11) Distributions or payments from a nonqualified plan or arrangement of deferred compensation; and
- (12) Any contribution to a nonqualified plan or arrangement of deferred compensation, including contributions made by the Participant and contributions made by an Employer.

(C) **Elective Contributions.** Compensation includes Elective Contributions. "Elective Contributions" are amounts excludible from the Employee's gross income under Code §§ 125, 132(f)(4), 402(e)(3), 402(h)(2), 403(b), 408(p), or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code § 457 plan.

(D) **Limitations on Compensation.**

- (1) **General Rule Regarding Compensation Dollar Limitation.** For any Plan Year beginning after December 31, 2001, the Plan Administrator in allocating contributions under Article III, cannot take into account more than \$200,000 (or such larger or smaller amount as the Commissioner of Internal Revenue may prescribe) of any Participant's Compensation. For 2007 this limit on compensation, as adjusted by the Commissioner of Internal Revenue, will be \$225,000.
- (2) **"Grandfathered" Compensation Limit for Certain Participants.** Notwithstanding the general rule set forth in Section 1.09(D)(1), the limit on compensation taken into account for any Plan Year beginning after December 31, 1995, is the greater of \$150,000 (or such larger amount as the Commissioner of Internal Revenue may prescribe) or the compensation allowed to be taken into account under such predecessor Plan as in effect on July 1, 1993 (as adjusted by the Commissioner of Internal Revenue to reflect cost of living adjustments) for those Participants who:
 - (a) First became a Participant in the Consolidated Plan (including, for this purpose, any plans that were subsequently merged into the Consolidated Plan) prior to January 1, 1996; and/or

- (b) First became a Participant in the Ninth District Plan on or before December 31, 1995.

For 2007, this limit on compensation, as adjusted by the Commissioner of Internal Revenue, will be \$335,000.

- (3) **Application to 401(k) Elective Deferrals.** Notwithstanding the foregoing, an Employee under a 401(k) arrangement may make Elective Deferrals with respect to Compensation which exceeds the Plan Year Compensation limitation, provided such deferrals otherwise satisfy Code § 402(g) and other applicable limitations.

(E) **Post-Severance Payments.** Compensation includes the following amounts if such amounts are paid within 2½ months following a Participant's severance from employment:

- (1) Wages earned prior to a Separation from Service but paid thereafter in the Participant's final paycheck;
- (2) Payments that would have been made to the Participant had the Participant remained employed and which represent compensation for services provided while the Participant was an employee, such as bonuses, provided that such payments are not otherwise excluded from the definition of Compensation under this Section 1.09.

Compensation does not include payments made following a Participant's termination of employment for the value of unused vacation time, unused sick leave, or other types of unused leave. Additionally, Compensation does not include severance pay and/or retention bonuses that are paid after the Participant's last day of employment. Except as set forth in this Section 1.09(E), no amount paid to a Participant following a Participant's termination of employment shall be included in a Participant's Compensation.

(F) **Military Differential Pay (HEART Act).** For Plan Years beginning on or after December 31, 2008, Compensation shall include a "differential wage payment." For purposes of this Section 1.09(F), a "differential wage payment" means any payment which is made by an Employer to a Participant with respect to any period during which the Participant is performing service in the uniformed services (as that term is defined in USERRA) while on active duty for a period of more than 30 days, and which represents all or a portion of the wages the Participant would have received from the Employer if the Participant were performing services for the Employer. For purposes of the Plan, a Participant receiving a "differential wage payment" shall be treated as an Employee of the Employer making the payment.

1.10 **"Disability"** means the Participant (a) is determined to be totally and permanently disabled by the Employer's long-term disability insurance company or workers compensation insurance company and is entitled to receive benefits under the Employer's long-term disability policy or workers compensation policy; or (b) is certified by the Social Security Administration as having disability insured status and is entitled to receive Social Security Disability Insurance Benefits. A Participant is disabled on the date the Plan Administrator determines the Participant satisfies the definition of Disability.

1.11 **“Effective Date”** of the Plan is November 1, 1970. This represents the original effective date of the Ninth District Plan. The AgriBank Plan was merged into the Ninth District Plan effective January 1, 2007. The AgriBank Plan resulted from the merger of the Seventh Farm Credit District Retirement Savings Plan, the Eleventh Farm Credit District’s Retirement Savings Plan, and the AgAmerica District Savings Plan, which merger took place effective January 1, 2003. The original effective date of the Seventh Farm Credit District Retirement Savings Plan was January 1, 1975. The original effective date of the Eleventh Farm Credit District’s Retirement Savings Plan (which was previously known as the Western Farm Credit District Thrift / Deferred Compensation Plan) was January 1, 1983. The original effective date of the AgAmerica District Savings Plan was prior to January 1, 1987. The restated effective date of this Plan is January 1, 2007.

1.12 **“Elective Deferrals”** means salary reduction contributions which the Employer contributes to the Plan at the election of an Eligible Employee. As the context requires, Elective Deferrals may also include Catch-Up Deferrals under the Plan. Elective Deferrals do not include amounts which have become currently available to the Employee prior to the election nor do they include amounts designated as an Employee After-Tax Contribution at the time of deferral or contribution. Elective Deferrals are 100% vested at all times. For Plan Years beginning on or after January 1, 2008, Elective Deferrals also includes Roth Deferrals

1.13 **“Elective Deferral Limit”** has the meaning given to that term in Section 5.01(A).

1.14 **“Eligible Employee”** means any Employee who is on an Employer’s United States payroll and who is not an Excluded Employee.

1.15 **“Employee”** means any common law employee or other person the Code treats as an employee of the Employer for purposes of the Employer’s qualified plan. The term “Employee” does not include directors who are not otherwise employed by an Employer in some other capacity and it does not include persons who are classified by an Employer as an “independent contractor.”

1.16 **“Employee After-Tax Contributions”** means nondeductible contributions made by a Participant and designated, at the time of contribution, as an Employee After-Tax Contribution. Employee After-Tax Contributions do not include Elective Deferrals (including Roth Deferrals).

1.17 **“Employer”** means AgriBank Farm Credit Bank, U.S. AgBank, FCB, and each employer within the federal Farm Credit System who, with the permission of the Farm Credit Foundations Plan Sponsor Committee, executes a Participation Agreement for this Plan.

1.18 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, and includes Department of Labor regulations issued thereunder.

1.19 **“Excluded Employee”** means a person (or Employee) who is in any of the following categories:

(A) **Leased Employees.** A Leased Employee (as that term is defined elsewhere in this Article I) is an Excluded Employee and, as such, is not eligible to participate in the Plan.

(B) **Temporary Employees.** A “Temporary Employee” is a person who is employed on a temporary or contract basis to meet unusual workloads or demands or to fill in while a regular employee is on extended, sick, or annual leave. A Temporary Employee is an Excluded Employee and, as such, is not eligible to participate in the Plan. A Temporary Employee who works at least 1,000 hours during a calendar year while classified as a Temporary Employee will no longer be classified as a Temporary Employee as of the first day of the next Plan Year.

(C) **Part-Time Without Benefits Employees.** A “Part-Time Without Benefits Employee” is an Employee who is regularly scheduled to work less than 20 hours per week and less than 1,000 per calendar year. An Employee who is classified by his or her Employer as a Part-Time Without Benefits Employee is an Excluded Employee and, as such, is not eligible to participate in the Plan. An Employee who works at least 1,000 hours during a calendar year while classified as a Part-Time Without Benefits Employee will no longer be classified as a Part-Time Employee as of the first day of the next Plan Year.

(D) **Interns, Externs, and Cooperative Students.** Employees who are classified as interns, externs, and/or cooperative students are Excluded Employees and, as such, are not eligible to participate in the Plan.

(E) **Collective Bargaining Employees.** Employees who are included in a unit of Employees that are covered by a “collective bargaining agreement” are Excluded Employees and, as such, are not eligible to participate in the Plan. For this purpose, a “collective bargaining agreement” is an agreement in which each of the following conditions is met: (a) the agreement is between employee representatives and one or more Employers; (b) retirement benefits were the subject of good faith bargaining; (c) no more than half of the members of the organization representing the employees are owners, officers, or executives of the Employer; and (d) the Secretary of Labor determines that the agreement is a “collective bargaining agreement.”

(F) **Nonresident Aliens.** A “nonresident alien” is an Excluded Employee and, as such, is not eligible to participate in the Plan. For this purpose a “nonresident alien” is an Employee who does not receive any earned income, as defined in Code § 911(d)(2), from the Employer which constitutes United States source income, as defined in Code § 861(a)(3).

(G) **Employees of Entities Acquired by Foreclosure.** A person who is employed by an entity that is acquired by an Employer as a result of a foreclosure on an obligation is an Excluded Employee and, as such, is not eligible to participate in the Plan.

(H) **Reclassified Employees.** A “Reclassified Employee” is an Excluded Employee and, as such, is not eligible to participate in the Plan. This exclusion applies to any person the Employer does not treat as an Employee (including, but not limited to, independent contractors, persons the Employer pays outside of its payroll system and out-sourced workers) for federal income tax withholding purposes under Code § 3401(a), but for whom there is a binding determination the individual is an Employee or a Leased Employee of the Employer. This exclusion further applies to any Employee the Employer does not treat as an Eligible Employee, but for whom there is later a binding determination that the individual is (or was) an Eligible Employee.

1.20 **“FCS of America Participant”** means a Former Consolidated Participant who also satisfies each of the following conditions: (a) the Participant was employed by AgAmerica, FCB prior to January 1, 1991; (b) the Participant was a participant in the AgAmerica District Savings Plan as of January 1, 2003; (c) the Participant is listed on Schedule A; and (d) the Participant remains continuously employed by the Employer.

1.21 **“Forfeiture Break in Service”** means a Participant has incurred five consecutive Breaks in Service.

1.22 **“Former Consolidated Participant”** means a Participant who was a Participant in the Consolidated Plan prior to January 1, 2007.

1.23 **“Former Ninth District Participant”** means a Participant who is also a participant in the Ninth Farm Credit District Pension Plan and who is still accruing additional benefits in the Ninth Farm Credit District Pension Plan under the terms and provisions of that plan. For purposes of this definition, the term Former Ninth District Participant does not include a participant in the Ninth Farm Credit District Pension Plan who is receiving interest credits on his/her hypothetical account balance under the account balance provisions of that plan but who is not receiving any additional employer contributions under that plan and who is not accruing any additional benefits under the tradition pension provisions of that plan. A Participant’s continuing status as a Former Ninth District Participant will be determined as of the first day of each quarter of the Plan Year.

1.24 **“Foundations Participant”** means a Participant who is neither a Former Consolidated Participant nor a Former Ninth District Participant.

1.25 **“Hour of Service”** means:

(a) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment, for the performance of duties. The Plan Administrator credits Hours of Service under this Paragraph (a) to the Employee for the computation period in which the Employee performs the duties, irrespective of when paid;

(b) Each Hour of Service for back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award. The Plan Administrator credits Hours of Service under this Paragraph (b) to the Employee for the computation period(s) to which the award or the agreement pertains rather than for the computation period in which the award, agreement or payment is made; and

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated), for reasons other than for the performance of duties during a computation period, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. The Plan Administrator credits Hours of Service under this Paragraph (c) in accordance with the rules of paragraphs (b) and (c) of Labor Reg. § 2530.200b-2, which the Plan, by this reference, specifically incorporates in full within this Paragraph (c).

The Plan Administrator will not credit an Hour of Service under more than one of the above Paragraphs (a), (b) or (c). A computation period for purposes of this Section 1.25 is the Plan Year, Year of Service period, Break in Service period or other period, as determined under the Plan provision for which the Plan Administrator is measuring an Employee’s Hours of Service. The Plan Administrator will resolve any ambiguity with respect to the crediting of an Hour of Service in favor of the Employee.

(A) **Method of Crediting Hours of Service.** The Plan Administrator shall use the Elapsed Time Method, as set forth below, in crediting an Employee with Hours of Service for all purposes under this plan.

(B) **Maternity / Paternity Leave / Family and Medical Leave Act.** Solely for purposes of determining whether an Employee incurs a Break in Service under any provision of this Plan, the Plan Administrator must credit Hours of Service during the Employee’s unpaid absence period: (a) due to maternity or paternity leave; or (b) as required under the Family and Medical Leave Act (“FMLA”). An Employee is on maternity or paternity leave if the Employee’s absence is due to the Employee’s pregnancy, the birth of the Employee’s child, the placement with the Employee of an adopted child, or the care of the Employee’s child immediately following the child’s birth or placement. The Plan Administrator credits Hours of Service under this Section 1.25(B) on the basis of the number of Hours of Service for which the Employee normally would receive credit or, if the Plan Administrator cannot determine the number of Hours of Service the Employee would receive credit for, on the basis of 8 hours per day during the absence period. The Plan Administrator credits all Hours of Service described in this Section 1.25(B) to the computation period in which the absence period begins or, if the Employee does not need these Hours of Service to prevent a Break in Service in the computation period in which his/her absence period begins, the Plan Administrator credits these Hours of Service to the immediately following computation period.

(C) **Qualified Military Service.** Hour of Service also includes any Service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code § 414(u). The provisions of this Section 1.25(C) apply beginning December 12, 1994.

(D) **Elapsed Time Method.** Under the Elapsed Time Method, a Participant receives credit for Service based on the length of the Participant’s employment as measured from the Participant’s Adjusted Employment Date. A Participant’s “employment date” is the date on which the Participant’s employment with the Employer began (including any employment with a Predecessor Employer but not including any employment as an intern). A Participant’s “anniversary date” is the anniversary each year of the Participant’s “employment date.” A Participant’s Adjusted Employment Date shall be the same as the Participant’s “anniversary date” subject to the following adjustments:

- (1) *Prior Service with the Employer.* If a Participant terminates employment and is subsequently reemployed by an Employer before the next anniversary of the Participant's Adjusted Employment Date, no further adjustment to the Participant's Adjusted Employment Date shall be made. Otherwise, a new Adjusted Employment Date shall be established for the Participant. The new Adjusted Employment Date shall be calculated by subtracting the number of days the Participant worked subsequent to the Participant's last Adjusted Employment Date before terminating employment from the date on which the Participant became reemployed.
- (2) *Prior Service with Other Farm Credit System Employers.* A Participant's "anniversary date" shall be adjusted in the same manner for prior Service with other Farm Credit System Employers (to the extent that such service is considered to be Service under Section 1.38)
- (3) *USERRA Protected Service.* A Participant who becomes reemployed pursuant to his/her rights under Chapter 43 of Title 38 of the United States Code (commonly referred to as "USERRA") shall be considered for purposes of the Plan's provisions relating to the determination of Years of Service to have been continuously employed during the period the Participant was absent due to "service in the uniformed services" as that term is used in USERRA.
- (4) *FMLA and Other Approved Leave.* A Participant who is absent from work on his/her Adjusted Employment Date due to leave under the FMLA or other approved leave granted by the employer, whether paid or unpaid, shall be considered for purposes of the Plan's provisions relating to the determination of Years of Service to have been employed on his/her Adjusted Employment Date.

1.26 **"Leased Employee"** means an individual (who otherwise is not an Employee of the Employer) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or for the Employer and any persons related to the Employer within the meaning of Code § 144(a)(3)) on a substantially full time basis for at least one year and who performs such services under primary direction or control of the Employer within the meaning of Code § 414(n)(2).

1.27 **"Matching Contributions"** means contributions that are made by the Employer on account of Elective Deferrals under a 401(k) arrangement and/or Employee After-Tax Contributions

1.28 **"Nonelective Contributions"** means contributions made by the Employer which are not subject to a Deferral Election by an Employee and which are not Matching Contributions.

1.29 **"Participant"** means an Eligible Employee who becomes a Participant in the Plan in accordance with the provisions of Section 2.01.

1.30 **"Plan"** means this Farm Credit Foundations Defined Contribution / 401(k) Plan. All section references within this plan document are Plan section references unless the context clearly indicates otherwise. The Plan includes any Addendum or Appendix which is properly adopted by the Employer and which the Employer attaches to this plan document.

1.31 **"Plan Administrator"** means the Trust Committee.

1.32 **"Plan Entry Date"** means the date on which an Eligible Employee becomes a Participant in the Plan, as set forth in Article II.

1.33 **"Plan Year"** means the 12-consecutive month period ending every December 31. For purposes of the limitations on allocations described in Article V the "Limitation Year" shall be the same as the Plan Year.

1.34 **"Retirement"** means a termination of employment on or after the date on which a Participant attains Normal Retirement Age.

1.35 **"Rollover Contribution"** means an amount of cash which the Code permits an Eligible Employee or Participant to transfer directly or indirectly to this Plan from another plan.

1.36 **"Salary Reduction Agreement"** means a Participant's written election to make Elective Deferrals to the Plan.

1.37 **"Separation from Service"** means an event after which the Employee no longer has an employment relationship with an Employer that is maintaining or participating in this Plan. An Employee does not have Severance from Employment if the Employee's new employer is also an Employer in this Plan. The term "Separation from Service" has the same meaning as the term "Severance from Employment."

1.38 **"Service"** means any period of time the Employee is in the employ of the Employer, including any period the Employee is on an unpaid leave of absence authorized by the Employer under a uniform, nondiscriminatory policy applicable to all Employees. The Plan credits Service using the Elapsed Time Method (as set forth in Section 1.25(D)). Under the Elapsed Time Method, a Participant will be credited with an additional Year of Service if the Participant is employed (or is considered to be employed) on the Participant's Adjusted Employment Date.

1.39 **"Service with a Predecessor Employer"** If the Employer maintains the plan of a predecessor employer, service of the Employee with the predecessor employer is Service with the Employer. If the Employer does not maintain the plan of a predecessor employer, the Plan does not credit service with the predecessor employer unless the Employer elects in its participation agreement to credit designated predecessor employer service and specifies the purposes for which the Plan will credit service with that predecessor employer.

1.40 **“Severance from Employment”** means an event after which the Employee no longer has an employment relationship with an Employer that is maintaining or participating in this Plan. An Employee does not have Severance from Employment if the Employee’s new employer is also an Employer in this Plan. The term “Severance from Employment” has the same meaning as the term “Separation from Service.”

1.41 **“Trust”** means the separate Trust created under the Plan.

1.42 **“Trust Committee”** means the Farm Credit Foundations Trust Committee, which committee was established pursuant to the terms and provisions of the Administrative Agreement.

1.43 **“Trust Fund”** means all property of every kind acquired by the Plan and held by the Trust, other than incidental benefit insurance contracts.

1.44 **“Trustee”** means the Farm Credit Foundations Trust Committee.

1.45 **“USERRA”** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

1.46 **“Vested”** means a Participant or a Beneficiary has an unconditional claim, legally enforceable against the Plan, to the Participant’s Account Balance or Accrued Benefit.

