

**MARION COUNTY
DEFERRED COMPENSATION PLAN**

2011 Restatement

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ARTICLE 1

General

1.1 Purpose. It is the intention of Marion County (the "Employer") to continue to maintain the Marion County Deferred Compensation Plan (the "Plan") in accordance with the provisions of Code Section 457 and other provisions of law relating to Eligible Deferred Compensation Plans. Upon the transfer of any funds to the Plan in accordance with its provisions, all interest of the Employer therein shall cease, and it is impossible for any part of the assets or income of the Plan to be used for, or diverted to, purposes other than the exclusive benefit of Participants and their beneficiaries and the defrayal of reasonable expenses of administering the Plan, except as provided in Section 4.10.

1.2 Source of Funds. The Plan shall be funded and maintained by deferred compensation contributions and any rollover contributions made by Participants, and by such net earnings as are realized from the investment of the assets of the Plan.

1.3 Effective Date of Restatement. The Plan is a continuation of the plan that was originally adopted effective as of January 1, 1994 and was last restated effective January 1, 2008, and was last amended in the First Amendment signed December 29, 2010. This 2011 Restatement is effective as of January 1, 2011, except as otherwise provided in this 2011 Restatement or required by the Code or other law. Except as may be required by the Code, the rights of any person whose status as an Eligible Employee has terminated shall be determined pursuant to the Plan as in effect on the date such status terminated, unless a subsequently adopted provision of the Plan is made specifically applicable to such person.

ARTICLE 2

Definitions

When used in the Plan, certain terms are capitalized and have the respective meanings set forth in this Article or in certain other Articles of the Plan.

Account. "Account" means any of the various accounts established on behalf of a Participant under the Plan.

Beneficiary. A Participant's "Beneficiary" means a person designated by a Participant or who by the terms of the Plan is otherwise entitled to receive a benefit accrued under the Plan by the Participant, such as by reason of the Participant's death.

Board of Commissioners. "Board of Commissioners" means the Board of Commissioners of the Employer, as from time to time constituted.

Code. "Code" means the Internal Revenue Code of 1986, as amended.

Committee. "Committee" means the committee appointed by the Employer to control the operation and administration of the Plan, as more fully described in Section 8.2.

Domestic Partner. "Domestic Partner" means the individual whom the Oregon Family Fairness Act (ORS 106.300 to 106.340) requires be treated the same as the Participant's spouse.

Eligible Deferred Compensation Plan. "Eligible Deferred Compensation Plan" has the meaning given to it by Code Section 457 and the regulations thereunder.

Eligible Employee. "Eligible Employee" means any full-time employee, part-time permanent employee or elected official of the Employer. Notwithstanding the foregoing, the term "Eligible Employee" shall expressly exclude as with respect to any period a leased employee, or any other individual performing services for the Employer who for the period at issue had not been treated by the Employer as an Employee for employment tax purposes, without regard to whether the individual is subsequently determined to have been an employee of the Employer during such period for employment tax or other purposes.

Eligible Governmental Plan. "Eligible Governmental Plan" means an Eligible Deferred Compensation Plan of a state or local government as described in Code Section 457(e)(1)(A).

Employee. "Employee" means a common-law employee of the Employer.

Employer. "Employer" means Marion County, Oregon.

Includible Compensation. A Participant's "Includible Compensation" for any year means the Participant's actual wages as reported in box 1 of Form W-2 for such year for services to the Employer, but subject to a maximum of \$245,000 (or such higher maximum as may apply under Code Section 401(a)(17)) and increased (up to the dollar maximum) by any compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an

election to defer Compensation made under Article 3 of the Plan). The amount of such Includible Compensation shall be determined without regard to any community property laws or any "pick-up contributions" described in Code Section 414(h) made by the Employer to a retirement plan on the Employee's behalf.

Participant. "Participant" means (a) any Eligible Employee who elects to participate in this Plan pursuant to Section 3.1, and (b) any former Eligible Employee on whose behalf an Account continues to be maintained under the Plan.

PERS Pension Plan. The "PERS Pension Plan" means the basic defined benefit pension plan covering the Participant. Such plan may be the defined benefit plan component of either the Oregon Public Employees Retirement System (PERS) or the Oregon Public Service Retirement Plan (OPSRP).

Plan. "Plan" means the Marion County Deferred Compensation Plan, as in effect from time to time.

Plan Administrator. The "Plan Administrator" is the Committee, or such other person or body of members designated under Section 8.2 to serve as the administrator of the Plan.

Plan Year. "Plan Year" means the calendar year.

Public Safety Employee. "Public Safety Employee" means a full-time employee of any police department or fire department organized and operated by the Employer to provide police protection, fire fighting services or emergency medical services for any area within the Employer's jurisdiction.

Required Distribution Year. "Required Distribution Year" means with respect to any Participant the calendar year in which the Participant attains age 70½ or terminates employment with the Employer, whichever is later.

Rollover Contribution. "Rollover Contribution" means a contribution to the Plan described in Section 4.7.

Severance from Employment. "Severance from Employment" means the date a Participant dies, retires, or otherwise has a severance from employment with the Employer (as may be determined by and taking into account guidance issued by the Internal Revenue Service). See Section 7.11 about the deemed Severance from Employment of a Participant performing service in the uniformed services while on active duty for a period of more than 30 days.

Trustee. For assets of the Plan that are held under a trust agreement that satisfies the requirements of Code Section 457(g)(1) "Trustee" means the trustee under the trust agreement. For assets of the Plan that are held in or under an annuity contract or custodial account that Code Section 457(g)(3) treats as a trust for purposes of Code Section 457(g), "Trustee" means the insurance company that issued the contract or the custodian of the account. Any such trust agreement, annuity contract, or custodial account holding assets of the Plan or maintained in connection with the Plan shall form part of the Plan and is incorporated herein by reference.

Valuation Date. Each business day shall be a “Valuation Date” under the Plan.

ARTICLE 3

Participation

3.1 Participation.

(a) Any Eligible Employee may elect to become a Participant in the Plan, and to thereupon defer the current receipt of part of his or her compensation, by entering into a Participation Agreement as provided in procedures established or approved by the Employer, the Plan Administrator, or a delegate of either. To be effective, the Participation Agreement must be entered into before the first day of the calendar month in which such compensation would otherwise have been paid or made available to the Participant.

(b) A newly hired Eligible Employee may defer compensation payable in the calendar month during which the individual first becomes an employee only if the individual enters into a Participation Agreement before the first day on which the individual performs services for the Employer.

(c) Once a Participant enters into a Participation Agreement providing for deferral of compensation under the Plan, the Participation Agreement shall remain in effect until the Participant revokes or alters its terms as provided in Section 3.2 below.

(d) Any former Employee who was a Participant in the Plan and is rehired by Employer as an Eligible Employee may resume participation in the Plan by entering into a Participation Agreement as provided above so long as any distributions then being received from this Plan are suspended upon the resumption of deferrals under the Plan. Additionally, if distributions to the rehired Employee had not begun pursuant to a prior Severance from Employment, any deferred commencement date elected by such Employee with respect to distribution of those prior Plan assets shall be null and void.

(e) A Participant who is entitled to receive accumulated sick pay, accumulated vacation pay or back pay may make a separate election to defer all or a portion of such compensation under the Plan. To be effective, the deferral election must be properly executed and filed with the Employer prior to the beginning of the calendar month in which the deferred compensation would otherwise have been paid and the Participant must be an employee of the Employer for that month.

(f) A Participation Agreement shall not apply to any pay period for which the amount of the compensation remaining to be paid to the Participant (but for the deferral election), after making any other deductions or withholdings of income, would be less than the portion of the deferral prescribed in the Participation Agreement.

