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NORTH METRO FIRE RESCUE DISTRICT
"OLD HIRE" DEFINED BENEFIT PLAN AND TRUST AGREEMENT
[April 30, 2002]

**NORTH METRO FIRE RESCUE DISTRICT
"OLD HIRE" DEFINED BENEFIT PLAN AND TRUST AGREEMENT**

NORTH METRO FIRE RESCUE DISTRICT (formerly WEST ADAMS COUNTY FIRE PROTECTION DISTRICT), a Colorado fire protection district, make this Agreement as the Employer with the Trustees hereunder.

RECITALS:

NORTH METRO FIRE RESCUE DISTRICT (formerly WEST ADAMS COUNTY FIRE PROTECTION DISTRICT) continues, within this Trust Agreement, a Plan for the administration and distribution of contributions made by the Employer and its eligible Employees for the purpose of providing retirement benefits for its eligible Employees. This Plan is an amended plan, in restated form, amending and restating the Prior Plan for the principal purposes of -increasing the Normal Retirement Pension, of providing Participants with a deferred retirement option plan ("DROP"), and of reflecting certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), all as provided hereunder. This amended and restated Plan is intended as good faith compliance with the requirements of EGTRRA and is to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided herein, the amendments set forth in this Plan which are intended as good faith compliance with the requirements of EGTRRA shall be effective as of the first day of the first Plan Year beginning after December 31, 2001, and shall supercede any provisions of the Plan to the extent those provisions are inconsistent with the amendments set forth in this Plan which are intended as good faith compliance with the requirements of EGTRRA.

The original plan was established effective as of January 1, 1986. The original Plan was amended, in restated form, by THE AMENDED AND RESTATED NORTH METRO FIRE RESCUE AUTHORITY "OLD HIRE" DEFINED BENEFIT PLAN AND TRUST AGREEMENT, dated March 19, 1996, which was amended by that certain FIRST AMENDMENT TO THE AMENDED AND RESTATED NORTH METRO FIRE RESCUE AUTHORITY "OLD HIRE" DEFINED BENEFIT PLAN AND TRUST AGREEMENT, dated January 11, 2000, and was subsequently amended, in restated form to comply with the "GUST" amendments, by the NORTH METRO FIRE RESCUE DISTRICT "OLD HIRE" DEFINED BENEFIT PLAN AND TRUST AGREEMENT [January 1, 2002], dated February 27, 2002 (the "Prior Plan").

The provisions of this Plan, as amended, shall apply solely to an Employee whose employment with the Employer terminates on or after the applicable restated Effective Date of the Plan. If an Employee's employment with the Employer terminates prior to the applicable restated Effective Date, that Employee shall be entitled to benefits under applicable Colorado statutes and/or under the Plan as they existed on the date of the Employee's termination of employment.

NOW, THEREFORE, in consideration of their mutual covenants, the Employer, the District and the Trustees agree as follows:

ARTICLE I

DEFINITIONS

1.01 "Accounting Date" shall be the last day of the Plan Year.

1.02 "Accrued Benefit" shall mean a Participant's Normal Retirement Pension, Deferred Vested Pension and DROP Pension. However, "Accrued Benefit" shall not include any death or survivor benefit payable under Sections 7.02 or 7.03 or any disability pension payable under Section 6.05(a), 6.05(b) or 6.05(e).

1.03 "Act" means the Employee Retirement Income Security Act of 1974, as amended, and may sometimes herein be referred to as "ERISA".

1.04 "Actuarial Equivalent" shall mean a benefit of equal value computed by the Actuary using the actuarial method and actuarial assumptions established by the FPPA pursuant to the applicable provisions of CRS, which are then in effect as of the date of such computation.

1.05 "Actuary" shall mean an enrolled actuary selected to provide actuarial services for the Plan. The Actuary shall be selected or approved by the Trustees unless applicable Colorado law requires otherwise.

1.06 "Authority" shall mean the NORTH METRO FIRE RESCUE AUTHORITY, a Colorado fire protection authority, formed pursuant to that certain inter-governmental agreement (the "IGA"), effective January 1, 1994, by and between the District and the City of Thornton, a Colorado municipality. Effective as of December 31, 1999, the District and the City of Thornton terminated the IGA and dissolved and terminated the Authority.

1.07 "Beneficiary" is a person designated by a Participant or by the Plan who is or may become entitled to a benefit under the Plan. A Beneficiary who becomes entitled to a benefit under the Plan shall remain a Beneficiary under the Plan until the Trustees have fully distributed such Beneficiary's benefit to him or her. A Beneficiary's right to (and the Plan Administrator's or the Trustees' duty to provide to the Beneficiary) information or data concerning the Plan shall not arise until he or she first becomes entitled to receive a benefit under the Plan, unless otherwise required by the Colorado Public Records Act or other applicable law.

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

1.09 "Compensation" shall mean the total regular salary and regular hourly wages of the Employee concerned as determined by the Employer under its current employment policies, including longevity pay (where eligible therefor), but excluding bonuses, commissions, overtime pay and other forms of extra pay, received for services performed as an Employee for the portion of the Plan Year during which the Employee was a Participant. Except as provided in the following sentence, Compensation shall not include director's fees, expense reimbursements, contributions made by the Employer under the Plan, payments made by the Employer for group insurance, hospitalization and like benefits, nor contributions made by the Employer under any other employee benefit plan it maintains. However, "Compensation" shall not be reduced by the Participant's mandatory contributions which are picked up by the Employer pursuant to Section 4.01; nor shall "Compensation" be reduced by any Elective Contributions, as defined in Section 1.14.

Any reference in this Plan to Compensation is a reference to the definition in this Section 1.09, unless the Plan reference specifies a modification to this definition. The Trustees will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation by the Employer through another person under the common paymaster provisions in Code Sections 3121 and 3306.

For any Plan Year beginning after December 31, 2001, the Trustees in determining benefit accruals or in allocating Employer contributions under ARTICLE III and Participant mandatory "picked up" contributions under Section 4.01 shall not take into account more than \$200,000 of any Participant's "Annual Compensation." "Annual Compensation" means a Participant's Compensation for the applicable "Determination Period." "Determination Period" means the Plan Year. The \$200,000 limit on Annual Compensation shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to Annual Compensation for the Determination Period that begins with or within such calendar year. In determining benefit accruals in Plan Years beginning after December 31, 2001, the Annual Compensation limit described above in this paragraph for Determination Periods beginning before January 1, 2002, shall be \$200,000.

1.10 "CRS" means Colorado Revised Statutes, as amended.

1.11 "District" shall mean the NORTH METRO FIRE RESCUE DISTRICT (formerly known as the WEST ADAMS COUNTY FIRE PROTECTION DISTRICT), a Colorado fire protection district.

1.12 "DROP Pension" shall mean the benefit provided in ARTICLE XV.

1.13 "Effective Date" of this Plan as restated shall be effective for the Plan Years and Limitation Years beginning on or after January 1, 2002, except as specifically provided to the contrary in this Plan.

1.14 "Elective Contributions" shall mean amounts excludible from the Employee's gross income under Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(2), 403(b), 408(p), or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code Section 457 plan. Notwithstanding the preceding sentence, amounts described in Code Section 132(f)(4) are not Elective Contributions until Plan Years beginning on or after January 1, 2001, unless the Trustees operationally have included such amounts effective as of an earlier Plan Year beginning no earlier than January 1, 1998.

1.15 "Employee" shall mean any person:

- (a) who is employed by the Employer on the Effective Date; and
- (b) whose most recent employment with the Employer commenced prior to April 8, 1978 (or whose most recent employment with the Employer commenced on or after April 8, 1978, but before January 1, 1980, and who complies with the requirements set forth in CRS Section 31-30.5-103(1)(b)); and
- (c) who is paid by the Employer on a full-time salary basis; and
- (d) whose duties are directly involved with the provision of fire protection as certified by the Employer; and

(e) who can normally be expected to be credited with at least one thousand six hundred (1,600) Hours of Service each Plan Year (which number of Hours of Service shall be prorata reduced for any Plan Year of Service which is not a complete Plan Year).

The term "Employee" shall not mean nor include clerical or other personnel whose services for the Employer are auxiliary to fire protection and any volunteer firefighter, as defined in CRS Section 31-30-1102(9)(a).

The Employer shall, under its current employment policies, make the determination of whether a person employed by it meets the definition of "Employee" as set forth hereinbefore in this Section 1.15; provided, however, that for purposes of determining eligibility to receive statewide death or disability benefits provided under CRS Section Title 31, Article 31, as amended, FPPA shall solely make the determination of whether a person employed by the Employer meets the definition of "Employee" (or such other definition as it or applicable provision of CRS may require).

1.16 "Employer" shall mean, prior to January 1, 1994 and after December 31, 1999, the District. From January 1, 1994 through December 31, 1999, the term "Employer" shall mean the Authority.

1.17 "Employment Commencement Date" shall mean the date on which an Employee first performs an Hour of Service for the Employer.

1.18 "FPPA" shall mean the Colorado Fire and Police Pension Association created pursuant to CRS Title 31, Article 31, as amended.

1.19 "Highly Compensated Employee" means an Employee who:

(a) during the Plan Year or during the preceding Plan Year, if applicable to the Plan, is a more than 5% owner of the Employer (applying the constructive ownership rules of Code Section 318, and applying the principles of Code Section 318, for an unincorporated entity); or

(b) during the preceding Plan Year had Compensation in excess of \$80,000 (as adjusted by the Commissioner of Internal Revenue for the relevant year) and, if the Employer makes the *top-paid group election*, was part of the top-paid 20% group of Employees (based on Compensation for the preceding Plan Year).

For purposes of this Section 1.19, "Compensation" means Compensation as defined in Section 1.09, except any exclusions from Compensation set forth in Section 1.09 do not apply, and Compensation specifically includes Elective Contributions, as defined in Section 1.14. The Trustees must make the determination of who is a Highly Compensated Employee, including the determinations of the number and identity of the top-paid 20% group, consistent with Code Section 414(q) and regulations issued thereunder. The Employer may make a calendar year data election to determine the Highly Compensated Employees for the Plan Year, as prescribed by Treasury regulations or by other guidance published in the Internal Revenue Bulletin. A calendar year data election must apply to all plans of the Employer which reference the highly compensated employee definition in Code Section 414(q). For purposes of this Section 1.19, if the current Plan Year is the first year of the Plan, then the term "preceding Plan Year" means the 12-consecutive month period immediately preceding the current Plan Year.

Anything contained in this Section 1.19 or any other provision of the Plan to the contrary notwithstanding, the provisions of this Section 1.19 shall only apply to the Plan if so required under the Code, including, but not limited to Code Section 414(q).

1.20 "Hour of Service" shall mean:

(a) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment, for the performance of duties as an Employee during the Plan Year. The Trustees shall credit Hours of Service under this paragraph (a) to the Employee for the Plan Year in which the Employee performs the duties, irrespective of when paid;

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

(c) Each Hour of Service for which the Employer, either directly or indirectly, pays an Employee, or for which the Employee is entitled to payment (irrespective of whether the employment relationship is terminated), for reasons other than for the performance of duties as an Employee during a Plan Year, such as leave of absence, vacation, holiday, sick leave, illness, incapacity (including disability), layoff, jury duty or military duty. The Trustees shall not credit more than five hundred one (501) Hours of Service under this paragraph (c) to an Employee on account of any single continuous period during which the Employee does not perform any duties (whether or not such period occurs during a single Plan Year). The Trustees shall credit Hours of Service under this paragraph (c) in accordance with the rules of paragraphs (b) and (c) of Labor Reg. Section 2530.200b-2, which the Plan, by this reference, specifically incorporates in full within this paragraph (c).

(d) The Trustees shall not credit an Hour of Service under more than one of the above paragraphs (a), (b) or (c). Furthermore, if the Trustees are to credit Hours of Service to an Employee for the twelve (12) month period beginning with the Employee's Employment Commencement Date or with an anniversary of such date, then such twelve (12) month period shall be substituted for the term "Plan Year" wherever the latter term appears in this Section 1.20. The Trustees shall resolve any ambiguity with respect to the crediting of an Hour of Service in favor of the Employee.

The Trustees shall credit every Employee with Hours of Service on the basis of the "actual" method. For purposes of the Plan, "actual" method means the determination of Hours of Service from records of hours worked and hours for which the Employer makes payment or for which payment is due from the Employer.

(e) If this Plan is a plan maintained by a predecessor of the Employer (as defined under regulations prescribed by the Secretary of the Treasury or his delegate), service for such predecessor shall be treated as Service for the Employer; and if this Plan is not a plan maintained by such a predecessor of the Employer, to the extent provided in regulations prescribed by the Secretary of the Treasury or his delegate, service for such predecessor shall be treated as Service for the Employer.

(f) Hour of Service shall also include any Service which the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code Section 414(u). The provisions of this Section 1.20(f) shall apply beginning December 12, 1994.

1.21 "Leased Employee" means an individual (who otherwise is not an Employee of the Employer) who, pursuant to an agreement between the Employer and any other person, has performed services for the Employer (or for the Employer and any persons related to the Employer within the meaning of Code Section 144(a)(3)) on a substantially full time basis for at least one (1) year and who performs such services under primary direction or control of the Employer within the meaning of Code Section 414(n)(2). Except as otherwise provided hereinafter in this Section 1.21, a Leased Employee is an Employee for purposes of the Plan. If a Leased Employee is treated as an Employee by reason of this Section 1.21 of the Plan, "Compensation" includes Compensation from the leasing organization which is attributable to services performed for the Employer.

Anything contained in this Section 1.21 or any other provision of the Plan to the contrary notwithstanding, the provisions of this Section 1.21 shall only apply to the Plan if so required under the Code.

1.22 "Nonforfeitable" shall mean a Participant's or Beneficiary's unconditional claim, legally enforceable against the Plan, to the benefits owing to the Participant.

1.23 "Nontransferable Annuity" means an annuity which by its terms provides that it may not be sold, assigned, discounted, pledged as collateral for a loan or security for the performance of an obligation or for any purpose to any person other than the insurance company. If the Trustees distribute an annuity contract, the contract must be a Nontransferable Annuity.

1.24 "Normal Retirement Pension" shall mean the benefit as provided in ARTICLE V.

1.25 "Participant" is an Employee who is eligible to be and who becomes a Participant in accordance with the provisions of Section 2.01. An Employee who becomes a Participant shall remain a Participant under the Plan until the Trustees have fully distributed any Nonforfeitable Accrued Benefit owing to him or her. The term "active Participant" shall mean a Participant who is currently employed as an Employee by the Employer.

1.26 "Plan" shall mean the retirement plan established by the Employer in the form of this Agreement, designated as the NORTH METRO FIRE RESCUE DISTRICT "OLD HIRE" DEFINED BENEFIT PLAN.

1.27 "Plan Administrator" shall be the Trustees unless the Trustees designate another person or entity to act as the Plan Administrator hereunder.

1.28 "Plan Year" shall mean the fiscal year of the Plan and Trust for accounting and federal income tax purposes and shall be the fiscal year adopted by the Employer for federal income tax purposes, which is currently January 1st through December 31st.

1.29 "Related Group"/"Related Employers" A Related Group is a controlled group of corporations (as defined in Code Section 414(b)), trades or businesses (whether or not incorporated) which are under common control (as defined in Code Section 414(c)) or an affiliated service group (as defined in Code Section 414(m)) or an arrangement otherwise described in Code Section 414(o). Each Employer/member of the Related Group is a Related Employer. The term "Employer" includes every Related Employer for purposes of crediting Service and Hours of Service, determining Years of

Participation under ARTICLE V and ARTICLE VIII, applying the definitions of Employee, Highly Compensated Employee, Compensation and Leased Employee, determining Separation from Service, and for any other purpose required by the Code or by a Plan provision. However, an Employer may contribute to the Plan only by being a signatory to the Plan or to a Participation Agreement to the Plan. If a Related Employer executes a Participation Agreement to the Plan, such Related Employer is a Participating Employer. A Participating Employer is an Employer for all purposes of the Plan.

Anything contained in this Section 1.29 or any other provision of the Plan to the contrary notwithstanding, the provisions of this Section 1.29 shall only apply to the Plan if so required under the Code.

1.30 "Service" means any period of time the Employee is in the employ of the Employer as an Employee, including any period the Employee is on an unpaid leave of absence authorized by the Employer under a uniform, nondiscriminatory policy applicable to all Employees.

1.31 "Separation from Service" means the Employee no longer has an employment relationship with the Employer maintaining this Plan.

1.32 "Trust" shall mean the Trust created under the Plan.

1.33 "Trustees" shall mean a board composed of the persons described in Section 12.01.

1.34 "Trust Fund" shall mean all property of every kind held or acquired by the Trustees under this Agreement, including insurance contracts.

1.35 "Valuation Date" shall mean the Accounting Date and any other date the Trustees value the Trust Fund hereunder.

