

**Yavapai College**  
District Governing Board  
Regular Meeting

Tuesday, September 27, 2022  
1:00 p.m.

**Rock House**  
**Prescott Campus**  
**1100 East Sheldon Street**  
**Prescott, Arizona 86301**

Pursuant to Arizona Revised Statutes (A.R.S.) §38-431.02, notice is hereby given to the members of the Yavapai College District Governing Board and to the general public that the Board will hold a public meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda. One or more members of the Board may participate in the meeting by telephonic communication.

Pursuant to A.R.S. §38-431.03.A.2, A.3 and A.4, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law; or to consult with and instruct its attorneys regarding its position on contracts, litigation or settlement discussions. If indicated in the agenda, the Board may also vote to go into executive session, which will not be open to the public, to discuss specific agenda items.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter or closed caption, by contacting the Executive Assistant at (928)776-2307. Requests should be made as early as possible to allow time to arrange the accommodation.

Please note that meeting conclusion time is included for planning purposes only and does not necessarily reflect the actual time of the agenda item. When regular board meetings, public hearings (both truth in taxation and budget adoption public hearings) and budget adoption special meetings are scheduled for the same date, each hearing or meeting will begin immediately upon adjournment of the preceding hearing or meeting.

**AGENDA**

1. General Functions: Procedural
  - a. Call to Order {Time: 1}
  - b. Pledge of Allegiance {Time: 1}
  - c. Adoption of Agenda – **DECISION** {Time: 1}
  - d. Open Call – **INFORMATION** {Time: 10}
2. Study Session
  - a. President's Reports **INFORMATION** {Time: 60}
    - i. Policy 205 Treatment of Student and Enrollment – Mr. Rodney Jenkins  
(Attached)
    - ii. College Council – Dr. Diane Ryan, Dr. Clint Ewell, and Mr. Rodney Jenkins
      1. Faculty Senate – Dr. Karen Palmer (Attached)
      2. Staff Association – Ms. Ginney Bilbray (Attached)
      3. Student Government Association – Ms. Jamie Oltersdorf (Attached)
    - iii. Legislative Update Report – Mr. Rodney Jenkins (Attached)

- iv. Budget to Actual Monthly Report and Cash Reserves Monthly Report  
*(Attached)*
  - v. 2022 Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) *(Attached)*
- b. Yavapai College District Governing Board Membership Change -  
**INFORMATION AND DISCUSSION** – Board Member Mitch Padilla and Board Chair Deb McCasland {Time: 10}
- i. Conflict of Interest Matter
  - ii. Appointment of Replacement
- c. Amendment to Capital Budget – **INFORMATION, DISCUSSION, AND DECISION** – Dr. Clint Ewell {Time: 10} *(Attached)*
- d. Errata to the May 17, 2022 District Governing Board Agenda for the April 12, 2022 Minutes - **INFORMATION, DISCUSSION, AND DECISION** – Atty. Lynne Adams {Time: 5} *(Attached)*
- e. Selection of the Voting Board Representative for Association of Community College Trustees (ACCT) Annual Leadership Congress **INFORMATION, DISCUSSION, AND DECISION** – Board Chair Deb McCasland {Time: 5} *(Attached)*
- f. Board Liaisons’ Reports - **INFORMATION AND DISCUSSION** {Time: 10}
- i. Board Spokesperson – Board Chair McCasland
  - ii. Arizona Association of Community College Trustee (AACCT) – Board Chair McCasland and Secretary Sigafos
  - iii. Yavapai College Foundation – Board Chair McCasland
- g. Dates and Time of Future Meetings and Events - **INFORMATION AND DISCUSSION** {Time: 5}
- i. 2022-2023 Dates, Times, and Places of Future Board Meetings, Workshops, and Retreats *(Attached)*
  - ii. 2022-2023 Dates, Times, and Places of Future College Events *(Attached)*
  - iii. 2022-2023 Dates, Times, and Places of Future National, State, and Local Conferences *(Attached)*
3. Board Business
- a. Consent Agenda – **DECISION** {Time: 5}
- i. Board Budget Public Hearing Minutes – Tuesday, May 17, 2022 *(Attached)*
  - ii. Board Budget Adoption Minutes - Tuesday, May 17, 2022 *(Attached)*
  - iii. Board Regular Minutes - Tuesday, May 17, 2022 *(Attached)*
  - iv. Board Workshop Minutes – Tuesday, May 24, 2022 *(Attached)*
  - v. Board Executive Session Minutes – Tuesday, May 24, 2022
  - vi. Board Special Session Minutes – Tuesday, August 9, 2022 *(Attached)*
  - vii. Board Special Session Minutes – Monday, September 19, 2022 *(Attached)*
  - viii. Reinstatement of Yavapai County Community College District Non-Standardized Profit Sharing/401(k) Plan Adoption Agreement *(Attached)*
  - ix. Mohave County Community College District – Navajo County Community College District – Coconino County Community College District – Yavapai County Community College District Intergovernmental Agreement *(Attached)*

- x. Renaming Bachelor of Applied Sciences (BAS) to Bachelor of Science (BS) in Organizational Management & Leadership (*Attached*)
- xi. 2022-08 District Governing Board Resolution – 2022 Annual Budgeted Expenditure Limitation Report to the Arizona Auditor General (*Attached*)
- xii. 2022-09 District Governing Board Resolution – 2023 Annual Budgeted Expenditure Limitation Report to the Arizona Auditor General (*Attached*)
- xiii. Receipt of Report on Revenues and Expenditures for July 2022 (*Attached*)
- xiv. 2022-2023 Association of Community College Trustees Contract (*Attached*)
- xv. Acceptance of President’s Report on Policy 205 Treatment of Students and Enrollment

4. Adjournment of Board Regular Meeting: Procedural - **DECISION** {Time: 1}

# Student Affairs

**Rodney Jenkins, Vice President**

**Tania Sheldahl, Associate Vice President**

Treatment of Students

Policy 205



# Polices and Resources Supporting and Protecting Students

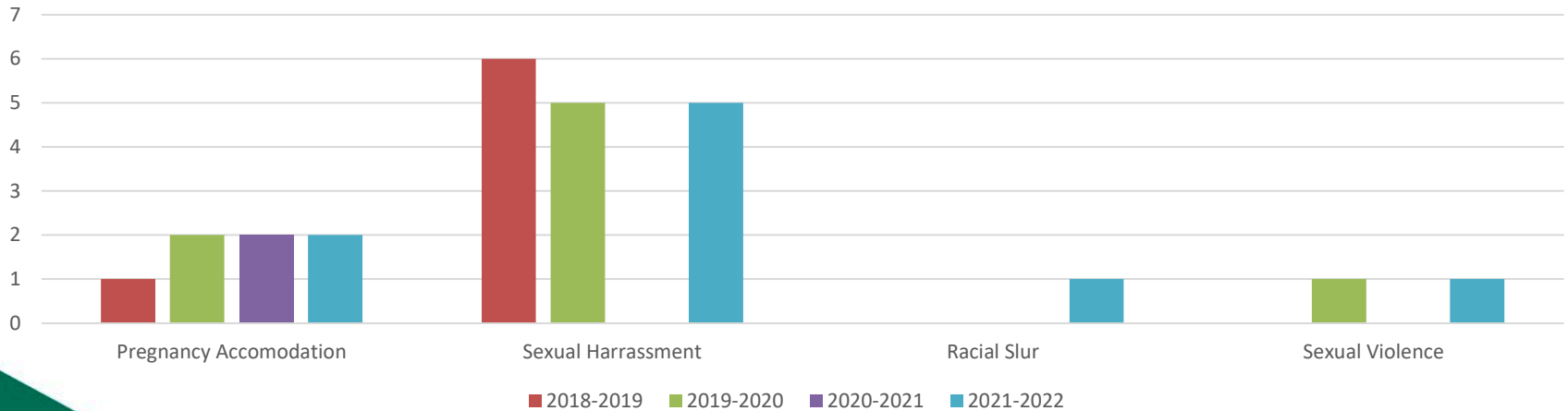
- Student Code of Conduct – Community Standards
- Housing Handbook
- Annual Clery Security Report – Timely Warnings of Security Threats (YCPD)
- 4.7 – Processing Complaints
- Appeal of Academic and Non-Academic Decisions Process
- 10.04 Title IX- Sexual Harassment
- 10.08 Prohibited Harassment
- 10.06 Antidiscrimination
- 10.05 Student and Employee Grievance
- 10.10 Public Access and Expression on College Property

# Title IX & Harassment

- ❖ Yavapai College is required to prevent, stop, and remedy sexual harassment and discrimination.
- ❖ We investigate all reported incidences and offer annual training to all students; required for residence hall students and all employees.
- ❖ Pregnancy accommodations are not issues but requests for support.

# Title IX Cases By Issue Per Academic Year

Title IX, Sexual Harassment & Discrimination Cases  
Academic Years: 2018 - 2022

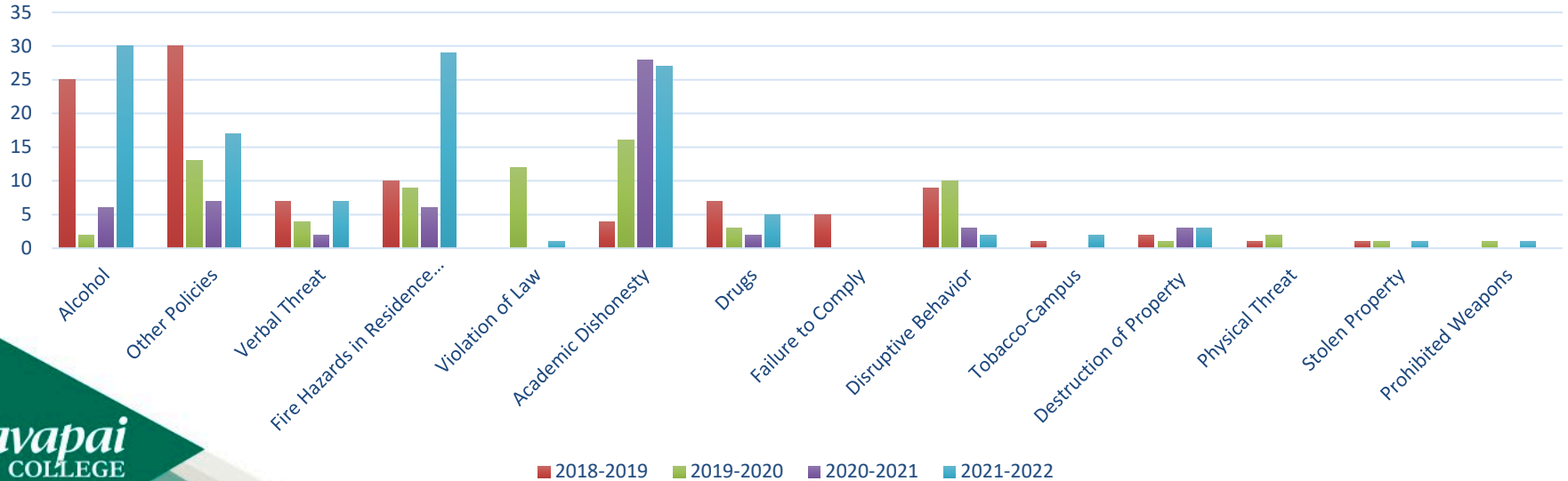


# Community Standards

- Sets behavioral expectations.
- Understanding of how behavior affects/impacts others.
- Highest behavior impacts are underage drinking.