1.47 **“Vesting Computation Period”** means the Plan Year.

1.48 **“Year of Service”** means the Vesting Computation Period for which the Employee receives credit for a 1,000 Hours of Service under the Service crediting rules of Section 1.25(A).

(A) **Service Taken into Account.** For purposes of determining “Years of Service” under this Section 1.48, the Plan takes into account all Years of Service an Employee completes with the Employer, subject, however, to the following: For the sole purpose of determining a Participant’s Vested percentage of his/her Account Balance derived from Employer contributions which accrued for his/her benefit prior to a Forfeiture Break in Service or receipt of a cash-out distribution, the Plan disregards any Year of Service after the Participant first incurs a Forfeiture Break in Service or receives a cash-out distribution (except where the Plan Administrator restores the Participant’s Account under Section 6.05(A)).

(B) **Service with Other Farm Credit System Employers.** Service with other employers in the federal Farm Credit System shall be taken into account as if it were Service with the Employer.

(C) **Service Completed Prior to Effective Date of the Plan.** A Year of Service includes any Year of Service completed prior to the Effective Date of the Plan, except as provided in Section 6.07.

1.49 **“Roth Deferral”** means an Elective Deferral (including a Catch-Up Deferral) which a Participant irrevocably designates as a Roth Deferral under Code § 402A at the time of deferral and which is subject to income tax when it is made to the Plan. Roth Deferrals may be made, in accordance with the provisions of the Plan, for Plan Years beginning on or after January 1, 2008. Roth Deferrals shall be treated as if they were Elective Deferrals except where the Plan specifically requires separate treatment.

1.50 **“Spouse”** means a person of the opposite sex to whom a Participant is legally married. A common law marriage to a person of the opposite sex shall be considered to be a legal marriage if the common law marriage was entered into in a state that recognizes common law marriage and if the common law marriage is recognized as valid under the laws of that state. The Plan Administrator shall have the authority to determine whether a person is a Spouse, including the authority to request such documents as may be necessary, in its discretion, to establish the existence of legal marriage (including, as may be applicable, the existence of a common law marriage).

**ARTICLE II
ELIGIBILITY AND PARTICIPATION**

2.01 **ENTRY INTO THE PLAN.** An Eligible Employee will enter the Plan in accordance with the following:

(A) **General Rule.** An Eligible Employee will enter the Plan on the date he/she becomes an Eligible Employee.

(B) **Transition Rule for 2007.** Notwithstanding the provisions of Section 2.01(A), the following transition rule applies in 2007 to Employees who are being paid through the AgBank payroll system: An Eligible Employee must reach the end of the payroll period that was in effect when he/she became an Eligible Employee. Upon reaching the end of that payroll period, an Eligible Employee will enter the Plan on the first day thereafter that is either the first day of the month or the sixteenth day of the month.

(C) **Initial Election to Make Elective Deferrals.** A Participant's initial election to make Elective Deferrals may not take effect prior to the first day of the first payroll period that begins after the date an Eligible Employee becomes a Participant in the Plan.

(D) **Special Rule for Participants as of December 31, 2006.** Each Employee who was a Participant in either the Consolidated Plan or the Ninth District Plan on December 31, 2006, shall continue as a Participant in the Plan, irrespective of whether he/she satisfies the eligibility conditions of the restated Plan.

2.02 **BREAK IN SERVICE - PARTICIPATION.** An Employee incurs a "Break in Service" if during any applicable 12-consecutive month period he/she does not complete more than 500 Hours of Service with the Employer.

(A) **12-Consecutive Month Period.** The "12-consecutive month period" under this Section 2.02 means the following:

- (1) The initial computation period is the first 12-consecutive month period measured from the Employee's "Employment Commencement Date." "Employment Commencement Date" means the date on which the Employee first performs an Hour of Service for the Employer.
- (2) Subsequent 12-consecutive month computation periods are measured on a Plan Year basis.

(B) **One Year Hold-Out Rule.** The one year hold-out rule under Code § 410(a)(5)(C) does not apply to the Plan.

(C) **No Rule of Parity – Participation.** For purposes of Plan participation, the Plan does not apply the "rule of parity" under Code § 410(a)(5)(D).

2.03 **PARTICIPATION UPON RE-EMPLOYMENT.** The following rules apply with respect to participation in this plan following re-employment:

(A) **Participant.** A Participant who incurs a Separation from Service and who is later re-employed as an Eligible Employee will again become a Participant in the Plan in accordance with Section 2.01 after becoming re-employed by an Employer. In applying Section 2.01, the prior Service of the re-employed Participant will be disregarded.

(B) **Former Employee But Not a Participant.** A former Employee who incurs a Separation from Service prior to becoming a Participant in the Plan and who is later re-employed as an Eligible Employee will become a Participant in the Plan in accordance with Section 2.01 after becoming re-employed by an Employer.

2.04 **CHANGE IN EMPLOYMENT STATUS.** If a Participant who is still employed by an Employer becomes an Excluded Employee, the Employee will continue to be a Participant until such time as he/she is no longer employed by an Employer.

2.05 **ONE-TIME IRREVOCABLE ELECTION NOT TO PARTICIPATE.** The Plan does not permit an Eligible Employee, or any Participant, to make a one-time irrevocable election not to participate in the Plan ("opt-out").

**ARTICLE III
EMPLOYER CONTRIBUTIONS AND FORFEITURES**

3.01 EMPLOYER CONTRIBUTIONS.

(A) **Amount and Types of Contribution.** The amount and type(s) of Employer Plan contribution(s) will equal the following:

- (1) **Elective Deferrals (401(k) arrangement).** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation plus (for Plan Years beginning on or after January 1, 2008) the amount of any Roth Deferrals made by the Participant, as provided in the Participant's Salary Reduction Agreement and in accordance with Section 3.02 and Section 3.03.
- (2) **Matching Contributions.** The Matching Contributions made in accordance with Section 3.06.
- (3) **Nonelective Contributions.** The fixed Nonelective Contributions and any discretionary Nonelective Contributions made in accordance with Section 3.09 and/or Section 3.10.

An Employer will not make a contribution to the Trust for any Plan Year to the extent the contribution would exceed the Participant's Annual Addition Limit under Article V. An Employer need not have net profits to make a contribution under the Plan.

(B) **Form of Contribution.** An Employer must make its contribution in the form of cash.

(C) **Time of Payment of Contribution.** An Employer must pay salary reduction contributions to the Trust after withholding the corresponding Compensation from the Participant at the earliest date on which the contributions can reasonably be segregated from the Employer's general assets. An Employer must pay to the Trust salary reduction contributions, Matching Contributions, and Nonelective Contributions no later than the time prescribed by the Code. Salary reduction contributions are Employer contributions for all purposes under this Plan, except to the extent the Code prohibits the use of these contributions to satisfy the qualification requirements of the Code.

(D) **Return of Employer Contribution.** An Employer contributes to the Plan on the condition that its contribution is not due to a mistake of fact and the Internal Revenue Service will not disallow the deduction of the Employer's contribution. The Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer's contribution made by the Employer by mistake of fact or the amount of the Employer's contribution disallowed as a deduction under Code § 404. The Trustee will not return any portion of the Employer's contribution under the provisions of this Section 3.01(D) more than one year after:

- (1) The Employer made the contribution by mistake of fact; or
- (2) The disallowance of the contribution as a deduction, and then, only to the extent of the disallowance.

The Trustee will not increase the amount of the Employer contribution returnable under this Section 3.01(D) for any earnings attributable to the contribution, but the Trustee will decrease the Employer contribution returnable for any losses attributable to the contribution. The Trustee may require the Employer to furnish the Trustee whatever evidence the Trustee deems necessary to enable the Trustee to confirm that the amount the Employer has requested be returned is properly returnable under the Code and any other applicable law.

(E) **Participant Contributions.** In addition to the Employer Contributions that are permitted under this Article III, the Plan permits Employee After-Tax Contributions and Rollover Contributions in accordance with the provisions of Article IV.

3.02 401(k) ARRANGEMENT – SALARY REDUCTION AGREEMENT. A Participant (or an Eligible Employee in anticipation of becoming a Participant) may file a Salary Reduction Agreement with the Plan Administrator in accordance with the provisions of this Section 3.02.

(A) **Requirements for a Salary Reduction Agreement.** A Salary Reduction Agreement must specify the dollar amount of Compensation or percentage of Compensation the Participant wishes to defer. The Salary Reduction Agreement will apply only to Compensation which becomes currently available to the Participant after the effective date of the Salary Reduction Agreement. The Employer will apply a salary reduction election to the Participant's Compensation as determined under Section 1.09. The Plan Administrator may require a Salary Reduction Agreement to be completed and submitted in electronic form through the use of the Internet, an Intranet, a telephone system, or such other system as the Plan Administrator may prescribe.

(B) **Minimum Deferral Amount.** The minimum amount that may be deferred pursuant to a Salary Reduction Agreement is 1% of Compensation per payroll period.

(C) **Maximum Deferral Amount.** The maximum amount that may be deferred pursuant to a Salary Reduction Agreement is 75% of Compensation per payroll period; provided, however, that for any given payroll period, the amount of a Participant's deferral contribution may not exceed the net amount of the Participant's paycheck after applicable taxes have been paid or withheld and any deductions authorized by the Participant or required by law have been made. A Participant's maximum deferral amount is subject to the limits set forth in Article V.

(D) **Effective Date of Salary Reduction Agreement.** The Plan Administrator may specify the date on which a Salary Reduction Agreement will take effect. A Salary Reduction Agreement may not take effect earlier than last-occurring of the following dates: (i) the Participant's Plan Entry Date (or, in the case of a re-employed Employee, his/her re-participation date under Article II); (ii) the execution date of the Participant's Salary Reduction Agreement; (iii) the date the Employer adopts the 401(k) arrangement; or (iv) the effective date of the 401(k) arrangement, as specified in the Plan document.

(E) **Modification/Revocation of Salary Reduction Agreement.** A Participant may modify or revoke a Salary Reduction Agreement at least once per Plan Year. The Plan Administrator may permit more frequent changes to be made. The Plan Administrator may specify the date on which a modification or revocation of a Salary Reduction Agreement will take effect. A modification or revocation of a Salary Reduction Agreement will take effect on a prospective basis only.

(F) **Additional Rules and Restrictions.** Subject to the Plan terms and applicable Internal Revenue Service guidance, the Plan Administrator may specify additional rules and restrictions applicable to the making, modification, and/or revocation of a Participant's Salary Reduction Agreement.

(G) **Roth Deferrals.** For Plan Years beginning on or after January 1, 2008, a Participant may contribute Roth Deferrals to the Plan. A Participant who desires to make Roth Deferrals must specify the dollar amount of Compensation or percentage of Compensation the Participant wishes to irrevocably designate as a Roth Deferral under Code § 402A prior to the date such Compensation becomes currently available to the Participant in accordance with the procedures developed by the Plan Administrator for this purpose.

3.03 **401(k) ARRANGEMENT – AUTOMATIC CONTRIBUTION ARRANGEMENT.** The Employer will automatically reduce the Compensation of each Participant who is subject to the provisions of this Section 3.03 by an amount equal to the automatic election amount, with the exception of those Participants who timely make a contrary election in accordance with Section 3.03(C). Amounts deferred under the Plan's automatic contribution arrangements are treated as elective deferrals for all purposes under the Plan.

(A) **Initial Amount of an Automatic Election.** The initial amount of an automatic election made pursuant to this Section 3.03 shall be an amount equal to three percent (3%) of Compensation per payroll period. Such an election shall take effect as of the first payroll period that begins more than forty-five (45) days after the Participant's Plan Entry Date provided that the Participant has not made a timely contrary election in accordance with Section 3.03(C).

(B) **Annual Increases in Automatic Election Amount.** If a Participant is subject to the provisions of this Section 3.03 and the Participant has not made a contrary election in accordance with Section 3.03(C), the amount by which the Participant's Compensation is being reduced pursuant to an automatic election shall be increased as of the first payroll period beginning on or after the anniversary each year of the Participant's Plan Entry Date. The amount of the increase shall be equal to one percent (1%) of Compensation per payroll period. The maximum amount by which a Participant's Compensation may be reduced pursuant to this Section 3.03 shall not exceed fifteen percent (15%) of Compensation per payroll period.

(C) **Participant's Contrary Election.** A Participant may at any time elect not to defer any Compensation or to defer an amount which is less than the automatic election amount ("contrary election"). A Participant's contrary election shall be made and will take effective in accordance with the rules and restrictions that are generally applicable to Salary Reduction Agreements. A Participant's contrary election will continue in effect until the Participant subsequently modifies or revokes his/her Salary Reduction Agreement.

(D) **Automatic Election Notice.** The Plan Administrator must provide a notice to each Eligible Employee which explains the effect of the automatic election and a Participant's right to make a contrary election, including the procedure and timing applicable to the contrary election. The Plan Administrator must provide the notice to an Eligible Employee within a reasonable period prior to the date on which an automatic election would otherwise take effect. On an annual basis, the Plan Administrator must also notify those Participants who are subject to an automatic election of the existing automatic election deferral percentage, of any pending increase in the percentage amount of the automatic election, and of the Participant's right to make a contrary election, including the procedure and timing applicable to the contrary election.

(E) **Applies Only to Participants Entering the Plan On or After January 1, 2007.** The automatic election provisions of this Section 3.03 apply only to those Participants whose Plan Entry Date is on or after January 1, 2007, and they apply only if those Participants have not made a contrary election in accordance with Section 3.03(C).

(F) **Made on a Pre-Tax Basis Only.** Elective Deferrals made pursuant to the automatic election provisions of this Section 3.03 shall be made on a pre-tax basis only.

3.04 **401(k) CATCH-UP DEFERRALS.** A Catch-up Eligible Participant may make Catch-up Deferrals to the Plan under this Section 3.04.

(A) **Definition of "Catch-up Eligible Participant."** A "Catch-up Eligible Participant" is a Participant who is eligible to make Elective Deferrals and who is age 50 or who will attain age 50 before the end of the calendar year in which he/she will make a Catch-up Deferral. A Participant need not actually attain age 50 or remain employed by the Employer in such calendar year in order to be a Catch-up Eligible Participant.

(B) Definition of “Catch-up Deferrals.” A “Catch-up Deferral” is an Elective Deferral (including a Roth Deferral) by a Catch-up Eligible Participant and which exceeds the Annual Additions Limit under Section 5.02 and/or the Elective Deferral Limit under Section 5.01.

(C) Limit on Catch-up Deferrals. A Participant’s Catch-up Deferrals for a calendar year may not exceed the dollar limit in effect for that calendar year as set forth in this Section 3.04(C). For 2007, the dollar limit for Catch-up Deferrals is \$5,000. For years after 2007, the dollar limit for Catch-up Deferrals will be adjusted by the Secretary of the Treasury in multiples of \$500 under Code § 414(v)(2)(C). Additionally, the total amount of a Participant’s other Elective Deferrals and a Participant’s Catch-up Deferrals may not exceed 75% of the Participant’s Compensation for any given payroll period.

(D) Separate Catch-up Deferral Election Not Required. A separate Catch-up Deferral Election is neither required nor permitted. A Catch-up Eligible Participant who desires to make Catch-up Deferrals may do so by making an election to defer Compensation in excess of the applicable Elective Deferral Limit under Section 5.01.

(E) Application of Contribution Limits. Catch-up Deferrals are not subject to the Annual Additions Limit and are not subject to the Elective Deferral Limit under Section 5.01.

(F) Universal Availability. If the Employer maintains more than one applicable plan within the meaning of Treas. Reg. § 1.414(v)-1(g)(1), and any of the applicable plans permit Catch-up Deferrals, then any Catch-up Eligible Participant in any such plans must be permitted to have the same effective opportunity to make the same dollar amount of Catch-up Deferrals.

3.05 ALLOCATION OF ELECTIVE DEFERRALS.

The Plan Administrator will allocate to each Participant’s Elective Deferrals Account the amount of Elective Deferrals the Employer contributes to the Trust on behalf of the Participants. The Plan Administrator will make this allocation as of the earliest administratively practicable date following the date on which the Employer makes a contribution of Elective Deferrals to the Trust on behalf of the Participants. The Plan Administrator shall establish a separate Roth Deferrals Account for each Participant who makes any Roth Deferrals in accordance with the provisions of this Plan and shall account for such Roth Deferrals separately.

3.06 MATCHING CONTRIBUTIONS. Each Employer will provide a fixed Matching Contribution as follows:

(A) Participants Accruing Benefits in a Defined Benefit Plan. Elective Deferrals made by Participants who are continuing to accrue additional benefits in the Seventh Farm Credit District Retirement Plan, the Ninth Farm Credit District Pension Plan, the Eleventh Farm Credit District Employees’ Retirement Plan, and/or the Northwest FCS Retirement Plan will be matched as follows:

- (1) Deferrals up to (and including) 2% of Compensation will be matched at a rate of 100%;
- (2) Deferrals above 2% of Compensation and up to (and including) 6% of Compensation will be matched at a rate of 50%.

(B) Participants Who Are Not Accruing Benefits in a Defined Benefit Plan. Elective Deferrals made by Participants who are not accruing additional benefits in the Seventh Farm Credit District Retirement Plan, the Ninth Farm Credit District Pension Plan, the Eleventh Farm Credit District Employees’ Retirement Plan, and/or the Northwest FCS Retirement Plan will be matched as follows: Deferrals up to (and including) 6% of Compensation will be matched at a rate of 100%.

(C) Time Period for Calculating Matching Contributions. Each Employer will determine its Matching Contribution based on Elective Deferrals made during each payroll period.

(D) Catch-up Deferrals. For purposes of providing Matching Contributions, Catch-up Deferrals will be treated as Elective Deferrals.

(E) After-Tax Employee Contributions. For purposes of providing Matching Contributions, After-Tax Employee Contributions will be treated as if they were Elective Deferrals.

(F) Provided Separately by Each Employer. The Matching Contribution provided by each Employer shall be allocated only to those Participants who are directly employed by that Employer.

3.07 ALLOCATION OF MATCHING CONTRIBUTIONS. The Plan Administrator will allocate each Employer’s Matching Contributions as soon as is administratively practicable following each payroll period.

(A) Allocated by Employer. The Plan Administrator will allocate Matching Contributions made by an Employer to the Account of each Participant who is directly employed by that Employer.

(B) Match on Deferrals and Employee After-Tax Contributions. If the matching contribution formula applies both to Elective Deferrals and to Employee After-Tax Contributions, the Matching Contributions apply first to Elective Deferrals.

