Regular Meeting of the Board of Directors of the Central Texas Regional Mobility Authority

9:30 a.m
Wednesday, January 25, 2012

301 Congress Avenue, Suite 360
Austin, Texas 78701

AGENDA

No action on the following:

1. Welcome and opening remarks by the Chairman and members of the Board of Directors.
2. Opportunity for Public Comment – See ***Notes*** at the end of this agenda.

Discuss, consider, and take appropriate action on the following:

3. Approve the minutes for the December 7, 2011, Regular Board Meeting.
4. Approve the 2012 Strategic Plan for the Central Texas Regional Mobility Authority (CTRMA).
5. Award the construction contract for the 183A South Brushy Creek Pedestrian Bridge.
6. Approve a new interlocal agreement with the Cameron County Regional Mobility Authority to provide ongoing toll system maintenance services.
7. Approve an amended work authorization with Telvent USA Corporation under the maintenance services for the toll collection system contract to provide toll system maintenance services to the Cameron County Regional Mobility Authority.
8. Approve an interlocal agreement with the North Texas Transportation Authority, the Texas Department of Transportation, and the Harris County Toll Road Authority to provide for continuing maintenance of the interoperability hub system.
9. Approve an interlocal agreement with the Texas Department of Transportation to provide courtesy patrols on the 183A Turnpike during 2012.

10. Approve a policy to establish permitting requirements and processes relating to use of CTRMA-provided public utility encasements on the 183A Turnpike.

11. Approve the assignment of the professional services agreement for legal services as CTRMA's bond counsel from Vinson & Elkins LLP to Bracewell & Guiliani LLP.

12. Approve an update to the list of Authorized Investment Broker Dealers included in the CTRMA Investment Policy.

13. Approve amendments to governing documents for the voluntary CTRMA employee 457(k) retirement contributions plan.

14. Accept the financial reports for November and December, 2011.

Briefing and discussion with no action proposed on the following:

15. Quarterly briefing on the Manor Expressway Project.

16. Quarterly briefing on the 183A Expressway Phase II Project.

17. Quarterly briefing on the MoPac Improvement Project.

18. Executive Director's report.

    A. Capital Area Metropolitan Planning Organization (CAMPO) update

    B. Update on future CTRMA transportation projects and proposals

Executive Session

Under Chapter 551 of the Texas Government Code, the Board may recess into a closed meeting (an executive session) to deliberate any item on this agenda if the Chairman announces the item will be deliberated in executive session and identifies the section or sections of Chapter 551 that authorize meeting in executive session. A final action, decision, or vote on a matter deliberated in executive session will be made only after the Board reconvenes in an open meeting.

The Board may deliberate the following items in executive session if announced by the Chairman:

19. Discuss acquisition of one or more parcels or interests in real property needed for the Manor Expressway Project and related legal issues, as authorized by §551.072 (Deliberation Regarding Real Property; Closed Meeting) and by §551.071 (Consultation With Attorney).

20. Discuss legal issues related to claims by or against the Authority, pending or contemplated litigation and any related settlement offers, including *First Baptist Church of Leander et al. v. Texas Department of Transportation et al.* (Cause No. D-1-GN-09-001329 in the 201st Judicial District Court of Travis County), or other matters as authorized by §551.071 (Consultation With Attorney).

21. Discuss legal issues relating to procurement and financing of CTRMA transportation projects, as authorized by §551.071 (Consultation With Attorney).

22. Discuss personnel matters as authorized by §551.074 (Personnel Matters).

Reconvene in Open Session following Executive Session

Discuss, consider, and take appropriate action on the following:

23. Authorize negotiation and execution of settlement agreement in a purchase contract for the Manor Expressway Project of the following parcel or property interest:

    A. Parcel 22AC of the Manor Expressway Toll Project, a release and relinquishment of 118.30 linear feet of access rights to US Hwy 290E from a 0.823 acre tract known as Lot 1, Chimney Hill PUD Fourth Installment, near 9226 US Hwy 290E in Travis County, owned by Wayne Allan Barbee.

24. Adjourn Meeting.

NOTES

Opportunity for Public Comment. At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to CTRMA's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the public comment period. If a speaker's topic is not listed on this agenda, the Board may not deliberate the topic or question the speaker during the open comment period, but may direct staff to investigate the subject further or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not deliberate or act on an item that is not listed on this agenda.

Public Comment on Agenda Items. A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board's consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Meeting Procedures. The order and numbering of agenda items are for ease of reference only. After the meeting is convened, the Chairman may rearrange the order in which agenda items are considered. The Board may consider items listed on the agenda in any order and at any time during the meeting.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as an interpreter for persons who are deaf or hearing impaired, and readers of large print or Braille, are requested to contact Jennifer Guernica at (512) 996-9778 at least two working days before the meeting so that appropriate arrangements can be made.

Central Texas Regional Mobility Authority

AGENDA ITEM #1 SUMMARY

Welcome, Opening Remarks and Board Member Comments.

Welcome, Opening Remarks and Board Member Comments

Board Action Required: NO

Central Texas Regional Mobility Authority

AGENDA ITEM #2 SUMMARY

Open Comment Period for Public Comment.
Public Comment on Agenda Items.

Open Comment Period for Public Comment – At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to CTRMA's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the open comment period. If the speaker's topic is not listed on this agenda, the Board may not deliberate the topic or question the speaker during the open comment period, but may direct staff to investigate the subject further or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not act on an item that is not listed on this agenda.

Public Comment on Agenda Items – A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board's consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Board Action: NO

Central Texas Regional Mobility Authority

AGENDA ITEM #3 SUMMARY

Approve the Minutes for the December 7, 2011 General Board Meeting.

Department: Law

Associated Costs: None

Funding Source: None

Board Action Required: YES (by Motion)

Description of Matter:

The Minutes for the December 7, 2011 General Board Meeting require approval from the Board.

Attached documentation for reference:

Draft Minutes for December 7, 2011 General Board Meeting

Contact for further information:

Andrew Martin, General Counsel

MINUTES FOR
Regular Meeting of the Board of Directors
of the
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Wednesday, December 7, 2011
9:30 A.M.

The meeting was held at 301 Congress Avenue, Suite 360, Austin, Texas 78701. Notice of the meeting was posted December 1, 2011 at the County Courthouses of Williamson and Travis County, with the Secretary of State, on the CTRMA website, and on the bulletin board in the lobby of CTRMA's offices at Suite 650, 301 Congress Avenue, Austin, Texas.

1. Welcome and Opening Remarks by Chairman Ray Wilkerson

Chairman Ray Wilkerson called the meeting to order at 9:30 a.m. and called the roll. All Board Members were present at the time the meeting was called to order.

2. Open Comment Period

No public comments were offered.

3. Approval of Minutes of October 26, 2011 Regular Board Meeting

Chairman Ray Wilkerson presented the minutes from the October 26, 2011 Board Meeting for review by the Board. Mr. Jim Mills moved approval of the minutes, and Mr. David Singleton seconded the motion. The motion carried unanimously 7-0, and the minutes were approved as drafted.

Briefing and discussion on the following; no action proposed:

4. Proposed 2012 Strategic Plan.

Ms. Cindy Demers presented this item. The 2012 Strategic Plan was developed at the March 2011 staff retreat. Further changes were made at the Board Retreat and Workshop on November 15, 2011. The Plan was developed with a five year outlook, and also includes a vision for the future to 2025.

Final modifications will be made to the Plan, and it will be presented to the Board for consideration and action at the January 25, 2012 Regular Board Meeting.

5. Executive Director's Report.

Mr. Mike Heiligenstein presented this item. The Green Mobility Challenge finals event was well attended and included many innovative presentations that addressed sustainable concepts that will be evaluated for inclusion in our transportation projects.

6. Approve an amendment to the Schedule of Rates established by the Agreement for Violation Processing and Debt Collection Services with Gila LLC, d/b/a Municipal Services Bureau.

Mr. Henry Gilmore recused himself and did not participate in deliberations or action on this item. Mr. Tim Reilly presented this item. In an effort to lower image review costs, Municipal Services Bureau (MSB) is now offering a new optical character recognition system that reduces the image review costs from twelve cents per transaction to nine and a half cents per transaction. Also, currently CTRMA pays MSB seventy five dollars to put together a court packet for violations once they enter the court eligibility stage. MSB has agreed to reduce the court package cost to twenty-five dollars per packet.

Ms. Nikelle Meade moved approval, and Mr. Bob Bennett seconded the motion. The motion carried 6-0, (with Mr. Gilmore recused), and the resolution was approved as drafted.

7. Approve an amended interlocal agreement with the Cameron County Regional Mobility Authority to provide toll transaction processing, toll collection, and related services.

Mr. Tim Reilly presented this item. CTRMA provides all back office services for CCRMA for their toll collection through MSB. The proposed amendment will allow staff to pass onto CCRMA the savings that MSB has agreed to provide to CTRMA.

Mr. Bob Bennett moved approval, and Mr. Charles Heimsath seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

8. Approve an amended work authorization under the Contract for Toll System Implementation with Telvent USA Corporation to provide toll system maintenance services to the Cameron County Regional Mobility Authority for one year.

Mr. Tim Reilly presented this item. CTRMA provided CCRMA with their toll system through Telvent. The proposed amended work authorization will allow Telvent to provide toll system maintenance services to CCRMA for one year.

Mr. Charles Heimsath moved approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

9. Approve a pass-through toll agreement with the Texas Department of Transportation relating to funding for the US183/183A Intersection Improvement Project.

Mr. Wes Burford presented this item. Approval of the proposed Agreement authorizes a pass-through finance agreement with TxDOT for approximately half of the costs associated with the US183/183A intersection improvements. The property developers adjacent to the intersection, E2M Partners, LLC, have agreed to pay the remaining design and construction costs for the intersection improvements.

Mr. David Singleton moved approval, and Mr. Henry Gilmore seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

10. Approve a new work authorization with HNTB Corporation relating to development of the US183/183A Intersection Improvement Project.

Mr. Wes Burford presented this item. The proposed work authorization would include, but not be limited to, professional services and deliverables for various tasks related to the study, project development, final design and construction phase services for the US183/183A Intersection Improvement Project. The improvements include the widening of the northbound and southbound lanes of US 183 and 183A to accommodate auxiliary lanes and turning lanes. Improvements will also include turnaround lanes, reconfiguration of US 183 west of US 183 / 183A, reconstruction of the intersection of US 183 and CR 276, and realignment and extension of the existing access road. The existing signalization equipment at the US 183 / 183A intersection will also be removed and replaced with new equipment to accommodate the new configuration and turning movement requirements.

Mr. Bob Bennett moved approval, and Mr. Charles Heimsath seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

11. Approve an amended work authorization with Rodriguez Transportation Group Inc. relating to development of 183A Phase II Project.

Mr. Wes Burford presented this item. The Board approved the selection of the Rodriguez Transportation Group to provide design and engineering services for the 183A Phase II Project at their August 27, 2008 meeting. This supplement is to provide additional design support during construction which includes review of shop drawings and responding to Requests for Information (RFI's) and development of change orders, if necessary.

Mr. Charles Heimsath moved approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

12. Approve amendments to CTRMA policies to delegate to the Executive Director the authority to approve procurement and execute certain contracts and to approve and

execute settlement agreements concerning damage claims against CTRMA, in each instance when the amount involved does not exceed $50,000.

Mr. Andy Martin presented this item. In 2009, the Legislature revised state laws governing county procurements to require commissioner court approval when the amount involved is more than $50,000. The Executive Director recommends that the Board revise CTRMA's procurement policies to follow state procurement law and policy for counties, and to require Board approval of a procurement process and contract when a CTRMA procurement or contract is for an amount that exceeds $50,000, increased from the existing policy that requires Board approval when the amount exceeds $25,000.

Mr. Jim Mills moved approval, and Mr. Bob Bennett seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

13. **Authorize the borrowing of up to $5,000,000 from Regions Bank and the execution and delivery of a secured loan agreement by the Executive Director.**

Mr. Bill Chapman presented this item. Funding for various project development costs will come from TxDOT in the future between 2013 and 2016. In order to advance those projects, Regions Bank has agreed to lend up to $5,000,000 to CTRMA with a draw down note. CTRMA would draw down this loan only as needed for various projects.

Mr. Bob Bennett moved approval, and Mr. Charles Heimsath seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

14. **Accept the monthly financial report for October, 2011.**

Mr. Bill Chapman presented this item. There was nothing unusual on the October, 2011 financial report.

Mr. Jim Mills moved approval, and Mr. David Singleton seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

15. **Accept the 2011 Annual Report.**

Mr. Steve Pustelnyk presented this item. With a "Building Mobility" theme, the report includes information about current construction projects and what the projects' expected appearance will be when completed.

Mr. David Singleton moved approval, and Mr. Bob Bennett seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

Executive Session Pursuant to Government Code, Chapter 551

Chairman Wilkerson announced in open session at 10:12 a.m. that the Board would recess the open meeting and reconvene in Executive Session to deliberate the following item:

16. Discussion of personnel matters as authorized by §551.074 (Personnel Matters), including evaluation of the performance of the Executive Director.

The Board reconvened in open meeting at 10:40 a.m., and Chairman Wilkerson announced that there was no action taken in Executive Session.

Discuss, consider, and take appropriate action on the following:

17. Approve an amended Employment Agreement for the Executive Director, including compensation and other contract terms.

Mr. Ray Wilkerson presented this item. Exhibit A was added to the amendment to the Employment Agreement for the Executive Director.

Mr. Bob Bennett moved approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously 7-0, and the resolution was approved as drafted.

18. Adjourn Meeting.

Chairman Ray Wilkerson declared the meeting adjourned by unanimous consent at 10:50 a.m.

AGENDA ITEM #4 SUMMARY

Approve the 2012 Strategic Plan for the Central Texas Regional Mobility Authority.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

Presentation, approval, and adoption of the 2012 Strategic Plan.

Attached documentation for reference:

Proposed 2012 Strategic Plan will be distributed at the meeting.

Contact for further information:

Mike Heiligenstein, Executive Director

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING THE 2012 STRATEGIC PLAN FOR
THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY.

WHEREAS, at its meetings on November 15 and December 5, 2011, the Board reviewed and considered the proposed five-year strategic plan prepared by the CTRMA Executive Director and staff;

WHEREAS, the Board has reviewed revisions made to the proposed strategic plan based on its previous discussions at those Board meetings; and

WHEREAS, the Executive Director recommends approval and adoption of the proposed 2012 Strategic Plan.

NOW THEREFORE, BE IT RESOLVED that the proposed 2012 Strategic Plan attached and incorporated into this resolution as Attachment A is approved and adopted as the 2012 Strategic Plan for the Central Texas Regional Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

2012 STRATEGIC PLAN

[on the following __ pages]

Central Texas Regional Mobility Authority

AGENDA ITEM #5 SUMMARY

Award the construction contract for the 183A South Brushy Creek Pedestrian Bridge.

Department: Engineering

Associated Costs: Not to exceed $838,703.25.

Funding Source: $319,063 from CTRMA; $454,640 Reimbursed by TxDOT Transportation Enhancement Program Funds; $65,000 from Williamson County.

Board Action Required: Yes

Description of Matter:

On January 12, 2012, five (5) bids for the subject contract were received and publicly opened; however, only four (4) bids were publicly read as one was deemed unresponsive. The following bids were received:

Company	Bid Price (Includes Bid Alternatives) – Price Used to Determine Lowest Bidder	Base Bid Price (Excludes Bid Alternatives)
Montoya Anderson Construction (MAC), Inc.	$838,703.25	$694,372.25
Joe Bland Construction, L.P.	$1,008,224.49	$870,513.95
A Greater Austin Development Concrete Construction, L.L.C.	$1,058,583.76	$944,686.46
RGM Constructors of Texas, L.L.C.	$1,098,175.45	$946,166.45
Bluebay Construction, L.L.C.	Unresponsive	Unresponsive

The bids have been reviewed by the GEC and Legal Counsel. Contingent upon concurrence from the CTRMA Board of Directors, Williamson County and TxDOT, it is recommended that the contract be awarded to the lowest responsive and responsible bidder, Montoya Anderson Construction (MAC), Inc.

Reference documentation: GEC Recommendation Letter and Alternate Bid Item Cost Summary

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering

HNTB Corporation
Engineers Architects Planners

301 Congress Avenue,
Suite 600
Austin, Texas. 78701

Telephone (512) 447-5590
Facsimile (512) 447-5329
www.hntb.com

January 18, 2012

Wesley M. Burford, P.E.
Director of Engineering
Central Texas Regional Mobility Authority
301 Congress Avenue, Suite 650
Austin, Texas 78701

Re: CTRMA Contract No. 12183A24601C
183A South Brushy Creek Pedestrian Bridge

Mr. Burford:

On January 12, 2012, five (5) bids for the subject contract were received and publicly opened; however, only four (4) bids were publicly read. The following bids were received:

Company	Bid Price (Includes all bid alternates) – Price used to determine lowest bidder	Base Bid Price (Excludes bid alternates)
Montoya Anderson Construction (MAC), Inc.	$838,703.25	$694,372.25
Joe Bland Construction, L.P.	$1,008,224.49	$870,513.95
A Greater Austin Development Concrete Construction, L.L.C.	$1,058,583.76	$944,686.46
RGM Constructors of Texas, L.L.C.	$1,098,175.45	$946,166.45
Bluebay Construction, LLC	Unresponsive	Unresponsive

The Bid Proposal Documents were received and reviewed and it was found that one (1) of the bids was considered unresponsive. The unresponsive bidder did not submit their TxDOT Pre-Qualification letter as part of their Bid Proposal; therefore their bid was not read per the requirements in the contract document. Four (4) out of the five (5) bidders were considered responsive to the terms set forth in the contract.

The Engineer's Estimate for the base bid and all bid alternates was $736,691.50, based on recent historical data for this type of work in the Central Texas region and the specific performance requirements of the Contract Documents. The bids have been reviewed by the GEC and Legal Counsel. Contingent upon concurrence from the CTRMA Board of Directors, Williamson County and TxDOT, it is our recommendation that the contract be awarded to the lowest and responsive bidder, Montoya Anderson Construction (MAC), Inc. Following the Contractor's submittal of the contract bond and insurance documents and subsequent review by the GEC and Legal Counsel, the contract can be executed and a Notice to Proceed can be issued.

Should you have any questions or wish to discuss this matter in more detail, please feel free to contact this Office at your convenience.

Sincerely,
HNTB Corporation

Heather Reavey, P.E.
Project Manager

cc: Mike Heiligenstein
Bill Chapman
Andy Martin

Alternate Bid Item Cost Summary for MAC, Inc.	
Alternate Bid Item	**Bid Price**
Item 1 - Additional Parking (Highest Priority)	$7,325.00
Item 2 - Drinking Fountain	$5,000.00
Item 3 - Trail Shower	$4,000.00
Item 4 - Exercise Stations	$20,000.00
Item 5 - Irrigation System	$15,000.00
Item 6 - Plants	$8,740.00
Item 7 - Restroom (Lowest Priority)	$84,266.00
TOTAL	**$144,331.00**

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

Awarding the Construction Contract for the
183A South Brushy Creek Pedestrian Bridge.

WHEREAS, CTRMA issued an invitation to bid on the construction of the 183A South Brushy Creek Pedestrian Bridge in December, 2011, and four responsive bids were received and opened immediately following the January 12, 2012 submittal deadline established by the invitation to bid; and

WHEREAS, the responsive bid proposal documents were reviewed and evaluated in accordance with CTRMA's procurement policies; and

WHEREAS, after a review and analysis of the proposals by HNTB Corporation, as general engineering consultant for CTRMA, and by CTRMA staff, the Executive Director recommends awarding construction contract to the lowest and responsive bidder, Montoya Anderson Construction, Inc., d/b/a MAC, Inc.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors awards the contract for construction of the 183A South Brushy Creek Pedestrian Bridge to Montoya Anderson Construction, Inc., d/b/a MAC, Inc, for a total amount not to exceed $838,703.25; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director to finalize and execute the contract on the terms and conditions acceptable to the Executive Director and consistent with CTRMA procurement policies, the invitation to bid, the bid proposal package received from Montoya Anderson Construction, Inc., d/b/a MAC, Inc., and this Resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 12-___
Date Passed 01/25/12

Central Texas Regional Mobility Authority

AGENDA ITEM #6 SUMMARY

Approve a new interlocal agreement with Cameron County Regional Mobility Authority to provide ongoing toll system maintenance services.

Department: Operations

Associated Costs: $56,092.00

Funding Source: General Fund; Reimbursed from CCRMA

Board Action Required: YES

Description of Matter:

Consistent with ongoing efforts and a commitment to provide service assistance to the State's Regional Mobility Authorities, on January 27, 2010, the CTRMA Board of Directors adopted Resolution No. 10-06 authorizing CTRMA to enter into an Interlocal Agreement with the Cameron County Regional Mobility Authority (CCRMA) to provide a toll collection system through the use of CTRMA resources. On December 7, 2011 Board Resolution No. 11-138 was issued approving a Work Authorization to provide one year of toll system maintenance for CCRMA. This ILA will allow for continued long term toll system maintenance and will renew annually. Either CTRMA or CCRMA may elect to discontinue these Maintenance Services with proper notification.

Attached documentation for reference:

Draft Interlocal Agreement

Contact for further information:

Tim Reilly, Director of Toll Operations

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING A NEW INTERLOCAL AGREEMENT WITH THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY TO PROVIDE ONGOING TOLL SYSTEM MAINTENANCE SERVICES.

WHEREAS, by Resolution No. 10-06, adopted by the Board of Directors on January 27, 2010, the Board authorized an interlocal agreement between CTRMA and the Cameron County Regional Mobility Authority ("CCRMA") by which CTRMA would provide toll system implementation services to CCRMA (the "Toll System Implementation ILA"); and

WHEREAS, CTRMA currently provides toll system maintenance services to CCRMA under the Toll System Implementation ILA through its Contract for Toll System Implementation effective April 27, 2005, with Telvent USA Corporation, formerly known as Caseta Technologies (the "Telvent Implementation Contract"), pursuant to Resolution No. 11-138, adopted by the Board of Directors on December 7, 2011, CTRMA; and

WHEREAS, CCRMA has asked CTRMA to enter into a new interlocal agreement under which CTRMA will continue to provide maintenance services for CCRMA's new toll system at the conclusion of the maintenance services provided under the Telvent Implementation Contract; and

WHEREAS, CTRMA can provide continuing toll system maintenance services for CCRMA's toll system through its Maintenance Service Contract for Toll Collection System, dated March 3, 2007 (the "Telvent Maintenance Contract"), as amended April 27, 2011; and

WHEREAS, the Executive Director recommends that the Board approve an interlocal agreement with CCRMA to provide the requested maintenance service to CCRMA, in the form or substantially the same form attached as Attachment A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes and approves the proposed interlocal agreement between CTRMA and CCRMA in the form or substantially the same form attached as Attachment A; and

BE IT FURTHER RESOLVED, that the Executive Director may finalize and execute on behalf of the CTRMA the interlocal agreement in the form or substantially the same form attached as Attachment A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

INTERLOCAL AGREEMENT WITH
CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

[on the following 6 pages]

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into effective as of the ____ day of _____, 2012, by and between the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY ("CTRMA") and the CAMERON COUNTY REGIONAL MOBILITY AUTHORITY ("CCRMA"), political subdivisions of the State of Texas (collectively, the "Parties").

WITNESSETH:

WHEREAS, CTRMA is a regional mobility authority created pursuant to the request of Travis and Williamson Counties and operating pursuant to Chapter 370 of the Texas Transportation Code (the "RMA Act") and 43 TEX. ADMIN. CODE §§ 26.1 *et seq.* (the "RMA Rules"); and

WHEREAS, CCRMA is a regional mobility authority created pursuant to the request of Cameron County and operating pursuant to Chapter 370 of the RMA Act and Sections 26.1 *et seq.* of the RMA Rules; and

WHEREAS, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

WHEREAS, Section 370.033 of the RMA Act provides that a regional mobility authority may enter into contracts or agreements with another governmental entity; and

WHEREAS, CCRMA previously issued an RFI seeking expressions of interests and proposals from other Texas toll authorities interested in providing CCRMA with toll system implementation services and support; and

WHEREAS, CTRMA responded to the RFI and proposed providing the requested services using its own expertise as well as the services of its consultant, Telvent USA Corporation, formerly Caseta Technologies, Inc. ("Telvent"); and

WHEREAS, effective January 27, 2010, CTRMA and CCRMA executed an interlocal agreement, a copy of which is attached as Attachment "A", pursuant to which CTRMA is providing toll systems implementation equipment and services to CCRMA (the "Toll System Implementation ILA"); and

WHEREAS, CCRMA is in need of toll systems maintenance services and support in connection with the SH 550 Toll Project; and

WHEREAS, CTRMA previously entered into a Maintenance Services Contract with Telvent for the provision of maintenance services for CTRMA's toll collection system (the "Telvent Maintenance Contract"), and CTRMA, independently and by and through its consultants, has the expertise and infrastructure required to provide toll systems maintenance services in connection with toll projects; and

WHEREAS, the first year of maintenance services is being provided under the Toll System Implementation ILA; and

WHEREAS, the Parties have agreed that it would be to their mutual benefit for CTRMA to provide needed toll systems maintenance services to CCRMA.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the undersigned Parties agree as follows:

I.
FINDINGS

Recitals. The recitals set forth above are incorporated herein for all purposes and are found by the Parties to be true and correct. It is further found and determined that the Parties have authorized and approved the Agreement by resolution or order adopted by their respective governing bodies, and that this Agreement will be in full force and effect when approved and executed by each party.

II.
ACTIONS

1. Provision of Services. Subject to the terms of this Agreement, CCRMA shall utilize the resources of CTRMA and/or its consultants, including the resources and services provided under the Telvent Maintenance Contract, in connection with the maintenance of the toll collection systems on the SH 550 Toll Project. All services described in this Agreement shall be provided by CTRMA and/or its consultants at the discretion of CTRMA.

Consistent with the terms of Attachment A to the RFI, CCRMA shall provide local maintenance personnel to perform related on-site tasks and assist as required with maintenance of the Toll Collection Systems. CTRMA shall train CCRMA's local maintenance personnel to access spare parts, perform sub-component replacements, return defective equipment, and administer inventory; shall remotely monitor the Toll Collection Systems; and shall provide annual preventative maintenance. CTRMA shall monitor the Toll Collection Systems and perform annual preventative maintenance in a manner consistent with CTRMA's support and maintenance of its own toll collection systems.

2. Toll System Maintenance Cost and Payment. Beginning on May 10, 2012, CCRMA shall pay a fixed monthly fee in the amount of $4,674.33 for the maintenance services described in this Agreement which shall not, without prior written consent of CCRMA, exceed $56,092 per year for the base maintenance services including "Maintenance Remote Support" and "Preventative Maintenance" as described in Attachment "A". Any work resulting from software changes requested by CCRMA and "Maintenance Remote Support" and "Preventative Maintenance" resulting from any required onsite maintenance support other than scheduled preventative maintenance and tuning, including responding to outages and system problems, will be paid for by CCRMA on a time and material basis. The cost of maintenance services may be subject to annual adjustment as conditions and level of effort dictate, provide that any adjustment in the cost of maintenance services is subject to the written approval of the Parties. Labor,

material and expense costs for CTRMA and their subcontractors shall be invoiced to CCRMA on a monthly basis. Labor rates shall be based upon the current contracted rates for all subcontractors and on the actual costs of CTRMA personnel (Base Salary ÷ 2080). Material and expense costs shall be based on the actual costs incurred and invoiced with a 5% markup. CCRMA shall have the same right to dispute invoiced amounts that CTRMA has under the Telvent Maintenance Contract.

First year "Maintenance Remote Support" and "Preventative Maintenance" services costs shall be paid for under the Toll System Implementation ILA. The performance measures incorporated in Section 3 below shall govern the provision of such services.

3. Performance Measures. The Toll Collection Systems being installed and operated pursuant to the Toll System Implementation ILA are identical in form and function to the system in place on CTRMA facilities, and will function as an expansion of the system being maintained for CTRMA by Telvent under the Telvent Maintenance Contract. As such, CTRMA shall assure, through its agreements with Telvent and other of its subcontractors, that the same performance measures are established and maintained (including penalties for non-compliance) with respect to the maintenance of the Toll Collection Systems as are applicable to the maintenance of the toll collection system in place on CTRMA facilities. CTRMA shall enforce such measures and standards on CCRMA's behalf, and CTRMA shall not agree to modify performance measures or waive any incidents of non-compliance without the prior written consent of CCRMA. Any amounts due for non-compliance, including liquidated damages in the amounts provided for under the Telvent Maintenance Contract, shall be collected by CTRMA and promptly remitted to CCRMA; provided, however, that CTRMA shall not be liable to CCRMA for any amounts due for non-compliance which CTRMA fails to collect from Telvent despite using reasonable efforts to collect such amounts. Further, CTRMA shall not be liable to CCRMA for any incidents of non-compliance of which CTRMA is unaware and could not reasonably have been aware. CCRMA shall have the right to independently audit system maintenance at any time in addition to audit rights which may exist and be enforced by CTRMA through the Telvent Contract.

4. Payment. Payments due to either party under this Agreement shall be made to:

Central Texas Regional Mobility Authority
301 Congress Avenue, Suite 650
Austin, TX 78701
Attn: Chief Financial Officer

Cameron County Regional Mobility Authority
1100 E. Monroe
Brownsville, Texas 78521
Attn: RMA Coordinator

III.
GENERAL AND MISCELLANEOUS

1. Term and Termination. Subject to the following, this Agreement shall be effective as of the date first written above and shall continue in force and effect until June 30, 2015. The term of the Agreement may be extended by written agreement of the Parties. Notwithstanding the foregoing,

(a) if the Telvent Maintenance Contract is terminated pursuant to Section 12 of that agreement, this Agreement shall terminate on the same day that the Telvent Maintenance Contract terminates, provided that CTRMA shall give CCRMA written notice of the termination within ten (10) days of providing notice to or receiving notice from Telvent in accordance with Section 12 of the Telvent Maintenance Contract; and

(b) either party may terminate this Agreement in the event of a material breach of its terms, which may include, but is not limited to, failure to make timely payments of amounts owed and failure to provide services and satisfy performance measures in accordance with this Agreement, provided that the party seeking to terminate the Agreement has provided written notice to the other of the alleged default and the default has not been cured within thirty (30) days of receipt of such notice; and

(c) CCRMA may terminate this Agreement without cause at any time, provided that CCRMA shall provide CTRMA with notice sufficient to allow CTRMA to satisfy its obligations under the Telvent Maintenance Contract.

Notwithstanding the foregoing, CTRMA shall not issue to Telvent any task orders or work authorizations extending beyond the term of the Telvent Maintenance Contract.

2. Prior Written Agreements. This Agreement is without regard to any and all prior written contracts or agreements between the Parties regarding any other subject matter and does not modify, amend, ratify, confirm, or renew any such other prior contract or agreement between the Parties.

3. Other Services. Nothing in this Agreement shall be deemed to create, by implication or otherwise, any duty or responsibility of either of the Parties to undertake or not to undertake any other service, or to provide or not to provide any service, except as specifically set forth in this Agreement or in a separate written instrument executed by both Parties.

4. Governmental Immunity. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either of the Parties nor to create any legal rights or claims on behalf of any third party. Neither of the Parties waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

5. Amendments and Modifications. This Agreement may not be amended or modified except in writing and executed by both Parties to this Agreement and authorized by their respective governing bodies.

6. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced in accordance therewith. The Parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is their desire and intention that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Agreement and be deemed to be validated and enforceable.

7. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall be considered fully executed as of the date first written above, when both Parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart.

IN WITNESS WHEREOF, the Parties have executed and attested this Agreement by their officers thereunto duly authorized.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

By: _____
Mike Heiligenstein,
Executive Director

CAMERON COUNTY REGIONAL MOBILITY AUTHORITY

By: _____
Pete Sepulveda, Jr.,
RMA Coordinator

ATTACHMENT "A"

TOLL IMPLEMENTATION ILA

Central Texas Regional Mobility Authority

AGENDA ITEM #7 SUMMARY

Approve an amended work authorization with Telvent USA Corporation under the maintenance services for the toll collection system contract to provide toll system maintenance services to Cameron County Regional Mobility Authority.

Department: Operations

Associated Costs: $56,092.00 annually

Board Action Required: YES

Funding Source: General Fund; Reimbursed from CCRMA

Description of Matter:

On January 27, 2010, the CTRMA Board of Directors adopted Resolution No. 10-06 authorizing CTRMA to enter into an Interlocal Agreement with the Cameron County Regional Mobility Authority (CCRMA) to provide a toll collection system through the use of CTRMA resources. Work Authorization #4 was subsequently negotiated and added to the Telvent USA Corporation Toll System Implementation contract to provide the toll collection system for CCRMA. On December 7, 2011 Board Resolution No. 11-138 was issued approving an addendum to Work Authorization #4 to include one year of toll system maintenance services for CCRMA. This new request is for a Work Authorization #1 to be added to the Telvent USA Corporation contract for Maintenance Services for continued long term toll system maintenance for the CCRMA toll system. Work Authorization #1 will begin at the expiration of the one year of services provided under the Toll System Implementation contract and will renew annually. Either CTRMA or CCRMA may elect to discontinue these Maintenance Services with proper notification.

Attached documentation for reference:

Draft Work Authorization No. 1

Contact for further information:

Tim Reilly, Director of Toll Operations

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AN AMENDED WORK AUTHORIZATION WITH TELVENT USA CORPORATION UNDER THE MAINTENANCE SERVICES FOR THE TOLL COLLECTION SYSTEM CONTRACT TO PROVIDE TOLL SYSTEM MAINTENANCE SERVICES TO THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITY.

WHEREAS, by Resolution No. 10-06, adopted by the Board of Directors on January 27, 2010, the Board authorized an interlocal agreement between CTRMA and the Cameron County Regional Mobility Authority ("CCRMA") by which CTRMA would provide toll system implementation services to CCRMA (the "Toll System Implementation ILA"); and

WHEREAS, CTRMA currently provides toll system maintenance services to CCRMA under the Toll System Implementation ILA through its Contract for Toll System Implementation effective April 27, 2005, with Telvent USA Corporation ("Telvent"), formerly known as Caseta Technologies (the "Telvent Implementation Contract"), pursuant to Resolution No. 11-138, adopted by the Board of Directors on December 7, 2011, CTRMA; and

WHEREAS, CCRMA has asked CTRMA to enter into a new interlocal agreement under which CTRMA will continue to provide maintenance services for CCRMA's new toll system at the conclusion of the maintenance services provided under the Telvent Implementation Contract; and

WHEREAS, CTRMA can provide continuing toll system maintenance services for CCRMA's toll system by approving a new work authorization for that work under its Maintenance Service Contract for Toll Collection System with Telvent, dated March 3, 2007 (the "Telvent Maintenance Contract"), as amended April 27, 2011; and

WHEREAS, the Executive Director recommends that the Board approve a new work authorization with Telvent to provide the requested maintenance service to CCRMA, in the form or substantially the same form attached as Attachment A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes and approves the proposed work authorization with Telvent in the form or substantially the same form attached as Attachment A; and

BE IT FURTHER RESOLVED, that the Executive Director may finalize and execute on behalf of CTRMA the proposed work authorization with Telvent in the form or substantially the same form attached as Attachment A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

TELVENT WORK AUTHORITZATION

[on the following 6 pages]

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

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WORK AUTHORIZATION NO. 1

MAINTENANCE SERVICES CONTRACT FOR TOLL COLLECTION SYSTEM- CAMERON COUNTY RMA SH 550 TOLL PROJECT

THIS WORK AUTHORIZATION is made pursuant to the terms and conditions of Article 11 of the Contract for Maintenance Services Contract for Toll Collection System, dated March 3, 2007 (the Contract) entered into by and between the Central Texas Regional Mobility Authority (the "Authority" or "CTRMA"), and Telvent USA Corporation (the Contractor), and as amended April 27, 2011.

PART I. The Contractor will perform toll system maintenance services generally as described in Attachment B to the INTERLOCAL AGREEMENT by and between the CTRMA and the CAMERON COUNTY REGIONAL MOBILITY AUTHORITY attached hereto as **EXHIBIT A**. The INTERLOCAL AGREEMENT, together with Attachment M-1, as amended by **EXHIBIT B** attached hereto, are made a part of this Work Authorization.

PART II. The maximum amount payable under this Work Authorization No. 1 is $56,092. This amount is based generally upon the estimated fees set forth in Schedule 1.1, as amended by **EXHIBIT C**, which is incorporated herein and made a part of this Work Authorization. Any adjustment in the cost of maintenance services is subject to the written approval of the CCRMA and the CTRMA.

PART III. Payment to the Contractor for the services established under this Work Authorization shall be made in accordance with Article 6 of the Contract.

PART IV. This Work Authorization is effective **May 12, 2012** and shall terminate on June 30, 2015 unless extended by a supplemental Work Authorization as provided in Article 11 of the Contract.

PART V. This Work Authorization No. 1 does not waive any of the parties' responsibilities and obligations provided under the Contract, and except as specifically modified by this Work Authorization, all such responsibilities and obligations remain in full force and effect.

IN WITNESS WHEREOF, this Work Authorization No. 1 is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE CONTRACTOR: Telvent USA Corporation

Signature Date
Typed/Printed Name and Title

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Executed for and approved by the Central Texas Regional Mobility Authority for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

Signature Date
Typed/Printed Name and Title

LIST OF EXHIBITS

EXHIBIT A	INTERLOCAL AGREEMENT
EXHIBIT B	SCOPE OF SERVICES
EXHIBIT C	FEE SCHEDULE

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

MAINTENANCE SERVICES CONTRACT FOR TOLL COLLECTION SYSTEM

WORK AUTHORIZATION NO. 1

SCOPE OF WORK

Pursuant to action of the CTRMA Board of Directors, reflected in Resolution No. 10-10, dated February 26, 2010, Attachment M-1 of the Contract is amended as described below. Unless noted otherwise, all other provisions of this Attachment M-1 shall remain in effect.

Section M1.0 of Attachment M-1 is amended by adding a new Subsection M1.04 to read as follows:

M1.0 General

Add the following

M1.04 Phasing of CCRMA SH550 Project

The agreement between CTRMA and CCRMA for the implementation of toll systems may be amended to provide for implementation of additional tolling points on SH550 or other facilities by CTRMA on behalf of CCRMA.

Should additional toll lanes and/or equipment be implemented via an amendment to an existing ILA or a new agreement between CTRMA and CCRMA, any adjustment to this maintenance agreement must be agreed to between CTRMA and the Contractor prior to implementation allowing CTRMA to inform CCRMA of the resulting cost adjustments. Upon acceptance of the new toll lanes and/or equipment, the Contractor may be entitled to the increased amount.

Section M2.0 of Attachment M-1 is amended by adding new Subsections M2.04 and M2.05 to read as follows:

M2.0 Scope of Work Elements

Add the following:

M2.04. Maintenance Remote Support Services

Under Phase 1, the Contractor's responsibilities shall include routine, corrective and emergency maintenance of the CCRMA Toll Collection System that is required to support the operations of the designated remote Express Toll Locations as they receive Segment Acceptance.

The CCRMA will provide local maintenance personnel to perform related on-site tasks and assist as required with the maintenance of the toll system. It is assumed that the Agency will monitor and respond to alarms and tickets in a manner consistent with the support of their existing systems. It is assumed that most alarms and automatically generated trouble tickets with be investigated and resolved remotely. However, local personnel will be available, at the direction of the Agency, to assist with issues that require on-site support. Local maintenance personnel will have been trained by the Agency to access spare parts, perform sub-component replacements, properly handle the return of defective

equipment, properly administer inventory as required, etc. It is assumed that any required on-site maintenance support, beyond scheduled preventative maintenance and tuning, will be paid for by CCRMA on a time and material basis.

Maintenance Remote Support - This work will include remotely monitoring the designated toll collection system and responding to and resolving alarms and trouble tickets. This work also will include monitoring the surveillance cameras in a manner consistent with the Agency's current operations and, if required, calling designated Cameron County contacts.

M2.05. Preventative Maintenance

Under Phase 1, the Contractor's responsibilities shall include preventative and predictive maintenance of the CCRMA Toll Collection System that is required to support the operations of the designated remote Express Toll Locations as they receive Segment Acceptance.

Preventative Maintenance - This work will include the estimated labor and expenses for annual preventative maintenance and system tuning as required.

Section M3.0 of Attachment M-1 is amended as follows:

M3.0 Maintenance Plan

Add the following:

The Contractor shall create a Maintenance Plan that covers all aspects of the CCRMA Toll Collection System pertinent to Phase I of the Scope of Work and provide such Maintenance Plan to the CTRMA.

The Maintenance Plan will be updated periodically thereafter by mutual agreement of the parties as they deem reasonably necessary.

Section M5.0 of Attachment M-1 is amended as follows:

M5.0 Staffing

As of the Effective Date, the Contractor shall have the following personnel situated in Austin whose duties will include providing toll system maintenance services to the CCRMA. Changes in the scope of work, including, but not limited, to the addition or subtraction of lanes and/or equipment may cause changes in the staffing levels.

- Maintenance Manager (who shall be responsible for overseeing the performance of the Service)
- Maintenance Technicians (three)
- Network/System Engineer (can be remote)

The Contractor shall ensure that the field maintenance team has technical support in the areas of radio frequency, hardware, systems, communications and software.

Section M6.0 of Attachment M-1 is amended as follows:

M6.0 Personnel Training

Add the following:

The Contractor shall provide for any necessary supplemental training of the CCRMA maintenance technicians responsible for the Toll Collection System, which shall be scheduled such that it will be completed no later than one (1) week prior to field installation of the any new lane configurations. The training shall consist of a minimum of two (2) weeks of both hands-on classroom instruction and on-the-job training.

M6.01. Staff Assignments

Add the following:

Maintenance staff shall participate with the Contractor's field installation team to obtain first-hand experience with the equipment.

The CCRMA Maintenance Technicians responsible for the field repairs shall be trained for major module/PC board swap-out. The Technicians shall be trained at the bench level and to repair equipment at the component level as needed.

[END OF SECTION]

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

MAINTENANCE SERVICES CONTRACT FOR TOLL COLLECTION SYSTEM

WORK AUTHORIZATION NO. 1

SCHEDULE 1.1 PRICE SCHEDULE

Schedule 1.1 of the Contract, as amended, is revised by adding a new Section 3 to read as follows:

3. Monthly Maintenance Remote Support Services

Monthly Fee for providing Maintenance Remote Support and Preventative Maintenance services for maintaining the SH550 Toll Project including Plaza System, Host System, Communications Equipment, Security Access System, System Administration, and all Toll Lanes shall be measured on a per month basis. Each per month unit shall include furnishing labor, materials, and support services to perform Maintenance Remote Support Services for that month in conformance with the requirements of the Specifications, and as accepted by the CTRMA.

Basis of Payment

Payment will be made at the monthly bid price for the Maintenance Remote Support Services provided, upon approval of services by the CTRMA in accordance with the following table:

Maintenance Remote Support Cost Elements					Project Lanes	Total Lanes
					2	2
Item No.	Description	Unit	Rate / Hr	Unit Price per Month	SH550 Phase I	
					QTY.	Per Month
110	Base Monthly Fee	1		$1,200.33	1	$1,200.33
111	Software Engineer	173	$116.00		0.046	$923
112	System Engineer	173	$127.00		0.046	$1,011
113	Technician	173	$89.00		0.1	$1,540
114	Technician ODC's	1			0	0
					Subtotal $ /Mo.	**$4,674.33**

Any work resulting from software changes requested by CCRMA and "Maintenance Remote Support" and "Preventative Maintenance" resulting from any required onsite maintenance support other than scheduled preventative maintenance and tuning, including responding to outages and system problems, will be paid for by CCRMA on a time and material basis.

[END OF SECTION]

Central Texas Regional Mobility Authority

AGENDA ITEM #8 SUMMARY

Approve an interlocal agreement with the North Texas Transportation Authority, the Texas Department of Transportation, and the Harris County Toll Road Authority to provide continuing maintenance of the interoperability hub system.

Department: Operations

Associated Costs: $70,000.00 (CTRMA not to exceed $17,500.00)

Funding Source: Operations Budget

Board Action Required: YES

Description of Matter:

An Interlocal agreement between CTRMA, TxDOT, NTTA, and HCTRA provides that NTTA will perform preventive, predictive, corrective, and emergency maintenance service on the software and databases that comprise the IOPHub. The existing ILA expired January 15, 2012. This ILA will re-establish services until January 15, 2013, at the same $70,000 annual cost as was established under the prior agreement. The total cost is divided equally among the four parties to this agreement.

Attached documentation for reference:

Draft Interlocal Agreement

Contact for further information:

Tim Reilly, Director of Toll Operations

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AN INTERLOCAL AGREEMENT WITH THE NORTH TEXAS TRANSPORTATION AUTHORITY, THE TEXAS DEPARTMENT OF TRANSPORTATION, AND THE HARRIS COUNTY TOLL ROAD AUTHORITY TO PROVIDE FOR CONTINUING MAINTENANCE OF THE INTEROPERABILITY HUB SYSTEM.

WHEREAS, pursuant to an interlocal agreement by and between the Central Texas Regional Mobility Authority, the North Texas Tollway Authority ("NTTA"), the Harris County Toll Road Authority ("HCTRA"), and the Texas Department of Transportation ("TxDOT") (the "Interoperable HUB Maintenance ILA"), NTTA provides maintenance services for the Interoperable Toll Transaction HUB needed to ensure continuation of toll interoperability among the parties; and

WHEREAS, the Interoperable HUB Maintenance ILA expired on January 15, 2012; and

WHEREAS, the Executive Director recommends that the Interoperable HUB Maintenance ILA be renewed under the terms and conditions shown on the proposed interlocal agreement provided by TxDOT and attached to this resolution as Attachment A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes and approves the proposed interlocal agreement between CTRMA, NTTA, HCTRA, and TxDOT for maintenance services for the Interoperable Toll Transaction HUB, in the form or substantially the same form attached to this resolution as Attachment A; and

BE IT FURTHER RESOLVLED, that the Executive Director is authorized to execute on behalf of CTRMA the proposed interlocal agreement in the form or substantially in the form attached as Attachment "A" to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

INTERLOCAL AGREEMENT WITH NTTA, TxDOT, & HCTRA

[on the following 11 pages]

Interlocal Agreement

Contract Services Transmittal Form

From: Toll Operations Division (District/Division/Office)	Contact Person: Rosa Lee Phone No.: 512-936-4144
Subject: Toll Operations – Interoperable Toll Transaction HUB Maintenance Agreement.	
Other Entity North Texas Tollway Authority (NTTA), Central Texas Regional Mobility Authority (CTRMA) Harris County (HCTRA)	Contract Maximum Amount Payable $70,000
Are any federal funds used in this contract? No	
Is the other party to this contract a county? Yes__**X**__ No _____ Does this contract involve the construction, improvement, or repair of a building or road? Yes_____ No __**X**___ If the answer to both questions is yes, a resolution from the commissioners court must be included as Attachment D.	
Was the standard interlocal or amendment format modified? Yes _____ No __**X**__ If modified, date of Contract Services approval: _____ Modifications made are as follows:	

THE STATE OF TEXAS §

THE COUNTY OF TRAVIS §

INTERLOCAL AGREEMENT

THIS CONTRACT is entered into by the Contracting Parties under Government Code, Chapter 791.

I. CONTRACTING PARTIES:

Texas Department of Transportation	TxDOT
North Texas Tollway Authority	NTTA
Central Texas Regional Mobility Authority	CTRMA
Harris County	HCTRA

II. PURPOSE: Toll Operations – Interoperable Toll Transaction HUB Maintenance Agreement.

III. STATEMENT OF SERVICES TO BE PERFORMED: The NTTA will undertake and carry out services described in **Attachment A**, Scope of Services.

IV. CONTRACT PAYMENT: The total amount of this contract shall not exceed **$70,000** and shall conform to the provisions of **Attachment B**, Time and Material Rate Sheet. The parties intend for each of them (including the NTTA) to bear one-fourth of such amount. Therefore, the amount payable to NTTA under this contract shall be $52,500 (TxDOT, CTRMA and HCTRA each will pay equal portion of the total or $17,500 each). This will be a one-time payment, which shall be payable upon the full execution of this contract by all parties.

V. TERM OF CONTRACT: Payment under this contract beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this contract shall be terminated immediately with no liability to either party. This contract begins when fully executed by both parties and terminates on January 15, 2013**,** or when otherwise terminated as provided in this Agreement.

VI. LEGAL AUTHORITY: THE CONTRACTING PARTIES certify that the services provided under this contract are services which are properly within the legal authority of the Contracting Parties

The governing body, by resolution or ordinance dated July 25, 2007, has authorized the Local Government (NTTA) to execute this Interlocal Agreement.

The governing body, by Resolution _____ dated_____, has authorized the Local Government (CTRMA) to execute this Interlocal Agreement.

The governing body, by resolution or order dated_____, has authorized the Local Government (HCTRA) execute this Interlocal Agreement.

This contract incorporates the provisions of Attachment A**,** Scope of Services**,** Attachment B**,** Time and Material Rate Sheet, Attachment C**,** General Terms and Conditions, and Attachment D**,** Resolution or Ordinance.

NORTH TEXAS TOLLWAY AUTHORITY

By _____ Date _____
AUTHORIZED SIGNATURE

_____
Typed or Printed Name and Title

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

By _____ Date _____
AUTHORIZED SIGNATURE

_____
Typed or Printed Name and Title

HARRIS COUNTY

By _____ Date _____
AUTHORIZED SIGNATURE

_____
Typed or Printed Name and Title

FOR THE STATE OF TEXAS
Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission

By _____ Date _____
Janice Mullenix
Director of Contract Services

ATTACHMENT A
Scope of Services

The Interoperable Toll Transaction HUB ("IOPHub") comprises databases and software used to store and distribute information concerning (1) transponders and transponder-based toll transactions and (2) license plates and certain license-plate-based toll transactions to the Texas toll authorities that are the parties to this contract (each, a "party"; collectively, the "parties"). Transponders are referred to in this contract as "tags." The IOPHub provides a common interface and location through which lists of valid tags are received from each party that issues tags and are distributed to the other parties to this contract; the IOPHub also provides a common interface and location by and through which a tag-based toll transaction recorded at the facility of a toll authority that is not the issuer of the tag is transmitted from that "visited authority" and is sent to the party that issued the tag in question (the "home authority") for processing and posting to accounts. The IOPHub also provides a common interface and location through which lists of license plates of vehicles that are associated with an account established with a party are received from that party and are distributed to the other parties. (The party with whom the account is established is a home authority with respect to such license-plate-based transactions). When such a vehicle passes through a party's toll facility without a tag, the information regarding the transaction is sent to the vehicle's home authority for processing and posting to accounts.