# Conduct Cases By Issue Per Academic Year

## Student Conduct Cases Academic Years: 2018-2022



# CARE TEAM

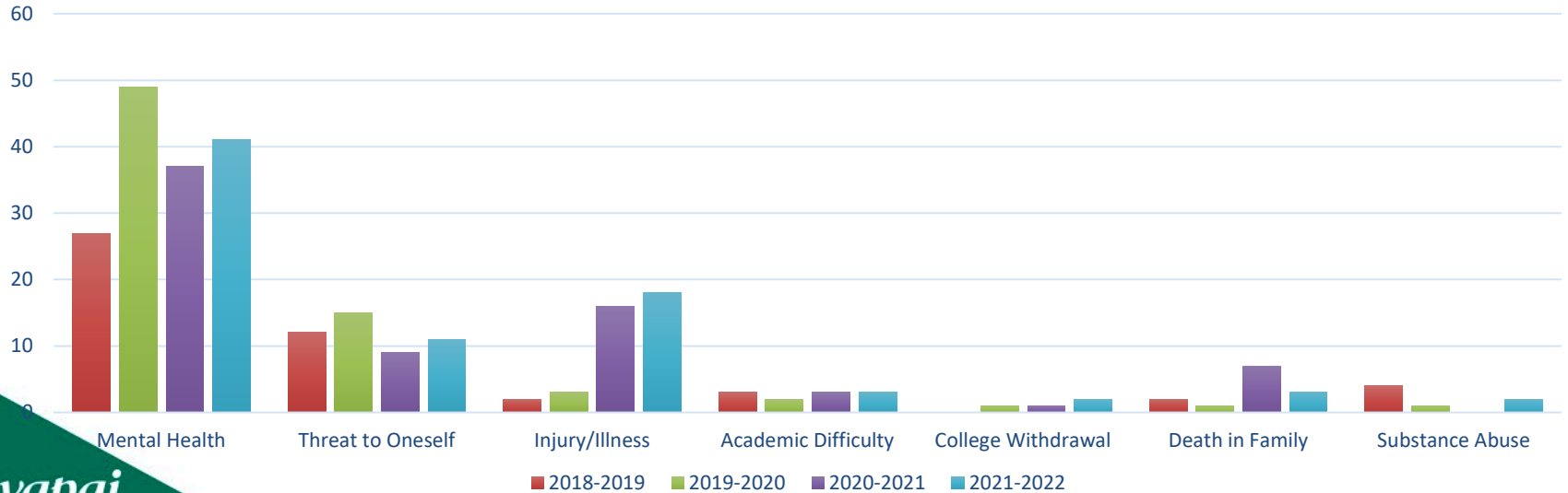
## Campus Awareness Response & Evaluation

- Cross Functional College Wide Team
- Assesses potential threats and provides early intervention.
- Team promotes student safety, personal wellness, and academic success.

YC has free mental health counseling for all students through Student Assistance Program

# CARE Cases by Issue per Academic Year

CARE Support Cases  
Academic Years: 2018 - 2022



# Student Basic Needs

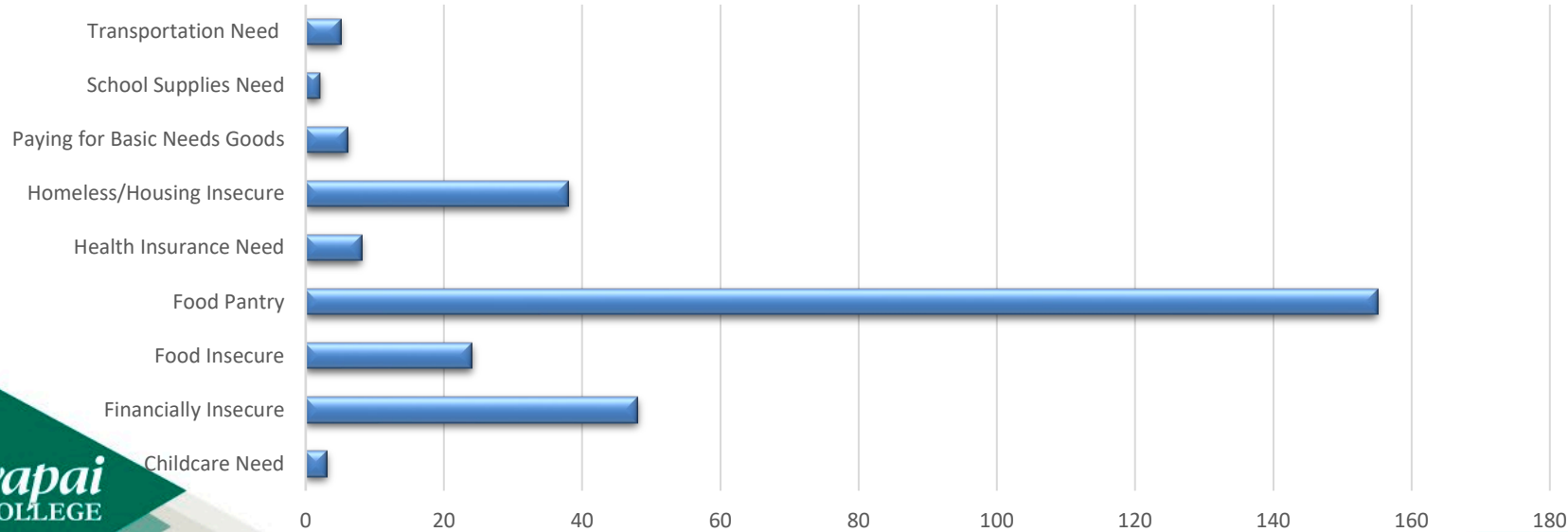
## 2021-2022 Implementation of Single Stop Service Model for Basic Needs

- Provides coordinated on-campus access to a broad range of federal, state, and local benefits and support services.
- Approval for additional social worker position for 2022-2023.
- Connection to community resources is critical to support student basic needs.
- Partner with St. Mary's Food Bank, Prescott Farmers Market, Manzanita Outreach Polara Health, and Spectrum Healthcare.
- Participate in national survey through the HOPE Center on student basic needs in February of 2023.



# Basic Needs by Issue

Basic Needs Support Cases  
7/1/2021 - 6/30/2022



# Strategic Plan Student Affairs

- I. Develop and launch a stop out re-recruitment plan.
- II. Collaboratively develop predictive analytics to identify retention gaps to increase retention by 2% each year.
- III. Develop a marketing strategy for students to find and utilize support services.
- IV. Use YC Pipeline to connect YC courses and programs to transfer and employment goals and return on educational investment.

# Yavapai College

# Enrollment Management

Rodney Jenkins, Vice President

Diana Dowling, Associate Vice President

# 2022 -2023

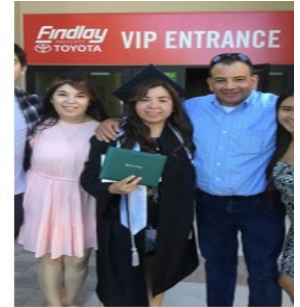
## Marketing & Recruitment

Increase Hispanic & First Gen Enrollment

Increase Millennial and Gen X Enrollment

Regain Stop-Out Enrollment

Target GED Enrollment



# Recruitment Strategies

- Open Houses
- HS Visits
- Community Events
- Community Outreach
  - DES, Veterans, Goodwill, Worship Houses, Businesses





# Events

- Open House Events
- Worship Houses
- First Generation Events
- Collaborating with Athletics
- CTE Days
- Be YC Events
- Registration Events at Businesses



# Recruiting

- Recruiting tables at community events throughout the county
- Recruiting at camps within the county
- Recruiting with Yavapai Juvenile Probation offices and Adult Probation and Re-entry Project
- Recruiting in our GED classes
- Recruiting at Latino family & community events, working with the Latino Houses of Worship
- Be YC Days with High Schools
- AZ College Consortium HS visits
- Personal Interest Recruiting locations at businesses and classes

# Outreach

- Outreach to students who completed the FAFSA-but have not registered
- Outreach to students who sent transcripts for evaluation-but not applied
- Outreach to our “Stop Outs”
- Text messages and phone call campaigns to students registered in previous semester not yet current semester
- Developing & distributing publications: i.e. Verde Enrollment Guide
- Countywide and/or geo-specific mailers & program flyer distribution
- FAFSA and Scholarship Workshops
- Personal Interest campaigns and in-class re-registration events



# New Advisors

- The institution has invested in hiring new academic advisors
- We have added advisors in the Early College, Enrollment and Retention areas
- With decreased case loads, these advisors are able to help in more recruitment and retention strategies



# Marketing



## WEBSITE

The College website, YC.EDU, serves as the main marketing tool.

The website focusses on prospective students and prioritizes enrollment management.



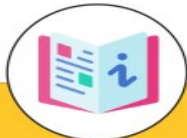
## DIGITAL

Digital advertising targets the residents of Yavapai County. Methods used include Search Engine Optimization (SEO) Pay-Per-Click (PPC), retargeting, SMART Social Media forms, OTT streaming on channels and apps, and email campaigns.



## RADIO

Ads on stations throughout Yavapai County, including with Yavapai Broadcasting, PV Broadcasting, and KNAU. These stations reach across the entire district and include JUAN, a spanish-speaking station run by PV Broadcasting.



## PRINT

YC places advertising in local news and media publications throughout the district. This includes newspapers like the Daily Courier and Verde Independent. YC also produces its own print collateral which is distributed throughout the county.



## VIDEO

YC focuses on a variety of video strategies to promote its services, including organic video shot in-house, as well as partnerships with local vendors. Professional commercials are produced for TV and print.



## SOCIAL

YC uses a blend of social media channels to inform and engage with its followers. Content includes photography, videography, stories, and helpful information. Currently, YC uses Facebook, Instagram, Twitter, YouTube, and Tik Tok.

# Questions

# Faculty Association Update



# New Officer Structure



Karen Palmer,  
President



Mark Woolsey,  
Vice President of  
External Affairs



Marnee Zazueta,  
Vice President of  
Internal Affairs



Philip Reid,  
Treasurer



Joshua Harper,  
Secretary

# New Full Time Faculty



Amanda Atherton (Math), Alexander Barber (Commercial Driver Training), Amy Bell (Biology), Maureen Costa (Visual Arts), Kim Donaldson (Business, Management), Cassi Gibson (Electronics Technology), Elisha Humes (Industrial Plant Technology), Lamar Johnson (Computer Programming), Amanda “Amy” Kelsey (Allied Health), David Kingsley (English), Tiffany Kragnes (Paralegal), Kirk LaPlace (Lineworker), Alexander Larsen (Emergency Medical Services), Shawn Lewis (Emergency Medical Services), Heather Leavitt (Early Childhood/Education), Lindsay Masten (Graphic Design), Carl Miller (Culinary), Brian Thomas (HVAC).



# 2022-23 Projects

- Our new VP of External Affairs, Mark Woolsey is heading up an effort to team up with the YCSA and YCSGA to provide support for YCSGA initiatives. More info to come!
- Faculty Service Document
- Continue to align YCFA with the Mission and Vision of YC!



# Faculty Highlights



# Joshua Harper

In June, Joshua attended the 2022 Chorus America Conference in Baltimore, MD thanks to Professional Growth funds.

He also made his Lincoln Center Debut in NYC with Austin Artist's Project's "Sing Out" Broadway review as a tenor section leader and featured soloist.

In August, Joshua conducted his professional chorus Quartz Ensemble at a free community program at Prescott United Methodist Church, which was attended by 415 community members.



# Justin Brereton

Professor Justin Brereton from Agribusiness participated in a week-long internship learning advanced plant tissue culture and micropropagation techniques at Lea Fine Gardens in North Carolina in June.

Justin was awarded the Postsecondary CTE Educator of the year at the recent AZCTE Conference held in Tucson!



# Allen Magarrell

Gunsmithing instructor, Allen Magarrell, recently received a generous donation to the Gunsmithing program of a Ceracoate paint booth oven. Ceracoating of firearms is quickly becoming the industry coating standard. This donation allows YC to stay current with industry changes.