ARTICLE II

ELIGIBILITY

2.01 Eligibility. Only those persons who were employed as Employees on the original effective date of the Plan, January 1, 1986, and who were then eligible to accrue retirement benefits then being provided by the Employer as provided under former CRS, Title 31, Article 30, Part 4 (or other applicable statute), shall be Participants of the Plan as of such original effective date. Any Participant employed by the Employer on the Effective Date of this Plan shall automatically be, and shall remain, a Participant of this Plan.

2.02 Participation Upon Re-Employment. Except as otherwise specifically provided in ARTICLE VI or ARTICLE XV, a Participant whose employment as an Employee with the Employer terminates shall not be eligible to re-enter the Plan as a Participant if he or she is subsequently re-employed by the Employer. Upon his or her re-employment with the Employer, such re-employed former Participant shall only be eligible to participate in any other retirement plan(s) then maintained by the Employer if such re-employed former Participant satisfies the eligibility provisions of such other plan(s).

2.03 Obligation of Trust Fund for Firefighters Retired Before Effective Date. Anything contained herein to the contrary notwithstanding, the Trust Fund shall continue to remain liable to provide for and pay accrued, but unpaid, retirement and other benefits required under applicable provisions of the Prior Plans and/or CRS, which are payable to former Employees who accrued such benefits prior to the Effective Date of this Plan, but who are not Participants in this Plan as of the Effective Date of this Plan; provided, however, that such persons shall not be entitled to the retirement or other benefits provided under this Plan, but shall only be entitled to such retirement or other benefits as were provided under the terms of the applicable Prior Plan and/or CRS which were in effect as of the date of the such former Employee's employment with the Employer as an Employee terminated. The provisions of this Section 2.03 shall apply in like manner to benefits payable to the spouses, dependent children or other specified dependents of such former Employee.

ARTICLE III

EMPLOYER CONTRIBUTIONS

3.01 Amount. The Employer shall contribute to the Trust each Plan Year the following amounts described below in Sections 3.01(a) and/or 3.01(b).

(a) Defined Benefit Contribution. For purposes of funding the defined benefit pensions under the Plan, the Employer shall contribute to the Trust each Plan Year that amount, which, when added to the mandatory contributions made by the Participants to the Trust for such Plan Year as provided in Section 4.01(a) and any other funds contributed to the Trust for such Plan Year from any other source, will ensure that the Trust is actuarially sound. However, to the extent the provisions of CRS Title 31, Article 30.5, Part 3 (in particular Section 31-30.5-304 thereof) apply, such Employer contributions shall in no event be less than the mandatory contributions made by the Employees pursuant to Section 4.01(a).

(b) DROP Contribution. For any Participant who has elected the DROP Pension pursuant to ARTICLE XV, for each Plan Year (or portion thereof) for which the DROP Pension election is effective and during which such Participant is employed as an Employee by the Employer, the Employer will contribute to the Trust on behalf of each such Participant an amount which equals eight percent (8%) of each such Participant's Compensation for such Plan Year (or portion thereof) for which the DROP Pension election is effective and during which such Participant is employed as an Employee by the Employer (herein referred to as "Employer DROP Contributions"). Employer DROP Contributions under this Section 3.01(b) made to the Trust for any Plan Year shall be paid to the Trustees, such payments shall be made on at least a monthly basis during the Plan Year concerned, and pending allocation under this Section 3.01(b) below, shall be invested by the Trustees.

The Trustees shall allocate and credit to each Participant's DROP Account (as provided for in ARTICLE XV) each Employer DROP Contribution to the Trust upon the same basis as the Employer makes its contributions under Section 3.01(b) above; that is, the Trustees shall credit each Participant's DROP Account with that portion of the Employer DROP Contribution which is equal to eight percent (8%) of the Compensation the Employer paid the Participant during such period.

3.02 Actuarially Sound. The term "actuarially sound" as used herein shall be defined as set forth in CRS Section 31-31-102(1) and shall mean the amount of annual contributions that is actuarially determined to be necessary to pay the annual current service cost of pension benefits provided for under the Plan attributable to active Participants and to pay the annual cost necessary to amortize any unfunded accrued liability over a period not to exceed the maximum period prescribed by applicable Colorado statute. The actuarial cost method to be utilized shall be the entry age-normal cost method (or such other method as shall be prescribed by applicable Colorado statute). The date from which any unfunded accrued liabilities shall be amortized and the annual contribution requirements to this Plan shall be determined pursuant to the applicable provisions of Part 3 of CRS Title 31, Article 30.5, as interpreted by FPPA. The determination of actuarial soundness of the Trust described hereinbefore shall be determined every other Plan Year (or more frequently as may be determined by the Trustees or as may be required under applicable law) by the Actuary in compliance with the actuarial methods and actuarial assumptions prescribed by applicable Colorado statutes as may from time to time be in effect.

3.03 Time of Payment of Contribution. Except as provided in Section 3.01(b) to the contrary, the Employer shall pay its contribution as required by Section 3.01 to the Trustees at such time or times, but at least annually, as may be determined by the Employer's Board of Directors.

3.04 Non-Vested Amounts. The Trustees shall retain in the Trust all amounts representing the non-vested Accrued Benefit of Participants who have terminated employment with the Employer. The Employer shall not use these amounts to increase benefits under the Plan but instead shall use the amounts to reduce overall funding requirements of the Trust Fund for future Plan Years.

3.05 Annual Benefit and Allocation Limitations. A Participant's Annual Benefit payable at any time within a Limitation Year may not exceed the limitations of Section 3.05(a), even if the benefit formula under the Plan would produce a greater Annual Benefit, nor may the amount of Annual Additions which the Trustees allocate under this Plan on a Participant's behalf for a Limitation Year exceed the limitations of Section 3.05(b), even if the allocation formula under this plan would produce a greater amount of Annual Additions.

(a) Annual Benefit Limitation. A Participant's Annual Benefit payable under the Plan at any time within a Limitation Year may not exceed the annual benefit limitations set forth in Code Section 415(b) which are applicable to the Plan, even if the benefit formula under the Plan would produce a greater Annual Benefit than allowed under such applicable limitations. The Plan hereby incorporates by reference the limitations and provisions of Code Section 415(b), as the same may be amended, including any and all exceptions and special provisions set forth in Code Section 415(b) or elsewhere in the Code which are applicable to the Plan. The current limitations and provisions of Code Section 415(b) which are applicable to the Plan include the following:

(1) Maximum Annual Benefit. A Participant's Annual Benefit payable under the Plan at any time within a Limitation Year may not exceed the applicable maximum dollar limitation set forth in Section 415(b)(1)(A) [which for the current Limitation Year is \$160,000], as adjusted pursuant to the provisions of Code Section 415(d) and Section 3.05(a)(2).

(2) Cost-Of-Living Adjustments to Dollar Limitation. The maximum dollar limitation set forth in Section 415(b)(1)(A) shall be adjusted under Code Section 415(d) of the Code in such manner as the Secretary shall prescribe, effective January 1 of each year, and payable in the form of a straight life annuity, which adjustment under section 415(d) will apply to Limitation Years ending with or within the calendar year for which the adjustment applies.

(3) Adjustment For Years of Service Less Than Ten. If a participant has fewer than ten (10) Years of Participation in the Plan, the maximum dollar limitation set forth in Section 415(b)(1)(A) shall be multiplied by a fraction, (i) the numerator of which is the number of Years (or part thereof) of Participation in the Plan and (ii) the denominator of which is ten (10). In the case of a Participant who has fewer than ten (10) Years of Service with the Employer, the maximum dollar limitation set forth in Section 415(b)(1)(A) shall be multiplied by a fraction, (i) the numerator of which is the number of Years (or part thereof) of Service with the Employer and (ii) the denominator of which is ten (10).

(4) Adjustment For Benefit Commencement After Sixty-Five. If a Participant's Annual Benefit commences after his or her attaining age sixty-five (65), the maximum dollar limitation set

forth in Section 415(b)(1)(A) applicable to such Participant at the later age is the Annual Benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the maximum dollar limitation set forth in Section 415(b)(1)(A) applicable to the participant at age sixty-five (65) (adjusted under Section 3.05(a)(3) above, if required). The actuarial equivalent of the maximum dollar limitation set forth in Section 415(b)(1)(A) applicable at an age after age sixty-five (65) is determined as (i) the lesser of the actuarial equivalent (at such age) of the maximum dollar limitation set forth in Section 415(b)(1)(A) computed using the interest rate and mortality table (or other tabular factor) specified in Section 1.04 and (ii) the actuarial equivalent (at such age) of the maximum dollar limitation set forth in Section 415(b)(1)(A) computed using a five percent (5%) interest rate assumption and the applicable mortality table as defined in Section 1.04. For these purposes, mortality between age sixty-five (65) and the age at which benefits commence shall be ignored.

(5) Applicability of Code Section 415 Benefit Increases. Any benefit increases resulting from the increase in the annual benefit limitations of Code Section 415(b) shall only be provided to all Employees participating in the Plan who have at least one (1) Hour of Service on or after the first day of the first Limitation Year ending after December 31, 2001.

(6) Minimum Benefit Limitation. If a Participant's Annual Benefit payable under this Plan and all other defined benefit plans maintained by the Employer is \$10,000 or less and the Participant does not participate and has never participated in a defined contribution plan maintained by the Employer, the Annual Benefit satisfies the limitations of this Section 3.05(a) even if it exceeds the applicable maximum dollar limitation set forth in Section 415(b)(1)(A).

(7) Current Accrued Benefit Exception. The Trustees will apply the limitations of this Section 3.05(a) by substituting for the applicable limitation a Participant's Current Accrued Benefit, if that Current Accrued Benefit exceeds the applicable limitation. A Participant's Current Accrued Benefit is the sum of the Participant's Accrued Benefit in this Plan and his accrued benefit in all other defined benefit plans maintained by the Employer, determined as of the end of the 1986 Limitation Year (the last Limitation Year beginning before January 1, 1987), and without regard to any change in the terms or conditions of the Plan made after May 5, 1986, and without regard to any cost of living adjustment occurring after May 5, 1986. If, as of the first day of the first Limitation Year beginning after December 31, 1986, a Participant's Accrued Benefit exceeds his Current Accrued Benefit, the Trustees will disregard the excess amount as if it never accrued to the Participant. The Current Accrued Benefit rule applies only if this Plan and any other defined benefit plan individually and in the aggregate satisfied the requirements of Code §415 as in effect at the end of the 1986 Limitation Year and only with respect to benefits accrued under defined benefit plans in existence on May 6, 1986.

(8) Effective Date. This Section 3.05(a) shall be effective for Limitation Years ending after December 31, 2001.

(b) Annual Allocation Limitations To Participant DROP Accounts. The amount of Annual Additions which the Trustees may allocate under this Plan on a Participant's behalf for a Limitation Year shall not exceed the Maximum Permissible Amount. If the amount the Employer otherwise would contribute to a Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the Employer will reduce the amount of its contributions so the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

(1) Estimation of Compensation. Prior to the determination of a Participant's actual Compensation for a Limitation Year, the Trustees may determine the Maximum Permissible Amount on the basis of a Participant's estimated annual Compensation for such Limitation Year. The Trustees shall make this determination on a reasonable and uniform basis for all Participants similarly situated. The Trustees shall reduce any Employer DROP Contributions (after applying any available Forfeiture allocation) based on estimated annual Compensation by any Excess Amount carried over from prior Limitation Years. As soon as is administratively feasible after the end of the Limitation Year, the Trustees shall determine the Maximum Permissible Amount for the Limitation Year on the basis of a Participant's actual Compensation for the Limitation Year.

(2) Disposition of Excess Amount. If, pursuant to Section 3.05(b)(1), or because of the allocation of Forfeitures, there is an Excess Amount with respect to a Participant for a Limitation Year, the Trustees shall dispose of such Excess Amount as follows:

(i) The Trustees shall first return any voluntary Participant contributions (if any), and second mandatory Participant contributions to such Participant, plus any earnings and minus any losses attributable thereto, to the extent that the return would reduce the Excess Amount.

(ii) If, after the application of Section 3.05(b)(2)(i), an Excess Amount still exists, and the Plan covers such Participant at the end of the Limitation Year, then the Trustees shall use the Excess Amount(s) to reduce future Employer DROP Contributions (after applying any available Forfeiture allocation) under the Plan for the next Limitation Year and for each succeeding Limitation Year, as is necessary, for such Participant.

(iii) If, after the application of Section 3.04(b)(2)(I), an Excess Amount still exists, and the Plan does not cover such Participant at the end of the Limitation Year, then the Trustees shall hold the Excess Amount unallocated in a suspense account. The Trustees shall apply the suspense account to reduce Employer DROP Contributions (after applying any available Forfeiture allocation) for all remaining Participants in the next Limitation Year, and in each succeeding Limitation Year if necessary.

(iv) Except as provided in Section 3.04(b)(2)(I) above, the Trustees shall not distribute any Excess Amount(s) to Participants or to former Participants.

3.06 Definitions - Article III. The definitions in this Section 3.06 apply to the limitation provisions of Part 2 of ARTICLE III. For purposes of ARTICLE III, the following terms mean:

(a) General Definitions.

(1) Annual Benefit. The Participant's retirement benefit (including any portion of the Participant's retirement benefit payable to an alternate payee under a qualified domestic relations order satisfying the requirements of Code §414(p)) attributable to Employer contributions payable in the form of a straight life annuity or a qualified joint and survivor annuity, with no ancillary benefits (other than the survivor annuity). If the normal form of benefit under Section 5.03 is a joint and survivor annuity, the Advisory Committee will apply the adjustment under Section 3.05 for alternate forms of payment as if that joint and survivor annuity were not an Annual Benefit.

(2) Compensation. "Compensation" - For purposes of applying the limitations of

this ARTICLE III, "Compensation" means Compensation as defined in Section 1.09, except Compensation does not include the Participant's mandatory contributions which are picked up by the Employer pursuant to ARTICLE IV. In addition, for purposes of this ARTICLE III "Compensation": (i) includes Elective Contributions for any Limitation Years beginning after December 31, 1997 irrespective of whether the Employer has elected to include Elective Contributions as Compensation as defined under Section 1.09, and (ii) any exclusion the Employer has elected under Section 1.09 does not apply.

(3) Limitation Year. The Plan Year. If the Employer amends the Limitation Year to a different 12 consecutive month period, the new Limitation Year must begin on a date within the Limitation Year for which the Employer makes the amendment, creating a short Limitation Year.

(4) Annual Addition. Annual Additions are the following amounts allocated on behalf of a Participant for a Limitation Year, under a defined contribution plan maintained by the Employer: (i) all Employer contributions; (ii) all forfeitures; and (iii) all Employee contributions. Except to the extent provided in Treasury regulations, Annual Additions include excess contributions described in Code §401(k), excess aggregate contributions described in Code §401(m), irrespective of whether the plan distributes or forfeits such excess amounts. Excess deferrals under Code §402(g) are not Annual Additions unless distributed after the correction period described in Code §402(g). Amounts allocated after March 31, 1984, to an individual medical account (as defined in Code §415(l)(2)) included as part of a pension or annuity plan maintained by the Employer also are Annual Additions. Furthermore, Annual Additions include contributions paid or accrued after December 31, 1985, for taxable years ending after December 31, 1985, attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)) under a welfare benefit fund (Code §419(e)) maintained by the Employer. For a Limitation Year, the Annual Additions allocated on behalf of any Participant, to all defined contribution plans maintained by the Employer, may not exceed the Maximum Permissible Amount.

(5) Year of Service. A Plan Year during which an Employee completes at least 1,000 Hours of Service.

(6) Year of Participation. A Year of Participation is a Year of Service as determined under Section 5.05, but only if the Plan is in existence for such Year of Participation and the Participant is a Participant in the Plan at least one day in that Year of Participation. If the Participant receives credit for only a partial Year of Participation, he will receive credit for only a partial year for purposes of the limitations of this ARTICLE III. For any other defined benefit plan taken into account, a Year of Participation is each accrual computation period for which: (a) the Participant receives credit for at least the number of hours of service (or period of service, if the plan uses elapsed time) necessary to accrue a benefit for that accrual computation period; and (b) the eligibility conditions of the plan include the Participant as a participant in that plan on at least one day of that accrual computation period. If the Employee satisfies the conditions described in clauses (a) and (b), he will receive credit for a Year of Participation (or a partial Year of Participation, if applicable) equal to the amount of benefit accrual service (computed to fractional parts of a year) credited under that plan for the accrual computation period. A Participant receives credit for a Year of Participation under another defined benefit plan only if the plan was established no later than the last day of the accrual computation period to which the Year of Participation relates. The Participant will not receive credit for more than one Year of Participation under this paragraph (6) with respect to the same 12-month period.

(7) Social Security Retirement Age. The Plan Administrator will determine a Participant's Social Security Retirement Age in accordance with the following table:

<u>Calendar Year of Birth</u>	<u>Social Security Retirement Age</u>
Prior to 1938	
1938 through 1954	65
After 1954	66
	67

(8) Employer. The Employer that adopts this Plan and any related Employers. Solely for purposes of applying the limitations of this ARTICLE III, the Plan Administrator will determine related Employers by modifying Code §§414(b) and (c) in accordance with Code §415(h).