(C) Excess Deferrals/Annual Additions Limitation. The Plan Administrator may not allocate any Matching Contributions with respect to Elective Deferrals that are excess deferrals under Section 5.01. For this purpose excess deferrals relate first to Elective Deferrals for the Plan Year not otherwise eligible for a Matching Contribution. The Plan Administrator may not allocate a Matching Contribution to a Participant’s Account to the extent the Matching Contribution exceeds the Participant’s Annual Additions limitation in Article V.

3.08 EMPLOYER NONELECTIVE CONTRIBUTIONS – FIXED. Each Employer shall provide a fixed Employer Nonelective Contribution in accordance with the provisions of this Section 3.08.

(A) **Amount of Fixed Nonelective Contribution.** The amount of the fixed Nonelective Contribution shall be as follows:

- (1) **FCS of America Participants.** The fixed Nonelective Contribution for FCS of America Participants shall be the amount set forth on Schedule A.
- (2) **Former Ninth District Participants.** A fixed Nonelective Contribution will not be provided to Former Ninth District Participants.
- (3) **Former Consolidated Participants Who Are Accruing Benefits in a Defined Benefit Plan.** A fixed Nonelective Contribution will not be provided to Former Consolidated Participants who are participants in the Seventh Farm Credit District Retirement Plan, the Eleventh Farm Credit District Employees' Retirement Plan, and/or the Northwest FCS Retirement Plan.
- (4) **Other Participants.** For Participants other than those described in Section 3.08(A)(1), Section 3.08(A)(2), and/or Section 3.08(A)(3), a fixed Nonelective Contribution equal to three percent (3%) of Compensation shall be provided.

(B) **Provided Separately by Each Employer.** The fixed Nonelective Contribution provided by each Employer shall be allocated only to those Participants who are directly employed by that Employer.

(C) **Time Period for Calculating Amount of Nonelective Contributions.** Each Employer will determine the amount of its fixed Nonelective Contribution (if any) for each payroll period in the Plan Year based on the Compensation of those Participants who are directly employed by that Employer during that payroll period.

(D) **Time Period for Providing Nonelective Contributions.** Each employer shall provide its fixed Nonelective Contribution (if any) following the end of each payroll period.

(E) **Compensation Taken into Account.** In calculating the amount of an Employer's fixed Nonelective Contribution for any Participant, the Plan Administrator shall take into account only that portion of the Participant's Compensation that was actually received from the Employer providing the Nonelective Contribution. An Employer's fixed Nonelective Contribution shall not be based on Compensation received by the Participant from any other Employer.

3.09 EMPLOYER NONELECTIVE CONTRIBUTIONS – DISCRETIONARY. In addition to the fixed Employer Nonelective Contribution (if any) described in Section 3.08, each Employer may also provide a discretionary Employer Nonelective Contribution.

(A) **Amount of the Employer Nonelective Contribution.** Each Employer shall have the discretion to determine the amount, if any, of its discretionary Employer Nonelective Contribution; provided, however, that the amount of discretionary Employer Nonelective Contribution may not exceed four percent (4%) of Compensation per payroll period.

(B) **Provided Separately by Each Employer.** The discretionary Employer Nonelective Contribution provided by each Employer shall be allocated only to those Participants who are directly employed by that Employer.

(C) **Time Period for Nonelective Contributions.** Each Employer will determine the amount (if any) of its discretionary Employer Nonelective Contribution based on the Compensation of those Participants who are directly employed by that Employer during each payroll period in the Plan Year.

(D) **Method of Allocation.** An Employer's discretionary Employer Nonelective Contribution shall be allocated to those Participants who are employed by that Employer on a *pro-rata* basis based on the Compensation of each Participant who is employed by that Employer relative to the total Compensation of all Participants who are employed by that Employer during the payroll period.

(E) **Compensation Taken Into Account.** In calculating the amount of an Employer's discretionary Nonelective Contribution for any Participant, the Plan Administrator shall take into account only that portion of the Participant's Compensation that was actually received from the Employer providing the Nonelective Contribution. An Employer's discretionary Nonelective Contribution shall not be based on Compensation received by the Participant from any other Employer.

(F) **Policies and Procedures.** The Plan Administrator shall have the authority to establish such policies and procedures with respect to discretionary Employer Nonelective Contributions as it may consider to be necessary or advisable, including, but not limited to policies and procedures establishing a deadline for each Employer to specify the amount (if any) of the discretionary Employer Nonelective Contribution that it will provide in the next Plan Year.

3.10 EMPLOYER NONELECTIVE CONTRIBUTIONS – INTEGRATED. An integrated Employer Nonelective Contribution shall be provided in accordance with the provisions of this Section 3.10.

(A) **Participants Receiving an Integrated Employer Nonelective Contribution.** An integrated Employer Nonelective Contribution shall be provided to Former Consolidated Participants who satisfy the conditions set forth in this Section 3.10 (including FCS of America Participants); provided, however, that an integrated Employer Nonelective Contribution will not be provided to Former Consolidated Participants who are accruing benefits in the AgriBank District Retirement Plan (formerly known as The Seventh Farm Credit District Retirement Plan), the Eleventh Farm Credit District Employees' Retirement Plan; and/or the Northwest FCS Retirement Plan (unless the Participant is also listed on Schedule A).

(B) **Basic Contribution.** A "basic contribution" of at least three percent (3%) of Compensation shall be provided in accordance with the provisions of Section 3.08. The "basic contribution" shall be identical (and not in addition to) the fixed Employer Nonelective Contribution provided under the provisions of Section 3.08.

(C) **Integrated Contribution.** The amount of the “integrated contribution” shall be equal to three percent (3%) of the difference between the Participant’s total Compensation for the Plan Year and the Social Security Taxable Wage Base.

(D) **Time Period for Integrated Contribution.** For Plan Years ending on or before December 31, 2007, the integrated contribution under Section 3.10(C) shall be provided at the end of the Plan Year. For Plan Years beginning on or after January 1, 2008, the integrated contribution under Section 3.10(C) shall be provided each payroll period to those Participants who are entitled to receive an integrated contribution under the provisions of this Section 3.10, beginning with the payroll period in which the Participant’s year-to-date Compensation from the Employer providing the integrated contribution exceeds the Social Security Taxable Wage Base for that Plan Year.

(E) **Allocation Conditions.** As a condition of receiving the integrated contribution under Section 3.10(C), a Participant must be employed by an Employer on the last day of the Plan Year. This condition does not apply, however, if the Participant incurs a Separation from Service during the Plan Year on account of the Participant’s death, Disability, or Retirement on or after the Participant’s attainment of Normal Retirement Age. Additionally, the allocation condition set forth in this Section 3.10(E) shall not apply for Plan Years beginning on or after January 1, 2008.

(F) **Provided Separately by Each Employer.** To the extent that an integrated contribution is required to be made, that integrated contribution shall be provided separately by each Employer and shall be allocated only to those Participants who are directly employed by that Employer.

(G) **Compensation Taken into Account.** In calculating the amount of an integrated Employer Nonelective Contribution that is to be provided by an Employer for any Participant, the Plan Administrator shall take into account only that portion of the Participant’s Compensation that was actually received from that Employer. An Employer’s integrated Employer Nonelective Contribution shall not be based on Compensation received by the Participant from any other Employer.

3.11 EMPLOYER NONELECTIVE CONTRIBUTIONS – NINTH DISTRICT TRANSITION CONTRIBUTIONS.

In addition to any other Employer Nonelective Contributions to which a Participant may be entitled, an Employer Nonelective Contribution in the form of a “Ninth District Transition Credit” and a “Ninth District Integrated Transition Credit” shall be provided in accordance with the provisions of this Section 3.11.

(A) **Eligibility to Receive Ninth District Transition Credits.** As a condition of receiving an Employer Nonelective Contribution under this Section 3.11, a Participant must satisfy the following conditions:

- (1) The Participant must be listed on Schedule B as of October 1, 2007; and
- (2) The Participant must continue to be employed on a continuous basis by an Employer that is part of the former Ninth Farm Credit District.

If a Participant who is listed on Schedule B transfers employment to an Employer that is not part of the former Ninth Farm Credit District, that Participant shall continue to be eligible to receive an Employer Nonelective Contribution under this Section 3.11 with respect to Compensation that was earned prior to the date of the Participant’s transfer; however, the Participant will not be eligible to receive an Employer Nonelective Contribution under this Section 3.11 with respect to any Compensation that is earned after the date of the Participant’s transfer.

A Participant shall not be eligible to receive an Employer Nonelective Contribution under this Section 3.11, notwithstanding the fact that the Participant was listed on Schedule B as of October 1, 2007, if either of the following events takes place:

- (1) The Participant terminates employment and is subsequently reemployed by an Employer, without regard to whether or not the Employer is an Employer that is part of the former Ninth Farm Credit District; or
- (2) The Participant transfers to an Employer that is part of the former Ninth Farm Credit District from an Employer that was not part of the former Ninth Farm Credit District.

(B) **Ninth District Transition Credit.** An Employer Nonelective Contribution shall be provided following the end of each payroll period to those Participants who satisfy the eligibility conditions set forth in Section 3.11(A) in the amount set forth on Schedule B. This contribution shall be referred to as a “Ninth District Transition Credit.”

(C) **Ninth District Integrated Transition Credit.** In addition to the Ninth District Transition Credit, an integrated Employer Nonelective Contribution shall be provided following the end of each payroll period to those participants who satisfy the eligibility conditions set forth in Section 3.11(A); provided, however, that no such contribution shall be provided unless and until the Participant’s Compensation for the Plan Year exceeds the Social Security Taxable Wage Base. This contribution shall be referred to as a “Ninth District Integrated Transition Credit.” The amount of the Ninth District Integrated Transition Credit shall be equal to one percent (1%) of the difference between Participant’s Compensation for the Plan Year and the Social Security Taxable Wage Base.

(D) **Effective Date for Ninth District Transition Credits.** An Employer Nonelective Contribution shall be provided pursuant to this Section 3.11 for payroll periods ending on or after October 1, 2007. Schedule B, listing those Participants who are eligible to receive an Employer Nonelective Contribution under the provisions of this Section 3.11 as of October 1, 2007, and the amount of the Ninth District Transition Credit for each such Participant shall be approved by the Plan Sponsor Committee and attached as an appendix to this plan document as soon as administratively practicable after October 1, 2007.

(E) **Policies and Procedures.** The Plan Administrator shall have the authority to establish such policies and procedures as it may consider to be necessary or advisable with respect to the provisions of this Section 3.11.

3.12 **EMPLOYER NONELECTIVE CONTRIBUTIONS – EXCESS PAID LEAVE.** In addition to any other Employer Nonelective Contributions to which a Participant may be entitled, an Employer Nonelective Contribution shall be provided in accordance with the provisions of this Section 3.12:

(A) **Participants Eligible to Receive Contribution.** Eligibility to receive a fixed Employer Nonelective Contribution pursuant to this Section 3.12 is limited to Participants who are directly employed by one of the following Employers:

- (1) Farm Credit West, FLCA;
- (2) Federal Land Bank Association of Hawaii, FLCA;
- (3) Idaho AgCredit FLCA;
- (4) Federal Land Bank Association of Kingsburg, FLCA;
- (5) American AgCredit FLCA;
- (6) Western AgCredit FLCA; and
- (7) Yosemite Land Bank FLCA.

Participants who are not employed by one of the Employers listed above are not eligible to receive a contribution pursuant to this Section 3.12.

(B) **Amount of Nonelective Contribution.** The amount of the fixed Nonelective Contribution provided pursuant to this Section 3.12 shall be equal to the dollar value of the following:

- (1) The amount of the Participant's accumulated paid leave that cannot be carried forward as of the end of the Plan Year under the Employer's established leave policies; and/or
- (2) The amount of additional leave that the Participant would have accrued but for the maximum limit under the Employer's established leave policies as to the maximum amount of leave that may be accrued by an Employee.

(C) **Time Period for Contribution.** The fixed Employer Nonelective Contribution under Section 3.12(B) shall be provided as soon as administratively practicable following the end of the Plan Year.

(D) **Allocation Conditions.** As a condition of receiving the fixed Nonelective Contribution under Section 3.12(B), a Participant must be employed by an Employer on the last day of the Plan Year.

(E) **Provided Separately by Each Employer.** To the extent that a fixed Employer Nonelective Contribution is required to be made pursuant to this Section 3.12, that contribution shall be provided separately by each Employer and shall be allocated only to those Participants who are directly employed by that Employer.

(F) **Vesting.** As provided in Section 6.03, a Participant has a 100% vested interest at all times in any Employer Nonelective Contributions made pursuant to this Section 3.12.

3.13 **EMPLOYER NONELECTIVE CONTRIBUTIONS – DISABLED PARTICIPANTS.** In addition to any other Employer Nonelective Contributions to which a Participant may be entitled, a discretionary Employer Nonelective Contribution may be provided in accordance with the provisions of this Section 3.13.

(A) **Participants Eligible to Receive Contribution.** Eligibility to receive a discretionary Employer Nonelective Contribution pursuant to this Section 3.13 is limited to Former Consolidated Participants who are receiving benefits under a long-term disability policy issued to an Employer and who are not eligible to accrue additional benefits under the provisions of the AgriBank District Retirement Plan (formerly known as The Seventh Farm Credit District Retirement Plan), The Eleventh Farm Credit District Employees' Retirement Plan, and/or the Northwest FCS Retirement Plan that are applicable to disabled participants in such plan(s).

(B) **Amount of Nonelective Contribution.** The amount of the discretionary Nonelective Contribution provided pursuant to this Section 3.13 may not exceed the amount of the supplemental benefit that is payable to the Employer under the terms and conditions of the long-term disability policy under which the Participant has been determined to be disabled.

(C) **Time Period for Contribution.** The discretionary Employer Nonelective Contribution under this Section 3.13 will be provided as soon as administratively practicable following payment to the Employer of the supplemental benefit that is payable under the terms and conditions of the long-term disability policy under which the Participant has been determined to be disabled.

(D) **Vesting.** As provided in Section 6.03, a Participant has a 100% vested interest at all times in any Employer Nonelective Contributions made pursuant to this Section 3.13.

(E) **Transitional Nature/Expiration Date.** A discretionary Employer Nonelective Contribution to disabled Participants under this Section 3.13 may not be provided in any Plan Year beginning on or after January 1, 2009.

3.14 **FORFEITURE ALLOCATION.** The amount of a Participant's Account forfeited under the Plan is a Participant forfeiture. The Plan Administrator will allocate Participant forfeitures as follows:

(A) **Forfeiture Pool.** All forfeitures, regardless of source, will be placed into a forfeiture pool.

(B) **Payment of Plan Expenses.** The Plan Administrator will apply forfeitures in the forfeiture pool to reduce the Plan's ordinary and necessary administrative expenses.

(C) **Reduction of Employer Contributions.** The Plan Administrator will apply the balance of any forfeitures remaining in the forfeiture pool as of September 30 of each year to reduce Employer contributions. The reduction (if any) will be applied in December of each year.

The Plan Administrator will continue to hold the undistributed, non-Vested portion of the Account of a Participant who has Separated from Service solely for his/her benefit until a forfeiture occurs at the time specified in Section 6.07 (relating to the date on which a forfeiture will occur) or if applicable, until the time specified in Section 10.07 (relating to Lost Participants). Except as provided under Section 6.05 (relating to restoration of a forfeited account balance), a Participant will not share in the allocation of a forfeiture of any portion of his/her Account.

3.15 **USERRA CONTRIBUTIONS.** This Section 3.15 applies to an Employee who: (a) has completed qualified military service under USERRA; (b) has become re-employed by the Employer in accordance with USERRA; and (c) is a Participant entitled to make-up contributions under Code § 414(u).

(A) **Employer Nonelective Contributions.** The Employer will make-up any Employer Nonelective Contributions the Employer would have made and which the Plan Administrator would have allocated to the Participant's Account had the Participant remained employed by the Employer during the period of qualified military service.

(B) **Compensation.** For purposes of this Section 3.15, the Plan Administrator will determine an affected Participant's Compensation as follows: a Participant during his/her period of qualified military service is deemed to receive Compensation equal to that which the Participant would have received had he/she remained employed by the Employer, based on the Participant's rate of pay that would have been in effect for the Participant during the period of military service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the 12-month period immediately preceding the period of qualified military service, or, if less, the period of employment.

(C) **Elective Deferrals / Employee After-Tax Contributions.** The Plan Administrator must allow a Participant under this Section 3.15 to make-up Elective Deferrals or Employee After-Tax Contributions that could have been made to his/her account during the Participant's period of qualified military service.

- (1) The Participant may make up the maximum amount of Elective Deferrals or Employee After-Tax Contributions which he/she under the Plan terms would have been able to contribute during the period of qualified military service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted.
- (2) For make-up contributions that relate to Plan Years beginning on or after January 1, 2008, the Participant may designate all or a portion of his/her Elective Deferrals as Roth Deferrals. Such designation must be made prior to the date such make-up contributions are made in accordance with the procedures prescribed by the Plan Administrator.

- (3) The Participant must make any make-up contributions under this Section 3.15 commencing on his/her re-employment date and not later than five years following re-employment (or, if less, a period equal to three times the length of the Participant's qualified military service triggering such make-up contribution).

(D) **Matching Contributions.** The Employer will make-up any Matching Contribution that the Employer would have made and which the Plan Administrator would have allocated to the Participant's Account during the period of qualified military service based on the amount of any make-up Elective Deferrals or make-up Employee After-Tax Contributions that the Participant makes under Section 3.15(C).

(E) **Limitations.** Contributions made under this Section 3.15 are Annual Additions and are subject to the Elective Deferral Limit in the year to which such contributions are allocated, but not the year in which such contributions are made.

(F) **No Earnings.** A Participant receiving any make-up contributions under this Section 3.15 is not entitled to an allocation of any earnings on any such contribution prior to the time the Employer actually makes the contribution (or timely deposits the Participant's own make-up Elective Deferrals) to the Trust.

(G) **No Forfeitures.** A Participant receiving any make-up allocation under this Section 3.15 is not entitled to an allocation of forfeitures arising during the Participant's period of qualified military service.

(H) **Other Rules.** The Plan Administrator in applying this Section 3.15 will apply DOL Reg. § 1002.259 through § 1002.267, and any other future written guidance addressing the application of USERRA to the Plan.

3.16 **DECEASED PARTICIPANTS – HEART ACT.**

This Section 3.16 applies to a Participant: (a) who dies while performing qualified military service under USERRA; (b) who would have been entitled to become re-employed by the Employer in accordance with USERRA following the completion of his/her qualified military service; and (c) whose death takes place on or after January 1, 2007.

(A) **Treated as if Reemployed Under USERRA.** In the event this Section 3.16 applies to a Participant, such Participant shall be treated, for purposes of the Plan, as if he/she had become reemployed pursuant to the provisions of USERRA on the day immediately preceding the date of the Participant's death and the Beneficiary of such Participant shall be entitled to the same benefits that would have been payable had the Participant become reemployed on the day immediately preceding the date of the Participant's death.