# YCSA Representatives

President:

Julie Galgano

Past President:

Katherine Anderson

Vice President:

Ginney Bilbray

Secretary:

Donna Dotzler

Treasurer:

Lee Ann Walker

# YCSA Committees



Event Committee



Awards Committee



Communication  
Committee



Professional  
Development &  
Training Committee



Professional Growth  
Committee



# YCSA Retreat

Was held on August 30, 2022

Led by Jeremey Poehnert and  
Julie Galgano (YCSA President)

Focused on strengthening relationships  
&  
Learning about each other's values

# Yavapai College Student Government Association Update



- Newly elected executive team:
  - Jamie Oltersdorf/President
  - Laurence Fremy/Vice President
  - Clay Christensen/Secretary
  - Danny Avelar/Treasurer
- Exec team Orientation and Initiative Work for 2022-23
- Senate



# SGA Committees



**SGA**  
STUDENT GOVERNMENT ASSOCIATION  
YAVAPAI COLLEGE

## EQUITY AND DIVERSITY COMMITTEE

Join the Equity and Diversity committee today and be a part of creating a safe and respectful environment for all members of the YC Family.

**Deadline to join is October 1st!**

- Stamp out discrimination through knowledge and support.
- Provide a safe environment for all to speak and share their beliefs in a respectful way.
- Provide and promote resources and support systems for all members of the YC family.

to join visit [www.yc.edu/committees](http://www.yc.edu/committees)

**SGA**  
STUDENT GOVERNMENT ASSOCIATION  
YAVAPAI COLLEGE

## MARKETING AND PUBLIC ENGAGEMENT COMMITTEE

**JOIN TODAY!** Deadline to join is October 1st!

Manage all social media and marketing endeavors for the YCSGA.

\* to join visit [www.yc.edu/committees](http://www.yc.edu/committees)

Be a part of the **SENATE GOVERNANCE COMMITTEE**

Deadline to join is October 1st!

**JOIN**

October ~~X~~

**2021**

**LEAD ELECTIONS FOR YAVAPAI COLLEGE**

\*\*\*Handle all elections and election related issues

to join visit [www.yc.edu/committees](http://www.yc.edu/committees)

**You Can. We Can. Together.**



# District Governing Board

Legislative Update –Overview of the 2022 State Legislative Session

# Historic Session adjourned June 25, 2022

- Record 1,851 were introduced
- Session was the fourth longest in AZ history-166 days with a government shutdown looming
- Legislature passed \$18 billion spending bill for fiscal 2023 (Largest in AZ history)
- Legislative Make-Up
  - Session began with nine newly appointed members of the House due to a slew of resignations
  - Dems saw six new members in the House creating a very slim majority for Republicans and giving the Dems power
  - Some session bill highlights include: **HB2617**-Election Integrity which required in-person voting for all precincts in the state, Governor Vetoed the bill, **HB2685**-Prop 400 Extension also vetoed by the Gov. which was an extension of the Maricopa transportation tax **HB2156**-Film Tax Credit which provides tax credit financial support to attract the production of films in the state

# FY2023 Budget Highlights

- Governor Ducey signed the entire budget package on June 28<sup>th</sup>:
  - \$1 Billion over 3-years for Water Finance Authority
  - \$1 Billion to reduce the state's pension debt liability
  - \$875 Million targeted investment for 44 specific transportation projects
  - \$544 Million to enhance border security
  - \$425 Million Rainy Day Fund
  - \$649 Million new spending for K-12 education
  - \$60 Million towards homelessness & affordable housing
  - \$7 Million for rural community colleges
  - \$20 state's aviation infrastructure
  - \$50 Million Rural Transportation (Match)

# Community Colleges Legislation & Budget Items

- \$30 Million to the ACA for Arizona Workforce Accelerators
- **HB2853**-Empowerment Scholarship Accounts- families receive \$6,500 per year to choose the type of education for their child (private, charter, homeschooling or public)
- **HB2017**-STEM Restoration-\$10.8 Million to restore funding to Maricopa & Pima CC for STEM & Workforce aid
- **HB2122**-Adult Education provides \$6 Million for three years for adult education and workforce

# Community Colleges Legislation & Budget Items

- **HB 2691** Nursing Workforce Expansion: \$15M general fund appropriation each year for the next three fiscal years (a total of \$45m) for community colleges and universities to expand nursing education programs.
- This funding will be distributed by the Arizona Department of Health Services, distribution based on the number of 2021/22 graduates from each program.
- \$27M in ARPA funds was dedicated to expanding of student access to clinical opportunities. These monies will be distributed through AHCCCS, based on proposals submitted by the healthcare institutions that provide this training,
- \$2M reserved for nursing transition support.
- \$5M in ARPA funds for two behavioral health training pilot programs to be developed at Maricopa and Northland Pioneer College. While the funding was included in the budget

# Community Colleges Legislation & Budget Items

- **SB 1374 Expenditure Limitation—Failed to Pass the House.** In this bill, AC4 proposed a change to the definition of FTSE, for purposes of calculating the expenditure limit, to 24 credit hours, down from 30 credit hours.
- This bill passed the Senate by a vote of 26-2. However, objections were raised to House leadership concerning the constitutionality of changing the formula.
- The Supreme Court's decision in the Proposition 208 case made clear that defining a term in two different ways in the same clause is unconstitutional.
- They argued by defining FTSE in 1980 as 30 credit hours, but changing that definition violated the constitution.

## Structural Changes to Arizona's Community Colleges Expenditure Limitation

- AC4 supports legislative efforts to develop changes to the Expenditure Limitation formula that better reflect the costs associated with providing high quality workforce training, considers the overall cost structure of 21st century community colleges in general and provides the colleges with the ability to spend revenues they collect to meet the needs of students, employers, and the institutions themselves.
- The legislature can change the definition of FTSE for expenditure limits purposes and do so without changing the use of the existing FTSE definition for funding.
- Currently, statute defines FTSE as the completion of 15 credit hours per semester, 30 credit hours per year. This definition, put into place decades ago, fails to recognize the shorter-term nature of workforce certifications and credentials that do not require students to earn a two-year degree. It also fails to recognize that most students attending community colleges attend part-time.
- For expenditure limitation purposes only (non-funding), the legislature can address this crisis by passing measures that recognizes:
  - short-term programs aimed at training Arizona's workforce
  - additional expenses required to provide high-cost sophisticated workforce programs
  - the large percentage of community college students attending part-time.

## Bills that Failed but May Resurface

- **HB 2818** (Rep. Schweibert) CTE Articulated Credit; Statewide—Passed House Education but was held at the request of the sponsor. This bill would have required the community colleges to negotiate a statewide articulation agreement with CTEDs.
- **HB 2447** (Rep. Nguyen) Firearms; Universities; Community Colleges; Campuses—Passed the House. Failed to pass the Senate.
- **SB 1626** (Sen. Mesnard) Sexual Misconduct; Universities; Colleges; Task Force—Passed Senate. Failed to pass House Ed.



**Yavapai College  
Budget to Actual Status by Fund  
July 2022**

The President's Monthly report below provides a brief financial status of each of the District's five funds as of July 31, 2022.

Source: Monthly Revenue and Expenditure  
Financial Reports

General Fund



As of July 31, 2022, the General Fund has a surplus of \$3,512,400. This is primarily the result of tuition and fee revenues being recorded for the fall 2022 semester and an additional one-time Rural Community College appropriation granted to the District by the State, subsequent to the Board approving the budget.

For the fiscal year ended June 30, 2023, the General Fund is projected to be within budget.

Auxiliary Fund



As of July 31, 2022, the Auxiliary Fund has a large surplus due to the collection of the fall 2022 semester room revenues. This will even out over the next several months. For the fiscal year ended June 30, 2023, the Auxiliary Fund is projected to be within budget.

Unexpended Plant Fund



As of July 31, 2022, the Unexpended Plant Fund has a deficit of \$700,900 due to a significant amount of Preventative Maintenance being encumbered for the fiscal year. The supporting revenues to cover this deficit will be received over the remaining fiscal year.

For the fiscal year ended June 30, 2023, the Unexpended Plant Fund is projected to be within budget.

### Restricted Fund



The Restricted Fund, which accounts for federal, state and private monies, includes expenditures that are restricted to the amount of grants or gifts received and which do not exceed the grant award or gift received. Restricted Funds are primarily driven by federal financial aid which will fluctuate depending on the financial needs of our students. As of July 31, 2022, the Restricted Fund has a small surplus and is expected to be within budget for the fiscal year.

### Debt Service Fund

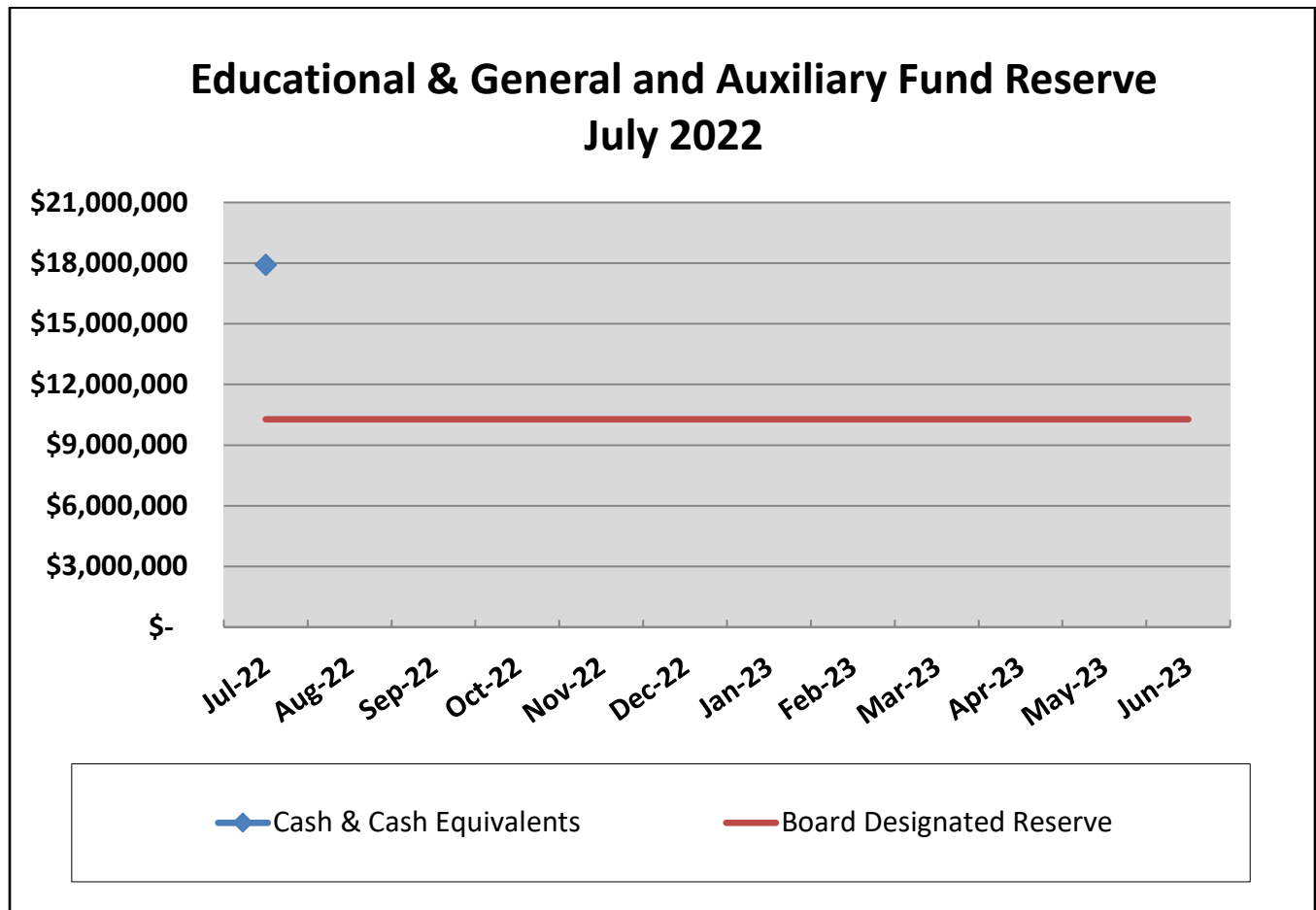


The Debt Service Fund accounts for the monies used to pay the interest and principal on the District's long-term bonds. College debt is at fixed rates of interest—as of July 31, 2022, there were no variances from budget.