(g) See Section 7.11 (about distribution to an individual performing service in the uniformed services while on active duty for a period of more than 30 days) for a 6-month suspension of the deferral of compensation under the Plan.

3.2 Amendment of Participation Agreement. A Participant may revoke an election to participate in the Plan, and may change the amount of compensation to be deferred, by entering

into a revocation or amendment of the Participation Agreement as provided in procedures established or approved by the Employer, the Plan Administrator, or a delegate of either. Any such revocation or amendment shall be effective prospectively only, beginning with the first pay date of the subsequent calendar month, or as of such later date as of which such change can be administratively effectuated.

3.3 Post-Severance Compensation.

(a) In order for a Participant's compensation to be taken into account under the Plan, the compensation must be paid or treated as paid to the Participant prior to the Participant's severance from employment with the Employer. Notwithstanding the foregoing, the post-severance payments described below shall qualify as compensation for purposes of the Plan (including for purposes of allowing deferrals to be made with respect to such compensation), but only if the payments are made by the later of two and one-half months following the date of a Participant's severance from employment or the end of the calendar year that includes the severance from employment:

(i) Payments that, absent a severance from employment, would have been paid to the Participant while the Participant continued in employment with the Employer, and are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar compensation;

(ii) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued; and

(iii) Payments received by the Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Participant at the same time if the Participant had continued in employment with the Employer, and only to the extent that the payment is includible in the Participant's gross income.

(b) Any payment that is not described above shall not be considered compensation if it is paid after the date of the Participant's severance from employment, even if it is paid within the time period described in the preceding paragraph. Thus, for example, compensation does not include severance pay. It also does not include post-severance payments under an unfunded nonqualified deferred compensation plan unless the payments would have been paid at that time without regard to the Participant's severance from employment.

(c) The foregoing rules that generally disregard compensation paid after a Participant's severance from employment do not apply to payments to an individual who has separated from the service of the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering military service.

3.4 Leave of Absence. Unless an election is otherwise revised, and subject to the above provisions of this Article 3, if a Participant is absent from work by leave of absence,

deferrals under the Plan shall continue to the extent that compensation continues to be paid to the Participant.

ARTICLE 4

Compensation Deferrals

4.1 Compensation Deferrals. Each Eligible Employee who elects to participate in the Plan shall elect a deferral of compensation pursuant and subject to the provisions of the Plan. The minimum dollar amount of such elective compensation deferrals shall be \$25 per month, or such other minimum amount as may be designated by the Employer from time to time.

4.2 Regular Limitation.

(a) Subject to Sections 4.3 and 4.4 below, the maximum amount of any Participant's compensation that may be deferred under this Plan for any calendar year is equal to the lesser of:

(i) The applicable dollar limit set forth in subsection (b) below; or

(ii) One hundred percent (100%) of the Participant's Includible Compensation for such calendar year.

(b) For purposes of subsection (a)(i) above, the applicable dollar limit for the 2011 calendar year is \$16,500 and for the 2012 calendar year is \$17,000. For years subsequent to 2012, the \$17,000 applicable dollar limit shall be subject to adjustment in accordance with Code Section 457(e)(15)(B) to reflect cost-of-living increases.

4.3 Age 50 Catch-Up.

(a) Except as otherwise provided in this Section 4.3, the compensation deferral limitation otherwise in effect pursuant to Section 4.2 above for any calendar year shall be increased with respect to a Participant who has attained, or is expected to attain, age 50 by the last day of that calendar year. The amount of such limitation increase for the 2011 calendar year is \$5,500 and for the 2012 calendar year is \$5,500. For years subsequent to 2012, the \$5,500 limitation increase above shall be subject to the adjustment in accordance with Code Section 414(v)(2)(C) to reflect cost-of-living increases.

(b) The amount of the age 50 catch-up limitation increase prescribed in subsection (a) above for any calendar year cannot exceed the amount of the Participant's compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan or any other retirement plan maintained by the Employer, for that calendar year.

(c) The age 50 catch-up limitation increase is not applicable to a Participant for any calendar year for which the Special Section 457 Catch-Up Limit described in Section 4.4 below is available and applied.

4.4 Special Section 457 Catch-Up Limit. Notwithstanding the provisions of Section 4.2 above, the compensation deferral limitation with respect to a Participant for each of the three calendar years preceding the Participant's Designated Normal Retirement Age established pursuant to subsection (b) below (hereinafter, an "Approaching Retirement Year")

shall be determined in accordance with the following rules. Such limitation is herein referred to as the "Special Section 457 Catch-Up Limit."

(a) Increased Deferral Limit. The maximum amount of compensation that may be deferred on behalf of a Participant with respect to any Approaching Retirement Year shall be equal to the lesser of:

(i) Twice the applicable dollar limit in effect for such calendar year as prescribed under Section 4.2(b) above (taking into account any cost-of-living adjustments); or

(ii) The sum of:

(A) The Regular Limitation referred to in Section 4.2 for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Eligible Employee under the Plan or a predecessor plan, minus the aggregate amount of compensation that the Participant deferred under the Plan or a predecessor plan during such years; and

(B) An amount equal to the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Eligible Employee under the Plan or a predecessor plan (determined without regard to Section 4.3 and this Section 4.4), minus the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 4.5(c) below) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's compensation for such years, unless the Employer is making non-elective Employer contributions on behalf of the Participant pursuant to Section 4.8.

(b) Designated Normal Retirement Age. A Participant may select a "Designated Normal Retirement Age" to be utilized for purposes of establishing the Participant's Approaching Retirement Years. The Designated Normal Retirement Age to be selected by a Participant:

(i) May not be earlier than the earliest age as of which the Participant can retire under the PERS Pension Plan with a right to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, determined without regard to the absence of an actuarial or similar reduction in Oregon Public Employees Retirement System benefits under the "Money Match" method (or, if earlier or the Participant is not a participant in the PERS Pension Plan, not sooner than age 65); and

(ii) May not extend beyond the date as of which the Participant shall attain age 70½.

Notwithstanding the foregoing, a Participant who is a Public Safety Employee may select a Designated Normal Retirement Age that is between age 40 and age 70½.

(c) Utilization of Limit. The Special Section 457 Catch-Up Limit prescribed under this Section 4.4 shall apply only with respect to the Participant's Approaching Retirement Years, regardless of whether the limitation is actually utilized for each of such years, or whether or not the Participant reenters the Plan after retiring. Moreover, a Participant shall not be permitted to elect to have the Special Section 457 Catch-Up Limit apply more than once under this Plan, or under any other Eligible Deferred Compensation Plan maintained by the Employer.

(d) Coordination With Age 50 Catch-Up. A Participant cannot use both the age 50 catch-up limitation increase prescribed in Section 4.3 and the Special Section 457 Catch-Up Limit for the same calendar year. Thus, if a Participant is eligible for the age 50 catch-up limitation increase and the Special Section 457 Catch-Up Limit for the same calendar year, then the Special Section 457 Catch-Up Limit shall be applied only if it provides for a greater deferral limit than the deferral limit determined taking into account the age 50 catch-up limitation increase.

(e) Employment Rights. The employment rights of a Participant who has selected a Designated Normal Retirement Age shall not be affected by such selection. Moreover, a Participant who remains in the employ of the Employer beyond the Designated Normal Retirement Age may continue to have compensation deferred, subject to the limitations prescribed in this Article 4.

4.5 Supplemental Operating Rules. The Special Section 457 Catch-Up Limit is subject to the supplemental operating rules prescribed below.