The North Texas Tollway Authority ("NTTA") will provide the following services for system maintenance of the IOPHub:

1. NTTA support will provide production system daily application checks, review of daily system monitoring emails, system log and status review, and database/application monitoring to verify the production application and database are operating as intended and/or indentify potential issues for address.
2. On a quarterly basis, preventative, predictive and routine maintenance on both the database and application as required in conjunction with any quarterly application and database maintenance releases for bug fix and patches will be performed. Archive, backup, restore and purge procedures, in addition to database reorganization, tuning, index rebuild and optimization, are also performed quarterly.
3. As required, issue resolution escalated from Level 1 Support, technical troubleshooting and application code correction and updates to identify and remediate system issues are a component of level 2 and 3 support. This includes developer and architect support as required to identify the issue and corrective actions required to resolve.
4. Pre-Production, Test and Development environment support will also be provided as required for developer testing and customer User Acceptance Testing (UAT).

Service Levels

As used throughout this contract, "commercially reasonable efforts" means good faith efforts that are consistent with those generally accepted as standard and reasonable in the software maintenance industry for satisfaction of performance requirements substantially similar to those set forth in this contract.

NTTA will perform preventive, predictive, corrective, and emergency maintenance service on the software and databases comprising the IOPHub. NTTA understands the mission critical nature of the IOPHub systems and will use commercially reasonable efforts to meet or exceed availability and reliability metrics that are consistent with the historical baselines that have been established since the implementation of the IOPHub in 2006. The parties acknowledge and agree that the hardware and network availability required for the operation and maintenance of the IOPHub are the responsibility of others, and that the NTTA has no obligations with respect to such items. However, NTTA will cooperate with the other parties to this contract and their respective vendors to troubleshoot and repair issues promptly.

The performance and service levels specified below are based on the parties' current understanding of system capabilities. The parties agree that these levels will be monitored and reviewed periodically by NTTA to make sure that they are reasonable and fair to all parties and that they represent the levels that are suitable for proper expected operation of the IOPHub system.

Support Levels are defined as:

- Level 1 Support – Help Desk Support and Issue Triage
    - Central point of contact
    - Dedicated staff trained in problem resolution
    - Open / Close help desk tickets for reported issues
    - Answer & resolve basic system questions / issues
    - Problem screening – determine if reported issue is IOPHub issue
    - General application administration
        - User management
        - Roles management
        - Password management
    - Issue triage
    - Priority level assignment
    - Issue routing
    - Tracking system documentation
    - Track and report issue through resolution
- Level 2 Support – Application and Database Maintenance / Issue Analysis and Resolution
    - Daily application checks
    - Daily system log and status review and follow-up
    - Database monitoring and maintenance
    - Application monitoring and maintenance
    - Issue resolution escalated from Level 1 Support
    - Technical troubleshooting
- Level 3 Support – Application and Database Optimization / Escalated Issue Analysis and Resolution
    - Quarterly Application & Database maintenance releases (Bug Fix and Patches)
    - Perform preventative, predictive, routine and corrective maintenance
    - Data archive, backup, restore and purge
    - Quarterly Database reorganization, tuning, index rebuilds, log file purging
    - Quarterly Database optimization
    - Production, Pre-Production, Test and Development environment support
    - Developer and Architect support for escalated issues from Level 2 Support
    - Application code correction and updates

NTTA shall use commercially reasonable efforts to meet annual availability requirements for the following elements of the IOPHub system for unplanned and unapproved downtime:

- IOPHub Application and Database System: 99.0% Availability (87.6 hrs max annual downtime)
- IOPHub File Transfer Protocol (FTP) Services: 99.0% Availability (87.6 hrs max annual downtime)

NTTA shall also use commercially reasonable efforts to meet minimum application performance requirements for the following elements of the IOPHub system; however, it should be noted that there are currently no automated means available to measure current performance levels (system performance may also be affected by system hardware and network connectivity):

- Web Application Response - 10 seconds or less
    - NOTE: Application response is measured from the time that a user invokes action on a web page to the time when the page is fully loaded with the result and is ready for another action.
- Standard Directory Listing Command – 120 seconds or less
    - NOTE: Directory listings are generally invoked as part of the scripting process used to transfer files via FTP. These commands are generally a representation of the system hardware, file

storage input/output (I/O), and/or network response and not of the database performance or software application.

- Report Execution Time:
  - Detail Data Reports shall return data for monthly period (approximately 30 days) within ten (10) minutes
  - Summary Data Reports shall return data for monthly period (approximately 30 days) within two (2) minutes

NOTE: Report performance is heavily dependent on the number of rows being scanned and the number of rows being returned. The parties acknowledge and agree that recent experience has shown that the report performance will degrade sharply once the capacities of the report server (CPU, Memory, or I/O) are reached, and that NTTA has no responsibility to ensure that adequate capacities are maintained.

Priority Levels

Priority level assignments are assigned to incoming reported issues. These assignments provide the criticality or severity of the issue which in turn dictates the response and repair times. The priority level assignments are detailed below:

- **Priority 1** – Any malfunction that result in the loss of revenue or data.
- **Priority 2** – Any malfunction that will degrade the system performance, but not the operational ability of the system.
- **Priority 3** – A degradation of a component or system that could lead to a malfunction.
- **Priority 4** – Informational requests only.

Response/Repair Levels

The following describes the expected response and repair times in terms of mean times calculated over a monthly period, i.e., mean-time-to-respond-and-repair (MTTRR). Response and repair times are calculated as follows: a) Response = from the recorded trouble ticket notification time to the time and acknowledgement to the ticket is provided, and b) Repair = time from the recorded response acknowledgement time to the recorded repair time. NTTA shall use commercially reasonable efforts to meet the following response and repair times:

Production System Response and Repair:

- **Priority 1**
  - 7 days a week
  - 2 hour response following notification
  - 4 hour repair following response
- **Priority 2**
  - Monday – Friday / 8am – 5pm
    - 4 hour response
    - 8 hour repair
  - All Other Times
    - 4 hour response
    - Next business day repair
- **Priority 3**
  - Monday – Friday / 8am – 5pm
    - 4 hour response
    - Next business day repair
  - All Other Times

  - 4 hour response
  - Next business day repair

- **Priority 4**
  - Next business day response
- **Non-Production Systems Response and Repair:**
  - Business days excluding holidays

NTTA Obligations

The parties acknowledge and agree that the NTTA's obligations under this contract are limited to its commercially reasonable efforts (as defined above) to achieve the availability and reliability metrics, availability requirements, and application performance requirements specified under "Service Levels" and the response and repair times specified under "Response/Repair" levels, and that the NTTA shall not be a default under this contract for its failure to achieve such metrics, requirements, or response and repair times, so long as the NTTA has made commercially reasonable efforts to do so. If the NTTA is determined to have persistently failed to have made such commercially reasonable efforts, any other party's sole and exclusive remedy shall be the right to withdraw from this contract and receive the NTTA's return of the consideration paid to it under this contract.

ATTACHMENT B
Time and Material Rate Sheet

This Time and Material Rate Sheet provides Time and Material Costs through the expiration date of this agreement. Requests for additional Operational Support or Data Analytics beyond that defined and agreed to in Attachment A may be supported via a Time and Materials billing process at the rates listed below.

TITLE	COST PER HOUR
Helpdesk Technician	$55
Technical Writer	$85
Data Analyst	$95
Quality Assurance	$85
Business Systems Analyst	$105
Developer	$120
DBA	$140
Project Planner	$90
Project Manager	$140

Additional support is foreseen to fall within one of the following six (6) categories:

Operational Support / Data Analytics

a. Ad Hoc reporting – by request from member Authorities, we will develop and execute ad-hoc reports to provide additional data and/or analysis based on the request. We will work with the requesting authority to define the data and report requirements, work with development support as needed to develop/execute queries and formulate the data in a report type format for presentation. The reports will be maintained or provided to other member Authorities to benefit their operations and to generate future similar requests.

b. Data requests – by request from member Authorities, we will develop and execute queries and provide analysis and investigation to support incoming data requests. We will work with the requesting authority to define the data requirements, work with development support as needed to develop/execute the related queries and formulate the data response. The queries will be maintained to facilitate future similar requests.

c. Report verification and reconciliation – by request from member Authorities and to facilitate business process checks, we will conduct report verification and reconciliation as needed to verify a data request, reported system issue, advanced system/application question or transaction research.

d. Advanced System / Application questions – Basic system and application questions such as role management and logins will be answered by the Help Desk. More advanced questions pertaining to business/processing logic, code development, database and system configuration will be facilitated with the Operational Support package.

e. Daily end-to-end business process checks – The Operational Support package will include comprehensive review of daily system reports to ensure efficient operation of the IOPHub and file transfer/processing. These checks will include review of daily status emails, file transfer and processing logs, execution of queries to confirm operations and response to operational issues identified.

f. Transaction research, investigation and reconciliation – Similarly defined within the previous sections, based on member requests or internal process checks and verifications, the Operational Support package will provide detailed transaction research, investigation and reconciliation. Based on the request or issue identified, this role will develop, coordinate and execute ad-hoc queries, reports and investigate other data as provided for by the system to respond to an inquiry or investigate an identified issue resulting from the business process checks and daily review.

ATTACHMENT C
General Terms and Conditions

Article 1. Additional Work
Additional services described on Attachment B – Time and Materials Rate Sheet, which the parties hereby agree are beyond the services specified in Attachment A - Scope of Services, may be requested by a party and/or offered by the NTTA, and if the NTTA agrees to provide any such additional services, such services shall be documented in a work authorization or Amendment executed by the NTTA and the requesting party, and the cost therefore shall be in accordance with Attachment B – Time and Materials Rate Sheet. All parties will be notified of the NTTA's agreement to provide such additional services, and each party shall have the option to approve or disapprove such services for that party's use. The cost of the additional services shall be the responsibility of each party that approves the additional services. The parties acknowledge and agree that certain deliverables produced under a work authorization for additional services may be useful to and used by a party that does not expressly approve and/or share in the costs of such additional services.

Article 2. Conflicts Between Agreements
In the event of conflict between this contract and the Interoperoperability of Toll Collection Systems ("IOP ILA") dated December 13, 2007, the terms described in the IOP ILA shall carry.

Article 3. Disputes [Intentionally omitted]

Article 4. Ownership of Equipment
Except to the extent that a specific provision of this contract states to the contrary, all equipment purchased by NTTA under this contract shall be owned by NTTA.

Article 5. Termination and Options to Renew
(a) This contract terminates at the end of the contract term, or upon written agreement of all the parties. At any time during the term of this contract, any party may notify the NTTA, and the other parties, that such party no longer desires for NTTA to provide services under this contract. Such notice shall constitute a notice of termination of this contract and also notice of the party's intent to terminate its participation under that certain Interlocal Agreement among the parties having an effective date of December 13, 2007, regarding the interoperability of toll collection systems (the "IOP ILA"). As provided in Section 4 of Attachment A to the IOP ILA, termination of the IOP ILA and this contract shall be effective 120 days after such notice is given. NTTA shall cease providing services under this contract simultaneously with termination of the IOP ILA. Likewise, a party's termination of its participation under the IOP ILA will be deemed to be that party's election to terminate its participation under this contract, which will be effective simultaneously with termination of the IOP ILA. A party's termination of services under this contract shall not relieve the party from its obligation to pay all amounts for which it is obligated hereunder through the end of the then-current term of this contract and no amounts will be prorated or otherwise reduced as a consequence of such termination.

(b) This contract is subject to four (4) consecutive renewal options of one (1) year each, which shall be exercisable on the following terms and conditions. Any party to this contract (other than the NTTA) that desires to exercise a renewal option shall provide written notice to all other parties of its intent to exercise its option at least ninety (90) days before the expiration of the initial term or renewal term, as applicable, then in effect. Within thirty (30) days following its receipt of notice of a party's intention to renew, the NTTA shall notify in writing all of the parties to this contract: (1) whether it is willing to continue to provide the services under this contract during the proposed renewal term (which the NTTA shall determine in its sole and absolute discretion), and (2) if so, the total fee that the NTTA will charge to provide the services during the proposed renewal term. The parties agree that the total fee will be a flat fee that will not be adjusted if fewer than all of the parties to this contract elect to exercise a renewal option. All of the renewing parties (including the NTTA) agree to allocate responsibility for the total fee equally among themselves, and each party shall be liable only for payment of its allocated share of the total fee. The NTTA agrees that the total fee will not be more than its actual cost to provide the services (which shall include, but shall not be limited to, actual costs paid by the NTTA to its consultants to provide the services). If additional toll agencies become parties to this contract during the renewal term, the NTTA may increase the total fee during such term to account for actual increased costs attributable to the increased number of parties.

(i) If the NTTA has given notice of its willingness to continue providing services during the proposed renewal term, then not less than thirty (30) days before the expiration of the then-current term, each

party shall provide written notice to each other party of its election to exercise or decline to exercise, as applicable, its option to renew this contract for the renewal term for the total fee specified by the NTTA. A party's failure to provide timely notice of its intention to renew shall be deemed to be such party's election not to renew this contract. (NTTA's notice that it is willing to continue to provide the services under this contract during the proposed renewal term shall be deemed notice of its election to exercise its renewal option.)

(ii) If all of the parties to this contract timely exercise their renewal options, then this contract shall be automatically extended for the next renewal term with respect to all parties. The fee payable to the NTTA shall be effective as of the first day of such renewal term, and each party's allocated share of such fee shall be payable not less than fifteen (15) days after the first day of the renewal term.

(iii) If fewer than all of the parties to this contract timely exercise their renewal options, (A) the parties that exercised their renewal options will consult with each other regarding their desire to renew this contract notwithstanding that one or more other parties elected not to exercise its renewal option, and (B) this contract shall automatically be terminated at the expiration of the then-current term unless not less than seven (7) days before the end of the then-current term, a party provides written notice to the NTTA expressly ratifying such party's election to exercise its renewal option for the next renewal term. If a party provides such ratification, then this contract shall automatically extended for the next renewal term with respect to the NTTA and to each of the other parties that provide such a ratification, the fee payable to the NTTA shall be allocated equally between each of the renewing parties and shall be effective as of the first day of such renewal term, and each renewing party's allocated share of such fee shall be payable not less than fifteen (15) days after the first day of the renewal term.

Article 6. Gratuities
Any person who is doing business with or who reasonably speaking may do business with the signatories to this contract may not make any offer of benefits, gifts, or favors to employees of any party to this contract.

Article 7. Responsibilities of the Parties
Each party acknowledges that it is not an agent, servant, or employee of the other party. Each party is responsible for its own acts and deeds and for those of its agents, servants, or employees.

Article 8. Compliance with Laws
The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations and with the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this contract.

Article 9. State Auditor's Provision; Audit Rights
The state auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Furthermore, any party to this contract (an "auditing party") shall have reasonable rights to review and inspect the books and records of another party (an "audited party") that receives funds under this contract from the auditing party. Such audit shall be limited to a review of those books, records, and other materials that are reasonably required to ensure the audited party's compliance with obligations it owes under this contract to the auditing party.

Article 10. Signatory Warranty
Each signatory warrants that the signatory has necessary authority to execute this contract on behalf of the entity represented.

ATTACHMENT D
Resolution or Ordinance

(Resolution or Ordinance are attached)

Central Texas Regional Mobility Authority

AGENDA ITEM #9 SUMMARY

Approve an interlocal agreement with the Texas Department of Transportation to provide courtesy patrols on the 183A Turnpike during 2012.

Department: Operations

Associated Costs: Not to exceed $85,996.08

Funding Source: General Fund; Operations Budget

Board Action Required: YES

Description of Matter:

On June 27, 2007, Board Resolution 07-30 was passed authorizing the CTRMA to enter into an Interlocal Agreement for TxDOT to provide various maintenance and operational services. Since the original Agreement our need for TxDOT to provide maintenance and operational services has been significantly reduced. The most recent ILA with TxDOT to provide maintenance and operational services was for calendar Year 2011 and approved on January 26, 2011 through Board Resolution 11-006. This request further reduces the amount of services required from TxDOT to primarily a courtesy Patrol for 183-A including the Phase II project once it is opened. This request is for Calendar year 2102.

Attached documentation for reference:

Draft Interlocal Agreement

Contact for further information:

Tim Reilly, Director of Toll Operations

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AN INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION TO PROVIDE COURTESY PATROLS ON THE 183A TURNPIKE DURING 2012.

WHEREAS, pursuant to an interlocal agreement by and between the Central Texas Regional Mobility Authority and the Texas Department of Transportation ("TxDOT") authorized by Resolution No. 11-006, adopted by the Board on January 26, 2011 ("Contract No. 86-1XXF7007"), TxDOT provides courtesy patrol services for the 183A Turnpike; and

WHEREAS, Contract No. 86-1XXF7007expired on December 31, 2011; and

WHEREAS, the Executive Director recommends continuing to provide courtesy patrol services through TxDOT for the 183A Turnpike under the terms and conditions shown on the proposed interlocal agreement provided by TxDOT and attached to this resolution as Attachment A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes and approves the proposed interlocal agreement between CTRMA and TxDOT for courtesy patrol services for the 183A Turnpike, in the form or substantially the same form attached to this resolution as Attachment A; and

BE IT FURTHER RESOLVLED, that the Executive Director is authorized to execute on behalf of CTRMA the proposed interlocal agreement in the form or substantially in the form attached as Attachment "A" to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

INTERLOCAL AGREEMENT WITH TxDOT

[on the following 7 pages]

Interlocal Agreement

Contract Services Transmittal Form

From: Toll Operations Division - 87 (District/Division/Office)	Contact Person: Sandi Frausto Phone No.: 512-463-6146
Subject: Courtesy Patrol Operations	
Other Entity Central Texas Regional Mobility Authority	Contract Maximum Amount Payable $85,996.08
Are any federal funds used in this contract? No	
Is the other party to this contract a county? Yes_____ No ___X___ Does this contract involve the construction, improvement, or repair of a building or road? Yes_____ No ___X___ If the answer to both questions is yes, a resolution from the commissioners court must be included as Attachment D.	
Was the standard interlocal or amendment format modified? Yes _____ No ___X___ If modified, date of Contract Services approval: _____ Modifications made are as follows:	

THE STATE OF TEXAS §

THE COUNTY OF TRAVIS §

INTERLOCAL AGREEMENT

THIS CONTRACT is entered into by the Contracting Parties under Government Code, Chapter 791.

I. CONTRACTING PARTIES:

The Texas Department of Transportation	TxDOT
Central Texas Regional Mobility Authority	Local Government (CTRMA)

II. PURPOSE: Provide Courtesy Patrol Operations

III. STATEMENT OF SERVICES TO BE PERFORMED: TxDOT will undertake and carry out services described in **Attachment A**, Scope of Services.

IV. CONTRACT PAYMENT: The total amount of this contract shall not exceed $ 85,996.08 and shall conform to the provisions of **Attachment B**, Budget. Payments shall be billed monthly.

V. TERM OF CONTRACT: This contract begins when fully executed by both parties and terminates on December 31, 2012 or when otherwise terminated as provided in this Agreement.

VI. LEGAL AUTHORITY:
THE PARTIES certify that the services provided under this contract are services that are properly within the legal authority of the Contracting Parties.

The governing body, by resolution or ordinance, dated _____, has authorized the Local Government to obtain the services described in **Attachment A**.

This contract incorporates the provisions of **Attachment A,** Scope of Services**, Attachment B,** Budget**, Attachment C,** General Terms and Conditions, **Attachment D,** Resolution or Ordinance and **Attachment E,** Location Map Showing Project.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

By _____ Date _____
Mike Heiligenstein

Title Executive Director

FOR THE STATE OF TEXAS
Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By _____ Date _____
Janice Mullenix
Director of Contract Services

ATTACHMENT A

Scope of Services

TxDOT shall support the Local Government on a 24-hour a day, 7 days a week operation for courtesy patrol for the 183A facility as depicted on the map in Attachment E. The primary services to be provided by TxDOT, directly or through the use of subcontractors, under the terms of TxDOT's procurements, will include the following:

1. Plaza Administration. TxDOT will:

1.1. Develop, deploy, maintain and operate traffic management services including but not limited to courtesy patrol;

1.2. Coordinate interactions with external entities, including, but not limited to, law enforcement agencies, towing services, and local traffic and emergency management centers;

1.3. At a minimum, report on staffing, work activities, incidents, complaints, traffic, revenue, and systems; and

1.4. Maintain and deploy disaster recovery plan.

Emergency Issues

Except on an emergency basis, the Local Government must inform TxDOT of any issues that they are having with the operation of the Local Government's toll facilities and TxDOT's subcontractor. Emergency issues must be followed up with informing TxDOT of the emergency as soon as possible.

Standard Operating Procedures

Services will be performed in accordance with standard operating procedures (SOPs) as established by TxDOT. Modification to the SOPs for application to the Local Government will be by mutual agreement between TxDOT and the Local Government.

ATTACHMENT B

Budget

Task	Totals
1). Facility Administration	**$ 85,996.08**
Totals	**$ 85,996.08**

Pricing Detail / Unit of Measure			
Description	**Fixed Price/Variable/Cost Plus (invoice method)**	**Unit(s)**	**Unit Price**
		2012	**2012**
Labor			
Manager	Fixed	Monthly 12	$682.32
Direct Cost [(1)]			
Mileage / vehicle cost, supplies, uniforms, telephone, and fuel.	Fixed	Monthly 12	$2,284.79
Variable Labor:			
Courtesy Patrol [(1)]	Variable (Hours worked)	Man hours (estimated at) 956	$52.71

ATTACHMENT C
General Terms and Conditions

Article 1. Amendments
This contract may only be amended by written agreement executed by both parties before the contract is terminated.

Article 2. Conflicts Between Agreements
If the terms of this contract conflict with the terms of any other contract between the parties, the most recent contract shall prevail.

Article 3. Disputes
TxDOT shall be responsible for the settlement of all contractual and administrative issues arising out of procurements entered in support of contract services.

Article 4. Ownership of Equipment
Except to the extent that a specific provision of this contract states to the contrary, all equipment purchased by TxDOT under this contract shall be owned by TxDOT.

Article 5. Termination
This contract terminates at the end of the contract term, when all services and obligations contained in this contract have been satisfactorily completed, by mutual written agreement, or 30 days after either party gives notice to the other party, whichever occurs first.

Article 6. Gratuities
Any person who is doing business with or who reasonably speaking may do business with TxDOT under this contract may not make any offer of benefits, gifts, or favors to employees of TxDOT. The only exceptions allowed are ordinary business lunches and items that have received the advanced written approval of the Executive Director of the Texas Department of Transportation.

Article 7. Responsibilities of the Parties
Each party acknowledges that it is not an agent, servant, or employee of the other party. Each party is responsible for its own acts and deeds and for those of its agents, servants, or employees.

Article 8. Compliance with Laws
The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations and with the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this agreement.

Article 9. State Auditor's Provision
The state auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Article 10. Signatory Warranty
Each signatory warrants that the signatory has necessary authority to execute this agreement on behalf of the entity represented.

ATTACHMENT D
Resolution or Ordinance

ATTACHMENT E

Location Maps Showing Project

Central Texas Regional Mobility Authority

AGENDA ITEM #10 SUMMARY

Approve a policy to establish permitting requirements and processes relating to use of CTRMA-provided public utility encasements on the 183A Turnpike.

Department: Law and Engineering

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

On April 27, 2011, the Board approved a change order for the 183A Phase II construction contract with Webber LLC to install two utility encasements for future utility facilities under Hero Way and the 183A mainlanes on the north side of RM 2243, at a cost not to exceed $270,791.08. Installing these utility encasements during the 183A Phase II project construction activity was seen as more cost effective than doing so after that project was completed, and would also reduce future impacts to the facility. Also, this action was seen as providing continued support for future development along the 183A Corridor and for the City of Leander.

The proposed policy establishes a requirement that any utility facility to be installed in CTRMA right-of-way for 183A between its intersections with RM 2243 and Hero Way will be required to locate the facility in a utility encasement installed and owned by CTRMA. Use of the CTRMA utility encasement will require an agreement between the owner of the utility facility and CTRMA that includes, among other provisions, payment terms that fully reimburse CTRMA for its actual costs of providing the encasements for use by the utility provider.

Attached documentation for reference:

Proposed Utility Encasement Policy

Draft Resolution

Contact for further information:

Andrew Martin, General Counsel or Wesley Burford, P.E., Director of Engineering

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING A POLICY TO ESTABLISH PERMITTING REQUIREMENTS AND PROCESSES RELATING TO USE OF CTRMA-PROVIDED PUBLIC UTILITY ENCASEMENTS ON THE 183A TURNPIKE.

WHEREAS, CTRMA has, at its cost, installed two encasements for public utilities in the right-of-way for the 183A Extension between the intersections of 183A with RM 2243 and Hero Way; and

WHEREAS, the availability of these encasements should facilitate future development along the east side of 183A in this area by providing a more certain and cost-effective method of extending needed public utility facilities to serve new development; and

WHEREAS, the terms and conditions of reimbursement payments to CTRMA for providing the encasements are best determined when there is more information available concerning actual development proposals and when those who will immediately benefit using the encasements are identified; and

WHEREAS, the Executive Director recommends approval of the proposed encasement policy to clearly establish CTRMA policy on this matter.

NOW THEREFORE, BE IT RESOLVED that the proposed "Policy And Procedures For Installation Of A Utility Facility In Encasement Protected Right-Of-Way" attached to this resolution as Attachment A is approved and adopted as CTRMA policy.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

Policy And Procedures For Installation Of A Utility Facility In Encasement Protected Right-Of-Way

SECTION 1. APPLICABILITY

This policy applies only to a utility facility constructed in Encasement Protected ROW after January 25, 2012.

SECTION 2. DEFINITIONS

In this policy:

"CTRMA" means the Central Texas Regional Mobility Authority.

"Board" means the board of directors of the Central Texas Regional Mobility Authority.

"Utility Facility" means: (a) a water, wastewater, natural gas, or petroleum pipeline or associated equipment; (b) an electric transmission or distribution line or associated equipment; or (c) telecommunications information services, or cable television infrastructure or associated equipment, including fiber optic cable, conduit, and wireless communications facilities, used to provide a utility service.

"CTRMA Encasement" means an encasement installed under a roadway within CTRMA right-of-way and owned by CTRMA.

"Encasement Protected ROW" means CTRMA right-of-way for 183A between its intersections with RM 2243 and Hero Way.

SECTION 3. UTILITY FACILITY IN ENCASEMENT PROTECTED ROW.

(a) A Utility Facility installed in Encasement Protected ROW shall be installed only within a CTRMA Encasement.

(b) This section does not apply to a Utility Facility that CTRMA determines cannot reasonably be installed within a CTRMA Encasement because the CTRMA Encasement has insufficient capacity to contain the proposed Utility Facility.

SECTION 4. AGREEMENT TO INSTALL A UTILITY FACILITY IN A CTRMA ENCASEMENT

(a) A Utility Facility may not be installed in a CTRMA Encasement unless the owner of the Utility Facility executes an agreement with CTRMA.

(b) An agreement under this section must:

(1) include such terms and conditions as are reasonably necessary to protect the interests of CTRMA and its customers, as may be recommended by the Executive Director and approved by the Board;

(2) include payment terms that fully reimburse CTRMA for its actual costs incurred to design, construct, and maintain the CTRMA Encasement; and

(3) be competitively neutral and nondiscriminatory among similarly situated users of the Encasement Protected ROW.

(c) A requirement of this section that directly conflicts with another law relating to use of CTRMA right-of-way for a Utility Facility shall be subject to the provisions of the other law to the extent of such conflict.

Central Texas Regional Mobility Authority

AGENDA ITEM #11 SUMMARY

Approve the assignment of the professional services agreement for legal services as CTRMA's bond counsel from Vinson & Elkins LLP to Bracewell & Guiliani LLP.

Department: Finance

Associated Costs: None

Funding Source: Various

Board Action Required: YES

Description of Matter:

Since 2004, the law firm of Vinson & Elkins LLC ("V&E") has provided bond counsel services to CTRMA. Effective January 17, 2012, the attorneys constitution V&E's public finance practice joined Bracewell & Giuliani LLC ("Bracewell"). V&E no longer provides public finance legal services.

This agenda item would approve a three-party agreement to assign the existing contract for CTRMA's bond counsel services from V&E to Bracewell. Both law firms are in agreement. CTRMA will continue to receive bond counsel services under the direction of Glenn Opel, now a partner at Bracewell, under the same rates, terms, and conditions as provided when Mr. Opel was a partner at V&E.

Attached documentation for reference:

Assignment of Professional Services Agreement

Resolution

Contact for further information:

William Chapman, Chief Financial Officer or Andrew Martin, General Counsel

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AN ASSIGNMENT OF THE PROFESSIONAL SERVICES AGREEMENT FOR LEGAL SERVICES AS CTRMA'S BOND COUNSEL FROM VINSON & ELKINS LLP TO BRACEWELL & GUILIANI LLP.

WHEREAS, Vinson & Elkins LLP ("V&E") has served as bound counsel for CTRMA since 2004, pursuant to Resolution No. 03-66, adopted December 17, 2003, and CTRMA's engagement letter with V&E dated April 20, 2004 (the "Bond Counsel Contract"); and

WHEREAS, the attorneys at V&E that provide bond counsel services to CTRMA have joined the law firm of Bracewell & Giuliani, LLP ("Bracewell"), effective January 17, 2012, and V&E no longer provides public finance legal services; and

WHEREAS, subject to agreement by CTRMA to the assignment, V&E has agreed to assign the Bond Counsel Contract to Bracewell, and Bracewell has agreed to accept the assignment; and

WHEREAS, the Executive Director recommends approval of the proposed assignment attached to this resolution as Attachment A.

NOW THEREFORE, BE IT RESOLVED that the proposed assignment attached to this resolution as Attachment A is approved; and

BE IT FURTHER RESOLVED that the proposed assignment in the form or substantially the same form as Attachment "A" may be executed by the Executive Director on behalf of CTRMA.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

ASSIGNMENT OF PROFESSIONAL SERVICES AGREEMENT

[on the following 13 pages]

ASSIGNMENT OF PROFESSIONAL SERVICES AGREEMENT

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

RECITALS

WHEREAS, on April 20, 2004, the Central Texas Regional Mobility Authority ("CTRMA") and Vinson & Elkins, L.L.P. ("V&E") entered into a legal services agreement under which V&E provides legal services to CTRMA as bond counsel in connection with the issuance by the CTRMA of revenue bonds, notes and other obligations for the purpose of financing the construction, operation and maintenance of transportation projects in Central Texas (the "Contract," a copy of which is attached to this Assignment as Exhibit "A"); and

WHEREAS, the attorneys and associated staff at V&E who have provided the legal services to CTRMA under the Contract are all departing V&E and joining the law firm of Bracewell & Giuliani LLP ("Bracewell"); and

WHEREAS, the parties to this Assignment desire to assign all rights and obligations under the Contract to Bracewell.

NOW, THEREFORE, the parties agree to the following:

V&E, effective January 17th, 2012, in consideration of the acceptance of all obligations thereunder that accrue and other good and valuable consideration, by this instrument assigns all of its rights, and all of the duties and obligations under the Contract to Bracewell.

Bracewell accepts the assignment of the rights, and all of the duties and obligations under the Contract and does, in consideration of CTRMA's consent to the Assignment, assume, agree to perform and be bound by the covenants, obligations and agreements contained in the Contract.

CTRMA consents to the assignment of rights, and of all duties and obligations under the Contract, as described above, and requests that V&E transfer all CTRMA files, documents, and related materials, in hardcopy and digital format, as applicable, to Bracewell as soon as practicable.

Vinson & Elkins L.L.P.

By:_____
Printed Name:_____
Title:_____
Date:_____

Bracewell & Giuliani LLP

By:_____
Printed Name:_____
Title:_____
Date:_____

Central Texas Regional Mobility Authority

By:_____
Printed Name:_____
Title:_____
Date:_____

EXHIBIT A
Vinson & Elkins LLP Engagement Letter

Vinson&Elkins V&E
ATTORNEYS AT LAW

VINSON & ELKINS L.L.P.
THE TERRACE 7
2801 VIA FORTUNA, SUITE 100
AUSTIN, TEXAS 78746
TELEPHONE (512) 542-8400
FAX (512) 542-8612
www.velaw.com

W. Glenn Opel
Direct Dial (512) 542-8498
Direct Fax (512) 236-3312
gopel@velaw.com

April 20, 2004

Central Texas Regional Mobility Authority
Attention: Mr. Mike Heiligenstein, Executive Director
13640 Briarwick Drive, Suite 200
Austin, TX 78729

Re: Representation of the Central Texas Regional Mobility Authority

Dear Mr. Heiligenstein:

We appreciate being selected to represent the Central Texas Regional Mobility Authority (the "CTRMA"), as bond counsel in connection with its issuance of revenue bonds, notes and other obligations (collectively, the "Securities") for the purpose of financing the construction, operation and maintenance of transportation projects in Central Texas. Our experience has been that it is mutually beneficial to set forth, at the outset of our representation, the role and responsibilities of both our law firm and the client. That is the purpose of both this letter and the separate Standard Terms of Engagement for Legal Services that is enclosed with this letter.

Client

The client for this engagement is the Central Texas Regional Mobility Authority. This engagement does not create an attorney-client relationship with any related persons or entities, such as parents, subsidiaries, affiliates, employees, officers, directors, shareholders, or partners.

Scope of Engagement

As your bond counsel, we will perform, to the extent requested, the services identified in Addendum A and any additional matters that are made part of the engagement by written supplement to this letter.

We recognize that we shall be disqualified from representing any other client (i) in any matter which is substantially related to our representation of you and (ii) with respect to any matter where there is a reasonable probability that confidential information you furnished to us could be used to your disadvantage. You understand and agree that, with those exceptions, we are free to represent other clients, including clients whose interests may conflict with yours in litigation, business transactions, or other legal matters. You agree that our representing you in this matter

will not prevent or disqualify us from representing clients adverse to you in other matters and that you consent in advance to our undertaking such adverse representations.

Our Firm represents a number of lawyers and law firms in professional liability, business, tax and other matters. This means that we may have represented, may currently represent, or in the future may represent counsel opposing your interests in a matter in which we represent you. This will not in any way affect the diligence or vigor with which we represent your interests in the matter or the matters on which you engage our Firm. If this is a concern to you, please let us know and we will check on the particular lawyers involved in your matter or matters.

Cooperation

In order to enable us to render effectively the legal services contemplated, the CTRMA agrees to use all reasonable efforts to disclose fully and accurately all known facts and keep us informed of all developments relating to this matter. We necessarily must rely on the accuracy and completeness of the facts and information you and your agents provide to us. To the extent it is necessary for your representatives to attend meetings in connection with this matter, we will attempt to schedule them so that the convenience of those representatives can be served.

Fees

Our fees for services rendered under this Agreement will be based upon (i) hourly time charges, with the hourly rate being determined by the tenure and specialized knowledge of the lawyers providing the service, (ii) certain opinion fees, and (iii) certain document preparation fees. The fees to be paid to us for services performed on an hourly basis will be based upon our standard hourly rates, subject to an hourly rate cap of $395.00 per hour (with such cap being subject to an annual adjustment of $10 per hour on January 1 each of the next five calendar years, beginning January 1, 2005; thereafter the cap will be adjusted with your agreement to reflect average annual increases in the standard hourly rates of our partners).

Further, upon the delivery of Securities or the closing of a commercial paper transaction or other transaction in which Securities are not delivered upon the closing, the following opinion fees will be due:

Bond Opinion Fee	An opinion fee of $0.40 per $1,000 in Principal Amount of Securities
Securities Opinion Fee (if applicable)	$10,000

In the event the CTRMA requests us to have primary document production responsibility in connection with the preparation of the official statement relating to a long term bond issue, the CTRMA agrees that there will also be a $10,000 document preparation fee, which covers maintaining the document on our word processing system and delivering a camera ready copy to the printer. Notwithstanding the foregoing, in the event that we undertake such responsibility with respect to a commercial paper memorandum, the document preparation fee will be $5,000.

Other Charges

In addition to our fees, there will be other charges for items incident to the performance of our legal services, such as photocopying, messengers, travel expenses, long-distance telephone calls, facsimile transmissions, postage, specialized computer applications such as computerized legal research, and filing fees. The basis upon which we establish these other charges is set forth in the Standard Terms of Engagement For Legal Services attached hereto as Addendum B.

Investment Disclosures

Many of the Firm's lawyers, directly or beneficially, own interests in corporations and other entities or in real property. Although our computerized system used for checking conflicts of interest tracks all investments made in the name of the Firm, it does not contain data as to investments made individually by each of the Firm's lawyers. If you are at all concerned about these individual investments, we will be pleased to canvass our lawyers about their individual investments in any entity or entities about which you may be concerned.

Withdrawal or Termination

Our relationship is based upon mutual consent and you may terminate our representation at any time, with or without cause, by notifying us. Your termination of our services will not affect your responsibility for payment of authorized fees for legal services rendered and of other charges incurred before termination and in connection with an orderly transition of the matter.

We are subject to the rules of professional conduct for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example, nonpayment of fees or costs, misrepresentation or failure to disclose material facts, fundamental disagreements, and conflict of interest with another client. We try to identify in advance and discuss with our client any situation which may lead to our withdrawal, and if withdrawal ever becomes necessary, we give the client written notice of our withdrawal. If we elect to withdraw for any reason, you will take all steps necessary to free us of any obligation to perform further, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and other charges accrued on your behalf to the date of withdrawal.

If the foregoing, including the items set forth in the enclosed Standard Terms of Engagement for Legal Services, correctly reflects your understanding of the terms and conditions of our representation, please so indicate by executing the enclosed copy of this letter in the space provided below and return it to the undersigned.

Please contact the undersigned if you have any questions. We are pleased to have this opportunity to be of service and to work with you.

Very truly yours,

VINSON & ELKINS L.L.P.

By: _____
W. Glenn Opel

AGREED TO AND ACCEPTED:

CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

By: _____
Mike Heiligenstein, Executive Director

WGO:dkd
Enclosure

ADDENDUM A

(A) SCOPE OF SERVICES

We are being engaged to provide bond counsel services in connection with bonds, notes and other obligations to be issued by the CTRMA (collectively, the "Securities"). Our services will include those necessary for us to render an opinion (the "Bond Opinion") to the effect that the Securities have been authorized, issued, and delivered in accordance with the Constitution and laws of the State of Texas (the "State"), constitute valid and legally binding special obligations of the CTRMA, and that, assuming that the Securities are issued on such basis, the interest on the Securities is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions.

We will prepare and direct the legal proceedings and perform the other necessary legal services with reference to the authorization, issuance, and delivery of such Securities, including the duties set forth in this Addendum A.

The Bond Opinion will be based on facts and law existing as of its date. In rendering the Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the CTRMA with applicable laws relating to the Securities.

Specifically, to the extent requested, our services shall include the following:

(1) Subject to the completion of proceedings to our satisfaction, render the Bond Opinion regarding the validity and binding effect of the Securities and, if the Securities are issued on such basis, the excludability of interest on the Securities from gross income for federal income tax purposes.

(2) Review legal issues relating to the structure of the Securities and prepare and review the documents necessary or appropriate to the authorization, issuance and delivery of the Securities. We will also coordinate the authorization and execution of such documents.

(3) Assist the CTRMA in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Securities. We will also assist the CTRMA in reviewing and commenting upon agreements with the Texas Department of Transportation, the Federal Highway Administration and local political subdivisions relating to the financing of the projects.

(4) Review and, where appropriate and requested, draft enabling legislation.

(5) Review privatization proposals relating to the financing of proposed transportation projects to the extent requested. Review and assist the CTRMA in the solicitation of proposals for comprehensive development agreements and, to the extent requested, participate in the negotiation of such agreements.

(6) With reference to the authorization and issuance of the Securities, attend meetings of the Board of Directors to the extent required or requested. We will also meet with and review reports prepared by, the CTRMA's Financial Advisors, Traffic Engineers, Consulting Engineers and other employees and consultants.

(7) Assist the CTRMA in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Securities.

(8) Attend information meetings with prospective Securities purchasers and meetings with bond rating agencies to the extent required or requested.

(9) Submit the transcript of legal proceedings pertaining to the authorization and issuance of the Securities to the Attorney General of Texas for his approval.

(10) Supervise the printing, Attorney General's approval, and Comptroller of Public Accounts' registration of the Securities, and the delivery thereof to the purchaser.

(11) Assist the CTRMA in the establishment of securities disclosure controls and procedures to facilitate compliance with federal securities laws, rules and regulations and to mitigate potential securities liability.

(12) Assist in the preparation of the official statement or other disclosure documents of the CTRMA, including reviewing the contents of such documents with appropriate staff and other officials, reviewing the minutes of the meetings of the CTRMA's Board of Directors, reviewing all proceedings for consistency with outstanding bond provisions and CTRMA policies and comparing such proceedings to the descriptions contained in the offering documents. Subject to the completion of the proceedings to our satisfaction, render an opinion to the CTRMA to the effect that, based upon our investigation, as outlined in the opinion, and the information furnished by representatives of the CTRMA, and with the standard caveats and limitations, no facts have come to our attention which would cause us to believe that the offering documents contained any untrue statement or omitted to state a material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading. This opinion will be delivered only to the CTRMA and may not be relied upon by any other person.

(13) Advise the CTRMA with respect to the CTRMA's compliance with its undertakings under 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

(14) Assist the CTRMA in the preparation of the annual filing required by the Rule.

(15) Consult with and advise the CTRMA with respect to any event disclosure filings under the Rule.

(16) Advise the CTRMA with respect to other matters relating to the CTRMA's compliance with the Texas and Federal securities laws which may arise.

(17) Such other services as may be specifically requested from time to time.

ADDENDUM B

VINSON & ELKINS L.L.P.

Standard Terms of Engagement
for Legal Services

This statement sets forth certain standard terms of our engagement as your lawyers and is intended as a supplement to the engagement letter that we have with you as our client. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you as reflected in the engagement letter. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your file with the engagement letter.

The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our engagement letter, and absent an express agreement to the contrary does not include any affiliates of such person or entity (i.e., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association). If you believe this engagement includes additional entities or persons as our clients you should inform us immediately.

It is also our policy that the attorney-client relationship will be considered terminated upon our completion of any services that you have retained us to perform. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to the terms of engagement that we agree on at that time.

This engagement shall be subject to the Texas Disciplinary Rules of Professional Conduct.

Who Will Provide the Legal Services

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the

most efficient and timely basis. Whenever practicable, we will advise you of the names of those attorneys and legal assistants who work on your matters.

How Our Fees Will Be Set

Generally, our fees are based on the time spent by the lawyers and paralegal personnel who work on the matter. We will charge for all time spent in representing your interests, including, by way of illustration, telephone and office conferences with you and your representatives, consultants (if any), opposing counsel, and others; conferences among our legal and paralegal personnel; factual investigation; legal research; responding to your requests for us to provide information to your auditors in connection with reviews or audits of financial statements; drafting letters and other documents; and travel. We will keep accurate records of the time we devote to your work in units of quarters of an hour.

The hourly rates of our lawyers and legal assistants are reviewed and adjusted annually on a Firm-wide basis to reflect current levels of legal experience, changes in overhead costs, and other factors.

Although we may from time to time, at the client's request, furnish estimates of legal fees and other charges that we anticipate will be incurred, these estimates are by their nature inexact (due to unforeseeable circumstances) and, therefore, the actual fees and charges ultimately billed may vary from such estimates.

With your advance agreement, the fees ultimately charged may be based upon a number of factors, such as:

- The time and effort required, the novelty and complexity of the issues presented, and the skill required to perform the legal services promptly;
- The fees customarily charged in the community for similar services and the value of the services to you;
- The amount of money or value of property involved and the results obtained;
- The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
- The nature and longevity of our professional relationship with you;
- The experience, reputation and expertise of the lawyers performing the services;
- The extent to which office procedures and systems have produced a high-quality product efficiently.

For certain well-defined services (for example, a simple business incorporation), we will (if requested) quote a flat fee. It is our policy not to accept representation on a flat-fee basis except in such defined-service areas or pursuant to a special arrangement tailored to the needs of a

particular client. In all such situations, the flat fee arrangement will be expressed in a letter, setting forth both the amount of the fee and the scope of the services to be provided.

We also will, in appropriate circumstances, provide legal services on a contingent fee basis. Any contingent fee representation must be the subject of a separate and specific engagement letter.

Additional Charges

In addition to our fees, there will be other charges for items incident to the performance of our legal services, such as photocopying, messengers, travel expenses, long-distance telephone calls, facsimile transmissions, postage, overtime for secretaries and other non-legal staff, specialized computer applications such as computerized legal research, and filing fees. The current basis for these charges is set forth below. The Firm will review this schedule of charges on an annual basis and adjust them to take into account changes in the Firm's costs and other factors.

Duplicating
The Firm charges $.15 per page.

Courier Services
The Firm charges an amount which generally represents cost including the distribution service provided by the Firm. Depending on the volume of work performed by a service provider, the Firm may receive a volume discount during a particular accounting period for which no adjustment is made on an individual client's bill.

Computer Aided Legal Research (CALR)
Third party providers of CALR services charge the Firm amounts each month based on the type, extent, and duration of the services provided. The Firm charges clients for client research only based on the computed cost to the Firm for the use of the services. This cost is monitored and revised periodically to achieve an average "at cost" rate for clients.

Telefax
The Firm charges $1.00 per page for outgoing telefaxes, which includes all telephone costs.

Telephone
The Firm does not charge for local calls. Due to the Firm-wide volume of long distance calls and multitude of rates for the various area codes and exchanges (over 65,000), the Firm does not bill each individual call based on the statements received from providers, but rather charges a flat rate of $.41 per minute for each long distance call made within the United States. This rate ($.41) is an approximation of third party provider charges and internal costs associated with this service. International calls are charged based on the rate in effect for the country being called.

Travel-Related Expenses
Airfare, meals, and related travel expenses charged to the client represent actual,

out-of-pocket cost. Depending on the volume of both Firm and personal travel, the Firm may receive beneficial services, including airline tickets from its travel agent for which no adjustment is made on an individual client's account. In addition, credits earned under the Frequent Flyer Programs accrue to the individual traveler and not to the Firm.

All Other Costs

The Firm charges actual disbursements for third-party services like court reporters, expert witnesses, etc., and may recoup expenses reasonably incurred in connection with services performed in-house, such as mail services, secretarial overtime, file retrieval, etc.

Unless special arrangements are otherwise made, fees and expenses of others (such as experts, investigators, consultants and court reporters) will be the responsibility of, and billed directly to, the client. Further, all invoices in excess of $500 will be forwarded to the client for direct payment.

Billing Arrangements and Terms

Our billing rates are based on the assumption of prompt payment. Consequently, unless other arrangements are made, fees for services and other charges will be billed monthly and are payable within thirty days of receipt.

Advances

Clients of the firm are sometimes asked to deposit funds as an advance payment with the firm. The advance payment will be applied first to payment of charges for such items as photocopying, messengers, travel, etc., as more fully described below, and then to fees for services. The advance will be deposited in our client advance account and we will charge such other charges and our fees against the advance and credit them on our billing statements. In the event such other charges and our fees for services exceed the advance deposited with us, we will bill you for the excess monthly or may request additional advances. Any unused portion of amounts advanced will be refundable at the conclusion of our representation.

Client Documents

We will maintain any documents you furnish to us in our client file (or files) for this matter. At the conclusion of the matter (or earlier, if appropriate), it is your obligation to advise us as to which, if any, of the documents in our files you wish us to turn over to you. These documents will be delivered to you within a reasonable time after receipt of payment for outstanding fees and costs. We will retain any remaining documents in our files for a certain period of time and ultimately destroy them in accordance with our record retention program schedule then in effect.

CURRENT BILLING RATES
April 21, 2004

NAME	POSITION	CURRENT BILLING RATE
Jerry Turner	Public Finance Partner Section Head Austin Overall Responsibility for Public Finance	$525
Steve Gerdes	Tax Partner Houston	$545
Paul Maco	Securities Law Partner Washington D.C. Disclosure Matters	$500
Glenn Opel	Public Finance Partner Austin Primary Client Contact	$425
Debbie Ramirez	Public Finance Associate Austin	$280
Tim Deithloff	Public Finance Associate Austin	$250
Josh Holleman	Public Finance Associate Austin	$200
Julie Williams	Tax Legal Assistant Houston	$190
Nicole Counts	Public Finance Legal Assistant	$165

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 03-66

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") is empowered to procure such services as it deems necessary to assist with its operations and to study, develop and finance potential transportation projects; and

WHEREAS, in Board Resolution No. 03-43 the Board of Directors found that bond counsel services were important to the financing of transportation projects by the CTRMA; and

WHEREAS, the Board of Directors directed its staff to issue a Request for Qualifications (RFQ) for firms interested in providing bond counsel services to the CTRMA; and

WHEREAS, the staff caused an RFQ to be issued on September 26, 2003; and

WHEREAS, on December 8, 2003, the Executive Committee interviewed four of the firms responding to the RFQ; and

WHEREAS, based on the written responses and the interviews of the firms, the Executive Committee has recommended to the Board that Vinson & Elkins L.L.P. be retained to provide bond counsel services to the CTRMA; and

WHEREAS, the full Board concurs with the recommendation of the Executive Committee and desires to retain Vinson & Elkins L.L.P. as bond counsel for the CTRMA.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves of the selection of Vinson & Elkins L.L.P. as the firm to provide bond counseling services to the CTRMA; and

BE IT FURTHER RESOLVED, that the staff and legal counsel are directed to negotiate an agreement with Vinson & Elkins L.L.P. for the provision of bond counsel services and that such contract may be entered into upon the approval of the Executive Committee.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 17th day of December, 2003.