## Yavapai College Cash Reserves July 2022

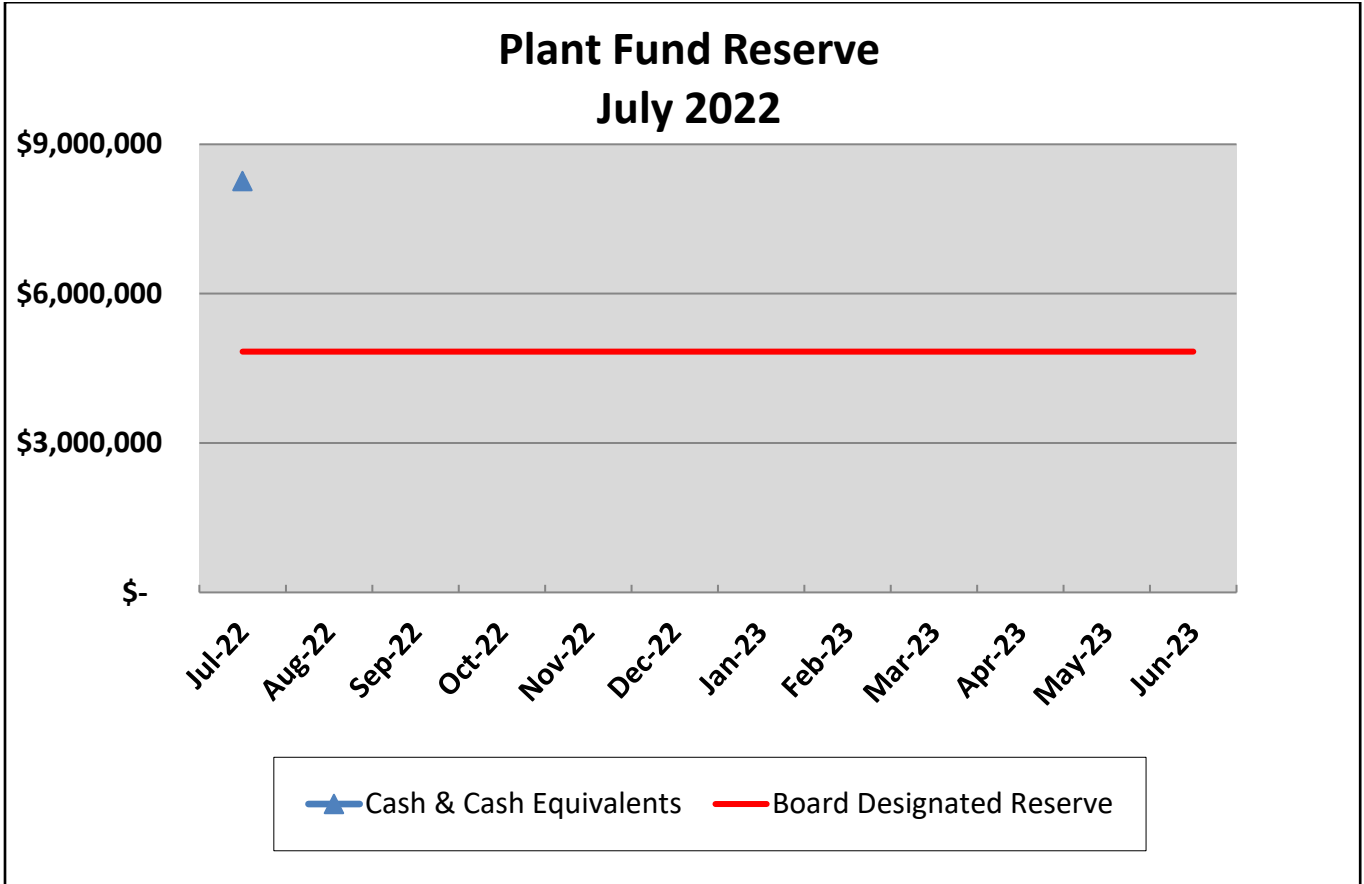
The President's monthly report on cash reserves below displays the District's reserves at July 31, 2022, in relation to the District Governing Board's (DGB) reserve requirements.

Source: Banner Finance



Current Fund Reserves shall not drop below seventeen percent (17%) of the operating budgets.

As of July 31, 2022, Current Fund reserves have exceeded the DGB's reserve requirements.



Plant Fund Reserves shall not drop below eight percent (8%) of the operating budgets. As of July 31, 2022, Plant Fund reserves have exceeded the DGB’s designated reserve.

August 16, 2022

Clint Ewell  
Vice President, Finance & Administrative Services  
Yavapai College  
1100 E Sheldon St  
Prescott, AZ 86301

Dear Mr. Ewell:

We are pleased to inform you, based on the examination of your budget by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. Information about how to submit an application for the Distinguished Budget Program application is posted on GFOA's website.

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

#### **Business Services**

Continuing participants will receive a brass medallion that will be mailed separately. First-time recipients will receive an award plaque within eight to ten weeks. Enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. The following standardized text should be used:

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Yavapai College, Arizona**, for its Annual Budget for the fiscal year beginning **July 01, 2022**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at [www.gfoa.org](http://www.gfoa.org). If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a large initial "M".

Michele Mark Levine  
Director, Technical Services Center

Enclosure

## FOR IMMEDIATE RELEASE

August 16, 2022

**For more information, contact:**

**Technical Services Center**

**Phone: (312) 977-9700**

**Fax: (312) 977-4806**

**E-mail: [budgetawards@gfoa.org](mailto:budgetawards@gfoa.org)**

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **Yavapai College, Arizona**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Business Services**.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

*Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 22,500 members and the communities they serve.*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Yavapai College  
Arizona**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director





**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

**CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION**

*to*

**Business Services  
Yavapai College, Arizona**



*The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards*

Executive Director

*Christopher P. Morill*

Date: **August 16, 2022**

**BUDGET REVIEW COMPOSITE RATING FORM**  
**GFOA Distinguished Budget Presentation Awards Program**  
**For budgets beginning January 1, 2022 or later**

Agency: **Yavapai College AZ**

Fiscal Year beginning: **7/1/22**

Document number: **B9946709**

At least 2 of the three reviewers must rate the document "proficient" or "outstanding" on all four overall categories and all mandatory criteria in order for the document to receive the award

Information Not Present (1)			Does Not Satisfy (2)			Proficient (3)			Outstanding (4)			
R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3	
						✓	✓	✓	✓	✓		<b>Introduction and Overview</b>
						✓		✓	✓			* C1 Table of contents (mandatory)
						✓		✓				* P1 Strategic goals & strategies (mandatory)
						✓	✓	✓				* P2 Priorities and issues (mandatory)
						✓	✓	✓				* C2 Budget overview (mandatory)
												<b>Financial Structure, Policy, and Process</b>
						✓	✓	✓				* O1 Organizational chart (mandatory)
						✓	✓	✓				F1 Fund descriptions and fund structure
						✓	✓	✓				O2 Department/fund relationship
						✓	✓	✓				F2 Basis of budgeting
						✓	✓	✓				* P3 Financial policies (mandatory)
						✓	✓	✓				* P4 Budget process (mandatory)
												<b>Financial Summaries</b>
							✓	✓	✓			* F3 Consolidated financial schedule (mandatory)
							✓	✓	✓			F4 Three (four) year consolidated & fund financial schedules
						✓	✓	✓				* F5 Fund balance (mandatory)
							✓	✓	✓			* F6 Revenues (mandatory)
							✓	✓	✓			F7 Long-range operating financial plans
												<b>Capital &amp; Debt</b>
						✓	✓	✓				* F8 Capital program (mandatory)
						✓	✓	✓				* F9 Debt (mandatory)
												<b>Departmental Information</b>
						✓	✓	✓				* O3 Position summary schedule (mandatory)
						✓	✓	✓		✓		* O4 Departmental/program descriptions (mandatory)
						✓	✓	✓				O5 Departmental/program goals and objectives
						✓	✓	✓				* O6 Performance measures (mandatory)
												<b>Document-wide Criteria</b>
						✓		✓		✓		C3 Statistical/supplemental section
						✓	✓	✓				C4 Glossary
						✓	✓	✓	✓	✓		C5 Charts and graphs
						✓	✓	✓				C6 Understandability and usability
												<b>Overall</b>
						✓		✓		✓		<b>Overall as a policy document</b>
						✓	✓	✓				<b>Overall as a financial plan</b>
						✓	✓	✓				<b>Overall as a operations guide</b>
						✓	✓	✓				<b>Overall as a communications device</b>

- N Special Capital recognition (three "outstanding ratings on F8)
- N Special Performance Measure recognition (three "outstanding" ratings on O6)
- N Special Strategic Goals and Strategies recognition (three "outstanding" ratings on P1)
- N Special Financial Policies recognition (three "outstanding" ratings on P3)
- N Special Budget Process recognition (three "outstanding" ratings on P4)
- N Special Long Range Financial Plans recognition (three "outstanding" ratings on F7)

### **Introduction and Overview**

**C1-MANDATORY Table of Contents-** Include a table of contents that makes it easier to locate information in the document-The Table of Contents satisfies the criterion. Proficient.

**P1-MANDATORY: Provide a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues.** The budget includes good organization-wide policy goals for the school. Long-term strategic plans are effective in this document. Outstanding.

**P2-MANDATORY: Provide a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take several forms (e.g., transmittal letter, budget summary section.)** Proficient.

**C2 MANDATORY: An overview of significant budgetary items and trends should be provided. The overview should be presented within the budget as a separate section. (e.g., budget-in brief) Alternatively, integrated within the transmittal letter.** - The Budget Message is well written and provides good information on significant budgetary issues. Proficient.

### **Financial Structure, Policy, and Process**

**O1 MANDATORY: Provide an organization chart for the entire entity.-** The organization chart is included. Proficient.

**F1-Describe all funds subject to appropriation-** The fund information is well done and includes an overview of the fund structure of the college. Each major fund's name and type are included. Proficient.

**O2-Provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate.**

The fund structures and the relationship between the funds is straightforward. Proficient.

**F2-Explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.** - The basis of budgeting is included. Proficient.

**P3 Mandatory-Include a coherent statement of entity-wide long-term financial policies.** - Any long-term financial policies that govern your entity should be included in this section. Financial policies should guide the budget process and help focus discussion on related issues. Also, they should include financial planning policies, revenue policies, and expenditure policies. The policies are included. Proficient.

**P4 Mandatory-Describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget**

**after adoption.** The document includes good information on the budget process. It provides the required information as well as an "in-depth" description of the budget calendar. Proficient.

### **Financial Summaries**

**F3-Mandatory-Present a summary of major revenues and expenditures and other financing sources and provides an overview of the total resources budgeted by the organization.** Revenues and expenditures are included in the summary form. Proficient.

**F4-Mandatory- Include summaries of revenues and other financing sources and expenditures and other financing uses for the prior year actual, the current year budget and estimated current year actual, and the proposed budget year.** - The current and historical information is included. This information is valuable for analysis, funding, and trend monitoring. Proficient.

**F5-Mandatory-Include projected changes in fund balances as defined by the entity in the document for appropriated governmental funds included in the budget presentation (fund equity, if not governmental funds, are included in the document).** Fund balance change is included. Proficient.

**F6-Revenues-Describe major revenue sources, explain the underlying assumptions for the revenue estimates and discuss significant revenue trends.** The revenues are included, and analytical information is available for each related section. Proficient.

**F7-Long Range Financial Plans—Explain long-range operating financial plans and their effect on the budget and budget process.** The long-range planning should include the financial plans and the strategic goals and performance of services as well. The link to mission and vision will help provide this information. There should be forward-looking plans that will fund core services in the future. This information should also be linked with performance, capital, and strategic priorities. Future budget discussions are based on these plans. There is always room for improvement.

### **Capital and Debt**

**F8Mandatory-Include budgeted capital expenditures, whether authorized in the operating budget or acquisition.** A good discussion on the Capital plan is included. Proficient.

**F9Mandatory- Include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations.** - The budget includes a discussion on debt service. Proficient.