(9) Defined Benefit Plan. A retirement plan which does not provide for individual accounts for Employer contributions. The Advisory Committee must treat as a single plan all defined benefit plans maintained by the Employer, whether or not terminated.

(10) Defined Contribution Plan. A retirement plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which the plan may allocate to such participant's account. The Plan Administrator must treat as a single plan all defined contribution plans maintained by the Employer, whether or not terminated. For purposes of the limitations of this ARTICLE III (except for the \$10,000 minimum benefit limitation in Section 3.05(D)), the Plan Administrator will treat employee contributions made to a defined benefit plan (including this Plan) maintained by the Employer as a separate defined contribution plan. The Plan Administrator also will treat as a defined contribution plan an individual medical account (as defined in Code §415(l)(2)) included as part of a pension or annuity plan maintained by the Employer, a simplified employee pension plan (as defined in Code Section 408(k)) and, for taxable years ending after December 31, 1985, a welfare benefit fund under Code §419(e) maintained by the Employer to the extent there are post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)).

(11) The "Maximum Permissible Amount" is the lesser of (i) \$40,000, as adjusted for increase in the cost-of-living under Code §415(d), or (ii) 100% of the Participant's Compensation, within the meaning of Code Section 415(c)(3), for the Limitation Year.

The compensation limit referred to in Section 3.06(A)(11)(ii) shall not apply to any contribution for medical benefits after Separation from Service (within the meaning of Code Section 401(h) or Code Section 409A(f)(2)) which is otherwise treated as an Annual Addition.

If there is a short Limitation Year because of a change in Limitation Year, the Plan Administrator will multiply the \$40,000 limitation (or larger limitation) on Annual Additions by the following fraction:

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

The 100% limitation does not apply to Annual Additions attributable to an individual medical account or to post-retirement medical benefits under a welfare benefit fund.

(b) Definitions Relating to Defined Contribution Plan Limitation. The definitions in this Section 3.06(B) apply only to a plan to which Section 3.07(B) applies.

(1) Defined Benefit Plan Fraction.

projected annual benefit of the Participant
under the defined benefit plan(s)
the lesser of (i) 125% (subject to the 100% limitation
in paragraph (3)) of the dollar limitation in
effect under Code §415(b)(1)(A) for the Limitation Year,
or (ii) 140% of the Participant's average Compensation
for his high 3 consecutive Years of Service

The "Projected Annual Benefit" is the annual retirement benefit (adjusted to an actuarially equivalent straight life annuity if the plan expresses such benefit in a form other than a straight life annuity or qualified joint and survivor annuity) of the Participant under the terms of the defined benefit plan on the assumptions he continues employment until his normal retirement age (or current age, if later) as stated in the defined benefit plan, his compensation continues at the same rate as in effect in the Limitation Year under consideration until the date of his normal retirement age and all other relevant factors used to determine benefits under the defined benefit plan remain constant as of the current Limitation Year for all future Limitation Years. The denominator of this fraction assumes the Participant has at least 10 Years of Service or the Plan Administrator will have at least 10 Years of Service at Normal Retirement Age. To determine whether the Participant will have at least 10 Years of Service, the Plan Administrator may include the year in which the Participant reaches Normal Retirement Age, but only if it reasonable to anticipate he will receive credit for a Year of Service in that year. If a Participant fails to satisfy this 10 Years of Service requirement, the Plan Administrator will reduce the denominator of the Participant's defined benefit fraction in the same manner as described under Section 3.05(E) with respect to reductions for less than 10 Years of Service.

If the Participant's Current Accrued Benefit (as described in Section 3.05) exceeds the applicable dollar limitation in effect under Code §415(b)(1)(A), the denominator of the Participant's defined benefit plan fraction may not be less than 125% (subject to the 100% limitation in paragraph (3)) of that Current Accrued Benefit.

(2) Defined Contribution Plan Fraction.

The sum, as of the close of the Limitation Year, of the
Annual Additions to the Participant's Account under
the defined contribution plan(s)
The sum of the lesser of the following amounts determined
for the Limitation Year and for each prior Year of Service
with the Employer: (i) 125% (subject to the 100% limitation
in paragraph (3)) of the dollar limitation in effect
under Code §415(c)(1)(A) for the Limitation Year
(determined without regard to the special dollar
limitations for employee stock ownership plans),
or (ii) 35% of the Participant's Compensation
for the Limitation Year

For purposes of determining the defined contribution plan fraction, the Plan Administrator will not recompute Annual Additions in Limitation Years beginning prior to January 1, 1987, to treat all employee contributions as Annual Additions. If the Plan satisfied Code §415 for Limitation Years beginning prior to January 1, 1987, the Plan Administrator will redetermine the defined contribution plan fraction and the defined benefit plan fraction as of the end of the 1986 Limitation Year (as defined in Section 3.05), in accordance with this Section 3.07. If the sum of the redetermined fractions exceeds 1.0, the Plan Administrator will subtract permanently from the numerator of the defined contribution plan fraction an amount equal to the product of (1) the excess of the sum of the fractions over 1.0, times (2) the denominator of the defined contribution plan fraction. In making the adjustment, the Plan Administrator must disregard any accrued benefit under the defined benefit plan which is in excess of the Current Accrued Benefit. This Plan continues any transitional rules applicable to the determination of the defined contribution plan fraction under the Employer's Plan as of the end of the 1986 Limitation Year.

(3) 100% Limitation. If the 100% limitation applies, the Plan Administrator must determine the denominator of the defined benefit plan fraction and the denominator of the defined contribution plan fraction by substituting 100% for 125%. The 100% limitation applies only if: (a) the Plan's top heavy ratio exceeds 90%; or (b) the Plan's top heavy ratio is greater than 60%, and the Employer does not provide extra minimum benefits which satisfy Code §416(h)(2).

The definitions in this Section 3.06(B) above only apply if the limitation described in Section 3.07(B) applies to the Plan; i.e., the definitions in this Section 3.06(B) above do not apply for any Limitation Year beginning after December 31, 1999.

3.07 Overall Limitations.

(a) Multiple Defined Benefit Plans. If the Employer maintains, or at one time maintained, a defined benefit plan in addition to this Plan, which benefits or could benefit a Participant in this Plan, the Plan Administrator will freeze or reduce the rate of accrual under this Plan to the extent necessary to prevent the aggregate Annual Benefit from exceeding the limitations of ARTICLE III.

(b) Defined Contribution Plan Limitation. If the Employer maintains a defined contribution plan (as defined in Section 3.06), or has ever maintained a defined contribution plan which the Employer has terminated, then the sum of the defined benefit plan fraction and the defined contribution plan fraction for any Participant for any Limitation Year must not exceed 1.0. The Employer will reduce the projected annual benefit under this Plan to the extent necessary to satisfy this 1.0 limitation. The 1.0 limitation of Section 3.07(B) does not apply for any Limitation Year beginning after December 31, 1999.

ARTICLE IV

PARTICIPANT CONTRIBUTIONS

4.01 Participant Mandatory Contributions.

(a) Defined Benefit Contribution. Except for those Participants who elect the DROP Pension pursuant to ARTICLE XV, for purposes of funding the defined benefit pensions under the Plan, each Participant as of each pay period shall be required to make a mandatory contribution to the Trust of an amount determined (in compliance with CRS Title 31, Article 30.5, if applicable) from time to time by the Employer, which amount, in the aggregate, may not exceed ten percent (10%) of each such Participant's Compensation paid to him by the Employer for each pay period.

(b) Participant DROP Contribution. For any Eligible DROP Participant who has elected the DROP Pension pursuant to ARTICLE XV, for each Plan Year (or portion thereof) for which the DROP Pension election is effective and during which such Eligible DROP Participant is employed as an Employee by the Employer, the Eligible DROP Participant shall be required to contribute to the Trust an amount which equals eight percent (8%) of such Eligible DROP Participant's Compensation for such Plan Year (or portion thereof) for which the DROP Pension election is effective and during which such Eligible DROP Participant is employed as an Employee by the Employer (herein referred to as "Participant DROP Contributions").

The Trustees shall allocate and credit to each Eligible DROP Participant's DROP Account (as provided for in ARTICLE XV) his or her Participant DROP Contribution to the Trust upon the same basis as the Eligible DROP Participant makes his or her Participant DROP Contributions under Section 4.01(b) above; that is, the Trustees shall credit each Eligible DROP Participant's DROP Account with that portion of the Participant DROP Contributions which is equal to eight percent (8%) of the Compensation the Employer paid the Eligible DROP Participant during such period.

(c) Contributions Picked Up. The amounts of each Participant's mandatory contributions made to the Trust pursuant to Sections 4.01(a) or 4.01(b) shall be "picked up" each pay period by the Employer on behalf of each Participant. It is understood that these amounts shall be paid by the Employer to the Trust in lieu of such contributions being paid directly by each Participant. No Participant shall have the option of choosing to have the Employer pay him or her directly his or her mandatory contributions picked up and paid over to the Trust by the Employer. Although each Participant's mandatory contributions to the Trust are otherwise designated hereunder as the contributions of such Participant, it is intended that such contributions shall be treated, for federal income tax purposes, as Employer contributions under the Internal Revenue Code of 1986, as amended, as provided under Code Section 414(h)(2).

For purposes of determining the amount of the mandatory contributions set forth in this Section 4.01, each Participant's Compensation, as defined in Section 1.09, shall be used. However, it is intended that for federal income tax purposes, the amount of a Participant's taxable income and of his or her wages for withholding tax purposes shall not include a Participant's mandatory contributions picked up by the Employer under this Section 4.01. Such Participants' mandatory contributions required pursuant to this Section 4.01 shall be paid by the Employer to the Trustees as soon as administratively practicable after each payroll period.

4.02 Voluntary Contributions. The Plan does not permit voluntary Participant contributions.

4.03 Participant Rollover Contributions. The Plan does not permit Participant rollover contributions.

4.04 Participant Contribution - Nonforfeitability. Except as otherwise provided to the contrary in Section 6.05(c), the Participant shall be one hundred percent (100%) vested at all times in his mandatory contributions under Section 4.01.

ARTICLE V

NORMAL RETIREMENT PENSION

5.01 Normal Retirement Age. A Participant's Normal Retirement Age is the date the Participant attains fifty (50) years of age. Each Participant who retires from service with the Employer on or after reaching Normal Retirement Age and after accruing ten (10) or more Years of Participation, as described in this ARTICLE V, shall receive a Normal Retirement Pension.

5.02 Amount of Normal Retirement Pension.

(a) Subject to the Annual Benefit limitations of ARTICLE III, a Participant's Normal Retirement Pension shall be computed on a monthly basis as a percentage of the amount of the monthly Compensation being paid to such Participant as of the date of such Participant's actual retirement from employment with the Employer. Such percentage shall be determined under the following schedule and Section 5.02(b) based upon such Participant's Years of Participation as of his actual retirement from employment with the Employer:

<u>Years of Participation</u>	<u>Percent of Monthly Compensation</u>
Less than 10	0%
10 but less than 11	25.0%
11 but less than 12	27.5% ⁸
12 but less than 13	30.0%
13 but less than 14	32.5%
14 but less than 15	35.0%
15 but less than 16	37.5%
16 but less than 17	40.0%
17 but less than 18	42.5%
18 but less than 19	45.0%
19 but less than 20	47.5%
20 but less than 21	50.0%
21 but less than 22	52.5%
22 but less than 23	55.0%
23 but less than 24	57.5%
24 but less than 25	60.0%
25 but less than 26	62.5%
26 but less than 27	65.0%
27 but less than 28	67.5%
28 but less than 29	70.0%
29 but less than 30	72.5%
30 but less than 31	75.0%
31 but less than 32	77.5%
32 but less than 33	80.0%
33 but less than 34	82.5%
34 but less than 35	85.0%
35 or more	87.5%

(b) A Participant shall receive credit for partial Years of Participation as follows:

(i) For each Quarter-Year of Participation, as defined in Section 5.05, credited to a Participant under the provisions of Section 5.05, the Percent of Monthly Compensation determined under the schedule contained in Section 5.02(a) shall be increased by .625%.

(ii) The following example will illustrate the provisions of this Section 5.02(b):

Example: Assume a Participant has 13 full Years of Participation and 3 Quarter-Years of Participation, determined under the provisions of Section 5.05, upon his termination of Service as an Employee of the Employer. The Percent of Monthly Compensation to be paid to such Participant, pursuant to this Section 5.02, would be 34.375%, determined by adding 32.5%, for the 13 full Years of Participation, and 1.875% (.625% x 3), for the 3 Quarter-Years of Participation.

5.03 Computation of Normal Retirement Pension. The Trustees shall compute a Participant's Normal Retirement Pension in the form of a straight life annuity for such Participant commencing at such Participant's Normal Retirement Age. The Trustees shall pay the Participant's Normal Retirement Pension in accordance with the provisions of ARTICLE IX.

5.04 Late Retirement. A Participant who continues his employment as an Employee with the Employer after attaining Normal Retirement Age but prior to having been credited with thirty-five (35) Years of Participation shall continue to accrue Years of Participation for all purposes under the Plan (including, but not limited to, Section 5.02) as long as he is a Participant in the Plan and so continues his employment as an Employee with the Employer.

A Participant who continues his employment as an Employee with the Employer after attaining Normal Retirement Age and after having been credited with thirty-five (35) Years of Participation may direct the Trustees to set aside the Actuarial Equivalent of his Normal Retirement Pension for his sole benefit in a federally insured interest bearing savings account or certificate of deposit, or a combination of both, or in other fixed income investments. The Trustees shall establish a segregated Account for this purpose. The segregated Account shall remain a part of the Trust, but the segregated Account alone shall share in any income it earns and it alone shall bear any expense or loss it incurs.

The Participant may make a direction under this Section 5.04 by filing with the Trustees the form prescribed by the Trustees for this purpose at any time during or after the Plan Year in which the Participant attains Normal Retirement Age or is credited with thirty-five (35) Years of Participation, whichever occurs later. The Trustees shall determine the Actuarial Equivalent of such Participant's Normal Retirement Pension as of the last day of the Plan Year in which the Participant files such direction with the Trustees. If a Participant directs the Trustees to set aside the Actuarial Equivalent of his Normal Retirement Pension under the second paragraph of this Section 5.04, the Trustees shall commence payment to the Participant of his Normal Retirement Pension upon his actual retirement, in accordance with ARTICLE IX. Subject to the Annual Benefit limitations of ARTICLE III, the Normal Retirement Pension payable to the Participant under this Section 5.04 shall equal the greater of the segregated Account, if any, set aside for the Participant under the immediately preceding provisions of this Section 5.04 or the Actuarial Equivalent of the Participant's Normal Retirement Pension, computed as of the date of his actual retirement.

5.05 Years of Participation. For purposes of the Plan, a Participant shall receive credit for Years of Participation as follows:

(a) A Participant's full months of Service with the Employer as an Employee shall be determined, with any partial months of Service with the Employer as an Employee being disregarded and not given any credit for purposes of this ARTICLE V.

(b) A Participant's full months of employment as a full-time salaried employee, normally serving at least one thousand six hundred (1,600) Hours of Service in any calendar year, with a Colorado municipality or with another Colorado fire protection district, whose duties are directly involved with the provision of fire protection as certified by such employer, and who was not employed as clerical or other personnel whose services for such employer were auxiliary to fire protection and who was not a volunteer fireman as defined in CRS Section 31-30-803(6), shall be determined. Any partial months of employment of a Participant in the capacity of a full-time salaried firefighter described in the preceding sentence shall be disregarded and not given any credit for purposes of this ARTICLE V.

(c) Such Participant's full months of service determined under the provision of Section 5.05(a) and Section 5.05(b) shall be then added together. The total of such Participant's full months of service determined under the provisions of the preceding sentence of this Section 5.05(c) shall be hereinafter referred to as such Participant's "Full Months of Paid Firefighter Service".

(d) A Participant's full months of service as a volunteer fireman in any volunteer department of any Colorado municipality or Colorado fire protection district may, at the discretion of the Participant, be determined and then added together; provided, however, that only service as a volunteer fireman performed prior to such Participant's becoming an Employee of the Employer shall be counted, and, therefore, no credit shall be given hereunder to such Participant for any of his service as a volunteer fireman in any such volunteer fire department performed after such Participant first became an Employee of the Employer; and further provided that partial months of service as a volunteer fireman in any such volunteer fire department shall be disregarded and not given any credit for purposes of this ARTICLE V. The total of such Participant's full months of service as a volunteer fireman determined under the provisions of the preceding sentence in this Section 5.05(d) shall be hereinafter referred to as such Participant's "Full Months of Volunteer Firefighter Service".

(e) The Participant's Full Months of Paid Firefighter Service as determined under the provisions of Section 5.05(c) shall then be divided by twelve (12) to determine such Participant's full Years of Participation based on his Full Months of Paid Firefighter Service. The Participant shall receive credit for one (1) full Year of Participation for each twelve (12) Full Months of Paid Firefighter Service. If such Participant's Full Months of Paid Firefighter Service are not evenly divisible by twelve (12), any full Months of Paid Firefighter Service remaining after said division shall be credited as provided in Section 5.05(h).