Submitted and reviewed by:

C. Brian Cassidy
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:

Robert E. Tesch
Chairman, Board of Directors
Resolution Number 03-66
Date Passed 12/17/03

Central Texas Regional Mobility Authority

AGENDA ITEM #12 SUMMARY

Approve updates to the list of CTRMA's approved investment broker/dealers.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

This resolution adds three additional firms to CTRMA's current list of authorized broker/dealers.

Attached documentation:

Updated List of Authorized Investment Broker Dealers

Draft Resolution

Resolution No. 11-129 Adopting Current CTRMA Investment Policy

Contact for further information:

Cindy Demers, Controller

Bill Chapman, Chief Financial Officer

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AN UPDATE TO THE LIST OF AUTHORIZED INVESTMENT BROKER DEALERS INCLUDED AS A PART OF THE CTRMA INVESTMENT POLICY.

WHEREAS, Resolution 11-129, adopted by the Board of Directors on September 28, 2011, is the most recently adopted approval of the CTRMA Investment Policy; and

WHEREAS, a list of Authorized Investment Broker Dealers is included as page 14 of the approved CTRMA Investment Policy; and

WHEREAS, the Executive Director, Chief Financial Officer, and Controller recommend that the Board update the list of Authorized Investment Broker Dealers to include the firms shown on the list of Authorized Investment Broker Dealers attached to the resolution as Attachment A.

NOW THEREFORE, BE IT RESOLVED that the proposed list of Authorized Investment Broker Dealers attached to this resolution as Attachment A is approved; and

BE IT FURTHER RESOLVED that the Central Texas Regional Mobility Authority Investment Policy adopted by Resolution 11-129 is hereby amended to delete the list of Authorized Investment Broker Dealers included as page 14 of the Investment Policy attached to that resolution, and to substitute the list of Authorized Investment Broker Dealers approved by this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

ATTACHMENT "A" TO RESOLUTION 12-___

LIST OF APPROVED INVESTMENT BROKER DEALERS

[on the following 1 page]

Authorized Investment Broker Dealers

Coastal Securities
206 Wild Basin Road
Suite 109
Austin, Texas 78746

JPMorgan Chase Securities, Inc.
1717 Main Street
Lower Level 1
Dallas, TX 75201

Sterne, Agee & Leach
Institutional Group
6408 Bannington Drive
Charlotte, NC 28226

Gilford Securities Incorporated
777 Third Avenue
New York, NY 10017

First Allied Securities, Inc.
Advanced Equities Plaza
655 West Broadway, 12th Floor
San Diego, CA 92101

First Empire Securities
100 Motor Parkway, 2nd Floor
Hauppauge, NY 11788

First Southwest Company
325 North Saint Paul, 8th Floor
Dallas, TX 75201

BB&T Capital Markets
2 South 9th Street
Richmond, VA 23219

Bank of America Securities
One Bryant Park, 4th Floor
New York, NY 10036

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 11-129

APPROVING THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY INVESTMENT POLICY

WHEREAS, in Resolution No. 05-04, dated January 2, 2005, and as required by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), the Board of Directors approved an investment policy developed by staff and consultants to meet the obligations of the Board of Directors and to ensure that the funds of the Central Texas Regional Mobility Authority are invested effectively, wisely, and in accordance with applicable law; and

WHEREAS, the Central Texas Regional Mobility Authority Investment Policy adopted by Resolution No. 05-04 (the "Investment Policy") has been revised and reapproved by the Board from time-to-time since its initial approval; and

WHEREAS, amendments to the Act enacted by the 82nd Legislature require additional revisions to the Investment Policy to ensure continued compliance with requirements of the Act; and

WHEREAS, the Executive Director and Chief Financial Officer recommend the revisions to the Investment Policy shown in legislative format in Attachment "A" to this resolution, to ensure continued compliance with the Act and to approve non-substantive edits to further clarify the Investment Policy.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the Investment Policy attached and incorporated into this resolution as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of September, 2011.

Submitted and reviewed by:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 11-129
Date Passed 09/28/11

Attachment "A"

Central Texas Regional Mobility Authority
Investment Plan

[shown on the following 14 pages]

Central Texas Regional
Mobility Authority

INVESTMENT POLICY

CENTRAL TEXAS

REGIONAL MOBILITY AUTHORITY

EFFECTIVE: September 28, 2011

Table of Contents

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
INVESTMENT POLICY

I. OVERVIEW

This policy is adopted and intended to comply with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code as that act may be amended from time to time (the "PFIA"). It is the policy of the Central Texas Regional Mobility Authority (the "Authority") to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the Authority conforming to all state and local statutes governing the investment of public funds. The Authority's investment policy is approved by the Authority's Board of Directors (the "Board") and is adopted to provide investment policy guidelines for use by Authority staff and its advisors.

II. SCOPE

This policy applies to all investment activities of Authority funds except those subject to other investment covenants, or excluded by contract. All funds covered by this policy shall be invested in accordance with the PFIA. These funds are accounted for in the Authority's annual financial report and include:

A. Revenue Fund

B. Rebate Fund

C. Operating Funds

D. Debt Service Funds

E. Debt Service Reserve Funds

F. Renewal and Replacement Fund

G. General Fund

H. Capital Projects Funds

III. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.

1. Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

a. Limiting investments to the safest types of securities; as listed in Section VII.

b. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business; and,

c. Diversifying the investment portfolio so that potential losses on

2. Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,

b. By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (Section V.B.)

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

C. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:

1. A declining credit security could be sold early to minimize loss of principal;

2. A security swap would improve the quality, yield, or target duration in the portfolio; or,

3. Liquidity needs of the portfolio require that the security be sold.

D. Public Trust

Participants in the Authority's investment process shall act responsibly as public trust custodians. Investment Officers shall avoid transactions which might impair public confidence in the Authority's ability to manage effectively.

IV. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. An Investment Officer acting in accordance with the investment policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

B. Ethics and Conflicts

1. Investment Officers shall refrain from personal business activity that could conflict with or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make an impartial decision. An Investment Officer shall refrain from undertaking personal investment transactions with an individual person with whom business is conducted on behalf of the Authority.

2. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

a. the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

b. funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

c. the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

3. An Investment Officer shall file with the Texas Ethics Commission and with the Board of Directors a statement disclosing the existence of the relationship if the Investment Officer:

a. has a personal business relationship with a business organization offering to engage in an investment transaction with the Authority; or

b. is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to the Authority.

C. Designation of Investment Officer

The Chief Financial Officer and Controller are designated and shall act as the Investment Officers of the Authority and shall have responsibility for managing the Authority's investment program. Additional Authority personnel may also be designated as an Investment Officer with approval of the Board. Written operational and investment procedures consistent with this policy shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

D. Investment Advisor

The Board may select an Investment Advisor to advise the Authority on investment of funds and other responsibilities as outlined in this policy including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

E. Required Training

The Chief Financial Officer and Controller and any other person designated by resolution of the Board as an Investment Officer shall attend at least one training session relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or assuming duties; and shall attend a training session not less than once every two years and receive not less than ten (10) hours of training. Such training, from an independent source, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the PFIA. Training required by this subsection shall be from an independent source certified to provide training required by the PFIA and approved or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments.

V. INVESTMENT STRATEGIES

The Authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

A. Market Yield Benchmark

The Authority's investment strategy is conservative. Given this strategy, the basis used by the Chief Financial Officer to determine whether minimum market yields are being achieved shall be the six (6) month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.

B. Maximum Maturities

To the extent possible, the Authority will attempt to match its investments with anticipated project cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest *operating or general funds* in securities maturing more than sixteen (16) months from the date of purchase, unless approved by the Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project.

Reserve funds may be invested in securities exceeding twelve (12) months if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

C. Diversification

The Authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

VI. SAFEKEEPING AND CUSTODY

A. Authorized Financial Dealer and Institutions

The Chief Financial Officer shall maintain a list of financial institutions authorized by the Board to provide investment services and a list of security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas and who have been approved by the Board. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer with the following:

1. Audited financial statements;
2. Proof of National Association of Securities Dealers (NASD) certification;
3. Proof of state registration;
4. The completed broker/dealer questionnaire in the form approved by this Investment Policy on page 12; and,
5. A written certification signed by a qualified representative of the firm in the form approved by this Investment Policy on page 13. The Authority will not enter into an investment transaction with a financial institution prior to receiving this written certification and acknowledgement.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Authority invests. An annual review of the financial condition and registrations of qualified bidders will be conducted by the Executive Director.

B. Collateralization

The Authority, in accordance with State Statutes, requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the Authority's custodial bank. Private insurance coverage is not an acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

1. FDIC insurance coverage.
2. A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).
3. Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
4. A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

C. Custody - Delivery vs. Payment

All security transactions entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the Authority's custodial bank and evidenced by safekeeping receipts.

D. Safekeeping of Securities

Securities purchased for the Authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the Authority's safekeeping and custodian bank.

The Authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the Authority's interest. All securities owned by the Authority will be held in a Customer Account naming the Authority as the customer.

The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

VII. AUTHORIZED AND SUITABLE INVESTMENTS

The investment of Authority funds will be made using only those investment types approved by the Board and which are in accordance with the PFIA. The approved investment types will be limited to the following:

A. Allowable Investments

1. U.S. Treasury and Federal Agency Issues.

2. Certificates of Deposit as authorized under Section 2256.010 of the PFIA.

3. Repurchase Agreements, *including flexible Repurchase Agreements*, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the Authority's investment and are pledged and held with the Authority's custodial bank or a third-party safekeeping agent approved by the Authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of an Investment Repurchase Agreement under the guidelines of Section 2256.011 of the PFIA, using the Bond Market Association Public Securities Association Master Repurchase Agreement as a general guide and with such changes thereto as are deemed in the best interest of the Authority. Such an Agreement must be executed prior to entering into any transaction with a repo counter-party.

4. Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the Authority's investment and are pledged and held with the Authority's custodial bank or a third-party safekeeping agent approved by the Authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.

5. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "AA" or its equivalent, with fixed interest rates and fixed maturities.

6. SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less; that fully invest dollar for dollar all Authority funds without sales commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of $1 per share

7. Local government investment pools, which are "AAA" rated by a nationally recognized bond rating company (e.g., Moody's, S&P, Fitch), and which participation in any particular investment pool(s) has been authorized by resolution of the Board, not to exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.

B. Prohibited Investments

The Authority is prohibited from purchasing any security that is not authorized by Texas law, or any direct investment in asset-backed or mortgage-backed securities. The Authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO's).

C. Downgrade Provisions

An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. The Authority shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

VIII. REPORTING AND REVIEW

A. Quarterly Report Requirements

The Investment Officers shall jointly prepare, no less than on a quarterly basis, an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made after the ending period of the most recent investment report. The report shall be provided to the Board and the Executive Director. The report shall comply with requirements of the PFIAand shall include the following:

1. The investment position of the Authority on the date of the report.
2. The signature of each Investment Officer.
3. Summary for each fund stating:
   a. Beginning market value;
   b. Ending market value.
4. Beginning and ending book value and market value for each investment along with fully accrued interest for the reporting period.
5. Maturity date of each investment.
6. Description of the account or fund for which the investments were made.
7. Statement that the investment portfolio is in compliance with the Authority's investment policy and strategies.

B. Security Pricing

Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the Authority as well as the Authority's safekeeping agent.

C. Annual Audit

If the Authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee.

In addition, the Authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy.

IX. POLICY

A. Exemption

Any investment currently held that does not meet the guidelines of this policy or subsequent amended versions shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. Annual Review

The Authority shall review and approve the Investment Policy annually. This review shall be conducted by the Board with recommendations from the Executive Director. Any approved amendments shall be promptly incorporated into written policy.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
SECURITY BROKER/DEALER QUESTIONNAIRE

1. Name of Firm:

2. Primary Representative: _____
   Acct Executive: _____ Title: _____
   Phone Number: _____ Phone #:_____

3. Is your firm registered with the Texas Securities Commission?
   ( )No ( )Yes [Include copy of registration]

   Is your firm NASD certified? ( )No ( )Yes [Include copy of certificates.]

4. Does your firm come under SEC regulation and their Uniform Net Capital Rule (Rule 152c3-1)? ( )No ( )Yes

5. What was your firm's total volume in US Treasuries/Agencies during you last fiscal year?
   Firmwide $_____ # of Transactions
   Local Office $_____ # of Transactions

6. Which instruments are traded regularly by the local desk?
   ( )Treasuries ( )Agencies
   ( )Other

7. Please provide comparable public sector references.

Name of Entity	Contact Name	Phone Number

8. Please submit a copy of your annual financial report.

9. Please submit your trading authorization form.

10. Please submit a copy of all necessary paperwork to establish an account with your firm.

11. Please describe a typical transaction between the Authority and your firm. Note deadlines or cut off times involved.

12. Do you clear through another firm? If so, what firm?

13. Has your firm ever been subject to a regulatory or state or federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities related to the sale of government securities or money market instruments? Have any of your employees ever been so investigated? Explain.

CERTIFICATION

I hereby certify as the qualified representative of [INSERT NAME OF BUSINESS ORGANIZATION] that:

(A) I am duly authorized to execute this this certification on behalf of [INSERT NAME OF BUSINESS ORGANIZATION];

(B) I have received and personally read the Investment Policy adopted by the Board of Directors of the Central Texas Regional Mobility Authority (the "Authority"); and

(C) [INSERT NAME OF BUSINESS ORGANIZATION] has implemented reasonable procedures and controls designed to preclude:

(1) investment transactions conducted between the Authority and [INSERT NAME OF BUSINESS ORGANIZATION] that are not authorized by the Authority's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards; and

(2) imprudent investment activities arising out of transactions conducted between our firm and the Authority; and.

[INSERT NAME OF BUSINESS ORGANIZATION] will not deliver or propose any investments that are not allowed under the Authority's Investment Policy. All our sales personnel will be routinely informed of the Authority's investment objectives, strategies and risk constraints whenever we are so advised. We will notify the Authority immediately by telephone and in writing in the event of a material adverse change in our financial condition. We pledge to exercise due diligence in informing the Authority of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to the Authority's questionnaire.

[INSERT NAME OF BUSINESS ORGANIZATION]:

_____

Signature

_____

Printed Name of Representative

_____

Title

_____

Date

Authorized Investment Broker Dealers

Coastal Securities
206 Wild Basin Road
Suite 109
Austin, Texas 78746

JPMorgan Chase Securities, Inc.
1717 Main Street
Lower Level 1
Dallas, TX 75201

Sterne, Agee & Leach
Institutional Group
6408 Bannington Drive
Charlotte, NC 28226

Gilford Securities Incorporated
777 Third Avenue
New York, NY 10017

First Allied Securities, Inc.
Advanced Equities Plaza
655 West Broadway, 12th Floor
San Diego, CA 92101

First Empire Securities
100 Motor Parkway, 2nd Floor
Hauppauge, NY 11788

Central Texas Regional Mobility Authority

AGENDA ITEM #13 SUMMARY

Approve amendments to the governing documents for the voluntary CTRMA employee retirement contributions plan.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

By Resolution No. 06-11, enacted on January 31, 2006, the Board approved and adopted the Central Texas Regional Mobility Authority Governmental Plan, as set forth in the Nationwide Retirement Solutions Governmental Profit Sharing Plan and Trust (the "Plan"). Federal law requires that the Plan be restated periodically to incorporate applicable changes to federal laws and regulations.

Nationwide Retirement Solutions has provided restated plan documents (the "Governmental Plan for Nationwide Volume Submitter Plan" and the "Central Texas Regional Mobility Authority Governmental Plan Summary of Plan Provisions") that incorporate the necessary changes. Board action to approve and adopt these restated documents is needed to ensure the Plan complies with federal law.

Attached documentation:

Legislative Changes Overview, provided by Nationwide Retirement Solutions

Draft Resolution

Contact for further information:

Bill Chapman, Chief Financial Officer

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

APPROVING AMENDMENTS TO THE GOVERNING DOCUMENTS FOR THE VOLUNTARY CTRMA RETIREMENT CONTRIBUTIONS PLAN.

WHEREAS, by Resolution No. 06-11, adopted January 31, 2006, the Board of Directors created and approved the Central Texas Regional Mobility Authority Governmental Plan as a retirement plan for CTRMA employees under section 401(a) of the Internal Revenue Code (the "Plan"); and

WHEREAS, federal law and regulations require the Plan to comply with applicable changes in the law over time; and

WHEREAS, Nationwide Retirement Solutions has provided CTRMA with a proposed amendment to the Plan referred to as the "Nationwide Governmental Volume Submitter Basic Plan Document" (the "Amended Plan") to ensure compliance with applicable federal laws; and

WHEREAS, Nationwide Retirement Solutions has also provided a revised document titled the "Central Texas Regional Mobility Authority Governmental Plan Summary of Plan Provisions" (the "Summary of Plan") that explains the Plan, as amended; and

WHEREAS, the Executive Director recommends approval of the proposed Amended Plan and Summary of Plan provided by Nationwide Retirement Solutions.

NOW THEREFORE, BE IT RESOLVED that the proposed Amended Plan and Summary of Plan presented to the Board at its January 25, 2012 meeting is hereby approved and adopted effective retroactive to January 1, 2011; and

BE IT FURTHER RESOLVED, that the Executive Director and other authorized representatives of CTRMA are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Amended Plan.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 12-___
Date Passed: 1/25/12

Nationwide®
Retirement Solutions
On Your Side™

LEGISLATIVE CHANGES OVERVIEW

Federal law and corresponding regulations require all retirement plans to be maintained in writing, and also requires all retirement plans to be amended into compliance with applicable changes in the law over time. Recently the IRS adopted new rules regarding the restatement of the prototype plan documents. Legislative and regulatory changes include The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), The Pension Protection Act (PPA), Heroes Earnings Assistant and Relief Tax Act (HEART), and The Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), and others. Brief descriptions of these acts are listed below and on the following pages.

Nationwide Retirement Plans has incorporated the required changes in the enclosed Plan Document and Adoption Agreement to meet these requirements.

The Economic Growth and Tax Relief Reconciliation Act of 2001 - was signed into law by President Bush on June 7, 2001. This included the increase Employee Contribution limits for 401(k), 457, 403(b), SIMPLE plans; Employees over age 50 get to play "catch-up"; 415 Limitation Increases; and more.

The Pension Protection Act (PPA) - makes a host of changes affecting retirement plans, sponsoring employers, and participating employees. Some of these changes were: incentives for employers to adopt automatic enrollment features; guidance on investment advice; new participant disclosure rules; direct rollovers of distributions from qualified plans to Roth IRAs; hardship withdrawals permitted for a participant's beneficiary under the plan; and 402(f) notice requirement has been expanded to a 180 day notice period.

Non-spouse Beneficiary Rollovers - Beginning in 2007, non-spouse beneficiaries of a decedent's balance in certain plans (including 401(a) plans) may roll over the inherited amounts to their own IRAs. Previously, only beneficiaries who were surviving spouses could complete rollovers.

Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)- on December 19, 2005, the Department of Labor issued Final Regulations on the Uniformed Services Employment and Reemployment Act of 1994**.** USERRA protects the employment rights of veterans. For instance, employers are required to make missed benefits during the period of service for veterans returning within the proscribed timeframes. Examples include vesting service, profit sharing contributions, and non-elective safe-harbor 401(k) contributions. Further, veterans were provided the ability to make-up missed deferrals and receive any corresponding match.

Heroes Earnings Assistant and Relief Tax Act (HEART) - The HEART Act amends USERRA and addresses benefit protections for veterans who died or became disabled and could not return to work. HEART enables plans to treat a deceased/disabled serviceman as if they had returned to work on the day before dying or becoming disabled.

The Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) – this act includes technical corrections to the Pension Protection Act of 2006 and Section 201 suspended required minimum distributions for the 2009 year.

Final 415 Regulations - The significant statutory changes to Section 415 reflected in the final regulations include:

- The Section 415(c)(1) annual addition limit threshold, which was raised to $40,000, as adjusted ($45,000 in 2007) by EGTRRA.
- The repeal of the 415(e) combined limit on participation in both a defined benefit plan and a defined contribution plan sponsored by the same employer (as provided for in Small Business Job Protection Act of 1996 (SBJPA)).
- The repeal of the maximum exclusion allowance applicable to 403(b) arrangements (as provided for in EGTRRA).
- The current rounding rules for annual cost-of-living adjustments as amended by EGTRRA.
- The inclusion in the Section 415 definition of Compensation of salary deferral amounts not included in taxable compensation.

The regulations add specific rules regarding when amounts received following severance from employment are considered compensation for purposes of Section 415 and when such amounts may be deferred to Section 401(k), 403(b) or eligible 457(b) plans.

MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 06-11

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq*. (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA desires its employees to partake in the Central Texas Regional Mobility Authority Governmental Plan as set forth in the Nationwide Retirement Solutions Governmental Profit Sharing Plan and Trust, effective as of January 1, 2006 (the "Plan"), which is a profit sharing and defined contribution plan under section 401(a) of the Internal Revenue Code; and

WHEREAS, the CTRMA board has reviewed the "Adoption Agreement" for the Plan attached as "Attachment A" to this Resolution;

NOW THEREFORE, BE IT RESOLVED that the CTRMA board hereby approves participation in the Plan to provide benefits to CTRMA employees; and

BE IT FURTHER RESOLVED, that board members Robert Bennett, David Singleton and Henry Gilmore each serve as Trustee of the Plan (the "Trustees") as set forth in the Plan documents; and

BE IT FURTHER RESOLVED, that the Trustees and Robert E. Tesch, as Chairman of the Board of Directors, shall each execute the "Adoption Agreement" for the Plan attached as "Attachment A" hereto; and

BE IT FURTHER RESOLVED, that the board hereby grants the Chairman the authority to execute such other documentation and take such further acts as necessary to fully create and operate the Plan now and in the future; and

BE IT FURTHER RESOLVED, that upon execution of the "Adoption Agreement," the board directs CTRMA staff to transmit all necessary executed documents, along with a copy of this Resolution, to Nationwide Retirement Solutions, Inc. to facilitate participation in the Plan and to effectuate the Plan as of January 1, 2006.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of January, 2006.

Submitted and reviewed by:

Tom Nielson
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:

Robert E. Tesch
Chairman, Board of Directors
Resolution Number 06-11
Date Passed 01/31/06

Attachment "A"

ADOPTION AGREEMENT FOR

NATIONWIDE RETIREMENT SOLUTIONS GOVERNMENTAL
PROFIT SHARING
PLAN AND TRUST

The undersigned Employer adopts NRS Governmental Profit Sharing Plan and Trust for those Employees who shall qualify as Participants hereunder, to be known as the

A1 Central Texas Regional Mobility Authority Governmental Plan
(Enter Plan Name)

It shall be effective as of the date specified below. The employer hereby selects the following Plan specifications:

CAUTION: In order for the Plan to qualify under Internal Revenue Code Section 401(a), this Adoption Agreement must be properly filled out.

EMPLOYER INFORMATION

A1 Name of Employer Central Texas Regional Mobility Authority

B2 Address 301 Congress, Suite 650

Austin	Texas	78701
City	State	Zip

Telephone (512) 996-9784

B3 Employer Identification Number 35-2198574

B4 NAME(S) OF TRUSTEE(S)

a. X

b. X

c. X

B5 TRUSTEES' ADDRESS

a. [X] Use Employer Address

b. [ ] _____
Street

_____
City State Zip

B6 LOCATION OF EMPLOYER'S PRINCIPAL OFFICE

a. [X]State of Texas

b. [ ] Commonwealth of

_____and this Plan and Trust shall be governed under the laws of the same.

B7 EMPLOYER FISCAL YEAR means the 12 consecutive month period:

Commencing on a. July 1 and
month day

ending on b. June 30
month day

PLAN INFORMATION

C1 EFFECTIVE DATE

This Adoption Agreement of NRS Governmental Money Purchase Plan and Trust shall:

a. [X] establish a new Plan effective as of January 1, 2006 (hereinafter called the "Effective Date").

b. [ ] constitute an amendment and restatement in its entirety of a previously established qualified Plan of the Employer which was effective _____ (hereinafter called the "Effective Date"). Except as specifically provided in the Plan, the effective date of this amendment and restatement is _____.

C2 PLAN YEAR means the 12 consecutive month period:

Commencing on a. January 1

and ending on b. December 31

IS THERE A SHORT PLAN YEAR?

c. [X] No

d. [ ] Yes, beginning _____

and ending _____.

C3 ANNIVERSARY DATE of Plan (Annual Valuation Date)

a. December 31
month day

C4 PLAN NUMBER assigned by the Employer (select one)

a. [X] 001 b. [ ] 002 c. [ ] 003 d. [ ] Other _____

C5 NAME OF PLAN ADMINISTRATOR (Document provides for the Employer to appoint an Administrator. If none is named, the Employer will become the Administrator.)

a. [X] Employer (Use Employer Address and Telephone)

b. [ ] Name _____

Address [ ] Use Employer Address

_____
Street

_____
City State Zip

Telephone _____

Administrator's I. D. Number _____

C6 PLAN'S AGENT FOR SERVICE OF LEGAL PROCESS

a. [X] Employer (Use Employer Address)

b. [ ] Name _____

Address _____

_____
City State Zip

ELIGIBILITY, VESTING AND RETIREMENT AGE

D1 ELIGIBLE EMPLOYEES (Plan Section 1.11) shall mean:

a. [X] all Employees who have satisfied the eligibility requirements

b. [ ] all Employees who have satisfied the eligibility requirements in the classes checked below:
   1. [ ] Elected Officials
   2. [ ] Managers
   3. [ ] All others

c. [ ] all Employees who have satisfied the eligibility requirements except those checked below:
   1. [ ] Employees hourly paid.
   2. [ ] Employees paid by salary.
   3. [ ] Employees whose employment is governed by a collective bargaining agreement between the Employer and "employee representatives" under which retirement benefits were the subject of good faith bargaining. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are employees who are officers or executives of the Employer.
   4. [ ] Employees who are non-resident aliens who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)).
   5. [ ] Other

NOTE: For purposes of this section, the term Employee shall include all Employees of this Employer and any leased employees deemed to be Employees under Code Section 414(n) or 414(o).

D2 HOURS OF SERVICE (Plan Section 1.21) will be determined on the basis of the method selected below. Only one method may be selected. The method selected will be applied to all Employees covered under the Plan.

a. [X] On the basis of actual hours for which an Employee is paid or entitled to payment.

b. [ ] On the basis of days worked. An Employee would be credited with ten (10) hours of service if, under the Plan, such employee would be credited with at least one (1) Hour of Service during the day.

c. [ ] On the basis of weeks worked. An Employee will be credited forty-five (45) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the week.

d. [ ] On the basis of semi-monthly payroll periods. An Employee will be credited with ninety-five (95) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the semi-monthly payroll period.

e. [ ] On the basis of months worked. An Employee will be credited with one hundred ninety (190) Hours of Service if under the Plan such Employee would be credited with at least one (1) Hour of Service during the month.

D3 YEARS OF SERVICE (Plan Section 1.52)

a. For Eligibility: (select one):
[X] Hours Method. A Year of Service shall be credited for a computation period in which an Employee completes at least N\A Hours of Service.
[ ] Elapsed Time Method.

b. For Vesting: (select one):
[X] Hours Method. A Year of Service shall be credited for a computation period in which an Employee completes at least N\A Hours of Service.
[ ] Elapsed Time Method.

D4 CONDITIONS OF ELIGIBILITY (Plan Section 3.1)
(Check either a **OR** b and c, and if applicable, d)

Any Eligible Employee will be eligible to participate in the Plan if such Eligible Employee has satisfied the service and age requirements, if any, specified below:

a. [X] NO AGE OR SERVICE REQUIRED

b. [ ] SERVICE REQUIREMENT

1. [ ] None
2. [ ] _____ Months of Service
3. [ ] 1 Year of Service
4. [ ] 2 Years of Service
5. [ ] Other _____

NOTE: If the service requirement selected is or includes a fractional year, an Employee will not be required to complete any specified number of Hours of Service to receive credit for such fractional year. If expressed in Months of Service, an Employee will not be required to complete any specified number of Hours of Service in a particular month.

c. [ ] AGE REQUIREMENT

1. [ ] N/A - No Age Requirement
2. [ ] 20 ½
3. [ ] 21
4. [ ] Other _____

d. [ ] FOR NEW PLANS ONLY - Regardless of any of the above age or service requirements, any Eligible Employee who was employed on the Effective Date of the Plan shall be eligible to participate hereunder and shall enter the Plan as of such date.

D5 EFFECTIVE DATE OF PARTICIPATION (Plan Section 3.2)

An Eligible Employee shall become a Participant as of:

a. [X] the first day he or she met all eligibility requirements.

b. [ ] the earlier of the first day of the seventh month or the first day of the Plan Year coinciding with or next following the date on which he or she met the requirements.

c. [ ] the first day of the Plan Year coinciding with or next following the date on which he or she met the requirements.

d. [ ] the first day of the month coinciding with or next following the date on which he or she met the requirements.

e. [ ] Other:_____, provided that an Employee who has satisfied the maximum age and service requirements that are permissible in Section D4 above and who is otherwise entitled to participate, shall commence participation no later than the earlier of (a) 6 months after such requirements are satisfied, or (b) the first day of the first Plan Year after such requirements are satisfied, unless the Employee separates from service before such participation date.

D6 VESTING OF PARTICIPANT'S INTEREST (Plan Section 6.4(b))

The vesting schedule, based on number of Years of Service, shall be as follows:

a. [X] 100% upon entering Plan.

b. [ ]

0-2 years	0%
3 years	100%

c. [ ]

0-4 years	0%
5 years	100%

d. [ ]

0-1 year	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

e. [ ]

Less than 1 year	0%
1 year	25%
2 years	50%
3 years	75%
3 years 4 years	100%

f. [ ]

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

g. [ ]

0-2 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

h. [ ] Other -

Years of Service	Percentage
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

D7 FOR AMENDED PLANS (Plan Section 6.4(d)) If the vesting schedule has been amended to a less favorable schedule, enter the pre-amended schedule below:

a. [X] Vesting schedule has not been amended or amended schedule is more favorable in all years.

b. [ ]

Years of Service	Percentage

D8 VESTING (Plan Section 6.4(f)) In determining Years of Service for vesting purposes, Years of Service attributable to the following shall be EXCLUDED.

a. [ ] Service prior to the Effective Date of the Plan or a predecessor plan.
b. [ ] Service prior to the time an Employee attained age 18.
c. [X] N/A – No Years of Service shall be excluded.

D9 PLAN SHALL RECOGNIZE SERVICE WITH PREDECESSOR EMPLOYER

a. [X] No.
b. [ ] Yes: Years of Service with _____ shall be recognized for all purposes of this Plan.

NOTE: If the predecessor Employer maintained this qualified Plan, then Years of Service with such predecessor Employer shall be recognized pursuant to Section 1.51 and b. must be marked.

D10 NORMAL RETIREMENT AGE ("NRA") (Plan Section 1.29) means:

a. [X] the date a Participant attains his or her 65th birthday. (not to exceed 65th)
b. [ ] the later of the date a Participant attains his or her __ birthday (not to exceed 65th) or the __ (not to exceed 10th) anniversary of the first day of the Plan Year in which participation in the Plan commenced.

D11 NORMAL RETIREMENT DATE (Plan Section 1.30) shall commence:

a. [X] as of the Participant's "NRA."

OR (must select b. or c. AND 1. or 2.)

b. [ ] as of the first day of the month . . .
c. [ ] as of the Anniversary Date . . .

1. [ ] coinciding with or next following the Participant's "NRA"
2. [ ] nearest the Participant's "NRA."

D12 EARLY RETIREMENT DATE (Plan Section 1.9) means the:

a. [X] No Early Retirement provision provided.
b. [ ] date on which a Participant . . .
c. [ ] first day of the month coinciding with or next following the date on which a Participant . .
d. [ ] Anniversary Date coinciding with or next following the date on which a Participant . . .

AND, if b, c, or d was selected . . .

attains his or her ____ birthday and has
completed at least ____ Years of Service.

e. [ ] A Participant who attains his or her Early Retirement Date shall:

1. [ ] be 100 % vested upon attainment of his or her Early Retirement Date.
2. [ ] be subject to the vesting schedule set forth in Section D6 of the Adoption Agreement.

CONTRIBUTIONS, ALLOCATIONS, AND DISTRIBUTIONS

E1. a. COMPENSATION (Plan Section 1.7) with respect to any Participant means:

1. [X] Wages, tips, and other compensation on Form W-2.
2. [ ] Section 3401(a) wages (wages for withholding purposes).
3. [ ] 415 safe-harbor compensation.

b. COMPENSATION shall be

1. [X] actually paid (must be selected if Plan is integrated)
2. [ ] accrued

c. HOWEVER, **for non-integrated plans,** Compensation shall exclude (select all that apply):

1. [X] N/A. No exclusions
2. [ ] overtime
3. [ ] bonuses
4. [ ] other _____

d. FOR PURPOSES OF THIS SECTION E1, Compensation shall be based on:

1. [X] the Plan Year.
2. [ ] the Fiscal Year coinciding with or ending within the Plan Year.
3. [ ] the Calendar Year coinciding with or ending within the Plan Year.

NOTE: The Limitation Year shall be the same as the year on which Compensation is based.

e. HOWEVER, for an Employee's first year of Participation, Compensation shall be recognized as of:

1. [ ] the first day of the Plan Year.
2. [X] the date the Participant entered the Plan.

f. IN ADDITION, COMPENSATION 1. [ ] Shall 2. [X] Shall not include compensation which is not currently includible in the Participant's gross income by reason of the application of Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), 414(h) or 457(b).

E2 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION (Plan Section 4.1)

a. [X] Discretionary, to be determined by the Employer.

b. $_____.

E3 CONTRIBUTION ALLOCATIONS (Plan Section 4.3)

a. [X]**FOR A NON-INTEGRATED PLAN**

Executive Director _____

Manager _____

All Others _____

b. [ ]**FOR AN INTEGRATED PLAN**

c. [ ] The Taxable Wage Base.
d. [ ] The greater of $10,000 or 20% of the Taxable Wage Base.
e. [ ] _____% of the Taxable Wage Base (see Note below).
f. [ ] $_____. (see note below).
g. [ ] $ ____, and increasing by ____% of the actual dollar increase in the Taxable Wage Base for each subsequent year.

NOTE: The integration percentage of 5.7% shall be reduced to:

1. 4.3% if e. or f. above is more than 20% and less than or equal to 80% of the Taxable Wage Base.
2. 5.4% if e. or f. above is less than 100% and more than 80% of the Taxable Wage Base.

FOR A 457 PLAN CONTRIBUTION CONTINGENCY

a. [X] A Participant in this Plan is required to make a contribution to the Employer's deferred compensation plan (457 Plan) in the amount of $____ or ____% per pay period to receive an Employer matching contribution in this Plan. The Employer's matching contribution shall be:

1. [ ] An amount equal to $ ____per pay period for each Employee eligible to receive an employer matching contribution.
2. [ ] An amount equal to ___% of the amount that each Employee defers under the Employer's 457 Plan subject to a maximum of ___ per ___.
(e.g. pay period)
3. [X]Other Discretionary Match _____
_____
or such other amount as the Employer shall authorize by resolution.

E4 FORFEITURES (Plan Section 4.3(e))

a. [X] Forfeitures of contributions other than matching contributions shall be . . .

1. [ ] N/A No Employer's contribution other than matching or Employer contribution (other than matching) is fully vested.
2. [ ] Allocated to all Participants eligible to share in the allocations in the same proportion that each Participant's Compensation for the year bears to the Compensation of all Participants for such year.
3. [ ] Allocated to all Participants eligible to share in the allocations in the same proportion that each Participant's Compensation for the year bears to the Compensation of all Participants for such year. NOTE: Employer forfeitures (other than matching forfeitures) shall only be allocated to all Participants who have a subaccount on the last day of the Plan Year in which such amounts were forfeited and allocated to such Participant's subaccount.
4. [X] Used to reduce Employer's contribution (other than matching).
5. [ ] Applied to offset administrative expenses of the Plan. If forfeitures exceed the administrative expenses, 2 will apply to such excess.

E5 ALLOCATIONS TO ACTIVE PARTICIPANTS (Plan Section 4.3)

A Participant:

a. [X] shall
b. [ ] shall not

be required to complete a Year of Service in order to share in any Contributions or Forfeitures (if reallocated).

NOTE: A Year of Service for allocation purposes will be credited for a computation period in which an Employee completes at least 1 (insert 1,000 or fewer) Hours of Service.

E6 ALLOCATIONS TO TERMINATED PARTICIPANTS (Plan Section 4.3(f))

Any Participant who terminated employment during the Plan Year for reasons other than death, Total and Permanent Disability or retirement:

a. [X] shall share in the allocations of Contributions and Forfeitures provided such Participant completed more than 1 Hours of Service.

b. [ ] shall not share in the allocations of Contributions and Forfeitures regardless of Hours of Service.

Note: All forfeitures shall be allocated in accordance with Section E3.

E7

ALLOCATIONS TO TERMINATED PARTICIPANTS (Plan Section 4.3(G))

Any Participant who terminated employment during the Plan Year as a result of death, Total and Permanent Disability or retirement:

a. [X] shall share in the allocations as provided in Section 4.3 of the basic plan document regardless of whether they complete the service requirement specified in E6 above.

b. [ ] shall not receive an allocation unless the Participant completes the service requirement specified in E6 above.

E8 LIMITATIONS ON ALLOCATIONS (Plan Section 4.4)

a. If any Participant is or was covered under another qualified defined contribution plan maintained by the Employer, or if the Employer maintains a welfare benefit fund, as defined in Code Section 415 (1)(2), under which amounts are treated as Annual Additions with respect to any Participant in this Plan:

1. [X] N/A.

2. [ ] The provisions of Section 4.3(b) of the Plan will apply as if the other plan were a Master or Prototype Plan.

3. [ ] Provide the method under which the Plans will limit total Annual Additions to the Maximum Permissible Amount, and will properly reduce any Excess Amounts, in a manner that precludes Employer discretion.

_____

_____

_____

b. If any participant is or ever has been a Participant in a defined benefit plan maintained by the Employer:

1. [X] N/A.

2. [ ] In any Limitation Year, beginning before January 1, 2000, the Annual Additions credited to the Participant under this Plan may not cause the sum of the Defined Benefit Plan Fraction and the Defined Contribution Fraction to exceed 1.0. If the Employer's contribution that would otherwise be made on the Participant's behalf during the limitation year would cause the 1.0 limitation to be exceeded, the rate of contribution under this Plan will be reduced so that the sum of the fractions equals 1.0. If the 1.0 limitation is exceeded because of an Excess Amount, such Excess Amount will be reduced in accordance with Section 4.4(a)(4) of the Plan.

3. [ ] Provide the method under which the Plans involved will satisfy the 1.0 limitation in a manner that precludes Employer discretion.

_____

_____

_____

E9 DISTRIBUTIONS UPON DEATH (Plan Section 6.6(h))
Distributions upon the death of a Participant prior to receiving any benefits shall . . .

a. [X] be made pursuant to the election of the Participant or Beneficiary.
b. [ ] begin within 1 year of death for a designated beneficiary and be payable over the life (or over a period not exceeding the life expectancy) of such beneficiary, except that if the beneficiary is the Participant's spouse, begin within the time the Participant would have attained age 70 2.
c. [ ] be made within 5 years of death for all beneficiaries.
d. [ ] other _____

E10 LIFE EXPECTANCIES (Plan Section 6.14) for minimum distributions required pursuant to Code Section 401(a)(9) shall . . .

a. [X] be recalculated at the Participant's election.
b. [ ] be recalculated.
c. [ ] not be recalculated.

E11 CONDITIONS FOR DISTRIBUTIONS UPON TERMINATION
Distributions upon termination of employment pursuant to Section 6.4(a) of the Plan shall not be made unless the following conditions have been satisfied:

a. [X] N/A. Immediate distributions may be made at Participant's election.
b. [ ] The Participant has incurred _____ 1-Year Break(s) in Service.
c. [ ] The Participant has reached his or her Early or Normal Retirement Age.
d. [ ] Distributions may be made at the Participant's election on or after the Anniversary Date following termination of employment.
e. [ ] Other _____

E12 FORM OF DISTRIBUTIONS (Plan Sections 6.5 and 6.6)
Distributions under the Plan may be made . . .

a. 1. [X] in lump sums
2. [ ] in lump sums or installments

b. **AND,** pursuant to Plan Section 6.13,

1. [X] no annuities are allowed
2. [ ] annuities are allowed (Plan Section 6.13 shall not apply).

AND, regardless of any provisions in the Plan to the contrary, will Participant consent to distributions other than those required by Code Section 401(a)(9) be required except that an involuntary distribution

of vested accrued benefits of $1,000 or less (including any rollover contributions and earnings thereon) may be made from the Plan without the Participant's consent?

c. [X] Yes
d. [ ] No

E13 The provisions of Section 6.12, concerning domestic relations orders, [X] shall [ ] shall not apply.

E14 The Joint and Survivor Annuity provisions of Plan Section 6.5 and the Pre-Retirement Survivor Annuity provisions of Section 6.6 [ ] shall [X] shall not apply.

MISCELLANEOUS

F1 Loans to Participants (Plan Section 7.4)

a. [X] Yes, loans may be made up to the lesser of $50,000, reduced as provided in Section 7.4 of the Plan, or 1/2 of the Participant's vested interest.
b. [ ] No, loans may not be made.

IF YES, (check all that apply)

c. [X] loans shall be treated as a Directed Investment.
d. [ ] loans shall be made for hardship or financial necessity.
e. [X] the minimum loan shall be $1,000.
f. [X] loan payments [X] will [ ] will not be suspended under this Plan as permitted under Code Section 414(u).

F2 DIRECTED INVESTMENT ACCOUNTS (Plan Section 4.8) are permitted for the interest in any one or more accounts.

a. [X] Yes
b. [ ] No

F3 TRANSFERS FROM QUALIFIED PLANS (Plan Section 4.6)

a. [X] Yes, transfers from qualified plan (and rollovers) will be allowed.
b. [ ] No, transfers from qualified plans (and rollovers) will not be allowed.

AND, transfers shall be permitted . . .

c. [X] from any Employee, even if not a Participant.
d. [ ] from Participants only.

F4 EMPLOYEES' VOLUNTARY CONTRIBUTIONS (Plan Section 4.7)

a. [ ] Yes, Voluntary Contributions are allowed subject to the limits of Section 4.7.
b. [X] No, Voluntary Contributions will not be allowed.

F5 HARDSHIP DISTRIBUTIONS (Plan Section 6.11 and 11.4)

a. [ ] Yes, from any accounts which are 100% vested.
b. [ ] Yes, but limited to the Participant's Account only.
c. [ ] Yes, but limited to the Participant's Combined Account only.
d. [X] No.

F6 PRE-RETIREMENT DISTRIBUTION (Plan Section 6.10)

a. [ ] If a Participant has reached the age of ___, distributions may be made, at the Participant's election, from any accounts which are 100% vested without requiring the Participant to terminate employment.

b. [X] No pre-retirement distribution may be made.

F7 LIFE INSURANCE (Plan Section 7.2 (d)) may be purchased with Plan contributions.

a. [X] No life insurance may be purchased.
b. [ ] Yes, at the option of the Administrator.
c. [ ] Yes, at the option of the Participant.

AND, the purchase of initial or additional life insurance shall be subject to the following limitations, in addition to the Plan limitations:
(Select all that apply)

d. [ ] N/A, no limitations.
e. [ ] each initial Contract shall have a minimum face amount of $_____.
f. [ ] each additional Contract shall have a minimum face amount of $_____..
g. [ ] the Participant has completed _____. Years of Service.
h. [ ] the Participant has completed_____ Years of Service while a Participant in the Plan.
i. [ ] the Participant is under age _____ on the Contract issue date.
j. [ ] the maximum amount of all Contracts on behalf of a Participant shall not exceed $_____.
k. [ ] the maximum face amount of life insurance shall be $_____.
l. [ ] A Participant shall be 100% vested in life insurance upon purchase.
m. [ ] The date in any Plan Year on which life insurance shall be purchased shall be _____

PLEASE CAREFULLY READ

This Adoption Agreement may be used only in conjunction with the Nationwide Retirement Solutions, Inc. Model Governmental Defined Contribution Plan and Trust Document. This Adoption Agreement and the basic Plan document shall together be known as the Nationwide Retirement Solutions Governmental Profit Sharing Plan and Trust.

The adoption of this Plan, the qualification of the Plan and Trust under Code Sections 401(a) and 501(a), respectively, and the related tax consequences are the responsibility of the Employer and its independent tax and legal advisors.

In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to the appropriate office of the Internal Revenue Service.

This Adoption Agreement and the accompanying Plan document may not be used unless an authorized representative of Nationwide Retirement Solutions has acknowledged the use of the Plan. Such acknowledgment is for ministerial purposes only. It acknowledges that the Employer is using the Plan but does not represent that this Plan, including the choices selected on the Adoption Agreement, has been reviewed by a representative of Nationwide Retirement Solutions or constitutes a qualified defined contribution plan.

Nationwide Retirement Solutions, Inc.

By: _____

With regard to any questions regarding the provisions of this Plan, adoption of the Plan, or the effect of an opinion letter from the IRS, call or write (this information must be completed by the sponsor of this Plan or its designated representative.

Name: _____
Address: _____
_____

Telephone: ( ) _____

IN WITNESS WHEREOF, the Employer and Trustee hereby cause this Plan to be executed on this ___day of _____, 20___.

EMPLOYER:

By: _____

_____
TRUSTEE

_____
TRUSTEE

_____
TRUSTEE

PARTICIPATING EMPLOYER:

_____
(enter name)

By: _____

GOVERNMENTAL PLAN FOR NATIONWIDE
VOLUME SUBMITTER PLAN

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ARTICLE I
DEFINITIONS

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

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

(a) "Combined Account" means the account representing the Participant's total interest under the Plan resulting from (a) the Employer's contributions in the case of a Profit Sharing Plan or Money Purchase Plan, and (b) the Employer Nonelective Contributions in the case of a 401(k) Profit Sharing Plan. Separate accountings shall be maintained with respect to that portion of a Participant's Account attributable to Employer contributions made pursuant to Section 11.1(a)(2) and to Employer contributions made pursuant to Section 11.1(a)(3).

(b) "Elective Deferral Account" means the account established hereunder to which Elective Deferrals (including a separate accounting for Catch-Up Contributions) are allocated. Amounts in the Participant's Elective Deferral Account are nonforfeitable when made and are subject to the distribution restrictions of Section 11.2(d). For calendar years beginning after December 31, 2005, the Elective Deferral Account may consist of the sub-Accounts listed below. Unless specifically stated otherwise, any reference to a Participant's Elective Deferral Account will refer to both of these sub-Accounts.

(1) "Pre-Tax Elective Deferral Account" means the portion of the Elective Deferral Account attributable to Pre-Tax Elective Deferrals (*i.e.*, Elective Deferrals that are not subject to Federal Income Tax at the time of their deferral to the Plan).

(2) "Roth Elective Deferral Account" means the portion of the Elective Deferral Account attributable to Roth Elective Deferrals *(i.e.*, that are subject to Federal Income Tax at the time of their deferral).

(c) "Rollover Account" means the account established hereunder to which amounts transferred from another qualified plan or Individual Retirement Account in accordance with Section 4.6 are allocated.

(d) "Transfer Account" means the account established hereunder to which amounts transferred to this Plan from a direct plan-to-plan transfer in accordance with Section 4.7 are allocated.

(e) "Voluntary Contribution Account" means the account established hereunder to which after-tax voluntary Employee contributions made pursuant to Section 4.9 are allocated.

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

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

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

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

1.6 "Annuity Starting Date" means, with respect to any Participant, the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitles the Participant to such benefit.

1.7 "Beneficiary" means the person (or entity) to whom all or a portion of a deceased Participant's interest in the Plan is payable, subject to the restrictions of Sections 6.2 and 6.6.

1.8 "Catch-Up Contribution" means, effective for taxable years beginning after December 31, 2001, an Elective Deferral made to the Plan by a Catch-Up Eligible Participant that, during any taxable year of such Participant, exceeds a statutory dollar limit on Elective Deferrals or "annual additions" as provided in Code Sections 401(a)(30), 402(h), 403(b), 408, 415(c), or 457(b)(2) (without regard to Code Section 457(b)(3)), as applicable.

Catch-Up Contributions for a Participant for a Participant's taxable year may not exceed the dollar limit on Catch-Up Contributions under Code Section 414(v) for the Participant's taxable year. The dollar limit on Catch-Up Contributions under Code Section 414(v)(2)(B)(i) is $1,000 for taxable years beginning in 2002, increasing by $1,000 for each year thereafter up to $5,000 for taxable years beginning in 2006 and later years. After 2006, the $5,000 limit will be adjusted by the Secretary of the Treasury for cost-of-living increases

under Code Section 414(v)(2)(C). Any such adjustments shall be in multiples of $500. Notwithstanding the preceding, different dollar limits apply to Catch-Up Contributions under SIMPLE 401(k) plans.

1.9 "Catch-Up Eligible Participant" means, for any Participant's taxable year beginning after December 31, 2001, a Participant who:

(a) is eligible to make Elective Deferrals to the Plan pursuant to Section 11.2; and

(b) will attain age 50 or older by the end of such taxable year.

1.10 "Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

1.11 "Compensation" means, with respect to any Participant and except as otherwise provided below and in the Adoption Agreement,

(a) one of the following as elected in the Adoption Agreement:

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

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

(3) 415 safe harbor compensation. Compensation means wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Regulation Section 1.62-2(c))), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are excludable from the Employee's gross income, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

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

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

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

(c) Notwithstanding the above, if elected in the Adoption Agreement, Compensation shall include all of the following types of elective contributions and all of the following types of deferred compensation:

(1) Elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), and 132(f)(4).

(2) Compensation deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b); and

(3) Employee contributions (under governmental plans) described in Code Section 414(h)(2) that are picked up by the employing unit and thus are treated as Employer contributions.