**O3 Mandatory-A schedule or summary table of personnel or position counts for prior, current, and budgeted years shall be provided.** The Personnel section meets the requirement. The criterion requires a presentation of position counts or FTEs. Proficient.

**O4 Mandatory-Include departmental programs and descriptions. The document shall describe activities, services or functions carried out by organizational units-** The document includes a summary of departmental information. The core services of each department are included. Well-written and informative goals for each department

**O5-Include clearly stated goals and objectives of organizational units (e.g., departments, divisions, offices, or programs).** The goals and objectives are goals that the college and legislators have determined. Proficient.

**O6-Mandatory: Provide objective measures of progress toward accomplishing the government's mission, goals, and objectives for specific units and programs.** Key workload measurements are included with performance data. Proficient.

**C3-Include statistical and supplemental data describing the organization, community, and population. It should also furnish other pertinent background information related to the services provided.** - Statistical and demographic information is supplied. The profile of the community is presented interestingly. Outstanding.

**C4-A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.** The glossary provides supportive information for the document. Make sure that this is updated annually and includes all changes in the operating verbiage. Proficient.

**C5-Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the message conveyed by the graphs is not self-evident.** The charts and graphs are well done and informative. They add to the narrative and numerical information provided in this budget. Outstanding.

**C6-The budget information should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.** The document is formatted correctly. It is visually pleasing and gives the reader a good overview of the school issues. Proficient.

Congratulations on this excellent submission. My recommendation is that Yavapai College a recipient of the Distinguished Budget Presentation Award.

Policy=4  
Financial=3  
Operations=3  
Communications=3



GOVERNMENT FINANCE OFFICERS ASSOCIATION  
DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM  
BUDGET REVIEWER'S COMMENTS AND SUGGESTIONS

For: YAVAPAI COLLEGE, AZ

Fiscal Year: 2022-23

Introduction and Overview:

Yavapai College presented a table of contents (link it to the pages & vice versa), their mission, vision, values, initiatives linked to priorities, goals, SWOT analysis, issues and challenges that guided them in the budget development process and provide the framework for future years. Date the messages!!!

Financial Structure, Policy and Process:

All criteria were rated proficient.

Financial Summaries:

All criteria were rated at least proficient. Budget-year, multi-year and long-range categorized summaries were presented. Revenues were enhanced with trend charts.

Capital and Debt:

Each criterion was rated proficient. Capital was presented. Debt information was provided.

Departmental Information:

All criteria were rated proficient. Add a one-line, multi-year FTE schedule to the divisions to earn outstanding on O3 from this reviewer. Project the measures through the proposed budget year.

Document-Wide Criteria

All criteria were rated at least proficient. Some economic and demographic information was presented. Charts and graphs were effectively presented.

Comments/Suggestions:

The GFOA publication, Building A Better Budget Document, 2nd edition, by John Fishbein and the GFOA website under Best Practices are valuable resources available to assist you in further enhancing your budget document. Staff is to be commended for their efforts.

Control: B9946709

Record #300064054

Reviewer: S411

JUL 2022

### Introduction and Overview

- C1. **Mandatory:** Include a table of contents that makes it simple to locate information. **Does not meet requirements, page numbers agree with TOC.**
- P1. **Mandatory:** Provide a coherent statement of organization-wide, strategic goals and strategies that address long-term concerns and issues. **Proficient, provided goals and measurements.**
- P2. **Mandatory:** Provide a budget message that articulates priorities and issues for the upcoming year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (*e.g., transmittal letter, budget summary section*). **Proficient**
- C2. **Mandatory:** An overview of significant budgetary items and trends should be provided. The overview should be presented within the budget as a separate section (*e.g., budget-in brief*) or integrated within the transmittal letter. **Proficient, the Budget in Brief should be included with the budget.**

### Financial Structure, Policy, and Process

- O1. **Mandatory:** Provide an organization chart(s) for the entire entity. **Proficient**
- F1. Describe all funds that are subject to appropriation. **Proficient**
- O2. Provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and nonmajor funds in the aggregate. **Proficient, provided the association of funds.**
- F2. Explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis. **Proficient, very well done.**
- P3. **Mandatory:** Include a coherent statement of entity-wide long-term financial policies. **Proficient, the College provide the summary of the major policies.**
- P4. **Mandatory:** Describe the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption. **Proficient, the narrative provides the required information.**

### Financial Summaries

- F3. **Mandatory:** Present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization. **Proficient, the tables provided the information.**
- F4. Include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and the proposed budget year. **Proficient**
- F5. **Mandatory:** Include projected changes in fund balance/net position for appropriated funds included in the budget presentation. **Proficient. the requirements are included in document.**
- F6. **Mandatory:** Describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends. **Proficient, college has outlined the assumptions and revenues estimates.**
- F7. Explain long-range operating financial plans and its effect upon the budget and the budget process. **Proficient, provided the assumptions and challenges they anticipate for future operations.**



## Capital & Debt

- F8. **Mandatory:** Include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget. **Proficient.**
- F9. **Mandatory:** Include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current operations. **Proficient, provided legal debt limits, rating, calculation of debt limit and amortization schedule.**

## Departmental/Program Information

- O3. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided. **Proficient, discussed the personnel changes and presented the 3 years.**
- O4. **Mandatory:** Include departmental/program descriptions. **Proficient, it appears that each department is identified and the functions are described.**
- O5. **Include clearly stated goals and objectives of the department or program. Proficient, goals are provided with each department.**
- O6. **Mandatory:** Provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific departments and programs. **Proficient, the goals and objectives are stated in the department summary, which includes the measurement and status.**

## Document-wide Criteria

- C3. Include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided. **Proficient, the college provided the demography for the county.**
- C4. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader. **Proficient.**
- C5. Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident. **Proficient, throughout the document, charts and graphs are presented to add impact to the presentation.**
- C6. The budget information should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs. **Proficient.**



# Amendment to Capital Plan

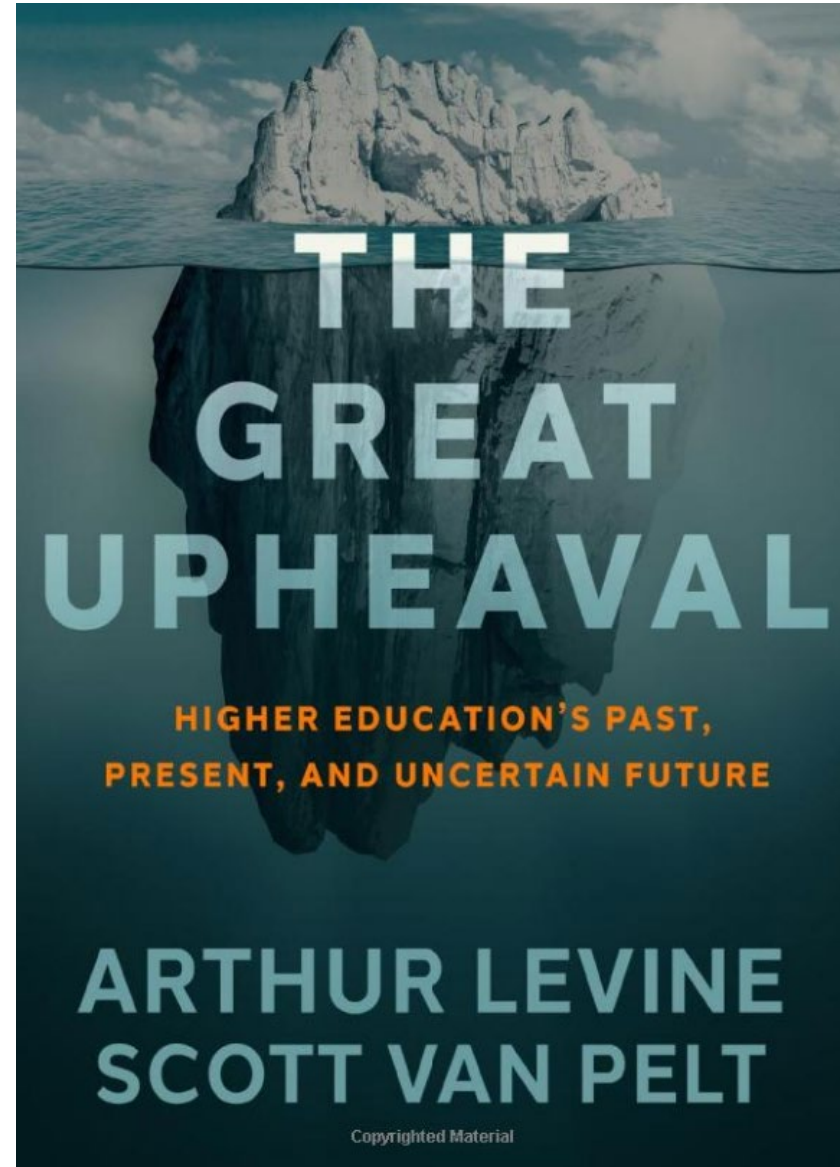
Presented to District Governing Board

9/22





What's  
Changed



## FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan Projects - Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Digital Learning Commons (P)	\$ -	\$ 3,089,000	\$ 10,296,600	\$ 2,059,300	\$ -
Digital Learning Commons (VV)	-	-	785,600	2,618,600	523,700
Health Science Center (PV)	-	-	-	-	3,691,500
Electric Vehicle Maintenance (CTEC)	-	-	-	128,900	429,700
Electric Vehicle Maintenance (East)	-	-	-	128,900	429,700
Bldg 3 - Rider Diner remodel (P)	285,000	-	-	-	-
Mingus Union HS - Athletic Field Improvements	100,000	-	-	-	-
VVSTC- Brewing & Distilling	1,662,700	7,042,400	1,108,500	-	-
Acoustical/ Tech Upgrades (Sedona)	-	-	-	146,000	-
Commercial Driving Track (Chino)	300,000	-	-	-	-
Convert Learning Center to Classrooms (P)	-	-	-	235,200	784,000
Campus Signage/Marquees	150,000	-	-	-	-
ITS Relocate to Building 1 (P)	-	-	-	109,300	364,400
Contingency	449,600	2,330,200	3,413,400	1,790,600	2,364,700
Transfer Expenses to Restricted Fund - STEM	(611,100)	(600,000)	(600,000)	(600,000)	(600,000)
Transfer Expenses to Restricted Fund - Prop. 207	(578,900)	(1,521,100)	-	-	-
<b>Total Capital Projects</b>	<b>\$ 1,757,300</b>	<b>\$ 10,340,500</b>	<b>\$ 15,004,100</b>	<b>\$ 6,616,800</b>	<b>\$ 7,987,700</b>
<b>Revenue Sources</b>					
Capital Project Accumulation Account	\$ 1,757,300	\$ 10,340,500	\$ 15,004,100	\$ 6,616,800	\$ 7,987,700
<b>Total Revenues</b>	<b>1,757,300</b>	<b>10,340,500</b>	<b>15,004,100</b>	<b>6,616,800</b>	<b>7,987,700</b>
<b>Excess/(Needed Capital)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

- Begin Digital Learning Commons
- Develop VVC Housing Options

**Yavapai College**  
District Governing Board  
Regular Meeting

Tuesday, May 17, 2022

Immediately following adjournment of Budget Adoption Meeting (estimated time 1:30 p.m.)

**Prescott Campus Community Room # 19-147**  
**1100 E. Sheldon Drive**  
**Prescott, Az. 86301**

Pursuant to Arizona Revised Statutes (A.R.S.) §38-431.02, notice is hereby given to the members of the Yavapai College District Governing Board and to the general public that the Board will hold a public meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda. One or more members of the Board may participate in the meeting by telephonic communication.

Pursuant to A.R.S. §38-431.03.A.2, A.3 and A.4, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law; or to consult with and instruct its attorneys regarding its position on contracts, litigation or settlement discussions. If indicated in the agenda, the Board may also vote to go into executive session, which will not be open to the public, to discuss specific agenda items.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter or closed caption, by contacting the Executive Assistant at (928)776-2307. Requests should be made as early as possible to allow time to arrange the accommodation.