(B) **Not Credited With Additional Service for the Period of Qualified Military Service.** A Participant who is treated, pursuant to the provisions of Section 3.16(A), as if he/she had become reemployed pursuant to the provisions of USERRA on the day immediately preceding the date of such Participant's death shall not, however, be credited with any additional Service under the Plan for the period of his/her qualified military service preceding his/her death.

**ARTICLE IV
EMPLOYEE AFTER-TAX CONTRIBUTIONS AND ROLLOVERS**

4.01 EMPLOYEE AFTER-TAX CONTRIBUTIONS.

The Plan permits Employee After-Tax Contributions. Employee After-Tax Contributions must be made through payroll deductions. The Employer will make Matching Contributions with respect to any Employee After-Tax Contributions in accordance with the provisions of Section 3.06 and Section 3.07.

4.02 ROLLOVER CONTRIBUTIONS.

The Plan Administrator will apply this Section 4.02 in administering Rollover Contributions to the Plan, if any.

(A) Policy Regarding Rollover Acceptance. The Plan Administrator operationally and on a nondiscriminatory basis, may elect to permit or not to permit Rollover Contributions to this Plan or may elect to limit an Eligible Employee's right or a Participant's right to make a Rollover Contribution. The Plan Administrator, operationally and on a nondiscriminatory basis, may also limit the source of Rollover Contributions that may be accepted by the Plan. The Plan Administrator may adopt, amend, or terminate any policy regarding the Plan's acceptance of Rollover Contributions. If the Plan Administrator permits Rollover Contributions, any Participant (or as applicable, any Eligible Employee) may make a Rollover Contribution to the Trust in accordance with the Rollover Contributions policy and procedures adopted by the Plan Administrator. Before accepting a Rollover Contribution, the Plan Administrator and/or the Trustee may require a Participant (or Eligible Employee) to furnish satisfactory evidence that the proposed transfer is in fact a "rollover contribution" which the Code permits an Employee to make to a qualified plan.

(B) Rollover Contributions Limited to Cash Only. To the extent that the Plan Administrator adopts a policy permitting Participants (or Eligible Employees) to make Rollover Contributions, such Rollover Contributions may be made only in the form of cash.

(C) Not an Annual Addition. A Rollover Contribution is not an Annual Addition under Article V.

(D) Pre-Participation Rollovers. If an Eligible Employee makes a Rollover Contribution to the Trust prior to satisfying the Plan's eligibility conditions, the Plan Administrator and Trustee must treat the Employee as a limited Participant (as described in Revenue Ruling 96-48 or in any successor ruling). A limited Participant does not share in the Plan's allocation of Employer contributions or Participant forfeitures and may not make Elective Deferrals until he/she actually becomes a Participant in the Plan. If a limited Participant has a Separation from Service prior to becoming a Participant in the Plan, the Trustee will distribute his/her Rollover Contributions Account to him/her in accordance with Article VII as if it were an Employer Contributions Account.

(E) Acceptance of Employee After-Tax Contributions. To the extent permitted by the Code and the Rollover Contribution policy adopted by the Plan Administrator, a Rollover Contribution may include Employee After-Tax Contributions to another plan, as adjusted for earnings, provided: (i) such amounts are directly rolled over into this Plan from another plan which is qualified under Code § 401(a); and (ii) the Plan accounts separately for the Rollover Contribution, including the Employee After-Tax Contributions and the earnings thereon.

4.03 VESTING OF EMPLOYEE AFTER-TAX CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS.

As set forth in Section 6.03, a Participant has a 100% Vested interest at all times in his/her Employee After-Tax Contributions Account and in his/her Rollover Contributions Account.

4.04 DISTRIBUTION OF EMPLOYEE AFTER-TAX CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS.

A Participant may elect to receive distribution prior to Separation from Service ("in-service distribution") of all or any part of his/her Employee After-Tax Contributions Account and/or his/her Rollover Contributions Account. A Participant will not incur a forfeiture of any Account under the Plan solely as a result of the distribution of his/her Employee After-Tax Contributions and/or his/her Rollover Contributions.

The Trustee, following a Participant's Separation from Service, will distribute to the Participant his/her Employee After-Tax Contributions Account and his/her Rollover Contributions Account in accordance with the provisions of Article VII in the same manner as the Trustee distributes the Participant's Vested Account Balance.

4.05 EMPLOYEE AFTER-TAX AND ROLLOVER CONTRIBUTIONS - INVESTMENT AND ACCOUNTING.

The Plan Administrator must maintain a separate Account in the name of each Participant to reflect his/her Employee After-Tax Contributions as adjusted for earnings. The Plan Administrator must also maintain a separate Account in name of each Participant to reflect his/her Rollover Contributions as adjusted for earnings. The Trustee will invest all Participant contributions as part of the Trust Fund.

4.06 QVECs. A QVEC is a deductible Participant contribution made to the Plan for a taxable year commencing prior to 1987. If a Participant has made QVECs to the Plan, the Plan Administrator must maintain a separate Account for the Participant's QVECs as adjusted for earnings, including QVECs which are part of a Rollover Contribution described in Section 4.04. The QVECs Account is part of the Participant's Account for all purposes of the Plan. The Plan Administrator may not use a Participant's QVECs Account to purchase life insurance on the Participant's behalf.

**ARTICLE V
LIMITATIONS**

5.01 ANNUAL ELECTIVE DEFERRAL LIMITATION. A Participant's Elective Deferrals for a calendar year (including Roth Deferrals) may not exceed the Elective Deferral Limit.

(A) **Definition of "Elective Deferral Limit."** The "Elective Deferral Limit" is the Code § 402(g) limitation on each Participant's Elective Deferrals for each calendar year.

(B) **Definition of "Excess Deferral."** A Participant's "Excess Deferral" is the amount by which the Participant's Elective Deferrals for a calendar year exceed the Elective Deferral Limit.

(C) **Limit.** The Elective Deferral Limit for 2007 is \$15,500. For calendar years after 2007, the Secretary of the Treasury will adjust the Elective Deferral Limit in multiples of \$500 under Code § 402(g)(4).

(D) **Suspension After Reaching Limit.** If, pursuant to a Salary Reduction Agreement, the Plan Administrator determines that a Participant's Elective Deferrals to the Plan for a calendar year would exceed the Elective Deferral Limit, the Plan Administrator will suspend the Participant's election to make Elective Deferrals until the following January 1.

(E) **Correction.** If the Plan Administrator determines that an Employee's elective deferrals already contributed to the Plan for a calendar year exceed the 402(g) limitation, the Plan Administrator will distribute the Excess Deferral, as adjusted for allocable income under Section 5.01(H), no later than April 15 of the following calendar year. If a Participant has Excess Deferrals and the Participant has made Roth Deferrals and pre-tax Elective Deferrals in the same calendar year, the Plan Administrator may operationally implement an ordering rule specifying the sequence in which pre-tax Elective Deferrals and Roth Deferrals will be distributed to the Participant.

(F) **Interaction with 415 "Annual Additions" Limit.** If the Plan Administrator distributes the Excess Deferral by the appropriate April 15, the Excess Deferral is not an Annual Addition under this Article V, and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code.

(G) **More than One Plan.** If a Participant participates in another plan subject to the 402(g) limitation under which he/she makes elective deferrals pursuant to a 401(k) arrangement, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a tax-sheltered annuity (irrespective of whether the Employer maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a calendar year. The Participant must submit the claim no later than the March 1 following the close of the particular calendar year and the claim must specify the amount of the Employee's Elective Deferrals under this Plan which are Excess Deferrals. If the Plan Administrator receives a timely claim, it may distribute the Excess Deferral (as adjusted for allocable income) the Participant has assigned to this Plan, in accordance with the distribution procedure described in this Section 5.01).

(H) **Allocable Income.** For purposes of making a distribution of excess deferrals pursuant to this Section 5.01, allocable income means net income or net loss allocable to the Excess Deferrals for the calendar year (but not beyond the calendar year) in which the Employee made the Excess Deferral, determined in a manner which is uniform, nondiscriminatory and reasonably reflective of the manner used by the Plan Administrator to allocate income to Participants' Accounts.

5.02 ANNUAL ADDITIONS LIMITATION. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(A) **Definition of "Annual Additions Limit."** The "Annual Additions Limit" (or "Maximum Permissible Amount") means the lesser of: (i) \$40,000 (or, if greater, the \$40,000 amount as adjusted under Code § 415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year. If there is a short Limitation Year because of a change in Limitation Year, the Plan Administrator will multiply the \$40,000 (or adjusted) limitation by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

(B) **Definition of "Annual Additions."** The term "Annual Additions" means the sum of the following amounts allocated to a Participant's Account for a Limitation Year: (i) Employer Contributions (including Elective Deferrals); (ii) forfeitures; and (c) Employee After-Tax Contributions. Catch-up Deferrals are not Annual Additions for purposes of the Annual Additions Limit.

(C) **Definition of "Excess Amount."** The term "Excess Amount" means the amount by which a Participant's Annual Additions for the Limitation Year exceed the Annual Additions Limit.

(D) **Definition of "Employer."** For purposes of the Annual Additions Limit, the term Employer means the Employer and any "related employer." Solely for purposes of applying the Annual Additions Limit, the Plan Administrator will determine whether an Employer is a "related employer" by modifying Code §§ 415(b) and (c) in accordance with Code § 415(h).

(E) **Definition of "Limitation Year."** The term "Limitation Year" means the calendar year. If the Employer amends the Limitation Year to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year for which the Employer makes the amendment, creating a short Limitation Year.

5.03 **ACTION TO PREVENT EXCESS ANNUAL ADDITIONS.** If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account would for the Limitation Year exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but will instead take any reasonable, uniform and nondiscriminatory action the Plan Administrator determines necessary to avoid allocation of an Excess Amount. Such actions include, but are not limited to, those described in this Section 5.03.

(A) **Plan Administrator May Maximize Employer Contributions.** The Plan Administrator may apply this Section 5.03 in a manner which maximizes the allocation to a Participant of contributions made by an Employer (exclusive of the Participant's Elective Deferrals).

(B) **Other Actions the Plan Administrator May Take.** Notwithstanding any contrary Plan provision, the Plan Administrator, for the Limitation Year, may: (i) suspend or limit a Participant's additional Employee After-Tax Contributions or Elective Deferrals; (ii) notify the Employer to reduce the Employer's future Plan contribution(s) as necessary to avoid allocation to a Participant of an Excess Amount; or (iii) suspend or limit the allocation to a Participant of any Employer contribution previously made to the Plan (exclusive of Elective Deferrals) or of any Participant forfeiture.

(C) **Reallocation of Employer Contributions.** If an allocation of Employer contributions previously made (excluding a Participant's Elective Deferrals) or of Participant forfeitures would result in an Excess Amount to a Participant's Account, the Plan Administrator will allocate the Excess Amount to the remaining Participants who are eligible for an allocation of Employer contributions for the Plan Year in which the Limitation Year ends. The Plan Administrator will make this allocation in accordance with the Plan's allocation method as if the Participant whose Account otherwise would receive the Excess Amount, is not eligible for an allocation of Employer contributions. If the Plan Administrator allocates to a Participant an Excess Amount, Plan Administrator must dispose of the Excess Amount in accordance with Section 5.06 (relating to certain "reasonable errors" and allocation of forfeitures) or, if Section 5.06 does not apply, the Plan Administrator will dispose of the Excess Amount under Section 10.08 (relating to plan corrections).

5.04 **ESTIMATING COMPENSATION.** Prior to the determination of the Participant's actual Compensation for a Limitation Year, the Plan Administrator may determine the Annual Additions Limit on the basis of the Participant's estimated annual Compensation for such Limitation Year. The Plan Administrator must make this determination on a reasonable and uniform basis for all Participants similarly situated. The Plan Administrator must reduce the allocation of any Employer contributions (including any allocation of forfeitures) based on estimated annual Compensation by any Excess Amounts carried over from prior Limitation Years.

5.05 **DETERMINATION BASED ON ACTUAL COMPENSATION.** As soon as is administratively practicable after the end of the Limitation Year, the Plan Administrator will determine the Annual Additions Limit for the Limitation Year on the basis of the Participant's actual Compensation for such Limitation Year.

5.06 **DISPOSITION OF ALLOCATED EXCESS AMOUNT.** If, because of a reasonable error in estimating a Participant's actual Limitation Year Compensation, because of the allocation of forfeitures, because of a reasonable error in determining a Participant's Elective Deferrals or because of any other facts and circumstances the Internal Revenue Service ("Revenue Service") considers to constitute a reasonable error, a Participant receives an allocation of an Excess Amount for a Limitation Year, the Plan Administrator will dispose of such Excess Amount as follows:

(A) **Employee After-Tax Contributions.** The Plan Administrator first will return to the Participant any Employee After-Tax Contributions (adjusted for earnings) to the extent necessary to reduce or eliminate the Excess Amount.

(B) **Elective Deferrals.** The Plan Administrator next will distribute to the Participant any Elective Deferrals (adjusted for earnings) to the extent necessary to reduce or eliminate an Excess Amount. However, the amount of a corrective distribution of an Excess Amount may not exceed the amount of the Participant's Elective Deferrals (adjusted for earnings) for the correction year. If the Participant has made Roth Deferrals and pre-tax Elective Deferrals in the same calendar year, the Plan Administrator may operationally implement an ordering rule specifying the sequence in which pre-tax Elective Deferrals and Roth Deferrals will be distributed to the Participant.

(C) **If Participant Is Still Covered.** If, after the application of Sections 5.06(A) and (B), an Excess Amount still exists and the Plan covers the Participant at the end of the Limitation Year, the Plan Administrator then will use the Excess Amount to reduce future Employer Nonelective Contributions (including any allocation of forfeitures) under the Plan for the next Limitation Year and for each succeeding Limitation Year, as is necessary, for the Participant. The Plan Administrator under this Section 5.06(C) will not distribute any Excess Amount(s) to Participants or to former Participants.

(D) **If Participant Is Not Still Covered/Suspense Account.** If, after the application of Sections 5.06(A) and (B), an Excess Amount still exists and the Plan does not cover the Participant at the end of the Limitation Year, the Plan Administrator then will hold the Excess Amount unallocated in a suspense account. The Plan Administrator will apply the suspense account to reduce Employer Contributions (including the allocation of forfeitures) for all remaining Participants in the next Limitation Year, and in each succeeding Limitation Year if necessary. Neither the Employer nor any Employee may contribute to the Plan for any Limitation Year in which the Plan is unable to allocate fully a suspense account maintained pursuant to this Section 5.06(D). Amounts held unallocated in a suspense account will not share in any allocation of Trust Fund net income, gain or loss. The Plan Administrator under this Section 5.06(D) will not distribute any Excess Amount(s) to Participants or to former Participants.

5.07 **NO COMBINED PLANS ANNUAL ADDITIONS LIMITATION.** This Plan does not calculate a combined § 415 limit based on this Plan and any defined benefit plans maintained by an Employer.

**ARTICLE VI
VESTING**

6.01 **NORMAL RETIREMENT AGE.** The Plan's Normal Retirement Age is the date the Participant attains age 65. A Participant's Account Balance derived from Employer contributions is 100% Vested upon and after his/her attaining Normal Retirement Age if the Participant is employed by the Employer on or after that date.

6.02 **PARTICIPANT DEATH OR DISABILITY.** A Participant's Account Balance derived from Employer Nonelective Contributions and/or Employer Matching Contributions is 100% Vested if the Participant's Separation from Service is a result of his/her death or his/her Disability.

6.03 **VESTING SCHEDULE.** A Participant has a 100% Vested interest at all times in his/her Elective Deferrals Account, in his/her Employee After-Tax Contributions Account, and in his/her Rollover Contributions Account. Additionally, a Participant has a 100% Vested interest at all times in fixed Employer Nonelective Contributions (if any) that are provided pursuant to Section 3.12 (relating to excess paid leave) and/or Section 3.13 (relating to certain disabled Participants).

(A) **Participants in the Ninth District Plan.** A Participant who was a Participant in the Ninth District Plan prior to January 1, 2007, has a 100% Vested interest in all Employer Matching Contributions and all Employer Nonelective Contributions that are contributed to the Plan.

(B) **All Other Participants.** A Former Consolidated Participant and/or a Foundations Participant will become vested in his/her Employer Matching Contributions Account and in all Employer Nonelective Contributions (other than those made pursuant to Section 3.12) that are contributed to the Plan according to the following vesting schedule:

- 0 Years of Service / 0%
- 1 Year of Service / 25%
- 2 Years of Service / 50%
- 3 Years of Service / 75%
- 4 Years of Service / 100%

6.04 **FORFEITURES.** The unvested portion of a Participant's Account shall be forfeited upon the occurrence of any one of the following events:

(A) **Forfeiture Break in Service.** The unvested portion of a Participant's Account shall be forfeited upon the occurrence of a Forfeiture Break in Service.

(B) **Cash-Out Distribution.** If, pursuant to Article VII, a partially-Vested Participant receives a cash-out distribution before he/she incurs a Forfeiture Break in Service, the Participant will incur an immediate forfeiture of the unvested portion of his/her Account. A cash-out distribution is a distribution to the Participant (whether involuntary or with required consent as described in Article VII), of his/her entire Vested Account Balance due to the Participant's Separation from Service.

(C) **Deemed Cash-out of 0% Vested Participant.** If a Participant is a "0% Vested Participant," the Participant's entire Account will be forfeited in accordance with the provisions of this Section 6.04(C). A "0% Vested Participant" is a Participant whose entire interest in his/her Account Balance derived from Employer contributions (including Elective Deferrals) is entirely unvested at the time of his/her Separation from Service. If a 0% Vested Participant's Account is not entitled to an allocation of Employer contributions for the Plan Year in which the Participant has a Separation from Service, the Plan Administrator will apply the deemed cash-out rule as if the 0% Vested Participant received a cash-out distribution on the date of the Participant's Separation from Service. If a 0% Vested Participant's Account is entitled to an allocation of Employer contributions or Participant forfeitures for the Plan Year in which the Participant has a Separation from Service, the Plan Administrator will apply the deemed cash-out rule as if the 0% Vested Participant received a cash-out distribution on the first day of the first Plan Year beginning after his/her Separation from Service.

6.05 **RESTORATION OF FORFEITED ACCOUNT BALANCES.** In the event that the unvested portion of a Participant's Account is forfeited in accordance with the provisions of Section 6.04, the amount that has been forfeited shall be restored in accordance with the following provisions:

(A) **No Restoration Following Forfeiture Break in Service.** The Plan Administrator will not restore a Participant's Account Balance if the Participant has incurred a Forfeiture Break in Service.