(d) Compensation will include payments made within 2½ months after severance from employment (within the meaning of Code Section 401(k)(2)(B)(i)(I)) if they are payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation, and payments for accrued bona fide sick, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued. Any payments not described above are not considered Compensation if paid after severance from employment, even if they are paid within the later of 2½ months following severance from employment or the end of the Plan Year, except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(e) For Plan Years beginning on or after January 1, 2002, Compensation in excess of $200,000 shall be disregarded for all purposes, except that for purposes of salary deferral elections, the Administrator is not required to disregard Compensation in excess of $200,000. Such amount shall be adjusted by the Commissioner for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the $200,000 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12).

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

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

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

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

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

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

1.15 "Directed Investment Option" means a Designated Investment Alternative and any other investment permitted by the Plan and the Participant Direction Procedures to which Plan assets may be invested pursuant to the investment direction of a Participant.

1.16 "Directed Trustee" means a Trustee who, with respect to the investment of Plan assets, is subject to the direction of the Plan Administrator, the Employer, a properly appointed Investment Manager, a named Fiduciary, or Plan Participant. To the extent the Trustee is a Directed Trustee, the Trustee does not have any discretionary authority with respect to the investment of Plan assets. In addition, the Trustee is not responsible for the propriety of any directed investment made pursuant to this Section and shall not be required to consult or advise the Employer regarding the investment quality of any directed investment held under the Plan.

1.17 "Discretionary Trustee" means a Trustee who has the authority and discretion to invest, manage or control any portion of the Plan assets without direction from any person or entity.

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

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

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

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

1.20 "Elective Deferrals" means the Employer's contributions to the Plan that are made pursuant to a Participant's deferral election pursuant to Section 11.2, excluding any such amounts distributed as "excess annual additions" pursuant to Section 4.5. For calendar years beginning after December 31, 2005, the term "Elective Deferrals" includes Pre-Tax Elective Deferrals and Roth Elective Deferrals.

1.21 "Eligible Employee" means any Eligible Employee as elected in the Adoption Agreement and as provided herein. An individual shall not be an Eligible Employee if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records and out-sourced workers, are not Eligible Employees and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

If, in the Adoption Agreement, the Employer elects to exclude union employees, then Employees whose employment is governed by a collective bargaining agreement between the Employer and "employee representatives" under which retirement benefits were the subject of good faith bargaining and if two percent (2%) or less of the Employees covered pursuant to that agreement are professionals as defined in Regulation Section 1.410(b)-9, shall not be eligible to participate in this Plan to the extent of employment covered by such agreement. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer.

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

If, in the Adoption Agreement, the Employer elects to exclude Part-Time/Temporary/Seasonal Employees, then notwithstanding any such exclusion, if any such excluded Employee actually completes a Year of Service (or Period of Service if the Elapsed Time method is selected), then such Employee will enter the Plan on the next entry date following completion of the Year of Service (or, if applicable, Period of Service), provided the Employee is employed by the Employer on that entry date.

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

1.23 "Employer" means the governmental entity specified in the Adoption Agreement, any successor which shall maintain this Plan and any predecessor which has maintained this Plan. In addition, unless the context means otherwise, the term "Employer" shall include any Participating Employer which shall adopt this Plan. The term “Employer” shall exclude the federal government and any agency or instrumentality thereof.

1.24 "Excess Deferrals" means, with respect to any taxable year of a Participant, either (1) those elective deferrals within the meaning of Code Sections 402(g) or 402A that are made during the Participant's taxable year and exceed the dollar limitation under Code Section 402(g) (including, if applicable, the dollar limitation on Catch-Up Contributions defined in Code Section 414(v)) for such year; or (2) are made during a calendar year and exceed the dollar limitation under Code Sections 402(g) and 402A (including, if applicable, the dollar limitation on Catch-Up Contributions defined in Code Section 414(v)) for the Participant's taxable year beginning in such calendar year, counting only Elective Deferrals made under this Plan and any other plan, contract or arrangement maintained by the Employer.

1.25 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.26 "Fiscal Year" means the Employer's accounting year.

1.27 "Forfeiture" means that portion of a Participant's Account that is not Vested and is disposed of in accordance with the provisions of the Plan. A Forfeiture will occur on the distribution of the entire Vested portion of the Participant's Account of a Participant who has severed employment with the Employer. For purposes of this provision, if the Participant has a Vested benefit of zero, then such Participant shall be deemed to have received a distribution of such Vested benefit as of the year in which the severance of employment occurs. For this purpose, a Participant's Vested benefit shall not include the Participant's Rollover Account.

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

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

1.29 "415 Compensation" means, with respect to any Participant, such Participant's (a) Wages, tips and other compensation on Form W-2, (b) Section 3401(a) wages or (c) 415 safe harbor compensation as elected in the Adoption Agreement for purposes of Compensation. 415 Compensation shall be based on the full Limitation Year regardless of when participation in the Plan commences. Furthermore, regardless of any election made in the Adoption Agreement, 415 Compensation shall include any elective deferral (as defined in Code Section 402(g)(3)) and any amount which is contributed or deferred by the Employer at the election of the Participant and which is not includible in the gross income of the Participant by reason of Code Sections 125, 457, and 132(f)(4).

For Limitation Years beginning in and after 2005, payments made within 2½ months after severance from employment (within the meaning of Code Section 401(k)(2)(B)(i)(I)) will be compensation within the meaning of Code Section 415(c)(3) if they are payments that, absent a severance from employment, would have been paid to the Employee while the Employee continued in employment with the Employer and are regular compensation for services during the Employee's regular working hours, compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation, and payments for accrued bona fide sick, vacation or other leave, but only if the Employee would have been able to use the leave if employment had continued. Any payments not described above are not considered compensation if paid after severance from employment, even if they are paid within 2½ months following severance from employment, except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

415 Compensation will be limited to the same dollar limitations set forth in Section 1.11 adjusted in such manner as permitted under Code Section 415(d).

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

1.30 "Hour of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to Compensation by the Employer for the performance of duties during the applicable computation period (these hours will be credited to the Employee for the computation period in which the duties are performed); (2) each hour for which an Employee is directly or indirectly compensated or entitled to Compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, incapacity (including disability), jury duty, lay-off, military duty or leave of absence) during the applicable computation period (these hours will be calculated and credited pursuant to Department of Labor regulation Section 2530.200b-2 which is incorporated herein by reference); (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3).

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

insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

Hours of Service will be credited for employment with all Affiliated Employers and for any individual considered to be a Leased Employee pursuant to Code Section 414(n) or 414(o) and the Regulations thereunder. Furthermore, the provisions of Department of Labor regulations Section 2530.200b-2(b) and (c) are incorporated herein by reference.

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

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

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

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

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

1.35 "Limitation Year" means the determination period used to determine Compensation. However, the Employer may elect a different Limitation Year in the Adoption Agreement. All qualified plans maintained by the Employer must use the same Limitation Year. Furthermore, unless there is a change to a new Limitation Year, the Limitation Year will be a twelve (12) consecutive month period. In the case of an initial Limitation Year, the Limitation Year will be the twelve (12) consecutive month period ending on the last day of the period specified in the Adoption Agreement. If the Limitation Year is amended to a different twelve (12) consecutive month period, the new "Limitation Year" must begin on a date within the "Limitation Year" in which the amendment is made.

1.36 "Nonelective Contribution" means the Employer's contributions to the Plan other than Elective Deferrals

1.37 "Normal Retirement Age" means the age elected in the Adoption Agreement at which time a Participant's Account shall be nonforfeitable (if the Participant is employed by the Employer on or after that date). However, solely for purposes of nondiscrimination testing under Code Section 401(a)(4), the Employer may deem the social security retirement age (as defined in Code Section 415(b)(8)) as the Normal Retirement Age.

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

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

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

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

1.42 "Participating Employer" means an Employer who adopts the Plan pursuant to Section 10.1.

1.43 "Period of Service" means every twelve (12) month period commencing with an Employee's first day of employment or reemployment with the Employer or an Affiliated Employer and ending on the first day of a Period of Severance. The first day of employment or reemployment is the first day the Employee performs an Hour of Service. An Employee will also receive partial credit for any Period of Severance of less than twelve (12) consecutive months. Fractional periods of a year will be expressed in terms of days.

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

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

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

(a) A number of years equal to the number of Years of Service credited to the Employee before the computation period during which the amendment occurs; and

(b) The greater of (1) the Periods of Service that would be credited to the Employee under the Elapsed Time method for service during the entire computation period in which the transfer occurs or (2) the service taken into account under the Hour of Service method as of the date of the amendment.

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

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

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

1.45 "Plan" means this instrument (hereinafter referred to as the Nationwide Governmental Volume Submitter Basic Plan Document) and the Adoption Agreement as adopted by the Employer, including all amendments thereto and any appendix which is specifically permitted pursuant to the terms of the Plan.

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

1.47 "Pre-Tax Elective Deferrals" means a Participant's Elective Deferrals that are not includible in the Participant's gross income at the time deferred.

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

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

1.50 "Roth Elective Deferrals" means, for calendar years beginning after December 31, 2005, a Participant's Elective Deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her deferral election. Roth Elective Deferrals shall be subject to the requirements of Sections 11.2(c) and 11.2(d) and shall, except as otherwise provided herein, be required to satisfy the nondiscrimination requirements of Regulation Section 1.401(k)-1(b)(2), the provisions of which are incorporated herein by reference. A Participant's Roth Elective Deferrals will be maintained in a separate account containing only the Participant's Roth Elective Deferrals and gains and losses attributable to those Roth Elective Deferrals.

1.51 "Salary Reduction Agreement" means an agreement between a Participant and the Employer, whereby the Participant elects to reduce Compensation by a specific dollar amount or percentage and the Employer agrees to contribute such amount into the 401(k) Plan. A Salary Reduction Agreement may require that an election be stated in specific percentage increments (not greater than one percent (1%) increments) or in specific dollar amount increments (not greater than dollar increments that could exceed one percent (1%) of Compensation).

A Salary Reduction Agreement may not be effective prior to the later of: (a) the date the Employee becomes a Participant; or (b) the date the Participant agrees (including by automatic consent) to the Salary Reduction Agreement. A Salary Reduction Agreement is valid even though it is executed by an Employee before he or she actually becomes a Participant, so long as the Salary Reduction

Agreement is not effective before the date the Employee becomes a Participant. A Salary Reduction Agreement may only apply to Compensation that becomes currently available to the Employee after the effective date of the Salary Reduction Agreement.

A Salary Reduction Agreement (or other written procedures) must designate a uniform period during which an Employee may change or terminate his or her deferral election under the Salary Reduction Agreement. A Participant's right to change or terminate a Salary Reduction Agreement may not be available on a less frequent basis than once per Plan Year.

1.52 "Short Plan Year" means, if specified in the Adoption Agreement or as the result of an amendment, a Plan Year of less than a twelve (12) month period. If there is a Short Plan Year, the following rules shall apply in the administration of this Plan. In determining whether an Employee has completed a Year of Service (or Period of Service if the Elapsed Time method is used)for benefit accrual purposes in the Short Plan Year, the number of the Hours of Service (or months of service if the Elapsed Time method is used) required shall be proportionately reduced based on the number of days (or months) in the Short Plan Year. The determination of whether an Employee has completed a Year of Service (or Period of Service) for vesting and eligibility purposes shall be made in accordance with Department of Labor regulation Section 2530.203-2(c). In addition, if this Plan is integrated with Social Security, then the integration level shall be proportionately reduced based on the number of months in the Short Plan Year.

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

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

1.53 "Trustee" means any person or entity that is named in the Adoption Agreement or has otherwise agreed to serve as Trustee, or any successors thereto.

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

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

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

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

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

If two (2) Years of Service are required as a condition of eligibility, a Participant will only have completed two (2) Years of Service for eligibility purposes upon completing two (2) consecutive Years of Service.

For vesting purposes, and all other purposes not specifically addressed in this Section, the computation period shall be the Plan Year.

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

Years of Service for eligibility purposes will be measured on the same eligibility computation period. Years of Service for vesting purposes will be measured on the same vesting computation period.

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

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

(a) The number of Years of Service equal to the number of 1-year Periods of Service credited to the Employee as of the date of the amendment; and

(b) In the computation period which includes the date of the amendment, a number of Hours of Service to any fractional part of a year credited to the Employee under this Section as of the date of the amendment.

ARTICLE II
ADMINISTRATION

2.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

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

(b) **Appointment of Investment Manager.** The Employer may appoint, at its option, an Investment Manager, investment adviser, or other agent to provide investment direction to the Trustee (or Insurer) with respect to any or all of the Plan assets. Such appointment shall be given by the Employer in writing in a form acceptable to the Trustee (or Insurer) and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have the authority to direct the investment.

(c) **Review of fiduciary performance.** The Employer shall periodically review the performance of any Fiduciary or other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder.

2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

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

2.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

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

2.4 POWERS AND DUTIES OF THE ADMINISTRATOR

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

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

(a) the discretion to determine all questions relating to the eligibility of an Employee to participate or remain a Participant hereunder and to receive benefits under the Plan;

(b) the authority to review and settle all claims against the Plan, including claims where the settlement amount cannot be calculated or is not calculated in accordance with the Plan's benefit formula. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;

(c) to compute, certify, and direct agents of the Plan with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;

(d) to authorize and direct all discretionary or otherwise directed disbursements from the Trust Fund;

(e) to maintain all necessary records for the administration of the Plan;

(f) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan that are consistent with the terms hereof;

(g) to determine the size and type of any Contract to be purchased from any Insurer, and to designate the Insurer from which such Contract shall be purchased;

(h) to compute and certify to the Employer and agents of the Plan from time to time the sums of money necessary or desirable to be contributed to the Plan;

(i) to consult with the Employer and agents of the Plan regarding the short and long-term liquidity needs of the Plan;

(j) to assist Participants regarding their rights, benefits, or elections available under the Plan; and

(k) to determine the validity of, and take appropriate action with respect to, any qualified domestic relations order received by it.

2.5 RECORDS AND REPORTS

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

2.6 APPOINTMENT OF ADVISERS

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

2.7 INFORMATION FROM EMPLOYER

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

2.8 PAYMENT OF EXPENSES

All reasonable expenses of administration may be paid out of the Plan assets unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named Fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, agents (including nonfiduciary agents such as third party administrative services providers and recordkeepers) appointed for the purpose of assisting the Administrator or any other named Fiduciary in carrying out the instructions of Participants as to the directed investment of their accounts (if permitted) and other specialists and their agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account of an individual Participant a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee. If liquid assets of the Plan are insufficient to cover the fees of the Trustee (or Insurer) or the Plan Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes

incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund.

2.9 MAJORITY ACTIONS

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

2.10 CLAIMS PROCEDURE

Claims for benefits under the Plan may be filed in writing with the Administrator. Written notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days (45 days if the claim involves disability benefits) after the application is filed, or such period as is required by applicable law. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

ARTICLE III
ELIGIBILITY

3.1 CONDITIONS OF ELIGIBILITY

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

3.2 EFFECTIVE DATE OF PARTICIPATION

(a) **General rule.** An Eligible Employee who has satisfied the conditions of eligibility pursuant to Section 3.1 shall become a Participant effective as of the date elected in the Adoption Agreement. If said Employee is not employed on such date, but is reemployed, then such Employee shall become a Participant on the date of reemployment or, if later, the date that the Employee would have otherwise entered the Plan had the Employee not terminated employment.

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

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

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

3.3 DETERMINATION OF ELIGIBILITY

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

3.4 TERMINATION OF ELIGIBILITY

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

3.5 REHIRED EMPLOYEES

(a) **Rehired Participant/immediate re-entry.** If any Former Employee who had been a Participant is reemployed by the Employer, then the Employee shall become a Participant as of the reemployment date, unless the Employee is not an Eligible Employee or the Employee's prior service is disregarded. If such prior service is disregarded, then the rehired Eligible Employee shall be treated as a new hire.

(b) **Rehired Eligible Employee who satisfied eligibility.** If any Eligible Employee had satisfied the Plan's eligibility requirements but, due to a severance of employment, did not become a Participant, then such Eligible Employee shall become a Participant as of the later of (1) the entry date on which he or she would have entered the Plan had there been no severance of employment, or (2) the date of his or her re-employment. Notwithstanding the preceding, if the rehired Eligible Employee's prior service is disregarded pursuant to Section 3.5(c) below, then the rehired Eligible Employee shall be treated as a new hire.

(c) **Rehired Eligible Employee who had not satisfied eligibility.** If any Eligible Employee who had not satisfied the Plan's eligibility requirements is rehired after severance from employment, then such Eligible Employee shall become a Participant in the Plan in accordance with the eligibility requirements set forth in the Adoption Agreement and the Plan.

3.6 ELECTION NOT TO PARTICIPATE

Employee participation in the Plan is mandatory for employees who meet the Plan's eligibility requirements. A Participant in a 401(k) Profit Sharing Plan has the option of making a deferral election, including an election not to defer any Compensation.

ARTICLE IV
CONTRIBUTION AND ALLOCATION

4.1 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION

(a) **For a Money Purchase Plan:**

The Employer will make contributions on the following basis. On behalf of each Participant eligible to share in allocations, for each year of such Participant's participation in this Plan, the Employer will contribute the amount elected in the Adoption Agreement. All contributions by the Employer will be made in cash. In the event a funding waiver is obtained, this Plan shall be deemed to be an individually designed plan.

(b) **For a Profit Sharing Plan:**

(1) For each Plan Year, the Employer may contribute to the Plan such amount as elected by the Employer in the Adoption Agreement.

(2) Subject to the terms of the Plan's investment providers, the Employer may make its contribution to the Plan in the form of property, provided such contribution does not constitute a prohibited transaction under the Code.

(c) **Frozen Plans.** The Employer may designate that the Plan is a frozen Plan at the Contribution Types Section of the Adoption Agreement. As a frozen Plan, the Employer will not make any Employer contributions with respect to Compensation earned after the date identified in the Adoption Agreement, and if the Plan is a 401(k) Plan, no Participant will be permitted to make Elective Deferrals to the Plan for any period following the effective date identified in the Adoption Agreement. In addition, once a Plan is frozen, no Eligible Employees shall become Participants.

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

4.2 TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION

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

4.3 ALLOCATION OF CONTRIBUTION, FORFEITURES AND EARNINGS

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

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

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

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

(ii) Notwithstanding the preceding provisions, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the Participant is an Eligible Employee at any time during the year and the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service during the Plan Year or is employed on the last day of the Plan Year. Furthermore, regardless of any election in the Adoption Agreement to the contrary, for the Plan Year in which this Plan terminates, a Participant shall only be eligible to share in the allocation of the Employer's contributions for the Plan Year if the Participant is employed at the end of the Plan Year and has completed a Year of Service.

(2) **Profit sharing allocation.** For a Profit Sharing Plan the Employer's contribution shall be allocated to each Participant's Account in the same ratio as each Participant's Compensation bears to the total of such Compensation of all Participants. The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's contribution for each Plan Year. Within a reasonable period of time after the date of receipt by the Administrator of such information, the allocation shall be made in accordance with the provisions below.

Notwithstanding the preceding provisions, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the Participant is an Eligible Employee at any time during the year and the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service during the Plan Year or is employed on the last day of the Plan Year.

(c) **Gains or losses.** Except as otherwise elected in the Adoption Agreement or as provided in Section 4.10 with respect to Participant Directed Accounts, as of each Valuation Date, before allocation of any Employer contributions and Forfeitures, any earnings or losses (net appreciation or net depreciation) of the Trust Fund (exclusive of assets segregated for distribution) shall be allocated in the same proportion that each Participant's nonsegregated accounts bear to the total of all Participants' nonsegregated accounts as of such date.

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

(e) **Forfeitures.** The Forfeitures shall be allocated in accordance with the elections made in the Forfeiture Section of the Adoption Agreement. In the event Forfeitures are used to reduce an Employer discretionary contribution and the Forfeitures exceed such contribution, then the remaining Forfeitures will be allocated as an additional discretionary contribution. If no election is made in the Adoption Agreement, then any remaining Forfeitures will be used to reduce any Employer contributions under the Plan. Regardless of the preceding sentences, in the event the allocation of Forfeitures provided herein shall cause the "annual additions" (as defined in Section 4.4) to any Participant's Account to exceed the amount allowable by the Code, an adjustment shall be made in accordance with Section 4.5. Except, however, a Participant shall only be eligible to share in the allocations of Forfeitures for the year if the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service during the Plan Year or is employed on the last day of the Plan Year.

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

4.4 MAXIMUM ANNUAL ADDITIONS

(a) **Calculation of "annual additions."**

(1) If a Participant does not participate in, and has never participated in another qualified plan maintained by the "employer," or a welfare benefit fund (as defined in Code Section 419(e)) maintained by the "employer," or an individual medical benefit account (as defined in Code Section 415(l)(2)) maintained by the "employer," or a simplified

employee pension (as defined in Code Section 408(k)) maintained by the "employer" which provides "annual additions," the amount of "annual additions" which may be credited to the Participant's Accounts for any Limitation Year shall not exceed the lesser of the "maximum permissible amount" or any other limitation contained in this Plan. If the "employer" contribution that would otherwise be contributed or allocated to the Participant's Accounts would cause the "annual additions" for the Limitation Year to exceed the "maximum permissible amount," the amount contributed or allocated will be reduced so that the "annual additions" for the Limitation Year will equal the "maximum permissible amount," and any amount in excess of the "maximum permissible amount" which would have been allocated to such Participant may be allocated to other Participants.

(2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the "employer" may determine the "maximum permissible amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

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

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

(1) This subsection applies if, in addition to this Plan, a Participant is covered under another qualified defined contribution plan maintained by the "employer" that is a "master or prototype plan," a welfare benefit fund (as defined in Code Section 419(e)) maintained by the "employer," an individual medical benefit account (as defined in Code Section 415(l)(2)) maintained by the "employer," or a simplified employee pension (as defined in Code Section 408(k)) maintained by the "employer," which provides "annual additions," during any Limitation Year. The "annual additions" which may be credited to a Participant's accounts under this Plan for any such Limitation Year shall not exceed the "maximum permissible amount" reduced by the "annual additions" credited to a Participant's accounts under the other plans and welfare benefit funds, individual medical benefit accounts, and simplified employee pensions for the same Limitation Year. If the "annual additions" with respect to the Participant under other defined contribution plans and welfare benefit funds maintained by the "employer" are less than the "maximum permissible amount" and the "employer" contribution that would otherwise be contributed or allocated to the Participant's accounts under this Plan would cause the "annual additions" for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the "annual additions" under all such plans and welfare benefit funds for the Limitation Year will equal the "maximum permissible amount," and any amount in excess of the "maximum permissible amount" which would have been allocated to such Participant may be allocated to other Participants. If the "annual additions" with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical benefit accounts and simplified employee pensions in the aggregate are equal to or greater than the "maximum permissible amount," no amount will be contributed or allocated to the Participant's account under this Plan for the Limitation Year.

(2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the "employer" may determine the "maximum permissible amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

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

(4) If, pursuant to Section 4.4(b)(2) or Section 4.5, a Participant's "annual additions" under this Plan and such other plans would result in an "excess amount" for a Limitation Year, the "excess amount" will be deemed to consist of the "annual additions" last allocated, except that "annual additions" attributable to a simplified employee pension will be deemed to have been allocated first, followed by "annual additions" to a welfare benefit fund or individual medical benefit account, and then by "annual additions" to a plan subject to Code Section 412, regardless of the actual allocation date.

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

(i) the total "excess amount" allocated as of such date, times

(ii) the ratio of (1) the "annual additions" allocated to the Participant for the Limitation Year as of such date under this Plan to (2) the total "annual additions" allocated to the Participant for the Limitation Year as of such date under this and all the other qualified defined contribution plans.

(6) Any "excess amount" attributed to this Plan will be disposed of in the manner described in Section 4.5.

(c) **Certain amounts are not "annual additions.**" For purposes of applying the limitations of Code Section 415, the transfer of funds from one qualified plan to another is not an "annual addition." In addition, the following are not Employee contributions for the purposes of Section 4.4(d)(1)(b): (1) rollover contributions (as defined in Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3) and 457(e)(16)); (2) repayments of loans made to a Participant from the Plan; (3) repayments of distributions received by an Employee pursuant to Code Section 411(a)(7)(B) (cash-outs); (4) repayments of distributions received by an Employee pursuant to Code Section 411(a)(3)(D) (mandatory contributions); (5) Catch-Up Contributions; and (6) Employee contributions to a simplified employee pension excludable from gross income under Code Section 408(k)(6).

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

(1) "Annual additions" means the sum credited to a Participant's accounts for any Limitation Year of (a) "employer" contributions, (b) Employee contributions (except as provided below), (c) Forfeitures, (d) amounts allocated to an individual medical benefit account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the "employer," (e) amounts derived from contributions paid or accrued which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit fund (as defined in Code Section 419(e)) maintained by the "employer" and (f) allocations under a simplified employee pension. Except, however, the Compensation percentage limitation referred to in paragraph (e)(7)(ii) shall not apply to: (1) any contribution for medical benefits (within the meaning of Code Section 419A(f)(2)) after separation from service which is otherwise treated as an "annual addition," or (2) any amount otherwise treated as an "annual addition" under Code Section 415(l)(1).

For this purpose, any "excess amount" applied under Section 4.5 in the Limitation Year to reduce "employer" contributions shall be considered "annual additions" for such Limitation Year.

(2) "Defined contribution dollar limitation" means, effective with respect to Limitation Years beginning after December 31, 2001, $40,000 as adjusted under Code Section 415(d).

(3) "Employer" means, for purposes of this Section and Section 4.5, the Employer that adopts this Plan and all Affiliated Employers, except that for purposes of this Section, the determination of whether an entity is an Affiliated Employer shall be made by applying Code Section 415(h).

(4) "Excess amount" means the excess of the Participant's "annual additions" for the Limitation Year over the "maximum permissible amount."

(5) "Maximum permissible amount" means, except to the extent permitted under this Plan and Code Section 414(v), effective with respect to Limitation Years beginning after December 31, 2001, the maximum "annual addition" that may be contributed or allocated to a Participant's accounts under the Plan for any Limitation Year, which shall not exceed the lesser of:

(i) the "defined contribution dollar limitation," or

(ii) one-hundred percent (100%) of the Participant's 415 Compensation for the Limitation Year.

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

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

4.5 ADJUSTMENT FOR EXCESSIVE ANNUAL ADDITIONS

Allocation of "annual additions" (as defined in Section 4.4) to a Participant's Combined Account for a Limitation Year generally will cease once the limits of Section 4.4 have been reached for such Limitation Year. However, if as a result of the allocation of Forfeitures, a reasonable error in estimating a Participant's annual 415 Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Code Section 402(g)(3)) that may be made with respect to any Participant under the limits of Section 4.4, or other facts and circumstances to which Regulation Section 1.415-6(b)(6) shall be applicable, the "annual additions" under this Plan would cause the maximum provided in Section 4.4 to be exceeded, the "excess amount" will be disposed of in one of the following manners, as uniformly determined by the Plan Administrator for all Participants similarly situated:

(a) Any after-tax voluntary Employee contributions (plus attributable gains), to the extent they would reduce the "excess amount," will be distributed to the Participant;

(b) If, after the application of subparagraph (a), an "excess amount" still exists, any unmatched Elective Deferrals, and any gains attributable to such Elective Deferrals, to the extent they would reduce the "excess amount," will be distributed to the Participant;

(c) To the extent necessary, matched Elective Deferrals and "employer" matching contributions will be proportionately reduced from the Participant's Account. The Elective Deferrals, and any gains attributable to such Elective Deferrals, will be distributed to the Participant and the "employer" matching contributions, and any gains attributable to such matching contributions, will be used to reduce the "employer's" contributions in the next Limitation Year;

(d) If, after the application of subparagraphs (a), (b) and (c), an "excess amount" still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the "excess amount" in the Participant's Account will be used to reduce "employer" contributions (including any allocation of Forfeitures) for such Participant in the next Limitation Year, and each succeeding Limitation Year if necessary;

(e) If, after the application of subparagraphs (a), (b) and (c), an "excess amount" still exists, and the Participant is not covered by the Plan at the end of a Limitation Year, the "excess amount" will be held unallocated in a suspense account. The suspense account will be applied to reduce future "employer" contributions (including allocation of any Forfeitures) for all remaining Participants in the next Limitation Year, and each succeeding Limitation Year if necessary; and

(f) If a suspense account is in existence at any time during a Limitation Year pursuant to this Section, no investment gains and losses shall be allocated to such suspense account. If a suspense account is in existence at any time during a particular Limitation Year, all amounts in the suspense account must be allocated and reallocated to Participants' Accounts before any "employer" contributions or any Employee contributions may be made to the Plan for that Limitation Year. Except as provided in (a), (b) and (c) above, "excess amounts" may not be distributed to Participants.

4.6 ROLLOVERS

(a) **Acceptance of "rollovers" into the Plan.** If elected in the Adoption Agreement and with the consent of the Administrator (such consent must be exercised in a nondiscriminatory manner and applied uniformly to all Participants), the Plan may accept a "rollover," provided the "rollover" will not jeopardize the tax-exempt status of the Plan or create adverse tax consequences for the Employer. The amounts rolled over shall be separately accounted for in a "Participant's Rollover Account." Furthermore, any Roth Elective Deferrals that are accepted as "rollovers" in this Plan on or after January 1, 2006 shall be separately accounted for. A Participant's Rollover Account shall be fully Vested at all times and shall not be subject to forfeiture for any reason. For purposes of this Section, the term Participant shall include any Eligible Employee who is not yet a Participant, if, pursuant to the Adoption Agreement, "rollovers" are permitted to be accepted from Eligible Employees. In addition, for purposes of this Section the term Participant shall also include former Employees if the Employer and Administrator consent to accept "rollovers" of distributions made to former Employees from any plan of the Employer.

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

(c) **Distribution of "rollovers.**" At Normal Retirement Date, or such other date when the Participant or Eligible Employee or such Participant's or Eligible Employee's Beneficiary shall be entitled to receive benefits, the Participant's Rollover Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distribution of amounts held in a Participant's Rollover Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder.

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

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

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

(1) A "rollover" means: (i) amounts transferred to this Plan directly from another "eligible retirement plan;" (ii) distributions received by an Employee from other "eligible retirement plans" which are eligible for tax-free rollover

to an "eligible retirement plan" and which are transferred by the Employee to this Plan within sixty (60) days following receipt thereof; and (iii) any other amounts which are eligible to be rolled over to this Plan pursuant to the Code or any other federally enacted legislation.

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

4.7 PLAN-TO-PLAN TRANSFERS FROM QUALIFIED PLANS

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

(b) **Accounting of transfers.** Amounts in a Participant's Transfer Account shall be held by the Trustee (or Insurer) pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as elected in the Adoption Agreement and subsection (d) below, provided the restrictions of subsection (c) below and Section 6.13 are satisfied. The Trustee (or Insurer) shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee (or Insurer) under the terms of this Plan.

(c) **Restrictions on Elective Deferrals.** Except as permitted by Regulations (including Regulation Section 1.411(d)-4), amounts attributable to elective contributions (as defined in Regulation Section 1.401(k)-6), including amounts treated as elective contributions, which are transferred from another qualified plan in a plan-to-plan transfer (other than a direct rollover) shall be subject to the distribution limitations provided for in the Code Section 401(k) Regulations.

(d) **Distribution of plan–to-plan transfer amounts.** At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the Participant's Transfer Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distribution of amounts held in a Participant's Transfer Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder.

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

4.8 MANDATORY EMPLOYEE CONTRIBUTIONS

(a) **Mandatory Employee Contributions.** An Employer may elect in the Adoption Agreement to provide for Mandatory Employee Contributions. If the Employer elects to provide for such contributions, each Participant, as a condition of employment, will make a Mandatory Employee Contribution in the amount elected in the Adoption Agreement. Alternatively, the Employer may elect to provide a range of Mandatory Employee Contribution percentages from which the Participant may choose to contribute. Under this option, the Employee, as a condition of employment, must make an irrevocable election to contribute a percentage of his/her Compensation no later than his/her Plan Entry Date. The Mandatory Employee Contributions are excludible from the Employee’s gross income. During the period of the Participant’s participation in the Plan, the Participant may not revoke the election and receive cash in lieu of the contribution, nor may the Participant change the amount of the Mandatory Employee Contribution.

(b) **Government Pick-up Contribution.** The Employer will “pick-up” the Mandatory Employee contribution and will pay the Mandatory Employee contribution to the Plan as an Employer contribution. This provision is effective only after the Employer provides for the treatment of the Employee contributions as described in this paragraph, through a person authorized to take such action, and evidenced in writing by minutes of a meeting, resolution, ordinance, or other formal action by the Employer, which will effectuate the “pick-up” provision.

4.9 AFTER-TAX VOLUNTARY EMPLOYEE CONTRIBUTIONS

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

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

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

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

In the event a Participant has received a hardship distribution under the safe harbor hardship provisions of the Code Section 401(k) Regulations from any plan maintained by the Employer, then the Participant shall be barred from making any after-tax voluntary Employee contributions for a period of twelve (12) months after receipt of the hardship distribution. However, with respect to Plan Years beginning on or after December 31, 2002, the suspension period shall be six (6) months rather than twelve (12) months.

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

4.10 PARTICIPANT DIRECTED INVESTMENTS

(a) **Directed Investment Options allowed.** If elected in the Adoption Agreement, all Participants may direct the Trustee (or Insurer) as to the investment of all or a portion of their individual account balances as set forth in the Adoption Agreement and within limits set by the Employer. Participants may direct the Trustee (or Insurer), in writing (or in such other form which is acceptable to the Trustee (or Insurer)), to invest their accounts in specific assets, specific funds or other investments permitted under the Plan and the Participant Direction Procedures. That portion of the account of any Participant that is subject to investment direction of such Participant will be considered a Participant Directed Account.

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

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

(d) **Allocation of gains or losses.** As of each Valuation Date, all Participant Directed Accounts shall be charged or credited with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in the market value using publicly listed fair market values when available or appropriate to the extent the assets in a Participant Directed Account are accounted for as segregated assets, the allocation of earnings, gains on and losses from such assets shall be made on a separate and distinct basis.

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

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

4.11 QUALIFIED MILITARY SERVICE

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

4.12 HEART ACT PROVISIONS

(a) **Death benefits.** In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code §414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

(b) **Benefit accrual.** For benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

(1) **Determination of benefits.** The Plan will determine the amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed for purposes of applying paragraph Code §414(u)(8)(C) on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

(c) **Differential wage payments.** For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an employee of the employer making the payment; (ii) the differential wage payment is treated as compensation for purposes of Code §415(c)(3) and Treasury Reg. §1.415(c)-2 (e.g., for purposes of Code §415, and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) (or corresponding plan provisions, including, but not limited to, Plan provisions related to the ADP or ACP test) by reason of any contribution or benefit which is based on the differential wage payment. The Plan Administrator operationally may determine, for purposes of the provisions described in Code §414(u)(1)(C), whether to take into account any deferrals, and if applicable, any matching contributions, attributable to differential wages. Differential wage payments (as described herein) will also be considered compensation for all Plan purposes.

The provision above applies only if all Employees of the Employer performing service in the uniformed services described in Code §3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code §3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code §§410(b)(3), (4), and (5)).

(d) **Deemed Severance.** If a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision (such as a qualified reservist distribution), then the other Plan provision will control and the 6-month suspension will not apply.

ARTICLE V
VALUATIONS

5.1 VALUATION OF THE TRUST FUND

The Administrator, with the assistance of any named Fiduciary or agent of the Plan, shall value the assets comprising the Trust Fund at their fair market value as of the Valuation Date and may deduct all unpaid expenses not yet been paid by the Employer or the Trust Fund.

5.2 METHOD OF VALUATION

In determining the fair market value of securities held in the Trust Fund which are listed on a registered stock exchange, the Administrator will value the same at the prices they were last traded on such exchange preceding the close of business on the Valuation Date. If such securities were not traded on the Valuation Date, or if the exchange on which they are traded was not open for business on the Valuation Date, then the securities shall be valued at the prices at which they were last traded prior to the Valuation Date. Any unlisted

security held in the Trust Fund shall be valued at its bid price next preceding the close of business on the Valuation Date, which bid price shall be obtained from a registered broker or an investment banker. In determining the fair market value of assets other than securities for which trading or bid prices can be obtained, the Administrator may appraise such assets itself (assuming it has the appropriate expertise), or in its discretion, employ one or more appraisers for that purpose and rely on the values established by such appraiser or appraisers.

ARTICLE VI
DETERMINATION AND DISTRIBUTION OF BENEFITS

6.1 DETERMINATION OF BENEFITS UPON RETIREMENT

Every Participant may terminate employment with the Employer and retire for purposes hereof on the Participant's Normal Retirement Date or Early Retirement Date. However, a Participant may postpone the termination of employment with the Employer to a later date, in which event the participation of such Participant in the Plan, including the right to receive allocations pursuant to Section 4.3, shall continue until such Participant's Retirement Date. Upon a Participant's Retirement Date, or if elected in the Adoption Agreement, the attainment of Normal Retirement Date without termination of employment with the Employer (subject to Section 11.2(d)), or as soon thereafter as is practicable, the Administrator shall direct the distribution, at the election of the Participant, of the Participant's entire Vested interest in the Plan in accordance with Section 6.5.

6.2 DETERMINATION OF BENEFITS UPON DEATH

(a) **100% Vesting on death.** Upon the death of a Participant before the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Combined Account shall, if elected in the Adoption Agreement, become fully Vested. The Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of the deceased Participant's Vested accounts to the Participant's Beneficiary.

(b) **Distribution upon death.** Upon the death of a Participant, the Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of any remaining Vested amounts credited to the accounts of such deceased Participant to such Participant's Beneficiary.

(c) **Determination of death benefit by Administrator.** The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the account of a deceased Participant as the Administrator may deem desirable. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive.

(d) **Beneficiary designation.** The Participant shall designate a Beneficiary on a form provided by the Administrator.

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

(1) The Participant's surviving spouse;

(2) The Participant's children, including adopted children, per stirpes;

(3) The Participant's surviving parents, in equal shares; or

(4) The Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the Beneficiary's "designated Beneficiary" (or if there is no "designated Beneficiary," to the Beneficiary's estate).

(f) **Divorce revokes spousal Beneficiary designation.** Notwithstanding anything in this Section to the contrary, if a Participant has designated the spouse as a Beneficiary, then a divorce decree or a legal separation that relates to such spouse shall revoke the Participant's designation of the spouse as a Beneficiary unless the decree or a "qualified domestic relations order" (within the meaning of Code Section 414(p)) provides otherwise or a subsequent Beneficiary designation is made.

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

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

6.3 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY

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

6.4 DETERMINATION OF BENEFITS UPON TERMINATION

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

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

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

Notwithstanding the above, if the value of a Terminated Participant's Vested benefit derived from Employer and Employee contributions does not exceed $1,000, the Administrator shall direct that the entire Vested benefit be paid to such Participant in a single lump-sum as soon as practical without regard to the consent of the Participant, provided the conditions, if any, set forth in the Adoption Agreement have been satisfied. A Participant's Vested benefit shall not include, if selected in the Conditions for Distributions Upon Termination of Employment Section of the Adoption Agreement, the Participant's Rollover Account. Effective with respect to distributions made on or after March 28, 2005, if a mandatory distribution is made pursuant to this paragraph and such distribution is greater than $1,000 and the Participant does not elect to have such distribution paid directly to an "eligible retirement plan" specified by the Participant in a "direct rollover" in accordance with Section 6.13 or to receive the distribution directly, then the Administrator shall transfer such amount to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) designated by the Administrator. However, if the Participant elects to receive or make a "direct rollover" of such amount, then the Administrator shall direct the Trustee (or Insurer) to cause the entire Vested benefit to be paid to such Participant in a single lump sum, or make a "direct rollover" pursuant to Section 6.13, provided the conditions, if any, set forth in the Adoption Agreement have been satisfied.

(b) **Vesting schedule.** The Vested portion of any Participant's Account shall be a percentage of such Participant's Account determined on the basis of the Participant's number of Years of Service (according to the vesting schedule specified in the Adoption Agreement). However, a Participant's entire interest in the Plan shall be non-forfeitable upon the Participant's Normal Retirement Age (if the Participant is employed by the Employer on or after such date).

6.5 DISTRIBUTION OF BENEFITS

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

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

6.6 DISTRIBUTION OF BENEFITS UPON DEATH

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

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

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

6.7 TIME OF DISTRIBUTION

Except as limited by Section 6.8, whenever a distribution is to be made, or a series of payments are to commence, the distribution or series of payments may be made or begun as soon as practicable. However, unless a Participant elects in writing to defer the receipt of benefits (such election may not result in a death benefit that is more than incidental), the payment of benefits shall begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (a) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (b) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or (c) the date the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant to consent to a distribution shall be deemed to be an election to defer the commencement of payment of any benefit.

6.8 REQUIRED MINIMUM DISTRIBUTIONS

(a) **General rules**

(1) **Effective Date.** Subject to the good faith interpretation standard, the requirements of this Section shall apply to any distribution of a Participant's interest in the Plan and will take precedence over any inconsistent provisions of this Plan. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning after December 31, 2001.

(2) **Coordination with minimum distribution requirements previously in effect.** If the "effective date" of this amendment is earlier than calendar years beginning with the 2003 calendar year, required minimum distributions for 2002 under this Section will be determined as follows. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the "effective date" of this Section equals or exceeds the required minimum distributions determined under this Section, then no additional distributions will be required to be made for 2002 on or after such date to the distributee. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the "effective date" of this Section is less than the amount determined under this amendment, then required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to the distributee will be the amount determined under this Section.

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

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

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

(b) **Time and manner of distribution**

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

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

(i) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary," then, except

as otherwise provided herein, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

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

(iii) 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.

(iv) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 6.8(b)(2), other than Section 6.8(b)(2)(i), will apply as if the surviving spouse were the Participant.

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

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

(c) **Required minimum distributions during Participant's lifetime**

(1) **Amount of required minimum distribution for each "distribution calendar year."** During the Participant's lifetime, the minimum amount that will be distributed for each "distribution calendar year" is the lesser of the following, as elected in the Form of Distributions Section of the Adoption Agreement:

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

(ii) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse, the quotient obtained by dividing the "Participant's account balance" by the number in the Joint and Last Survivor Table set forth in Regulation Section 1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year."

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

(d) **Required minimum distributions after Participant's death**

(1) **Death on or after date distributions begin.**

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

(A) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary," the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death,

the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary," the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

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

(2) **Death before date distributions begin.**

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

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

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

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

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

(2) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year immediately preceding the calendar year which contains the Participant's "required beginning date." For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under Section 6.8(b). The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date." The required minimum distribution for other "distribution calendar years," including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year."

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

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

(5) "Required beginning date" means, except as otherwise elected in an appendix to the Adoption Agreement , with respect to any Participant, April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires.

(f) **Transition rules.**

(1) **For plans in existence before 2003.** Required minimum distributions before 2003 were made pursuant to Section (e), if applicable, and Sections 6.8(f)(2) through (4) below.

(2) **2000 and Before.** Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed Regulations thereunder published in the Federal Register on July 27, 1987 (the "1987 Proposed Regulations").

(3) **2001.** Required minimum distributions for calendar year 2001 were made in accordance with Code Section 401(a)(9) and the 1987 Proposed Regulations, unless the Adoption Agreement provides that required minimum distributions for 2001 were made pursuant to the proposed Regulations under Code Section 401(a)(9) published in the Federal Register on January 17, 2001 (the "2001 Proposed Regulations"). If distributions were made in 2001 under the 1987 Proposed Regulations prior to the date in 2001 the Plan began operating under the 2001 Proposed Regulations, the special transition rule in Announcement 2001-82, 2001-2 C.B. 123, applied.

(4) **2002.** Required minimum distributions for calendar year 2002 were made in accordance with Code Section 401(a)(9) and the 1987 Proposed Regulations unless either (i) or (ii) below applies.

(i) The Adoption Agreement provides that required minimum distributions for 2002 were made pursuant to the 2001 Proposed Regulations.

(ii) The Adoption Agreement provides that required minimum distributions for 2002 were made pursuant to the Final and Temporary Regulations under Code Section 401(a)(9) published in the Federal Register on April 17, 2002, (the "2002 Final and Temporary Regulations") which are described in Sections (b) through (e) of this Section. If distributions were made in 2002 under either the 1987 Proposed Regulations or the 2001 Proposed Regulations prior to the date in 2002 the Plan began operating under the 2002 Final and Temporary Regulations, the special transition rule in Section 1.2 of the model amendment in Revenue Procedure 2002-29, 2002-1 C.B. 1176, applied.

(5) **Waiver of 2009 required distributions**

(i) **Suspension of RMDs unless otherwise elected by Participant.** Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) (“2009 RMDs”), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant’s designated Beneficiary, or for a period of at least 10 years (“Extended 2009 RMDs”), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

(ii) **Direct Rollovers.** A direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H).

6.9 DISTRIBUTION FOR MINOR OR INCOMPETENT INDIVIDUAL

In the event a distribution is to be made to a minor or incompetent individual, then the Administrator may direct that such distribution be paid to the court appointed legal guardian or any other person authorized under state law to receive such distribution, or if none, then in the case of a minor individual, to a parent of such individual, or to the custodian for such individual under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said individual resides. Such a payment to the guardian, custodian or parent of a minor or incompetent individual shall fully discharge the Trustee (or Insurer), Employer, and Plan from further liability on account thereof.

6.10 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder shall, at the later of the Participant's attainment of age 62 or Normal Retirement Age, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable shall be treated as a Forfeiture pursuant to the Plan. Notwithstanding the foregoing, effective with respect to distributions made after March 28, 2005, if the Plan provides for mandatory distributions and the amount to be distributed to a Participant or Beneficiary does not exceed $1,000, then the amount distributable may, in the sole discretion of the Administrator, either be treated as a Forfeiture, or be paid directly to an individual retirement account described in Code Section 408(a)

or an individual retirement annuity described in Code Section 408(b) at the time it is determined that the whereabouts of the Participant or the Participant's Beneficiary cannot be ascertained. In the event a Participant or Beneficiary is located subsequent to the Forfeiture, such benefit shall be restored, first from Forfeitures, if any, and then from an additional Employer contribution if necessary. Upon Plan termination, the portion of the distributable amount that is an "eligible rollover distribution" as defined in Plan Section 6.13(b)(1) may be paid directly to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b). However, regardless of the preceding, a benefit that is lost by reason of escheat under applicable state law is not treated as a Forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

6.11 IN-SERVICE DISTRIBUTION

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

6.12 QUALIFIED DOMESTIC RELATIONS ORDER DISTRIBUTION

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order." Furthermore, a distribution to an "alternate payee" shall be permitted if such distribution is authorized by a "qualified domestic relations order," even if the affected Participant has not reached the "earliest retirement age" under the Plan. For the purposes of this Section, "alternate payee," "qualified domestic relations order" and "earliest retirement age" shall have the meanings set forth under Code Section 414(p).

6.13 DIRECT ROLLOVERS

(a) **Right to direct rollover.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "distributee's" election under this Section effective with respect to distributions made after December 31, 2001, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the "distributee" in a "direct rollover." However, if less than the entire amount of the "eligible rollover distribution" is being paid directly to an "eligible retirement plan," then the Administrator may require that the amount paid directly to such plan be at least $500. Furthermore, the Administrator shall apply this Section by treating a Participant's Roth Elective Deferral Account separately from the Participant's other Accounts.

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

(1) An "eligible rollover distribution" means any distribution described in Code Section 402(c)(4) and generally includes any distribution of all or any portion of the balance to the credit of the "distributee," except that an "eligible rollover distribution" does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the "distributee" or the joint lives (or joint life expectancies) of the "distributee" and the "distributee's" "designated Beneficiary," or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any hardship distribution; the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution reasonably expected to total less than $200 during a year.

Notwithstanding the above, a portion of a distribution shall not fail to be an "eligible rollover distribution" merely because the portion consists of after-tax voluntary Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) An "eligible retirement plan" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), (other than an endowment contract), a Roth IRA described in Code Section 408A, a qualified trust (an employees' trust) described in Code Section 401(a) which is exempt from tax under Code Section 501(a), an annuity plan described in Code Section 403(a), an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision and which agrees to separately account for amounts transferred into such plan from this Plan, and an annuity contract described in Code Section 403(b), that accepts the "distributee's" "eligible rollover distribution." However, in the case of an "eligible rollover distribution" to the surviving spouse, an "eligible retirement plan" is an individual retirement account or individual retirement annuity. 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 relations order, as defined in Code Section 414(p). If any portion of an "eligible rollover distribution" is attributable to payments or distributions from a designated Roth account, an "eligible retirement plan" with respect to such portion shall include only another designated Roth account of the individual from whose account the payments or distributions were made, or a Roth IRA of such individual.

(3) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a "qualified domestic relations order," as defined in Code Section 414(p), are "distributees" with regard to the interest of the spouse or former spouse.

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

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

6.14 TRANSFER OF ASSETS FROM A MONEY PURCHASE PLAN

Notwithstanding any provision of this Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution prior to the Employee's retirement, death, disability, or severance from employment, and prior to Plan termination, the optional form of benefit is not available with respect to benefits attributable to assets (including the post-transfer earnings thereon) and liabilities that are transferred, within the meaning of Code Section 414(l), to this Plan from a money purchase pension plan qualified under Code Section 401(a) (other than any portion of those assets and liabilities attributable to after-tax voluntary Employee contributions or to a direct or indirect rollover contribution).

6.15 CORRECTIVE DISTRIBUTIONS

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

ARTICLE VII
TRUSTEE AND CUSTODIAN

7.1 BASIC RESPONSIBILITIES OF THE TRUSTEE

(a) The provisions of this Article, other than Section 7.6, shall not apply to this Plan if a separate trust agreement is being used. Furthermore, the provisions of this Article, other than Sections 7.5 and 7.6, shall not apply if the Plan is fully insured.

(b) The Trustee is accountable to the Employer for the funds contributed to the Plan by the Employer, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan. The Trustee is not obligated to collect any contributions from the Employer, nor is it under a duty to see that funds deposited with it are deposited in accordance with the provisions of the Plan.