Please note that meeting conclusion time is included for planning purposes only and does not necessarily reflect the actual time of the agenda item. When regular board meetings, public hearings (both truth in taxation and budget adoption public hearings) and budget adoption special meetings are scheduled for the same date, each hearing or meeting will begin immediately upon adjournment of the preceding hearing or meeting.

**AGENDA**

1. General Functions: Procedural
  - a. Call to Order {Time: 1}
  - b. Pledge of Allegiance {Time: 1}
  - c. Adoption of Agenda – **DECISION** {Time: 1}
2. Study Session
  - a. President's Reports - Dr. Lisa Rhine - **INFORMATION** {Time: 60}
    - i. College Council – Dr. Diane Ryan, Dr. Emily Weinacker, and Mr. Rodney Jenkins
      1. Faculty Senate – Dr. Karen Palmer (*Attached*)
      2. Staff Association – Shannon Johns
      3. Student Government Association – Brian Moultrup, YCSGA President (*Attached*)
    - ii. 2022 Yavapai College Faculty Emeritus – Dr. Diane Ryan, Vice President of Academic Affairs **INFORMATION** (*Attached*)

- iii. Yavapai College Legislative Report – Mr. Rodney Jenkins, Vice President of Community Relations, and Student Development **INFORMATION** (*Attached*)
    - iv. Budget to Actual Monthly Report and Cash Reserves Monthly Report **INFORMATION** (*Attached*)
  - c. Yavapai County Wide Data and Yavapai College Academic Data Review, Dr. Diane Ryan, Vice President of Academic Affairs, and Dr. Clint Ewell, Vice President of Finance. **INFORMATION AND DISCUSSION** (*Attached*) {Time: 15}
  - d. Yavapai College Space and Facility Rental – Dr. Clint Ewell, Vice President of Finance, **INFORMATION AND DISCUSSION** (*Attached*) {Time: 15}
  - e. Board Liaisons’ Reports - **INFORMATION AND DISCUSSION** {Time: 10}
    - i. Board Spokesperson – Board Chair McCasland
    - ii. Arizona Association of Community College Trustee (AACCT) – Board Chair McCasland
    - iii. Yavapai College Foundation – Board Chair McCasland
  - f. Dates and Time of Future Meetings and Events - **INFORMATION AND DISCUSSION** {Time: 5}
    - i. 2021-2022 Dates, Times, and Places of Future Board Meetings, Workshops, and Retreats (*Attached*)
    - ii. 2021-2022 Dates, Times, and Places of Future College Events (*Attached*)
    - iii. 2021-2022 Dates, Times, and Places of Future National, State, and Local Conferences (*Attached*)
- 3. Board Business
  - a. Yavapai College Baccalaureate Degree Presentation – Dr. Diane Ryan, Vice President of Academic Affairs. **INFORMATION, DISCUSSION, AND DECISION** (*Attached*) {Time:60}
  - b. Approval of naming “The Opal Allen’s Founders Foyer”- Mr. Rodney Jenkins, Vice President of Student Development and Community Affairs **INFORMATION, DISCUSSION, AND DECISION** (*Attached*) {Time:10}
  - c. District Governing Board Minutes and Records - Mr. Ray Sigafos, Board Secretary, **INFORMATION, DISCUSSION, AND POSSIBLE DECISION**) {Time: 30}
  - d. Consent Agenda – **DECISION** {Time: 5}
    - i. Board Regular Meeting Minutes – Tuesday, March 22, 2022 (*Attached*)
    - ii. Receipt of Report on Revenues and Expenditures for March 2022 (*Attached*)
    - iii. Yavapai College Summary of New Program and Deletions
      - 1. New - Emergency Medical Technician- Basic Certificate (*Attached*)
      - 2. Delete – Emergency Medical Technician Certificate (*Attached*)
      - 3. Delete – Canine Care and Handling Certificate (*Attached*)
      - 4. Delete - Service Dog Certificate (*Attached*)
      - 5. Delete – Therapy and Service Dog Team Skills Certificate(*Attached*)



iv. Intergovernmental Agreement Sedona PAC Access with Sedona Oak Creek School District (*Attached*)

4. Adjournment of Board Regular Meeting: Procedural - **DECISION** {Time: 1}

**Yavapai College**  
District Governing  
Board Regular Meeting

Tuesday, April 12, 2022  
1:00 p.m.

The Rock House  
1100 E. Sheldon Drive  
Prescott, AZ 86301

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Paul Chevalier, Board Member  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams  
Ms. Yvonne Sandoval, Executive Assistant  
Ms. Beckey Massey, Coordinator to the District Governing Board

**MINUTES**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=eb791564-f715-4a4f-a8cf-ae75018937c0>

1. General Functions: Procedural
  - a. Call to Order {Time: 1} **(Recording at 0:08)**  
**Chair McCasland called the meeting to order at 1:00 p.m.**
  - b. Pledge of Allegiance: Procedural {Time: 1} **(Recording at 0:16) Member Kuknyo led the Pledge of Allegiance.**
  - c. Adoption of Agenda - **DECISION** {Time: 1} **(Recording at 0:40)**  
**Member Sigafoos moved, seconded by Member Kuknyo, to adopt the agenda.**  
**Mr. Chevalier asked to make a comment before the vote. He stated that at the last meeting he had requested that the ideas presented at the open call be placed on the agenda for discussion and possible action.**  
**Chair McCasland responded by confirming that she had considered his request and had determined that the agenda was full of Board matters and that the majority of the items raised in open call were not Board business. The motion passed unanimously (Ayes: McCasland, Sigafoos, Chevalier, Padilla, and Kuknyo**

2. Study Session

- a. Open Call- **INFORMATION** {Time: 10} (**Recording at 2:45**)  
**There were no requests to speak during Open Call.**
- b. Arizona Auditor General Report- Mr. Frank D'Angelo, Director of Business Services & Controller {Time:10}, **INFORMATION** {Time: 10} (**Recording at 3:05**)  
**Mr. Frank D'Angelo introduced members from the Arizona Auditor General's Office. Donna Miller, Director, Financial Audit Division, David Glennon, Financial Audit Manager and Stephanie Gerber, Financial Audit Manager. The Auditors shared the 2021-22 Audit report with the Yavapai College District Governing Board.**
- c. President's Reports- Dr. Lisa Rhine -**INFORMATION** {Time:60} (**Recording at 17:24**)  
**Dr. Diane Ryan, Vice President of Academic Affairs, introduced the new interim Dean for the Verde Valley Campus, Dr. Karen Reed.**
  - i. President's Report on Board Policy 101, College Priorities – Dr. Diane Ryan, Vice-President of Academic Affairs and Mr. Rodney Jenkins, Vice-President of Student Development and Community Affair {Time:30} (**Recording at 20:25**)  
**Dr. Diane Ryan and Mr. Rodney Jenkins presented the President's Report on Board Policy 101 College Priorities.**
  - ii. College Council – Dr. Diane Ryan, Dr. Emily Weinacker, and Mr. Rodney Jenkins
    1. Faculty Senate - Dr. Karen Palmer (**Recording at 41:12**)  
**Dr. Ryan introduced Dr. Karen Palmer to provide a Faculty Senate update.**
    2. Student Government Association – Jamie Oltersdorf, YCSGA Online Senator, Prescott Campus (**Recording at 45:30**)  
**Mr. Rodney Jenkins introduced Jamie Oltersdorf to present the Student Government Association presentation.**
    3. Staff Association – Karen Anderson (**Recording at 52:09**)  
**Dr. Emily Weinacker introduced Karen Anderson to give the update for Staff Association**
  - iii. Yavapai College Legislative Report- Mr. Rodney Jenkins (**Recording at 55:50**)  
**Mr. Rodney Jenkins updated the Governing Board on the latest Legislative happenings. Mr. Jenkins asked Dean Morgan to speak on H2034: CTED Associate Degrees. Mr. Morgan explained that this will not likely impact our local CTEDs' operations and was requested by CTEDs in the more metropolitan areas of the state.**
  - iv. Budget to Actual Monthly Report and Cash Reserves Monthly Report (**Recording at 1:11**)  
**Dr. Rhine indicated this information was provided in the Board Packet.**

Chair McCasland called for a five-minute break.

Chair McCasland moved item 3a up on the agenda.

### 3. Board Business

- a. Consent Agenda – **DECISION** {Time: 5} (**Recording at 1:12**)
  - i. Board Regular Meeting Minutes – Tuesday, March 22, 2022
  - ii. Receipt of Report on Revenues and Expenditures for February 2022 (*Attached*)
  - iii. Intergovernmental Agreement with Charter Schools for 2022-2024 Academic Year
  - iv. Intergovernmental Agreement with School District for 2022-2024 Academic School Year
  - v. Intergovernmental Agreement with School District with Computer Network Technologies 2022-2024 Academic Year
  - vi. Acceptance of President’s Report on Board Policy 101 College Priorities

**Mr. Sigafos asked that item 3.a.i Regular Board Meeting Minutes be removed from the consent agenda for comment.**

**Mr. Sigafos moved, seconded by Member Padilla, to approve the remainder of the consent agenda. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Chevalier, Kukyno).**

**Regarding item 3.a.i, Mr. Sigafos indicated that he does not like the current meeting minutes format because it refers to the meeting recording for details regarding discussions that took place. Attorney Adams expressed that the minutes meet all legal requirements, and this format makes the minutes easier to create. Mr. Sigafos suggested that at a future meeting this be a topic of discussion.**

**Mr. Sigafos moved, seconded by Member Kukyno, to approve the Regular Board Meeting minutes from March 22, 2022. Member Kukyno asked where the minutes were stored and how long are they required to be stored for. Attorney Adams said this information can be provided at the next meeting. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Chevalier, and Kukyno).**

### 2. Study Session – Continued

- d. 2022-2023 Yavapai College Preliminary Budget – Dr. Clint Ewell, Vice President of Finance, **INFORMATION AND DISCUSSION** {Time: 120} (**Recording at 1:17**)  
**Dr. Clint Ewell presented the Board with the 2022-2023 Yavapai College Preliminary Budget.**

**Chair McCasland proposed a round table for questions by each Board member and these questions and answers are provided on the recording.**

### 3. Board Business – Continued

- b. Report on Board Self-Assessment-Board Chair McCasland, **INFORMATION, AND DISCUSSION** {Time:10} (**Recording at: 2:38**)

**Chair McCasland reviewed the top three categories the Board members identified for further discussion at a future workshop on the report on the Board Self-Assessment: 1. Policy Role & Direction 2. Board Leadership 3. Advocating for the Board**

**Member Chevalier asked to make a comment about comments that he assumed were made about him on one of the Board Self-Assessment forms submitted by another board member. (Recording at 2:39)**



- c. 2022-2023 Yavapai College District Governing Board Schedule, Board Chair McCasland, **INFORMATION, DISCUSSION AND DECISION** {Time:10} **(Recording at 2:44)**

- i. 2022-2023 Board Policy Review/Edit Schedule
- ii. 2022-2023 District Governing Board Calendar Meeting Dates

**Chair McCasland and the Board discussed the dates, times, and locations of the 2022-2023 Governing Board meetings.**

**Member Chevalier moved, seconded by Member Padilla, to approve the 2022-2023 calendar dates and locations as proposed. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Chevalier and Kukyno).**

4. Study Session – Continued

- a. Board Liaison’s Reports- **INFORMATION AND DISCUSSION** {Time: 10} **(Recording at 2:53)**
  - i. Board Spokesperson – Board Chair McCasland
  - ii. Arizona Association of Community College Trustee (ACCT) Board Chair McCasland
  - iii. Yavapai College Foundation- Board Chair McCasland

**Chair McCasland gave the Board an update on these committee events.**

- b. Dates and Times of Future Meetings and Events – **INFORMATION AND DISCUSSION** {Time:5} **(Recording at 2:56)**
  - i. 2021-2022 Dates, Times, and Places of Future Board Meetings, Workshops, and Retreats
  - ii. 2021-2022 Dates, Times, and Places of Future College Events
  - iii. 2021-2022 Dates, Times and Places of Future National, State and Local Conferences

**All remaining dates were reviewed for this fiscal year.**

**(Recording at 3:00) Member Padilla asked that at a future board meeting, the College administration provide an initial report on how to obtain data county-wide regarding meeting the needs of all County areas, including a timeline for obtaining the date and the scope of what data would be obtained.**

**At a future meeting, he would also like the College to provide information regarding private individuals’ or groups’ use of all College facilities, including the tennis/pickle ball courts. Member Chevalier asked that the Sedona Performing Arts Center be included in this request.**

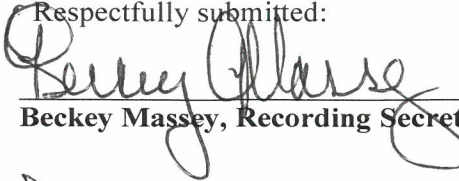
**Chair McCasland reminded the Board that what goes on the agenda is what has an impact on Board decisions and not operational issues. She will determine whether this issue will be placed on the agenda.**

5. Adjournment of Board Regular Meeting: Procedural **DECISION** {Time: 1} **(Recording at 3:02)**

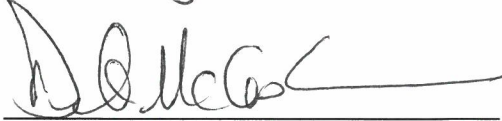
**Member Sigafos moved, seconded by Member Padilla, to adjourn the meeting. The motion passed unanimously (Ayes: McCasland, Sigafos, Chevalier, Padilla, Kukyno).**

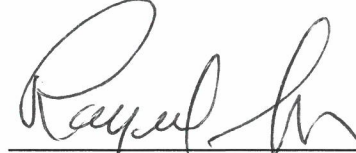
Meeting Adjourned: 4:26 p.m.