(f) The Participant's Full Months of Volunteer Firefighter Service as determined under the provisions of Section 5.05(d) shall then be divided by forty-eight (48) to determine such Participant's full Years of Participation based on his Full Months of Volunteer Firefighter Service. The Participant may, at the discretion of the Participant, receive credit for one (1) full Year of Participation for each forty-eight (48) Full Months of Volunteer Firefighter Service.

(g) If a Participant's Full Months of Volunteer Firefighter Service are not evenly divisible by forty-eight (48) as provided in Section 5.05(f), any Full Months of Volunteer Firefighter Service remaining

after said division shall be further divided by four (4) (with any partial or fractional months after said division being disregarded and not given credit for purposes of this ARTICLE V) and shall thereafter be treated hereunder as Full Months of Paid Firefighter Service and may, at the discretion of the Participant, be credited as provided in Section 5.05(h).

(h) If a Participant has Full Months of Paid Firefighter Service remaining after the division and crediting of full Years of Participation as described in Sections 5.05(e), 5.05(f) and 5.05(g), such remaining Full Months of Paid Firefighter Service shall first be added together, and the sum of such remaining Full Months of Paid Firefighter Service shall then be divided by twelve (12) to determine such Participant's full Years of Participation based on such remaining Full Months of Paid Firefighter Service. The Participant shall receive credit for one (1) full Year of Participation for each twelve (12) remaining Full Months of Paid Firefighter Service. If such Participant's remaining Full Months of Paid Firefighter Service are not evenly divisible by twelve (12), any Full Months of Paid Firefighter Service remaining after said division shall be divided by three (3) to determine such Participant's Quarter-Years of Participation (herein referred to as "Quarter-Years of Participation"). The Participant shall receive credit for one (1) Quarter-Year of Participation for each three (3) remaining Full Months of Paid Firefighter Service. If such Participant's remaining Full Months of Paid Firefighter Service are not evenly divisible by three (3), any Full Months of Paid Firefighter Service remaining after said division shall be disregarded and not given any credit for purposes of this ARTICLE V.

(i) After the determination of a Participant's full Years of Participation and Quarter-Years of Participation is made as described in Sections 5.05(e), 5.05(f), 5.05(g) and 5.05(h), all such full Years of Participation and Quarter-Years of Participation shall be then added together, and such Participant shall be credited with the sum of all of such full Years of Participation and Quarter-Years of Participation for purposes of determining his Normal Retirement Pension under the provisions of Section 5.02.

(j) Anything contained in this Section 5.05 to the contrary notwithstanding, a Participant may, at the Participant's discretion, elect not to receive credit for such Participant's Full Months of Voluntary Firefighter Service in the calculation of his Years of Participation under this Section 5.05. A Participant shall not receive both a pension under CRS 31-30-Part 11 and a credit for service as a volunteer fireman under this Section 5.05 for purposes of determining such Participant's Years of Participation.

(k) The following example will illustrate the application of the provisions of this Section 5.05:

Example: Assume that a Participant was a volunteer firefighter and had 87 full months of service as a volunteer firefighter for the Employer prior to the date he became an Employee of the Employer; thereafter, the Participant was employed for 187 full months of Service as an Employee of the Employer; the Participant has no prior service as a paid firefighter for any Colorado municipality or other Colorado fire protection district; further assume that the Participant remained a volunteer firefighter for the Employer throughout the 187 full months of Service that he was also an Employee of the Employer; further assume that the Participant elects to receive credit for all service performed as a volunteer firefighter prior to the date he became an Employee of the Employer. Upon his termination of Service as an Employee of the Employer, this Participant would be entitled to a total of 17 full Years of Participation and 1 Quarter-Year of Participation under the preceding provisions of this Section 5.05 determined as follows:

(i) Under Section 5.05(e) such Participant would be credited with 15 full Years of Participation because 187 Full Months of Paid Firefighter Service, when divided by 12, results in 15 full Years of

Participation, with 7 Full Months of Paid Firefighter Service remaining after said division.

(ii) Under Section 5.05(f) such Participation would be credited with 1 full Year of Participation because his 87 Full Months of Volunteer Firefighter Service, when divided by 48, results in 1 full Year of Participation, with 39 Full Months of Volunteer Firefighter Service remaining after said division.

(iii) Under Section 5.05(g) such Participant would be credited with 9 Full Months of Paid Firefighter Service because his remaining 39 Full Months of Volunteer Firefighter Service, when divided by 4 results in 9 Full Months of Paid Firefighter Service (with the 3 remaining fractional Full Months of Volunteer Firefighter Service being disregarded).

(iv) Under Section 5.05(h) such Participant's remaining 7 Full Months of Paid Firefighter Service under (i) above, and his remaining 9 Full Months of Paid Firefighter Service under (iii) above, would be added together, which sum equals 16 remaining Full Months of Paid Firefighter Service. Such Participant's 16 remaining Full Months of Paid Firefighter Service would then be divided by 12. Under Section 5.05(h) such Participant would be credited with an additional 1 full Year of Participation because such 16 remaining Full Months of Paid Firefighter Service, when divided by 12, results in 1 full Year of Participation. The Participant's 4 remaining Full Months of Paid Firefighter Service would then be divided by 3. Under Section 5.05(h) such Participant would be credited with 1 Quarter-Year of Participation because such 4 remaining Full Months of Paid Firefighter Service, when divided by 3, results in 1 Quarter-Year of Participation (with the 1 remaining Full Month of Paid Firefighter Service being disregarded).

(v) Under Section 5.05(i) such Participant would receive credit for the sum of:

15 Years of Participation [under (i) above]

1 Year of Participation [under (ii) above]

1 Year of Participation [under (iv) above]

= 17 total Full Years of Participation, plus 1 Quarter-Year of Participation [under (iv) above]

[NOTE: Under Section 5.05(d) such Participant would receive no credit for any of his Full Months of Volunteer Firefighter Service performed after he became an Employee of the Employer.]

ARTICLE VI

DISABILITY PENSION

6.01 General. A Participant may be eligible for disability benefits as provided either under CRS, Title 31, Article 30, Part 10 (particularly CRS Section 31-30-1007 thereof) or under Title 31, Article 30, Part 4 (particularly CRS Section 31-30-407(1) thereof).

6.02 FPPA Disability Benefits.

(a) Eligibility for disability benefits provided under CRS Title 31, Article 30, Part 10 (particularly CRS Section 31-30-1007 thereof) require, in summary, that a Participant who becomes totally disabled or occupationally disabled (as defined therein) on or after January 1, 1980, while in the active service of the Employer, shall be entitled to a disability benefit as prescribed in CRS Section 31-30-1007, provided such Participant is not then entitled to a retirement pension under the Plan. FPPA presumes that all disability applications filed on and after January 1, 1980 concern disabilities occurring on and after January 1, 1980, until such time as this presumption is rebutted by substantial evidence. FPPA regards a Participant as disabled when, as a reasonable person he should recognize the nature, seriousness and probable compensable character of his injury. If the aforementioned presumption is rebutted, then FPPA will refer the Participant's claim to the Trustees, who will then determine whether the Participant is disabled and eligible for a disability pension as provided under Section 6.03 of the Plan.

(b) If a Participant terminates employment as an Employee as a result of being disabled and is determined by FPPA to be entitled to a disability benefit as prescribed in CRS Section 31-30-1007, the Trustees shall distribute to such Participant all his contributions made to the Plan pursuant to ARTICLE IV no later than sixty (60) days after the end of the Plan Year in which such Participant's employment as an Employee so terminates, and such Participant's right to his Normal Retirement Pension shall thereafter be totally forfeited and disregarded, except as provided in Section 6.02(c).

(c) If a Participant, whose employment as an Employee terminated as a result of his being disabled and who was thereafter receiving disability benefits as provided in CRS Section 31-30-1007, is subsequently no longer eligible to receive such disability benefits and is re-employed by the Employer in a capacity meeting all of the qualifications of an Employee (other than Section 1.13(b)), such Participant shall be entitled to have his right to his Normal Retirement Pension (which was forfeited and disregarded as provided in Section 6.02(b)) restored and reinstated upon such re-employment, provided such Participant repays to the Trustees at the time he is so re-employed the total amount of such Participant's contributions which were refunded to him (as provided in Section 6.02(b)). In the event of any such restoration and reinstatement, such Participant shall again become a Participant in this Plan (and not a participant in the New Hire Money Purchase Pension Plan and Trust Agreement of the Employer) upon such re-employment and shall then have restored to his credit for all purposes under the Plan (including, but not limited to, Sections 5.02 and 8.04) all of the Years of Participation with which the Participant was credited at the time his employment as an Employee terminated as a result of his being so disabled. If a Participant described hereinbefore in this Section 6.02(c) fails to repay the Trustees at the time he is so re-employed the total amount of his contributions which were refunded to him, such Participant shall not have his right to his Normal Retirement Pension restored and reinstated upon his re-employment, nor shall he again be eligible to participate in the Plan, but shall thereafter only be eligible to participate in the New Hire Money Purchase Pension Plan and Trust Agreement of the Employer as provided under its terms and provisions.

6.03 Eligibility for Disability Pension Under the Plan. If the presumption that a Participant became disabled on or after January 1, 1980 is rebutted and FPPA refers the Participant's disability claim to the Trustees, the Trustees shall then determine whether the Participant is eligible for disability benefits provided under CRS Title 31, Article 30, Part 4 (particularly CRS Section 31-30-407(1) thereof), which disability benefits shall be provided from the Trust Fund and which are described hereinafter in ARTICLE VI. A Participant whose disability claim is so referred to the Trustees by FPPA shall be eligible for a disability pension as provided hereinafter under ARTICLE VI if he is found by the Trustees to be disabled as described in Section 6.04.

6.04 Disability. The Plan recognizes both mental and physical disabilities. A Participant shall be regarded as "disabled" to the extent that he is unable to perform duties assigned to him by the Employer, but then only if the disability is not caused by the habitual use of intoxicants or drugs or is not otherwise self-inflicted. A Participant determined to be so disabled shall be retired by the Employer and placed on a retired list, and shall be eligible for a disability pension, which shall be paid as long as such Participant is disabled. No such disabled Participant shall be entitled to a disability pension hereunder in cases where a special position or assignment is assigned to such Participant by the Employer, but only if such Participant is paid a comparable salary and is not reduced to a lower rank and level. All applicants for disability pensions shall be examined by one or more physicians selected by the Trustees and may be examined by one or more physicians selected by the applicant. All expenses of the examination by the physician or physicians chosen by the Trustees shall be paid out of the Trust Fund. Any Participant who has completed five (5) or more years as a Participant of the Plan but is unable to perform his duties by reason of heart disease or any disease of the lungs or respiratory tract shall submit competent evidence substantiating any claim that he contracted said disease while on duty as a result of strain or the inhalation of noxious fumes, poison or gases.

6.05 Disability Pension Under the Plan.

(a) If a Participant becomes disabled (as provided in Section 6.04) while on active duty for the Employer during regular assigned hours of duty and is eligible for a disability pension under the Plan as provided in Section 6.03, he shall be paid, as of the date of his disability retirement, a monthly pension equal to fifty percent (50%) of his monthly Compensation as of the date of his disability retirement.

(b) If a Participant becomes disabled (as provided in Section 6.04) while not on active duty of the Employer during regularly assigned hours of duty and is eligible for a disability pension under the Plan as provided in Section 6.03, he shall be paid (with the exception noted in the next sentence) as of the date beginning twelve (12) months after the date of his disability and for the remaining period of such disability, a monthly pension equal to five percent (5%) of fifty percent (50%) [that is, two and five-tenths percent (2.5%)] of his monthly Compensation as of the date of disability, multiplied by the number of such Participant's full twelve (12)-month periods of employment with the Employer as an Employee, but only so long as this monthly pension does not exceed fifty percent (50%) of his monthly Compensation as of the date of his retirement for disability. If, however, the Participant was hired as an Employee prior to July 1, 1971, he shall be entitled to the benefits set forth in this paragraph as of the date of the onset of such disability and shall not be subject to the twelve (12)-month delay specified herein.

(c) If a Participant terminates employment as an Employee as a result of being disabled and is entitled to a disability pension as prescribed in Sections 6.05(a) or 6.05(b), the right of such Participant to his Normal Retirement Pension shall thereafter be totally forfeited and disregarded, except as provided in Section 6.06, and such Participant shall forfeit any and all rights in his own contributions made pursuant to Section 4.01, except as provided in Section 6.06.

6.06 Recovery From Disability. If a Participant, whose employment as an Employee terminated as a result of his being permanently disabled and who was thereafter receiving a disability pension as provided in Section 6.05(a) or 6.05(b), is subsequently no longer eligible to receive such a disability pension and is re-employed by the Employer in a capacity meeting all of the qualifications of an Employee (other than Section 1.13(b)), such Participant shall be entitled to have his right to his Normal Retirement Pension and his own contributions made pursuant to Section 4.01 (which were forfeited and disregarded as provided in Section 6.05(c)) restored and reinstated upon such re-employment. Additionally, the Trustees shall restore any such re-employed Participant's Years of Participation to the date of his retirement for being disabled, and such Participant shall then commence to accrue benefits under the Plan based upon his Years of Participation before his retirement for being disabled and after his re-employment.

6.07 Continuing Evidence of Total Disability. The Trustees may require a Participant to undergo a re-examination or to submit evidence of his continued eligibility for the disability pension provided under Sections 6.05(a) or 6.05(b) at any time he is receiving such a disability pension. The Trustees may not require such a re-examination or the furnishing of such evidence sooner than one (1) year after the date of disability retirement and not more than once a year thereafter. No person who has reached the age of fifty (50) years, either before or after his disability retirement, shall be re-examined, and no person who has completed twenty (20) years of active duty with the Employer before the date of such retirement shall be re-examined. In the event that a disabled Participant refuses or fails to submit evidence of his continued eligibility to receive his disability pension when requested by the Trustees, the Trustees shall discontinue the disabled Participant's disability pension until the Participant does submit satisfactory evidence of his continued eligibility to receive his disability pension.

In the event it is found by the Trustees that any Participant who has been retired for disability has recovered from the disability that caused his retirement, such person, if he is under fifty (50) years of age and has served less than twenty (20) years of active duty with the Employer as of the date the Trustees find that he has so recovered from his disability, shall be removed from the retired list, shall have his disability pension discontinued as of the month immediately following the date of the Trustees' finding, and shall be ordered to report to the appropriate officers of the Employer within thirty (30) days of such finding for assignment to active duty. At his option, such Participant may, within said thirty (30) days, file a written protest in which he shall state any objection he has to his removal from the retired list. The decision of the Trustees shall be suspended pending a hearing on said protest, at which hearing such Participant shall have the right to appear and be represented by counsel and to present testimony in support of his objection.

For purposes of this Section 6.07, a Participant shall be credited with one (1) year of active duty with Employer when such Participant has been credited with twelve (12) full months of Service with the Employer as an Employee.

6.08 Election to Take Deferred Vested Pension. A Participant who is found by the Trustees to be disabled and eligible for a disability pension as provided in Sections 6.05(a) or 6.05(b) shall have the option of electing to receive his Deferred Vested Pension as provided in ARTICLE VIII in lieu of receiving his disability pension as provided in Sections 6.05(a) or 6.05(b). Such election shall be made by such Participant on a written form prescribed by the Trustees prior to commencement of payment of his disability pension. Additionally, any such written election shall be made and executed, either in the presence of a notary public or a member of the Trustees (who shall duly notarize or witness, respectively, such execution), by the Participant and also by the Participant's spouse, if the Participant is married at the time said election is made, and must be delivered to the Trustees prior to the commencement of payment of such Participant's disability

pension. By making such election, the Participant and his spouse (if any) shall forever and irrevocably elect to receive such Participant's Deferred Vested Pension as provided under and in accordance with the provisions of ARTICLE VIII and shall forever and irrevocably elect to waive, forfeit and release any and all claim, right or interest either of them may have to any disability pension provided for under Sections 6.05 (a) or 6.05(b). Such election shall also act as an irrevocable waiver of any rights such Participant might have to re-enter the Plan as provided in Section 6.06. In the event such Participant who makes the election under this Section 6.08 is re-employed by the Employer in a capacity meeting all of the qualifications of an Employee (other than Section 1.13(b)), such Participant shall not again be eligible to participate in this Plan, but shall only be eligible to participate in the New Hire Money Purchase Pension Plan of the Employer as provided under its terms and provisions. Such election, once made, shall be irrevocable.

ARTICLE VII

DEATH AND SURVIVOR BENEFITS

7.01 Pre-Retirement Death and Survivor Benefits.

(a) FPPA Benefit. The spouse and dependent children of a Participant who dies while in active service with the Employer and who otherwise meets the requirements of CRS Title 31, Article 30, Part 10, in particular CRS Section 31-30-1008(1), shall be eligible for the survivor benefits provided therein.

(b) Pre-Retirement Death Benefit Under the Plan.