(B) **Restoration Following Cash-Out Distribution.** Following a cash-out distribution of the vested portion of a Participant's Account, the unvested portion of the Participant's Account will be restored if the Participant repays to the Trust the entire amount of the cash-out distribution attributable to Employer contributions (including Elective Deferrals) without any adjustment for gains and losses. If a re-employed Participant repays his/her cash-out distribution, the Plan Administrator must restore the Participant's Account Balance attributable to Employer contributions to the same dollar amount as the dollar amount of his/her Account Balance on the Accounting Date, or other valuation date, immediately preceding the date of the cash-out distribution, unadjusted for any gains or losses occurring subsequent to that Accounting Date, or other valuation date. The Plan Administrator will not restore a re-employed Participant's Account Balance under this Section 6.05(B) if:

- (1) Five years have elapsed since the Participant's first re-employment date with the Employer following the cash-out distribution;
- (2) The Participant is not in the Employer's Service on the date the Participant repays his/her cash-out distribution; or
- (3) The Participant has incurred a Forfeiture Break in Service.

(C) **Restoration Following Deemed Cash-Out.** For purposes of applying the restoration provisions of this Section 6.05, the Plan Administrator will treat a re-employed 0% Vested Participant as repaying his/her cash-out “distribution” on the date of the Participant’s re-employment with the Employer. The Plan Administrator will not restore a re-employed Participant’s Account Balance under this Section 6.05(C) if:

- (1) Five years have elapsed since the Participant’s first re-employment date with the Employer following the deemed cash-out distribution;
- (2) The Participant is not in the Employer’s Service on the date the Participant repays his/her cash-out distribution; or
- (3) The Participant has incurred a Forfeiture Break in Service.

(D) **Time and Method of Forfeiture Restoration.** If a Participant is entitled to restoration of the Participant’s Account Balance under this Section 6.05, the Plan Administrator will restore the Participant’s Account Balance as of the Plan Year Accounting Date coincident with or immediately following the repayment. To restore the Participant’s Account Balance, the Plan Administrator, to the extent necessary, will allocate to the Participant’s Account the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate under Section 3.14 (relating to allocation of forfeitures).

To the extent the amount of Participant forfeitures is insufficient to enable the Plan Administrator to make the required restoration, the Employer must contribute, without regard to any requirement or condition of Article III, the additional amount necessary to enable the Plan Administrator to make the required restoration.

If, for a particular Plan Year, the Plan Administrator must restore the Account Balance of more than one re-employed Participant, the Plan Administrator will make the restoration allocations from Participant Forfeitures to each such Participant’s Account in the same proportion that a Participant’s restored amount for the Plan Year bears to the restored amount for the Plan Year of all re-employed Participants. A cash-out restoration allocation is not an Annual Addition for purposes of the Annual Additions Limit.

6.06 ACCOUNTING FOR CASH-OUT REPAYMENT. As soon as is administratively practicable, the Plan Administrator will credit to the Participant’s Account the cash-out amount a Participant has repaid to the Plan. Pending the restoration of the Participant’s Account Balance, the Plan Administrator under Section 10.05(B) may direct the Trustee to place the Participant’s cash-out repayment in a temporary segregated investment Account. Unless the cash-out repayment qualifies as a Participant Rollover Contribution, the Plan Administrator will direct the Trustee to repay to the Participant as soon as is administratively practicable, the full amount of the Participant’s cash-out repayment if the Plan Administrator determines any of the conditions of Section 6.05 prevents restoration as of the applicable Accounting Date, notwithstanding the Participant’s repayment.

6.07 FORFEITURE OCCURS. A Participant’s forfeiture of his/her non-Vested Account Balance derived from Employer contributions occurs under the Plan on the earlier of:

- (A) The last day of the Plan Year in which the Participant first incurs a Forfeiture Break in Service; or
- (B) The date the Participant receives a cash-out distribution.

The Plan Administrator determines the percentage of a Participant’s Account Balance forfeiture, if any, under this Section 6.07 solely by reference to the vesting schedule set forth in Section 6.03 of this Plan. A Participant does not forfeit any portion of his/her Account Balance for any other reason or cause except as expressly provided by Section 6.04 or this Section 6.07 or as provided under Section 10.07 (relating to Lost Participants).

6.08 RULE OF PARITY - VESTING. The Plan will not apply the “rule of parity” under Code § 411(a)(6)(D) for purposes of determining vesting Years of Service. Under the rule of parity, the Plan Administrator excludes a Participant’s Years of Service before a Break in Service if: (a) the number of the Participant’s consecutive Breaks in Service equals or exceeds five; and (b) the Participant is 0% Vested in his/her Account Balance derived from Employer contributions at the time he/she has the Breaks in Service.

6.09 AMENDMENT TO VESTING SCHEDULE. The Employer, under Section 12.02, may amend the Plan’s vesting schedule(s) under Section 6.03 at any time. However, the Plan Administrator will not apply the amended vesting schedule to reduce any Participant’s existing Vested percentage (determined on the later of the date the Employer adopts the amendment or the date the amendment becomes effective) in the Participant’s existing and future Account Balance attributable to Employer contributions, to a percentage less than the Vested percentage computed under the Plan without regard to the amendment.

6.10 ELECTIVE DEFERRALS TAKEN INTO ACCOUNT. The vesting rules described in Article VI must take into account a Participant’s Elective Deferrals for purposes of determining: (a) if a Participant’s distribution is of his/her entire Vested Account balance as required for a cash-out distribution under Section 6.04; (b) if a Participant repays the entire amount of a prior cash-out distribution so the Participant is entitled to restoration under Section 6.05; and (c) if a Participant is 0% vested under Section 6.04(C) and under Section 6.06.

ARTICLE VII DISTRIBUTIONS

7.01 **DISTRIBUTION EVENTS.** The Plan permits (or as may be applicable, requires) a distribution to be made in the event of the following:

(A) **Separation from Service.** Upon a Separation from Service for any reason (other than the Participant's death) in accordance with the provisions of Section 7.02;

(B) **Death of the Participant.** Upon the death of a Participant in accordance with the provisions of Section 7.03;

(C) **In-Service Distribution at Age 59½.** In the event the Participant requests and satisfies the conditions for receiving an in-service distribution upon the attainment of age 59½ in accordance with the provisions of Section 7.04;

(D) **In-Service Distribution Upon the Occurrence of a Disability.** In the event the Participant requests and satisfies the conditions for receiving an in-service distribution upon the occurrence of a Disability in accordance with the provisions of Section 7.05;

(E) **Hardship Distributions.** Upon the occurrence of a hardship in accordance with the provisions of Section 7.06;

(F) **QDROs.** If a distribution to an alternate payee is required pursuant to the terms of a qualified domestic relations order ("QDRO") in accordance with the provisions of Section 7.07;

(G) **Distribution of Certain Matching Contributions from the Fourth Farm Credit District Plan.** In the event the Participant requests and satisfies the conditions for receiving a distribution of certain matching contributions transferred from The Fourth Farm Credit District Plan in accordance with the provisions of Section 7.14;

(H) **Distribution of Certain Deductible Employee Contributions.** In the event that, in accordance with the provisions of Section 7.15, the Participant requests and satisfies the conditions for receiving a distribution of amounts derived from any deductible Employee Contributions previously made to The Seventh Farm Credit District Retirement Savings Plan not in excess of the credit balance of the Participant's vested 6th District IRA Account;

(I) **Required Minimum Distributions.** If a required minimum distribution is required in accordance with the provisions of Section 7.08; and/or

(J) **In-Service Distribution of Rollover Contributions and/or Employee After-Tax Contributions.** A distribution from a Participant's Rollover Contributions Account and/or Employee After-Tax Contributions Account shall be made in accordance with the provisions of Section 4.04.

(K) **Qualified Reservist Distributions (HEART Act).** For purposes of receiving a distribution of his/her Elective Deferrals (including earnings thereon), but not for any other purpose, a Participant who is performing service in the uniformed services (as that term is defined in USERRA) shall be treated as having been severed from employment during the period such Participant is performing service in the uniformed services. A Participant who receives a distribution pursuant to the provisions of this Section 7.01(K) shall not be permitted to make Elective Deferrals or Employee After-Tax Contributions to the Plan for the 6-month period following the date of the Participant's receipt of such distribution. This Section 7.01(K) shall apply to Plan Years beginning on or after December 31, 2008.

7.02 **SEPARATION FROM SERVICE.** The Plan Administrator will direct the Trustee to commence distribution of a Participant's Vested Account Balance in accordance with this Section 7.02 upon the Participant's Separation from Service for any reason (other than death). The Trustee may make Plan distributions on any administratively practicable date during the Plan Year, consistent with the provisions of this Article VII.

(A) **Participant's Vested Account Balance not exceeding \$1,000.** Upon the Participant's Separation from Service for any reason other than death, the Plan Administrator (without any requirement of Participant consent) will direct the Trustee to distribute the Participant's Vested Account Balance (determined in accordance with Section 7.02(F)) not exceeding \$1,000 in a lump sum, as soon as administratively practicable following the Participant's Separation from Service.

(B) **Participant's Vested Account Balance exceeds \$1,000.** Upon the Participant's Separation from Service for any reason other than death, the Plan Administrator will direct the Trustee to commence distribution of the Participant's Vested Account Balance (determined in accordance with Section 7.02(E)) exceeding \$1,000, in a form under Section 7.09 elected by the Participant and in accordance with the consent and distribution election made by the Participant (as described in Section 7.02(E)).

In the absence of a Participant's consent and distribution election (as described in Section 7.02(E)), the Plan Administrator will treat the Participant as having elected to postpone his/her distribution until the date on which the Participant is required to commence distributions under the provisions of Section 7.08 (providing for required minimum distributions), as that section may be amended from time to time, or until such date as the Participant returns a completed consent and distribution election form (as described in Section 7.02(E)).

(C) **Disability.** If the Participant's Separation from Service is because of his/her Disability, the Plan Administrator will direct the Trustee to pay the Participant's Vested Account Balance in the same manner as if the Participant had incurred a Separation from Service without Disability.

(D) **Distribution Notice/Annuity Starting Date.** At least 30 days and not more than 180 days prior to the Participant's annuity starting date, the Plan Administrator must provide a written notice (or a summary notice as permitted under Treasury regulations) to a Participant who is eligible to make an election under Section 7.02(B) ("distribution notice"). The distribution notice must explain the optional forms of benefit in the Plan, including the material features and relative values of those options, and the Participant's right to postpone distribution until the applicable date described in Section 7.02(B). For all purposes of this Article VII, the term "annuity starting date" means the first day of the first period for which the Plan pays an amount as an annuity or in any other form but in no event is the "annuity starting date" earlier than a Participant's Separation from Service.

(E) **Consent Requirements/Participant Distribution Election.** A Participant must consent, in writing, following receipt of the distribution notice, to any distribution under this Section 7.02, if at the time of the distribution to the Participant, the Participant's Vested Account Balance exceeds \$1,000 and the Participant has not attained the later of Normal Retirement Age or age 62. Accounts which are distributable prior to the foregoing applicable age are "immediately distributable." The Participant may reconsider his/her distribution election at any time prior to the annuity starting date and elect to commence distribution as of any other distribution date permitted under the Plan. A Participant may elect to receive distribution at any administratively practicable time which is earlier than 30 days following the Participant's receipt of the distribution notice, by waiving in writing the balance of the 30 days. The consent requirements of this Section 7.02(E) do not apply with respect to defaulted loans described in Section 11.03(E). A Participant may elect to receive a partial withdrawal in any amount that is less than the amount of the Participant's Vested Account Balance.

(F) **Determination of Vested Account Balance.** For purposes of the consent requirements under this Article VII, the Plan Administrator determines a Participant's Vested Account Balance as of the most recent valuation date immediately prior to the distribution date, and takes into account the Participant's entire Account, including Elective Deferrals, Rollover Contributions (including earnings thereon), and any amounts attributable to Employee After-Tax Contributions (including earnings thereon). The Plan Administrator, in determining the Participant's Vested Account Balance at the relevant time, will disregard a Participant's Vested Account Balance existing on any prior date, except as the Code otherwise may require.

(G) **Consent to cash-out/forfeiture.** If a Participant is partially-Vested in his/her Account Balance, a Participant's election under Section 7.02(B) to receive distribution prior to the Participant's incurring a Forfeiture Break in Service, must be in the form of a cash-out distribution as defined in Section 6.04.

(H) **Return to employment.** A Participant may not receive a distribution by reason of Separation from Service, or continue any installment distribution based on a prior Separation from Service, if, prior to the time the Trustee actually makes the distribution, the Participant returns to employment with the Employer.

(I) **Automatic Rollover Requirement.** If each of the following conditions is met, the Plan Administrator must pay a distribution to an individual retirement account designated by the Plan Administrator:

- (1) The distribution is a mandatory distribution that is being made pursuant to the provisions of Section 7.02(A);
- (2) The distribution is being made to the Participant;
- (3) The amount of the distribution (including any Rollover Contributions to the Participant's Account and any earnings thereon) is greater than \$1,000; and
- (4) The Participant did not elect to have such distribution paid directly to an "eligible retirement plan," as that term is defined in Section 7.11(D)(2), or to receive the distribution directly.

7.03 **DISTRIBUTION UPON DEATH.** In the event of the Participant's death (whether the death occurs before or after the Participant's Separation from Service), the Plan Administrator will direct the Trustee, in accordance with this Section 7.03 (and subject to the required minimum distribution provisions set forth in Section 7.08), to distribute to the Participant's Beneficiary the Participant's Vested Account Balance remaining in the Trust at the time of the Participant's death.

(A) **Timing of Distribution.** Subject to the right (if any) of a surviving Spouse to make a distribution election pursuant to Section 7.03(D), the Plan Administrator must direct the Trustee to distribute or commence distribution of the deceased Participant's Vested Account Balance, as soon as administratively practicable following the Participant's death or, if later, the date on which the Plan Administrator receives notification of, or otherwise confirms, the Participant's death.

(B) **Participant's Vested Account Balance not exceeding \$1,000.** If the Participant's Vested Account Balance determined in accordance with Section 7.02(F) does not exceed \$1,000, the Trustee will distribute the balance in a lump sum.

(C) **Participant's Vested Account Balance exceeds \$1,000.** If the Participant's Vested Account Balance exceeds \$1,000, the Trustee will distribute the balance subject to the right (if any) of a surviving Spouse to make a distribution election under Section 7.03(D).

(D) **Distribution Election by Surviving Spouse.** If the Participant's death benefit exceeds \$1,000 and is payable in full to the Participant's surviving Spouse, the surviving Spouse may elect distribution at any time and in any form the Plan would permit a Participant to elect upon Separation from Service.

(E) **Participant Election.** The Participant, on a form prescribed by the Plan Administrator, may elect the payment method or the payment term or both, which will apply to any Beneficiary, including his/her surviving Spouse. The Participant's election may limit any Beneficiary's right to increase the frequency or the amount of any payments. Any payment term elected by the Participant must not exceed the payment term the Code otherwise would permit the Beneficiary to elect upon the Participant's death.

7.04 **IN-SERVICE DISTRIBUTION UPON ATTAINING AGE 59½.** Upon attaining age 59½, and until he/she incurs a Separation from Service, a Participant has a continuing election to receive all or any portion of his/her Vested Account Balance, including Employer contributions and Participant contributions.

(A) **Distribution Election.** A Participant must make any permitted in-service distribution election under this Section 7.04 in writing and on a form prescribed by the Plan Administrator which specifies the percentage or dollar amount of the distribution. The Plan Administrator may establish procedures specifying the method in which an in-service distribution will be allocated among the Participant's Accounts.

(B) **Timing of Distribution.** The Trustee, as directed by the Plan Administrator and subject to the notice and consent requirements set forth in Sections 7.02(D) and 7.02(E), will distribute the amount(s) a Participant elects in single sum, as soon as administratively practicable after the Participant files his/her in-service distribution election with the Plan Administrator. The Trustee will distribute the Participant's remaining Account Balance in accordance with the other provisions of this Article VII.

(C) **Not Applicable to Amounts Transferred from a Money Purchase Pension Plan.** Notwithstanding any provision of this Section 7.04 to the contrary, an in-service distribution is not available with respect to any assets (including the post-transfer earnings thereon) and liabilities that are transferred (within the meaning of Code § 414(1)) to this Plan from a money purchase pension plan qualified under Code § 401(a) (other than any portion of those assets and liabilities that may be attributable to After-Tax Contributions).

7.05 **IN-SERVICE DISTRIBUTION UPON THE OCCURRENCE OF A DISABILITY.** Upon the occurrence of a Disability and until he/she incurs a Separation from Service, a Participant has a continuing election to receive all or any portion of his/her Vested Account Balance, including Employer contributions and Participant contributions.

(A) **Distribution Election.** A Participant must make any permitted in-service distribution election under this Section 7.05 in writing and on a form prescribed by the Plan Administrator which specifies the percentage or dollar amount of the distribution. The Plan Administrator may establish procedures specifying the method in which an in-service distribution will be allocated among the Participant's Accounts.

(B) **Timing of Distribution.** The Trustee, as directed by the Plan Administrator and subject to the notice and consent requirements set forth in Sections 7.02(D) and 7.02(E), will distribute the amount(s) a Participant elects in single sum, as soon as administratively practicable after the Participant files his/her in-service distribution election with the Plan Administrator. The Trustee will distribute the Participant's remaining Account Balance in accordance with the other provisions of this Article VII.

(C) **Not Applicable to Amounts Transferred from a Money Purchase Pension Plan.** Notwithstanding any provision of this Section 7.05 to the contrary, an in-service distribution is not available with respect to any assets (including the post-transfer earnings thereon) and liabilities that are transferred (within the meaning of Code § 414(1)) to this Plan from a money purchase pension plan qualified under Code § 401(a) (other than any portion of those assets and liabilities that may be attributable to After-Tax Contributions).

7.06 **HARDSHIP DISTRIBUTION.** A Participant has a continuing election to receive a hardship distribution of all or any portion of his/her Elective Deferrals Account, Roth Deferrals Account, and/or Employer Matching Contributions Account, subject to the conditions and restrictions set forth in this Section 7.06.