Respectfully submitted:

  
Becky Massey, Recording Secretary

5-17-2022  
Date

  
Ms. Deb McCasland, Board Chair

  
Mr. Ray Sigafos, Board Secretary

**From:** Andrew Laine <[alaine@acct.org](mailto:alaine@acct.org)>  
**Sent:** Thursday, July 28, 2022 1:55 PM  
**To:** Sigafos, Raymond <[RSIGAFOO@scholar.yc.edu](mailto:RSIGAFOO@scholar.yc.edu)>  
**Subject:** ACCT Regional Caucus and Senate: Election Volunteer Invitation

Hi Mr. Sigafos:

I am reaching out to you to confirm if you would be interested in serving as Sergeant-at-Arms at the Pacific Regional Caucus and the ACCT Senate election. The Sergeant-at-Arms is responsible for monitoring the designated voting area to ensure only voting delegates are seated in this reserved area. Voting delegates will be identified by a “delegate” stamp on their ACCT badges. Non-voting delegates and guests will be seated in the general area at the back of the room.

The Regional Caucus will take place on Thursday, October 27 at 2:00 PM during our ACCT Leadership Congress. Additionally, you would be assisting at the ACCT Senate election on Friday, October 28 at 8:30 AM.

Please let me know if you would be able to volunteer. Thank you!

Sincerely,  
Andy Laine

**Andy Laine, J.D.**  
Association Counsel  
Association of Community College Trustees  
1101 17<sup>th</sup> Street NW, Suite 300  
Washington, DC 20036  
Direct: (202) 775-4470 | Mobile: (202) 603-5398  
[alaine@acct.org](mailto:alaine@acct.org)



**Join your peer community college leaders –  
2022 ACCT Leadership Congress in New York City this October.**

[Website](#) | [Register](#) | [Call for Presentations](#) | [Sponsorship Opportunities](#) | [Schedule](#)



**2022-2023**  
**District Governing Board**  
**Calendar Dates**

Month	Board Study Sessions	Board Meeting Type
<b>Tuesday, October 18, 2022</b> 1:00pm <b>Prescott Valley</b>	Study Session 1:00-3:00pm	Business Meeting 3:00-4:00pm
<b>Tuesday, November 14, 2022</b> 9:00am – 4:00pm <b>Rock House</b>		<b>Board Workshop</b> <b>9:00am-4:00pm</b>
<b>Tuesday, November 15, 2022</b> 1:00pm <b>Verde Valley</b>	Study Session 1:00-3:00pm	Business Meeting 3:00-4:00pm
<b>Tuesday, December 7, 2022</b> 5:30pm – 7:30pm <b>Triple Creek Kitchen &amp; Spirits</b>		Board Dinner
<b>Tuesday, January 17, 2023</b> 9:00am – 4:00pm <b>Career &amp; Technical Education Center</b>		<b>Board Elections &amp; Policy Workshop</b>
<b>Tuesday, February 21, 2023</b> 1:00pm <b>Chino Valley</b>	Study Session 1:00-3:00pm	Business Meeting 3:00-4:00pm
<b>Friday, February 24, 2023</b> 9:00am – 4:00pm <b>Rock House</b>		<b>Budget Workshop</b> <b>9:00am-4:00pm</b>
<b>Tuesday, March 21, 2023</b> 1:00pm <b>Sedona Campus</b>	Study Session 1:00-3:00pm	Business Meeting 3:00-4:00pm
<b>Tuesday, April 11, 2023</b> 1:00pm <b>Rock House</b>	Study Session 1:00-3:00pm	Business Meeting 3:00-4:00pm
<b>Tuesday, May 16, 2023</b> 1:00pm <b>Prescott Campus</b> <b>Community Room (19-147)</b>		Budget Public Hearing/Adoption Business Meeting
<b>Tuesday, May 23, 2023</b> 9:00am-4:00pm <b>Sedona Campus</b>		<b>Board Self-Assessment Workshop</b>



**LIST OF DATES AND PLACES OF NATIONAL, STATE, AND LOCAL CONFERENCES, CONGRESSES, WEBINARS, SEMINARS AND EVENTS – FY 2022-2023**

TYPE OF EVENT	DATE/DAY/TIME/LOCATION
ACCT Leadership Congress 2022	Wednesday, October 26 – Saturday, October 29, 2022 Location: New York, New York
ACCT National Legislative Summit 2023	TBA Location: Washington DC – Marriott Marquis

**Yavapai College**  
District Governing Board  
Budget Public Hearing

Tuesday, May 17, 2022  
1:00 p.m.

**Prescott Community Room # 19-147**  
**1100 E. Sheldon Drive**  
**Prescott, Arizona 86301**

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Paul Chevalier, Board Member  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams, Board Attorney  
Ms. Yvonne Sandoval, Executive Assistant  
Mrs. Beckey Massey, Coordinator to the District Governing Board

**MINUTES**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=a058714c-328e-4ef8-85cd-aea101546ff7>

1. General Functions: Procedural
  - a. Call to Order {Time-1} **(Recording at 2:49)**  
**The District Governing Board, Public Hearing Meeting was called to order at 1:00 p.m. by Board Chair McCasland.**
2. Board Business
  - a. 2022-2023 Yavapai Community College District Budget – Dr. Clint Ewell, Vice President of Finance. **INFORMATION** {Time: 10} **(Recording at: 7:34)**  
**Dr. Clint Ewell presented the 2022-2023 Yavapai Community College District Budget to the Public and the District Governing Board, including information about the budget process and budget highlights.**

**Chair McCasland allowed each Board member to ask questions to Dr. Ewell pertaining to the budget. (Recording at 21:01)**

b. Public Comments - **INFORMATION** {Time: 10} (Recorded at 26:25)  
At the time Chair McCasland called for any Public Comments there were none. Chair McCasland called for the Budget Public Hearing to be adjourned.

3. Adjournment of Budget Public Hearing: Procedural - **DECISION** {Time: 1}  
(Recorded at: 26.31)  
Chair McCasland called for the Budget Public Hearing to be adjourned at 1:24 p.m.

Richard Slaten then asked to speak to the Board. Attorney Adams stated although the public hearing had been adjourned, Mr. Slaten could have three minutes to speak. Mr. Slaten spoke on his concern regarding the no mask requirement policy.

Meeting Adjourned: 1:27 p.m.

Respectfully submitted:

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Yvonne Sandoval, Recording Secretary

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Date

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Ms. Deb McCasland, Board Chair

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Mr. Ray Sigafos, Secretary

**Yavapai College**  
District Governing Board  
Budget Adoption Meeting

Tuesday, May 17, 2022  
1:00 p.m.

**Prescott Community Room # 19-147**  
**1100 E. Sheldon Drive**  
**Prescott, Arizona 86301**

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Paul Chevalier, Board Member  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams, Board Attorney  
Ms. Yvonne Sandoval, Executive Assistant  
Ms. Beckey Massey, Coordinator to the District Governing Board

**MINUTES**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=a058714c-328e-4ef8-85cd-aea101546ff7>

1. General Functions: Procedural
  - a. Call to Order {Time: 1} (**Recording at: 29:32**)  
**District Governing Board Chair McCasland called the meeting to order at 1:28 p.m.**
2. Board Business
  - a. Comments from Yavapai College Governing Board - **DISCUSSION** {Time:15}  
**(Recording at 29:46)**  
**Chair McCasland stated that all comments by Board members will be made in order according to the member's district number, starting with District 1 and proceeding through District 5, and there will be different rounds to give each Board member a chance for opening comments and then for additional comments. Each board member provided comments about the proposed budget, and board members' comments are included on the recording.**
  - b. Roll Call to Adopt 2022-2023 Yavapai County Community College District Budget as Proposed at the Budget Public Hearing –**DECISION** {Time: 5} (**Recording at 47:04**)

District Governing Board Coordinator Beckey Massey completed the roll call to adopt the 2022-2023 Yavapai County Community College District Budget as Proposed at the Budget Hearing.

- District 1 Board Secretary Mr. Rya Sigafos - Approved
- District 2 Board Chair Ms. Deb McCasland – Approved
- District 3 Board Member Mr. Paul Chevalier – Disapprove
- District 4 Board Member Mr. Chris Kuknyo – Approved
- District 5 Board Member Mr. Mitch Padilla – Approved

The final vote is 4-1, approving the 2022-2023 Budget.

3. Adjournment of Budget Adoption Meeting: Procedural - **DECISION** {Time: 1} (Recording at 48:49)

Chair McCasland adjourned the Budget Adoption Meeting at 1:46 p.m.

Meeting Adjourned: 1:46 p.m.

Respectfully submitted:

\_\_\_\_\_  
Yvonne Sandoval, Recording Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ms. Deb McCasland, Board Chair

\_\_\_\_\_  
Mr. Ray Sigafos, Secretary



**Yavapai College**  
District Governing Board  
Regular Meeting

Tuesday, May 17, 2022

Immediately following adjournment of Budget Adoption Meeting (estimated time 1:30 p.m.)