(1) If a Participant dies while employed as an Employee, and if at the date of his death such Participant was not then credited with at least ten (10) Years of Participation, the Trustees shall distribute to the Beneficiary of such deceased Participant all of his contributions made to the Plan pursuant to ARTICLE IV no later than sixty (60) days after the end of the Plan Year in which such Participant died.

(2) If a Participant dies while employed as an Employee, and if at the date of his death such Participant was credited with at least ten (10) Years of Participation and was thus then one hundred percent (100%) Nonforfeitable in his Normal Retirement Pension as provided in Section 8.04, a death benefit equal to the Actuarial Equivalent present value of such deceased Participant's Nonforfeitable Normal Retirement Pension, determined by the Actuary as of such Participant's date of death, shall be payable to the Beneficiary of such Participant as soon as administratively practicable after such Participant's date of death.

7.02 Post-Retirement Survivor Benefits for Surviving Spouse or Dependent Parent. If a Participant dies after having terminated his employment with the Employer, and if such deceased Participant leaves a surviving spouse or dependent parent, such surviving spouse or dependent parent shall be awarded a monthly annuity equal to one-third (1/3) of the monthly Compensation then paid by the Employer to a first grade fireman at the date of such Participant's death. Such annuity shall be paid to the surviving spouse (or dependent parent) for so long as such surviving spouse (or dependent parent) remains unmarried. No such annuity shall be paid to the dependent parent of a deceased Participant who leaves a surviving spouse or dependent children. No dissolution of a subsequent marriage shall have the effect of reinstating a surviving spouse's or dependent parent's benefits under this Section 7.02. The monthly annuity described in this Section 7.02 shall be payable commencing on the first day of the first month following such Participant's death.

7.03 Post-Retirement Survivor Benefits for Dependent Children. In addition to the annuity set forth in Section 7.02, a monthly annuity of thirty dollars (\$30.00) shall be paid to each child of a Participant who dies after having retired as provided in such Section 7.02, until that child reaches the age of eighteen (18) years. Such payments shall be made either to the surviving spouse or to the child's legally appointed guardian.

In the event that a Participant who so dies leaves dependent children without a surviving spouse or leaves a surviving spouse who then subsequently dies leaving dependent children, the annuity payable to a surviving spouse under Section 7.02 shall be paid to the legally appointed guardian or guardians of the children, which amount shall be equally divided among the children. The monthly payment of thirty dollars per child provided for in the first paragraph of this Section 7.03 shall be paid in lieu of the aforementioned annuity ordinarily payable to a surviving spouse, if the aggregate amount of such thirty dollar

payments is greater than the annuity ordinarily payable to a surviving spouse. In no event shall such surviving children of a Participant who dies after retirement receive an amount in excess of fifty percent (50%) of the current Compensation paid to a first grade firefighter employed by the Employer. No annuity of any kind will be paid to the dependent parent of such a deceased Participant who leaves a child or children under eighteen years of age. The monthly annuity described in this Section 7.03 shall be payable commencing on the first day of the first month following such Participant's death.

7.04 Additional Death Benefit. When any Participant dies regardless of whether the Participant dies before or after his employment as an Employee terminates, the surviving spouse, if any, or if none, the estate of the deceased Participant shall receive a death benefit of one hundred dollars (\$100), which shall be payable as soon as administratively practicable after such Participant's date of death.

ARTICLE VIII

DEFERRED VESTED PENSION

8.01 Deferred Vested Pension. Except as otherwise provided to the contrary in the following sentence of this Section 8.01, a Participant (or his Beneficiary) shall be eligible to receive a Deferred Vested Pension when such Participant terminates his employment as an Employee. Anything contained herein to the contrary notwithstanding, no Participant (or his Beneficiary) shall be entitled to a Deferred Vested Pension if: (1) such Participant's employment as an Employee terminates as a result of his being disabled and is therefore receiving (or is scheduled to receive) payment of a disability benefit from FPPA under CRS Section 31-30-1007, and such Participant does not restore and reinstate his right to his Normal Retirement Pension as provided in Section 6.02(c); (2) such Participant's employment as an Employee terminates as a result of his being disabled and is therefore receiving a disability pension as provided under Sections 6.05(a) or 6.05(b); (3) such Participant's employment as an Employee terminates after he has attained Normal Retirement Age and after he has been credited with at least ten (10) Years of Participation; or (4) such Participant dies while employed as an Employee and the death benefit provided under Section 7.01(b)(2) is payable to such deceased Participant's Beneficiary. A terminated Participant's Deferred Vested Pension shall become payable upon the Participant's attaining Normal Retirement Age.

8.02 Amount of Deferred Vested Pension. The Participant's Deferred Vested Pension shall equal his Nonforfeitable Normal Retirement Pension determined as provided in Section 8.04 as of the close of the Plan Year in which his termination of employment as an Employee with the Employer occurs.

8.03 Payment of Deferred Vested Pension. The Trustees shall pay a Participant his Deferred Vested Pension in accordance with ARTICLE IX. However, a terminated Participant may elect on a form prescribed by and filed with the Trustees to have the Trustees commence payment of his Deferred Vested Pension at any time after he terminates employment as an Employee with the Employer. The Trustees shall pay the Participant the Actuarial Equivalent of his Deferred Vested Pension, determined as of the date payment of the Deferred Vested Pension commences.

8.04 Vesting Schedule. If a Participant's employment as an Employee terminates, then the Trustees shall determine the Participant's Nonforfeitable percentage of his Normal Retirement Pension under the following schedule:

<u>Years of Participation</u>	<u>Percentage of Nonforfeitable Accrued Benefit</u>
Less than ten (10)	0%
Ten (10) or more	100%

Except as otherwise provided to the contrary in Section 6.05(c), a Participant shall at all times be one hundred percent (100%) Nonforfeitable in his contributions made pursuant to ARTICLE IV.

8.05 Year of Participation-Vesting. For purposes of vesting under Section 8.04, a Year of Participation shall have the meaning set forth in Section 5.05.

8.06 Return of Employee Contributions. If a Participant terminates employment with the Employer and is not then one hundred (100%) Nonforfeitable in his Normal Retirement Pension as provided in Section

8.04, or if a Participant terminates employment as an Employee as a result of being disabled and is receiving (or is scheduled to receive) payment of a disability benefit as provided in CRS Section 31-30-1007, the Trustees shall distribute to such Participant all his contributions made to the Plan pursuant to ARTICLE IV no later than sixty (60) days after the end of the Plan Year in which such Participant's employment with the Employer terminates.

8.07 Deferred Vested Pension As Death Benefit. If a Participant terminates employment as an Employee and is then one hundred percent (100%) Nonforfeitable in his Normal Retirement Pension as provided in Section 8.04, and if such Participant dies after his employment as an Employee so terminated but prior to commencement of the payment of his Nonforfeitable Normal Retirement Pension, a death benefit equal to the Actuarial Equivalent present value of his Nonforfeitable Normal Retirement Pension, determined as of such Participant's date of death, shall be payable to the Beneficiary of such Participant as soon as administratively practicable after such Participant's date of death. The death benefit provided under this Section 8.07 shall be in addition to the benefits provided under Sections 7.02, 7.03 and 7.04.

ARTICLE IX

PAYMENT OF ACCRUED BENEFIT - OPTIONAL FORMS OF PAYMENT

9.01 Form and Timing of Distributions. Unless a Participant otherwise elects a specific option under Section 9.03, the Trustees will pay a Participant his Nonforfeitable Accrued Benefit in the form of a straight life annuity based on such Participant's life, payable no less frequently than monthly, with payment of the Participant's Nonforfeitable Accrued Benefit commencing on such Participant's Normal Retirement Age and ending on the Participant's death. Annuity payments will continue until the last scheduled payment coincident with or immediately preceding the date of the Participant's death or, if applicable, the date of his or her survivor's death.

For purposes of this ARTICLE IX, the term "annuity starting date" means the first day of the first period for which the Plan pays an amount as an annuity or in any other form, but in no event shall the "annuity starting date" be earlier than a Participant's Separation of Service. A "distribution date" under this Article IX is the earliest administratively feasible date following the Participant's Separation from Service.

Anything contained herein to the contrary notwithstanding, any distribution of a Participant's Nonforfeitable Accrued Benefit is subject to the applicable provisions of Section 9.02.

(a) Distribution Upon Separation from Service For a Reason Other Than Death. Upon the Participant's Separation from Service is for any reason other than death, the Trustees shall commence distribution of the Participant's Nonforfeitable Accrued Benefit in a form and at the time elected by the Participant pursuant to Section 9.03. If the Participant fails to make such an election within six (6) months after his or her receipt of the written notice required under Section 9.03, then the Trustees may distribute the Participant's Nonforfeitable Accrued Benefit in a lump sum on any distribution date the Trustees, in their discretion, may select.

(b) Distribution Upon Death of the Participant. If the Participant has a Separation from Service and had commenced distribution of his or her Nonforfeitable Accrued Benefit prior to his or her death, the Trustees will make distribution of any post-retirement survivor benefits in accordance with the provisions of ARTICLE VII.

In the event of a Participant's Separation from Service on account of his or her death, the Trustees shall distribute a Participant's undistributed Nonforfeitable Accrued Benefit in the Trust at the time of the Participant's death to the Participant's designated Beneficiary, in accordance with the following provisions of this Section 9.01(b).

The Trustees shall distribute the deceased Participant's undistributed Nonforfeitable Accrued Benefit at the time and in the form elected by the Participant or, if applicable, by the Beneficiary, as permitted under this Article IX. In the absence of such election, the Trustees may distribute to the deceased Participant's designated Beneficiary such Participant's undistributed Nonforfeitable Accrued Benefit in a lump sum on any distribution date as soon as practicable following the death of the Participant, or, if later, on any distribution date as soon as practicable following the date the Trustees receive notification of or otherwise confirm the Participant's death.

9.02 Required Minimum Distributions.

(a) Priority of Required Minimum Distribution. If any distribution under this Article VI (by Plan provision or by Participant election or nonelection), would commence later than the Participant's required beginning date ("RBD"), the Trustees must make distribution on the Participant's RBD. The effective date for the RBD provisions of this Section 9.02 shall be January 1, 2001.

(1) RBD - More Than 5% Owner. A Participant's RBD is the April 1 following the close of the calendar year in which the Participant attains age 70 1/2 if the Participant is a more than 5% owner (as defined in Code §416) with respect to the Plan Year ending in that calendar year. If a Participant is a more than 5% owner at the close of the relevant calendar year, the Participant may not discontinue required minimum distributions notwithstanding the Participant's subsequent change in ownership status.

(2) RBD - Non 5 % Owners. If the Participant is not a more than 5% owner, the Participant's RBD is the April 1 following the close of the calendar year in which the Participant incurs a Separation from Service or, if later, the April 1 following the close of the calendar year in which the Participant attains age 70 1/2. If a Participant is not a more than 5% owner, the Participant's pre-1997 RBD (if applicable) is April 1 following the close of the calendar year in which the Participant attains age 70 1/2.

(3) Form of Distribution. The Trustees will make a required minimum distribution at the Participant's RBD in a lump sum unless the Participant, pursuant to the provisions of this Article VI, makes a valid election to receive an alternative form of payment.

(b) Participant Transitional Elections.

(1) Election to Discontinue Distributions. A Participant who: (a) is not a more than 5% owner; (b) had attained age 70 1/2 prior to 1997; (c) had commenced prior to 1997 required minimum distributions under the pre-1997 RBD; and (d) has not incurred a Separation from Service, has a continuing election to discontinue receiving distributions from the Plan (which previously were required minimum distributions under the Plan). A Participant who makes an election under this Section 9.02(B)(1) must establish a new annuity starting date when the Participant recommences payment of the Participant's Account Balance under the Plan. A Participant may not make any election under this Section 9.02(B)(1) which is inconsistent with any QDRO applicable to the Participant's Nonforfeitable Accrued Benefit.

(2) Election to Postpone Distributions. A Participant who: (a) is not a more than 5% owner; and (b) attained age 70 1/2 after 1996 (or who attained age 70 1/2 in 1996, but who had not commenced required minimum distributions in 1996) may elect under this Section 9.02(b)(2) to postpone distribution of required minimum distributions until the Participant's RBD established under Section 9.02(a). If the Participant attained age 70 1/2 in 1996, the Participant must have elected under this Section 9.02(b)(2) to postpone distributions by December 31, 1997. If the Participant attained age 70 1/2 after 1996, the Participant must make the election to postpone distribution under this Section 9.01(b)(2) not later than April 1 of the calendar year following the year in which the Participant attains age 70 1/2.

(3) Election Requirements. All Participant elections made under this Section

9.02(b) are subject to and must be consistent with the terms of this Section 9.02. A Participant shall make an election under this Section 9.02(b) in writing on a form prescribed by the Trustees.

(c) Minimum Distribution Requirements for Participants. The Trustees may not distribute the Participant's Nonforfeitable Accrued Benefit, nor may the Participant elect to have the Trustees distribute the Participant's Nonforfeitable Accrued Benefit, under a method of payment which, as of the Participant's RBD, does not satisfy the minimum distribution requirements under Code §401(a)(9) and the applicable Treasury regulations.

(1) Calculation of Amount. The required minimum distribution for a calendar year ("distribution calendar year") equals the Participant's Nonforfeitable Accrued Benefit as of the latest valuation date preceding the beginning of the distribution calendar year (such valuation date being within the "valuation calendar year") divided by the Participant's life expectancy or, if applicable, the joint and last survivor expectancy of the Participant and the Participant's designated Beneficiary (as determined under Article VIII, subject to the requirements of Code §401(a)(9)). The Trustees will increase the Participant's Nonforfeitable Accrued Benefit, as determined on the relevant valuation date, for contributions or forfeitures allocated after the valuation date and by December 31 of the valuation calendar year, and will decrease the valuation by distributions made after the valuation date and by December 31 of the valuation calendar year. For purposes of this valuation, any portion of the required minimum distribution for the first distribution calendar year made after the close of that year is a distribution occurring in that first distribution calendar year.

(2) Recalculation. In computing a required minimum distribution, the Trustees must use the unisex life expectancy multiples under Treas. Reg. §1.72-9. The Trustees, only upon the Participant's timely election, will compute the required minimum distribution for a distribution calendar year subsequent to the first distribution calendar year by redetermining ("recalculation" of) the Participant's life expectancy or the Participant's and spouse designated Beneficiary's life expectancies as elected. However, the Trustees may not redetermine the joint life and last survivor expectancy of the Participant and a nonspouse designated Beneficiary in a manner which takes into account any adjustment to a life expectancy other than the Participant's life expectancy. A Participant must elect recalculation under this Section 6.02(c)(2) in writing and on a form the Trustees prescribes, not later than the Participant's RBD.

(3) Minimum Distribution Incidental Benefit (MDIB). If the Participant's spouse is not the Participant's designated Beneficiary, a method of payment to the Participant (whether by Participant election or by Trustees direction) must satisfy the MDIB requirement under Code §401(a)(9) for distributions made on or after the Participant's RBD and before the Participant's death. To satisfy the MDIB requirement, the Trustees will compute the Participant's required minimum distribution by substituting the applicable MDIB divisor for the applicable life expectancy factor, if the MDIB divisor is a lesser number. Following the Participant's death, the Trustees will compute the minimum distribution required by Section 6.02(d) solely on the basis of the applicable life expectancy factor and will disregard the MDIB factor.

(4) Payment Due Date. The required minimum distribution for the first distribution calendar year is due by the Participant's RBD. The required minimum distribution for each subsequent distribution calendar year, including the calendar year in which the Participant's RBD occurs, is due by December 31 of that year.

(5) Nontransferable Annuity. If the Participant receives distribution in the form of a Nontransferable Annuity, the distribution satisfies this Section 9.02(c) if the contract complies with the requirements of Code §401(a)(9).

(d) Minimum Distribution Requirements for Beneficiaries. The method of distribution to the Participant's Beneficiary must satisfy Code §401(a)(9).

(1) Death After RBD. If the Participant's death occurs after the Participant's RBD, the Trustees must distribute the Participant's remaining benefit to the Beneficiary at least as rapidly as under the method in effect for the Participant, determined without regard to the MDIB requirements of Section 9.02(c)(3).

(2) Death Prior to RBD. If the Participant's death occurs prior to the Participant's RBD, the method of payment to the Beneficiary must provide for completion of payment to the Beneficiary over a period not exceeding:

(i) five (5) years after the date of the Participant's death; or

(ii) if the Beneficiary is a designated Beneficiary, the designated Beneficiary's life expectancy.

A "designated Beneficiary" is a Beneficiary designated by the Participant under Section 11.04 or determined under Section 11.05. The Trustees may not direct payment of the Participant's Nonforfeitable Accrued Benefit over a period described in Section 9.02(b)(2)(ii) unless the Trustees will commence payment to the designated Beneficiary no later than the December 31 following the close of the calendar year in which the Participant's death occurred or, if later, and the designated Beneficiary is the Participant's surviving spouse, December 31 of the calendar year in which the Participant would have attained age 70 1/2.