(a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article 4. For this purpose, the Plan Administrator shall take into account any other such eligible plan maintained by the Employer, and shall also take into account any other such eligible plan for which the Plan Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(b) Pre-Participation Years. In applying Section 4.4, a year shall be taken into account only if the Participant was eligible to participate in the Plan during all or a portion of the year and compensation deferred, if any, under the Plan during the year was subject to the Regular Limitation described in Section 4.2 or any other plan ceiling required by Code Section 457(b).

(c) Pre-2002 Coordination Plans. For purposes of Section 4.4(a)(ii)(B) above, "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 4.4(a)(ii)(B) to the extent that

the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

(d) Disregard Excess Deferral. For purposes of this Article 4, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 4.6. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess Deferral for those prior years.

4.6 Distribution of Excess Deferrals. If for any reason the amount of the compensation deferred under this Plan by a Participant for any calendar year exceeds any deferral limit imposed under this Article 4, then the amount of the deferral in excess of the applicable limit, plus any net income allocable to such excess, shall be distributed to the Participant as soon as administratively practicable after the Plan Administrator establishes the fact and amount of such excess deferral. If a Participant in this Plan also participates in one or more other Eligible Deferred Compensation Plans maintained by another employer or a plan of a tax-exempt entity, and if the sum of the deferrals under this Plan and the compensation deferred under such other plans exceeds any deferral limitation applicable to such Participant on an individual basis, then upon the request of such Participant, the Plan shall distribute to the Participant all or a portion of the amount of the excess deferral, plus any net income allocable thereto.

4.7 Rollover Contributions.

(a) Subject to the following terms and conditions, the Plan Administrator shall permit a Participant to make a Rollover Contribution to the Plan.

(b) The Plan shall accept a Rollover Contribution (other than a rollover of an amount not includable in gross income without regard to the rollover) from any of the following eligible retirement arrangements:

(i) Another Eligible Governmental Plan;

(ii) A retirement plan qualified under Code Section 401(a) (including a Code Section 401(k) plan);

(iii) An annuity plan or annuity contract described in Code Section 403(a) or (b); or

(iv) An Individual Retirement Account (IRA) or Individual Retirement Annuity described in Code Section 408(a) or (b), but only to the extent that the amount would otherwise be includable in gross income (without regard to the rollover).

(c) The Plan shall not accept a Rollover Contribution from any of the following eligible retirement arrangements:

(i) A Roth IRA described in Code Section 408A(b);

(ii) A designated Roth contribution account maintained under a Code Section 401(k) or 403(b) plan or an Eligible Governmental Plan; or

(iii) From any eligible retirement arrangement, an amount not includable in gross income without regard to the rollover.

(d) A Participant whose spouse has died may elect a Rollover Contribution of the distribution of the spouse's benefits under a plan, subject to the conditions prescribed in this Section 4.8.

(e) A Rollover Contribution must be made either from the Participant concerned within 60 days of the Participant's receipt thereof, or directly from the eligible retirement arrangement to which it pertains.

(f) Any Rollover Contribution made by a Participant to the Plan during a Plan Year shall be allocated as of the date received to a separate Rollover Account established and maintained on the Participant's behalf. A Participant shall at all times be fully vested and have a nonforfeitable interest in the balance of his or her Rollover Account.

(g) Two forms of a Rollover Contribution Account shall be maintained under the Plan, as described below.

(i) A "Participant 457 Rollover Account" established to hold qualified rollovers from an Eligible Governmental Plan, and the Plan may separately account for any amount of such Account that is attributable to such a rollover (and attributable earnings) that had previously been rolled over from an eligible retirement arrangement other than an Eligible Governmental Plan; and

(ii) A "Participant Non-457 Rollover Account" established to hold qualified rollovers from an eligible retirement arrangement other than an Eligible Governmental Plan, and the Plan may separately account for any amount of such Account that is attributable to such a rollover (and attributable earnings) that had previously been rolled over from an eligible retirement arrangement other than an Eligible Governmental Plan.

(h) If the Plan accepts an amount as a Rollover Contribution based on the Plan Administrator's reasonable conclusion that the contribution is a valid Rollover Contribution, but the Plan Administrator later determines that the Rollover Contribution did not satisfy the statutory or regulatory rollover rules, then the Plan Administrator shall cause a distribution to be made to the affected Participant in an amount equal to such invalid Rollover Contribution, plus any earnings attributable thereto.

(i) Rollover Contributions shall not be taken into account for purposes of applying the compensation deferral limits prescribed under this Article 4, but shall otherwise be treated under the Plan in the same manner as compensation deferrals.

4.8 Employer Contributions. Nothing in the Plan shall preclude the Employer from making a contribution on behalf of Participants or groups of Participants from time to time. Any such Employer contributions shall be made on behalf of Participants on a nondiscriminatory

basis, and shall be subject to the limitations prescribed in the foregoing sections of this Article 4 by treating the amount of the contribution credited to a Participant's Account as compensation deferred by the Participant as of the date the Employer transmits the amount of the contribution to a provider of investment funds under the Plan for credit to the Account.

4.9 Aggregation of Plans. For purposes of applying the deferral limitations prescribed under this Article 4 with respect to any Participant, all Eligible Deferred Compensation Plans in which the individual participates by virtue of the Participant's relationship with the Employer shall be treated as a single plan.

4.10 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.

ARTICLE 5

Accounts and Investments

5.1 Participants' Accounts. A separate Account shall be maintained for each Participant. Each Account shall be credited with the amount of the contributions made by or on behalf of the Participant under the Plan, and the interest and earnings thereon, and shall be charged with all distributions, withdrawals and losses allocable to the Account. A written statement reporting the status of each Participant's Account shall be provided to the Participant at least annually.

5.2 Investment Funds and Elections.

(a) Each Participant shall have the right to have the value of his or her Account invested in one or more Investment Funds to be made available from time to time under the Plan.

(b) Upon becoming eligible to participate in the Plan, a Participant shall make an election directing that the contributions to be made by or on behalf of the Participant under the Plan be credited to one or more of the Investment Funds. Each Participant may also thereafter elect to change the investment of all future deferred compensation contributions to the Plan, and may elect to transfer amounts from one Investment Fund to another. In order to be effective, any such election must be submitted to the Employer or its delegate within a reasonable time before the applicable election effective date.

(c) The Plan Administrator in its discretion may adopt administrative rules and procedures, and may impose other guidelines and limitations pertaining to investment elections as such Plan Administrator shall deem to be appropriate for the efficient administration of the Plan. Any costs charged by an Investment Fund with respect to a transfer of assets may be charged to the Account of the Participant electing such transfer.

(d) Neither the Employer nor the Plan Administrator (nor any other person) shall be liable for any losses incurred by reason of following such directions as a result of the investment election made by a Participant (or Beneficiary of a deceased Participant), or as a result of any reasonable administrative delay in implementing such directions.

5.3 Investment Fund Providers. Notwithstanding any provision of the Plan to the contrary except Section 4.10, all compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held under the Plan for the exclusive benefit of Participants and Beneficiaries in or under one or more for the following:

(a) A trust agreement that satisfies the requirements of Code Section 457(g)(1); or

(b) An annuity contract issued by an insurance company qualified to do business in the State of Oregon, or a custodial account with a bank or other qualified financial institution, but only if the contract or account is described in Code Section 401(f) and is treated by Code Section 457(g)(3) as a trust for purposes of Code Section 457(g).

(c) The Oregon Savings Growth Plan shall also be an authorized investment fund provider. All assets of the Plan that are invested through the Oregon Savings Growth Plan shall be held by the Employer as Trustee, subject to the terms of the trust created by this subsection (c) and to the terms of the Plan. The Employer declares that all such assets are held by the Employer as Trustee, subject to the terms of the trust. It is impossible for any part of the assets or income of the Plan held by the Employer as Trustee to be used for, or diverted to, purposes other than the exclusive benefit of Participants and their beneficiaries and the defrayal of reasonable expenses of administering the Plan and the trust, except as provided in Section 4.10. The Employer as Trustee shall serve without compensation for service. The Trustee shall have all powers necessary to administer the trust and invest trust assets.