(c) The Trustee will credit and distribute the Trust Fund as directed by the Administrator. The Trustee is not obligated 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 whether the manner of making any payment or distribution is proper. The Trustee is accountable only to the Administrator for any payment or distribution made by it in good faith on the order or direction of the Administrator.

(d) In the event that the Trustee shall be directed by a Participant (pursuant to the Participant Direction Procedures if the Plan permits Participant directed investments), the Employer, or an Investment Manager or other agent appointed by the Employer with respect to the investment of any or all Plan assets, the Trustee shall have no liability with respect to the investment of such assets, but shall be responsible only to execute such investment instructions as so directed.

(1) The Trustee shall be entitled to rely fully on the written (or other form acceptable to the Administrator and the Trustee, including but not limited to, voice recorded) instructions of a Participant (pursuant to the Participant Direction Procedures), the Employer, or any Fiduciary or nonfiduciary agent of the Employer, in the discharge of such duties, and shall not be liable for any loss or other liability resulting from such direction (or lack of direction) of the investment of any part of the Plan assets.

(2) The Trustee may delegate the duty of executing such instructions to any nonfiduciary agent, which may be an affiliate of the Trustee or any Plan representative.

(3) The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole and absolute discretion, deems such direction improper by virtue of applicable law. The Trustee shall not be responsible or liable for any loss or expense that may result from the Trustee's refusal or failure to comply with any direction from the Participant.

(4) Any costs and expenses related to compliance with the Participant's directions shall be borne by the Participant's Directed Account, unless paid by the Employer.

(5) Notwithstanding anything herein above to the contrary, the Trustee shall not invest any portion of a Participant's Directed Account in "collectibles" within the meaning of Code Section 408(m).

(e) The Trustee will maintain records of receipts and disbursements and furnish to the Employer and/or Administrator for each Plan Year a written annual report pursuant to Section 7.9.

(f) The Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.

(g) 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 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 act or refrain from acting on the advice or opinion of any such person.

7.2 INVESTMENT POWERS AND DUTIES OF DISCRETIONARY TRUSTEE

(a) This Section applies if the Employer, in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee, designates the Trustee to administer all or a portion of the trust as a Discretionary Trustee. If so designated, then the Trustee has the discretion and authority to invest, manage, and control those Plan assets except, however, with respect to those assets which are subject to the investment direction of a Participant (if Participant directed investments are permitted), or an Investment Manager, the Administrator, or other agent appointed by the Employer. The exercise of any investment discretion hereunder shall be consistent with the "funding policy and method" determined by the Employer.

(b) The Trustee shall, except as otherwise provided in this Plan, invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, common or preferred stocks, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code so that at all times this Plan may qualify as a qualified Plan and Trust. The Trustee shall discharge its duties with respect to the Plan solely in the interest of the Participants and Beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

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

(1) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;

(2) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(3) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

(4) To cause any securities or other property to be registered in the Trustee's own name, or in the name of a nominee or in a street name provided such securities or other property are held on behalf of the Plan by (i) a bank or trust company, (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer, or (iii) a clearing agency as defined in Section 3(a)(23) of the Securities Exchange Act of 1934;

(5) To invest in a common, collective, or pooled trust fund (the provisions of which are incorporated herein by reference) maintained by any Trustee (or any affiliate of such Trustee) hereunder pursuant to Revenue Ruling 81-100, all or such part of the Trust Fund as the Trustee may deem advisable, and the part of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The name of the trust fund may be specified in an appendix to the Adoption Agreement. The Trustee may withdraw from such common, collective, or pooled trust fund all or such part of the Trust Fund as the Trustee may deem advisable;

(6) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(7) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(8) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(9) To settle, compromise, or submit to arbitration (provided such arbitration does not apply to Participants or Beneficiaries) any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(10) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agents or counsel may or may not be an agent or counsel for the Employer;

(11) To apply for and procure from the Insurer as an investment of the Trust Fund any annuity or other Contracts (on the life of any Participant, or in the case of a Profit Sharing Plan (including a 401(k) Plan), on the life of any person in whom a Participant has an insurable interest, or on the joint lives of a Participant and any person in whom the Participant has an insurable interest) as the Administrator shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity, or other Contracts; to collect, receive, and settle for the proceeds of all such annuity, or other Contracts as and when entitled to do so under the provisions thereof;

(12) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest or in cash or cash balances without liability for interest thereon, including the specific authority to invest in any type of deposit of the Trustee (or of a financial institution related to the Trustee);

(13) To invest in Treasury Bills and other forms of United States government obligations;

(14) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange regardless of whether such options are covered;

(15) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations including the specific authority to make deposit into any savings accounts or certificates of deposit of the Trustee (or a financial institution related to the Trustee);

(16) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or any Affiliated Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and Trust and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests; and

(17) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

(d) The Trustee may appoint, at its option, an Investment Manager, investment adviser, or other agent to provide direction to the Trustee with respect to the investment of any or all of the Plan assets. Such appointment shall be in writing and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have the authority to direct the investment.

7.3 INVESTMENT POWERS AND DUTIES OF NONDISCRETIONARY TRUSTEE

(a) This Section applies if the Employer, in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee, designates the Trustee to administer all or a portion of the trust as a nondiscretionary Trustee. If so designated, then the Trustee shall have no discretionary authority to invest, manage, or control those Plan assets, but must act solely as a Directed Trustee of those Plan assets. A nondiscretionary Trustee, as Directed Trustee of the Plan funds it holds, is authorized and empowered, by way of limitation, with the powers, rights and duties set forth herein, each of which the nondiscretionary Trustee exercises solely as Directed Trustee in accordance with the direction of the party which has the authority to manage and control the investment of the Plan assets. If no directions are provided to the Trustee, the Employer will provide necessary direction. Furthermore, the Employer and the nondiscretionary Trustee may, in writing, limit the powers of the nondiscretionary Trustee to any combination of powers listed within this Section. The party which has the authority to manage and control the investment of the Plan assets shall discharge its duties with respect to the Plan solely in the interest of the Participants and Beneficiaries and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) The Trustee, in addition to all powers and authorities under common law, statutory authority, and other provisions of this Plan, shall have the following powers and authorities:

(1) To invest the assets, without distinction between principal and income, in securities or property, real or personal, wherever situated, including, but not limited to, common or preferred stocks, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code so that at all times this Plan may qualify as a qualified Plan and Trust;

(2) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;

(3) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(4) At the direction of the party which has the authority or discretion, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate powers, and pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

(5) To cause any securities or other property to be registered in the Trustee's own name, or in the name of a nominee or in a street name provided such securities or other property are held on behalf of the Plan by (i) a bank or trust company, (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer, or (iii) a clearing agency as defined in Section 3(a)(23) of the Securities Exchange Act of 1934;

(6) To invest in a common, collective, or pooled trust fund (the provisions of which are incorporated herein by reference) maintained by any Trustee (or any affiliate of such Trustee) hereunder pursuant to Revenue Ruling 81-100, all or such part of the Trust Fund as the party which has the authority to manage and control the investment of the assets shall deem advisable, and the part of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The name of the trust fund may be specified in an appendix to the Adoption Agreement;

(7) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(8) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(9) To settle, compromise, or submit to arbitration (provided such arbitration does not apply to Participants or Beneficiaries) any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(10) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be an agent or counsel for the Employer;

(11) To apply for and procure from the Insurer as an investment of the Trust Fund any annuity or other Contracts (on the life of any Participant, or in the case of a Profit Sharing Plan (including a 401(k) Plan), on the life of any person in whom a Participant has an insurable interest, or on the joint lives of a Participant and any person in whom the Participant has an insurable interest) as the Administrator shall deem proper; to exercise, at the direction of the person with the authority to do so, whatever rights and privileges may be granted under such annuity or other Contracts; to collect, receive, and settle for the proceeds of all such annuity or other Contracts as and when entitled to do so under the provisions thereof;

(12) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest or in cash or cash balances without liability for interest thereon, including the specific authority to invest in any type of deposit of the Trustee (or of a financial institution related to the Trustee);

(13) To invest in Treasury Bills and other forms of United States government obligations;

(14) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange regardless of whether such options are covered;

(15) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations including the specific authority to make deposit into any savings accounts or certificates of deposit of the Trustee (or a financial institution related to the Trustee); and

(16) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or any Affiliated Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests.

7.4 POWERS AND DUTIES OF CUSTODIAN

The Employer may appoint a custodian of the Plan assets. A custodian has the same powers, rights and duties as a nondiscretionary Trustee. Any reference in the Plan to a Trustee also is a reference to a custodian unless the context of the Plan indicates otherwise. A limitation of the Trustee's liability by Plan provision also acts as a limitation of the Custodian's liability. The Custodian will be protected from any liability with respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, an Investment Manager, a named Fiduciary or other third party with authority to provide direction to the Custodian. The resignation or removal of the Custodian shall be made in accordance with Section 7.10 as though the Custodian were a Trustee.

7.5 LIFE INSURANCE

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

(b) **Contract conversion at retirement.** The Trustee (or Insurer) must distribute the Contracts to the Participant or convert the entire value of the Contracts at or before retirement into cash or provide for a periodic income so that no portion of such value may be used to continue life insurance protection beyond the date on which benefits commence. Furthermore, if a Contract is purchased on the joint lives of the Participant and another person and such other person predeceases the Participant, then the Contract may not be maintained under this Plan.

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

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

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

7.6 LOANS TO PARTICIPANTS

(a) **Permitted Loans.** The Trustee (or the Administrator if the Trustee is a nondiscretionary Trustee or if loans are treated as Participant directed investments) may, in the Trustee's (or, if applicable, the Administrator's) sole discretion, make loans to Participants. If loans are permitted, then the following shall apply: (1) loans shall be made available to all Participants on a reasonably equivalent basis; (3) loans shall bear a reasonable rate of interest; (4) loans shall be adequately secured; and (5) loans shall provide for periodic repayment over a reasonable period of time. Furthermore, no Participant loan shall exceed the Participant's Vested interest in the Plan.

(b) **Prohibited assignment or pledge.** An assignment or pledge of any portion of a Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance Contract purchased under the Plan, shall be treated as a loan under this Section.

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

(1) the identity of the person or positions authorized to administer the Participant loan program;

(2) a procedure for applying for loans;

(3) the basis on which loans will be approved or denied;

(4) limitations, if any, on the types and amounts of loans offered;

(5) the procedure under the program for determining a reasonable rate of interest;

(6) the types of collateral which may secure a Participant loan; and

(7) the events constituting default and the steps that will be taken to preserve Plan assets in the event such default.

(d) **Loan default.** Notwithstanding anything in this Plan to the contrary, if a Participant or Beneficiary defaults on a loan made pursuant to this Section that is secured by the Participant's interest in the Plan, then a Participant's interest may be offset by the amount subject to the security to the extent there is a distributable event permitted by the Code or Regulations.

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

7.7 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If there is more than one Trustee, then the responsibilities of each Trustee may be specified by the Employer and accepted in writing by each Trustee. If no such delegation is made by the Employer, then the Trustees may allocate the responsibilities among themselves, in which event the Trustees shall notify the Employer and the Administrator in writing of such action and specify the responsibilities of each Trustee. Except where there has been an allocation and delegation of powers, if there shall be more than one Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

7.8 TRUSTEE'S COMPENSATION AND EXPENSES AND TAXES

The Trustee shall be paid such reasonable compensation as set forth in the Trustee's fee schedule (if the Trustee has such a schedule) or as agreed upon in writing by the Employer and the Trustee. However, an individual serving as Trustee who already receives full-time compensation from the Employer shall not receive compensation from this Plan. In addition, the Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by it as Trustee. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Employer. All taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof, shall be paid from the Trust Fund.

7.9 ANNUAL REPORT OF THE TRUSTEE

(a) **Annual report.** Within a reasonable period of time after the later of the Anniversary Date or receipt of the Employer's contribution for each Plan Year, the Trustee, or its agent, shall furnish to the Employer and Administrator a written statement of account with respect to the Plan Year for which such contribution was made setting forth:

(1) the net income, or loss, of the Trust Fund;

(2) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;

(3) the increase, or decrease, in the value of the Trust Fund;

(4) all payments and distributions made from the Trust Fund; and

(5) such further information as the Trustee and/or Administrator deems appropriate.

(b) **Employer approval of report.** The Employer, promptly upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustee and/or Administrator of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within thirty (30) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding on the Employer and the Trustee as to all matters contained in the statement to the same extent as if the account of the Trustee had been settled by judgment or decree in an action for a judicial settlement of its account in a court of competent jurisdiction in which the Trustee, the Employer and all persons having or claiming an interest in the Plan were parties. However, nothing contained in this Section shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so desires.

7.10 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

(a) **Trustee resignation.** Unless otherwise agreed to by both the Trustee and the Employer, a Trustee may resign at any time by delivering to the Employer, at least thirty (30) days before its effective date, a written notice of resignation.

(b) **Trustee removal.** Unless otherwise agreed to by both the Trustee and the Employer, the Employer may remove a Trustee at any time by delivering to the Trustee, at least thirty (30) days before its effective date, a written notice of such Trustee's removal.

(c) **Appointment of successor.** Upon the death, resignation, incapacity, or removal of any Trustee, a successor may be appointed by the Employer; and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the powers and responsibilities of the predecessor as if such successor had been originally named as a Trustee herein. Until such a successor is appointed, any remaining Trustee or Trustees shall have full authority to act under the terms of the Plan.

(d) **Appointment of successor prior to removal of predecessor.** The Employer may designate one or more successors prior to the death, resignation, incapacity, or removal of a Trustee. In the event a successor is so designated by the Employer and accepts such designation, the successor shall, without further act, become vested with all the powers and responsibilities of the predecessor as if such successor had been originally named as Trustee herein immediately upon the death, resignation, incapacity, or removal of the predecessor.

(e) **Trustee's statement upon cessation of being Trustee.** Whenever any Trustee hereunder ceases to serve as such, the Trustee shall furnish to the Employer and Administrator a written statement of account with respect to the portion of the Plan Year during which the individual or entity served as Trustee. This statement shall be either (i) included as part of the annual

statement of account for the Plan Year required under Section 7.9 or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Employer no later than the due date of the annual statement of account for the Plan Year. The procedures set forth in Section 7.9 for the approval by the Employer of annual statements of account shall apply to any special statement of account rendered hereunder and approval by the Employer of any such special statement in the manner provided in Section 7.9 shall have the same effect upon the statement as the Employer's approval of an annual statement of account. No successor to the Trustee shall have any duty or responsibility to investigate the acts or transactions of any predecessor who has rendered all statements of account required by Section 7.9 and this subparagraph.

7.11 TRANSFER OF INTEREST

Notwithstanding any other provision contained in this Plan, the Trustee at the direction of the Administrator shall transfer the interest, if any, of a Participant to another trust forming part of a pension, profit sharing, or stock bonus plan that meets the requirements of Code Section 401(a), provided that the trust to which such transfers are made permits the transfer to be made.

7.12 TRUSTEE INDEMNIFICATION

The Employer agrees to indemnify and hold harmless the Trustee against any and all claims, losses, damages, expenses and liabilities the Trustee may incur in the exercise and performance of the Trustee's powers and duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct.

ARTICLE VIII
AMENDMENT, TERMINATION AND MERGERS

8.1 AMENDMENT

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

(b) **Permissible amendments.** The Employer may (1) change the choice of options in the Adoption Agreement, (2) add any appendix to the Adoption Agreement ; (3) amend administrative trust or custodial provisions; (4) add certain sample or model amendments published by the Internal Revenue Service or other required good-faith amendments which specifically provide that their adoption will not cause the Plan to be treated as an individually designed plan, and (5) add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan and correct obvious and unambiguous typographical errors and/or cross-references that merely correct a reference but that do not in any way change the original intended meaning of the provisions

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

8.2 TERMINATION

(a) **Termination of Plan.** The Employer shall have the right at any time to terminate the Plan by delivering to the Trustee (or Insurer) and Administrator written notice of such termination. Upon any full or partial termination or upon the complete discontinuance of the Employer's Contributions to the Plan (in the case of a Profit Sharing Plan), all amounts credited to the affected Participants' Combined Accounts shall become 100% Vested and shall not thereafter be subject to forfeiture.

(b) **Distribution of assets.** Upon the full termination of the Plan, the Employer shall direct the distribution of the assets to Participants in a manner that is consistent with and satisfies the provisions of Section 6.5, except that no Participant or spousal consent is required. Distributions to a Participant shall be made in cash (or in property if permitted in the Adoption Agreement) or through the purchase of irrevocable nontransferable deferred commitments from the Insurer.

(c) **Abandoned plan.** If the Employer abandons the Plan, the Plan may terminate in accordance with applicable IRS regulations and other guidance.

8.3 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

This Plan may be merged or consolidated with, or its assets and/or liabilities may be transferred to any other plan only if the benefits which would be received by a Participant of this Plan, in the event of a termination of the plan immediately after such transfer,

merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation.

ARTICLE IX
MISCELLANEOUS

9.1 EMPLOYER ADOPTIONS

(a) **Method of adoption.** Any organization may become the Employer hereunder by executing the Adoption Agreement in a form satisfactory to the Trustee (or Insurer), and it shall provide such additional information as the Trustee (or Insurer) may require. The consent of the Trustee (or Insurer) to act as such shall be signified by its execution of the Adoption Agreement or a separate agreement.

(b) **Separate affiliation.** Except as otherwise provided in this Plan, the affiliation of the Employer and the participation of its Participants shall be separate and apart from that of any other employer and its participants hereunder.

9.2 PARTICIPANT'S RIGHTS

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

9.3 CONSTRUCTION OF PLAN

This Plan and Trust shall be construed and enforced according to the Code and the laws of the state or commonwealth in which the Employer's (or if there is a corporate Trustee, the Trustee's, or if the Plan is fully insured, the Insurer's) principal office is located (unless otherwise designated in the Adoption Agreement), other than its laws respecting choice of law.

9.4 GENDER AND NUMBER

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

9.5 LEGAL ACTION

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

9.6 PROHIBITION AGAINST DIVERSION OF FUNDS

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

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

9.7 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

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

9.8 INSURER'S PROTECTIVE CLAUSE

Except as otherwise agreed upon in writing between the Employer and the Insurer, an Insurer which issues any Contracts hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The Insurer shall be protected and held harmless in acting in accordance with any written direction of the Administrator or Trustee, and shall have no duty to

see to the application of any funds paid to the Trustee, nor be required to question any actions directed by the Administrator or Trustee. Regardless of any provision of this Plan, the Insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Contract which it issues hereunder, or the rules of the Insurer.

9.9 RECEIPT AND RELEASE FOR PAYMENTS

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

9.10 ACTION BY THE EMPLOYER

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

9.11 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Administrator, (3) the Trustee (if the Trustee has discretionary authority as elected in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee), and (4) any Investment Manager appointed hereunder. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Employer shall have the sole responsibility for making the contributions provided for under the Plan; and shall have the sole authority to appoint and remove the Trustee and the Administrator; to formulate the Plan's "funding policy and method"; and to amend the elective provisions of the Adoption Agreement or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described in the Plan. If the Trustee has discretionary authority, it shall have the sole responsibility of management of the assets held under the Trust, except those assets, the management of which has been assigned to an Investment Manager or Administrator, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

9.12 HEADINGS

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

9.13 APPROVAL BY INTERNAL REVENUE SERVICE

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

9.14 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

9.15 PAYMENT OF BENEFITS

Except as otherwise provided in the Plan, benefits under this Plan shall be paid, subject to Sections 6.11 and 11.4, only upon death, Total and Permanent Disability, normal or early retirement, termination of employment, or termination of the Plan.

9.16 ELECTRONIC MEDIA

The Plan Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Plan Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling Participants,

making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

9.17 PLAN CORRECTION

The Administrator in conjunction with the Employer may undertake such correction of Plan errors as the Administrator deems necessary, including correction to preserve tax qualification of the Plan under Code Section 401(a). Without limiting the Administrator's authority under the prior sentence, the Administrator, as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, demographic and employer eligibility failures under a method described in the Plan or under the IRS Employee Plans Compliance Resolution System ("EPCRS") or any successor program to EPCRS. If the Plan is a 401(k) Plan, to correct an operational error, the Plan Administrator may require the Trustee (or Insurer) to distribute from the Plan Elective Deferrals or Vested matching contributions, including earnings, where such amounts result from an operational error other than a failure of Code Section 415, or Code Section 402(g).

9.18 NONTRUSTEED PLANS

If the Plan is funded solely with Contracts, then notwithstanding Sections 9.6 and 9.13, no Contract will be purchased under the Plan unless such Contract or a separate definite written agreement between the Employer and the Insurer provides that: (1) no value under Contracts providing benefits under the Plan or credits determined by the Insurer (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) with respect to such Contracts may be paid or returned to the Employer or diverted to or used for other than the exclusive benefit of the Participants or their Beneficiaries. However, any contribution made by the Employer because of a mistake of fact must be returned to the Employer within one year of the contribution.

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

ARTICLE X
PARTICIPATING EMPLOYERS

10.1 ELECTION TO BECOME A PARTICIPATING EMPLOYER

Notwithstanding anything herein to the contrary, with the consent of the Employer and Trustee (or Insurer), any Affiliated Employer may adopt the Employer's Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing said intent and will of such Participating Employer. Regardless of the preceding, an entity that ceases to be an Affiliated Employer may continue to be a Participating Employer through the end of the transition period for certain dispositions set forth in Code Section 410(b)(6)(C). In the event a Participating Employer is not an Affiliated Employer and the transition period in the preceding sentence, if applicable, has expired, then this Plan will be considered an individually designed plan.

10.2 REQUIREMENTS OF PARTICIPATING EMPLOYERS

(a) **Provisions may not vary.** Each Participating Employer shall be required to select the same Adoption Agreement provisions as those selected by the Employer other than the Fiscal Year and such other items that must, by necessity, vary among employers.

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

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

10.3 DESIGNATION OF AGENT

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

10.4 EMPLOYEE TRANSFERS

In the event an Employee is transferred between Participating Employers, accumulated service and eligibility shall be carried with the Employee involved. No such transfer shall effect a termination of employment hereunder, and the Participating Employer to which

the Employee is transferred shall thereupon become obligated hereunder with respect to such Employee in the same manner as was the Participating Employer from whom the Employee was transferred.

10.5 PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES

If elected by a Participating Employer in its participation agreement, effective with respect to Plan Years beginning in and after the Plan Year in which the provisions of this Plan are adopted, any contribution and/or Forfeiture subject to allocation during each Plan Year shall be determined and allocated separately by each Participating Employer, and shall be allocated only among the Participants eligible to share in the contribution and forfeiture allocation of the Employer or Participating Employer making the contribution or by which the forfeiting Participant was employed. Alternatively (if so elected), any contribution or Forfeiture subject to allocation during each Plan Year shall be allocated among all Participants of all Participating Employers in accordance with the provisions of this Plan. However, if a Participating Employer is not an Affiliated Employer then any contributions made by such Participating Employer will only be allocated among the Participants eligible to share in the contribution and forfeiture allocation of the Participating Employer.

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

10.6 AMENDMENT

Any Participating Employer that is an Affiliated Employer hereby authorizes the Employer to make amendments on its behalf, unless otherwise agreed among all affected parties. If a Participating Employer is not an Affiliated Employer then amendment of this Plan by the Employer at any time when there shall be a Participating Employer shall, unless otherwise agreed to by the affected parties, only be by the written action of each and every Participating Employer and with the consent of the Trustee (or Insurer) where such consent is necessary in accordance with the terms of this Plan.

10.7 DISCONTINUANCE OF PARTICIPATION

Any Participating Employer that is an Affiliated Employer shall be permitted to discontinue or revoke its participation in the Plan at any time. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Trustee (or Insurer). The Trustee (or Insurer) shall thereafter transfer, deliver and assign Contracts and other Trust Fund assets allocable to the Participants of such Participating Employer to such new trustee (or insurer) or custodian as shall have been designated by such Participating Employer, in the event that it has established a separate qualified retirement plan for its employees. If a separate plan has not been established, at the time of such continuance or revocation for whatever reason, the assets and liabilities, Contracts and other Trust Fund assets allocable to such Participating Employer's participation in this Plan shall be spun off pursuant to Code Section 414(l) and such spun off assets shall constitute a retirement plan of the Participating Employer with such Participating Employer becoming sponsor and the individual who has signed the participation agreement on behalf of the Participating Employer becoming Trustee for this purpose. Such individual shall agree to this appointment by virtue of signing the participation agreement. If such individual is no longer an Employee of the Participating Employer, then the Participating Employer shall appoint a Trustee. If no successor is designated, the Trustee (or Insurer) shall retain such assets for the Employees of said Participating Employer pursuant to the provisions of Article VII hereof. In no such event shall any part of the corpus or income of the Trust Fund as it relates to such Participating Employer be used for or diverted to purposes other than for the exclusive benefit of the employees of such Participating Employer.

10.8 ADMINISTRATOR'S AUTHORITY

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

10.9 PARTICIPATING EMPLOYER CONTRIBUTION FOR AFFILIATE

If any Participating Employer is prevented in whole or in part from making a contribution which it would otherwise have made under the Plan by reason of having no current or accumulated earnings or profits, or because such earnings or profits are less than the contribution which it would otherwise have made, then, pursuant to Code Section 404(a)(3)(B), so much of the contribution which such Participating Employer was so prevented from making may be made, for the benefit of the participating employees of such Participating Employer, by other Participating Employers who are members of the same affiliated group within the meaning of Code Section 1504 to the extent of their current or accumulated earnings or profits, except that such contribution by each such other Participating Employer shall be limited to the proportion of its total current and accumulated earnings or profits remaining after adjustment for its contribution to the Plan made without regard to this paragraph which the total prevented contribution bears to the total current and accumulated earnings or profits of all the Participating Employers remaining after adjustment for all contributions made to the Plan without regard to this paragraph.

A Participating Employer on behalf of whose employees a contribution is made under this paragraph shall not be required to reimburse the contributing Participating Employers.

ARTICLE XI
CASH OR DEFERRED PROVISIONS

Except as specifically provided elsewhere in this Plan, the provisions of this Article shall apply with respect to any 401(k) Profit Sharing Plan currently maintained by the Employer regardless of any provisions in the Plan to the contrary. The Employer may not adopt a new 401(k) Profit Sharing Plan but may maintain its existing 401(k) Profit Sharing Plan.

11.1 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION

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

(1) The amount of the total salary reduction elections of all Participants made pursuant to Section 11.2(a), which amount shall be deemed Elective Deferrals, plus

(2) If elected in the Adoption Agreement, a matching contribution equal to the percentage, if any, specified in the Adoption Agreement of the Elective Deferrals of each Participant eligible to share in the allocations of the matching contribution, which amount shall be deemed an Employer matching contribution, plus

(3) If elected in the Adoption Agreement, a discretionary amount determined each year by the Employer, which amount if any, shall be deemed an Employer Nonelective Contribution, which amount shall be an Employer Nonelective Contribution or an Elective Contribution as elected in the Adoption Agreement, plus

11.2 PARTICIPANT'S SALARY REDUCTION ELECTION

(a) **Deferral elections.** Each Participant may elect to defer a portion of Compensation which would have been received in the Plan Year, but for the salary reduction election, subject to the limitations of this Section and the Adoption Agreement. A salary reduction election (or modification of an earlier election) may not be made with respect to Compensation which is currently available on or before the date the Participant executed such election, or if later, the later of the date the Employer adopts this cash or deferred arrangement or the date such arrangement first became effective. Any elections made pursuant to this Section , including a modification or termination of an election, shall become effective as soon as is administratively feasible following the receipt of such election by the Administrator

If elected in the Adoption Agreement, effective as of the date specified in the Adoption Agreement, a Participant may make a salary reduction election to have Roth Elective Deferrals contributed to the Plan. Roth Elective Deferrals are includible in the Participant's gross income at the time deferred and must be irrevocably designated as Roth Elective Deferrals by the Participant in the Salary Reduction Agreement (or if applicable, in the automatic deferral provisions of the Plan).

The amount by which Compensation is reduced shall be that Participant's Elective Deferrals and shall be treated as an Employer contribution and allocated to that Participant's Elective Deferral Account. If the Plan permits Roth Elective Deferral contributions, then a Participant's Pre-Tax Elective Deferrals shall be allocated to the Participant's Pre-Tax Elective Deferral Account and a Participant's Roth Elective Deferrals shall be allocated to the Participant's Roth Elective Deferral Account. Elective Deferrals contributed to the Plan as one type, either Roth Elective Deferrals or Pre-Tax Elective Deferrals, may not later be reclassified as the other type.

For purposes of this Section, the annual dollar limitation of Code Section 401(a)(17) ($200,000 as adjusted) shall not apply except that the Administrator may elect to apply such limit as part of the deferral election procedures established hereunder.

Once made, a Participant's election to reduce Compensation shall remain in effect until modified or terminated. The Administrator shall establish procedures setting forth the conditions on modifications of an election. However, Participants must be permitted to modify elections at least once each Plan Year. Furthermore, terminations may be made at any time.

(b) **Catch-Up Contributions.** If selected in the Adoption Agreement, effective for calendar years beginning after December 31, 2001, all Employees who are eligible to make Elective Deferrals under this Plan and who have attained age 50 before the close of the taxable year shall be eligible to make Catch-Up Contributions in accordance with, and subject to the dollar limitations of, Code Section 414(v)(2)(B)(i) for the taxable year. The dollar limit on Catch-Up Contributions under Code Section 414(v)(2)(B)(i) is $1,000 for taxable years beginning in 2002, increasing by $1,000 for each year thereafter up to $5,000 for taxable years beginning in 2006 and later years. After 2006, the $5,000 limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 414(v)(2)(C). Such Catch-Up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code Sections 402(g) and 415. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416, as applicable, by reason of the making of such Catch-Up Contributions (but Catch-Up Contributions made in prior years are counted in determining whether the Plan is a Top-Heavy Plan). Catch-Up Contributions shall be treated as Elective Deferrals for purposes of applying any Employer matching contributions.

(c) **Full vesting.** The balance in each Participant's Elective Deferral Account shall be fully Vested at all times and, except as otherwise provided herein, shall not be subject to Forfeiture for any reason.

(d) **Distribution restrictions.** Effective with respect to distributions and transactions made after December 31, 2001, amounts held in a Participant's Elective Deferral Account may only be distributable as provided in (4) below or as provided under the other provisions of this Plan, but in no event prior to the earlier of the following events or any other events permitted by the Code or Regulations:

(1) the Participant's severance of employment (regardless of when the severance of employment occurred), Total and Permanent Disability, or death;

(2) the Participant's attainment of age 59½;

(3) the proven financial hardship of the Participant, subject to the limitations of Section 11.4; or

(4) the termination of the Plan without the existence at the time of Plan termination of another defined contribution plan or the establishment of a successor defined contribution plan by the Employer or an Affiliated Employer within the period ending twelve months after distribution of all assets from the Plan maintained by the Employer. For this purpose, a defined contribution plan does not include a simplified employee pension plan (as defined in Code Section 408(k)) or a SIMPLE individual retirement account plan (as defined in Code Section 408(p)). A distribution that is made because of this paragraph must be made in a lump-sum.

(e) **Code Section 402(g) dollar limit.** A Participant's Elective Deferrals made under this Plan and all other plans, contracts or arrangements of the Employer maintaining this Plan during any calendar year shall not exceed the dollar limitation imposed by Code Section 402(g), as in effect at the beginning of such calendar year, except to the extent permitted under Section 11.2(b) and Code Section 414(v), if applicable. The dollar limitation contained in Code Section 402(g) is $10,500 for taxable years beginning in 2000 and 2001 increasing to $11,000 for taxable years beginning in 2002 and increasing by $1,000 for each year thereafter up to $15,000 for taxable years beginning in 2006 and later years. After 2006, the $15,000 limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 402(g)(4). For this purpose, "elective deferrals" means, with respect to a calendar year, the sum of all Employer contributions made on behalf of such Participant pursuant to an election to defer under any qualified cash or deferred arrangement as described in Code Section 401(k), any salary reduction simplified employee pension (as defined in Code Section 408(k)(6)), any SIMPLE IRA plan described in Code Section 408(p), any eligible deferred compensation plan under Code Section 457, any plans described under Code Section 501(c)(18), and any Employer contributions made on the behalf of a Participant for the purchase of an annuity contract under Code Section 403(b) pursuant to a salary reduction agreement. "Elective deferrals" shall not include any deferrals properly distributed as excess "annual additions" pursuant to Section 4.5.

(f) **Excess Deferrals.** If a Participant has Excess Deferrals for a taxable year, the Participant may, not later than March 1st following the close of such taxable year, notify the Administrator in writing of such excess and request that the Participant's Elective Deferrals under this Plan be reduced by an amount specified by the Participant. In such event, the Administrator shall direct the distribution of such excess amount (and any "income" allocable to such excess amount) to the Participant not later than the first April 15th following the close of the Participant's taxable year. Any distribution of less than the entire amount of Excess Deferrals and "income" shall be treated as a pro rata distribution of Excess Deferrals and "income." The amount distributed shall not exceed the Participant's Elective Deferrals under the Plan for the taxable year. Any distribution on or before the last day of the Participant's taxable year must satisfy each of the following conditions:

(1) the Participant shall designate the distribution as Excess Deferrals;

(2) the distribution must be made after the date on which the Plan received the Excess Deferrals; and

(3) the Plan must designate the distribution as a distribution of Excess Deferrals.

Regardless of the preceding, if a Participant has Excess Deferrals solely from elective deferrals made under this Plan or any other plan maintained by the Employer, a Participant will be deemed to have notified the Administrator of such excess amount and the Administrator shall direct the distribution of such Excess Deferrals in a manner consistent with the provisions of this subsection.

For the purpose of this subsection, "income" means the amount of income or loss allocable to a Participant's Excess Deferrals, which amount shall be allocated in the same manner as income or losses are allocated pursuant to Section 4.3(c). However, "income" for the period between the end of the taxable year of the Participant and the date of the distribution (the "gap period") is not required to be distributed for Excess Deferrals attributable to taxable years beginning prior to 2007.

Notwithstanding the above, for any years in which a Participant makes both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the distribution of any Excess Deferrals for such year shall be made from the Participant's Pre-Tax Elective Deferral Account before the Participant's Roth Elective Deferral Account, to the extent Pre-Tax Elective Deferrals were made for

the year, unless the Participant elects otherwise. Matching contributions which relate to Excess Elective Deferrals (regardless of whether such Excess Elective Deferrals are Pre-Tax Elective Deferrals or Roth Elective Deferrals) shall be treated as a Forfeiture.

Any distribution of Excess Deferrals made pursuant to this subsection shall be made first from unmatched Elective Deferrals (regardless of whether they are attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals) and, thereafter, from Elective Deferrals which are matched. Matching contributions which relate to Excess Deferrals that are distributed pursuant to this Section 11.2(f) shall be treated as a Forfeiture to the extent required pursuant to Code Section 401(a)(4) and the Regulations thereunder.

(g) **Suspension due to hardship.** Effective with respect to distributions made on or after December 31, 2001, in the event a Participant has received a hardship distribution pursuant to Regulation Section 1.401(k)-1(d)(3) from any other plan maintained by the Employer or from the Participant's Elective Deferral Account pursuant to Section 11.4, then such Participant shall not be permitted to elect to have Elective Deferrals contributed to the Plan for a period of six (6) months following the receipt of the distribution. Furthermore, any provisions of the Plan providing for the reduction of the dollar limitation under Code Section 402(g) for the Participant's taxable year following the taxable year in which the hardship distribution was made shall no longer apply.

(h) **Distributable based on other terms of Plan.** At Normal Retirement Date, or such other date when the Participant shall be entitled to receive benefits, the fair market value of the Participant's Elective Deferral Account shall be used to provide benefits to the Participant or the Participant's Beneficiary.

(i) **Procedures must be established.** The Employer and the Administrator shall establish procedures necessary to implement the salary reduction elections provided for herein. Such procedures may contain limits on salary deferral elections such as limiting elections to whole percentages of Compensation or to equal dollar amounts per pay period that an election is in effect.

11.3 ALLOCATION OF CONTRIBUTION, FORFEITURES AND EARNINGS

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

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

(1) With respect to Elective Deferrals made pursuant to Section 11.1(a)(1), to each Participant's Elective Deferral Account in an amount equal to each such Participant's Elective Deferrals for the year.

(2) With respect to the Employer matching contribution made pursuant to Section 11.1(a)(2), to each Participant's Account, as elected in the Adoption Agreement, in accordance with Section 11.1(a)(2).

Except, however, in order to be entitled to receive any Employer matching contribution, a Participant must satisfy the conditions for sharing in the Employer matching contribution as set forth in the Adoption Agreement.

(3) With respect to the Employer Nonelective Contribution made pursuant to Section 11.1(a)(3), to each Participant's Account in accordance with the provisions of Section 4.3(b)(2).

(4) With respect to the Employer Qualified Nonelective Contribution made pursuant to Section 11.1(a)(4), to each Participant's Qualified Nonelective Contribution Account in the same ratio as each Participant's Compensation bears to the total of such Compensation of all Participants.

(c) **Deferrals not conditioned on service during a year.** Notwithstanding anything herein to the contrary, Participants who terminated employment during the Plan Year shall share in the salary deferral contributions made by the Employer for the year of termination without regard to the Hours of Service credited.

(d) **Conditions for sharing in contributions/allocations.** Notwithstanding anything herein to the contrary , Participants shall only share in the allocations of the Employer matching contribution made pursuant to Section 11.1(a)(2), the Employer Nonelective Contributions made pursuant to Section 11.1(a)(3), and Forfeitures as provided in the Adoption Agreement.

11.4 ADVANCE DISTRIBUTION FOR HARDSHIP

(a) **Hardship events.** If elected in the Adoption Agreement, the Administrator, at the election of a Participant, shall direct the Trustee (or Insurer) to distribute to the Participant in any one Plan Year up to the lesser of (1) 100% of the Accounts as selected in the Adoption Agreement valued as of the last Valuation Date or (2) the amount necessary to satisfy the immediate and heavy financial need of the Participant. For purposes of this Section, a Participant shall include an Employee who has an Account

balance in the Plan. Any distribution made pursuant to this Section shall be deemed to be made as of the first day of the Plan Year or, if later, the Valuation Date immediately preceding the date of distribution, and the Account from which the distribution is made shall be reduced accordingly. Effective with respect to Plan Years beginning in 2006 (or if earlier, the date the final 401(k) Regulations are effective with respect to the Plan), withdrawal under this Section shall be authorized only if the distribution is for one of the following or any other item permitted under Regulation Section 1.401(k)-1(d) (3)(iii)(B) or any other federally enacted legislation:

(1) Expenses for (or necessary to obtain) medical care that would be deductible under Code Section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

(2) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents (as defined in Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(d)(1)(B));

(4) Payment of tuition, related educational fees, and room and board expenses, for up to the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, children, or dependents (as defined in Code Section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B));

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

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

(b) **Other limits and conditions.** No distribution shall be made pursuant to this Section unless the Administrator, based upon the Participant's representation and such other facts as are known to the Administrator, determines that all of the following conditions are satisfied:

(1) The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant (including any amounts necessary to pay any federal, state, or local taxes or penalties reasonably anticipated to result from the distribution);

(2) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans maintained by the Employer (to the extent the loan would not increase the hardship);

(3) The Plan, and all other plans maintained by the Employer, provide that the Participant's Elective Deferrals and nondeductible voluntary Employee contributions will be suspended, effective for Plan Years beginning after December 31, 2001, for at least six (6) months after receipt of the hardship distribution (twelve months for Plan Years beginning prior to 2002); and

(4) Effective for Plan Years beginning prior to January 1, 2002, the Plan, and all other plans maintained by the Employer, provide that the Participant may not make Elective Deferrals for the Participant's taxable year immediately following the taxable year of the hardship distribution in excess of the applicable limit under Code Section 402(g) for such next taxable year.

(c) **Limitation on Account withdrawals.** Notwithstanding the above, distributions from the Participant's Elective Deferral Account pursuant to this Section shall be limited solely to the Participant's Elective Deferrals and any income attributable thereto credited to the Participant's Elective Deferral Account as of December 31, 1988.

(d) **Other limits and conditions.** If a hardship distribution is permitted from more than one Account, the Administrator may determine any ordering of a Participant's hardship distribution from such Accounts.

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

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY GOVERNMENTAL PLAN

SUMMARY OF PLAN PROVISIONS

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CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY GOVERNMENTAL PLAN

SUMMARY OF PLAN PROVISIONS

INTRODUCTION TO YOUR PLAN

What information does this Summary provide?

This Summary of Plan Provisions contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to get a better understanding of your rights and obligations under the Plan.

In this summary, your Employer has addressed the most common questions you may have regarding the Plan. If this Summary does not answer all of your questions, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name and address of the Administrator can be found at the end of this Summary in the Article entitled "General Information About the Plan."

This Summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this Summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This Summary describes the current provisions of the Plan. The Plan and your rights under the Plan are subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). Your Employer may also amend or terminate this Plan. If the provisions of the Plan that are described in this Summary change, your Employer will notify you.

Types of Contributions. The following types of contributions may be made under this plan:

- employer profit sharing contributions
- matching contributions to our 457(b) plan
- employee rollover contributions

ARTICLE I
PARTICIPATION IN THE PLAN

How do I participate in the Plan?

You may begin participating under the Plan once you have satisfied the eligibility requirements and reached your "Entry Date." The following describes the eligibility requirements and Entry Dates that apply. You should contact the Administrator if you have questions about the timing of your Plan participation.

Profit Sharing Contributions

Excluded Employees. There are no Excluded Employees for purposes of the profit sharing contributions provided under the Plan.

Eligibility Conditions. You will be eligible to participate for purposes of profit sharing contributions on your date of hire. However, you will actually enter the Plan once you reach the Entry Date as described below.

Entry Date. For purposes of profit sharing contributions, your Entry Date will be the date on which you satisfy the eligibility requirements.

What happens if I'm a participant, terminate employment and then I'm rehired?

If you are no longer a participant because you terminated employment, and you are rehired, then you will be able to participate in the Plan on your date of rehire provided you are otherwise eligible to participate in the Plan.

ARTICLE II
EMPLOYEE CONTRIBUTIONS

What are rollover contributions?

Rollover contributions. At the discretion of the Administrator, if you are a Participant who is currently employed or an Eligible Employee, you may be permitted to deposit into the Plan distributions you have received from other retirement plans. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Administrator or Trustee of the other plan to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, if you received a distribution from a prior plan, you may elect to deposit any amount eligible to be rolled over within 60

days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is permitted and in your best interest.

Rollover account. Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this Summary entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at any time.

ARTICLE III
EMPLOYER CONTRIBUTIONS

This Article describes Employer contributions that will be made to the Plan and how your share of the contribution is determined.

What is the Employer profit sharing contribution and how is it allocated?

Profit sharing contribution. Each year, your Employer may make a discretionary profit sharing contribution to the Plan.

Your share of the contribution. The profit sharing contribution will be "allocated" or divided among participants eligible to share in the contribution for the Plan Year.

Your share of the profit sharing contribution is determined by the following fraction:

$$\text{Profit Sharing Contribution} \times \frac{\text{Your Compensation}}{\text{Total Compensation of All Participants Eligible to Share}}$$

For example: Suppose the profit sharing contribution for the Plan Year is $20,000. Employee A's compensation for the Plan Year is $25,000. The total compensation of all participants eligible to share, including Employee A, is $250,000. Employee A's share will be:

$$\$20{,}000 \times \frac{\$25{,}000}{\$250{,}000} \text{ or } \$2{,}000$$

Allocation conditions. In order to share in the profit sharing contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share if you completed at least 1 Hours of Service during the Plan Year.

- If you terminate employment (not employed on the last day of the Plan Year), you must be credited with more than 1 Hours of Service during the Plan Year.

What is the Employer matching contribution and how is it allocated?

Matching Contribution. Your Employer may make a discretionary matching contribution equal to a uniform percentage of your salary deferrals. Each year, your Employer will determine the amount of the discretionary percentage.

Limit on matching percentage. In applying this matching percentage, however, your Employer has the option to disregard salary deferrals made each payroll period that exceed a certain dollar amount or a certain percentage of your compensation for such period. The Plan Administrator will inform you of this limit.

Allocation conditions. In order to share in the matching contribution for a Plan Year, you must satisfy the following conditions:

- If you are employed on the last day of the Plan Year, you will share if you completed at least 1 Hours of Service during the Plan Year.

- If you terminate employment (not employed on the last day of the Plan Year), you will receive a matching contribution Participants will share in the allocation upon completing 1 hour of service.

- You will share in the matching contribution for the year regardless of the amount of service you complete during the Plan Year in the year of your death, disability or retirement.

How is my service determined for allocation purposes?

Hour of Service. You will be credited with your actual Hours of Service for:

(a) each hour for which you are directly or indirectly compensated by the Employer for the performance of duties during the Plan Year;

(b) each hour for which you are directly or indirectly compensated by the Employer for reasons other than the performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year); and

(c) each hour for back pay awarded or agreed to by the Employer.

You will not be credited for the same Hours of Service both under (a) or (b), as the case may be, and under (c).

ARTICLE IV
COMPENSATION AND ACCOUNT BALANCE

What compensation is used to determine my Plan benefits?

Definition of compensation. For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation that is subject to income tax and paid to you by your Employer during the Plan Year. Amounts paid to you after you terminate employment are generally not treated as compensation. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply under the Plan.

Adjustments to compensation. The following adjustments to compensation will be made:

- compensation paid while not a participant in the Plan will be excluded.

- compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued will be included. However, regardless of the preceding, these amounts will not be included if they are otherwise excluded from Plan compensation or if they are paid more than 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment.

Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2011 is $245,000. After 2011, the dollar limit may increase for cost-of-living adjustments.

Is there a limit on how much can be contributed to my account each year?

Generally, the law imposes a maximum limit on the amount of contributions that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2011, this total cannot exceed the lesser of $49,000 or 100% of your annual compensation. After 2011, the dollar limit may increase for cost-of-living adjustments.

How is the money in the Plan invested?

The Trustee of the Plan has been designated to hold the assets of the Plan for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

Participant directed investments. You will be able to direct the investment of your entire interest in the Plan. The Administrator will provide you with information on the investment choices available to you, the procedures for making investment elections, the frequency with which you can change your investment choices and other important information. You need to follow the procedures for making investment elections and you should carefully review the information provided to you before you give investment directions. If you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives established under the Plan.

Earnings or losses. When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and your Employer, the Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

Will Plan expenses be deducted from my account balance?

Expenses allocated to all accounts. The Plan permits the payment of Plan expenses to be made from the Plan's assets. If expenses are paid using the Plan's assets, then the expenses will generally be allocated among the accounts of all participants in the Plan. These expenses will be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. The method of allocating the expenses depends on the nature of the

expense itself. For example, certain administrative (or recordkeeping) expenses would typically be allocated proportionately to each participant. If the Plan pays $1,000 in expenses and there are 100 participants, your account balance would be charged $10 ($1,000/100) of the expense.

Terminated employee. After you terminate employment, your Employer reserves the right to charge your account for your pro rata share of the Plan's administration expenses, regardless of whether your Employer pays some of these expenses on behalf of current employees.

Expenses allocated to individual accounts. There are certain other expenses that may be paid just from your account. These are expenses that are specifically incurred by, or attributable to, you. For example, if you are married and get divorced, the Plan may incur additional expenses if a court mandates that a portion of your account be paid to your ex-spouse. These additional expenses may be paid directly from your account (and not the accounts of other participants) because they are directly attributable to you under the Plan. The Administrator will inform you when there will be a charge (or charges) directly to your account.

Your Employer may, from time to time, change the manner in which expenses are allocated.

ARTICLE V
VESTING

What is my vested interest in my account?

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that your Employer makes to the Plan. This means that you will not be entitled ("vested") in all of the contributions until you have been employed with the Employer for a specified period of time.

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- rollover contributions
- profit sharing contributions

ARTICLE VII
BENEFITS AND DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT

When can I get money out of the Plan?

You may receive a distribution of the vested portion of some or all of your accounts in the Plan for the following reasons:

- termination of employment for reasons other than death, disability or retirement
- normal retirement
- disability
- death

This Plan is designed to provide you with retirement benefits. However, distributions are permitted if you die or become disabled. In addition, certain payments are permitted when you terminate employment for any other reason. The rules under which you can receive a distribution are described in this Article. The rules regarding the payment of death benefits to your beneficiary are described in "Benefits and Distributions Upon Death."

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

Distributions for deemed severance of employment. If you are on active duty for more than 30 days, then the Plan treats you as having severed employment for distribution purposes. This means that you may request a distribution from the Plan. If you request a distribution on account of this deemed severance of employment, then you are not permitted to make any contributions to the Plan for 6 (six) months after the date of the distribution.

What happens if I terminate employment before death, disability or retirement?

You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment.

What happens if I terminate employment at Normal Retirement Date?

Normal Retirement Date. You will attain your Normal Retirement Age when you reach your 65th birthday. Your Normal Retirement Date is the date on which you attain your Normal Retirement Age.

Payment of benefits. The actual payment of benefits generally will not begin until you have terminated employment and reached your Normal Retirement Date. In such event, a distribution will be made, at your election, as soon as administratively feasible. If you remain employed past your Normal Retirement Date, benefits will be deferred until you actually terminate employment and request them; however, in some cases payment must begin upon your attainment of age 70 1/2. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

What happens if I terminate employment due to disability?

Definition of disability. Under the Plan, disability is defined as a physical or mental condition resulting from bodily injury, disease, or mental disorder which renders you incapable of continuing any gainful occupation and which has lasted or can be expected to last for a continuous period of at least twelve (12) months. Your disability must be determined by a licensed physician. However, if your condition constitutes total disability under the federal Social Security Act, then the Administrator may deem that you are disabled for purposes of the Plan.

Payment of benefits. If you become disabled while an employee, you will be entitled to your vested account balance under the Plan. Payment of your disability benefits will be made to you as if you had retired. (See the question entitled "How will my benefits be paid to me?" for an explanation of how these benefits will be paid.)

How will my benefits be paid to me?

Lump-sum distributions. All distributions from the Plan will be made in a single lump-sum payment.