If the Trustees will make distribution in accordance with Section 9.02(d)(2)(ii), the minimum distribution for a distribution calendar year equals the Participant's Nonforfeitable Accrued Benefit as of the latest valuation date preceding the beginning of the distribution calendar year divided by the designated Beneficiary's life expectancy. The Trustees must use the unisex life expectancy multiples under Treas. Reg. §1.72-9 for purposes of applying this Section 9.02(d).

(3) Recalculation. The Trustees, only upon the Participant's election (under Section 9.02(c)(2)) or the Participant's surviving spouse designated Beneficiary's election, will recalculate the life expectancy of the Participant's surviving spouse not more frequently than annually. However, the Trustees may not recalculate the life expectancy of a nonspouse designated Beneficiary after the Trustees commences payment to the designated Beneficiary. The Trustees will apply this Section 9.02(d) by treating any amount paid to the Participant's child, which becomes payable to the Participant's surviving spouse upon the child's attaining the age of majority, as paid to the Participant's surviving spouse. A surviving spouse designated Beneficiary must elect recalculation under this Section 9.02(d)(3) in writing and on a form the Trustees prescribes not later than the last day of the spouse's first distribution year.

(4) Beneficiary Election. If the Participant under Section 9.01(b) had not elected the payment method or payment term, the Participant's Beneficiary must elect the method of distribution no later than the date specified above upon which the Trustees must commence distribution to

the Beneficiary. If the Beneficiary fails to elect timely a distribution method, the Trustees must commence distribution within the time required for a Participant who dies without a designated Beneficiary.

(e) Model Amendment. The Employer elects to apply the following IRS Model Amendment:

With respect to distributions under the Plan made on or after January 1, 2001, for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under Section 401(a)(9) that were proposed on January 17, 2001, (the "2001 Proposed Regulations"), notwithstanding any provision of the Plan to the contrary. If the total amount of required minimum distributions made to a Participant for 2001 prior to the January 1, 2001 effective date are equal to or greater than the amount of required minimum distributions determined under the 2001 Proposed Regulations, then no additional distributions are required for such Participant for 2001 on or after such date. If the total amount of required minimum distributions made to a Participant for 2001 prior to the January 1, 2001 effective date are less than the amount determined under the 2001 Proposed Regulations, then the amount of required minimum distributions for 2001 on or after such date will be determined so that the total amount of required minimum distributions for 2001 is the amount determined under the 2001 Proposed Regulations. This amendment shall continue in effect until the last calendar year beginning before the effective date of final regulations under section 401(a)(9) or such other date as may be published by the Internal Revenue Service.

9.03 Notice, Election and Method of Distribution.

(a) Distribution Notice. Not earlier than ninety (90) days, but not later than thirty (30) days, before the Participant's annuity starting date, the Trustees must provide a written notice (or a summary notice as permitted under Treasury regulations) to a Participant who is eligible to make a distribution election under this Section 9.03 ("distribution notice"). The distribution notice must include information required by the Code or applicable Treasury regulations, such as an explanation of the optional forms of benefit in the Plan, the material features and relative values of those options, the Participant's right to defer distribution as may be permitted in the Plan, the provisions under which the Participant may have a distribution directly transferred to another eligible retirement plan, and the provisions which require the withholding of tax on the distribution if it is not directly transferred to another eligible retirement plan.

A Participant may elect any method of payment of the Participant's Nonforfeitable Accrued Benefit that is otherwise permitted under the provisions of ARTICLE IX, which payment(s) commence as of any administratively practicable time (as determined in the sole discretion of the Trustees) which is earlier than thirty (30) days following such Participant's receipt of the distribution notice, by such Participant executing a waiver in writing of the remainder of such thirty (30) day period and delivering such written waiver to the Trustees.

(b) Right of Election. The Participant (or his or her Beneficiary in the case of the Participant's death, or his or her legal representative in the case of the Participant's disability) shall have the sole right and discretion to elect the method of payment of the Participant's Nonforfeitable Accrued Benefit, as long as the method of payment selected is one of the methods described in Sections 9.03(c)(1), 9.03(c)(2), 9.03(c)(3) or 9.03(c)(4), and otherwise complies with the provisions and requirements of

Section 9.02 and any other applicable provisions of the Plan. With respect to the election of a method of payment authorized under Section 9.03(c)(5), the Participant (or his or her Beneficiary in the case of the Participant's death, or his or her legal representative in the case of the Participant's disability) shall have the right and discretion to elect such a method of payment, but any such method of payment so elected must be approved by the Trustees and must otherwise comply with the provisions and requirements of Section 9.02 and any other applicable provisions of the Plan. In granting or denying its approval of any such method of payment so elected under the provisions of Section 9.03(c)(5), the Trustees shall not unreasonably withhold their approval and shall act in a non-discriminatory manner. Any Beneficiary may select an optional form of payment of any death benefit provided under Sections 7.01(b)(2) and 8.07.

(c) Methods of Distribution. Subject to the provisions of Section 9.03(b), the Trustees after consultation with the Participant, (or his or her Beneficiary in the event of the Participant's death, or his or her legal representative in the event of the Participant's disability), will distribute the balance of his or her Nonforfeitable Accrued Benefit to the recipient thereof under one of the following methods:

(1) By payment in a lump sum.

(2) By payment in monthly, quarterly or annual installments over a fixed reasonable period of time, not exceeding the life expectancy of the Participant, or the joint life and last survivor expectancy of the Participant and the Participant's designated Beneficiary.

(3) A straight life annuity, payable no less frequently than annually, with payment of the Participant's Nonforfeitable Accrued Benefit ending on the Participant's death.

(4) A life annuity, payable no less frequently than annually, with a term certain guaranteed. The term certain cannot exceed the Participant's life expectancy, or the joint life and last survivor expectancy of the Participant and his or her designated Beneficiary. If a Participant dies before the Trustees has made the guaranteed number of payments, the Trustees shall continue the balance of the payments to the Participant's designated Beneficiary.

(5) Any other form of payment of the Participant's Nonforfeitable Accrued Benefit which the Trustees may approve. However, such form of payment cannot extend beyond the Participant's life, the life of the Participant and his designated Beneficiary, the Participant's life expectancy or the joint life and last survivor expectancy of the Participant and his or her designated Beneficiary.

(d) Trustees's Right to Modify Method of Distribution. The Trustees may at any time modify the method of payment elected pursuant to the provisions of Section 9.03(b) to the extent there is still an adjusted balance in the Accounts concerned from which payments are to be made and so long as (1) the new method of payment is consented to in writing by the Participant concerned (or his or her Beneficiary in the event of such Participant's death, or his or her legal representative in the event of such Participant's disability), (2) the new method of payment is one available under the Plan, and (3) the new method of payment otherwise complies with the provisions and requirements of this Section 9.03, Section 9.02 and any other applicable provisions of the Plan.

(e) Participant's Right to Modify Method of Distribution. A Participant may reconsider his or her distribution election under Section 9.03(b) at any time prior to his or her annuity starting date and make a different distribution election as of any other distribution date permitted under

the Plan provide that such different distribution election and method of payment otherwise comply with the provisions and requirements of this Section 9.03, Section 9.02 and any other applicable provisions of the Plan.

(f) Segregated Investment Account. To facilitate installment payments under this Article VI, the Trustees may segregate all or any part of the Participant's Nonforfeitable Accrued Benefit in a segregated investment account.

(g) Nontransferable Annuity. Anything contained herein to the contrary notwithstanding, if an annuity method of payment of a Participant's Nonforfeitable Accrued Benefit is the method of payment selected as provided under the provisions of this Section 9.03, the Trustees, in their sole discretion, may effectuate said annuity payment by purchasing a Nontransferable Annuity from an insurance company with the value of the Nonforfeitable Accrued Benefit of such Participant, provided that such Nontransferable Annuity satisfies the distribution requirements of Section 9.02.

9.04 Distributions Under Domestic Relations Orders. This Plan is generally not subject to Code Section 414(p) and corollary provisions of ERISA relating to qualified domestic relations orders (as defined in Code Section 414(q)). However, the following provisions shall apply:

(a) Effective for all dissolution of marriage, legal separation and declaration of invalidity of marriage actions in which the court prior to January 1, 1997 entered a final property division order concerning the division of a Participant's Accrued Benefit hereunder, the Trustees shall be permitted to comply with the provisions of such property division order if, and only if, such order is an assignment for child support purposes only, as allowed by and provided for under Plan Section 10.03.

(b) Effective for causes of action for dissolution of marriage, legal separation or declaration of invalidity of marriage filed on or after January 1, 1997, and for all dissolution of marriage, legal separation or declaration of invalidity of marriage actions filed prior to January 1, 1997, in which the court did not enter a final property division order concerning the division of a Participant's Accrued Benefit hereunder, the Trustees shall comply with a properly executed court order approving a written agreement entered into pursuant to CRS Section 14-10-113(6), concerning the division of a Participant's Accrued Benefit under the Plan, all in accordance with and to the extent required under the provisions of CRS Section 14-10-113(6). In accordance with the provisions of CRS Section 14-10-113(6), the Trustees may adopt, modify and revoke from time to time rules or procedures governing the implementation of this Section 9.05(b). Any such rules or procedures implementing this Section 9.04(b) may include, but are not limited to: (i) a requirement that, in order for the parties' agreement concerning the division of a Participant's Accrued Benefit under the Plan to be effective, a standardized form adopted by the Trustees must be used by the parties and the court; (ii) the timing and method of payment to the alternate payee under such court order of a Participant's Accrued Benefit under the Plan; and (iii) any other provisions that are consistent with the provisions of CRS Section 14-10-113(6).

(c) To the extent the provisions relating to domestic relations orders described hereinbefore in this Section 9.04 are modified or repealed by applicable Colorado law, then the provisions of this Section 9.04 shall be deemed modified or repealed in accordance therewith.

9.05 Direct Rollover.

(a) Election. Except as otherwise provided to the contrary hereinafter in this Section 9.05, this Section 9.05 applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this ARTICLE IX, a distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Not earlier than ninety (90) days, but not later than thirty (30) days, before the Trustees' distribution of an eligible rollover distribution, the Trustees must provide a written notice (or a summary notice as permitted under Treasury regulations) to a distributee the rollover option ("rollover notice"). The rollover notice must explain among other information required by the applicable provisions of the Code and regulations, the rollover option, the optional forms of benefit in the Plan, including the material features and relative values of those options, the provisions under which the distributee may have a distribution directly transferred to another eligible retirement plan, and the provisions which require the withholding of tax on the distribution if it is not directly transferred to another eligible retirement plan.

A distributee may also elect to receive distribution as of any administratively practicable time (as determined in the sole discretion of the Trustees) which is earlier than thirty (30) days following such distributee's receipt of the rollover notice by such distributee executing a waiver in writing of the remainder of such thirty (30) day period and delivering such written waiver to the Trustees.

(b) Definitions. For purposes of this Section 9.05, the following definitions shall apply:

(1) Eligible Rollover Distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include (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 distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more, (ii) any distribution to the extent such distribution is required under section 401(a)(9) of the Code (iii) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (iv) any hardship distribution made after December 31, 1998, from a Participant's deferral contributions account, if any (except where the Participant also satisfies a non-hardship distribution event described in the applicable provisions of the Code, regulations and IRS rulings or other such promulgations).

(2) Eligible Retirement Plan. An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the Participant's surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee. A distributee includes a Participant or former Participant. In

addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code or applicable provisions of CRS, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct Rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(5) Default Rollover. The Trustees in the case of a distributee who does not respond timely to the notice described in Section 9.05(a) may make a direct rollover of the Participant's Nonforfeitable Accrued Benefit to which the distributee is entitled (in the manner and subject to the procedures of IRS Revenue Ruling 2000-36 or in any successor law or guidance) in lieu of distributing such Nonforfeitable Accrued Benefit to the distributee.

(6) EGTRRA Modifications and Effective Date. As of the effective date set forth in Section 9.05(b)(6)(iii), the provisions of this Section 9.05(b)(6) shall apply and shall supercede any provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Section 9.05(b)(6).

(i) Modification of Definition of Eligible Retirement Plan. For purposes of the direct rollover provisions in this Section 9.05, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Code.

(ii) Modification of Definition of Eligible Rollover Distribution to Include After-Tax Employee Contributions. For purposes of the direct rollover provisions in this Section 9.05, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Participant contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code Sections 408(a) or 408(b), or to a qualified defined contribution plan described in Code Sections 401(a) or 403(b) 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.

(iii) Effective Date. This Section 9.05(b)(6) shall apply to distributions made after December 31, 2001.

ARTICLE X

MISCELLANEOUS PROVISIONS AFFECTING THE PAYMENT OF BENEFITS

10.01 General. In general, the Trustees shall make payment of any pension or other benefit directly to the Participant, Beneficiary or other person who may be entitled to the payment. However, the Trustees, in their sole and absolute discretion, in lieu of paying the pension or other benefit which such Participant, Beneficiary or other person is to receive directly from the Trust Fund, may purchase from an insurance company selected by the Trustees a Nontransferable Annuity contract. The Nontransferable Annuity contract must provide pension and other benefits in an amount not less than the pension and other benefits such Participant would receive under this Plan. In the event the Trustees purchase a Nontransferable Annuity contract for the benefit of such Participant, the Trustees may either assign the contract to such Participant or hold the contract for the benefit of such Participant. The Trustees also may purchase a Nontransferable Annuity contract for a Beneficiary or any other person who may be entitled to distribution of all or a portion of the Participant's Nonforfeitable Accrued Benefit, as well as any death, survivor or disability benefit or pension payable hereunder.

10.02 Merger. The Trustees shall not consent to, nor be a party to, any merger or consolidation with another plan, or to a transfer of assets or liabilities to another plan, unless immediately after the merger, consolidation or transfer, the surviving Plan provides each Participant a benefit equal to or greater than the benefit each Participant would have received had the Plan terminated immediately before the merger, consolidation or transfer. The Trustees possess the specific authority to enter into merger agreements or direct transfer of assets agreements with the trustees of other retirement plans described in Code Section 401(a) and to accept the direct transfer of plan assets, or to transfer plan assets, as a party to any such agreement. Any merger, consolidation or transfer involving the Plan or Trust Fund shall comply with applicable Colorado law. 10.03 Assignment or Alienation. Except for assignments for child support purposes as provided for in CRS, Sections 14-10-118(l) and 14-14-107, as they existed prior to July 1, 1996, except for income assignments for child support purposes pursuant to CRS Section 14-14-111.5, except for writs of garnishment which are the result of a judgment taken for arrearages for child support or for child support debt, and except for payments made in compliance with a properly executed court order approving a written agreement entered into pursuant to CRS Section 14-10-113(6), as set forth in Section 9.05 of the Plan, neither a Participant nor a Beneficiary shall anticipate, assign or alienate (either at law or in equity) any benefit provided under the Plan, and no part of the Trust Fund, or any benefit hereunder, either before or after any order for distribution thereof to a Participant, a Beneficiary, a Participant's surviving spouse or parent, or a guardian or personal representative of a minor child of a deceased Participant, shall be held, seized, taken, subjected to, detained, or levied on, whether by virtue of any attachment, execution, protest or proceeding of any nature whatsoever, issued out of or by any court in the State of Colorado or any other jurisdiction, for payment or satisfaction, in whole or in part, of any debt, damages, claim, demand, judgment, fine or amercement of such Participant, Beneficiary, surviving spouse, parent, or minor child. The Trust Fund shall be kept, secured and distributed only for the purposes of pensioning and protecting Participants and their Beneficiaries and for no other purposes whatsoever.

To the extent the provisions relating to anticipation, assignment, or alienation of benefits under the Plan described herebefore in this Section 10.03 are modified or repealed by applicable Colorado law, then the provisions of this Section 10.03 shall be deemed modified or repealed in accordance therewith.

10.04 No Decrease In Benefits By Change In Social Security. In the case of a Participant or Beneficiary who is receiving benefits under this Plan or a Participant who has terminated employment with

the Employer and has a Nonforfeitable Accrued Benefit under this Plan, any increase in the taxable wage base or the benefit level payable under Title II of the Social Security Act will not affect in any way the benefits payable under this Plan to such Participant or Beneficiary. The Plan does not permit the recalculation of any benefits accrued before the Participant's termination of employment by the Employer on the basis of changes in Social Security benefit levels or the taxable wage base in effect during Years of Service after re-employment with the Employer.

ARTICLE XI

ADMINISTRATIVE PROVISIONS

11.01 Information to Trustees. The Employer and/or the District shall supply current information to the Trustees as to the name, date of birth, date of employment, annual compensation, leaves of absence, Years of Service and date of termination of employment of each Employee who is, or who will be eligible to become, a Participant under the Plan, together with any other information which the Trustees consider necessary. The Employer's and/or the District's records as to the current information the Employer furnishes to the Trustees shall be conclusive as to all persons.

11.02 No Liability. Neither the Employer nor the District assumes any obligation or responsibility to any of its Employees, Participants or Beneficiaries for any act of, or failure to act, on the part of the Trustees or the Plan Administrator.