(A) **Definition of Hardship Distribution.** For purposes of this Plan, a hardship distribution is a distribution on account of one or more of the following immediate and heavy financial needs: (i) expenses for (or necessary to obtain) medical care that would be deductible under Code § 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income); (ii) costs directly related to the purchase (excluding mortgage payments) of a principal residence of the Participant; (iii) payment of post-secondary education tuition and related educational fees (including room and board), for the next 12-month period, for the Participant, for the Participant's Spouse, or for any of the Participant's dependents; (iv) payments necessary to prevent the eviction of the Participant from his/her principal residence or the foreclosure on the mortgage of the Participant's principal residence; (v) payments for burial or funeral expenses for the Participant's deceased parent, Spouse, children, or dependents; or (vi) expenses to repair damage to the Participant's principal residence that would qualify for the casualty deduction under Code § 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(B) Restrictions Applicable to Hardship Distributions from a Participant's Elective Deferrals Account / Roth Deferrals Account. The following restrictions apply to a Participant who receives a hardship distribution from his/her Elective Deferrals Account and/or Roth Deferrals Account: (i) the Participant may not make elective deferrals or Employee After-Tax Contributions to the Plan for the 6-month period following the date of receipt for his/her hardship distribution; (ii) the distribution may not exceed the amount of the Participant's immediate and heavy financial need (including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution); and (iii) the Participant must have obtained all distributions, other than hardship distributions, and all nontaxable loans (determined at the time of the loan) currently available under this Plan and all other qualified plans maintained by the Employer. The suspension of elective deferrals and Employee After-Tax Contributions described in clause (i) also must apply to all other qualified plans and to all nonqualified plans of deferred compensation maintained by the Employer, other than any mandatory employee contribution portion of a defined benefit plan, including stock option, stock purchase, and other similar plans, but not including health or welfare benefit plans (other than the cash or deferred arrangement portion of a cafeteria plan). The Plan Administrator, absent actual contrary knowledge, may rely on a Participant's written representation that the distribution is on account of hardship (as defined in Section 7.06(A)) and also satisfies clause (ii). In addition, clause (iii) regarding loans does not apply if the loan to the Participant would increase the Participant's hardship need.

(C) Earnings. A hardship distribution may not include earnings on an Employee's Elective Deferrals credited after December 31, 1988.

(D) Not Applicable to Amounts Transferred from a Money Purchase Pension Plan. A hardship distribution is not available with respect to any assets (including the post-transfer earnings thereon) and liabilities that are transferred (within the meaning of Code § 414(1)) to this Plan from a money purchase pension plan qualified under Code § 401(a).

(E) Ordering Rule for Hardship Distributions. In the event that a Participant has requested a hardship distribution and the Participant has both an Elective Deferrals Account and a Roth Deferrals Account, the Plan Administrator may operationally implement an ordering rule specifying the sequence in which pre-tax Elective Deferrals and Roth Deferrals will be distributed to the Participant.

7.07 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs).

Notwithstanding any other provision of this Plan, the Trustee, in accordance with the direction of the Plan Administrator, must comply with the provisions of a QDRO, as defined in Code § 414(p), which is issued with respect to the Plan.

(A) Timing of Distribution. This Plan specifically permits distribution to an alternate payee under a QDRO at any time, irrespective of whether the Participant has attained his/her earliest retirement age (as defined under Code § 414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if: (i) the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution; and (ii) if the present value of the alternate payee's benefits under the Plan exceeds \$1,000, and the QDRO requires the consent of the alternate payee for a distribution to the alternate payee that is made prior to the Participant's attainment of the earliest retirement age under the Plan, the alternate payee consents to the distribution.

(B) Form of Distribution. Nothing in this Section 7.07 authorizes the alternate payee to receive a form of payment which the Plan does not permit.

(C) Participant Not Entitled to Distribution. Nothing in this Section 7.07 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit.

(D) QDRO Procedures. The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator will promptly notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator may provide notice under this Section 7.07(D) by mailing the notice to the individual's address as specified in the domestic relations order, or in a manner consistent with DOL regulations (notwithstanding the fact that the Plan, as a governmental plan, is not subject to Title I of ERISA).

(E) Separate Accounting. If any portion of the Participant's Vested Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable.

(F) QDRO Determination Period. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

(G) **Segregated Investment Account.** To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator under Section 10.05(B) may direct the Trustee to segregate the QDRO amount in a segregated investment account.

(H) **Method of Payment or Distribution.** The Trustee will make any payments or distributions required under this Section 7.07 by separate benefit checks or other separate distribution to the alternate payee(s).

7.08 **REQUIRED MINIMUM DISTRIBUTIONS.**

(A) **Definitions.** The following definitions shall apply to this Section 7.08.

- (1) **“Designated Beneficiary”** means the individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under Code § 401(a)(9) and Treas. Reg. § 1.401(a)(9)-1, Q&A-4.
- (2) A **“Distribution Calendar Year” (“DCY”)** is a calendar year for which a minimum distribution is required. For distributions beginning before the Participant’s death, the first DCY is the calendar year immediately preceding the calendar year which contains the Participant’s RBD. For distributions beginning after the Participant’s death, the first DCY is the calendar year in which distributions are required to begin under Section 7.08(B)(2). The required minimum distribution for other DCYs, including the required minimum distribution for the DCY in which the Participant’s RBD occurs, will be made on or before December 31 of that DCY.
- (3) A Participant’s **“Distribution Commencement Date” (“DCD”)** generally means the Participant’s RBD. However, if Section 7.08(B)(2)(d) applies, the DCD is the date distributions are required to begin to the surviving Spouse under Section 7.08(B)(2)(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the otherwise applicable DCD, then the DCD is the date distributions actually commence.
- (4) **“Life Expectancy”** refers to Life Expectancy as computed by use of the Single Life Table in Treas. Reg. § 1.041(a)(9)-9.

(5) A **“Participant’s Account Balance”** is the account balance as of the last valuation date in the calendar year immediately preceding the DCY (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by valuations made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(6) A Participant’s **“Required Beginning Date” (“RBD”)** is determined as follows:

- (a) **More than 5% owner.** A Participant’s RBD is the April 1 following the close of the calendar year in which the Participant attains age 70½ if the Participant is a more than 5% owner (as defined in Code § 416) with respect to the Plan Year ending in that calendar year. If a Participant is a more than 5% owner at the close of the relevant calendar year, the Participant may not discontinue required minimum distributions notwithstanding the Participant’s subsequent change in ownership status.
- (b) **Other Participants.** If the Participant is not a more than 5% owner, his/her RBD is the April 1 following the close of the calendar year in which the Participant incurs a Severance of Employment or, if later, the April 1 following the close of the calendar year in which the Participant attains age 70½.

(B) **Time and Manner of Distribution.**

- (1) **Required Beginning Date.** The Participant’s entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant’s Required Beginning Date (“RBD”).
- (2) **Death of Participant Before Distribution Commencement Date.** If the Participant dies before the Participant’s DCD, the Participant’s entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (a) **Spouse Sole Beneficiary.** If the Participant’s surviving Spouse is the Participant’s sole Designated Beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

- (b) **Other Designated Beneficiary.** If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (c) **No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (d) **Death of Surviving Spouse.** If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, then Section 7.08(D)(2) and this Section 7.08(B)(2) (other than Section 7.08(B)(2)(a)) will apply as if the surviving Spouse were the Participant.
 - (e) **Election as to Five-Year Rule/Life Expectancy Rule.** Participants or beneficiaries may elect on an individual basis whether the five-year rule of Section 7.08(B)(2)(c) or the Life Expectancy rule in Sections 7.08(B)(2) and 7.08(D)(2) applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 7.08(B)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving Spouse's) death. If neither the Participant nor Beneficiary makes an election under this Subsection, distributions will be made in accordance with Sections 7.08(B)(2) and 7.08(D)(2).
- (3) **Forms of Distribution.** Unless the Participant's interest is distributed in a single sum on or before the RBD, as of the first distribution calendar year ("DCY") distributions will be made in accordance with Section 7.08(C) and (D).

(C) Required Minimum Distributions During Participant's Lifetime.

- (1) **Amount of Required Minimum Distribution for Each DCY.** During the Participant's lifetime, the minimum amount that will be distributed for each DCY is the lesser of:
 - (a) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the DCY; or
 - (b) If the Participant's sole Designated Beneficiary for the DCY is the Participant's Spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the DCY.
 - (2) **Lifetime RMDs Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section 7.08(C) beginning with the first DCY and up to and including the DCY that includes the Participant's date of death or until the Participant's account balance is completely distributed.
- (D) Required Minimum Distributions After Participant's Death.**
- (1) **Death On or After DCD.** This Section 7.08(D)(1) applies if the Participant dies on or after his/her DCD.
 - (a) **Participant Survived by Designated Beneficiary.** If there is a Designated Beneficiary, the minimum amount that will be distributed for each DCY after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the Participant's remaining Life Expectancy or the designated beneficiary's remaining Life Expectancy, determined as follows:
 - (i) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

- (ii) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each DCY after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For DCYs after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
 - (iii) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (b) **No Designated Beneficiary.** If there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each DCY after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (2) **Death Before DCD.** This Section 7.08(D)(2) applies if the Participant dies before his/her DCD.
- (a) **Participant Survived by Designated Beneficiary.** If there is a Designated Beneficiary, the minimum amount that will be distributed for each DCY after the year of that Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining Life Expectancy of the Participant's designated beneficiary, determined as provided in Section 7.08(D)(1)(a).
 - (b) **No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, see Section 7.08(B)(2)(c).

(E) **Operating Rules.**

- (1) **Precedence.** The requirements of this Section 7.08 will take precedence over any inconsistent provisions of the Plan.
- (2) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section 7.08 will be determined and made in accordance with Treasury regulations under Code § 401(a)(9).
- (3) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("TEFRA") and the provisions of the Plan that relate to TEFRA § 242(b)(2).

7.09 **METHOD OF DISTRIBUTION.** Subject to any contrary requirements imposed by Section 7.03 (relating to distributions upon death), Section 7.04 (relating to in-service distributions upon attaining age 59½), Section 7.05 (relating to in-service distributions upon the occurrence of a Disability), Section 7.06 (relating to hardship distributions), or Section 7.08 (relating to required minimum distributions), a Participant or a Beneficiary may elect distribution under one, or any combination, of the following methods: (a) by payment in a lump sum (including, if so requested, payment of only a specified amount or portion of a Participant's Vested Account Balance that is less than the entire Vested Account Balance); or (b) by payment in periodic installments over a fixed reasonable period of time, not exceeding the life expectancy of the Participant or, if shorter, a period of twenty years.

(A) **Dollar Amount of Installment Payments.** If payments are made in installments, the dollar amount of each periodic payment shall be substantially equal. Notwithstanding the preceding sentence, the dollar amount of payments being made in periodic installments may be adjusted from time to time to reflect changes in the Participant's Vested Account Balance; provided, however, that a Participant or a Beneficiary who has elected to receive payment in the form of monthly installments may further elect for the amount of such monthly payments to remain fixed until such time as payments are completed or suspended or, if earlier, the entire Vested Account Balance has been distributed.

(B) **Changes to Installment Distribution Election.** Subject to the provisions of Section 7.08 (relating to required minimum distributions), a Participant or Beneficiary who has elected to receive payments in the form of periodic installments may elect, in accordance with such procedures as the Plan Administrator may establish, to change his/her previous distribution election as follows:

- (1) **Installment Frequency.** A Participant or Beneficiary may elect to receive installment payments in a different frequency than that originally elected;

- (2) **Suspension of Installment Payments.** A Participant or Beneficiary may elect to suspend the further receipt of any installment payments that have not yet been made until such time as the Participant or Beneficiary makes a new distribution election;
- (3) **Receipt of Lump Sum.** A Participant or Beneficiary may elect to receive the remaining portion of the Participant's Vested Account Balance in the form of a lump-sum payment.

(C) **Partial Distributions Pending Final Accounting.** Pending final accounting for a valuation date, the Plan Administrator may make a partial distribution to a Participant who has incurred a Separation from Service or to a Beneficiary.

7.10 **DEFAULTED LOAN – TIMING OF OFFSET.**

If a Participant or a Beneficiary defaults on a Plan loan, the Plan Administrator will determine the timing of the reduction (offset) of the Participant's Vested Account Balance in accordance with this Section 7.10 and the Plan Administrator's loan policy. If, under the loan policy a loan default also is a distributable event under the Plan, the Trustee, at the time of the loan default, will offset the Participant's Vested Account Balance by the lesser of the amount in default (including accrued interest) or the Plan's security interest in that Vested Account Balance. To the extent the loan is attributable, however, to the Participant's Elective Deferrals Account, the Trustee will not offset the Participant's Vested Account Balance prior to the earlier of the date the Participant incurs a Separation from Service or the date the Participant attains age 59½.

7.11 **DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.**

(A) **Participant Election.** A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of his/her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this Section 7.11, a Participant includes as to their respective interests, a Participant's surviving Spouse and the Participant's Spouse or former Spouse who is an alternate payee under a QDRO.

(B) **Rollover and Withholding Notice.** At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the consequences of failing to elect the rollover option, including, but not limited to, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). If applicable, the rollover notice also must explain the availability of income averaging and the exclusion of

net unrealized appreciation. A recipient of an eligible rollover distribution (whether he/she elects a direct rollover or elects to receive the distribution) also may elect to receive distribution at any administratively practicable time which is earlier than 30 days following receipt of the rollover notice.

(C) **Default rollover.** The Plan Administrator, in the case of a Participant who does not respond timely to the notice described in Section 7.11(B), may make a direct rollover of the Participant's Account (as described in Revenue Ruling 2000-36 or in any successor guidance) in lieu of distributing the Participant's Account.

(D) **Definitions.** The following definitions apply to this Section 7.11:

- (1) **Eligible rollover distribution.** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the Participant except as provided below.
 - (a) An eligible rollover distribution does not include: (i) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more; (ii) any Code § 401(a)(9) required minimum distribution; (iii) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion of net unrealized appreciation with respect to employer securities); (iv) any amount that is distributed on account of hardship; and (v) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.
 - (b) A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of Employee After-Tax Contributions, which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code §§ 408(a) or (b), or to a qualified defined contribution plan described in Code §§ 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.

- (2) **Eligible retirement plan.** An eligible retirement plan is an individual retirement account described in Code § 408(a), an individual retirement annuity described in Code § 408(b), an annuity plan described in Code § 403(a), or a qualified trust described in Code § 401(a), which accepts the Participant's or alternate payee's eligible rollover distribution. An eligible retirement plan shall also mean an annuity contract described in Code § 403(b) and an eligible plan under Code § 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. With regard to a Participant's Roth Deferral Account, however, an eligible retirement plan is a Roth IRA described in Code § 408A or a Roth account in another qualified plan or in a 403(b) arrangement. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a qualified domestic relation order, as defined in Code § 414(p).
- (3) **Direct rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

7.12 **NONSPOUSE ROLLOVERS.** To the extent permitted under Code § 402(c)(11) and such guidance as may be subsequently issued by the Treasury, a Beneficiary who is not the Spouse of a Participant may elect, at the time and in the manner prescribed by the Plan Administrator, to have his/her entire distribution from the Plan paid directly to a "inherited IRA" specified by the Beneficiary in a direct rollover election.

7.13 **TEFRA ELECTIONS.** Notwithstanding any provision to the contrary in Section 7.02 (relating to distribution following separation from service), Section 7.03 (relating to distributions upon death), Section 7.04 (relating to in-service distributions upon attaining age 59½), Section 7.05 (relating to in-service distributions upon the occurrence of a Disability), Section 7.06 (relating to hardship distributions), or Section 7.08 (relating to required minimum distributions), if the Participant (or Beneficiary) signed a written distribution designation prior to January 1, 1984, ("TEFRA election") the Plan Administrator must direct the Trustee to distribute the Participant's Vested Account Balance in accordance with that election. This Section 7.13 does not apply to a TEFRA election, and the Plan

Administrator will not comply with that election, if any of the following applies: (a) the elected method of distribution would have disqualified the Plan under Code § 401(a)(9) as in effect on December 31, 1983; (b) the Participant did not have an Account Balance as of December 31, 1983; (c) the election does not specify the timing and form of the distribution and the Beneficiaries of any death benefit (in order of priority); (d) the substitution of a Beneficiary modifies the distribution payment period; or (e) the Participant (or Beneficiary) modifies or revokes the election. In the event of a revocation, the Trustee must distribute, no later than December 31 of the calendar year following the year of revocation, the amount which the Participant would have received under Section 7.08 (relating to required minimum distributions) if the distribution designation had not been in effect or, if the Beneficiary revokes the distribution designation, the amount which the Beneficiary would have received under Section 7.08 if the distribution designation had not been in effect. The Plan Administrator will apply this Section 7.13 to rollovers and transfers in accordance with Part J of the Code § 401(a)(9) Treasury regulations.

7.14 **DISTRIBUTIONS OF MATCHING CONTRIBUTIONS TRANSFERRED FROM THE FOURTH FARM CREDIT DISTRICT PLAN.** A Participant may elect, at any time, to receive a distribution of any portion of his/her vested Account Balance derived from matching contributions made on his/her behalf under The Fourth Farm Credit District Plan (including earnings thereon) prior to the merger of that plan with the Seventh Farm Credit District Retirement Savings Plan (which plan was a predecessor plan to this Plan). The Plan Administrator shall have the authority to establish a minimum amount for any such distributions from time to time. The Plan Administrator shall further have the authority to establish such policies and/or procedures as may seem necessary or advisable in order to implement the provisions of this Section 7.14.

7.15 **DISTRIBUTIONS OF DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.** A Participant may elect, at any time, to receive a distribution of any portion of the vested balance of his/her 6th District IRA Account derived from any deductible Employee contributions previously made to the Seventh Farm Credit District Retirement Savings Plan, which plan was a predecessor plan to this Plan. The Plan Administrator shall have the authority to establish a minimum amount for any such distributions from time to time. The Plan Administrator shall further have the authority to establish such policies and/or procedures as may seem necessary or advisable in order to implement the provisions of this Section 7.15.

**ARTICLE VIII
EMPLOYER ADMINISTRATIVE PROVISIONS**

8.01 INFORMATION TO PLAN ADMINISTRATOR.

Each Employer must supply current information to the Plan Administrator as to the name, date of birth, date of employment, Compensation, leaves of absence, Years of Service and date of Separation from Service of each Employee who is, or who will be eligible to become, a Participant under the Plan, together with any other information which the Plan Administrator considers necessary to properly administer the Plan. The Employer's records as to the current information the Employer furnishes to the Plan Administrator are conclusive as to all persons.

8.02 NO RESPONSIBILITY FOR OTHERS.

The Employer has no responsibility or obligation under the Plan to Employees, Participants or Beneficiaries for any act (unless the Employer also serves in such capacities) required of the Plan Administrator, the Trustee, the Custodian, or of any other service provider to the Plan.

8.03 EVIDENCE.

Anyone, including the Employer, who is required to give data, statements or other information relevant under the terms of the Plan ("evidence") may do so by certificate, affidavit, document or other form which the person to act in reliance on may consider pertinent, reliable and genuine, and to have been signed, made or presented by the proper party or parties. The Plan Administrator and the Trustee are protected fully in acting and relying upon any evidence described under the immediately preceding sentence.