(d) To the extent allowed by Oregon law and despite any contrary provision in the Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under pension, profit-sharing, and stock bonus trusts or custodial accounts qualifying under Code Section 401(a) that are exempt under Code Section 501(a); individual retirement accounts that are exempt under Code Section 408(e); eligible governmental plan trusts or custodial accounts under Code Section 457(b) that are exempt under Code Section 457(g); effective January 10, 2011, custodial accounts under Code Section 403(b)(7); effective January 10, 2011, retirement income accounts under Code Section 403(b)(9); and effective January 10, 2011, Code Section 401(a)(24) governmental plans. For this purpose, a trust includes a custodial account that is treated as a trust under Code Section 401(f) or under Code Section 457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for the Plan, determined in accordance with generally recognized valuation procedures. With respect to any such group trust, the group trust is adopted as part of the Plan and the trust.

(e) All amounts of compensation deferred under the Plan shall be transferred to the appropriate trustee, insurance company, or custodian, for addition to the trust, contract, or account, within a period that is not longer than is reasonable for the proper administration of Participants' Accounts. This requirement is deemed satisfied if amounts of compensation deferred under the Plan are so transferred within 15 business days following the month in which these amounts would otherwise have been paid to the Participant. Any Employer contribution under Section 4.8 shall be transferred to the appropriate trustee, insurance company, or custodian, for addition to the trust, contract, or account, at such time as the Employer determines.

ARTICLE 6

Distributions

6.1 Eligibility for Distributions. Pursuant to Code Section 457, and as more fully discussed in this Article 6, a distribution from a Participant's Account may be made only on account of one of the following events incurred by or with respect to the Participant:

(a) The Participant's death, retirement or other Severance from Employment with the Employer, including the Participant's deemed Severance from Employment under Section 7.11 (about an individual performing service in the uniformed services while on active duty for a period of more than 30 days);

(b) An approved Unforeseeable Emergency described in Section 6.2;

(c) The approval of a qualified voluntary small account withdrawal described in Section 6.3;

(d) The attainment of age 70½;

(e) A request for a withdrawal from the Participant's Rollover Contribution Account pursuant to Section 6.4(b);

(f) An approved plan-to-plan transfer as described in Section 6.5; or

(g) The assignment of the Participant's benefits pursuant to a Qualified Domestic Relations Order, as described in Section 9.4.

Distributions shall be requested and made in accordance with procedures established from time to time by the Plan Administrator.

6.2 Unforeseeable Emergency Withdrawal. A Participant, or a Beneficiary of a Participant on whose behalf an Account is maintained under the Plan, who incurs an Unforeseeable Emergency (as defined below) may submit to the Plan Administrator a request for a withdrawal equal to that portion (or all) of the individual's Account as then needed to alleviate the financial hardship resulting therefrom. Such withdrawals shall be subject to the following provisions of this Section 6.2.

(a) For purposes of this Section 6.2, an "Unforeseeable Emergency," as with respect to a Participant or Beneficiary, means a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant or Beneficiary's spouse, the Participant or Beneficiary's dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)), or, in the case of a Participant, the Participant's primary Beneficiary; loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary.

(b) The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case. Examples of circumstances that may qualify as an Unforeseeable Emergency (provided that the other conditions of this Section 6.2 are satisfied) are:

- (i) The imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;
- (ii) The need to pay for medical expenses, including non-refundable deductibles or the cost of prescription drugs; and
- (iii) The need to pay for the funeral expenses of the (A) spouse or dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)) of the Participant or Beneficiary or (B) the Participant's primary Beneficiary.

Except in extraordinary circumstances, the purchase of a home and the payment of college tuition are not Unforeseeable Emergencies.

(c) For purposes of this Section 6.2, a Participant's primary Beneficiary is an individual who is named as a Beneficiary under the terms of the Plan and has an unconditional right to all or a portion of the Participant's Account upon the Participant's death.

(d) A withdrawal shall not be permitted under this Section 6.2 to the extent that the hardship resulting from the Unforeseeable Emergency is or may be relieved:

- (i) Through the reimbursement or compensation by insurance or otherwise;
- (ii) By the liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
- (iii) By the cessation of deferrals under the Plan.

(e) The amount of any Unforeseeable Emergency distribution shall be limited to that which the Plan Administrator determines is reasonably necessary to alleviate the hardship resulting from the occurrence of the Unforeseeable Emergency (which may include any amount necessary to pay any federal or state income taxes or penalties reasonably anticipated to result from the distribution).

(f) The decision of the Plan Administrator concerning the determination of an Unforeseeable Emergency or the amount reasonably needed to satisfy the concomitant financial hardship shall be final and binding upon the Participant or Beneficiary and other persons.

6.3 Voluntary Small Account Withdrawal. A Participant who has not terminated employment with the Employer may nevertheless elect to receive a distribution of all or a portion of the Participant's Account balance under the Plan, provided that the following conditions are satisfied:

(a) No amount has been deferred under the Plan by or for the Participant during the two-year period ending on the date of the distribution;

(b) The value of the Participant's Account under the Plan (other than amounts attributable to any Rollover Contribution) does not exceed \$5,000 (or, if greater, the applicable dollar limit then in effect under Code Section 411(a)(11)); and

(c) The Participant has not previously received a voluntary small account withdrawal from the Plan.

6.4 Age 70½ and Rollover Contribution Withdrawals.

(a) A Participant who has not terminated employment with the Employer as of the first day of the calendar year in which the Participant shall attain age 70½ may then or anytime thereafter withdraw part or all of the balance of his or her Account.

(b) A Participant on whose behalf a Rollover Contribution Account is maintained may withdraw part or all of the balance of such Account at any time.

6.5 Plan-to-Plan Transfers.

(a) A Participant or Beneficiary may elect to have part or all of his or her distributable benefits under the Plan transferred directly to a defined benefit governmental plan (as defined in Code Section 414(d)), but only if the transfer is either applied toward:

(i) The purchase of permissive past service credit (as defined under Code Section 415(n)(3)(A)) from the receiving defined benefit governmental plan; or

(ii) The repayment of a prior cash-out from the defined benefit governmental plan, as described in Code Section 415(k)(3).

The benefit transfer described in this subsection (a) may be made prior to the Participant's termination of employment with the Employer.

(b) The Plan may directly transfer the benefits of a Participant or Beneficiary to another Eligible Governmental Plan, and may accept a direct transfer of benefits from another Eligible Governmental Plan on behalf of a Participant or Beneficiary, provided that the transfer of benefits satisfies the applicable conditions of Treasury Regulation Section 1.457-10(b).

6.6 Commencement of Distributions.

(a) Except as otherwise provided in this Section 6.6, a Participant who is eligible for a distribution from the Plan may request to receive all or part of the distributable balance of his or her Accounts at any time. The processing of such distribution request shall be subject to administrative rules and procedures established by the Trustee or other financial institution maintaining such Account, and shall be expressly conditioned upon the submission of a properly completed distribution election form and other documents prescribed by the administrative practices of such financial institution, the Plan or applicable law.

(b) Any method or form of distribution selected by the Participant must be designed to pay the Participant the value of his or her benefits under the Plan over a period not to exceed

the Participant's life or life expectancy or the joint lives or life expectancy of the Participant and the Participant's designated beneficiary. The life expectancy of a Participant and the joint life expectancy of a Participant and the Participant's designated beneficiary shall be determined in accordance with applicable law and regulations; provided that the life expectancy of a Participant or the Participant's spouse (if the designated beneficiary) may from time to time be redetermined, but not more frequently than annually.