Medium of payment. Benefits under the Plan will generally be paid to you in cash.

Delaying distributions. You may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or retire. You should see the Administrator if you think you may be affected by these rules.

ARTICLE VIII
BENEFITS AND DISTRIBUTIONS UPON DEATH

What happens if I die while working for the Employer?

If you die while still employed by the Employer, then your vested account balance will be used to provide your beneficiary with a death benefit.

Who is the beneficiary of my death benefit?

You may designate a beneficiary on a form to be supplied to you by the Administrator.

No beneficiary designation. At the time of your death, if you have not designated a beneficiary or your beneficiary is also not alive, the death benefit will be paid in the following order of priority to:

(a) your surviving spouse

(b) your children, including adopted children in equal shares (and if a child is not living, that child's share will be distributed to that child's heirs)

(c) your surviving parents, in equal shares

(d) your estate

How will the death benefit be paid to my beneficiary?

Lump-sum distributions. The death benefit will be paid to your beneficiary in a single lump-sum payment.

When must the last payment be made to my beneficiary?

The law generally restricts the ability of a retirement plan to be used as a method of retaining money for purposes of your death estate. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods.

Regardless of the method of distribution selected, if your designated beneficiary is a person (rather than your estate or some trusts) then minimum distributions of your death benefit will begin by the end of the year following the year of your death ("1-year rule") and must be paid over a period not extending beyond your beneficiary's life expectancy. If your spouse is the beneficiary, then under the

"1-year rule," the start of payments will be delayed until the year in which you would have attained age 70 1/2 unless your spouse elects to begin distributions over his or her life expectancy before then. However, instead of the "1-year rule" your beneficiary may elect to have the entire death benefit paid by the end of the fifth year following the year of your death (the "5-year rule"). Generally, if your beneficiary is not a person, your entire death benefit must be paid under the "5-year rule."

Since your spouse has certain rights to the death benefit, you should immediately report any change in your marital status to the Administrator.

What happens if I'm a participant, terminate employment and die before receiving all my benefits?

If you terminate employment with the Employer and subsequently die, your beneficiary will be entitled to your remaining interest in the Plan at the time of your death.

ARTICLE IX
TAX TREATMENT OF DISTRIBUTIONS

What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax.

Can I elect a rollover to reduce or defer tax on my distribution?

Rollover or Direct Transfer. You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) **60-day rollover.** The rollover of all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances, all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct transfer option described in paragraph (b) below would be the better choice.

(b) **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes. If you decide to directly transfer all or a portion of a distribution, you (and your spouse, if you are married) must first waive the annuity form of payment. (See the question entitled "How will my benefits be paid to me?" for a further explanation of this waiver requirement.)

Tax Notice. WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

ARTICLE X
LOANS

Is it possible to borrow money from the Plan?

Yes, you may request a participant loan from all your accounts using an application form provided by the Administrator. Your ability to obtain a participant loan depends on several factors. The Administrator will determine whether you satisfy these factors.

What are the loan rules and requirements?

There are various rules and requirements that apply to any loan, which are outlined in this question. In addition, your Employer has established a written loan program which explains these requirements in more detail. You can request a copy of the loan program from the Administrator. Generally, the rules for loans include the following:

- Loans are available to participants on a reasonably equivalent basis. Loans will be made to participants who are creditworthy. The Administrator may request that you provide additional information, such as financial statements, tax returns and credit reports to make this determination.

- All loans must be adequately secured. You must sign a promissory note along with a loan pledge. Generally, you must use your vested interest in the Plan as security for the loan, provided the outstanding balance of all your loans does not exceed 50% of your vested interest in the Plan. In certain cases, the Administrator may require you to provide additional collateral to receive a loan.

- You will be charged a commercially reasonable rate of interest. The Administrator will determine a reasonable rate of interest by reviewing the interest rates charged for similar types of loans by other lenders. The interest rate will be fixed for the duration of the loan.

- If approved, your loan will provide for level amortization with payments to be made not less frequently than quarterly. Generally, the term of your loan may not exceed five (5) years. However, if the loan is for the purchase of your principal residence, the Administrator may permit a longer repayment term. Generally, the Administrator will require that you repay your loan by agreeing to payroll deduction. If you have an unpaid leave of absence or go on military leave while you have an outstanding loan, please contact the Administrator to find out your repayment options.

- All loans will be considered a directed investment of your account under the Plan. All payments of principal and interest by you on a loan will be credited to your account.

- The amount the Plan may loan to you is limited by rules under the Internal Revenue Code. Any new loans, when added to the outstanding balance of all other loans from the Plan, will be limited to the lesser of:

  (a) $50,000 reduced by the excess, if any, of your highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date of the new loan over your current outstanding balance of loans as of the date of the new loan; or

  (b) 1/2 of your vested interest in the Plan.

- No loan in an amount less than $1,000 will be made.

- The maximum number of Plan loans that you may have outstanding at any one time is 1.

- Your spouse generally must consent to any loan before it can be made if you use your vested interest as security for the loan.

- If you fail to make payments when they are due under the terms of the loan, you will be considered to be "in default." The Administrator will consider your loan to be in default if any scheduled loan repayment is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due. The Plan would then have authority to take all reasonable actions to collect the balance owed on the loan. This could include filing a lawsuit or foreclosing on the security for the loan. Under certain circumstances, a loan that is in default may be considered a distribution from the Plan and could be considered taxable income to you. In any event, your failure to repay a loan will reduce the benefit you would otherwise be entitled to from the Plan.

- If you become entitled to a distribution from the Plan, or if you terminate employment, your loan generally becomes due and payable in full immediately. You may repay the entire outstanding balance of the loan (including any accrued interest). If you do not repay the entire outstanding loan balance, your vested account balance will be reduced by the remaining outstanding balance of the loan.

The Administrator may periodically revise the Plan's loan policy. If you have any questions on participant loans or the current loan policy, please contact the Administrator.

ARTICLE XI
CLAIMS AND BENEFITS

Can the Plan be amended?

Your Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

Although your Employer intends to maintain the Plan indefinitely, your Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will continue to be 100% vested. Your Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. (See the question entitled "How will my benefits be paid to me?" for a further explanation.) You will be notified if the Plan is terminated.

How do I submit a claim for Plan benefits?

Benefits will be paid to you and your beneficiaries without the necessity for formal claims. However, if you think an error has been made in determining your benefits, then you or your beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Administrator.

If the Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

What if my benefits are denied?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Administrator, unless the Administrator determines that special circumstances require an extension of time for processing your claim. If the Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if disability is determined by a physician (rather than relying upon a determination of disability for Social Security purposes), then instead of the above, the Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

(a) The specific reason or reasons for the adverse determination.

(b) Reference to the specific Plan provisions on which the determination is based.

(c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.

(d) Appropriate information as to the steps to be taken if you or your beneficiary want to submit your claim for review.

(e) In the case of disability benefits where disability is determined by a physician:

(i) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion will be provided to you free of charge upon request.

(ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

ARTICLE XII
GENERAL INFORMATION ABOUT THE PLAN

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

Plan Name

The full name of the Plan is Central Texas Regional Mobility Authority Governmental Plan.

Plan Number

Your Employer has assigned Plan Number 001 to your Plan.

Plan Effective Dates

This Plan was originally effective on January 1, 2006. The amended and restated provisions of the Plan become effective on January 1, 2011. However, this restatement was made to conform the Plan to new tax laws and some provisions may be retroactively effective.

Other Plan Information

Valuations of the Plan assets are generally made every business day. Certain distributions are based on the Anniversary Date of the Plan. This date is the last day of the Plan Year.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

The Plan and Trust will be governed by the laws of Texas to the extent not governed by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this type of Plan.

Service of legal process may be made upon your Employer. Service of legal process may also be made upon the Trustee or Administrator.

Employer Information

Your Employer's name, address and identification number are:

Central Texas Regional Mobility Authority
301 Congress, Suite 650
Austin, Texas 78701
35-2198574

Plan Administrator Information

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact the Administrator. The Administrator may designate other parties to perform some duties of the Administrator.

The Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Administrator is conclusive and binding upon all persons.

The name, address and business telephone number of the Plan's Administrator are:

Central Texas Regional Mobility Authority
301 Congress, Suite 650
Austin, Texas 78701
512-996-9778

Plan Trustee Information and Plan Funding Medium

All money that is contributed to the Plan is held in a trust fund. The Trustees are responsible for the safekeeping of the trust fund and must hold and invest Plan assets in a prudent manner and in the best interest of you and your beneficiaries. The trust fund established by the Plan's Trustee(s) will be the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a trust fund, the Administrator separately accounts for each Participant's interest in the Plan.

The names and address of the Plan's Trustees are:

Robert Bennett

Henry Gilmore

David Singleton

301 Congress, Suite 650
Austin, Texas 78701

The Trustees shall collectively be referred to as Trustee throughout this Summary of Plan Provisions.

Central Texas Regional Mobility Authority

AGENDA ITEM #14 SUMMARY

Accept the monthly financial reports for November and December, 2011.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

Presentation and acceptance of the monthly financial reports for November and December, 2011.

Attached documentation for reference:

Draft Resolution and Financial Report for November, 2011.

The Financial Report for December, 2011 will be distributed at the meeting.

Contact for further information:

Bill Chapman, Chief Financial Officer

GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-___

ACCEPT MONTHLY FINANCIAL REPORT

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA's Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the months of November and December, 2011, and has caused Financial Reports to be prepared which are attached to this resolution as Attachment "A."

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Reports for November and December, 2011, attached as Attachment "A" to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of January, 2012.

Submitted and reviewed by:

_____
Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Approved:

_____
Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 11-___
Date Passed: 1/25/2012

Exhibit A

Financial Reports for November and December, 2011

Central Texas Regional Mobility Authority
Balance Sheet

As of	November 30, 2011		November 30, 2010	
Assets				
Current Assets				
Cash in Regions Operating Account		119,290		44,789
Cash In TexSTAR	6,815		46,745	
Regions Payroll Account	115,245		2,462	
Restricted cash/cash equivalents				
Fidelity Government MMA	18,633,990		12,039,639	
Restricted Cash-TexStar	66,505,327		81,425,105	
Regions SIB account	0		15,693,189	
Overpayment accounts	23,636		12,501	
Total Cash and Cash Equivalents		85,285,013		109,264,431
Accounts Receivable	31,862		90,433	
Due From TTA	413,977		620,821	
Due From NTTA	37,811		36,908	
Due From HCTRA	115,047		58,613	
Due From TxDOT	889,390		6,350,459	
Due From Federal Government	772,443		955,064	
Interest Receivable	566,188		94,843	
Total Receivables		2,826,717		8,207,142
Short Term Investments				
Treasuries		4,549,017		
Certificates of Deposit		0		3,100,000
Investment in Government Agencies		12,148,972.6		10,406,457
Other Current Assets				
Prepaid Expenses		1,655		
Prepaid Insurance		47,403		79,217
Total Current Assets		**104,978,067**		**131,057,247**
Construction Work In Process		**265,819,070**		**107,287,219**
Fixed Assets				
Computers(net)		27,988		39,204
Computer Software(net)		777,712		1,983,226
Furniture and Fixtures(net)		16,039		24,050
Equipment(net)		50,595		53,973
Autos and Trucks(net)		25,294		2,294
Buildings and Toll Facilities(net)		6,270,565		6,447,123
Highways and Bridges(net)		175,649,852		180,617,059
Communication Equipment(net)		1,062,755		1,242,060
Toll Equipment(net)		2,352,945		2,814,727
Signs(net)		5,033,564		5,166,833
Land Improvements(net)		1,150,936		925,228
Right of Way		24,683,553		23,683,553
Leasehold Improvements		63,409		62,969
Total Fixed Assets		**217,165,207**		**223,062,300**
Long Term Investments				
GIC (Restricted)		224,857,200		84,475,953
Agencies-LT		44,308,040		0
Other Assets				
Security Deposits		8,644		9,483
Intangible Assets		650		650
Total Bond Issuance Costs		15,835,778		10,839,975
Total Assets		**872,972,657**		**556,732,827**

Liabilities

Current Liabilities

Accounts Payable		49,962		513,067
Overpayments		24,364		12,936
Interest Payable		17,151,972		7,892,657
TCDRS Payable		29,716		25,390
Due to other Entities		19,669		0
Due to State of Texas		2,181		605
Total Current Liabilities		**17,277,864**		**8,444,655**

Long Term Liabilities

Accrued Vac & Sick Leave Paybl		413,815		365,641
Retainage Payable		1,655		115,808
Senior Lien Revenue Bonds 2005	172,698,781		172,244,198	
Senior Lien Revenue Bonds 2010	99,677,625		96,819,343	
Senior Lien Revenue Bonds 2011	306,194,591		0	
Sn Lien Rev Bnd Prem/Disc 2005	4,719,763		4,888,835	
Sn Lien Rev Bnd Prem/Disc 2010	189,296		222,976	
Tot Sr Lien Rev Bond Pay Pre/D	2,750,262			5,111,811
Subordinated Lien Bond 2010		45,000,000		45,000,000
Subordinated Lien Bond 2011		70,000,000		0
Sub Lien Bond 2011 Prem/Disc		(2,131,975)		
TIFIA note 2008		77,626,562		75,558,281
2010 Regions BAB's Payable		0		59,820,000
2009 State Infrastructure loan		0		32,548,269
Total Long Term Liabilities		**772,231,316**		**487,583,350**
Total Liabilities		**789,509,180**		**496,028,005**

Net Assets Section

Contributed Capital		18,334,846		18,334,846
Net Assets beginning		61,930,780		37,183,660
Current Year Operations		3,197,851		5,186,316
Total Net Assets		**65,128,631**		**42,369,977**
Total Liabilities and Net Assets		**872,972,657**		**556,732,827**

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 11/30/11	Percent of Budget	Actual Prior Year to Date 11/30/10
Revenue				
Operating Revenue				
Toll Revenue-TxTag-183A	21,395,350	6,491,803	30.34%	6,571,594
Toll Revenue-HCTRA-183A	656,250	292,631	44.59%	278,320
Toll Revenue-NTTA-183A	411,600	184,068	44.72%	166,265
Video Tolls	3,004,800	1,374,654	45.75%	1,290,569
Fee revenue	1,252,000	496,064	39.62%	508,512
Total Operating Revenue	**26,720,000**	**8,839,220**	33.08%	**8,815,259**
Other Revenue				
Interest Income	180,000	88,157	48.98%	112,546
Grant Revenue	800,000	4,762,455	595.31%	7,744,271
Misc Revenue	2,200	916,497	41659%	917
Gain/Loss on Sale of Asset	-	12,342		-
Total Other Revenue	**982,200**	**5,779,452**	588.42%	**7,857,734**
Total Revenue	**$ 27,702,200**	**$ 14,618,671**	**52.77%**	**$ 16,672,993**
Expenses				
Salaries and Wages				
Salary Expense-Regular	2,010,301	669,479	33.30%	625,586
Part Time Salry Expense	12,000	7,858	65.49%	5,934
Overtime Salary Expense	4,000	-	0.00%	-
Contractual Employees Expense	105,000	7,650	7.29%	28,500
TCDRS	304,235	94,815	31.17%	89,602
FICA	97,856	23,982	24.51%	22,285
FICA MED	30,715	9,575	31.17%	8,780
Health Insurance Expense	204,527	78,200	38.23%	41,040
Life Insurance Expense	5,374	1,786	33.23%	2,251
Auto Allowance Expense	9,000	3,612	40.13%	3,698
Other Benefits	171,305	33,890	19.78%	24,425
Unemployment Taxes	13,059	99	0.75%	-
Salary Reserve	91,871	-	0.00%	-
Total Salaries and Wages	**3,059,243**	**930,946**	**30.43%**	**852,101**
Contractual Services				

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 11/30/11	Percent of Budget	Actual Prior Year to Date 11/30/10
Professional Services				
Accounting	9,500	11,753	123.71%	3,605
Auditing	55,000	43,046	78.27%	42,650
General Engineering Consultant	1,250,000	202,512	16.20%	267,600
General System Consultant	175,000	26,284	15.02%	3,010
Image Processing	600,000	370,148	61.69%	302,396
Facility maintenance	20,000	4,885	24.43%	27,724
HERO	820,000	189,306	23.09%	379,164
Human Resources	80,000	3,153	3.94%	13,292
Legal	250,000	48,038	19.22%	28,648
Photography	15,000	11,850	79.00%	9,000
Communications and Marketing	-	22,935		-
Total Professional Services	3,274,500	933,910	28.52%	1,077,088
Other Contractual Services				
IT Services	45,000	21,497	47.77%	16,914
Graphic Design Services	10,000	400	4.00%	803
Website Maintenance	25,000	2,416	9.66%	13,051
Research Services	25,000	3,100	12.40%	26,089
Copy Machine	9,000	2,209	24.54%	3,912
Software Licenses	26,000	805	3.09%	7,387
ETC Maintenance Contract	840,000	208,188	24.78%	294,719
ETC Development	125,000	-	0.00%	5,242
ETC Testing	30,000	16,620	55.40%	-
Communications and Marketing	170,000	-	0.00%	59,856
Advertising Expense	40,000	1,281	3.20%	14,447
Direct Mail	5,000	-	0.00%	-
Video Production	5,000	1,946	38.91%	-
Radio	15,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	59,838	23.94%	36,672
Special assignments	5,000	-	0.00%	-
Traffic Management	84,000	27,527	32.77%	19,329
Emergency Maintenance	10,000	-	0.00%	-
Security Contracts	600	-	0.00%	-
Roadway Maintenance Contract	300,000	48,396	16.13%	38,420
Landscape Maintenance	280,000	62,040	22.16%	54,426

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 11/30/11	Percent of Budget	Actual Prior Year to Date 11/30/10
Signal & Illumination Maint	175,000	32,069	18.33%	72,534
Mowing and litter control	40,000	34,802	87.01%	49,051
Hazardous Material Cleanup	10,000	-	0.00%	-
Striping	75,000	19,600	26.13%	-
Graffitti removal	10,000	-	0.00%	1,900
Cell Phones	10,700	3,059	28.58%	3,094
Local Telephone Service	16,000	5,286	33.04%	3,328
Long Distance	600	-	0.00%	96
Internet	6,000	349	5.82%	996
Fiber Optic System	63,000	23,220	36.86%	15,331
Other Communication Expenses	1,500	273	18.22%	925
Subscriptions	1,850	120	6.48%	-
Memberships	29,100	5,520	18.97%	5,390
Continuing Education	2,000	962	48.11%	150
Professional Development	5,000	3,020	60.40%	-
Seminars and Conferences	32,500	2,755	8.48%	7,075
Staff-Travel	76,500	22,244	29.08%	19,212
Other Contractual Svcs	125,200	177	0.14%	-
TxTag Collection Fees	1,347,791	454,035	33.69%	458,552
Contractual Contingencies	140,500	3,309	2.36%	1,039
Total Other Contractual Services	4,470,341	1,067,062	23.87%	1,229,941
Total Contractual Services	**7,744,841**	**2,000,971**	**25.84%**	**2,307,029**
Materials and Supplies				
Books & Publications	16,000	2,216	13.85%	3,751
Office Supplies	10,000	2,075	20.75%	2,465
Computer Supplies	13,000	5,965	45.89%	1,258
Copy Supplies	2,200	18	0.81%	506
Annual Report printing	10,000	-	0.00%	-
Other Reports-Printing	20,000	-	0.00%	381
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	3,000	349	11.63%	900
Ice Control Materials	25,000	-	0.00%	-
Maintenance Supplies-Roadway	100,000	-	0.00%	-
Promotional Items	10,000	-	0.00%	2,163
Displays	5,000	-	0.00%	-

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 11/30/11	Percent of Budget	Actual Prior Year to Date 11/30/10
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	31	3.10%	14
Misc Materials & Supplies	2,000	279	13.96%	6
Total Materials and Supplies	**252,200**	**10,932**	**4.33%**	**11,444**
Operating Expenses				
Gasoline Expense	5,000	1,785	35.70%	1,135
Mileage Reimbursement	7,500	1,438	19.18%	1,262
Toll Tag Expense	4,100	1,156	28.20%	907
Parking	38,595	17,019	44.10%	15,978
Meeting Facilities	450	-	0.00%	100
CommunityMeeting/ Events	5,000	-	0.00%	500
Meeting Expense	6,750	1,610	23.85%	761
Public Notices	2,400	-	0.00%	-
Postage Expense	5,950	26	0.43%	282
Overnight Delivery Services	1,600	166	10.39%	33
Local Delivery Services	1,950	6	0.29%	537
Insurance Expense	90,000	33,708	37.45%	46,782
Repair & Maintenance-General	500	-	0.00%	-
Repair & Maintenance-Vehicles	100	358	358.28%	408
Repair & Maintenace Toll Equip	5,000	-	0.00%	-
Rent Expense	190,000	84,541	44.50%	78,305
Water	7,500	4,079	54.38%	1,567
Electricity	83,500	25,130	30.10%	22,284
Other Licenses	250	275	110.00%	235
Community Initiative Grants	65,000	20,000	30.77%	50,750
Non Cash Operating Expenses				
Amortization Expense	1,230,000	512,340	41.65%	512,340
Dep Exp- Furniture & Fixtures	16,500	3,806	23.07%	7,803
Dep Expense - Equipment	14,500	5,991	41.32%	5,991
Dep Expense - Autos & Trucks	5,000	2,299	45.99%	1,639
Dep Expense-Buildng & Toll Fac	177,000	73,566	41.56%	73,566
Dep Expense-Highways & Bridges	5,000,000	2,069,670	41.39%	2,069,670
Dep Expense-Communic Equip	195,000	79,521	40.78%	81,853
Dep Expense-Toll Equipment	465,000	192,409	41.38%	192,409
Dep Expense - Signs	135,000	55,528	41.13%	55,528

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 11/30/11	Percent of Budget	Actual Prior Year to Date 11/30/10
Dep Expense-Land Improvemts	52,000	27,418	52.73%	21,493
Depreciation Expense-Computers	6,500	4,104	63.14%	4,270
Total Operating Expenses	**7,817,645**	**3,217,949**	**41.16%**	**3,248,388**
Financing Expenses				
Arbitrage Rebate Calculation	2,500	5,455	218.20%	-
Loan Fee Expense	12,500	12,000	96.00%	11,500
Rating Agency Expense	33,000	5,300	16.06%	5,000
Trustee Fees	2,000	-	0.00%	-
Bank Fee Expense	7,500	13,847	184.62%	2,987
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	12,038,096	5,012,478	41.64%	4,923,890
Contingency	15,000	-	0.00%	-
Non Cash Financing Expenses				
Bond issuance expense	385,707	210,942	54.69%	123,254
Total Financing Expenses	**12,500,303**	**5,260,021**	**42.08%**	**5,066,631**
Other Gains or Losses				
Total Other Gains or Losses	-	-	0.00%	-
Total Expenses	**$ 31,374,232**	**$ 11,420,820**	**36.40%**	**$ 11,485,593**
Net Income	$ (3,672,032)	$ 3,197,851		$ 5,187,400

CTRMA INVESTMENT REPORT

	Month Ending 11/30/11						
	Balance 10/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 11/30/11	Rate Nov 11
Amount in Trustee TexStar							
2011 Senior Lien Construction Fund	141.96			0.00	131.50	10.46	0.114%
2010 Senior Lien Construction Fund	1.19					1.19	0.114%
2010-1 Sub Liien Projects	1,004,239.31			80.31		1,004,319.62	0.114%
General Fund	9,138,887.63			703.64	1,974,905.11	7,164,686.16	0.114%
Trustee Operating Fund	252,228.63	546,341.90		15.62	550,000.00	248,586.15	0.114%
Renewal and Replacement	659,878.72			52.77		659,931.49	0.114%
TxDOT Grant Fund	4,413,019.83			352.93		4,413,372.76	0.114%
Revenue Fund	34.96					34.96	0.114%
Senior Lien Debt Service Reserve Fund	43,037,433.10			3,441.88		43,040,874.98	0.114%
2010 Senior Lien DSF	0.15					0.15	0.114%
2010 Senior Lien Debt Service Reserve Fund	6,756,193.64			540.32		6,756,733.96	0.114%
2010-2Sub Lien Debt Service Reserve Fund	710,915.34			56.85		710,972.19	0.114%
2010-1Sub Lien Debt Service Reserve Fund	2,504,213.37			200.27		2,504,413.64	0.114%
2010 Senior Lien Capitalized Interest	842.30			0.07		842.37	0.114%
2010-1 Sub Liien Capitalized Interest	420.03			0.03		420.06	0.114%
2010-2 Sub Liien Capitalized Interest	126.77			0.01		126.78	0.114%
							0.114%
	68,478,576.93	546,341.90	0.00	5,444.70	2,525,036.61	66,505,326.92	
Amount in TexStar Operating Fund	41,811.24	550,000.00		3.66	585,000.00	6,814.90	0.114%

CTRMA INVESTMENT REPORT

	Month Ending 11/30/11						
	Balance 10/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 11/30/11	Rate Nov 11
Fidelity Money Market Fund							
Operating Fund	0.00	546,341.75		0.15	546,341.90	0.00	0.001%
2010-1 Sub Lien Project Acct	19,606.98			0.20		19,607.18	0.001%
2010 Senior Lien Project Acct	0.65	3,230,520.36			3,230,520.70	0.31	0.001%
2011 Senior Lien Project Acct	25,700.05	3,197,088.52		0.06	3,222,788.63	0.00	0.001%
Other Obligations Fund	0.09					0.09	0.001%
2005 Debt Service Fund	2,632,613.70	1,837,575.33		19.64		4,470,208.67	0.001%
2011 Senior Lien Debt Service Acct	2,630.94			0.02		2,630.96	0.001%
Subordinate Lien TIFIA DS Fund	1,304,790.13	311,723.83		9.72		1,616,523.68	0.001%
2010-2 BABs Supplemental Security	213,138.36			1.81		213,140.17	0.001%
2010-2 Cap I Fund	2,817.82			0.02		2,817.84	0.001%
2010 CAP Interest Senior lien	2,081.74			0.02		2,081.76	0.001%
2010-1 CAP Interest	0.55					0.55	0.001%
2011 Sr Cap I Fund	256,280.94			2.18		256,283.12	0.001%
2011 Sub Debt CAP I	105,377.05			0.90		105,377.95	0.001%
2010-1 Sub lien supplemental Security	13.66					13.66	0.001%
2011 Subordinate Lien Project	0.10					0.10	0.001%
TxDOT Grant Fund	0.90					0.90	0.001%
Renewal and Replacement	0.66					0.66	0.001%
Revenue Fund	888,166.58	1,654,964.05		4.00	1,816,515.10	726,619.53	0.001%
General Fund	702,828.05	2,245,687.88		7.97	2,919,770.91	28,752.99	0.001%
2010 Senior Debt Service Reserve Fund	2,765,309.71			23.49		2,765,333.20	0.001%
2010-1 Debt Service Reserve Fund	1,363,081.55	19,311.00		11.49		1,382,404.04	0.001%
2010-2 Debt Service Reserve Fund	32,441.99	7,016.00		2,493.40		41,951.39	0.001%
2011 Sub Debt Debt Service Reserve Fund	7,000,180.30			59.46		7,000,239.76	0.001%
2005 Senior Lien Debt Service Reserve Fund	0.00			1.65		1.65	0.001%
	17,317,062.50	60,985,681.26	0.00	2,636.18	59,671,389.78	18,633,990.16	

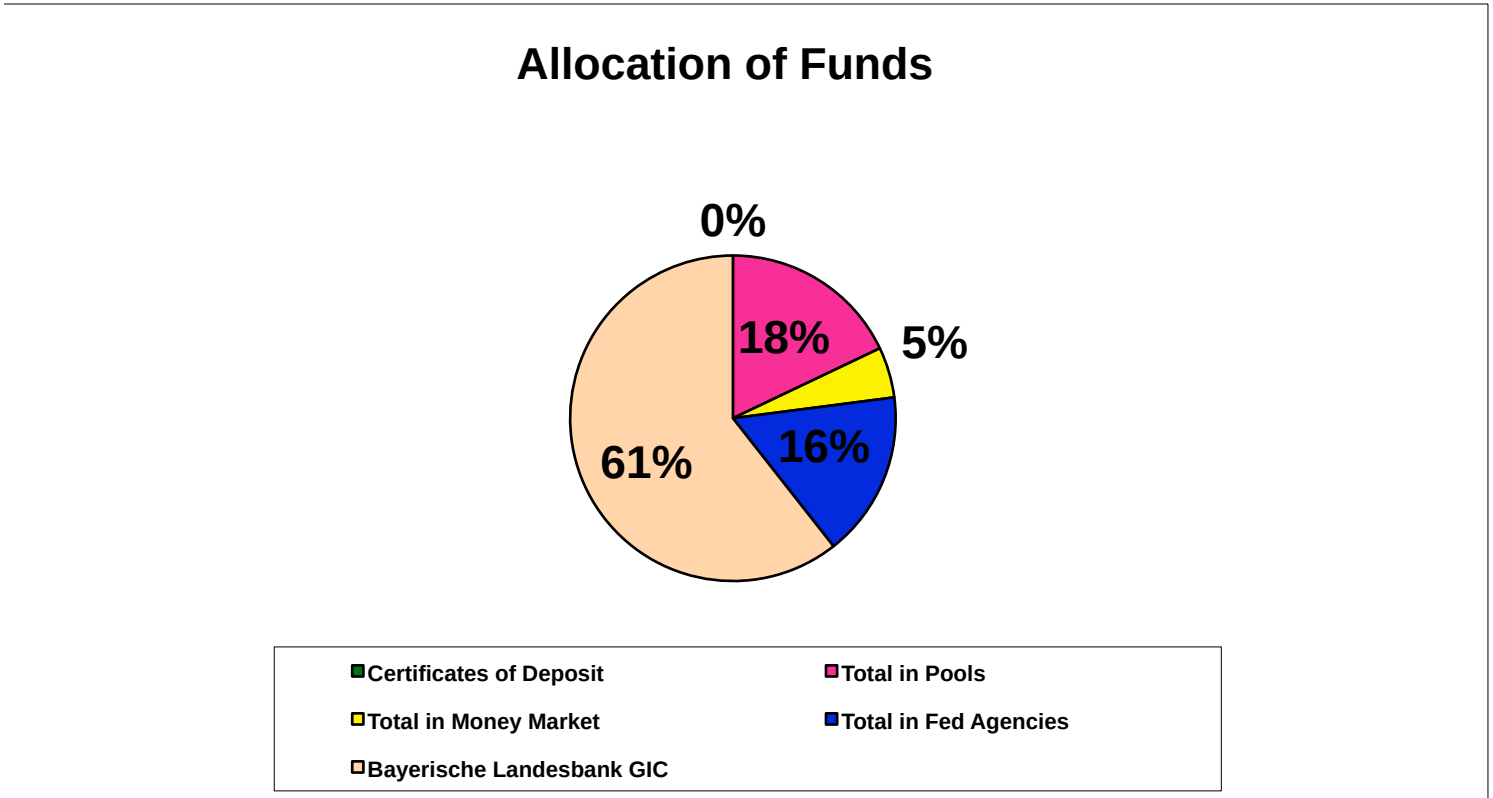
CTRMA INVESTMENT REPORT

	Month Ending 11/30/11						
	Balance 10/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 11/30/11	Rate Nov 11
Amount in Bayerische Landesbank GIC							
Subordinate Lien Cap-I 2010-1	1,317,714.47			549.05		1,318,263.52	0.500%
Subordinate Lien Cap-I 2010-2	339,917.70			141.63		340,059.33	0.500%
Senior Lien Cap-I 2010	5,126,088.91			3,759.13		5,129,848.04	0.880%
Senior Lien Project Fund 2010	27,465,822.16			21,762.83	3,230,520.36	24,257,064.63	0.850%
Senior Lien Project Fund 2011	148,988,168.65			37,181.22	3,196,956.70	145,828,393.17	0.295%
Subordinate Lien Project Fund 2011	47,971,599.72			11,971.70		47,983,571.42	0.295%
	231,209,311.61	0.00	0.00	75,365.56	6,427,477.06	224,857,200.11	
Amount in Fed Agencies							
Amortized Principal	61,085,416.07		(79,804.17)			61,005,611.90	
Accrued Interest				99,166.05			
	61,085,416.07	0.00	(79,804.17)		0.00	61,005,611.90	
Certificates of Deposit	3,000,000.00				3,000,000.00	0.00	
Total in Pools	68,520,388.17	1,096,341.90		5,448.36	3,110,036.61	66,512,141.82	
Total in Money Market	17,317,062.50	60,985,681.26		2,636.18	59,671,389.78	18,633,990.16	
Total in Fed Agencies	61,085,416.07	0.00	(79,804.17)		0.00	61,005,611.90	
Bayerische Landesbank GIC	231,209,311.61	0.00		75,365.56	6,427,477.06	224,857,200.11	
Total Invested	381,132,178.35	62,082,023.16	(79,804.17)	83,450.10	72,208,903.45	371,008,943.99	

All Investments in the portfollio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

Allocation of Funds



Amount of investments As of November 30, 2011

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Farm Credit	31331J2B8	1,997,836.00	1,998,918.00	2,000,080.00	1.000280%	11/22/10	2/15/13	TxDOT Grant Fund
San Antonio Water Utilities	79642BLM3	200,000.00	200,000.00	200,158.00	1.1090%	11/23/10	5/15/12	2010-2 DSRF
San Antonio Water Utilities	79642BLN1	190,000.00	190,000.00	191,050.70	1.4570%	11/23/10	5/15/13	2010-2 DSRF
Federal Home loan Bank	3137EABY4	3,064,452.00	3,017,187.20	3,018,780.00	0.4005%	12/23/10	3/23/12	TxDOT Grant Fund
Fannie Mae	31398A6F4	2,319,702.34	2,318,396.13	2,319,954.10	0.2391%	6/29/11	12/28/12	2011 Sub Debt CAP I
Federal Home loan Bank	3137EABM0	2,473,720.78	2,441,487.28	2,444,341.95	0.3930%	6/29/11	6/28/13	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	2,326,924.30	2,334,231.74	2,323,215.96	0.6300%	6/29/11	11/15/13	2011 Sub Debt CAP I
Treasury	912828GC8	2,181,302.50	2,140,217.08	2,139,909.72	0.0240%	6/29/30	12/31/11	2011 Sub Debt CAP I
Treasury	912828GW4	2,367,714.38	2,322,416.72	2,321,732.43	0.0730%	6/29/11	6/30/12	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	8,794,454.76	8,826,443.35	8,799,106.68	0.7190%	6/29/11	11/15/13	2011 Sr Debt CAP I
Federal Home loan Bank	3137EABM0	9,351,457.81	9,232,820.76	9,256,667.10	0.4830%	6/29/11	6/28/13	2011 Sr Debt CAP I
Treasury	912828NS5	8,776,228.75	8,760,300.10	8,765,000.42	0.1880%	6/29/11	6/30/12	2011 Sr Debt CAP I
Treasury	912828GC8	8,614,419.84	8,453,236.64	8,452,241.91	0.0550%	6/29/11	12/31/11	2011 Sr Debt CAP I
Fannie Mae	31398A6F4	8,771,478.75	8,769,956.88	8,784,759.24	0.3331%	6/29/11	12/28/12	2011 Sr Debt CAP I
		61,429,692.21	61,005,611.88	61,016,998.21				

Agency	CUSIP #	COST	Cummulative Amortization	11/30/11 Book Value	Maturity Value	Interest Income November 2011		
						Accrued Interest	Amortizatuion	Interest Earned
Federal Farm Credit	31331J2B8	1,997,836.00	1,082.00	1,998,918.00	2,000,000.00	883.33	72.13	955.46
San Antonio Water Utilities	79642BLM3	200,000.00	0.00	200,000.00	200,000.00	184.83		184.83
San Antonio Water Utilities	79642BLN1	190,000.00	0.00	190,000.00	190,000.00	230.69		230.69
Federal Home loan Bank	3137EABY4	3,064,452.00	47,264.80	3,017,187.20	3,000,000.00	5,312.50	(4,296.80)	1,015.70
Fannie Mae	31398A6F4	2,319,702.34	1,306.21	2,318,396.13	2,315,000.00	723.44	(261.24)	462.20
Federal Home loan Bank	3137EABM0	2,473,720.78	32,233.50	2,441,487.28	2,319,000.00	7,246.88	(6,446.70)	800.18
Federal Home loan Bank	3134A4UL6	2,326,924.30	7,307.44	2,334,231.74	2,362,000.00		1,461.49	1,461.49
Treasury	912828GC8	2,181,302.50	41,085.42	2,140,217.08	2,132,000.00	8,217.08	(8,217.08)	0.00
Treasury	912828GW4	2,367,714.38	45,297.66	2,322,416.72	2,259,000.00	9,177.19	(9,059.53)	117.66
Federal Home loan Bank	3134A4UL6	8,794,454.76	31,988.59	8,826,443.35	8,946,000.00		6,397.72	6,397.72
Federal Home loan Bank	3137EABM0	9,351,457.81	118,637.05	9,232,820.76	8,782,000.00	27,443.75	(23,727.41)	3,716.34
Treasury	912828NS5	8,776,228.75	15,928.65	8,760,300.10	8,738,000.00	4,551.04	(3,185.73)	1,365.31
Treasury	912828GC8	8,614,419.84	161,183.20	8,453,236.64	8,421,000.00	32,455.94	(32,236.64)	219.30
Fannie Mae	31398A6F4	8,771,478.75	1,521.87	8,769,956.88	8,766,000.00	2,739.38	(304.38)	2,435.00
		61,429,692.21	504,836.39	61,005,611.88	60,430,000.00	99,166.05	(79,804.17)	19,361.88

INVESTMENTS by FUND

		Balance November 30, 2011
Renewal & Replacement Fund		
TexSTAR	659,931.49	
Fidelity	0.66	
Agencies		659,932.15
TxDOT Grant Fund		
TexSTAR	4,413,372.76	
Fidelity	0.90	
Agencies	5,016,105.20	9,429,478.86
Subordinate Lien DS Fund 05		
Fidelity	1,616,523.68	1,616,523.68
Debt Service Reserve Fund 05		
TexSTAR	43,040,874.98	
Fidelity	1.65	
CD's	0.00	
Agencies		43,040,876.63
Debt Service Fund 05		
Fidelity	4,470,208.67	4,470,208.67
2011 Debt Service Acct		
Fidelity	2,630.96	2,630.96
2010 Senior Lien DSF		
TexSTAR	0.15	
Fidelity	0.00	0.15
2011 Sub Debt DSRF		
Fidelity	7,000,239.76	7,000,239.76
Operating Fund		
TexSTAR	6,814.90	
TexSTAR-Trustee	248,586.15	
Fidelity	0.00	
Region's SIB Loan MMA	0.00	255,401.05
Revenue Fund		
TexSTAR	34.96	
Fidelity	726,619.53	726,654.49
General Fund		
TexSTAR	7,164,686.16	
Fidelity	28,752.99	7,193,439.15
2010 Senior Lien Capitalized Interest		
Fidelity	2,081.76	
TexSTAR	842.37	
Bayerische GIC	5,129,848.04	5,132,772.17
2010-1 Sub Lien Capitalized Interest		
Fidelity	0.55	
TexSTAR	420.06	
Bayerische GIC	1,318,263.52	1,318,684.13
2010-2 Sub Lien Capitalized Interest		
TexSTAR	126.78	
Fidelity	2,817.84	
Bayerische GIC	340,059.33	343,003.95
2011 Sr Capitalized Interest Fund		
Fidelity	256,283.12	
Agencies	44,042,757.75	44,299,040.87
2011 Sub Capitalized Interest Fund		
Fidelity	105,377.95	
Agencies	11,556,748.95	11,662,126.90
2010-1 Sub BABs subsidy		
Fidelity	13.66	13.66
2010-2 Sub BABs subsidy		
Fidelity	213,140.17	213,140.17
2010 Senior Lien Debt Service Reserve Fund		
TexSTAR	6,756,733.96	
Fidelity	2,765,333.20	
Agencies		9,522,067.16
2010-2Sub Lien Debt Service Reserve Fund		
TexSTAR	710,972.19	
Fidelity	41,951.39	
Agencies	390,000.00	1,142,923.58
2010-1Sub Lien Debt Service Reserve Fund		
TexSTAR	2,504,413.64	
Fidelity	1,382,404.04	
Agencies		3,886,817.68
2010-1 Sub Lien Projects Fund		
TexSTAR	1,004,319.62	
Fidelity	19,607.18	1,023,926.80
2010 Senior Lien Construction Fund		
TexSTAR	1.19	
Fidelity	0.31	
Bayerische GIC	24,257,064.63	24,257,066.13
2011 Sub Debt Project fund		
Bayerische GIC	47,983,571.42	
Fidelity	0.10	47,983,571.52
2011 Senior Lien Project Fund		
TexSTAR	10.46	
Fidelity	0.00	
Bayerische GIC	145,828,393.17	145,828,403.63
		$ 371,008,943.99

TexSTAR	66,512,141.82
CD's	0.00
Fidelity	18,633,990.16
SIB	0.00
Agencies	61,005,611.90
Bayerische GIC	224,857,200.11
	$ 371,008,943.99

TexSTAR

Monthly Newsletter – November 2011

Performance

As of November 30, 2011

Current Invested Balance	$4,964,174,535.92
Weighted Average Maturity (1)	46 Days
Weighted Average Maturity (2)	76 Days
Net Asset Value	1.000145
Total Number of Participants	747
Management Fee on Invested Balance	0.05%*
Interest Distributed	$603,816.17
Management Fee Collected	$204,960.14
% of Portfolio Invested Beyond 1 Year	4.27%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

November Averages

Average Invested Balance	$4,987,596,393.08
Average Monthly Yield, on a simple basis	0.0973%
Average Weighted Average Maturity (1)*	48 Days
Average Weighted Average Maturity (2)*	80 Days

Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

* The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

New Participants

We would like to welcome the following entities who joined the TexSTAR program in November:

★ Harris Fort Bend County ESD 100 ★ TLC Academy

Holiday Reminder

In observance of the **Christmas holiday, TexSTAR will be closed Monday, December 26, 2011.** All ACH transactions initiated on Friday, December 23rd will settle on Tuesday, December 27th.

In observance of the **New Year's Day holiday, TexSTAR will be closed Monday, January 2, 2012.** All ACH transactions initiated on Friday, December 30th will settle on Tuesday, January 3rd.

Notification of any early transaction deadlines on the business day preceding the holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

Economic Commentary

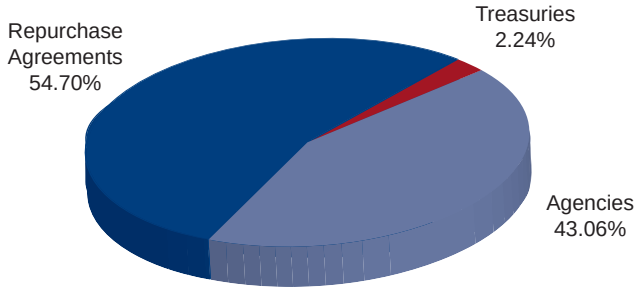
Fears of European debt contagion dictated the tone of global markets for the month. Coordinated central bank action at the end of the month cheered markets, as the Federal Reserve, the Bank of England, the ECB, the Bank of Japan, the Swiss National Bank and the Bank of Canada jointly lowered a U.S. dollar liquidity swap rate. This move represents an important global commitment to maintaining market liquidity, but the difficult work of addressing Europe's government debt and growth problems still remains to be worked out. While U.S. economic data in general has been improving modestly, the Congressional 'super-committee' on deficit reduction was unable to arrive at an agreement prior to its November 23rd deadline. As a result, $1.2 trillion in automatic spending cuts for defense and entitlement programs are scheduled to take place beginning in 2013. Both S&P and Moody's said their current ratings on U.S. government debt were unaffected, but they both maintained a negative outlook, allowing for future downgrade should spending cuts be weakened or economic growth deteriorate. More importantly, in the near term, the inability of Congress to come to a compromise this year makes it less likely that it will take any action before the end of the year to head off aggressive fiscal tightening scheduled for 2012. This, in turn, will likely create a fiscal drag on the U.S. economy significant enough to raise the potential for recession. The main risk is that ongoing partisanship allows the stimulus measures enacted in late 2010 (a two percentage point employee payroll tax cut and extended unemployment benefits) to lapse, the result of which would be an approximate one percentage point reduction in 2012 GDP growth. A potential tailwind for the economy could come in the form of continued improvement in consumer spending. The recent rebound in U.S. economic data has largely been driven by stronger consumption, but its sustainability has been worrisome, given the decline in real disposable income. Nevertheless, without a change in fiscal policy, the risk of fiscal retrenchment could put U.S. growth close to recessionary levels during the first half of next year.

This information is an excerpt from an economic report dated November 2011 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

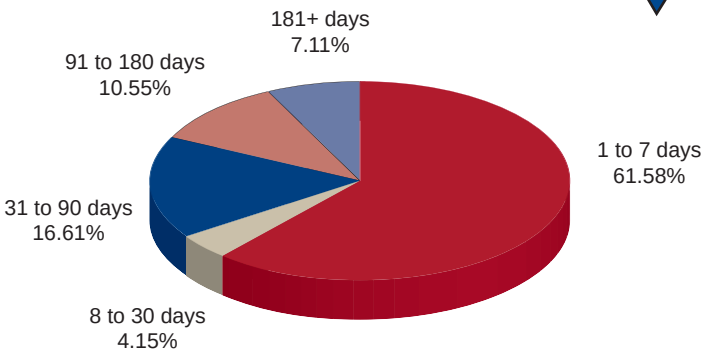
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

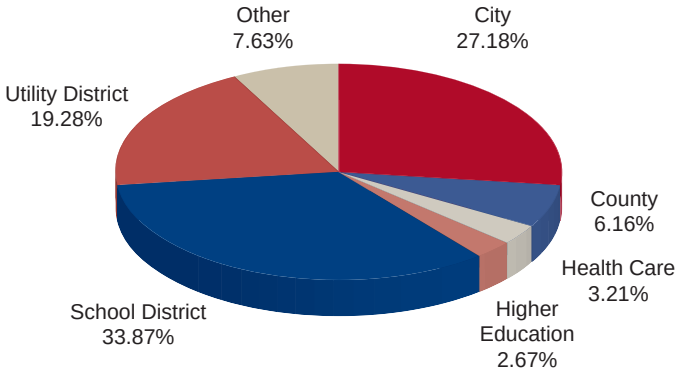
Portfolio by Type of Investment As of November 30, 2011



Portfolio by Maturity As of November 30, 2011



Distribution of Participants by Type As of November 30, 2011



Historical Program Information

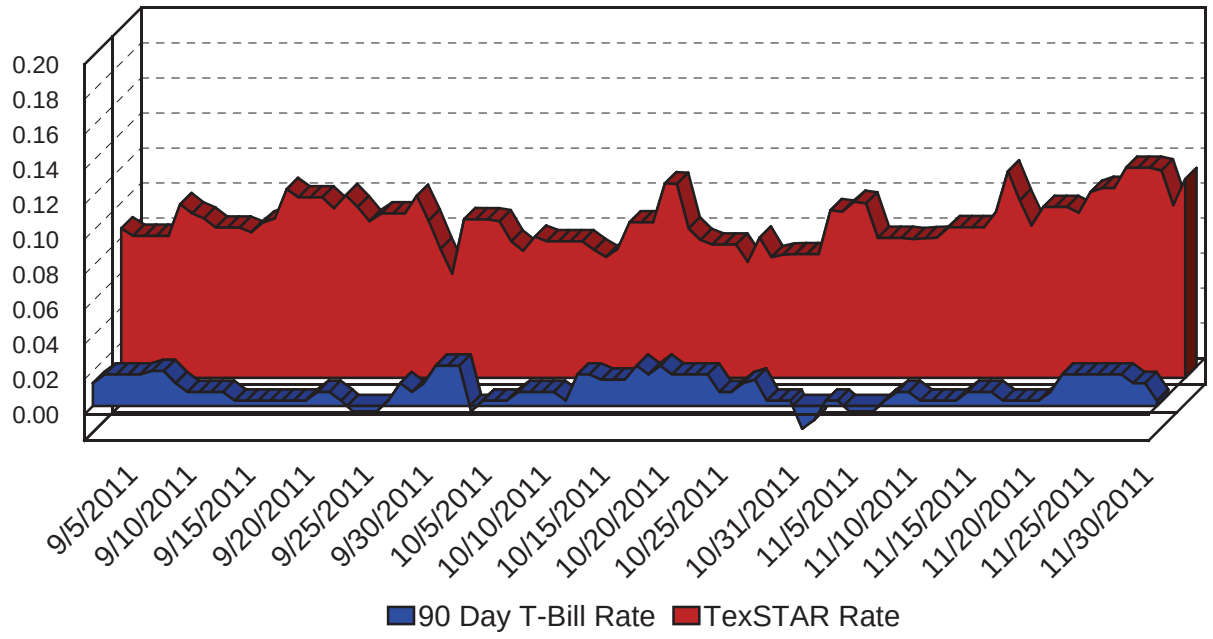
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Nov 11	0.0973%	$4,964,174,535.92	$4,964,899,185.74	1.000145	48	80	747
Oct 11	0.0807%	5,191,742,744.46	5,192,081,793.52	1.000065	47	74	745
Sep 11	0.0906%	5,218,150,511.94	5,218,680,416.17	1.000100	46	76	741
Aug 11	0.0940%	4,773,149,074.88	4,773,628,030.81	1.000100	45	69	735
Jul 11	0.0746%	4,990,872,181.48	4,991,025,373.13	1.000030	38	55	735
Jun 11	0.0889%	5,280,726,280.87	5,281,501,501.41	1.000146	50	69	733
May 11	0.0863%	5,566,580,016.75	5,567,478,247.07	1.000161	46	66	732
Apr 11	0.1108%	5,661,130,480.00	5,662,108,871.87	1.000172	50	72	731
Mar 11	0.1408%	5,949,037,975.79	5,949,804,553.22	1.000128	50	73	730
Feb 11	0.1476%	6,548,224,886.40	6,548,880,605.37	1.000100	48	71	729
Jan 11	0.1637%	6,541,049,111.05	6,541,464,771.26	1.000063	39	66	726
Dec 10	0.1713%	5,593,134,506.98	5,593,670,681.79	1.000091	47	79	723

Portfolio Asset Summary as of November 30, 2011

	Book Value	Market Value
Uninvested Balance	$ 11.05	$ 11.05
Accrual of Interest Income	910,204.20	910,204.20
Interest and Management Fees Payable	(634,758.69)	(634,758.69)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,715,476,000.00	2,715,476,000.00
Government Securities	2,248,423,079.36	2,249,147,729.18
Total	**$ 4,964,174,535.92**	**$ 4,964,899,185.74**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

TexSTAR versus 90-Day Treasury Bill



Daily Summary for November 2011

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
11/1/2011	0.0949%	0.000002599	$5,171,276,957.89	1.000055	51	83
11/2/2011	0.1005%	0.000002753	$5,184,742,822.76	1.000057	50	82
11/3/2011	0.0996%	0.000002728	$5,124,657,333.93	1.000082	51	83
11/4/2011	0.0799%	0.000002190	$5,016,995,553.17	1.000084	51	84
11/5/2011	0.0799%	0.000002190	$5,016,995,553.17	1.000084	51	84
11/6/2011	0.0799%	0.000002190	$5,016,995,553.17	1.000084	51	84
11/7/2011	0.0792%	0.000002169	$5,001,890,407.21	1.000096	51	83
11/8/2011	0.0797%	0.000002183	$4,963,817,336.33	1.000119	52	85
11/9/2011	0.0800%	0.000002191	$4,966,627,237.30	1.000130	51	84
11/10/2011	0.0860%	0.000002356	$4,905,549,178.58	1.000114	50	83
11/11/2011	0.0860%	0.000002356	$4,905,549,178.58	1.000114	50	83
11/12/2011	0.0860%	0.000002356	$4,905,549,178.58	1.000114	50	83
11/13/2011	0.0860%	0.000002356	$4,905,549,178.58	1.000114	50	83
11/14/2011	0.0949%	0.000002599	$5,009,876,054.96	1.000091	49	81
11/15/2011	0.1179%	0.000003230	$5,008,139,287.51	1.000095	49	81
11/16/2011	0.1013%	0.000002776	$5,001,564,339.65	1.000092	48	80
11/17/2011	0.0869%	0.000002380	$5,052,770,381.97	1.000105	48	79
11/18/2011	0.0976%	0.000002674	$4,959,170,019.01	1.000113	47	78
11/19/2011	0.0976%	0.000002674	$4,959,170,019.01	1.000113	47	78
11/20/2011	0.0976%	0.000002674	$4,959,170,019.01	1.000113	47	78
11/21/2011	0.0942%	0.000002582	$4,953,890,376.73	1.000114	46	78
11/22/2011	0.1062%	0.000002909	$4,951,910,417.31	1.000122	47	78
11/23/2011	0.1084%	0.000002970	$4,915,556,969.64	1.000120	46	78
11/24/2011	0.1084%	0.000002970	$4,915,556,969.64	1.000120	46	78
11/25/2011	0.1200%	0.000003288	$4,964,323,824.63	1.000123	44	75
11/26/2011	0.1200%	0.000003288	$4,964,323,824.63	1.000123	44	75
11/27/2011	0.1200%	0.000003288	$4,964,323,824.63	1.000123	44	75
11/28/2011	0.1185%	0.000003247	$5,005,655,262.28	1.000129	44	74
11/29/2011	0.0985%	0.000002699	$4,992,120,196.49	1.000152	46	76
11/30/2011	0.1135%	0.000003109	$4,964,174,535.92	1.000145	46	76
Average	0.0973%	0.000002666	$4,987,596,393.08		48	80

TexSTAR Participant Services
First Southwest Asset Management, Inc.
325 North St. Paul Street, Suite 800
Dallas, Texas 75201

TexSTAR

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For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

FirstSouthwest

J.P.Morgan
Asset Management

Central Texas Regional Mobility Authority

AGENDA ITEM #15 SUMMARY

Quarterly briefing on the Manor Expressway Project.