8.04 PLAN CONTRIBUTIONS.

Each Employer is solely responsible to determine the proper amount of any Employer contribution it makes to the Plan and for the timely deposit to the Trust of the Employer's Plan contributions.

8.05 EMPLOYER ACTION.

An Employer must take any action under the Plan in accordance with applicable Plan provisions and with proper authority such that the action is valid and under applicable law and is binding upon the Employer.

8.06 FIDUCIARIES NOT INSURERS.

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

8.07 PLAN TERMS BINDING.

The Plan is binding upon each Employer, Trustee, Plan Administrator, Custodian (and all other service providers to the Plan), upon Participants, Beneficiaries and all other persons entitled to benefits, and upon the successors and assigns of the foregoing persons.

8.08 WORD USAGE.

Words used in the masculine also apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural includes the singular and the singular includes the plural. Titles of Plan sections are for reference only.

8.09 STATE LAW. The laws of the state of Delaware will determine all questions arising with respect to the provisions of the Plan, except to the extent superseded by federal law.

8.10 EMPLOYMENT NOT GUARANTEED.

Nothing contained in this Plan, or with respect to the establishment of the Trust, or any modification or any amendment to the Plan or Trust, or in the creation of any Account, or with respect to the payment of any benefit, gives any Employee, Participant or any Beneficiary any right to employment or to continued employment by the Employer, or any legal or equitable right against the Employer, the Trustee, the Plan Administrator or any employee or agent thereof, except as expressly provided by the Plan, the Trust, or other applicable law.

ARTICLE IX
PARTICIPANT ADMINISTRATIVE PROVISIONS

9.01 **BENEFICIARY DESIGNATION.** A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Trustee will pay the Participant's Vested Account Balance (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the form and method of payment of his/her Account.

(A) **Form for Written Designation of Beneficiary.** The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form effectively revokes all designations filed prior to that date by the same Participant. The form prescribed by the Plan Administrator may be an electronic form that is completed over an Intranet or the Internet.

(B) **Effect of Decree of Divorce or Legal Separation.** A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his/her spouse as his/her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision applies only with respect to a Participant whose divorce or legal separation becomes effective on or following January 1, 2007.

(C) **Incapacity of Beneficiary.** If, in the opinion of the Plan Administrator, a Beneficiary is not able to care for his/her affairs because of a mental condition, physical condition or by reason of age, the Plan Administrator will apply the provisions of Section 11.09.

9.02 **NO BENEFICIARY DESIGNATION / DEATH OF BENEFICIARY.** If a Participant fails to name a Beneficiary in accordance with Section 9.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Trustee will pay the Participant's Vested Account Balance in accordance with Section 7.03 in the following order of priority to:

- (A) The Participant's surviving spouse; and if no surviving spouse to
- (B) The Participant's children (including adopted children), in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants); and if none to
- (C) The Participant's surviving parents, in equal shares; and if none to
- (D) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Vested Account Balance, the Trustee will pay the remaining Vested Account Balance to the Beneficiary's estate unless: (a) the Participant's Beneficiary designation provides otherwise; or (b) the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct the Trustee as to the method and to whom the Trustee will make payment under this Section 9.02.

9.03 **ASSIGNMENT OR ALIENATION.** Except as provided in Code § 414(p) relating to QDROs and in Code § 401(a)(13) relating to certain voluntary, revocable assignments, judgments and settlements, neither a Participant nor a Beneficiary may anticipate, assign or alienate (either at law or in equity) any benefit provided under the Plan, and the Trustee will not recognize any such anticipation, assignment or alienation. Furthermore, except as provided by Code § 401(a)(13) or other applicable law, a benefit under the Plan is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

9.04 **INFORMATION AVAILABLE.** Any Participant or Beneficiary may examine copies of this Plan document. The Plan Administrator will maintain this Plan document in its office, or in such other place or places as it may designate from time to time, for examination during reasonable business hours. Upon the written request of a Participant or a Beneficiary, the Plan Administrator shall furnish the Participant or Beneficiary with a copy of this Plan document. The Plan Administrator may make a reasonable copying charge to the requesting person.

9.05 **CLAIMS PROCEDURE FOR DENIAL OF BENEFITS.** A Participant or a Beneficiary may file with the Plan Administrator a written claim for benefits, if the Participant or the Beneficiary disputes the Plan Administrator's determination regarding the Participant's or Beneficiary's Plan benefit. However, the Plan will distribute only such Plan benefits to Participants or Beneficiaries as the Plan Administrator in its discretion determines a Participant or Beneficiary is entitled to. The Plan Administrator may maintain a separate written document as part of (or which accompanies) a summary of the Plan's provisions for the purpose of explaining the Plan's claims procedure. This Section 9.05 specifically incorporates the written claims procedure as from time to time published by the Plan Administrator as a part of the Plan. If the Plan Administrator, pursuant to the Plan's written claims procedure, makes a final written determination denying a Participant's or Beneficiary's benefit claim, the Participant or Beneficiary to preserve the claim must file an action with respect to the denied claim not later than 180 days following the date of the Plan Administrator's final determination.

9.06 PARTICIPANT DIRECTION OF INVESTMENT. A Participant's direction of the investment of his/her Account is subject to the provisions of this Section 9.06. For purposes of this Section 9.06, a Participant shall also include a Beneficiary where the Beneficiary has succeeded to the Participant's Account and the Plan affords the Beneficiary the same self-direction as a Participant.

(A) **Authorization and Procedures.** A Participant has the right to direct the Trustee with respect to the investment or re-investment of the assets comprising the Participant's individual Account. The Plan Administrator may establish written procedures relating to Participant direction of investment under this Section 9.06, including procedures or conditions for electronic transfers or for changes in investments by Participants. The Plan Administrator will maintain, or direct the Trustee to maintain, an appropriate individual investment Account to the extent a Participant's Account is subject to Participant self-direction.

(B) **Liability for Complying with Participant Directions Regarding Investments.** No Plan fiduciary (including the Employer and Trustee) is liable for any loss or for any breach resulting from a Participant's direction of the investment of any part of his/her directed Account.

(C) **Participant Loans.** The Plan Administrator will treat a Plan loan made to a Participant as a Participant direction of investment under this Section 9.06. Where a loan is treated as a directed investment, the borrowing Participant's Account alone shares in any interest paid on the loan, and it alone bears any expense or loss it incurs in connection with the loan. The Trustee may retain any principal or interest paid on the borrowing Participant's loan in a segregated Account (as described in Section 10.05(B)) on behalf of the borrowing Participant until the Trustee (or the Named Fiduciary, in the case of a nondiscretionary Trustee) deems it appropriate to add the loan payments to the Participant's Account under the Plan.

**ARTICLE X
PLAN ADMINISTRATOR**

10.01 **GENERAL POWERS AND DUTIES.** The Plan Administrator has the following general powers and duties which are in addition to those the Plan otherwise accords to the Plan Administrator:

(A) To determine the rights of eligibility of an Employee to participate in the Plan, all factual questions that arise in the course of administering the Plan, the value of a Participant's Account Balance (based on the value of the Trust assets, as determined by the Trustee) and the Vested percentage of each Participant's Account Balance;

(B) To adopt rules of procedure and regulations necessary for the proper and efficient administration of the Plan, provided the rules are not inconsistent with the terms of the Plan, the Code, or other applicable law;

(C) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan document and any document related to the Plan's operation;

(D) To direct the Trustee regarding the crediting and distribution of the Trust Fund and to direct the Trustee to conduct interim valuations under Section 11.14;

(E) To review and render decisions regarding a claim for (or denial of a claim for) a benefit under the Plan;

(F) To furnish the Employer with information which the Employer may require for tax or other purposes;

(G) To engage the service of agents whom the Plan Administrator may deem advisable to assist it with the performance of its duties;

(H) To engage the services of an Investment Manager or Managers (as defined in ERISA § 3(38)), each of whom will have full power and authority to manage, acquire or dispose (or direct the Trustee with respect to acquisition or disposition) of any Plan asset under such Manager's control; and

(I) To make any other determinations and undertake any other actions the Plan Administrator believes are necessary or appropriate for the administration of the Plan;

The Plan Administrator must exercise all of its powers, duties and discretion under the Plan in a uniform and nondiscriminatory manner. The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

10.02 **PLAN LOANS.** The Plan Administrator may, in its sole discretion, in accordance with Section 11.03(E) establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (a) the identity of the person or positions authorized to administer the participant loan program; (b) the procedure for applying for a loan; (c) the criteria for approving or denying a loan; (d) the limitations, if any, on the types and amounts of loans available; (e) the procedure for determining a reasonable rate of interest; (f) the types of collateral which may secure the loan; and (g) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. Any loan policy that the Plan Administrator adopts under this Section 10.02 is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to the provisions of Section 12.02 (relating to plan amendments).

10.03 **INDIVIDUAL ACCOUNTS.** The Plan Administrator will maintain, or direct the Trustee to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan.

(A) **Forfeitures.** If a Participant re-enters the Plan subsequent to his/her having a Forfeiture Break in Service, the Plan Administrator, or the Trustee, must maintain a separate Account for the Participant's pre-Forfeiture Break in Service Account Balance and a separate Account for his post-Forfeiture Break in Service Account Balance, unless the Participant's entire Account Balance under the Plan is 100% Vested.

If the Plan is subject to Participant direction of investment under Section 9.06, the Plan Administrator may maintain, or may direct the Trustee to maintain, a separate temporary forfeiture Account in the name of the Plan to account for Participant forfeitures which occur during the Plan Year. The Trustee will direct the investment of any separate temporary forfeiture Account. As of each Accounting Date, or interim valuation date, if applicable, the Plan Administrator will allocate the net income, gain or loss from the temporary forfeiture Account, if any, to the Accounts of the Participants in accordance with the provisions of Section 10.05.

(B) **Net Income, Gain or Loss.** The Plan Administrator will make its allocations of net income, gain or loss or request the Trustee to make its allocations, to the Accounts of the Participants in accordance with the provisions of Section 10.05. The Plan Administrator may direct the Trustee under Section 10.05(B) to maintain a temporary segregated investment Account in the name of a Participant to prevent a distortion of income, gain or loss allocations. The Plan Administrator must maintain records of its activities.

10.04 VALUE OF PARTICIPANT'S ACCOUNT BALANCE. The Participant's Account Balance is comprised of the assets held within the Account and the value of the Account is the fair market value of such assets. For purposes of a distribution under the Plan, the value of a Participant's Account Balance is its value as of the valuation date immediately preceding the date of the distribution.

10.05 ALLOCATION AND DISTRIBUTION OF NET INCOME, GAIN OR LOSS. This Section 10.05 applies solely to the allocation of net income, gain or loss of the Trust Fund. The Plan Administrator will allocate Employer contributions and Participant forfeitures, if any, in accordance with Article III.

For each type of contribution provided under the Plan, the Plan Administrator shall allocate net income, whether gain or loss, since the date of the last valuation using the "daily valuation method." Under the "daily valuation method," allocations will be made on each business day of the Plan Year during which Plan assets for which there are an established market are valued and the Trustee is conducting business.

(A) Trust Fund (Pooled) Investment Accounts. A pooled investment account is an Account which is not a segregated investment Account or an individual investment Account.

(B) Segregated Investment Accounts. A segregated investment Account receives all income it earns and bears all expense or loss it incurs. Pursuant to the Plan Administrator's direction, the Trustee may establish for a Participant a segregated investment Account to prevent a distortion of Plan income, gain or loss allocations or for such other purposes as the Plan Administrator may direct. The Trustee will invest the assets of a segregated investment Account consistent with such purposes. As of each valuation date, the Plan Administrator must reduce a segregated Account for any forfeiture arising under Section 6.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account for the valuation period.

(C) Individual (Directed) Investment Accounts. An individual investment Account is an Account which is subject to Participant or Beneficiary self-direction under Section 9.06. An individual investment Account receives all income it earns and bears all expense or loss it incurs. As of each valuation date, the Plan Administrator must reduce an individual Account for any forfeiture arising from Section 6.07 after the Plan Administrator has made all other allocations, changes or adjustment to the Account for the valuation period.

(D) Code § 415 Excess Amounts. An Excess Amount or suspense account described in Section 5.03 does not share in the allocation of net income, gain or loss described in this Section 10.05.

10.06 ACCOUNT CHARGED. The Plan Administrator may establish a policy under which a Participant's Account will be charged for distributions made from that Account to the Participant, to his/her Beneficiary or to an alternate payee, for a disbursement payment made in connection with a Participant loan, or for any reasonable administrative expenses incurred by the Plan that is directly related to the Participant's Account. Any such policy may be amended from time to time.

10.07 LOST PARTICIPANTS. If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable under Article VII (a "Lost Participant"), the Plan Administrator may apply the provisions of this Section 10.07.

(A) Attempt to Locate. The Plan Administrator will use one or more of the following methods to attempt to locate a Lost Participant: (i) provide a distribution notice to the Lost Participant at his/her last known address by certified or registered mail; (ii) use of the IRS letter forwarding program under Rev. Proc. 94-22; (iii) use of a commercial locator service, the internet or other general search method; or (iv) use of the Social Security Administration search program.

(B) Failure to Locate. If a Lost Participant remains unlocated for six months following the date of the Plan Administrator first attempts to locate the Lost Participant using one or more of the methods described in Section 10.07(A), the Plan Administrator may forfeit the Lost Participant's Account. If the Plan Administrator will forfeit the Lost Participant's Account, the forfeiture occurs at the end of the above-described six-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 3.14. If a Lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his/her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the Lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the Lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account. The Plan Administrator under this Section 10.07(B) will forfeit the entire Account of the Lost Participant, including Elective Deferrals and Participant contributions.

(C) Nonexclusivity and Uniformity. The provisions of this Section 10.07 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of Lost Participants. The Plan Administrator may utilize any other reasonable method to locate Lost Participants and to administer the Accounts of Lost Participants, including the direct rollover under Section 7.11(C) and such other methods as the Internal Revenue Service or the U.S. Department of Labor ("DOL") may in the future permit. The Plan Administrator will apply this Section 10.07 in a reasonable, uniform and nondiscriminatory manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a Lost Participant's Account, the expense in attempting to locate a Lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors. The Plan Administrator may charge to the Account of a Lost Participant the reasonable expenses incurred under this Section 10.07 and which are associated with the Lost Participant's Account.

10.08 **PLAN CORRECTION.** The Plan Administrator, in conjunction with the Employer, may undertake such correction of the Plan errors as the Plan Administrator deems necessary, including correction to preserve tax qualification of the Plan under Code § 401(a) or to correct a breach of fiduciary duty under applicable law. Without limiting the Plan Administrator's authority under the prior sentence, the Plan Administrator, as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, demographic and employer eligibility failures under a method described in the Plan or under the Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS. The Plan Administrator, as it determines to be reasonable and appropriate, also may undertake or assist the appropriate fiduciary or plan official in undertaking correction of a fiduciary breach.

10.09 **NO RESPONSIBILITY FOR OTHERS.** The Plan Administrator has no responsibility or obligation under the Plan to Participants or Beneficiaries for any act (unless the Plan Administrator also serves in such capacities) required of the Employer, the Trustee, the Custodian or of any other service provider to the Plan. The Plan Administrator is not responsible to collect any required plan contribution or to determine the correctness or deductibility of any Employer contribution. The Plan Administrator in administering the Plan is entitled to, but is not required to rely upon, information which a Participant, Beneficiary, Trustee, Custodian, the Employer, a Plan service provider or representatives thereof provide to the Plan Administrator.

10.10 **NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER.** All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code or other applicable law.

**ARTICLE XI
TRUSTEE AND CUSTODIAN, POWERS AND DUTIES**

11.01 **ACCEPTANCE.** The Trustee accepts the Trust created under the Plan and agrees to perform the obligations imposed. The Trustee must provide bond for the faithful performance of its duties under the Trust to the extent required by ERISA.

11.02 **RECEIPT OF CONTRIBUTIONS.** The Trustee is accountable to the Employer for the Plan contributions made by the Employer, but the Trustee does not have any duty to ensure that the contributions received comply with the provisions of the Plan. The Trustee is not obliged to collect any contributions from the Employer, nor is the Trustee obliged to ensure that funds deposited with it are deposited according to the provisions of the Plan.

11.03 **INVESTMENT POWERS.**

(A) **Discretionary Trustee Designation.** The trustees of the Farm Credit Foundations Retirement Plan shall serve as the Trustee and shall administer the Trust as a discretionary Trustee. In that capacity, the Trustee shall have full discretion and authority with regard to the investment of the Trust Fund, except with respect to a Plan asset under the control or the direction of a properly appointed Investment Manager or with respect to a Plan asset properly subject to Employer, or to Participant direction of investment. The Trustee is authorized and empowered, but not by way of limitation, with the following powers, rights and duties:

- (1) To invest, consistent with and subject to applicable law, any part or all of the Trust Fund in any common or preferred stocks, open-end or closed-end mutual funds (including proprietary funds), put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U.S. Treasury bills, U.S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, to buy or sell options on common stock on a nationally recognized exchange with or without holding the underlying common stock, to open and to maintain margin accounts, to engage in short sales, to buy and sell commodities, commodity options and contracts for the future delivery of commodities, and to make any other investments the Trustee deems appropriate, as a prudent person would do under like circumstances with due regard for the purposes of this Plan. Any investment made or retained by the Trustee in good faith is proper but must be of a kind constituting a diversification considered by law suitable for trust investments.
- (2) To retain in cash so much of the Trust Fund as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust Fund in a bank account at reasonable interest.

- (3) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a state, in any type of deposit of the Trustee (or of a bank related to the Trustee within the meaning of Code § 414(b)) at a reasonable rate of interest or in a common trust fund, as described in Code § 584, or in a collective investment fund, the provisions of which govern the investment of such assets and which the Plan incorporates by this reference, which the Trustee (or its affiliate, as defined in Code § 1504) maintains exclusively for the collective investment of money contributed by the bank (or the affiliate) in its capacity as trustee and which conforms to the rules of the Comptroller of the Currency.
- (4) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee decides.
- (5) To credit and distribute the Trust Fund as directed by the Plan Administrator. The Trustee is not obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee is accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator.
- (6) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge.
- (7) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion.
- (8) To have, with respect to the Trust, all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights.
- (9) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interests in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders.

- (10) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship.
- (11) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust.
- (12) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes final adjudication.
- (13) To file all information and tax returns required of the Trustee.
- (14) To furnish to the Employer and to the Plan Administrator an annual statement of account showing the condition of the Trust Fund and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts are conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts.
- (15) To begin, maintain or defend any litigation necessary in connection with the administration of the Plan, except the Trustee is not obliged nor required to do so unless indemnified to its satisfaction.