11.03 Indemnity of Plan Administrator and the Trustees. Subject to any limitations under applicable law, the Plan and Trust indemnifies and saves harmless the Trustees and the Plan Administrator, and each of them, from and against any and all loss resulting from liability to which the Trustees and the Plan Administrator may be subjected by reason of any act or conduct (except willful misconduct or gross negligence) in their official capacities in the administration of this Trust or Plan or both, including all expenses reasonably incurred in their defense, in case the Plan and Trust fails to provide such defense. The indemnification provisions of this Section 11.03 shall not relieve the Trustees or the Plan Administrator from any liability they may have for breach of a fiduciary duty. Furthermore, the Trustees, the Plan Administrator, the Employer and the District may execute a letter agreement further delineating the indemnification agreement of this Section 11.03, provided the letter agreement must be consistent with and shall not violate applicable laws.

11.04 Beneficiary Designation. Any Participant may from time to time designate, in writing, any person or persons, contingently or successively, to whom the Trustees shall pay the benefits described in this Plan in the event of his death, unless such designation is inconsistent with the terms of this Plan. The Trustees shall prescribe the form for the written designation of Beneficiary and, upon Participant's filing the form with the Trustees, it effectively shall revoke all designations filed prior to that date by the same Participant.

11.05 No Beneficiary Designation. If a Participant fails to name a Beneficiary in accordance with Section 11.04, or if the Beneficiary named by a Participant predeceases him, then the Trustees shall pay such benefits in accordance with ARTICLE IX to the following persons in the following order of priority:

- (a) The Participant's surviving spouse;
- (b) The Participant's surviving children, including adopted children, in equal shares;
- (c) The Participant's surviving parents, in equal shares, or
- (d) The estate of the Participant.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the Participant's entire Nonforfeitable Accrued Benefit, the Trustees shall pay the remaining Nonforfeitable Accrued Benefit to the Beneficiary's estate unless the Participant's beneficiary designation provides otherwise.

The Plan Administrator shall direct the Trustees as to the method and to whom the Trustee shall make payment under this Section 11.05.

11.06 Personal Data to Trustees. Each Participant and each Beneficiary of a deceased Participant must furnish to the Trustees such evidence, data or information as the Trustees consider necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Trustees, provided the Trustees shall advise each Participant of the effect of his failure to comply with its request.

11.07 Address for Notification. Each Participant and each Beneficiary of a deceased Participant shall file with the Trustees from time to time, in writing, his post office address and any change of post office address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his last post office address filed with the Trustees, or as shown on the records of the Employer, shall bind the Participant, or Beneficiary, for all purposes of this Plan.

11.08 Notice of Change in Terms. The Trustees, within a reasonable time, shall furnish all Participants and Beneficiaries a summary description of any material amendment to the Plan or notice of discontinuance of the Plan and all other information required by applicable Colorado statute or the Act to be furnished without charge.

11.09 Litigation Against the Trust. A court of competent jurisdiction may authorize any appropriate equitable relief to redress violations of applicable law as respects this Plan or its administration or to enforce any provisions of such law or the terms of the Plan. A fiduciary may receive reimbursement of expenses properly and actually incurred in the performance of his or her duties with the Plan.

11.10 Information Available. Any Participant in the Plan or any Beneficiary may examine copies of the Plan description, latest financial reports, any bargaining agreement, this Plan and Trust, contract or any other instrument under which the Plan was established or is operated. The Trustees will maintain all of the items listed in this Section 11.10 in the Employer's principal office, or in such other place or places as they may designate from time to time for examination during reasonable business hours. Upon written request of a Participant or Beneficiary, the Trustees shall furnish him with a copy of any item listed in this Section 11.10. The Trustees may make a reasonable charge to the requesting person for the copy so furnished.

11.11 Appeal Procedure for Denial of Benefits. The Trustees shall provide adequate notice in writing to any Participant or to any Beneficiary ("Claimant") whose claim for benefits under the Plan the Trustees have denied. The Trustees' notice to the Claimant shall set forth:

- (a) The specific reason for the denial;
- (b) Specific references to pertinent Plan provisions on which the Trustees based its denial;
- (c) A description of any additional material and information needed for the Claimant to perfect his claim and an explanation of why the material or information is needed; and
- (d) That any appeal the Claimant wishes to make of the adverse determination must be in writing to the Trustees within seventy-five (75) days after receipt of the Trustees' notice of denial of benefits. The Trustees' notice must further advise the Claimant that his failure to appeal the action to the Trustees in

writing within the seventy-five (75) day period will render the Trustees' determination final, binding and conclusive.

If the Claimant should appeal to the Trustees, he, or his duly authorized representative, may submit, in writing, whatever issues and comments he, or his duly authorized representative, feels are pertinent. The Claimant, or his duly authorized representative, may review pertinent Plan documents. The Trustees shall re-examine all facts related to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances. The Trustees shall advise the Claimant of their decision within sixty (60) days of the Claimant's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the sixty (60) day limit unfeasible, but in no event shall the Trustees render a decision respecting a denial for a claim for benefits later than one hundred twenty (120) days after their receipt of a request for review.

The Trustees' notice of denial of benefits shall identify the name of each member of the Trustees and the name and address of the Trustees' member where the Claimant may forward his appeal.

11.12 Representative of Participant or Beneficiary. The conservator of a Participant or of a Beneficiary who is under a legal disability, or if none, the guardian of such Participant or Beneficiary, or if none, the person having custody of such Participant or Beneficiary, may act for such Participant or Beneficiary for all purposes under the Plan.

ARTICLE XII

TRUSTEES - POWERS AND DUTIES

12.01 Appointment of Trustees and Term. The Trustees shall be composed of the following members: each member of the Board of Directors of the District, as from time to time constituted, and two (2) active Participants.

The two (2) Trustees who are active Participants shall each serve for a term of two (2) years, which terms shall be staggered. Such Participant Trustees shall be elected by plurality vote of all active Participants. The Trustees who are members of the Board of Directors of the District shall serve as Trustees for the tenure of their office as members of the Board of Directors of the District.

12.02 Resignation of Trustee. A Trustee who is a Participant may resign by delivering his or her written resignation to the Employer, the District and the other Trustees. Any resignation of such Trustee shall be effective thirty (30) days after written notice thereof has been delivered as required hereinbefore.

12.03 Vacancies. Any vacancy on the Board of Trustees arising as a result of the resignation, death or otherwise of a Trustee who is a Participant shall be filled by plurality vote of the active Participants.

12.04 Action by a Majority Vote. Any action of the Board of Trustees shall be decided by a majority vote of the members of the Board of Trustees.

12.05 Compensation and Expenses. The members of the Trustees shall serve without compensation for services as such; all expenses of the Trustees and their agents reasonably related to or connected with the administration or management of the Plan or the Trust Fund shall be paid from the Trust Fund, including the expense for any bond required under the Act or Colorado statute.

12.06 Powers. In case of a vacancy in the membership of the Trustees, the remaining Trustees may exercise any and all of the powers, authority, duties and discretion conferred upon the Trustees pending the filling of the vacancy.

12.07 General Administrative Powers and Duties. The Trustees shall have the following powers and duties:

- (a) To select a President, Secretary and other officers, who need not be Trustees;
- (b) To determine the rights of eligibility of an Employee to participate in the Plan, and the value of a Participant's Accrued Benefit;
- (c) To adopt Bylaws, rules of procedure and regulations necessary for the proper and efficient administration of the Plan, provided the rules are not inconsistent with the terms of this Agreement;
- (d) To construe and enforce the terms of the Plan and the Bylaws, rules and regulations it adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (e) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;

(f) To furnish the Employer and/or the District with information which the Employer and/or the District may require for tax or other purposes;

(g) To engage the service of experts and agents whom it may deem advisable to assist them with the performance of their duties;

(h) To engage the services of an Investment Manager or Managers (as defined in Act Section 3(38)), each of whom shall have full power and authority to manage, acquire or dispose (or direct the Trustees with respect to acquisition or disposition) of any Plan asset under its control; and

(i) To establish and maintain a funding standard account and to make credits and charges to the account to the extent required by and in accordance with the provisions of the Code.

The Trustees will exercise all their powers, duties and discretion under the Plan in a uniform and nondiscriminatory manner.

12.08 Funding Policy. The Trustees shall review, not less often than annually, all pertinent Employee information and Plan data in order to establish the funding policy of the Plan and to determine the appropriate methods of carrying out the Plan's objectives. The Trustees shall communicate periodically, as they deem appropriate, to any Plan Investment Manager the Plan's short-term and long-term financial needs so investment policy can be coordinated with Plan financial requirements.

12.09 Authorized Representative. The Trustees may authorize any one (1) of its members to sign on its behalf any notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

12.10 Interested Member. No member of the Trustees may decide or determine any matter concerning the distribution, nature or method of settlement of his own benefits under the Plan, except in exercising an election available to that member in his capacity as a Participant.

12.11 Participant Records. The Trustees shall keep such records and shall prepare such reports concerning the Plan and the Trust as required by applicable law or as they deem appropriate.

12.12 Lost Participants. If the Trustees are unable to locate any Participant or Beneficiary whose Accrued Benefit becomes distributable under Article IX (a "lost Participant"), the Trustees will apply the provisions of this Section 12.12.

(a) Attempt to Locate. The Trustees will use one or more of the following methods to attempt to locate a lost Participant: (1) provide a distribution notice to the lost Participant at his or her last known address by certified or registered mail; (2) use of the IRS letter forwarding program under Revenue Procedure 94-22 (or similar or successor guideline); (3) use of a commercial locator service, the interest or other general search method; or (4) use of the Social Security Administration search program.

(b) Failure to Locate. If a lost Participant remains unlocated for one (1) year following the date of the Trustees' first attempts to locate the lost Participant using one or more of the methods described in Section 12.12(a), the Trustees may forfeit the lost Participant's Accrued Benefit at any time after the above-described one (1) year period. If the Trustees so forfeit the lost Participant's Accrued

Benefit, the forfeiture occurs as of the date the Trustees make such forfeiture, and the Trustees will allocate the forfeiture in accordance with Section 3.04. If a lost Participant whose Accrued Benefit was forfeited thereafter at any time, but before the Plan has been terminated, makes a claim for his or her forfeited Accrued Benefit, the Trustees will restore the forfeited Accrued Benefit to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Trustees will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Trustees otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year, and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Trustees will distribute the restored Accrued Benefit to the lost Participant not later than sixty (60) days after the close of the Plan Year in which the Trustees restores the forfeited Accrued Benefit. If the Trustees forfeit a lost Participant's Accrued Benefit under this Section 12.12(b), such forfeiture will be of the entire Accrued Benefit of the lost Participant, including any and all Participant contributions.

(c) Nonexclusivity and Uniformity. The provisions of Section 12.12 are intended to provide permissible, but not exclusive, means for the Trustees to administer the Accrued Benefit of lost Participants. The Trustees may utilize any other reasonable method to locate lost Participants and to administer the Accrued Benefit of lost Participants, including the default rollover under Section 9.06(b)(5) and such other methods as the Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Trustees will apply Section 12.12 in a reasonable, uniform and nondiscriminatory manner, but may in determining a specific course of action as to a particular Accrued Benefit, reasonably take into account differing circumstances such as the amount of a lost Participant's Accrued Benefit, the expense in attempting to locate a lost Participant, the Trustees' ability to establish and the expense of establishing a rollover IRA, and other factors deemed relevant under the circumstances of each case. The Trustees may charge to the Accrued Benefit of a lost Participant the reasonable expenses incurred by the Trust Fund under this Section 12.12 and which are associated with the lost Participant's Accrued Benefit.

12.13 Receipt of Contributions. The Trustees shall be accountable to the Employer for the funds contributed to them by the Employer, but does not have the duty to confirm that the contributions received comply with the provisions of the Plan.

12.14 Full Investment Powers. Subject to Section 12.15, the Trustees shall have full discretion and authority with regard to the investment of the Trust Fund, except with respect to a Plan asset under the control or direction of a properly appointed Investment Manager. The Trustees are authorized and empowered, but not by way of limitation, with the following powers, rights and duties:

(a) To invest any part or all of the Trust Fund in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U.S. Treasury bills, U.S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts, mortgages, notes or other property of any kind, real or personal, to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, to buy and sell commodities, commodity options and contracts for the future delivery of commodities, and to make any other investments the Trustees deem appropriate, as a prudent man would do under like circumstances with due regard for the purposes of this Plan. Any investment made or retained by the Trustees in good faith shall be proper, but must be of a kind constituting a diversification considered by law suitable

for trust investments;

(b) To retain in cash so much of the Trust Fund as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust Fund in a bank account at reasonable interest, including, if a bank is acting as Trustee, specific authority to invest in any type of deposit of the Trustee or in a common trust fund (the provisions of which govern the investment of such assets and which the Plan incorporates by this reference) as described in Code Section 584 which the Trustee maintains exclusively for the collective investment of money contributed by the bank in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;

(c) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustees shall decide;

(d) To credit and distribute the Trust;

(e) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(f) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interests in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(g) To compromise, contest, arbitrate or abandon claims and demands, in their discretion;

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights;

(i) To hold any securities or other property in the name of the Trustees or their nominee, or in another form as it may deem best, with or without disclosing the trust relationship;

(j) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;

(k) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until final adjudication is made by a court of competent jurisdiction;

(l) To file all tax returns required of the Trustees;

(m) To furnish to the Employer and the District an annual report, showing the condition of the Trust Fund and all investment, receipts, disbursements and other transactions effected by the Trustees during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts shall be conclusive on all persons, including the Employer and the District, except as to any act or transaction concerning which the Employer or the District files with the Trustees written exceptions or objections within ninety (90) days after the receipt of the accounts, or for which Colorado law

or the Act authorizes a longer period within which to object; and

(n) To begin, maintain or defend any litigation necessary in connection with the administration of the Plan, except that the Trustees shall not be obliged or required to do so unless indemnified to their satisfaction.

12.15 Investment Limitations. Anything contained herein to the contrary notwithstanding, the following provisions shall apply:

(a) The provisions of this Section 12.15(a) shall be effective prior to July 1, 1997. Anything contained herein to the contrary notwithstanding, the Trust Fund shall be invested by the Trustees; provided that, subject to the limitations on investments described in the CRS, Section 15-1-304, as then in effect, the Trustees may invest all or any part of the fund in the types of investments authorized by CRS Section 15-1-304, former CRS Section 31-30-1012(5) and former CRS Section 31-30-1012(8), as then in effect, including, but not limited to, obligations of the United States Government and in obligations fully guaranteed as to principal and interest by the United States Government, in state or municipal bonds, in corporate notes, bonds, or debentures, convertible or otherwise, in railroad equipment trust certificates, in real property and in loans secured by first mortgages or deeds of trust on real property, in participation guarantee agreements with life insurance companies, in real estate limited partnerships, and in other types of investment agreements, and the foregoing investments may be made without limitation as to the percentage of the book value of the assets of the retirement fund so invested. Investments may also be made in either common or preferred corporate stocks, but the original cost of all investments in corporate stocks or corporate bonds, notes, or debentures which are convertible into stock, or in investment trust shares, shall not exceed sixty-five percent (65%) of the then book value of the assets of the Trust Fund. In no event shall any investment be made in the common or preferred stock, or both, of any single corporation in an amount in excess of five percent (5%) of the then book value of the assets of the Trust Fund nor shall more than seven percent (7%) of the outstanding stock or bonds of any single corporation be acquired for the Trust Fund, except that the Trustees may acquire up to one hundred percent (100%) of the outstanding stock of any corporation described in Code Sections 501(c)(2) and 501(c)(25).

In accordance with the provisions of former CRS Section 31-30-1012(5) as then in effect, as used in this Section 12.15(a), unless the context otherwise requires, (i) "book value" means current market value, (ii) "current market value" means the current exchange price of an asset that is publicly traded, and, for a nonpublicly traded asset, it means the current valuation as reflected in the books of the FPPA, and (iii) "original cost" means the acquisition cost of an asset.

(b) The provisions of this Section 12.15(b) shall be effective on and after July 1, 1997. Anything contained herein to the contrary notwithstanding, the Trust Fund shall be invested by the Trustees; provided that, the Trust Fund shall be managed and invested by the Trustees pursuant to the standard and other provisions for trustees set forth in the Colorado Uniform Prudent Investor Act, Article 1.1 of Title 15, CRS. Such investments shall be audited at least biennially.

To the extent the investment limitations described herebefore in this Section 12.15(b) are modified or repealed by applicable Colorado law, then the provisions of this Section 12.15(b) shall be deemed modified or repealed in accordance therewith.

12.16 Records and Statements. The records of the Trustees pertaining to the Plan shall be open to the inspection of the Employer and the District at all reasonable times and may be audited from time to time

by any person or persons as the Employer or the District may specify in writing. The Trustees shall furnish the Employer and/or the District with whatever information relating to the Trust Fund the Employer and/or the District considers necessary.

12.17 Fees and Expenses From Fund. The Trustees shall pay all expenses reasonably incurred by them in their administration of the Plan from the Trust Fund unless the Employer or the District pays the expenses. No Trustee shall receive compensation for services as a Trustee from the Trust Fund.