Department: Engineering

Associated Costs: Not applicable

Funding Source: Not applicable

Board Action Required: No

Description of Matter:

The report is a comprehensive account of the construction activities on the Manor Expressway Project during the 4TH quarter of 2011.

Attached documentation for reference:

Quarterly Progress Report on the Manor Expressway Project – Phases I & II

Contact for further information:

Eric J. Ploch, P.E., Atkins North America, Inc., GEC Program Manager

MANOR EXPRESSWAY PROJECT - PHASES I & II

Quarterly Progress Report

290 TOLL

No. 10 | January 2012

ATKINS Independent Engineering Report

CENTRAL TEXAS
Regional Mobility Authority

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ATKINS

Phase I Construction Contractor

webber

Phase II Design-Build Developer

Central Texas Mobility Constructors

A Webber-Sterling Venture

MANOR EXPRESSWAY PROJECT - PHASES I & II

Quarterly Progress Report

No. 10

January 2012

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LIST OF FIGURES

INTRODUCTION

This report documents and describes both Phase I and Phase II of the Manor Expressway Project from the period from October 1, 2011 to December 31, 2011. This Project is being developed and constructed by the Central Texas Regional Mobility Authority ("Mobility Authority"). The Project is funded by a combination of American Recovery and Reinvestment Act of 2009 funds, a State Infrastructure Bank loan, Series 2011 Senior Lien Bonds, Series 2011 Subordinate Lien Bonds, TxDOT grant funds, and Mobility Authority funds.

PROJECT DESCRIPTION

The Manor Expressway Project is an approximately 6.2-mile toll project located in Travis County along the existing U.S. Highway (US) 290 corridor between US 183 and just east of State Highway (SH) 130. This project will upgrade the existing US 290 four-lane divided highway to a controlled access highway facility with three tolled mainlanes and three non-tolled frontage lanes in each direction. The tolled mainlanes will provide grade-separated access through several local intersections that currently experience significant congestion throughout the day, and will provide a more expeditious route to traverse the US 290 corridor. Local traffic will continue to access adjacent properties by use of non-tolled frontage roads and signalized intersections at cross streets. The Manor Expressway Project also includes four direct connectors at the US 183 interchange that will allow for continuous movement from the US 183 interchange to the Manor Expressway Project.

The Manor Expressway Project is being implemented in three phases as shown on Figure 1 and described below.

Manor Expressway Project - Phase I

Phase I of the Manor Expressway Project includes completion of four tolled direct connectors and associated pavement at the US 183 interchange that will provide direct access to and from the Manor Expressway Project mainlanes. Toll gantries will be installed to toll each of the direct connectors.

Manor Expressway Project - Phase II

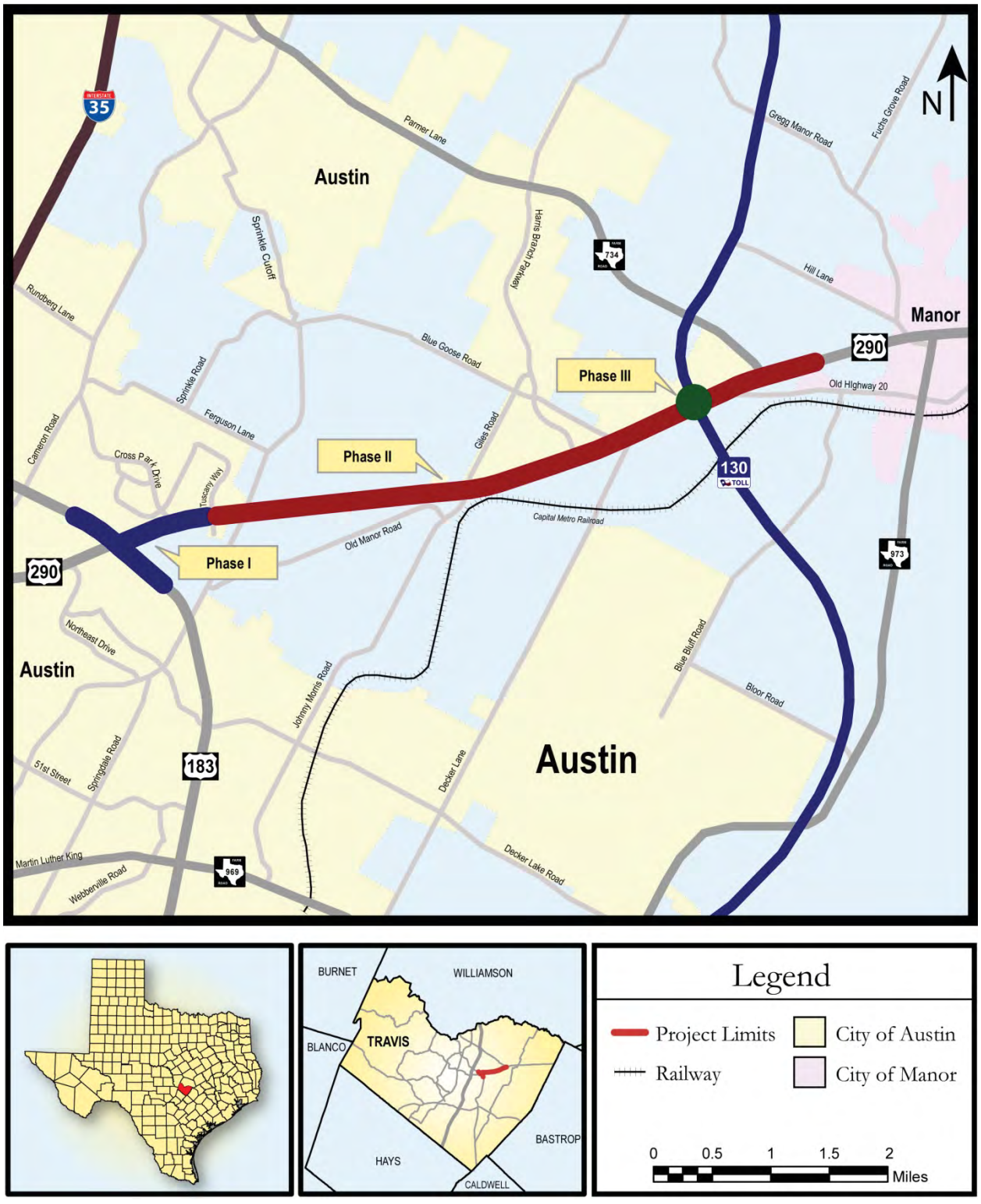
Phase II of the Manor Expressway Project includes completion of the Manor Expressway Project from Phase I at the US 183 interchange to the eastern limits east of SH 130. Three tolled mainlanes and three lane non-tolled frontage roads will be constructed in each direction as well as all associated ramps, auxiliary lanes, toll gantries, and ramp gantries. Phase II of the Manor Expressway Project will include an interim milestone that provides grade-separated intersections at Tuscany Way and Springdale Road so that users of the direct connectors constructed as part of Phase I can bypass the existing signals at those intersections. These two grade-separated intersections will provide for a minimum of two tolled lanes of travel and two-lane non-tolled frontage roads in each direction. The work associated with the interim

milestone, the Interim Development Work, will be completed in advance of Phase II in its entirety.

Manor Expressway Project - Phase III

Phase III of the Manor Expressway Project includes construction of the seven remaining direct connectors at the SH 130 interchange. The Mobility Authority has no current plans to design or construct these direct connectors at this time. Phase III of the Manor Expressway Project will be developed as traffic conditions warrant and funding sources are identified.

Figure 1 - Project Location Map



PHASE I CONSTRUCTION ACTIVITIES

Construction of Phase I of the Manor Expressway Project continues to progress. Since the Quarterly Report in October, 2011, the Phase I Contractor, Webber, LLC ("Webber"), and its subcontractors have advanced the direct connector substructure and superstructure elements. Progress includes columns, column capitals, bent caps, pre-stressed concrete beams and forming and pouring bridge decks. Roadway construction elements are also a focus with excavation, embankment, mechanically stabilized earth ("MSE") retaining walls, permanent drainage, illumination and intelligent transportation system ("ITS") conduit, asphaltic concrete pavement, traffic control and erosion control efforts all advancing over the past months. Continuously reinforced concrete pavement construction has also progressed, as Webber prepares for the opening of the US 290 eastbound exit ramp as part of the Phase 4 traffic switch. Maintenance of traffic and erosion control efforts continue on a monthly basis.

PHASE II DEVELOPMENT ACTIVITIES

Since the Quarterly Report in October, 2011, the Phase II Developer, Central Texas Mobility Constructors, LLC ("CTMC") has progressed the design for both the Interim Development Work and the remainder of the Project. CTMC has advanced the design for the Interim Development Work to approximately 90% complete, and has advanced the design for the remainder of the Project to approximately 79% complete. The overall design development is approximately 83% complete.

The design for Phase II of the Manor Expressway Project is being executed in three segments. Segment 1 corresponds to the Interim Development Work. Segment 2 is that portion of the Project from east of the US 290 intersection with Arterial A to just west of the SH 130 interchange. Finally, Segment 3 is that portion of the Project from west of the SH 130 interchange to the eastern Project limits.

CTMC has submitted the 100% plans for the Interim Development Work; the Mobility Authority has reviewed this submittal, and has provided comments to CTMC. Also, CTMC has submitted Release for Construction ("RFC") plans (the final plan set used for constructing the Project) to the Mobility Authority for review; the Mobility Authority is currently reviewing this plan submittal. CTMC has also submitted the 100% plans for Segment 2, and the 65% plans for Segment 3. CTMC's latest schedule indicates the design efforts for Phase II of the Manor Expressway Project will be completed in the first quarter of 2012.

CTMC has also progressed construction activities for the Interim Development Work in this reporting period. Since the Quarterly Report in October, 2011, CTMC has substantially completed the clearing and grubbing (removal of trees, brush, stumps, and roots from the right-of-way) activities for the Interim Development Work. Additionally, CTMC has commenced construction on earthwork excavation and embankment, drainage structures, and bridge substructures. More specifically, CTMC commenced the initial grading activities for the portion

of the eastbound frontage road to be constructed for the Interim Development Work. CTMC also commenced construction on several drainage structures located between US 183 and Springdale Road. Installation of reinforced concrete pipe ("RCP") and box culverts continue on drainage systems "A", "B, and "D". During the reporting period, CTMC also commenced construction on the substructure elements of some of the bridges within the Interim Development Work. Construction commenced and continues on drilled shafts, drilled shaft extensions, columns, and caps for the eastbound mainlane and frontage road bridges at Walnut Creek, Walnut Creek Tributary #5, and the MOKAN crossing. Construction of drilled shafts and drilled shaft extensions for the eastbound frontage road bridge at Tuscany Way has also progressed.

In accordance with the terms of the Comprehensive Development Agreement ("CDA") between the Mobility Authority and CTMC, the Mobility Authority is required to obtain possession or acquire the right-of-way needed for the construction of Phase II of the Manor Expressway Project within 180 days of issuance of the Notice to Proceed ("NTP") to CTMC. The Mobility Authority has acquired possession of **100%** of the right-of-way needed for construction of Phase II of the Manor Expressway Project, and has notified CTMC that this contractual commitment has been met. Outdoor advertising signs remain on four (4) of the parcels; however, the Mobility Authority anticipates that these signs will be removed from the right-of-way prior to commencement of construction activities in those areas.

Additionally, the Mobility Authority is contractually required to relocate 5 utilities that are in conflict with the construction of the Interim Development Work. In accordance with the terms of the CDA, the Mobility Authority is required to relocate the following utilities within 180 days of issuance of the NTP:

- Austin Energy Transmission (electric)
- Austin Energy Distribution (electric)
- Texas Gas (pipeline)
- GAATN (communications)
- Grande (communications)

The Mobility Authority has completed the adjustments of the aforementioned utilities, and has notified CTMC that this contractual commitment has been met.

PHASE I PROGRESS PHOTOS

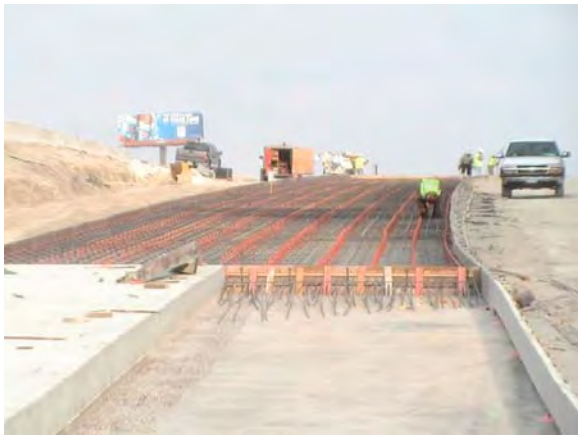
Direct Connectors and Ramps

Bridge deck work continues along the direct connectors. The contractor continues to place beams. Main lane roadway and ramp construction have also occurred to ensure a smooth transition on and off the adjacent highway.

Beams constructed on South to East Direct Connector
(Looking South)

Deck construction along East to South Direct Connector
(Looking South)

Beam Construction along West to North Direct Connector
(Looking West)



Eastbound main lane roadway construction
(Looking East)

Pavement and rail construction along main lane off-ramp
(Looking East)

PHASE II PROGRESS PHOTOS

Earthwork & Drainage Structures

CTMC commenced earthwork excavation and embankment construction for the Interim Development Work. CTMC has initiated and continues subgrade embankment, installation of reinforced concrete pipe, and installation of box culverts for the Interim Development Work.

Earthwork embankment west of Walnut Creek (Looking East)

Earthwork embankment west of MOKAN (Looking East)

Reinforced concrete pipe installation (Looking East)

Reinforced concrete pipe installation (Looking North)

Box culverts “B1” & “B2” under construction (Looking North)

PHASE II PROGRESS PHOTOS

Bridge Substructure

CTMC commenced bridge construction for the Interim Development Work. CTMC has initiated and continues drilled shaft, column, and cap work on many of the bridges for the Interim Development Work.

Drilled shafts for bridge at Tuscany Way
(Looking East)

Drilled shaft extensions for bridge at Walnut Creek
(Looking North)

Drilled shaft extensions for bridge at Walnut Creek
(Looking West)

Bridges at Walnut Creek Tributary #5
(Looking North)

Bridges at Walnut Creek Tributary #5
(Looking East)

PHASE I PROGRESS

Based on the assessment of Webber's activities and progress, a summary of the construction progress achieved on work tasks through the period ending December 25, 2011 is provided in Table 1.

Webber's schedule submitted with their November draw request indicates substantial completion of the Phase I project on July 11, 2012, 3 months later than the current contract requirement, indicating that the Phase I of the Manor Expressway Project is currently behind schedule according to the latest progress schedule update. However, this phase of the Project is currently being reported behind schedule largely due to directives issued to Webber by the Mobility Authority. These directives include a partial stoppage of construction operations over certain holidays and weekend evenings (as mandated by the Texas Department of Transportation ["TxDOT"]) to ensure the safety of construction personnel and motorists using the US 290 and US 183 facilities, adjustments to traffic phasing and detour plans at the request of TxDOT, and a traffic switch that was delayed to occur after the holidays to avoid impacts to holiday travelers. The Mobility Authority's General Engineering Consultant, Atkins, and Webber are currently working together to re-baseline the Phase I Project schedule to incorporate the aforementioned Mobility Authority directives. As a result of the schedule re-baseline process, the substantial completion of the Phase I Project will remain on schedule with the substantial completion of the Interim Development Work associated with Phase II of the Manor Expressway Project. Since the commencement of toll revenue collection was originally scheduled to occur upon substantial completion of this Interim Development Work, there will be no impact to the original schedule for collection of toll revenue for the Manor Expressway Project.

As of December 25, 2011, construction is reported at 76% complete. Webber continues work to address the ten bridge columns that were constructed to incorrect elevations. Repair of the bents is at different stages, depending on the remediation measures being taken. The entire demolition of the two shortest bents has been completed and the columns are currently being reconstructed. Partial demolition required at four bent locations is on-going. Three separate re-design efforts are required for eight of the bent locations. One of the designs has been approved and Webber is proceeding with construction. The other two design concepts are currently going through the design review and approval process. The schedule for the reconstruction/repair of these structures will be incorporated into the re-baseline previously discussed; these activities will not impact the substantial completion of Phase I of the Manor Expressway Project.

Table 1 - Phase I Construction Progress

Construction Tasks	% Complete
Excavation/Embankment	91
Drilled Shafts	89
Structure Footings	98
Structure Columns	82
Structure Column Capitals	98
Structure Bent Caps	85
Concrete Beams	79
Steel Girders	5
Bridge Deck	47
Asphalt Paving	86
Concrete Paving	37
Electrical/Lighting/Signing	10
Toll Structures	13

PHASE II PROGRESS

CTMC has submitted their progressed schedule for the period ending December 25, 2011. Based on an assessment of CTMC's activities and progress, a summary of the construction progress achieved on work tasks through this period is provided in Table 2.

CTMC's schedule submitted with their draw request for the period indicates substantial completion of the Interim Development Work on October 27, 2012, on schedule with the current contract requirement. Additionally, this schedule indicates substantial completion of all remaining Development Work on February 7, 2014, on schedule with the current contract requirement. However, CTMC's latest schedule submittal indicates that some design and utility milestones have slipped from the baseline schedule and from the previous schedule submitted for the period ending November 25, 2011. CTMC has indicated that they soon plan to work double shifts (day and night work) as a means of schedule recovery to meet the contractual completion dates. The Mobility Authority's General Engineering Consultant and the Phase II Developer will continue to proactively work together to deliver the Project in accordance with the contractual completion dates. As of December 25, 2011, there are 307 days remaining until Interim Development Work contractual substantial completion and 775 days remaining until contractual substantial completion for the Project; CTMC has used 37.0% of the days allotted in the contract for the Interim Development Work, and has used 18.8% of the days allotted in the contract for the entire Development Work.

Table 2 - Phase II Development Progress

Development Tasks	% Complete
Development Design	83%
Utility Coordination	32%
Earthwork	5%
Utility Relocation	0%
Pavement	0%
Structures (Bridges and Retaining Walls)	1%
Drainage	3%
Lighting, Signing, Striping, and Signals	0%
Toll Facility Infrastructure	0%
Toll System Integration	0%
Incidental Construction (Barriers, Sidewalks, Landscaping)	0%

The Manor Expressway Project (Phases I & II) milestones are provided in Table 3.

Table 3 - Schedule of Project Milestones

Task	Date (*Projected)
Selection of Phase I Contractor	January 12, 2010
Phase I NTP Issued	April 27, 2010
Phase I Substantial Completion	July 11, 2012*
Phase I Final Acceptance	October 10, 2012*
Phase II Selection of Developer	February 23, 2011
Phase II NTP Issued	June 29, 2011
Phase II Interim Completion (Open to Traffic)	October 27, 2012*
Phase II Substantial Completion (Phase II Open to Traffic)	February 7, 2014*
Phase II Final Acceptance	June 7, 2014*

MANOR EXPRESSWAY PROJECT FINANCIAL SUMMARY

Table 4 shows the overall financial status for the Manor Expressway Project. The original budgets established for the phases of the Project along with the expenditures to date for each of the phases is provided. An estimated cost remaining and an estimate at completion is also provided. The Manor Expressway Project is currently projected to be under budget.

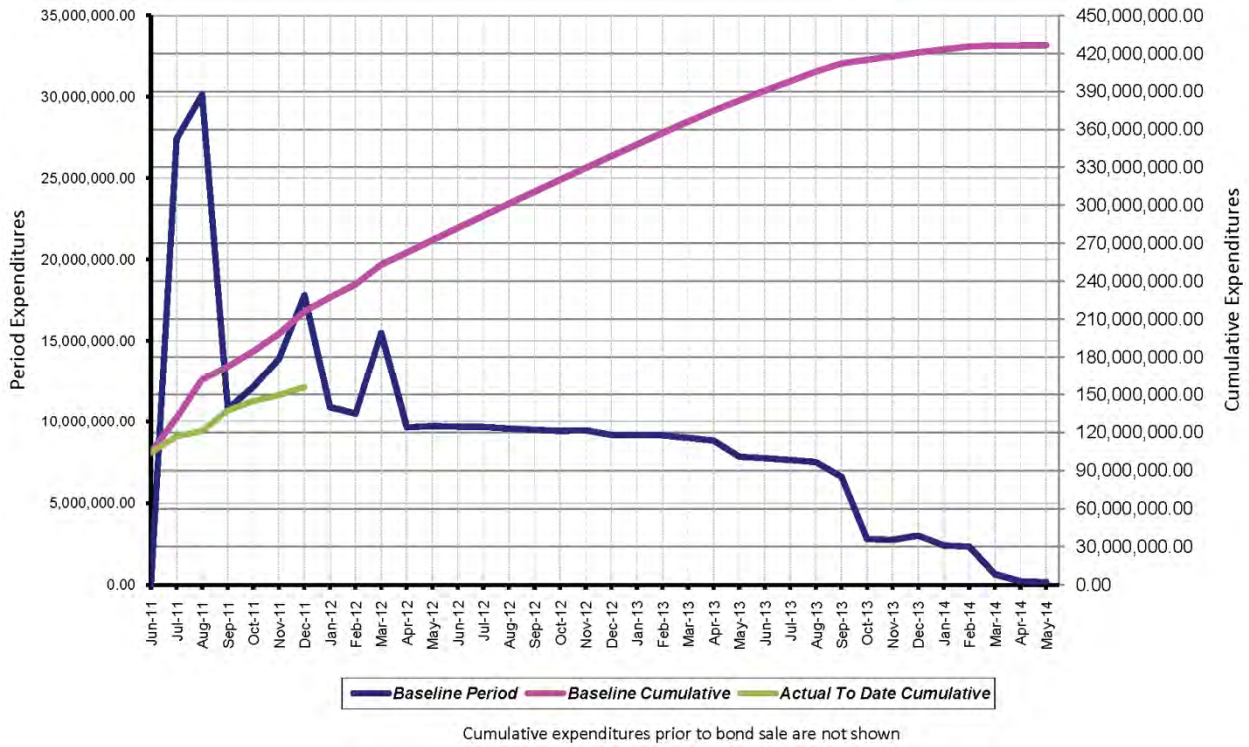
Table 4 - Project Financial Status Summary

Project Phase	Original Cost Estimate ($)	Expenditures to Date ($)	Estimated Remaining Cost ($)	Estimate at Completion ($)
Phase I	73,375,546	52,047,224	17,749,492	69,796,716
Phase II	353,059,227	103,498,121	228,401,652	331,899,773
Total Project Cost (Phases I and II)	426,434,773	155,545,345	246,151,144	401,696,489

Note: These costs include Traffic & Revenue analyses costs, Final Engineering costs, Utility Adjustment costs, Construction costs, Toll & ITS costs, GEC costs, Legal costs, and contingencies.

Project Cash Flow Curve - Baseline

Figure 2 - Project Cash Flow Curve (Phase I & Phase II Total Project Costs)



PHASE I CONSTRUCTION FINANCIAL STATUS

The following summary provides the financial status of the Phase I Project.

Original Webber Contract Amount [(1)]:	$ 52,575,545.77
Authorized Changes (Change Order and/or Amendments):	
Change Order No. 1 [(1)]	$ 148,122.16
Change Order No. 2 [(1)]	$ 265,306.88
Change Order No. 3 [(1)]	$ 10,000.00
Change Order No. 4 [(1)]	$ 84,710.32
Change Order No. 5	$ 84,247.76
Change Order No. 6 [(1)]	$ 96,000.00
Change Order No. 7	$ 38,039.37
Change Order No. 8 [(1)]	$ 182,541.99
Change Order No. 9	$ 56,217.67
Contractually Authorized Additional Quantity Payments:	
Special Measurement Items: Drilled Shafts, excavation/embankment, Flex Base [(2)]	$ 360,078.41
Current Authorized Contract Amount:	**$ 53,900,810.33**
Previous Total of Webber Payments	**$ 35,543,296.91**
Amount of Webber Draw Request #17 for Sept. 2011 efforts	$ 1,654,347.10
Amount of Webber Draw Request #18 for Oct. 2011 efforts	$ 1,122,050.94
Total Amount Paid To-Date: [(3)]	**$ 38,319,694.95**
Retainage withheld: [(4)]	$ 0.00
Approved Amount for work completed (through Draw #18):	**$ 38,319,694.95**
Amount remaining for work to be completed:	**$ 15,581,115.38**
Total Percent of Budget Expended through October 2011:	**71.1%**

Footnotes

(1) Information/data presented in previous Quarterly Reports.

(2) This cost figure has been revised since the last Quarterly Report.

(3) Draw Request #19 is currently being reviewed by the General Engineering Consultant.

(4) Retainage to be withheld only after 95% of the adjusted contract price has been paid.

Summary of Change Orders This Reporting Period

Several change orders for Phase I of the Manor Expressway Project have been approved in this reporting period. Change orders 5, 7, and 9 have all been approved. Below is a brief description of each of these change orders:

Change Order #5 – This change order consists of removal and disposal of mechanically stabilized earth ("MSE") retaining wall panels which were installed incorrectly due to an error in the construction documents as prepared by the engineer of record. This change order also includes the fabrication, delivery, and installation of new correct panels. This change order results in a cost of $84,247.76 to the Mobility Authority; however, a Settlement and Release Agreement between the Mobility Authority and the engineer of record in the amount of $84,157.76 has been executed to cover the additional costs of the error.

Change Order #7 – There are two components of this change order. The first component is the structural retrofit of twelve (12) existing drilled shafts due to concerns related to the structural adequacy of the shafts that were previously constructed under a Texas Department of Transportation construction contract circa 2003. The second component is the removal of the stone matrix asphalt surface course of the frontage road pavement from the contract. This surface pavement course will be constructed by the Phase II Developer rather than the Phase I Contractor to prevent temporary traffic control striping that would be necessary for the facility during interim operations. This change order results in a net cost of $38,039.37 to the Mobility Authority.

Change Order #9 – This change order consists of a series of smaller scope items including: deletion of traffic rail foundation in lieu of additional continuously reinforced concrete widening; deletion of high-mast lighting elements; increased mobilization costs; increased traffic detour construction; modification to drainage construction; addition of reinforcing tie-bars for concrete traffic barrier; addition of concrete slope protection; and restriping of the northbound frontage road. This change order results in a net cost of $56,217.67 to the Mobility Authority.

PHASE II CONSTRUCTION FINANCIAL STATUS

The following summary provides the financial status of design-build CDA contract for the Phase II Project.

Original CTMC Contract Amount:	$	207,297,859.00
Authorized Changes (Change Order and/or Amendments):		
No executed change orders to date	$	0.00
Current Authorized Contract Amount:	**$**	**207,297,859.00**
Previous Total of CTMC Payments:	**$**	**25,282,050.72**
Amount of CTMC Draw Request #4 for September 2011 efforts	$	2,935,951.70
Amount of CTMC Draw Request #5 for October 2011 efforts	$	3,118,985.19
Amount of CTMC Draw Request #6 for November 2011 efforts	$	2,420,397.73
Total Amount Paid To-Date: [(1)]	**$**	**33,757,385.34**
Retainage withheld: [(2)]	$	0.00
Approved Amount for work completed (through Draw #6):	**$**	**33,757,385.34**
Amount remaining for work to be completed:	**$**	**173,540,473.66**
Total Percent of Budget Expended through November 2011:		**16.3%**

Footnotes:

(1) Draw Request #7 is currently being reviewed by the General Engineering Consultant.
(2) Retainage to be withheld only after 95% of the adjusted contract price has been paid.

Summary of Change Orders This Reporting Period

There have been no Change Orders approved for Phase II of the Manor Expressway Project.

DBE STATUS

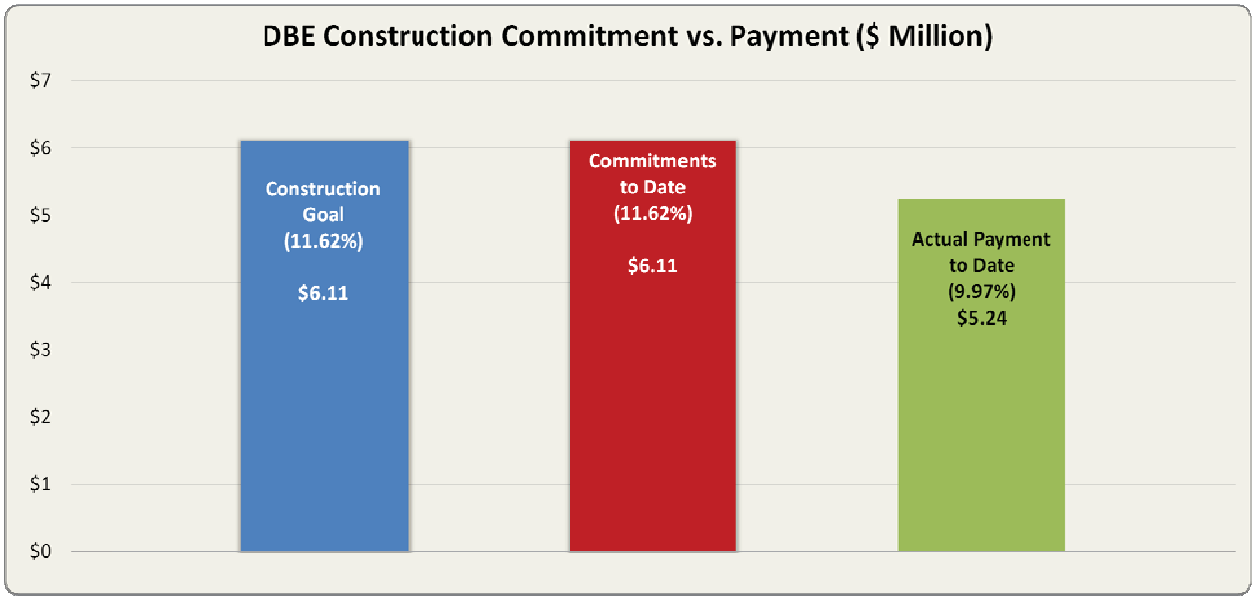
Phase I DBE Status

Webber is required to meet the Disadvantaged Business Enterprise ("DBE") goal of 11.62% for Phase I of the Manor Expressway Project. The total DBE amount subcontracted to date is $6,109,278.42 which is 11.62% of the original authorized contract total. This represents executed DBE subcontracts with the following firms: Cadit Company, Inc. [structural steel plate], Indus Construction [steel], Panther Creek Transportation, Inc. [trucking], and EBC Construction [underground utilities and riprap].

As of November 25, 2011(*), Webber has submitted costs associated with DBE construction work in the amount of $5,240,400.27 which equals approximately 9.97% to date of the original authorized contract value.

* Figures through December 25, 2011 are currently being reviewed by the General Engineering Consultant.

Figure 3 - Phase I DBE Construction Commitment for Period Ending November 2011



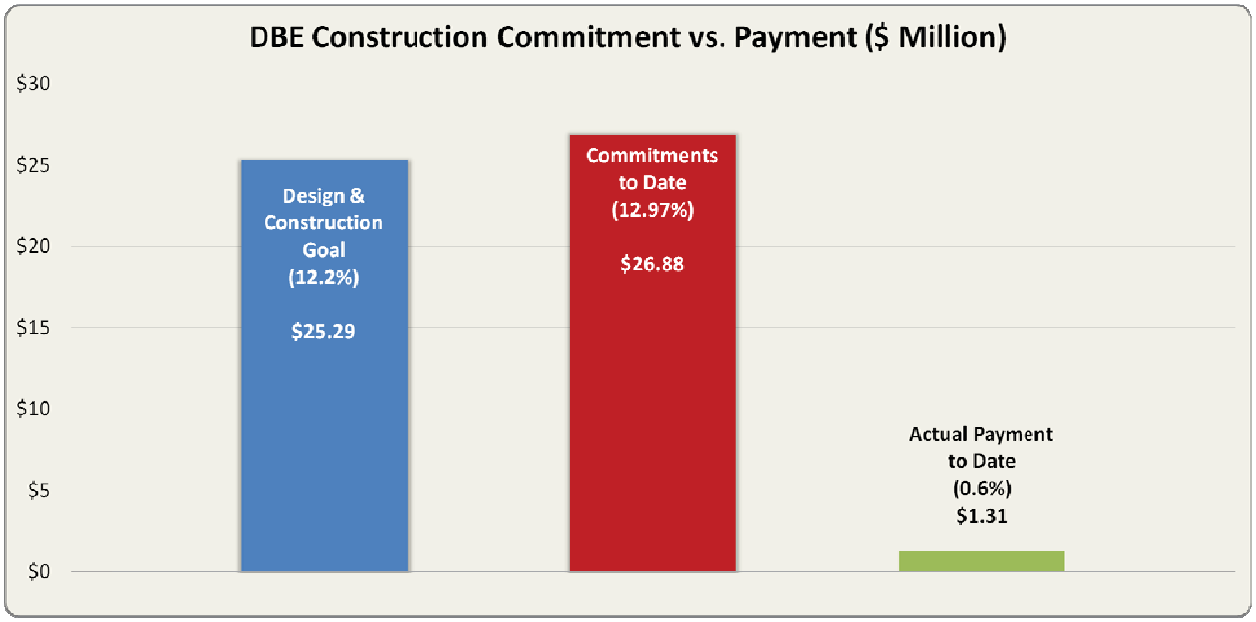
Phase II DBE Status

CTMC is required to meet the Disadvantaged Business Enterprise ("DBE") goal of 12.2% for Phase II of the Manor Expressway Project. The total DBE amount subcontracted to date is $26,884,727.09 which is 12.97% of the authorized contract total. This represents executed DBE subcontracts with the following firms: Aviles Engineering Corporation [geotechnical design], RJ Rivera Associates, Inc. [sign and pavement marking design], SE3, LLC [retaining wall design], PE Structural Consultants [bridge design], Lina T. Ramey & Associates [design surveying], United States R.O.W. [right-of-way acquisition], Solar Ray [utility design], Baseline Paving & Equipment [concrete riprap], Breda Company [furnish and tie reinforcing steel], N-Line Traffic Maintenance, L.P. [traffic barricades], Office Authority [furnishes office supplies], Panther Creek Transportation, Inc. [trucking], Roadway Specialties [cable barrier & small signs], Texas Trucking [trucking], and S&R Investments [furnish fuel].

As of November 25, 2011(*), Webber has submitted costs associated with DBE development work in the amount of $1,305,845.61 which equals less than 1% to date of the current authorized contract value.

* Figures through December 25, 2011 are currently being reviewed by the General Engineering Consultant.

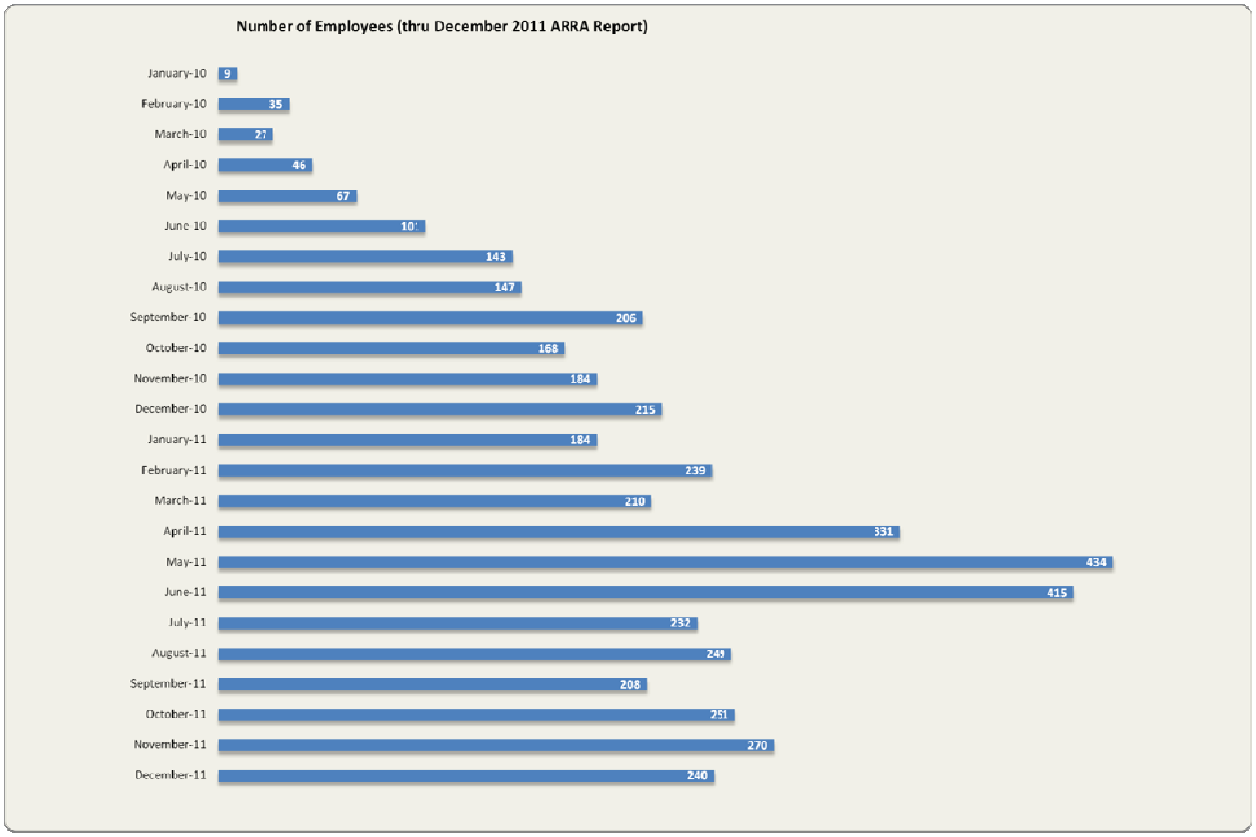
Figure 4 - Phase II DBE Design & Construction Commitment for Period Ending November 2011



EMPLOYMENT REPORTING STATUS

Construction of Phase I of the Manor Expressway Project supported **240 jobs** during the reporting month of December 2011. This number of jobs supported by the construction includes: the construction personnel and their subcontractors; construction management staff, including inspectors and subconsutltants; design support staff; and the general engineering consultant staff and their subconsultants. The total payroll associated with the jobs and work effort for December 2011 is **$406,014.26**.

Figure 5 - Phase I Employment History



The employment reporting status for Phase II of the Manor Expressway Project has not been provided by the Phase II Developer to date; it is the Mobility Authority's intention to include this data in future reports.

SUSTAINABILITY

Phase I Sustainability Initiatives

Webber has implemented a number of sustainable practices into their development work on the Project. While Webber isn't contractually required to track quantities associated with their implemented sustainable practices, below is a list of qualitative practices being implemented on the Phase I of the Manor Expressway Project:

- Use of solar-powered traffic control devices
- Salvage and reuse of embankment on-site
- Use of local/regional materials to reduce emissions and fuel costs
- Use of warm-mix asphalt pavement and recycled asphaltic pavement
- Recycling all reinforcing steel from demolished concrete structures

Phase II Sustainability Initiatives

In accordance with the terms of the CDA, CTMC is required to incorporate sustainable practices into the Project. The Mobility Authority, through provisions in the CDA, has implemented a "Green Credits" program that requires CTMC to attain a minimum number of credits for implementing sustainable practices into the Project; CTMC is required to attain 30 credits for the Project. CTMC is required to submit a quarterly report identifying the sustainable practices being implemented on the Project. CTMC submitted their first quarterly sustainable report in October 2011 for the period of July 2011 through September 2011. The following sustainable initiatives were reported:

- Sustainability Plans:

  CTMC has prepared and implemented a series of required sustainability plans on the Project. These plans include a Noise Mitigation Plan, a Dust/Emission and Odor Control Plan, a Waste Management Plan, a Site Recycling Plan, and a Water Quality Maintenance/Enhancement Plan.

- Solar-Powered Traffic Control Devices:

  CTMC purchased two solar-powered variable message signs for use on the Project during the reporting period.

- Reuse of Topsoil:

  CTMC removed approximately 10,000 cubic yards of topsoil, and stockpiled this material on the right-of-way for future use on the Project.

- Recycled Fill/Embankment Materials:

CTMC reused approximately 2,000 cubic yards of concrete from demolished building foundations as temporary creek crossings or embankment materials.

- Wood Recycling:

  CTMC contracted Austin Wood Recycling to remove vegetation from portions of the right-of-way. One hundred percent of the vegetation removed from the Project during clearing operations was recycled as mulch (11,440 cubic yards).

CTMC has earned ten (10) Green Credits for the sustainable practices implemented on the Project to date.

PUBLIC INVOLVEMENT

The Mobility Authority's Public Involvement Team manages the Manor Expressway hotline (512-684-3252) and the Project website (manorexpressway.com). Lane closures and construction alerts are regularly posted on the Project website as well as posted on the Project twitter account (@ManorExpressway). Additionally, stakeholders can sign up on the Project website for lane closure information to be sent directly to their cell phone via SMS text.

As Phase I of the Manor Expressway Project nears completion and Phase II continues, outreach activity has continued through a variety of public involvement techniques and tools. Following are the outreach activities for this quarter:

- Hotline:

  Six hotline calls have been received over the project's hotline (512-684-3252) regarding Phase I this quarter, and seven calls have come in for Phase II. Callers' inquiries were focused on information about the project and construction (impacts, speed limits, schedule, etc). All calls are logged as they are received. No complaints were logged.

- Twitter:

  Thirty-six updates on Phase I of the project have been posted to the Manor Expressway's Twitter account (@ManorExpressway) this quarter to inform followers of lane and ramp closures and detours. Two updates have been posted for Phase II.

- Website:

  All project updates have continued to be posted on the website in an effort to help keep the public informed on lane closures and construction activities.

- Text Messaging:

  Updates regarding lane closures and detours are sent out via text message with a reference to visit the project website for further information.

- Emails:

  Emails continue to be sent out to the businesses and organizations along US 290 East who prefer to receive the updates via email. As updates have been posted on the website and Twitter, they have continued to also be emailed to 170 email addresses of stakeholders along the project area.

- Visits:

  There were no one-on-one outreach visits for Phase I this quarter. As Phase II ramped up, outreach was conducted with 45 businesses in the project area. A business outreach event was held in September, and was attended by project team members from the Mobility Authority, Atkins, CTMC and Group Solutions. Twelve business owners attended the event. An additional six outreach visits were conducted prior to the closing of Ferguson Cutoff in December.