(B) Nondiscretionary Trustee Designation/Appointment of Custodian. The Trustee may engage a nondiscretionary trustee (also referred to as a “Directed Trustee”) to assist the Trustee in the administration of its responsibilities. If a Directed Trustee is engaged, the Directed Trustee will have only those powers that are set forth in the trust services agreement between the Trustee and the Directed Trustee. A Directed Trustee will not have any discretion or authority with regard to the investment of the Trust Fund, but must act solely as a directed trustee in accordance with the provisions of the trust services agreement between the Trustee and the Directed Trustee.

Appointment of Custodian. The Trustee may appoint a Custodian under the Plan. A Custodian has the same powers, rights and duties as a Directed Trustee. Any reference in the Plan to a Directed Trustee also is a reference to a Custodian where the context of the Plan dictates. A limitation of the Trustee’s liability by Plan provision also acts as a limitation of the Custodian’s liability. Any action taken by the Custodian at the Trustee’s direction satisfies any provision in the Plan referring to the Trustee’s taking that action.

Modification of Powers/Limited Responsibility. The Trustee and the Directed Trustee (or the Custodian), in writing, may limit the powers of the Custodian or the Directed Trustee to any combination of the powers listed within this Section 11.03. If there is a Custodian or a Directed Trustee under the Plan, then the Employer, in adopting this Plan acknowledges the Custodian or the Directed Trustee does not have any discretion with respect to the investment or the re-investment of the Trust Fund and the Custodian or the Directed Trustee is acting solely as a custodian or as a directed trustee with respect to the assets comprising the Trust Fund.

(C) Named Fiduciary. The Named Fiduciary under the Plan has the sole responsibility for the management and the control of the Trust Fund, except with respect to a Plan asset under the control or the direction of a properly appointed Investment Manager or with respect to a Plan asset properly subject to Participant or Employer direction of investment. The trustees of the Farm Credit Foundations Retirement Plan serve as the Named Fiduciary. The Named Fiduciary will exercise its management and control of the Trust Fund through its written direction to the Directed Trustee or to the Custodian, whichever applies to the Plan.

(D) Limitation of Liability of Nondiscretionary Trustee or Custodian. The Directed Trustee or the Custodian does not have any duty to review or to make recommendations regarding investments made at the written direction of the Named Fiduciary. The Directed Trustee or the Custodian must retain any investment obtained at the written direction of the Named Fiduciary until further directed in writing by the Named Fiduciary to dispose of such investment. The Directed Trustee or the Custodian is not liable in any manner or for any reason for making, retaining or disposing of any investment pursuant to any written direction of the Named Fiduciary.

(E) Participant Loans. This Section 11.03(E) specifically authorizes the Trustee to make loans on a nondiscriminatory basis to a Participant in accordance with the loan policy established by the Plan Administrator, provided: (i) the loan policy satisfies the requirements of Section 10.02; (ii) loans are available to all Participants on a reasonably equivalent basis; (iii) any loan is adequately secured and bears a reasonable rate of interest; (iv) the loan provides for repayment within a specified time (however, the loan policy may suspend loan payments pursuant to Code § 414(u)(4) or otherwise in accordance with applicable Treasury Regulations); (v) the default provisions of the note permit offset of the Participant’s Vested Account Balance only at the time when the Participant has a distributable event under the Plan, but without regard to whether the Participant consents to distribution as otherwise may be required under Section 7.02(E); (vi) the amount of the loan does not exceed (at the time the Plan extends the loan) the present value of the Participant’s Vested Account Balance; and (vii) the loan otherwise conforms to the exemption provided by Code § 4975(d)(1). Subject to the provisions of Section 7.10 (relating to the timing of an offset on a defaulted loan), the loan policy may provide a Participant’s loan default is a distributable event with respect to the defaulted amount, irrespective of whether the Participant otherwise has incurred a distributable event at the time of default.

(F) **Cofiduciary Liability.** Each fiduciary under the Plan is responsible solely for his/her or its own acts or omissions. A fiduciary does not have any liability for another fiduciary's breach of fiduciary responsibility with respect to the Plan and the Trust unless the fiduciary: (i) participates knowingly in or undertakes to conceal the breach; (ii) has actual knowledge of the breach and fails to take reasonable remedial action to remedy the breach; or (iii) through negligence in performing his/her or its own specific fiduciary responsibilities that give rise to fiduciary status, the fiduciary has enabled the other fiduciary to commit a breach of the latter's fiduciary responsibility.

11.04 **RECORDS AND STATEMENTS.** The records of the Trustee pertaining to the Plan must be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee must furnish the Plan Administrator with whatever information relating to the Trust Fund the Plan Administrator considers necessary to perform its duties as Plan Administrator.

11.05 **FEES AND EXPENSES FROM FUND.** A Directed Trustee or a Custodian will receive reasonable compensation as may be agreed upon from time to time between the Trustee and the Directed Trustee or the Custodian. No person who is receiving full pay from the Employer may receive compensation (except for reimbursement of Plan related expenses) for services as Trustee or as Custodian. The Trustee will pay from the Trust Fund all fees and reasonable expenses incurred by the Plan, to the extent such fees and expenses are for the ordinary and necessary administration and operation of the Plan and are not "settlor expenses" as determined by the DOL unless the Employer pays such fees and expenses. Any fee or expense paid, directly or indirectly, by the Employer is not an Employer contribution to the Plan, provided the fee or the expense relates to the ordinary and necessary administration of the Trust Fund.

11.06 **PARTIES TO LITIGATION.** Except as otherwise provided by applicable law, a Participant or a Beneficiary is not a necessary party or required to receive notice of process in any court proceeding involving the Plan, the Trust Fund or any fiduciary of the Plan. Any final judgment entered in any such proceeding will be binding upon the Employer, the Plan Administrator, the Trustee, Custodian, Participants and Beneficiaries and upon their successors and assigns.

11.07 **PROFESSIONAL AGENTS.** The Trustee may employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee reasonably may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Plan, and the Trustee may reasonably act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

11.08 **DISTRIBUTION IN THE FORM OF CASH.** The Trustee will make Plan distributions in the form of cash.

11.09 **PARTICIPANT OR BENEFICIARY INCAPACITATED.** If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his/her affairs because of a mental condition, a physical condition, or by reason of age, at the direction of the Plan Administrator the Trustee may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his/her attorney-in-fact or to other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

11.10 **DISTRIBUTION DIRECTIONS.** The Trustee must promptly notify the Plan Administrator of any unclaimed Plan distribution and then dispose of the distribution in accordance with the Plan Administrator's subsequent direction.

11.11 **THIRD PARTY RELIANCE.** A person dealing with the Trustee is not obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Plan. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and is not liable to any person in so acting. The certificate of the Trustee that it is acting in accordance with the Plan is conclusive in favor of any person relying on the certificate.

11.12 **RESIGNATION AND REMOVAL.** A Directed Trustee or a Custodian may resign its position by giving written notice to the Trustee and to the Plan Administrator.

The Trustee may remove a Directed Trustee or a Custodian by giving written notice to the affected party. The Trustee's notice must specify the effective date of removal, which date must be at least 30 days following the date of the Trustee's notice, except where the Trustee reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

If the Trustee removes and does not replace a Directed Trustee or a Custodian, the Trustee will assume possession of Plan assets held by the former Directed Trustee or Custodian.

11.13 **SUCCESSOR TRUSTEE ACCEPTANCE.** Each successor Directed Trustee succeeds its predecessor Directed Trustee by accepting in writing its appointment as successor Directed Trustee and by filing the acceptance with the former Directed Trustee and the Plan Administrator without the signing or filing of any further statement. The resigning or removed Directed Trustee, upon receipt of acceptance in writing of the Trust by the successor Directed Trustee, must execute all documents and do all acts necessary to vest the title of record in any successor Directed Trustee. A successor Directed Trustee is not liable for any act or failure to act of any predecessor Trustee, except as required other applicable law. With the approval of the Employer and the Plan Administrator, a successor Directed Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without liability.

11.14 **VALUATION OF TRUST.** The Trustee must value the Trust Fund as of the last day of the Plan Year and as of each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee is conducting business.

11.15 **LIMITATION ON LIABILITY - IF INVESTMENT MANAGER, ANCILLARY TRUSTEE OR INDEPENDENT FIDUCIARY APPOINTED.** The Trustee is not liable for the acts or omissions of any Investment Manager the Plan Administrator may appoint, nor is the Trustee under any obligation to invest or otherwise to manage any asset of the Trust Fund which is subject to the management of a properly appointed Investment Manager. The Plan Administrator, the Trustee and any properly appointed Investment Manager may execute a written agreement as a part of this Plan delineating the duties, responsibilities and liabilities of the Investment Manager with respect to any part of the Trust Fund under the control of the Investment Manager.

The limitation on liability described in this Section 11.15 also applies to the acts or omissions of any ancillary trustee or independent fiduciary properly appointed under Section 11.17. However, if a discretionary Trustee, pursuant to the delegation described in Section 11.17, appoints an ancillary trustee, the discretionary Trustee is responsible for the periodic review of the ancillary trustee's actions and must exercise its delegated authority in accordance with the terms of the Plan and in a manner consistent with applicable law.

11.16 **INVESTMENT IN GROUP TRUST FUND.** The Employer, by adopting this Plan, specifically authorizes the Trustee to invest all or any portion of the assets comprising the Trust Fund in any group trust fund which at the time of the investment provides for the pooling of the assets of plans qualified under Code § 401(a). This authorization applies solely to a group trust fund exempt from taxation under Code § 501(a) and the trust agreement of which satisfies the requirements of Revenue Ruling 81-100, or any successor thereto. The provisions of the group trust fund agreement, as amended from time to time, are by this reference incorporated within this Plan and Trust. The provisions of the group trust fund will govern any investment of Plan assets in that fund.

Furthermore, at the Employer's direction, the Trustee, for collective investment purposes, may combine into one trust fund the Trust created under this Plan with the trust created under any other qualified retirement plan the Employer maintains. However, the Trustee must maintain separate records of account for the assets of each Trust in order to reflect properly each Participant's Account Balance under the qualified plans in which he/she is a Participant.

The authorization provided under this Section 11.16 specifically extends to and includes the group trust established pursuant to the provisions of the Farm Credit Foundations Retirement Group Trust Agreement, dated December 29, 2006, as that agreement may be amended from time to time.

11.17 **APPOINTMENT OF ANCILLARY TRUSTEE OR INDEPENDENT FIDUCIARY.** The Trustee, in writing, may appoint any qualified person in any state to act as ancillary trustee with respect to a designated portion of the Trust Fund. An ancillary trustee must acknowledge in writing its acceptance of the terms and conditions of its appointment as ancillary trustee and its status as a fiduciary. The ancillary trustee has the rights, powers, duties and discretion as the Trustee may delegate, subject to any limitations or directions specified in the agreement appointing the ancillary trustee and to the terms of the Plan or of applicable law. The investment powers delegated to the ancillary trustee may include any investment powers available under Section 11.03. The delegated investment powers may include the right to invest any portion of the assets of the Trust Fund in a common trust fund, as described in Code § 584, or in any collective investment fund, the provisions of which govern the investment of such assets and which the Plan incorporates by this reference, but only if the ancillary trustee is a bank or similar financial institution supervised by the United States or by a state and the ancillary trustee (or its affiliate, as defined in Code § 1504) maintains the common trust fund or collective investment fund exclusively for the collective investment of money contributed by the ancillary trustee (or its affiliate) in a trustee capacity and which conforms to the rules of the Comptroller of the Currency. The Trustee also may appoint as an ancillary trustee, the trustee of any group trust fund designated for investment pursuant to the provisions of Section 11.16.

The ancillary trustee may resign its position and the Trustee may remove an ancillary trustee as provided in Section 11.12 regarding resignation and removal of the Trustee or Custodian. In the event of such resignation or removal, the Trustee may appoint another ancillary trustee or may return the assets to the control and management of the Trustee

**ARTICLE XII
EXCLUSIVE BENEFIT, AMENDMENT, TERMINATION**

12.01 **EXCLUSIVE BENEFIT.** Except as provided under Article III, the Employer does not have any beneficial interest in any asset of the Trust Fund and no part of any asset in the Trust Fund may ever revert to or be repaid to the Employer, either directly or indirectly; nor, prior to the satisfaction of all liabilities with respect to the Participants and their Beneficiaries under the Plan, may any part of the corpus or income of the Trust Fund, or any asset of the Trust Fund, be (at any time) used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries and for defraying reasonable expenses of administering the Plan.

12.02 **AMENDMENT BY EMPLOYER.** The Employer, consistent with this Section 12.02 and other applicable Plan provisions, has the right, at any time, to amend the provisions of the Plan in any manner it deems necessary or advisable.

(A) **Amendment Formalities.** The Employer must make all Plan amendments in writing by means of substituting pages in the Plan document, by restating the Plan document, or by attaching an addendum or appendix to the plan document. The date as of which each amendment will take effect, either retroactively or prospectively, must be specified, either in the amendment itself or in the minutes reflecting the adoption of the amendment.

(B) **Impermissible Amendment.** An amendment may not authorize or permit any of the Trust Fund (other than the part required to pay taxes and reasonable administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries or estates. An amendment may not cause or permit any portion of the Trust Fund to revert to or become a property of the Employer.

An amendment (including the adoption of this Plan as a restatement of an existing plan) may not decrease a Participant's Account Balance, except to the extent permitted under Code § 412(c)(8).

The Plan Administrator must disregard an amendment to the extent application of the amendment would fail to satisfy this Section 12.02(B).

12.03 **PLAN TERMINATION OR SUSPENSION.** The Employer, subject to Section 12.02(B) and by proper Employer action, has the right, at any time, to suspend or discontinue its contributions under the Plan and thereafter to continue to maintain the Plan (subject to such suspension or discontinuance) until the Employer terminates the Plan. The Employer, subject to Section 12.02(B) and by proper Employer action, has the right, at any time, to terminate this Plan and the Trust created and maintained under the Plan. The Plan will terminate upon the first to occur of the following:

(A) The date terminated by proper action of the Employer; or

(B) The dissolution or merger of the Employer, unless a successor makes provision to continue the Plan, in which event the successor must substitute itself as the Employer under this Plan.

12.04 **FULL VESTING UPON TERMINATION.** Upon either full or partial termination of the Plan, or, if applicable, upon complete discontinuance of profit sharing plan contributions to the Plan, an affected Participant's right to his/her Account Balance is 100% Vested, irrespective of the Vested percentage which otherwise would apply under Article VI.

12.05 **POST TERMINATION PROCEDURE AND DISTRIBUTION.** Upon termination of the Plan, the Plan Administrator will direct the Trustee to distribute in cash each Participant's Vested Account Balance, in lump sum, as soon as administratively practicable after the termination of the Plan, irrespective of the Participant's Vested Account Balance, the Participant's age and whether the Participant consents to that distribution.

(A) **Distribution restrictions under Code § 401(k).** A Participant's restricted balances are distributable on account of Plan termination, as described in this Section 12.05, only if: (i) the Employer does not maintain a successor plan and the Plan Administrator distributes the Participant's entire Vested Account Balance in a lump sum; or (ii) the Participant otherwise is entitled under the Plan to a distribution of his/her Vested Account Balance.

(1) The term "restricted balances" means the Participant's Elective Deferrals, including earnings thereon. The term further includes amounts accepted from another retirement plan described in Code § 401(a), including amounts accepted pursuant to an elective transfer, to the extent that the Trustee agreed not to permit the distribution of such amounts except upon the occurrence of an event that would permit the distribution of a Participant's Elective Deferrals.

(2) The term "successor plan" means a defined contribution plan (other than an ESOP) maintained by the Employer (or by a related employer) at the time of the termination of the Plan or within the period ending twelve months after the final distribution of assets. However, a plan is not a successor plan if less than 2% of the Employees eligible to participate in the terminating Plan are eligible to participate (beginning 12 months prior to and ending 12 months after the Plan's termination date) in the potential successor plan.

(3) A "related employer" means an employer that is a member of a "related group." A "related group" is a controlled group of corporations (as defined in Code § 414(b)), trades or businesses (whether or not incorporated) which are under common control (as defined in Code § 414(c)), an affiliated service group (as defined in Code § 414(m)) or an arrangement otherwise described in Code § 414(o).

(B) **Lost Participants.** If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable upon Plan termination, the Plan Administrator will apply Section 10.07 except that Section 10.07(B) does not apply.

(C) **Continuing Trust Provisions.** The Trust will continue until the Trustee in accordance with the direction of the Plan Administrator has distributed all of the benefits under the Plan.

On each valuation date, the Plan Administrator will credit any part of a Participant's Account Balance retained in the Trust with its share of the Trust net income, gains or losses. Upon termination of the Plan, the amount, if any, in a suspense account under Article III will revert to the Employer, subject to the conditions of the Treasury regulations permitting such a reversion. A resolution or an amendment to discontinue all future benefit accrual but otherwise to continue maintenance of this Plan, is not a termination for purposes of this Section 12.05.

12.06 **MERGER/DIRECT TRANSFER.** The Trustee possesses the specific authority to enter into merger agreements or direct transfer of assets agreements with the trustees of other retirement plans described in Code § 401(a), including an elective transfer, and to accept the direct transfer of plan assets, or to transfer plan assets, as a party to any such agreement. The Trustee may not consent to, or be a party to, any merger or consolidation with another plan, or to a transfer of assets or liabilities to another plan (or from the other plan to this Plan), unless immediately after the merger, consolidation or transfer, the surviving plan provides each Participant a benefit equal to or greater than the benefit each Participant would have received had the transferring plan terminated immediately before the merger or the consolidation or the transfer. The Trustee will hold, administer and distribute the transferred assets as a part of the Trust Fund and the Trustee must maintain a separate Employer contribution Account for the benefit of the Employee on whose behalf the Trustee accepted the transfer in order to reflect the value of the transferred assets.

The Trustee may accept a direct transfer of plan assets on behalf of an Employee prior to the date the Employee satisfies the Plan's eligibility conditions. If the Trustee accepts such a direct transfer of plan assets, the Plan Administrator and the Trustee must treat the Employee as a Limited Participant as described in Section 4.02.

**Farm Credit Foundations Defined Contribution / 401(k) Plan
Contributions for FCS of America Participants / Ninth District Transition Contributions**

Under the provisions of the Plan, certain participants who were previously employed by FCS of America are entitled to receive an additional employer Nonelective Contribution. These participants are listed by name in Schedule A of the official Plan document.

Additionally, certain participants who previously participated in the Ninth Farm Credit District Employee 401(k) Thrift Plan are entitled to receive additional employer contributions that are referred to as Ninth District Transition Contributions. These participants are listed by name in Schedule B of the official Plan document.

To protect the privacy of these individuals, Schedule A and Schedule B have not been posted with the rest of the Plan document on the Farm Credit Foundations governance website.