6.7 Required Minimum Distributions. Distributions to a Participant shall commence on or before the April 1 following the Participant's Required Distribution Year. Upon receipt of satisfactory proof of a Participant's death, the Participant's remaining Account balance shall be paid to the Participant's Beneficiary. Despite any contrary provision of the Plan.

(a) The entire interest of each Participant in the Plan:

(i) Will be distributed to the Participant no later than the Required Starting Date; or

(ii) Will be distributed, starting not later than the Required Starting Date, in accordance with Treasury regulations, over the life of the Participant or over the lives of the Participant and a Designated Beneficiary (or over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and a Designated Beneficiary).

(b) If the distribution of the Participant's interest has begun in accordance with subsection (a)(ii) above and the Participant dies before the Participant's entire interest has been distributed to the Participant, the remaining portion of the Participant's interest will be distributed at least as rapidly as under the method of distributions being made under subsection (a)(ii) above as of the date of the Participant's death.

(c) If a Participant dies before the distribution of the Participant's interest has begun in accordance with subsection (a)(ii) above, the entire interest of the Participant will be distributed within five years after the death of the Participant. However, the five-year rule does not apply to any portion of the Participant's interest payable to (or for the benefit of) a Designated Beneficiary; and not later than one year after the date of the Participant's death or such later date as may be prescribed by Treasury regulations distributions (in accordance with Treasury regulations) of such portion will start over the life of the Designated Beneficiary (or over a period not extending beyond the life expectancy of the Designated Beneficiary).

(d) With respect to a Designated Beneficiary who is the Participant's Surviving Spouse:

(i) The date on which the distributions are required to start for purposes of the exception to the five-year rule in subsection (c) above will not be earlier than the date on which the Participant would have attained age 70½; and

(ii) If the surviving Spouse dies before the distributions to the Spouse start, subsections (b) and (c) above and will be applied as if the Spouse were the Participant.

- (e) Effective for calendar years beginning after December 31, 2008:
- (i) The requirements of this Section 6.7 do not apply for calendar year 2009.
 - (ii) An individual's Required Starting Date will be determined without regard to this subsection (e) for purposes of applying this Section 6.7 for calendar years after 2009.
 - (iii) The 5-year period described in subsection (c) above will be determined without regard to calendar year 2009.
- (f) For purposes of this Section 6.7:
- (i) "Required Starting Date" means April 1 of the calendar year following the later of (1) the calendar year in which the Participant attains age 70½ or (2) the calendar year in which the Participant retires.
 - (ii) "Designated Beneficiary" means any individual designated as a beneficiary by the Participant.
 - (iii) "Spouse" and "surviving Spouse" include an alternate payee who is the Participant's former Spouse.
 - (iv) Any distribution required under the incidental death benefit requirements of Code Section 401(a) will be treated as a distribution required under this Section 6.7.
- (g) Despite any contrary provision of the Plan except subsection (e) above, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with Treasury Regulation Sections 1.401(a)(9)-1 through 1.401(a)(9)-9.
- (h) This Section 6.7 overrides any distribution options in the Plan inconsistent with Code Section 401(a)(9).

6.8 Optional Forms of Distributions.

- (a) Benefits under the Plan which become distributable to any Participant or to the Beneficiary of a deceased Participant shall be distributed, as the Participant or Beneficiary, as the case may be, may elect, in any of the forms then made available by the Trustee or other financial institution with which the Participant's Accounts are maintained including, in the case of an eligible rollover distribution, by a direct transfer to an eligible retirement plan.
- (b) For purposes of this Section 6.8, an "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the Participant, except that an eligible rollover distribution does not include:

(i) 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 Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten years or more.

(ii) Any distribution to the extent such distribution is required under Code Section 401(a)(9). As provided in Code Section 402(c)(4), if all or any portion of a distribution during calendar year 2009 is treated as an eligible rollover distribution but would not be so treated if the minimum distribution requirements under Code Section 401(a)(9) had applied during calendar year 2009, such distribution shall not be treated as an eligible rollover distribution. The determination of any distribution required under Code Section 401(a)(9) for a designated Beneficiary described in subsection (d) below will be made in accordance with Q&A-17 and -18 of Internal Revenue Service Notice 2007-7, 2007-5 I.R.B. 395, or later guidance by the Internal Revenue Service or in Treasury regulations.

(iii) An Unforeseeable Emergency withdrawal made pursuant to Section 6.2.

(c) Also for purposes of this Section 6.8, an "eligible retirement plan" means:

(i) A trust described in Code Section 401(a), which is exempt from tax under Code Section 501(a), and which forms part of a qualified retirement plan, the terms of which permit the acceptance of rollover contributions;

(ii) An Individual Retirement Account or an Individual Retirement Annuity (other than an endowment contract) described, respectively, in Code Sections 408(a) and (b) (an "IRA");

(iii) An annuity plan or an annuity contract described, respectively, in Code Sections 403(a) and (b); or

(iv) An Eligible Governmental Plan.

(d) A designated Beneficiary may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) (IRA), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the Participant or the Participant's spouse. The direct rollover must be made to an IRA established on behalf of the designated Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the Beneficiary. For this purpose, a designated Beneficiary is an Employee's or former Employee's Beneficiary meeting either of the following requirements:

(i) The Beneficiary:

(A) Is an individual and a designated beneficiary (as defined in Code Section 401(a)(9)(E)) of the Employee or former Employee;

(B) Is not the Employee's or former Employee's surviving spouse; and

(C) Is not an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p)(11), who is the Employee's or former Employee's spouse or former spouse; or

(ii) The Beneficiary is a trust maintained for the benefit of one or more designated beneficiaries (as defined in Code Section 401(a)(9)(E)) of the Employee or former Employee.

(e) A Participant, or a Beneficiary of a deceased Participant, who is to receive an eligible rollover distribution may elect to have such distribution rolled over directly to a Roth IRA, as defined in Code Section 408A(b), subject to the general terms and conditions prescribed in this Section 6.8. The Plan Administrator has no responsibility in regard to assuring that the Participant or Beneficiary satisfies the gross income limitation and other conditions for eligibility to establish a Roth IRA, or to make a rollover to a Roth IRA.

(f) Any benefits under the Plan which are payable in the form of an annuity may be paid by distributing to the Participant or Beneficiary, as the case may be, an annuity contract purchased by the Employer at the direction of the Plan Administrator for an amount (including taxes and related purchase costs) equal to the adjusted balance of the Participant's Accounts as of the valuation date immediately preceding the date such contract is purchased on the distributee's behalf. Benefits distributed under such annuity contract shall be subject to the same conditions that would apply if such benefits were paid in the applicable annuity form directly from the Employer. Delivery of any such contract shall be in full satisfaction of the rights of the distributee under this Plan, and upon the delivery of any such contract, the distributee shall not have any interest in the Plan, but shall look solely to the insurer issuing such contract for the payment of benefits.

(g) A Participant may at any time modify a benefit distribution election on a prospective basis (including to effect a suspension of the receipt of benefit payments elected prior to January 1, 2002), subject to the otherwise applicable provisions of the Plan.

6.9 Designation of Beneficiaries.

(a) Benefits under the Plan that are distributable by reason of a Participant's death shall be distributed to the person effectively designated by the Participant as his or her Beneficiary. To be effective, a Beneficiary designation must be filed with the Plan Administrator or its delegate in such written form as the Plan Administrator requires, and may include contingent or successive Beneficiaries. A Participant may change his or her Beneficiary designation at any time by filing with the Plan Administrator or its delegate a new Beneficiary designation.