Attachment A

Manor Expressway Phase I Project
Aerial Photographs
January 2012

Manor Expressway Phase I Project
(Looking West from US 290)
(Taken 1/10/2012)

Manor Expressway Phase I Project
(Looking North from US 183)
(Taken 1/10/2012)

Manor Expressway Phase I Project
(Looking South from US 183)
(Taken 1/10/2012)

Manor Expressway Phase I Project
(Looking East from US 290)
(Taken 1/10/2012)

Attachment B

Manor Expressway Phase II Project
Aerial Photographs
January 2012

US 290 East looking west from Gilleland Creek
(Taken 1/10/2012)

US 290 East looking west from Parmer Lane
(Taken 1/10/2012)

US 290 East at SH 130 Interchange looking west
(Taken 1/10/2012)

US 290 East at Decker Lane Intersection looking west
(Taken 1/10/2012)

US 290 East at Harris Branch Intersection looking west
(Taken 1/10/2012)

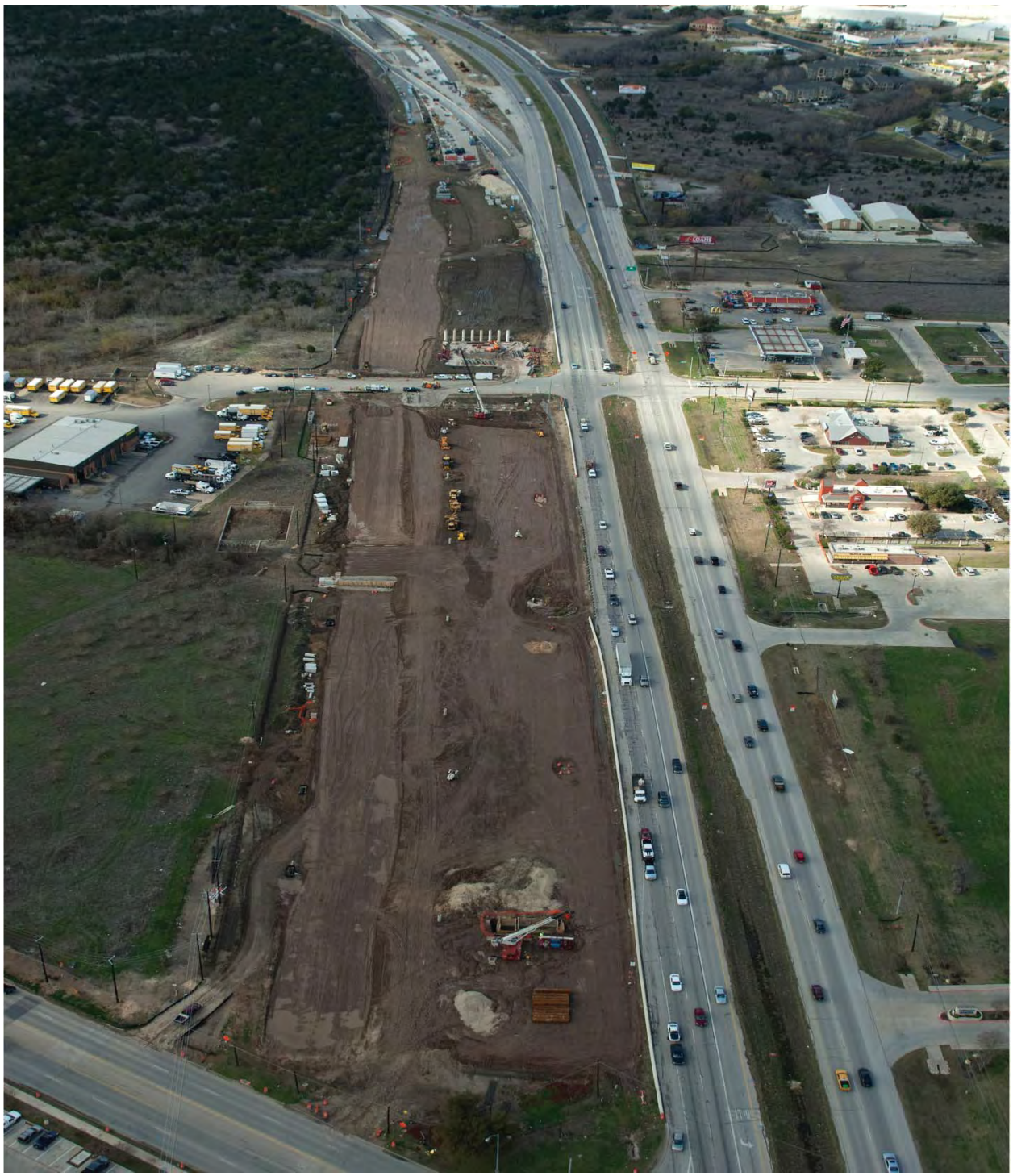
US 290 East at Crofford Lane Intersection looking west
(Taken 1/10/2012)

US 290 East at Giles Road Intersection looking west
(Taken 1/10/2012)

US 290 East near Old Manor Road looking west
(Taken 1/10/2012)

US 290 East looking west at Mokan Crossing
(Taken 1/10/2012)

US 290 East at Chimney Hill Blvd looking west
(Taken 1/10/2012)



US 290 East at Tuscany Way looking west
(Taken 1/10/2012)

Attachment C

Manor Expressway Project
Contingency Tracking
January 2012

Manor Expressway Phase I | **Contingency Balance Sheet**

01/11/12

PROJECT CONSTRUCTION CONTINGENCY			**$5,200,000**
APPROVED ITEMS			
Executed Change Orders			
CO#01	Added 3x5 Rock to Pavement Section	$148,122	
CO#02	Double left turn at Tuscany Way	$265,307	
CO#03	Partnering Costs	$10,000	
CO#04	Work Zone Speed Zone Revisions	$84,710	
CO#05	Retaining Wall Revisions	$84,248	
CO#06	Addition of Peace Officers and Lane Rentals	$96,000	
CO#07	Drilled Shaft Capacity Mitigation	$38,039	
CO#08	Inclusion of Warm Mix Ashphalt Paving	$182,542	
CO#09	Traffic rail; high-mast lighting elements; increased mobilization; increased traffic detour, etc.	$56,218	
		Subtotal Executed Change Orders	**$965,186**
Approved Other Items			
	Special Measurement Items (Drilled Shafts, Excavation, Embankment)	$360,078	
		Subtotal Other Items	**$360,078**
		Subtotal Approved Items	**$1,325,264**
ITEMS UNDER NEGOTIATION or ESTIMATED			
CO under negotiation			
CO#10	Revised wiring for high mast light; rock riprap additions; toll plan revisions; temporary attenuator for Manor Rd exit; drop inlet revisions; additional asphaltic concrete; additional T501 barrier rail[1]	$260,000	
		Subtotal CO under negotiation	**$260,000**
Other Items			
	Additional Utility Adjustment Costs	$35,906	
		Subtotal Other Items	**$35,906**
		Subtotal Items Under Negotiation or Estimated	**$295,906**
		Total Costs	**$1,621,170**
		Total Contingency	**$5,200,000**
		TOTAL REMAINING AVAILABLE CONTINGENCY	**$3,578,830**

[1] ***Estimated cost; being negotiated***

Manor Expressway Phase II | **Contingency Balance Sheet**

01/11/12

PROJECT CONSTRUCTION CONTINGENCY (from the bond sale)			**$17,200,000**
APPROVED ITEMS			
Executed Change Orders			
	None at this time	$0	
		Subtotal Executed Change Orders	**$0**
Approved Other Items			
	None at this time	$0	
		Subtotal Other Items	**$0**
		Subtotal Approved Items	**$0**
ITEMS UNDER NEGOTIATION or ESTIMATED			
CO under negotiation			
CO#1	Revise aesthetics on MOKAN mainlane and frontage road bridges	-$59,454 (credit)	
		Subtotal CO under negotiation	**-$59,454**
Other Items			
Incentive	Early Completion Incentives (Max Amount $3,600,000)	$3,600,000	
Expenses	Dispute Resolution Board Expenses[1]	$100,000	
		Subtotal Other Items	**$3,700,000**
[1] ***Estimated cost***			
		Subtotal Items Under Negotiation or Estimated	**$3,640,546**
		Total Costs	**$3,640,546**
		Total Contingency	**$17,200,000**
		TOTAL REMAINING AVAILABLE CONTINGENCY	**$13,559,454**

RIGHT OF WAY			**$65,400,000**
Estimated Right of Way Costs			
	Schematic ROW*	$57,800,000	
		Subtotal Right of Way Costs	**$57,800,000**
Additional Right of Way Costs			
	None at this time	$0	
		Subtotal - Additional Right of Way	**$0**
***Estimated Cost**			
		Available Right of Way Contingency	**$7,600,000**

Central Texas Regional Mobility Authority

AGENDA ITEM #16 SUMMARY

Quarterly briefing on the 183A Phase II Project.

Department: Engineering

Associated Costs: None

Funding Source: N/A

Board Action Required: No

Description of Matter:

The report is an account of the construction activities on the 183A Phase II Project from October through December, 2011.

Attached documentation for reference:

GEC Quarterly Activities Report and Board Presentation

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering

183A TURNPIKE - PHASE II

Quarterly Progress Report

183A TOLL

No. 7 | January 2011

HNTB INDEPENDENT ENGINEERING REPORT

CENTRAL TEXAS
Regional Mobility Authority

Board of Directors

Ray A. Wilkerson, Chairman
James H. Mills, Vice-Chairman
Robert L. Bennett, Jr., Treasurer
Henry H. Gilmore
Nikelle S. Meade
David Singleton
Charles Heimsath

Executive Director

Mike Heiligenstein

General Engineering Consultant (GEC)

Construction Contractor

183A Turnpike - Phase II

Quarterly Progress Report

No. 7

January 2012

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INTRODUCTION

This report documents and describes the second phase of the 183A Turnpike Project construction from October 1, 2011 to December 31, 2011. This project is an extension of the existing 183A toll road facility and is being constructed by the Central Texas Regional Mobility Authority (Mobility Authority). The project is funded entirely from toll revenue bonds.

PROJECT DESCRIPTION

Phase II of the 183A Turnpike Project is located in southwestern Williamson County and extends approximately 5.1 miles, traversing through the cities of Cedar Park and Leander in the State of Texas. The Project extends the mainlanes of the existing 183A Turnpike from FM 1431 to north of RM 2243. This limited-access toll road will be constructed between the existing frontage roads – which were constructed as part of the initial phase of the Project – and the added capacity will consist of three lanes in each direction with access ramps connecting to the frontage roads. It is located east of, and parallel to, the existing US 183 facility. See Figure 1 for the Project Map.

The construction tasks principally include: preparation of right-of-way; excavation and embankment; flexible base / cement treated base; warm mix asphalt; concrete pavement; concrete curb and gutter; roadway bridges; retaining walls; drill shafts; rip rap; concrete box culverts and other drainage structures; water quality ponds; barricades, signs, and traffic handling; illumination; overhead sign supports; traffic / pedestrian signal head, pole, and detectors; a pedestrian bridge; toll facilities; and ITS ducts.

The Mobility Authority entered into a contract with Webber LLC Contractors (Webber) to construct the 183A Phase II Project. The agreement requires the project to be substantially complete by April 2012. The Contractor has developed an acceptable Baseline CPM (Critical Path Method) Schedule for the Project. The Mobility Authority issued Notices to Proceed (NTP) for NTP 1 and NTP 2 on March 24, 2010, in accordance with the terms of the contract. An Alternative Bid NTP was granted on May 7, 2010; and NTP 3 was issued on November 24, 2010.

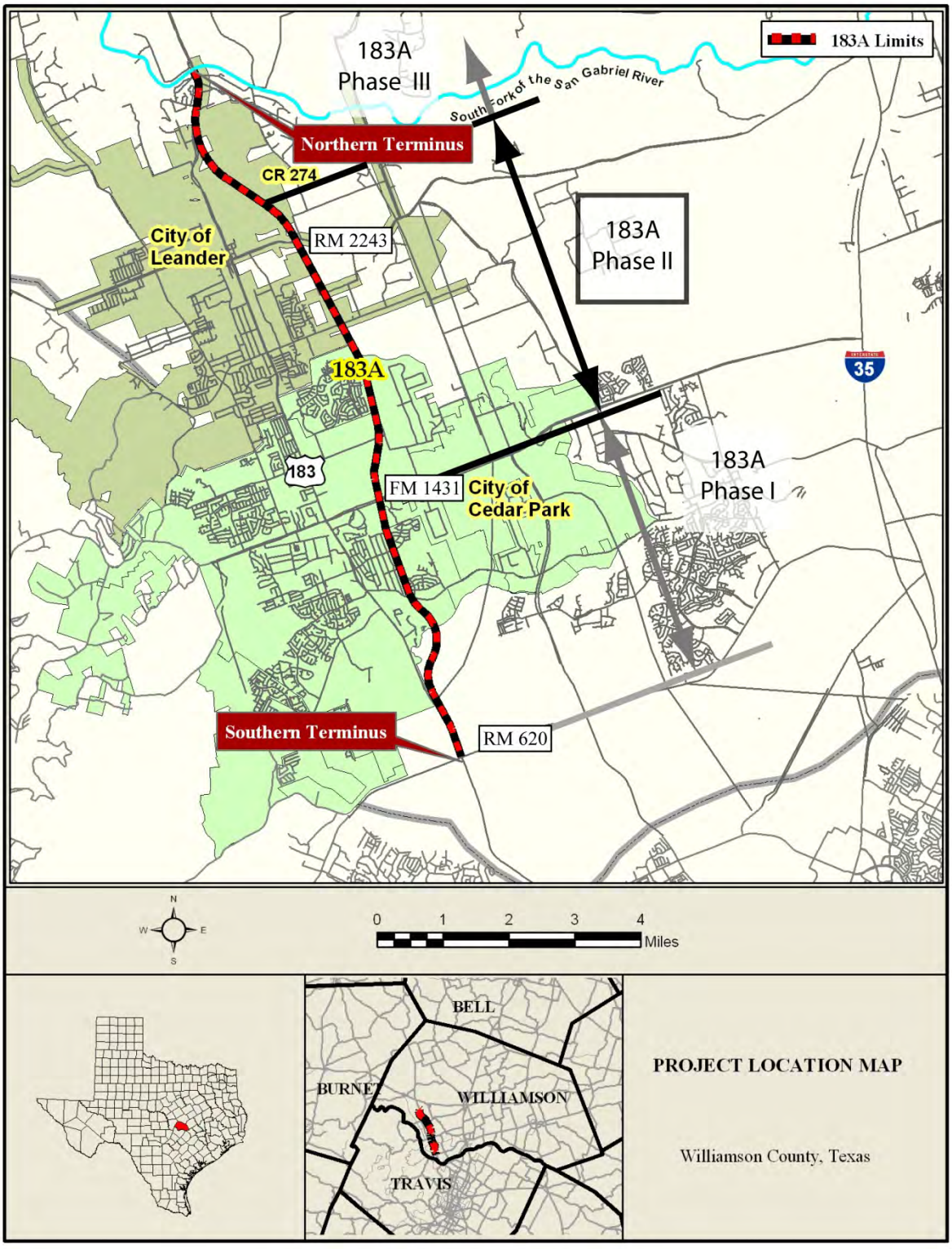


Figure 1 - Project Location

CONSTRUCTION ACTIVITIES

Construction of 183A Phase II is 85% complete. The team is currently on schedule to open the five mile tolled expressway in the spring of 2012.

Progress for the period is highlighted by the completion of the Scottsdale Drive bridges over the future 183A mainlanes. The bridges and the connection to Scottsdale Drive opened to traffic on October 24. Aesthetic traffic rail along these bridges was also added during the reporting period. Mainlane roadway paving and installation of tolling equipment continue to be the major efforts across the project.

Crews have been working on toll gantry foundation work, sign column construction, and electrical conduit installation. Toll system equipment housing was also delivered and installed. Toll gantry steel was erected at the Mainlane Toll Plaza.

Drainage construction continues throughout the project, as well as the installation of block walls and grading construction in the project's water quality ponds. The construction of the Phase II Shared Use Path continues.

The Mobility Authority's GEC continues to perform construction inspection and oversight of the Contractor, including all materials testing. Offsite material fabrication plant inspections continue to take place.

The Bridges at Scottsdale Drive

Webber opened the Scottsdale Drive bridges over the depressed 183A mainlanes on October 24. Work continues on the 183A mainlanes below.

Placing precast concrete panels at a Scottsdale Drive turnaround bridge

From the depressed 183A mainlanes, looking south at the Scottsdale Drive bridges

View of the Scottsdale Drive bridges and the 183A mainlanes below

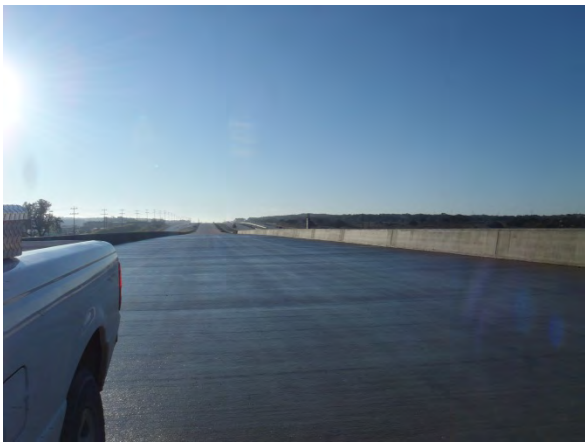
Constructing the aesthetic bridge railing at Scottsdale Drive

Compacting the final lift of soil on the 183A mainlanes south of Scottsdale Drive

Mainlane Paving and Ramp Construction

Mainlane roadway paving continues to be a major effort across the project.

Webber still aims for the sky with a ramp between New Hope Drive and Scottsdale Drive.

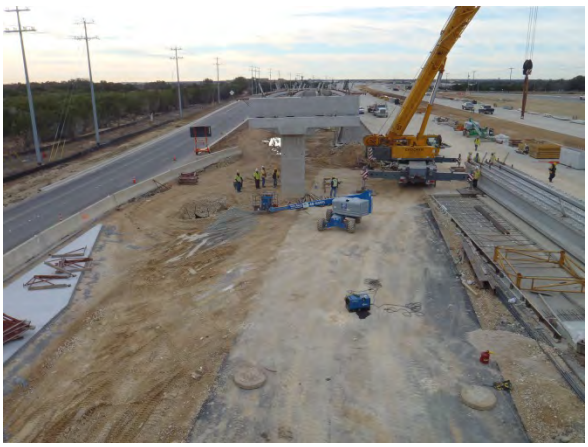


Northbound bridge over RM 2243 looking south

Sawcutting grooves on the bridge over RM 2243

View of the southbound mainlanes at the Block House Creek bridges

Future entrance ramp bridge and exit ramp overpass between New Hope and Scottsdale

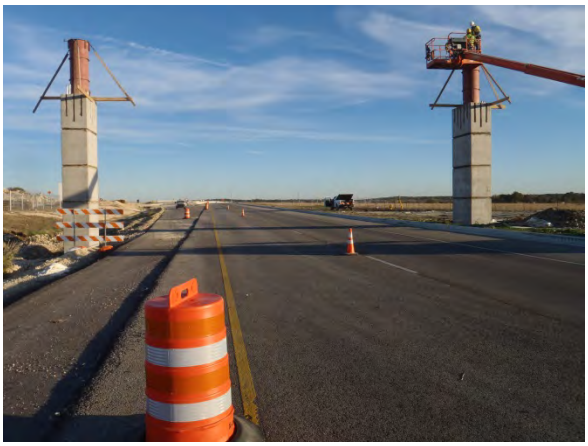


View from end of future bridge of braided ramp north of New Hope Drive

Progress Continues Across Project

Other critical tasks include construction of the Phase II Shared Use Path, which is parallel to the 183A mainlanes and will connect with the recently opened Phase I Shared Use Path. Webber is preparing for the tolling component of the project with the construction of sign columns and toll equipment buildings. Additionally, construction of drainage facilities continues.

Construction of the Phase II Shared Use Path



Overhead sign support columns spanning the frontage roads at the project's northern end

Precast concrete building for tolling equipment at the Crystal Falls on ramp

Stone masonry at storm water detention pond

Installing the underground storm drain system south of Scottsdale Drive

PROJECT PROGRESS

Based on the assessment of the Contractor's activities and progress, the summary of the construction progress achieved on work tasks through the end of December 2011 is as follows:

Table 1 - 183A Phase II Construction Progress for Period Ending December 2011

Construction Tasks	% Complete
Earthwork / Excavation / Embankment	95
Stormwater Protection	85
Drainage Structures	95
Bridge Substructures	100
Bridge Superstructure	95
Retaining Walls	95
Pavement Base	95
Roadway Concrete Paving	95
Asphalt Paving	50
Toll Structures	75
Electrical/Lighting / Signing / Signals	55
Landscaping	0

Webber's latest schedule submitted with their December 25 draw request indicates substantial completion on April 23, 2012, 19 days later than the current contract requirement, indicating the project is behind schedule. The GEC and the Contractor are partnering to resolve several outstanding items including the negotiation of Change Orders which may impact the contractual substantial completion date.

As of December 31, 2011, 87.2% of the 742 calendar days to substantial completion have expired and **construction is reported at 85.2% complete.**

Table 2 - Schedule of Contractual Project Milestones

Task	Date
Selection of Contractor	December 17, 2009
Early NTP	January 22, 2010
NTP 1 and NTP 2 Issued	March 24, 2010
Alternate Bid NTP Issued	May 7, 2010
NTP 3 Issued	November 24, 2010
Scheduled Substantial Completion (Open to Traffic)	April 4, 2012
Scheduled Final Completion	July 3, 2012

PROJECT FINANCIAL STATUS

The following summarizes the financial status of the Project through December 31, 2011.

Original Webber Contract Amount:	**$ 75,792,413.92**
Authorized Changes (Change Order and/or Amendments):	
Change Order Nos. 01-17 (2010-July 2011)	$25,529.19
Change Order No. 18 (October 2011)	$918,876.92
Current Authorized Contract Amount:	**$ 76,736,820.03**
Webber Payments:	
Amount of Draw Nos. 01-17 (2010-September 2011)	$57,167,132.58
Amount of Draw No. 18 (October 2011)	$3,210,479.56
Amount of Draw No. 19 (November 2011)	$3,371,944.41
Amount of Draw No. 20 (December 2011)	$1,623,060.36
Total Requested Amount To-Date through Draw No. 20:	**$65,372,616.91**
Retainage withheld**:	$ 0.00
Approved Amount for Work Completed through Draw No. 20:	**$65,372,616.91**
Total Project Budget Expended Through December 2011:	**85.2%**
Amount remaining for work to be completed:	**$11,364,203.12**

**Retainage to be withheld only after 95% of the adjusted contract price has been paid.

Summary of Change Orders During Reporting Period

Change Order No. 18 incorporates construction costs for the Shared Use Path "Gap" Project, which connects the 183A Phase I Shared Use Path to the originally planned 183A Phase II Shared Use Path. In addition, the change order incorporates required design modifications to the Phase II Shared Use Path in order to comply with new AASHTO Guidance for Shared Use Paths. The change order, a total of $918,876.92, was submitted to the GEC on October 17, 2011, and it was fully executed on October 17, 2011.

Project Cash Flow Curve - Baseline

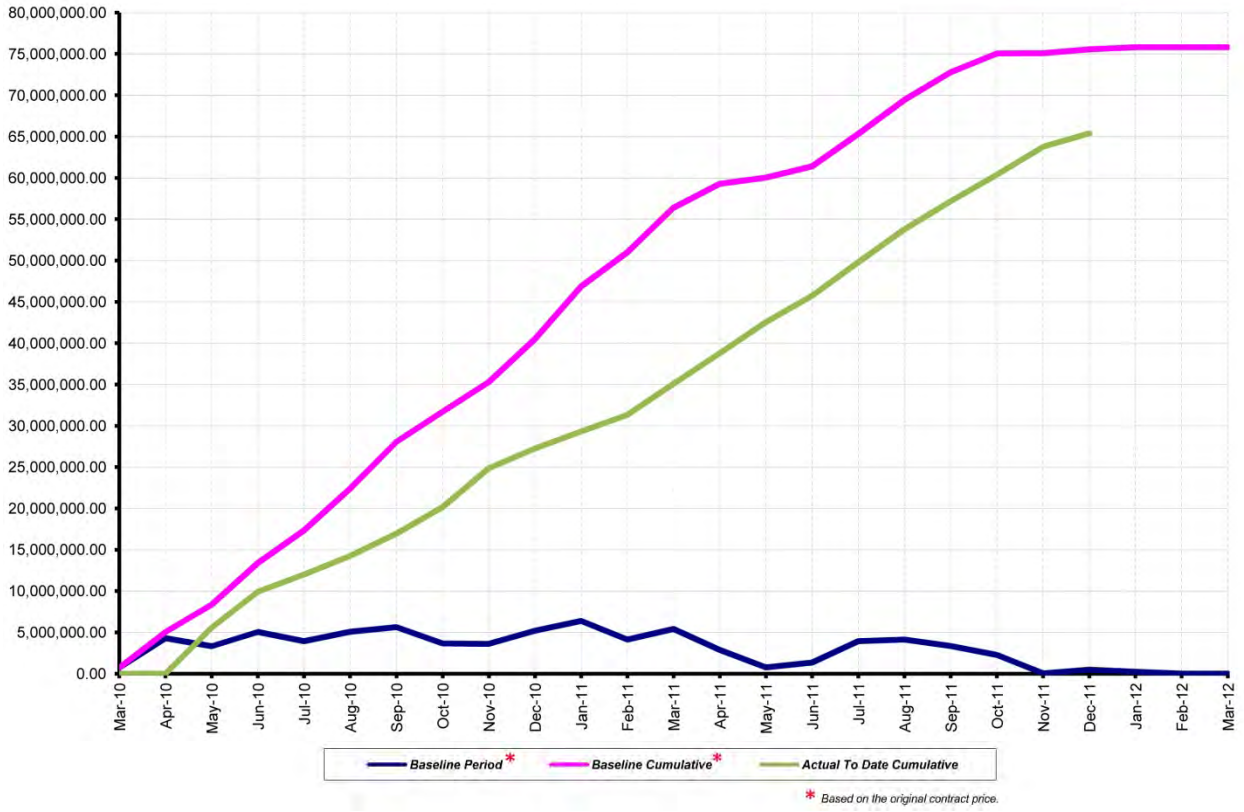


Figure 2 - Project Baseline Cash Flow Curve for Period Ending December 2011

DBE STATUS

Webber is requested to meet the Disadvantaged Business Enterprise (DBE) goal of 11.62% for the project. The total DBE amount subcontracted to date is $9,054,110 which is 11.80% of the current authorized contract total. This represents executed DBE subcontracts with the firms N-Line, Royal Vista, Roadway Specialties, Boothe Bros, Trevcon (terminated), and Indus. To date, the DBE firms have been paid a total of $7,943,876 which is 89.1% of the DBE goal.

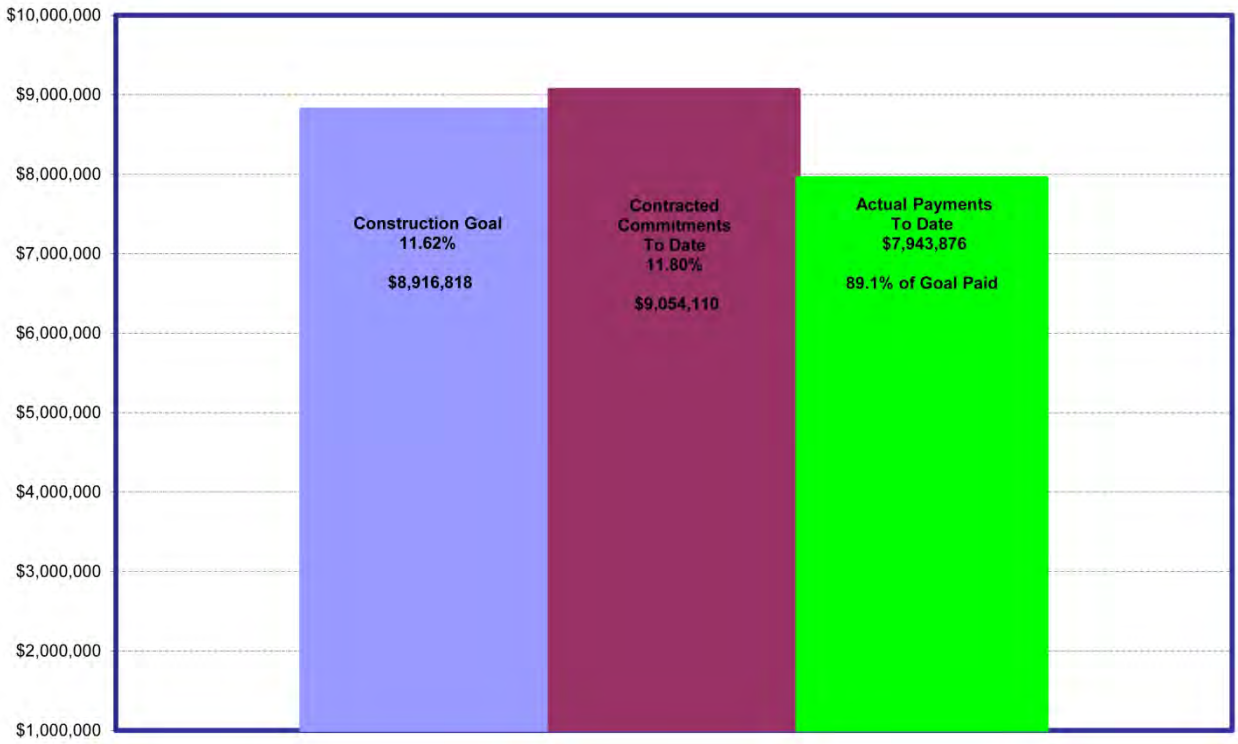


Figure 3 - DBE Construction Commitment vs. Payment for Period Ending December 2011

EMPLOYMENT REPORTING STATUS

Construction of Phase II of the 183A Turnpike Project is estimated to have supported **288 jobs** during the reporting month of December 2011. This estimated number of jobs supported by the construction includes: the construction personnel and their subcontractors; construction management staff, including inspectors and subconsultants; design support staff; and the general engineering consultant staff and their subconsultants. The estimated total payroll associated with the jobs and work effort for December 2011 is **$393,049**.

SUSTAINABILITY

The 183A Phase II Construction team launched the "Green Construction" initiative in September 2010. Through use of warm mix asphalt and recycling, the construction team is promoting sustainability and environmental responsibility. The following table indicates the total quantity used or recycled for each of the items under the Green Construction initiative as of December 2011.

Warm mix asphalt Warm mix asphalt allows a reduction in the temperature at which asphalt mixtures are produced and placed. These reductions have the benefit of cutting fuel consumption and decreasing the production of greenhouse gases.	**23,175 tons**
Recycling at the construction site At the job sites, the following is collected for recycling: scrap steel; plastic containers; steel, tin, and aluminum cans; glass bottles and jars.	**54.10 tons**
Recycling at the Webber and HNTB field offices At the field offices, the following is collected for recycling: newspapers and magazines; any kind of paper; calculator tape; carbonless forms; brochures and pamphlets; manila folders; plastic containers; steel, tin, and aluminum cans.	**1.58 tons**

PUBLIC INVOLVEMENT

The Mobility Authority's Public Involvement Team manages the 183A hotline (512-684-3256) and the project website (183A.com). Lane closures and construction alerts are regularly posted on the project website as well as posted on the project Twitter account (@183AExtension). Additionally, stakeholders can sign up on the project website for lane closure information to be sent directly to their cell phone via SMS text.

During the reporting period, the team received a few calls about the status of the construction, and requests for information regarding the limits of the toll road and the frontage roads. In all instances, questions were responded to personally by the 183A Public Involvement Team.

The Mobility Authority's partnership with the Block House Creek Owners' Association (BHCOA) continues to be strong. The 183A Public Involvement Team participated in the BHCOA Annual Harvest Fest which was held in November. Similar to the team's participation in the event last year, the Mobility Authority donated several items for the silent auction, including VIP glass seat tickets to a Texas Stars Hockey game and a signed team jersey. The Mobility Authority also coordinated the appearance of the Ice Girls to meet, greet, and take photos with people at the event. The Mobility Authority and Webber co-sponsored the ferris wheel at the event, which was a big hit with the kids. The team was on hand at the event to promote awareness and answer questions about the project.

In late December, the Mobility Authority was a sponsor for the BHCOA's Light Up the Night event, a family-friendly, neighborhood party that included 5,000 paper luminaries set up throughout the neighborhood, music, food and hay wagon rides. The Public Involvement team was responsible for setting up 120 luminaries and returning the day after the event to remove them and help with clean-up.

ATTACHMENT A

183A Phase II Construction Contingency Tracking

183A Phase II Extension | **Contingency Balance Sheet**

01/18/12

PROJECT CONSTRUCTION CONTINGENCY (from the Bond Sale)			**$4,547,545**
APPROVED ITEMS			
Executed Change Orders			
CO#01	Removing cable barrier along project	-$551,364	
CO#02	TCP for CPC	$3,039	
CO#03	Additional Mow Strip	$99,480	
CO#04	Type C Embankment	$0	
CO#05	Green Initiatives	$164,060	
CO#06	Additional Ex/Embank	$32,686	
CO#07	Asphalt spec revisions	-$154,992	
CO#08	Added lane CPC	$86,426	
CO#09	Work Zone Signs, 48" RCP, Crystal Falls Mods	$26,120	
CO#10	Crystal Falls Utility Mods	$42,379	
CO#11	RM2243 Utility Mods	$44,296	
CO#12	C411 Rail,Drainage Revisions, 2243 Widening	-$58,602	
CO#13	2" Water Line Relocation	$7,175	
CO#14	NOT USED	N/A	
CO#15	Tropical Storm Hermine Time Delay	$0	
CO#16	SUP Realignment @ BH Creek, San Gabriel Fence - Tolling Service	$21,343	
CO#17	Utility Encasement	$263,483	
CO#18	Shared-Use Path Gap	$918,877	
		Subtotal Executed Change Orders	**$944,406**
Approved Other Items			
	Off-Site Materials Testing - WA Supplement	$890,947	
	Supplemental WA for Group Solutions	$239,398	
	Pavement Striping	$65,000	
	Additional amounts for costs of NTP2, NTP 3, and Alternative Bid	$382,954	
	RTG Supplement for Extended Construction Services	$100,000	
		Subtotal Other Items	**$1,678,299**
		Subtotal Approved Items	**$2,622,705**
		Available Contingency Remaining	**$1,924,840**

ENVIRONMENTAL		
Budgeted Environmental Funds		$500,000
Upcoming Environmental Costs		
N/A		N/A
	Total - Environmental Costs	**$0**
	Available Environmental Funds Remaining	**$500,000**

RIGHT OF WAY			
Budgeted Right of Way Funds			$2,000,000
Executed Right of Way Costs			
	Control of Access Adjustments -Sheet & Crossfield	$69,250	
	Bryson Farmstead	$1,000,000	
Upcoming Right of Way Costs			
N/A			N/A
		Total - Right of Way Costs	**$1,069,250**
		Available Right of Way Funds Remaining	**$930,750**

Central Texas Regional Mobility Authority

AGENDA ITEM #17 SUMMARY

Quarterly briefing on the MoPac Improvement Project.

Department: Engineering

Associated Costs: None

Funding Source: N/A

Board Action Required: No

Description of Matter:

The report is an account of the activities on the MoPac Improvement Project from October through December, 2011.

Attached documentation for reference:

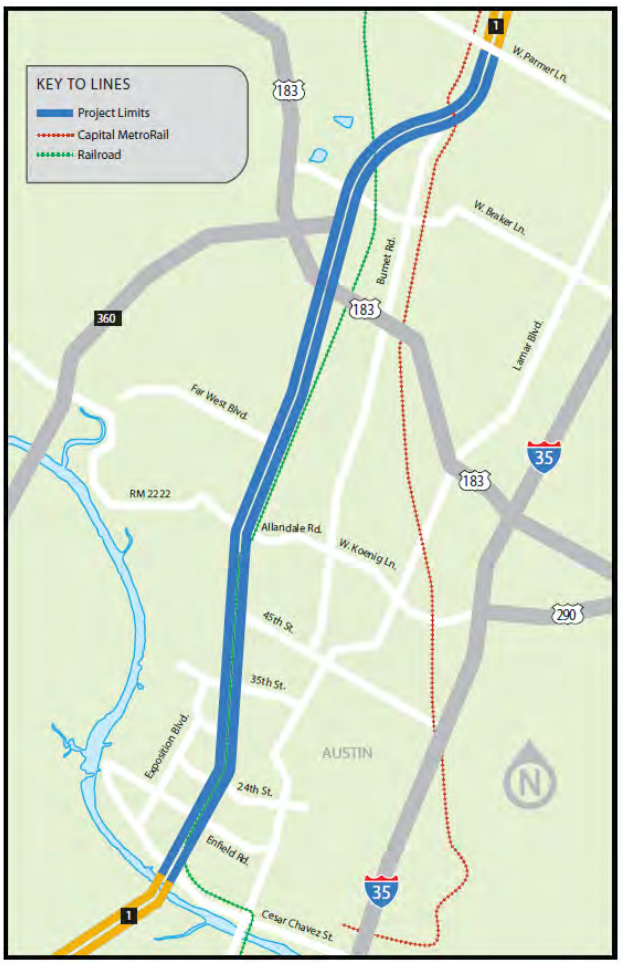
GEC Quarterly Activities Report and Board Presentation

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering

QUARTERLY PROGRESS REPORT | No. 5

PROJECT DESCRIPTION



The 11-mile stretch of MoPac between Parmer Lane and Cesar Chavez Street is one of Austin's most important arteries, serving as a key route to downtown and points beyond. As a primary alternative to Interstate 35, MoPac moves more than 180,000 cars and trucks each day. This stretch of MoPac is currently seeing high levels of congestion and unreliable operations. At the urging of local and state leaders, the Central Texas Regional Mobility Authority (Mobility Authority), the Texas Department of Transportation (TxDOT), the City of Austin, and Capital Metro (CapMetro) have teamed up to develop a reasonable solution to the mobility problem in this corridor that takes into account the needs of drivers, transit riders, and the concerns of surrounding neighbors.

Any proposed improvements would require approval from the Federal Highway Administration (FHWA). TxDOT and the Mobility Authority are currently working together to complete schematic design and environmental studies following the requirements set by the National Environmental Policy Act of 1969 (also known as “NEPA”). The schematic design and environmental phase is scheduled to be completed by the summer of 2012. If the approved Project has a toll component, the Mobility Authority will take responsibility for the financing, design, construction, operations, and maintenance of the facility.

This report describes the status of the MoPac Improvement Project and documents the activities accomplished in the fourth quarter of 2011.

ACTIVITIES

The following activities have been accomplished by TxDOT, the Mobility Authority, and their consultants during the reporting period.

ENVIRONMENTAL ASSESSMENT (EA) AND SCHEMATIC DESIGN

- **Environmental Process Schedule**: The environmental process is on schedule. An environmental finding from Federal Highway Administration (FHWA) is anticipated in the fall of 2012.
- **EA Document Status**: In late November, TxDOT received comments and recommendations on the draft EA from FHWA. In December, responses to FHWA comments and revisions to the EA were submitted to TxDOT Environmental Affairs Division (ENV). In early January 2012, ENV transmitted the responses and revised EA to FHWA for review and legal sufficiency evaluation. If the revised EA is deemed satisfactory for further processing, it will be released for public review and a Public Hearing held in the spring of 2012.
- **Schematic Design:** The schematic is being finalized and will be available for public comment at the upcoming community open houses and at the Public Hearing. The current schematic now includes the approved sound wall locations, proposed bike and pedestrian improvements, and updated signage. FHWA will review the schematic as part of the environmental document review process.
- **Design Exceptions**: FHWA completed its review of the submitted design exceptions, found them satisfactory, and has no further comments. The Project Team submitted a final version of the design exceptions to FHWA in early December. Final approval, however, will not be granted until completion of the NEPA document.
- **Sound Walls**: In November, the Austin City Council – acting in the City's capacity as adjacent property owner to the proposed project – voted to approve proposed sound walls along the MoPac corridor as part of the MoPac Improvement Project and permitted construction of sound wall #3 in City right-of-way along Great Northern Blvd. In addition, the council's resolution directed the City Manager to negotiate the appropriate agreement for use of the City's right-of-way, and to clarify disposition of existing MoPac agreements. In December, following the Austin City Council's approval of the November resolution on sound walls within city right-of-way, the locations of the currently proposed sound walls along the entire project were posted on the project's website at www.mopacexpress.com.
- **Historic Resources:** In October, TxDOT presented a project update to the City of Austin's Historic Landmark Commission. Topics included the project's history, sound wall workshops held during the summer, and historic eligibility recommendations and effects findings. In November, the Project Team received Texas Historical Commission (THC) comments on Section 106 Documentation, a federal process to preserve historic properties. The THC concurred with the Project Team's determination of eligible historic places and had only four comments related to the affected properties determination. At this time, the Project Team has met with the parties which submitted the comments, addressed each comment, and all issues are resolved.

PUBLIC INVOLVEMENT AND COMMUNITY OUTREACH

Messaging, Information, and Meetings

- **Stakeholder Meetings**: The Project Team continues to coordinate with stakeholders. Various stakeholder meetings held in the fourth quarter of 2011 include:
  - A project status briefing was given to the City of Austin's Urban Transportation Commission along with several individual meetings with various City of Austin staff
  - A project status briefing and summary of the proposed bicycle/pedestrian accommodations was given to the Austin Cycling Association
  - Meetings continued with utility representatives – including electric (both transmission and distribution), water, fiber optic, and cable – regarding project development and utility coordination issues
  - A project status briefing was held with the Capital Metro Transit Authority (CMTA)
- **Elected Official Briefings:** The Project Team has expanded stakeholder outreach to one-on-one briefings with local and regional elected officials. The purpose of these meetings is to provide an update on the project's status and schedule. These meetings will be initiated in January and held throughout 2012.
- **Informational Workshops**: Informational Workshops are anticipated to be held in mid-2012 with the purpose of providing general information to key stakeholders on express lanes and dynamic pricing.
- **Community Open Houses:** Open Houses, featuring project-specific information, are planned to be held in March 2012, prior to the Public Hearing in Spring 2012. The purpose of these open houses is to provide the opportunity to share and discuss project updates with interested citizens.
- **Project Updates**: The Mobility Authority sends Project Updates via e-mail on a monthly basis to several key stakeholders. These Project Updates provide a short summary of the progress achieved on the Project over the previous weeks. Project Updates were e-mailed on October 27, November 23, and December 28.
- **E-Newsletter**: The fourth project e-Newsletter was sent out to project stakeholders on October 14, 2011, and featured the progress of the environmental study, the announcement of the recommended Express Lanes alternative, the sound wall voting results, bicycle and pedestrian coordination efforts, and the selected aesthetic concept. The next e-Newsletter will be sent out in mid to late February 2012.
- **Project Focus Groups**: In December, the Texas Transportation Institute (TTI), working on behalf of the Mobility Authority, conducted three focus groups with Austin area drivers to obtain user feedback on proposed corridor signing (signage text and placement), as well as driver understanding of the express lane concept. A fourth focus group will be held in January 2012 in Bryan/College Station to sample responses from drivers unfamiliar with the Austin area. The results from this study, which will be available next quarter, will be utilized in the development of signage requirements for the project and tailoring of messaging at the Informational Workshops.

PROJECT DEVELOPMENT / PROCUREMENT

- **Operations Plan/Toll Design:** With Express Lanes as the recommended alternative, the Project Team has moved forward with refinements of an operations plan and the toll design for the project. This includes preparing guidelines for the design of express lane tolling structures and traffic readers.
- **Utilities:** TxDOT and the Mobility Authority are continuing discussions with major utilities along the corridor. The Team's goal is to reduce the number of utility relocations and start long lead-time efforts to reduce impact to the construction schedule. In the past quarter, TxDOT, Mobility Authority, City of Austin, Austin Energy, Austin Water Utility, and other utilities met multiple times to discuss the sound wall proposed along Great Northern Blvd. and further coordinate constructability and access issues.
- **Design/Build (D/B) or P3:** In response to a September 30, 2011 Request for Information (RFI), the Mobility Authority received 22 responses from the transportation infrastructure industry on potential delivery options for the financing and/or development of the MoPac Improvement Project. In December, the Mobility Authority conducted a series of one-on-one meetings with responders that requested a meeting. The responses and discussions will be considered in the Mobility Authority's determination of the most appropriate delivery method for this project. A recommendation on which approach to take is anticipated to come before the Mobility Authority Board of Directors in early 2012.

Context Sensitive Design (CSD)

- **Bike/Pedestrian Mobility**: The Project Team has continued to coordinate with stakeholders including the bicyclist/pedestrian mobility community, City of Austin, CAMPO, and FHWA on potential improvements to the bike and pedestrian facilities along and across the MoPac Corridor. In November, the Project Team participated in the first annual "Ask the Agency" forum, held by the Austin Cycling Association. The Project Team fielded questions and provided information about the project's proposed bicycle and pedestrian improvements which were developed in conjunction with the stakeholders.
- **Project Aesthetics**: As a result of the work from the citizen Aesthetics Committee and the Context Sensitive Design-focused Open House held in May, the Project Team has been utilizing the preferred aesthetic concept in order to finalize the aesthetic guidelines for the project. These guidelines will be included in the contract documents to make sure the final design and materials reflect the aesthetics desired by the project's stakeholders and the community. In early 2012, the guidelines will be provided to the City of Austin, a financial partner for the project aesthetics, for their concurrence.

FUNDING / AGREEMENTS

- **TIFIA Program**: In late December, the Mobility Authority submitted a Letter of Interest (LOI) for the 2012 Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program. The LOI included a request for a loan of approximately $72 million. It is anticipated that the US DOT will respond in approximately four months.
- **City of Austin Proposition 1**: This past quarter, the City of Austin and Mobility Authority personnel took steps forward to utilize the 2010 Proposition 1 $100,000 contribution

towards the MoPac Improvement Project. The contribution will help fund the aesthetic guidelines development and additional traffic operations modeling related to the project's downtown connections. The Project Team anticipates an Interlocal Agreement to be drafted soon and council action is anticipated in Spring 2012.

- **Union Pacific Railroad Preliminary Engineering Agreement:** In October, and following earlier coordination, the Mobility Authority provided the Union Pacific Railroad a draft Preliminary Engineering Agreement (PEA) in order to initiate preliminary reviews of proposed work within UPRR property (i.e. MoPac bridge widening over UPRR tracks). The PEA is currently being processed by UPRR.
- **TxDOT Project Development Agreement**: The Project Development Agreement will clarify the roles of TxDOT and the Mobility Authority during the upcoming final design, construction, operations, and maintenance of the Project. The Mobility Authority previously prepared and is currently revising a draft which will be sent to TxDOT for review in early 2012.

SCHEDULE

The overall Project remains on schedule. An environmental finding from FHWA is anticipated by the fall of 2012. If the Express Lanes alternative moves forward as the FHWA-approved preferred alternative and the project is further developed as design/build, the bond sale would occur in early 2013 followed by an anticipated start of design and construction. It is anticipated that, following this schedule, a facility could potentially be open to traffic in 2016. If the project moves forward as a P3, it is still anticipated that the facility could be open to traffic in 2016.

SCHEDULE RISK ASSESSMENT


Environmental Process / TxDOT & FHWA Coordination


Resolution on Design Exceptions by FHWA


Public and Political Opinion


Coordination with UPRR / City of Austin / CapMetro


Traffic and Revenue - Financing

UPCOMING MILESTONES

- Determination of project development and implementation approach (D/B vs. P3)
- FHWA ruling that the EA is deemed satisfactory for further processing
- Community Open House Meetings and Public Hearing

MILESTONES MATRIX

Milestone	Date	Status
Restart Environmental Study and Public Involvement	Summer 2010	Complete
Market Valuation / Exercise Primacy	Fall 2010	Complete
Develop and Refine Preliminary Alternatives	Fall 2010	Complete
Conduct Open House Meetings (Round 1 & 2)	Fall 2010	Complete
Reasonable Alternatives Refinement	Winter 2010/ 2011	Complete
Draft Environmental Assessment (EA) and Schematic Complete - Initiate Review Process	February 2011	Complete
TxDOT Austin District EA Review Begins	February 2011	Complete
Restart Aesthetics Committee	March 2011	Complete
Complete Level 2 Traffic and Revenue (T&R)	May 2011	Complete
Context Sensitive Design Advisory Committee Meetings	March-May 2011	Complete
TxDOT Environmental Division EA Review	Spring 2011	Complete
Conduct Open House Meeting (Round 3)	May 2011	Complete
Conduct Sound Wall Workshops	Summer 2011	Complete
FHWA Resolution on Design Exceptions	Summer 2011	Complete
FHWA Begins EA Review	Fall 2011	In Progress
EA is deemed "Satisfactory for Further Processing" by FHWA	Early 2012	
Conduct Community Open Houses and Public Hearings on the Draft EA	March 2012	In Preparation
Submittal of Final EA to TxDOT/FHWA	Spring 2012	
Environmental Finding from FHWA	Fall 2012	

Central Texas Regional Mobility Authority

AGENDA ITEM #18 SUMMARY

Executive Director's Update.
Presentation of Executive Director's Report.

Department: Administrative

Associated Costs: None

Funding Source: None

Board Action Required: No

Description of Matter:

The Executive Director's Report is attached for review and reference and includes the following:

A. Capital Area Metropolitan Planning Organization (CAMPO) update

B. Update on future CTRMA transportation projects and proposals

Attached documentation for reference:

Executive Director's Report

Contact for further information:

Mike Heiligenstein, Executive Director

CENTRAL TEXAS
Regional Mobility Authority

Report to the Board of Directors
January 25, 2012

Mike Heiligenstein - Executive Director

Priority Issues

183A Phase II opening

Rider 42 Funding for MoPac Express Lanes south

Administration

CAMPO Update

During their January 9th meeting, the CAMPO Board elected Hays County Commissioner Will Conley as Board Chair and Travis County Commissioner Sarah Eckhart Vice Chair. Their one-year terms began immediately following the vote.

Rider 42 Funding Recommendations

On February 23rd, the Texas Transportation Commission will take action on the first wave of Rider 42 funding recommendations in preparation for a March/April bond issue. Rider 42 required the Texas Transportation Institute to identify the best way to allocate more than $300 million to study improvements to the most congested urban roadways in Texas. The Austin region has $31 million in Rider 42 funds available to support engineering, feasibility studies and right-of-way acquisition. Senator Kirk Watson lead a working group of local transportation leaders and entities to develop our region's priority projects. The Mobility Authority is anticipating receiving over $16 million to complete the Express Lanes environmental study on MoPac south. This is in addition to the STP-MM funding we received from CAMPO in November to complete the 183 North Express Lanes environmental study.

I-35 Express Lanes in Hays County

On December 15th, I met with Hays County Commissioner Will Conley and San Marcos City Manager Jim Nuse to discuss the possibility of improving mobility between Hays County and Austin by implementing Express Lanes. Discussions were very preliminary, and I will update the Board as information is available.

Operations

Operational Testing

Our General System Consultant, MSX, has completed their independent testing of Caseta's toll collection system. To be deemed successful, various components needed to have 99.9% accuracy or better. The final report concluded that in the toll lanes:

- Out of over 26,000 transactions, our automated vehicle classification (axle counting system) was 99.94% accurate, meaning that out of every 10,000 vehicles that use our lanes, the equipment identifies the correct number of axles 9,994 times out of 10,000.
- Out of over 9,000 transactions, our automated vehicle identification system (TxTag readers) correctly read every tag, achieving 100% accuracy.

Project Development

Manor Expressway

183 Interchange Construction

Construction progress was slowed throughout December due to weather and holidays. Crews

focused on completing the frontage road paving required to switch traffic to the east bound side of the project. The traffic switch will occur in February. This will allow for the closure and demolition of the existing westbound mainlanes and additional construction required in that area. Bridge construction also continues to advance. 79% of the bridge beams have been placed, and 47% of the bridge decks have been poured.

Manor Expressway

Roadway Design and Construction

Central Texas Mobility Constructors (CTMC) continues to focus on completing project design. Staff has reviewed, approved and released for construction the plans from US 183 to approximately Giles Road and is currently reviewing plans from Giles Road to west of SH 130. In terms of construction, crews have focused their efforts on the western end of the project to complete the interim work necessary to open the interchange. This includes earthwork, bridge foundation and drainage structure installation. The contractor continues to work toward a fall 2012 opening of the section between US 183 and Giles Road.

MoPac Improvement Project

Project Development

The MoPac Improvement Project environmental study remains on schedule. FHWA is reviewing the updated environmental document including revised design exceptions. If found satisfactory, the study will be available for public review, and a public hearing could be held as early as this spring.

Prior to the public hearing, the Mobility Authority is hosting two open houses to make sure everyone who lives along the corridor or drives through it has an opportunity to ask questions and provide input before the public hearing. The Board is invited to attend either or both of the open houses, which are scheduled for:

Thursday, March 1, 2012 4:00 p.m. - 8:00 p.m.
O. Henry Elementary School, Cafeteria
2610 West 10th Street
Austin, Texas 78703

Tuesday, March 6, 2012 4:00 p.m. - 8:00 p.m.
Jewish Community Association of Austin
7300 Hart Lane
Austin, TX 78731-2407

The project team continues its outreach with the neighboring communities, bicycle and pedestrian community and elected officials. In December, the Texas Transportation Institute held focus groups with drivers to determine the effectiveness of the proposed signing. Study results are expected this spring. The team is also working on plans for the toll system and associated intelligent transportation system that will be needed to successfully operate the Express Lanes.

183A Extension

Construction

Webber continues to make progress on the 183A Extension focusing the majority of their efforts on mainlane roadway paving across the project. Crews have also been working on placing sign columns, installing electrical conduits, constructing gantries and finishing drainage facilities. The contractor has presented an updated schedule that shows the project not being completed early as originally anticipated. The project is expected to open in late April.