12.18 Parties to Litigation. Except as otherwise provided by Colorado law or the Act, only the Employer and the Trustees shall be necessary parties to any court proceeding involving the Trustees or the Trust Fund. No Participant, or Beneficiary, shall be entitled to any notice of process unless required by Colorado law or the Act. Any final judgment entered in any proceeding shall be conclusive upon the Employer, the Trustees, Participants and Beneficiaries.

12.19 Professional Agents. Except as otherwise provided in CRS Section 31-30-414, the Trustees may employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustees as in their opinion may be necessary. The Trustees may delegate to any agent, attorney, accountant or other person selected by them any non-Trustee power or duty vested in them by the Plan, and the Trustees may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

12.20 Third Party. No person dealing with the Trustees shall be obligated to see to the proper application of any money paid or property delivered to the Trustees, or to inquire whether the Trustees have acted pursuant to any of the terms of the Plan. Each person dealing with the Trustees may act upon any notice, request or representation in writing by the Trustees, or by the Trustees' duly authorized agent, and shall not be liable to any person whomsoever in so doing. The certificate of the Trustees that they are acting in accordance with the Plan shall be conclusive in favor of any person relying on the certificate.

12.21 Interim Duties and Successor Trustees. Each successor Trustee shall succeed to the title to the Trust vested in his predecessor by accepting in writing his appointment as successor Trustee and filing the acceptance with the former Trustee, the District and the Employer without the signing or filing of any further statement. The resigning Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, shall execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee shall have and enjoy all of the powers, both discretionary and ministerial, conferred under this Agreement upon his predecessor. No successor Trustee shall be personally liable for any act or failure to act of any predecessor Trustee. With the approval of the Employer, a successor Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.

12.22 Valuation of Trust. The Trustees shall value the Trust Fund as of each Accounting Date to determine the fair market value, and the Trustees shall value the Trust Fund on such other date(s) as they may determine.

12.23 Limitation on Liability - If Investment Manager Appointed. Subject to applicable Colorado law, the Trustees shall not be liable for the acts or omissions of any Investment Manager or Managers they may appoint, nor shall the Trustees be under any obligation to invest or otherwise manage any asset of the Plan which is subject to the management of a properly appointed Investment Manager. The Trustees and any properly appointed Investment Manager may execute a letter agreement as a part of this Plan delineating the

duties, responsibilities and liabilities of the Investment Manager with respect to any part of the Trust Fund under the control of the Investment Manager.

12.24 Investment in Group Trust Fund. If permitted under applicable law, the Trustees, for collective investment purposes, may combine into one trust fund the Trust created under this Plan with the trust created under any other qualified retirement plan the Employer maintains. However, the Trustees shall maintain separate records of account for each trust in order to reflect properly each Participant's benefit under the plan(s) in which he is a Participant.

12.25 Plan Correction. The Trustees in conjunction with the Employer may undertake such correction of Plan errors as the Trustees deems necessary, including correction to preserve tax qualification of the Plan under Code §401(a) or to correct a fiduciary breach under applicable law. Without limiting the Trustees's authority under the prior sentence, the Trustees, as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, demographic and Employer eligibility failures under a method described in the Plan or under the Employee Plans Compliance Resolution System ("EPCRS") or any successor program(s) to EPCRS. The Trustees, as it determines to be reasonable and appropriate, also may undertake or assist the appropriate fiduciary or plan official in undertaking correction of a fiduciary breach, including correction under the Voluntary Fiduciary Correction Program ("VFC") or any successor program(s) to VFC. If the Plan includes a 401(k) arrangement, the Trustees to correct an operational error, may require distributions from the Plan of elective deferrals or vested matching contributions, including earnings, where such amounts result from an operational error other than a failure of Code §415, Code §402(g), a failure of the ADP or ACP tests, or a failure of the multiple use limitation.

12.26 Qualified Military Service. Notwithstanding any provision in this Plan to the contrary, contributions, benefits and Service credit with respect or related to qualified military service will be provided in accordance with and will comply with the requirements of Code Section 414(u) and applicable regulations thereunder. The provisions of this Section 12.10 shall be effective as of December 12, 1994.

ARTICLE XIII

MISCELLANEOUS

13.01 Evidence. Anyone required to give evidence under the terms of the Plan may do so by certificate, affidavit, document or other information which the person to act in reliance may consider pertinent, reliable and genuine, and to have been signed, made or presented by the proper party or parties. The Trustees shall be fully protected in acting and relying upon any evidence described under this Section 13.01.

13.02 No Responsibility for Employer or District Action. The Trustees shall not have any obligation nor responsibility with respect to any action required by the Plan to be taken by the Employer, the District any Participant or eligible Employee, nor for the failure of any of the above persons to act or make any payment or contribution, or to otherwise provide any benefit contemplated under this Plan, nor shall the Trustees be required to collect any contribution required under the Plan. The Trustees need not inquire into or be responsible for any action or failure to act on the part of the others.

13.03 Fiduciaries Not Insurers. Except for the Employer's obligation to make contributions as required by Section 3.01, the Employer, the District and the Trustees in no way guarantee the Trust Fund from loss or depreciation. The liability of the Trustees to make any payment from the Trust Fund at any time and all times is limited to the then available assets of the Trust.

13.04 Waiver of Notice. Any person entitled to notice under the Plan may waive the notice.

13.05 Successors. The Plan shall be binding upon all persons entitled to benefits under the Plan, their respective heirs and legal representatives, upon the Employer, its successors and assigns, upon the District, its successors and assigns and upon the Trustees and their successors.

13.06 Word Usage. Words used in the masculine gender shall apply to the feminine and neuter genders where applicable, and wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

13.07 State Law. Colorado law shall determine all questions arising with respect to the provisions of this Agreement except to the extent Federal law supersedes Colorado law.

13.08 Employment Not Guaranteed. Nothing contained in this Plan, or with respect to the establishment of the Trust, or any modification or amendment to the Plan or Trust, or in the creation of any Account, or the payment of any benefit, shall give any Employee, Participant or any Beneficiary any right to continue employment, any legal or equitable right against the Employer, the District or Employee of the Employer, or against the Trustees, or their agents or employees, except as expressly provided by the Plan, the Trust, Colorado Statute or by a separate agreement.

13.09 Exemption from Act and Statutory Construction. It is intended that this Plan is a "governmental plan" as defined in Act Section 3(32) and is therefore exempt from the applicability of the Act and certain provisions of the Code related to tax qualified plans and trusts, except to the extent, and only to the extent, expressly provided to the contrary herein. Nothing contained herein shall be interpreted or construed to be or to represent a waiver of said exemptions nor a consent to the application of any provisions

of the Act or the Code to which governmental plans are exempted, except to the extent, and only to the extent, expressly provided to the contrary herein.

13.10 Recitals Part of Plan. The Recital provisions of the Plan are incorporated in, and shall be construed as a part of, this Plan.

ARTICLE XIV

EXCLUSIVE BENEFIT, AMENDMENT, TERMINATION

14.01 Exclusive Benefit. Except as otherwise provided under Colorado law, the Employer shall have no beneficial interest in any asset of the Trust and no part of any asset in the Trust shall ever revert to or be repaid to an Employer, either directly or indirectly; nor prior to the satisfaction of all liabilities with respect to the Participants and their Beneficiaries under the Plan, shall any part of the corpus or income of the Trust Fund, or any asset of the Trust, be (at any time) used for, or diverted to, purposes other than the exclusive benefit of the Participants or their Beneficiaries.

14.02 Amendment. This Plan and the Trust Agreement may be amended from time to time, provided that at least sixty-five percent (65%) of the active Participants who are affected by such amendment approve of it, and that no amendment will: (a) reduce the Nonforfeitable Accrued Benefit of any Participant or Beneficiary as of the date of such amendment; or (b) result in any part of the Trust Fund reverting or being paid to the Employer. If the Plan or Trust Agreement is amended in any way which will affect the Plan's and Trust's continued qualification under Section 401 of the Code or the Trust's tax-exempt status under Section 501 of the Code, the amended Plan and Trust Agreement will be submitted to the Internal Revenue Service for application for determination.

The Plan and Trust Agreement may also be amended, subject to applicable Colorado law, in any way required to obtain the approval or continued approval of the Board of Directors of the Colorado Fire and Police Pension Association, or the approval or continued approval of the Internal Revenue Service of the Plan and Trust's qualification and tax-exempt status under Code Sections 401(a) and 501(a), respectively.

All amendments to the Plan and Trust Agreement shall be in writing and shall be duly executed by the Employer, the District and the Trustees. Each amendment shall state the date to which it is either retroactively or prospectively effective.

14.03 Continuance of the Plan. The Employer expects to continue this Plan and Trust indefinitely. However, in the event that the Employer is legally dissolved pursuant to federal and state statute, court order or judicial decision, the Employer, by action of its Board of Directors, may terminate the Plan and Trust, but only if such termination is permitted under applicable Colorado law.

14.04 Full Vesting on Termination. Notwithstanding any other provision of this Plan to the contrary, upon either full or partial termination of the Plan, an affected Participant's right to his benefits shall be one hundred percent (100%) Nonforfeitable.

14.05 Termination. Upon termination of the Plan, the provisions of the Plan shall remain operative, and the Trust shall continue, until the Trustees have distributed all of the benefits under the Plan.

ARTICLE XV

DEFERRED RETIREMENT OPTION PLAN

15.01 General. This ARTICLE XV adds an optional and alternative Accrued Benefit for Eligible DROP Participants known as the Deferred Retirement Option Plan (“DROP”) Pension. The provisions of this ARTICLE XV are applicable with respect to those Eligible DROP Participants who comply with the requirements and provisions of this ARTICLE XV.

15.02 Purpose. The purpose of the DROP Pension is to allow an Eligible DROP Participant the option to elect to continue his or her employment with the Employer for a specified period of time as set forth hereinafter in this ARTICLE XV and to receive a DROP Pension, in lieu of termination of his or her employment with the Employer and the right to receive his or her Normal Retirement Pension as provide in ARTICLE V.

15.02 Eligibility For DROP Pension. In order to be eligible to elect a DROP Pension, a Participant must be an “Eligible DROP Participant” and must comply with the requirements and provisions of this ARTICLE XV.

15.03 Eligible DROP Participant. An “Eligible DROP Participant” is any Participant:

- (a) who has attained Normal Retirement Age; and
- (b) who is entitled to a Normal Retirement Pension under Section 5.01 of the Plan.

15.04 Participation Requirements. In order to be eligible to accrue and receive a DROP Pension, an Eligible DROP Participant must execute a written DROP Participation Agreement with Employer, in the form prescribed by the Employer. The DROP Participation Agreement shall contain, among other provisions deemed appropriate or necessary by the Employer, an irrevocable election by the Eligible DROP Participant:

- (a) to elect to participate in the DROP Pension and a “DROP Participation Date”;
- (b) to waive all rights to his or her Normal Retirement Pension;
- (c) to agree to continue his or her employment with the Employer after his or her DROP Participation Date for a period not to exceed five (5) years thereafter (“Maximum DROP Employment Period”);
- (d) to agree to have the Employer make the Participant DROP Contribution required under Section 4.01(b) on his or her behalf;
- (e) to elect and agree to freeze his or her Normal Retirement Pension determined as of his or her DROP Participation Date; and
- (f) to elect payment on a monthly basis, determined as of his or her DROP Participation Date, of his or her frozen Normal Retirement Pension into his or her DROP Account in the form of a straight life annuity or one of the other annuity distribution methods provided for in ARTICLE IX, at the same time

the Eligible DROP Participant elects to participate in the DROP.

The Employer shall provide a copy of all executed DROP Participation Agreements to the Trustees.

15.05 DROP Account.

(a) Establishment of Separate DROP Accounts. Commencing as of his or her DROP Participation Date, the Trustees shall establish an individual "DROP Account" for each Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV. Each DROP Account shall continue to be assets of the Plan and Trust, but shall be held in an individual investment account in the name of each Eligible DROP Participant. The investment of each DROP Account is subject to Participant self-direction pursuant to the provisions of Section 15.09. Each DROP Account receives all income it earns and bears all expense or loss it incurs. The Trustees shall be authorized to charge each DROP Account fees associated with the administration of such DROP Account.

(b) Contributions to DROP Accounts. Commencing as of his or her DROP Participation Date, the Trustees shall allocate and credit to the DROP Account of each Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV the following amounts:

(i) the monthly payment of such Eligible DROP Participant's Normal Retirement Pension which he or she elected pursuant to the provisions of Section 15.04(f);

(ii) the Employer DROP Contribution for such Eligible DROP Participant as required pursuant to the provisions of Section 3.01(b); and

(iii) the Participant DROP Contribution for such Eligible DROP Participant as required pursuant to the provisions of Section 4.01(b).

15.06 Effect of DROP Election. Commencing as of his or her DROP Participation Date, an Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV shall remain an active Participant in the Plan, but thereafter such Eligible DROP Participant shall earn no additional Years of Participation, service credit or additional benefits with respect to his or her Normal Retirement Pension under ARTICLE V, such Eligible DROP Participant's Normal Retirement Pension under ARTICLE V shall thereafter be frozen, and such Eligible DROP Participant shall only be entitled to his or her DROP Pension as provided in this ARTICLE XV.

15.07 Amount and Distribution of DROP Pension. The amount of the DROP Pension of an Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV shall be equal to the fair market value standing in such Eligible DROP Participant's DROP Account as of any valuation date, plus the balance of his or her Normal Retirement Pension which he or she elected pursuant to the provisions of Section 15.04(f) payable from and after his or her actual Separation from Service.

For purposes of a distribution, the fair market value standing in such Eligible DROP Participant's DROP Account is its fair market value as of the valuation date immediately preceding the date of the distribution.

A "valuation date" under this Plan is each Accounting Date and any other valuation date the

Trustees elect. The Trustees may elect alternative valuation dates for the different account types which the Trustees maintain under the Plan. As of each valuation date, the Trustees shall adjust DROP Accounts to reflect net income, gain or loss since the last valuation date. The valuation period is the period beginning on the day after the last valuation date and ending on the current valuation date.

Upon the actual Separation from Service of an Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV, the portion of his or her DROP Pension attributable to his or her DROP Account shall be paid in accordance with the provisions of ARTICLE IX, and the balance of his or her Normal Retirement Pension which he or she elected pursuant to the provisions of Section 15.04(f) shall continue to be payable from and after his or her actual Separation from Service in the manner so elected.

15.08 Interruption of Participation Agreement. If the employment with the Employer of an Eligible DROP Participant who has elected to participate in the Eligible DROP Pension as provided in this ARTICLE XV is interrupted by military service, reduction in work force, or job related disability, and if such Eligible DROP Participant's employment with the Employer as an Employee (except for the requirement set forth in Section 1.15(b)) is later reestablished, such Eligible DROP Participant shall be immediately eligible for resumption of participation in the DROP Pension for the balance of his or her Maximum DROP Employment Period, provided that such Eligible DROP Participant had not received any distribution from his or her DROP Account. Other than the specific types of interruptions of employment with the Employer described above in this Section 15.07, an Eligible DROP Participant's Maximum DROP Employment Period shall continue to run in all other cases.

15.09 Participant Direction of Investment. An Eligible DROP Participant's direction of the investment of his or her DROP Account is subject to the provisions of this Section 15.09.

(a) Trustees Authorization and Procedures. An Eligible DROP Participant has the right to direct the Trustees with respect to the investment or re-investment of the assets comprising such Eligible DROP Participant's individual DROP Account only if the Trustees consent in writing to permit such direction. If the Trustees consent to Eligible DROP Participant direction of investment, the Trustees will only accept direction from each Eligible DROP Participant on a written direction of investment form the Trustees or the Plan service provider provide for this purpose. The Trustees, or with the Trustees' consent, the Plan service provider, may establish written procedures relating to Participant direction of investment under this Section 15.09, including procedures or conditions for electronic transfers or for changes in investments by Eligible DROP Participants. The Trustees will maintain, or direct the Plan service provider to maintain, appropriate individual investment Account(s) to the extent an Eligible DROP Participant's DROP Account is subject to self-direction of investments.

(b) Fiduciary Exculpation. To the fullest extent permitted by applicable law, no Plan fiduciary (including the Employer or the Trustees) is liable for any loss or for any breach resulting from an Eligible DROP Participant's direction of the investment of any part of his or her self-directed DROP Account to the extent the Eligible DROP Participant's exercise of his or her right to direct the investment of his or her DROP Account satisfies the requirements of applicable law.

15.10 DROP Rules and Regulations. The Trustees are authorized to adopt rules and regulations governing the DROP Pension and the provisions of this ARTICLE XV.

IN WITNESS WHEREOF, the following entities have been duly authorized to execute and hereby execute this Plan and Trust Agreement this ____ day of _____, 2002.

“DISTRICT”

NORTH METRO FIRE RESCUE DISTRICT,
a Colorado fire protection district

By: _____
Its _____

Attest:

Title: _____

"TRUSTEES"

_____ (Print name)

_____ (Print name)

_____ (Print name)

_____ (Print name)

_____ (Print name)

_____ (Print name)

_____ (Print name)