(b) A designation of beneficiary form filed by a Participant or Beneficiary with a Trustee or other financial institution with which all or a portion of such individual's Account is maintained shall be deemed to be filed with the Plan Administrator. Such designation shall be effective only with respect to the amounts so held by such Trustee or financial institution, and

then only if such designation has not been superseded by a designation subsequently filed with the Plan Administrator.

(c) If a Participant dies and has not filed an effective Beneficiary designation or has revoked all such designations, or has filed an effective designation but the designated Beneficiary or Beneficiaries predeceased the Participant, the distributable portion of the Participant's Accounts shall be paid to the Participant's surviving spouse or surviving Domestic Partner or, if the Participant does not have a surviving spouse or surviving Domestic Partner, to the executor or administrator of the Participant's estate.

(d) If a Beneficiary survives the Participant but dies prior to distribution of the entire balance of the Participant's Accounts, the remaining balance shall be paid to the Beneficiary's estate unless (i) the Participant's beneficiary designation provides otherwise, or (ii) the Beneficiary has properly designated a Beneficiary. A Beneficiary may only designate a Beneficiary for the balance of the Participant's Accounts remaining at the Beneficiary's death if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the terms of the Plan.

(e) A Beneficiary may either be a natural person or a trust, the beneficiary of which is a natural person.

6.10 Facility of Payment. When in the Plan Administrator's opinion a Participant or Beneficiary is under a legal disability or is incapacitated in any way so as to be unable to manage his or her affairs, the Plan Administrator may direct that payments be made:

- (a) Directly to the Participant or Beneficiary;
- (b) To a duly appointed guardian or conservator of the Participant or Beneficiary;
- (c) To a custodian for the Participant or Beneficiary under the Uniform Gifts to Minors Act;
- (d) To an adult relative of the Participant or Beneficiary; or
- (e) Directly for the benefit of the Participant or Beneficiary.

Any such payment shall constitute a complete discharge therefore with respect to the Employer, the Plan Administrator and the Plan.

ARTICLE 7

Treatment of Reemployed Military Personnel

7.1 General. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) requires that an eligible Participant who leaves covered employment to perform services in a Uniformed Service, and who thereafter timely returns to work with the Employer, generally be provided the same benefits under the Plan that such individual would have been entitled had such individual remained in covered employment throughout that period of military service. Accordingly, notwithstanding any provision of the Plan to the contrary, the following provisions of this Article 7 shall be applicable with respect to any Reemployed Uniformed Service Participant who applies for reemployment or otherwise reports back to work with the Employer.

7.2 Reemployed Uniformed Service Participant. For purposes of this Article 7, a "Reemployed Uniformed Service Participant" means an individual:

(a) Who was an active Participant in the Plan, or an Eligible Employee, and who becomes absent from the employ of the Employer in order to perform service in a Uniformed Service;

(b) Whose cumulative period of service in the Uniformed Services has not exceeded five years (or such extended period as permitted in special circumstances under the USERRA, such as where the individual is ordered to active duty by reason of a national emergency);

(c) Who upon the completion of such service in such Uniformed Service timely reports back to work with, and is thereupon reemployed by, the Employer;

(d) Whose separation from the Uniformed Services is not based on other than honorable conditions; and

(e) Who otherwise is eligible for the reemployment rights prescribed under the USERRA.

7.3 Definitions. For purposes of this Article 7:

(a) The term "Uniformed Services" means:

(i) The Armed Forces;

(ii) The Army National Guard and the Air National Guard as with respect to an individual who is then engaged in active duty for training, in active duty training, or full-time National Guard duty;

(iii) The commission corps of the Public Health Service; and

(iv) Any other category of persons designated by the President in time of war or emergency.

(b) "Service in the Uniformed Services" means the performance of duty on a voluntary or involuntary basis in a Uniformed Service, and specifically includes active duty, active duty for training, initial active duty for training, inactive duty training, and full-time National Guard duty. A period for which a Participant is absent from a position of employment for the purpose of an examination to determine the fitness to perform any of the above-described duties is also to be treated as service in the Uniformed Services.

(c) "Qualified Military Service" means any service in the Uniformed Services by a Reemployed Uniformed Service Participant if such Participant is entitled to reemployment rights under the USERRA with respect to such service.

7.4 Report Back to Work Period. A Participant's entitlement to the restorative benefits prescribed under this Article 7 is expressly conditioned upon the Participant's timely applying for reemployment or reporting back to work, as applicable, upon the Participant's completion of the Qualified Military Service. In this regard, the time period for submitting an application for reemployment or reporting back to work is determined by reference to the length of the period of the Participant's Qualified Military Service, as prescribed below.

(a) Short-Term Absences. If the period of the Participant's Qualified Military Service was less than 31 days, or if the Participant was absent from employment for the purpose of an examination to determine the Participant's fitness to perform service in the Uniformed Services (regardless of the length of such absence), then the Participant must generally have reported back to work not later than the second work day following the completion of the period of such Qualified Military Service. However, if through no fault of the Participant it was impossible or unreasonable for the Participant to report back to work by the otherwise applicable deadline, then the Participant must have reported back to work as soon as was possible.

(b) Intermediate Absences. If the period of the Participant's Qualified Military Service was for more than 30 days but less than 181 days, then the Participant generally must have applied for reemployment not later than 14 days after the completion of such service. However, if through no fault of the Participant it was impossible or unreasonable for the Participant to comply with this deadline, then the Participant must have applied for reemployment at the earliest possible date.

(c) Long-Term Absences. In the case of a Participant whose period of Qualified Military Service exceeded 180 days, then the Participant's application for reemployment must have been submitted not later than 90 days after the completion of such service.

(d) Extension for Disabled Individuals. In the case of a Participant who as of the otherwise applicable reemployment application deadline was hospitalized for, or convalescing from, an illness or injury incurred or aggravated during the period of Qualified Military Service, then such reemployment application deadline shall be extended to the end of the period that was necessary for the Participant to recover from such illness or injury. This disability extension period is limited to two years, or such greater period as may be warranted in order to accommodate any circumstances beyond the Participant's control, which made the applying for reemployment within the two-year period impossible or unreasonable.

(e) Effect of Employer Policy. The time periods described above shall be extended in accordance with any established rules and policies, and the general practices, of the Employer as pertaining to absences from scheduled work.

7.5 Documentation. As an express condition to a Reemployed Uniformed Service Participant's entitlement to the restoration of benefits prescribed under this Article 7, the Participant must, upon request, provide to the Employer such documentation as may be necessary to establish that:

- (a) The Participant's reemployment application was timely made;
- (b) The length of the Participant's absence did not exceed the maximum five-year (or extended) period of leave; and
- (c) The Participant is not ineligible for such restorative benefits by reason, for example, of a dishonorable discharge from the Uniformed Services.

7.6 Restoration of Deferred Compensation Contributions. A Reemployed Uniformed Service Participant shall be entitled to make restorative deferred compensation contributions to the Plan in an amount not to exceed the amount of the deferred compensation contributions that such Participant could have so made had such Participant continued to be employed as an employee during the Qualified Military Service period. A Participant's restorative deferred compensation contributions must be made during the period commencing on the Participant's reemployment date and extending through a period equal to the lesser of (i) three times the period of the Participant's most recent Qualified Military Service, and (ii) five years. Notwithstanding the foregoing, a Participant shall not be permitted to make restorative deferred compensation contributions to the Plan after the date the Participant subsequently terminates employment with the Employer, unless the Participant again becomes reemployed during the repayment period set forth above.

7.7 No Restoration of Lost Earnings. A Reemployed Uniformed Service Participant shall not be entitled to the crediting of any amounts representing the earnings that would have been realized on any restorative contributions had such contributions been made during the period of the Participant's Qualified Military Service. Restorative contributions, once so made to the Plan and allocated to a Participant's Accounts, shall thereafter be credited with earnings and losses in accordance with the general terms of the Plan.

7.8 Application of Plan and Code Limits. Any restorative contributions made by or on behalf of any Reemployed Uniformed Services Participant shall be subject to the applicable limitations and conditions operative under the Plan with respect to the Plan Year or other applicable period to which the restorative contribution relates, and not with respect to the Plan Year or period during which such contribution was actually made or allocated under the Plan. For purposes of applying any applicable limitations or conditions that are implicated by a Participant's restorative contributions, such restorative contributions shall be treated as having been made in equal monthly installments over the period of the Participant's absence for Qualified Military Service.

7.9 Deemed Compensation. For purposes of both determining the amount of restorative contributions which may be made with respect to a Reemployed Uniformed Service Participant and applying any Plan limits or conditions as described in Section 7.8 above, such Participant shall be deemed to have received compensation from the Employer during the period of Qualified Military Service equal to the compensation that the Participant would have earned had the Participant remained in the employ of the Employer throughout such period. Such deemed compensation shall be determined on the basis of the basic rate of pay for the position held by the Participant immediately prior to the commencement of the Qualified Military Service absence. If the Participant's deemed compensation cannot be reasonably ascertained, then the Participant's deemed compensation shall be equal to the Participant's average compensation for the 12-month period immediately preceding the commencement of the Participant's Qualified Military Service absence (or, if shorter, for the actual period of the Participant's employment with the Employer preceding such Qualified Military Service absence).

7.10 Survivor Benefits. The Beneficiary (or Beneficiaries) of a Participant who leaves employment to enter into Qualified Military Service within the meaning of Section 7.3(c) above, and who dies while performing such Qualified Military Service, shall be entitled to any additional benefits under the Plan (other than any benefits provided in connection with the period of the Qualified Military Service) that would have been provided if the Participant had timely returned to work with the Employer and then terminated employment on account of death. The provisions of this Section 7.10 shall apply with respect to the death of a Participant occurring on or after January 1, 2007.

7.11 Permissive Distributions. Effective for Plan Years beginning on or after January 1, 2009, a Participant who is performing Service in the Uniformed Services within the meaning of Section 7.3(b) above, who while performing such services has been on active duty for more than 30 days, and who is not otherwise treated as having incurred a Severance from Employment, shall be deemed to have incurred a Severance from Employment solely for purposes of eligibility to elect a distribution from the Plan. A Participant who elects to receive a distribution under this Section 7.11 shall be precluded from making any further deferrals under this Plan until the beginning of the first payroll period coincident with or next following the end of a period of six months commencing with the date of the distribution.

7.12 Differential Wages. An individual receiving a differential wage payment from the Employer will be treated as an Employee as to any part of the differential wage payment the individual is receiving because of the individual's former status as an Employee. That part of the differential wage payment will be treated as compensation under Code Section 415(c)(3) and Treasury Regulation Section 1.415-2(d). A differential wage payment is any payment that (a) is made by the Employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days and (b) represents all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer. This Section 7.11 does not entitle any employee or former employee of the Employer to a differential wage payment. This Section 7.11 applies to years beginning after December 31, 2008, and implements, and will be interpreted and administered consistent with, Code Section 414(u)(12).

ARTICLE 8

Plan Administration

8.1 Employer Authority.

(a) The Employer shall be responsible for all fiduciary and administrative functions under the Plan only insofar as any such authority or responsibility is not assigned by or pursuant to the Plan to the Committee or other Plan Administrator, or is not delegated to another person pursuant to subsection (c) below. The fiduciary authority and responsibility presumptively reserved to the Employer shall include the following:

(i) The designation of all fiduciaries of the Plan, including the right to remove or replace any of them;

(ii) The periodic monitoring and evaluating of the performance of all fiduciaries;

(iii) The employment of persons to provide services and advice necessary to the performance of the foregoing functions; and

(iv) All rights and powers necessary or convenient to the carrying out of its functions hereunder, whether or not such rights and powers are specifically enumerated herein.

(b) The Employer, as the sponsor of the Plan, is further reposed with settlor functions as with respect to the Plan. These settlor functions, which do not implicate fiduciary considerations, include the following:

(i) The design of the Plan; and

(ii) The right to amend or terminate the Plan.

(c) The Employer may delegate to the Committee or other Plan Administrator, to any employee or officer of the Employer, or to any other person, any authority or responsibility reserved or assigned to the Employer pursuant to the Plan. In the event of any such delegation, any references to the authority, right or power of the Employer to act which are contained in any notice, disclosure or communication made with a view toward effectuating the purposes of the Plan shall be construed to include authority for such actions by such delegate. Notwithstanding any other provision of the Plan, in the event that an action or direction of any such delegate conflicts with an action or direction of the Employer, then the authority of the Employer shall supersede that of the delegate with respect to such action or direction.

8.2 Powers and Duties of Plan Administrator.

(a) The Employer has established a committee (the "Committee") to serve as the Plan Administrator.

(b) The Plan Administrator shall have final and binding authority to control and manage the operation and administration of the Plan, including all rights and powers necessary or convenient to the carrying out of its functions hereunder, whether or not such rights and powers are specifically enumerated herein. In exercising its responsibilities hereunder, the Plan Administrator may manage and administer the Plan through the use of agents, who may include Employees of the Employer.

(c) Without limiting the generality of the foregoing, and in addition to the other powers set forth in this Article 8, the responsibilities and authorities of the Plan Administrator shall expressly include the following:

(i) Preparing and filing of all reports required to be filed with any agency of government, except such reports as must be prepared or filed by other fiduciaries as required by applicable law, and preparing such other reports with respect to the Plan as are reasonable and appropriate;

(ii) Complying with all disclosure requirements, which may be imposed upon the administrator of the Plan;

(iii) Maintaining all records of the Plan other than those required to be maintained by a Trustee or other entity;

(iv) Issuing of instructions to the Trustee, as may be required or appropriate, to pay any fees, taxes, charges or other costs incidental to the operation and management by the administrator of the Plan and to pay benefits as provided in the Plan;

(v) Qualifying and continuing to qualify under applicable law, any amendments to the Plan and documents relating to the Plan;

(vi) Receiving from the Employer and from Participants such information as may be necessary for the proper administration of the Plan; and

(vii) Performing such other duties as are assigned to the Plan Administrator under the Plan or which are delegated to it by the Employer.

(d) The Plan Administrator is expressly reposed with the discretionary authority and powers in regard to all facets of any claims for benefits made under the Plan. Such authority and powers include, but are not limited to, the following:

(i) Construing and interpreting the terms of the Plan and of any documents pertaining to the Plan;

(ii) Construing and interpreting all laws and regulations as applicable to any claims for benefits made under the Plan;

(iii) Making any factual determinations, and applying such determinations to the terms of the Plan and issues arising under the Plan;

(iv) Making a determination as to an individual's status as an Eligible Employee within the meaning of the Plan, which determination may take into account, but need not adhere to, a determination by a federal agency of such person's employee status for purposes other than participation under the Plan;

(v) Deciding all questions regarding an individual's benefit entitlements under the Plan, and the manner and timing of any payments to be made to or with respect to any individual under the Plan; and

(vi) Considering and deciding all appeals of benefit claims which have been denied, including affording a reasonable opportunity to any Participant or Beneficiary whose claim for benefits has been denied for a full and fair review of the decision denying the claim.

(e) A member of the Committee may also be a Participant, but no Committee member shall have power to take part in any discretionary decision or action affecting his or her own interest as a Participant under this Plan unless such decision or action is upon a matter which affects all other Participants similarly situated and confers no special right, benefit or privilege not simultaneously conferred upon all other such Participants.

8.3 Engagement of Advisors. The Employer or the Plan Administrator may employ on behalf of the Plan one or more persons to render advice with regard to any responsibility it may have under the Plan. Toward that end, the Employer or the Plan Administrator may appoint, employ and consult with legal counsel, actuaries, accountants, investment consultants, physicians or other advisors (who may be counsel, actuaries, accountants, consultants, physicians or other advisors for the Employer) and may also from time to time utilize the services of employees and agents of the Employer in the discharge of their respective responsibilities.

8.4 Indemnification. The Employer shall indemnify the members of the Committee or other Plan Administrator, and its authorized delegates, who are employees of the Employer for any liability or expenses, including attorneys' fees, incurred in the defense of any threatened or pending action, suit or proceeding by reason of their status as the members of the Committee or other Plan Administrator or as an authorized delegate thereto, to the full extent permitted by law.

8.5 Claims Procedure.

(a) Any person who believes that he or she is entitled to receive a benefit under the Plan, including one greater than that initially determined to be payable, may file a claim in writing with the Plan Administrator or its delegate.

(b) The Plan Administrator shall within 90 days of the receipt of a claim either allow or deny the claim in writing. A denial of a claim shall be written in a manner calculated to be understood by the claimant and shall include:

- (i) The specific reason or reasons for the denial;
- (ii) Specific references to pertinent Plan provisions on which the denial is based;
- (iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (iv) An explanation of the Plan's claim review procedure.

(c) A claimant whose claim is denied (or his duly authorized representative) may, within 60 days after receipt of denial of his or her claim:

- (i) Submit a written request for review to the Plan Administrator;
- (ii) Review pertinent documents; and
- (iii) Submit issues and comments in writing.

(d) The Plan Administrator shall notify the claimant of its decision on review within 60 days of receipt of a request for review. The decision on review shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

(e) The 90-day and 60-day periods described in subsections (b) and (d) above, respectively, may be extended at the discretion of the Plan Administrator for a second 90-day or 60-day period, as the case may be, provided that written notice of the extension is furnished to the claimant prior to the termination of the initial period, indicating the special circumstances requiring such extension of time and the date by which a final decision is expected.

(f) Participants and Beneficiaries shall not be entitled to challenge the Plan Administrator's determinations in judicial or administrative proceedings without first complying with the procedures in this Section 8.5. The Plan Administrator's decisions made pursuant to this Section 8.5 are intended to be final and binding on Participants, Beneficiaries and others. Any judicial proceedings in regard to a claim under the Plan must be filed within 90 days of the date on which notice of the denial of the claim appeal has been sent to the claimant or the claimant's representative, as applicable.

ARTICLE 9

Miscellaneous

9.1 Amendment or Termination. This Plan may be amended or terminated in whole or part (including retroactive amendments) by the Employer at any time. No amendment or termination shall reduce or impair the rights of any Participant or his or her Beneficiary that have already accrued, except as may be permitted or required by law, or allow any portion of the assets of the Plan to be used for, or diverted to, purposes other than the exclusive benefit of Participants and their beneficiaries and the defrayal of reasonable expenses of administering the Plan, except as provided in Section 4.10. Any termination shall be made by an instrument in writing reflecting that the termination has been authorized by the Board of Commissioners. Any amendment shall be made by an instrument in writing reflecting that the amendment has been authorized by the Board of Commissioners or the Employer's Chief Administrative Officer. However, the Chief Administrative Officer may amend this Plan only to:

- (a) Clarify this Plan;
- (b) Facilitate the administration of this Plan; or
- (c) Make changes adapting this Plan to the requirements of law, changes in law, or the terms of a collective bargaining agreement,

all as determined in the discretion of the Chief Administrative Officer. Any amendment or termination is effective as of the date specified in said instrument, or, if no date is so specified, as of the date of execution or adoption of said instrument. An instrument executed by a member of the Board of Commissioners is conclusive evidence of the adoption and effectiveness of the instrument. Upon termination of this Plan, all amounts credited to each Participant's Accounts shall be distributed in accordance with the provisions of Article 6..

9.2 No Guarantee of Employment, etc. Neither the creation of the Plan, nor anything contained in the Plan, shall be construed as giving any Participant hereunder or other employee of the Employer any right to remain in the employ of the Employer, any equity or other interest in the assets, business or affairs of the Employer, or any right to complain about any action taken or any policy adopted or pursued by the Employer.

9.3 Non-Alienation of Benefits. Subject to Section 9.4 below, no Participant shall have the power to alienate, transfer, assign, anticipate, mortgage or otherwise encumber the Participant's interest in the Plan. No interest of the Participant in the Plan shall be subject to garnishment, attachment or other seizure or sequestration for the payment of debts, judgments, alimony or a separate maintenance owed by such Participant or be transferred by operation of law in the event of bankruptcy, insolvency or otherwise.

9.4 Qualified Domestic Relations Order. Notwithstanding the provisions of Section 9.3 above, a Participant's Accounts, or any portion thereof, shall be distributed in accordance with the terms of any domestic relations order that the Plan Administrator determines to be a Qualified Domestic Relations Order (QDRO) described in Code Section 414(p). Such distribution may be made as soon as practicable, irrespective of whether or not the Participant

has then attained "earliest retirement age" as defined under Code Section 414(p)(4)(B). To the extent allowed under the Code, an "alternate payee" with respect to a QDRO who is the spouse or former spouse of the Participant shall be treated for tax purposes as the distributee of any distribution made to such alternate payee pursuant to the QDRO, and shall have the same rights as a Participant in regard to the direct transfer of distributions to an eligible retirement plan as prescribed in Section 6.8. This Section 9.4 applies to a Participant and the Participant's Domestic Partner or former Domestic Partner in the same manner as this Section 9.4 applies to a Participant and the Participant's spouse or former spouse, except that, unless the distribution occurs in or after the calendar year the Participant attains age 70½, this Section 9.4 does not allow the Plan to distribute a benefit to a Participant's Domestic Partner or former Domestic Partner (or other person with respect to whom the distribution does not satisfy the requirements of Code Section 414(p)(11)) if the Participant has not incurred a Severance from Employment at the time of the distribution.

9.5 Oregon Family Fairness Act . The Plan will be administered to comply with the Oregon Family Fairness Act (ORS 106.300 to 106.340).

9.6 Receipts by Participants. Prior to the time that distributions are to be made hereunder, the Participants, their spouses, Beneficiaries, alternate payees, heirs-at-law or legal representatives shall have no right to receive cash or other things of value from the Employer from or as a result of the Plan.

9.7 Interpretation. The terms of this Plan shall be interpreted and administered in a manner consistent with the requirements of Code Section 457, in order that the Plan qualify as an Eligible Deferred Compensation Plan within the meaning of said Code Section.

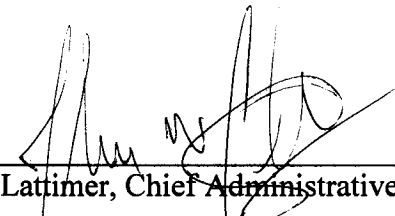
9.8 Controlling Law. The laws of the State of Oregon shall be controlling state law in all matters relating to the Plan.

9.9 Severability. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Plan, but this Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

9.10 Gender and Number. Whenever used in the Plan, unless the context otherwise indicates, words in the masculine form shall be deemed to include the feminine, and the singular shall be deemed to include the plural.

IN WITNESS WHEREOF, this 2011 Restatement of the Marion County Deferred Compensation Plan is approved and accepted.

MARION COUNTY

By:  _____
John Lattimer, Chief Administrative Officer

Signed this December 30, 2011