**Prescott Campus Community Room # 19-147**  
**1100 E. Sheldon Drive**  
**Prescott, Az. 86301**

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Paul Chevalier, Board Member  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams, Board Attorney  
Ms. Yvonne Sandoval, Executive Assistant  
Mrs. Beckey Massey, Coordinator to the District Governing Board

**MINUTES**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=a058714c-328e-4ef8-85cd-aea101546ff7>

1. General Functions: Procedural
  - a. Call to Order {Time: 1} (**Recording at: 49:14**)  
**Board Chair McCasland called the District Governing Board Regular Meeting to order at 1:48 p.m.**
  - b. Pledge of Allegiance {Time: 1} (**Recording at 49:26**)  
**Member Mr. Kuknyo led the Pledge of Allegiance.**
  - c. Adoption of Agenda – **DECISION** {Time: 1} (**Recording at: 50:02**)  
**Board Secretary Mr. Sigafoos asked to make an adjustment to the Meeting Agenda as published. He requested that his presentation to the District Governing Board Agenda be moved up to follow agenda item 2.e.**

**Mr. Sigafoos moved to adopt the agenda with the adjustment noted above. Member Padilla seconded the motion.**

**Member Mr. Chevalier made comments regarding his previous request for items to be placed on the agenda. (Recording at 50:02)**

**Board Secretary Mr. Sigafos called for the vote to approve the agenda. The vote passed 4-1 (Ayes: McCasland, Sigafos, Padilla, Kuknyo; Nay: Chevalier).**

2. Study Session
  - a. President's Reports - Dr. Lisa Rhine - **INFORMATION {Time: 60} (Recording at 57:06)**

**Dr. Rhine shared her appreciation to all those that helped with Graduation and recognized the number of graduates.**  
**The Yavapai College Softball team was recognized and congratulated for making it to the national level. Dr. Rhine announced that the enrollments are up in comparison to last year.**

    - i. College Council – Dr. Diane Ryan, Dr. Emily Weinacker, and Mr. Rodney Jenkins
      1. Faculty Senate – Dr. Karen Palmer **(Recording at: 1:00:01)**
      2. Staff Association – Shannon Johns and James Tobin **(Recording at: 1:03:25)**
      3. Student Government Association – Brian Moultrup, YCSGA President **(Recording at: 1:08:42)**  
**Andre Tucker, YCSGA Vice President, spoke on behalf of Brian Moultrup.**
    - ii. 2022 Yavapai College Faculty Emeritus – Dr. Diane Ryan, Vice President of Academic Affairs **INFORMATION (Recording at: 1:17:25)**
    - iii. Yavapai College Legislative Report – Mr. Rodney Jenkins, Vice President of Community Relations, and Student Development **INFORMATION (Recording at: 1:22:56)**
    - iv. Budget to Actual Monthly Report and Cash Reserves Monthly Report **INFORMATION (Recording at: 1:31:28)**
  - c. Yavapai County-Wide Data and Yavapai College Academic Data Review, Dr. Diane Ryan, Vice President of Academic Affairs, and Dr. Clint Ewell, Vice President of Finance. **INFORMATION AND DISCUSSION {Time: 15} (Recording at: 1:32:08)**

**Dr. Clint Ewell and Dr. Diane Ryan gave a presentation in response to a request from Member Padilla that the College provide data to help answer some of the questions that have been previously raised by Board members related to the Verde Valley. The presentation focused on occupations and growth in the entire county and on the east side of the county.**
  - D. Yavapai College Space and Facility Rental – Dr. Clint Ewell, Vice President of Finance, **INFORMATION AND DISCUSSION {Time: 15} (Recording at: 1:39:56)**

**Dr. Clint Ewell presented the Board with information that pertains to the college facility uses agreements in response to questions raised at a previous meeting by Board members pertaining to the use of the College's tennis/pickleball courts. Dr. Ewell discussed Board Policy 201, College Policies 6.05 and 6.06, and liability insurance issues.**

Mr. Scott Farnsworth answered specific questions pertaining to how the process worked.

**Board Business Item 3.c was moved to item 2.e by prior vote of the Board.**

e. District Governing Board Minutes and Records - Mr. Ray Sigafoos, Board Secretary **INFORMATION, DISCUSSION, AND POSSIBLE DECISION**) {Time: 30} (Recording at: 1:49:30)

Mr. Sigafoos spoke to the Board as the District Governing Board Secretary. He explained his role and responsibilities as the Board Secretary and provided his opinion regarding the method by which information should be included in the minutes. Specifically, he believes that summaries of board member discussions should be included in the meeting minutes not only in a video recording, but also included in the paper version of the meeting minutes. He believes that this method will provide more protection for the meeting minutes for historical purposes and that the current method is deficient.

Member Chevalier believes that the minutes miss the “flavor” of the meeting because they do not include enough details.

Attorney Lynne Adams explained why the College switched to the recording method for capturing Board member comments and that this is a completely legal method with fewer mistakes and interpretations by the person creating the minutes.

Executive Assistant Yvonne Sandoval explained that Ryan Gray and herself have reviewed the storage process of the Yavapai College minutes. She explained this process to the Board, including all the places and methods for storing Board materials, including minutes.

Ryan Gray provided information regarding the recording, streaming and storage of Board meetings, including information about Panopto.

Secretary Sigafoos provided additional information about his views on this issue.

Member Padilla feels that based on the information provided by Attorney Adams, the current process is lawful and compliant, and that Yavapai College should explore the technology that is available and move away from paper.

Member Chevalier feels that it is important to mirror how the congressional record is drafted and that the Board Secretary should look over the minutes.

Dr. Rhine explained that more detailed minutes require a significant amount of time to prepare and were costly and resulted in disputes about whether Board members’ comments were accurately captured. Indicating that comments could be heard on a recording of the meeting allowed everyone to know what exactly was said. The College looked into creating verbatim minutes, including using a court reporter, but these options are way too

costly. Secretary Sigafos indicated that he was not in favor of verbatim minutes but thinks the pendulum has swung too far in the other direction.

Mr. Sigafos asked that the document he presented be attached to the minutes. Mr. Sigafos asked to revise and extend his remarks.

Chair McCasland suggests that this be moved to a future meeting for further discussion of options. Secretary Sigafos indicated that he would be willing to get more involved in reviewing the minutes.

Chair McCasland moved item 3.a to be next on the agenda.

3. Board Business

- a. Yavapai College Baccalaureate Degree Presentation – Dr. Diane Ryan, Vice President of Academic Affairs. **INFORMATION, DISCUSSION, AND DECISION** {Time:60} **(Recording at: 2:39:00)**  
Dr. Diane Ryan presented the Yavapai College Baccalaureate Degrees with Scott Farnsworth and Joni Fisher assisting. They provided information on the College’s work on offering baccalaureate degrees. The College will initially offer both a BAS (goal of Fall 2023) and a BSN (goal of Fall 2024).

Board member asked questions regarding both of the potential degree programs.

Dr. Rhine stated that Yavapai College will be the first rural College to offer Baccalaureate Degrees.

Board Secretary Sigafos moved to approve the College’s submission of the application to HLC to offer the two baccalaureate degrees as presented. Member Kuknyo seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kuknyo, Chevalier).

- b. Approval of naming “The Opal Allen’s Founders Foyer”- Mr. Rodney Jenkins, Vice President of Student Development and Community Affairs **INFORMATION, DISCUSSION, AND DECISION** {Time:10} **(Recording at: 3:14:00)**  
Mr. Rodney Jenkins provided information regarding the history of Opal Allen and Yavapai College.

Board Chair McCasland moved to approve the naming of the Opal Allen’s Founders Foyer. Mr. Sigafos seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kuknyo, Chevalier).

- d. Consent Agenda – **DECISION** {Time: 5} **(Recording at: 3:17:58)**
- i. Board Regular Meeting Minutes – Tuesday, April 12, 2022 (*Attached*)
  - ii. Receipt of Report on Revenues and Expenditures for March 2022 (*Attached*)
  - iii. Yavapai College Summary of New Program and Deletions
    1. New - Emergency Medical Technician- Basic Certificate (*Attached*)
    2. Delete – Emergency Medical Technician Certificate (*Attached*)
    3. Delete – Canine Care and Handling Certificate (*Attached*)
    4. Delete - Service Dog Certificate (*Attached*)

5. Delete – Therapy and Service Dog Team Skills Certificate  
(Attached)

iv. Intergovernmental Agreement Sedona PAC Access with Sedona Oak Creek School-District

**Board Member, Mr. Paul Chevalier requested that Consent Agenda items d.i and d.iv be pulled for further discussion.**

**Mr. Chevalier moved to approve the Consent Agenda with the exception of items d.i and d.iv being pulled for further discussion. Board Secretary Sigafos seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kuknyo, Chevalier).**

**Consent Agenda Item d.i (Recording at: 3:19:05):**

**Mr. Chevalier moved that the following sentence be added to the minutes after the first sentence of the first paragraph. “Mr. Chevalier then requested that his item be placed on the May meeting agenda.” Mr. Padilla seconded the motion. The motion failed 2-3 (Ayes: Chevalier, Sigafos; Nays: McCasland, Padilla, Kuknyo).**

**Consent Agenda Item d.iv (Recording at: 3:21:37):**

**Member Chevalier asked questions regarding the IGA with the Sedona Performing Arts Center and felt it should be re-written to be more precise, and Dr. Ewell provided some clarifications. Dr. Rhine explained that a delay in adopted the IGA would delay the College’s work in setting up programs with the Sedona Performing Arts Center.**

**Mr. Chevalier moved that this item be tabled to allow time for revisions of the IGA. Mr. Padilla seconded the motion. The motion failed 1-4 (Aye: Chevalier; Nays: Sigafos, McCasland, Padilla, Kuknyo).**

**Mr. Sigafos moved to approve the IGA with one minor spelling error to be corrected (the word “performing” in the document title). Chair McCasland seconded the motion. The motion passed 4-1 (Ayes: McCasland, Sigafos, Padilla, Kuknyo; Nay: Chevalier).**

**Mr. Sigafos moved to approve the minutes of the March 22, 2022, Board meeting. Mr. Kuknyo seconded the motion. The motion passed 4-1 (Ayes: McCasland, Sigafos, Padilla, Kuknyo; Nay: Chevalier).**

e. Board Liaisons’ Reports - **INFORMATION AND DISCUSSION** {Time: 10}  
**(Recording at: 3:33:51)**

- i. Board Spokesperson – Board Chair McCasland
- ii. Arizona Association of Community College Trustee (AACCT) – Board Chair McCasland
- iii. Yavapai College Foundation – Board Chair McCasland

**Chair McCasland provided updates on her work on all of these committees and her other work on behalf of the College.**

f. Dates and Time of Future Meetings and Events - **INFORMATION AND DISCUSSION** {Time: 5} (**Recording at: 3:40:15**)

- i. 2021-2022 Dates, Times, and Places of Future Board Meetings, Workshops, and Retreats
- ii. 2021-2022 Dates, Times, and Places of Future College Events
- iii. 2021-2022 Dates, Times, and Places of Future National, State, and Local Conferences

3. Adjournment of Board Regular Meeting: Procedural - **DECISION** {Time: 1} (**Recording at: 3:42:03**)

**Mr. Sigafos moved to adjourn the meeting at 4:52 p.m. The motion passed unanimously 5-0 (Ayes: McCasland, Sigafos, Padilla, Kuknyo, Chevalier).**

Meeting Adjourned: 4:52 p.m.

Respectfully submitted:

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Yvonne Sandoval, Recording Secretary

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Date

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Ms. Deb McCasland, Board Chair

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Mr. Ray Sigafos, Secretary

**Yavapai College**  
District Governing Board  
Self-Assessment Workshop

Tuesday, May 24, 2022  
9:00 a.m.-4:00 p.m.  
**The Rock House**  
**1100 E. Sheldon Drive**  
**Prescott, Az. 86301**

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Paul Chevalier, Board Member via zoom  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams, Board Attorney  
Ms. Yvonne Sandoval, Executive Assistant  
Mrs. Beckey Massey, Coordinator to the District Governing Board

**MINUTES**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=6aa73775-9327-44e4-9dbc-ae9f0179711a>

1. General Functions: Procedural
  - a. Call to Order {Time: 1} (**Recording at: 0:23**)  
**Chair McCasland called the meeting to order at 9:00 a.m.**
  - b. Adoption of Agenda – **DECISION** {Time: 1} (**Recording at: 0:25**)  
**Mr. Sigafoos moved to adopt the agenda. Member Padilla seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafoos, Padilla, Kukyno, Chevalier).**
2. Study Session
  - a. Higher Learning Commission Accreditation Information Presentation to the District Governing Board – Dr. Tom Bordenkircher, Vice President of Higher Learning Commission Accreditation - **INFORMATION AND DISCUSSION** {Time: 60} (**Recording at: 0:42**)  
**Dr. Tom Bordenkircher gave a presentation to the District Governing Board. regarding the Accreditation process and HLC.**



**Dr. Tom Hughes presented a PowerPoint to the Board regarding the status of the College's accreditation work and upcoming important deadlines and dates. He also discussed anticipated areas of focus by the HLC.**

**Board members asked questions of Dr. Bordenkircher and Dr. Hughes about the HLC process.**

- b. Verde Tech High School -Dr. Trish Alley, Director of Student Supports, Cottonwood Oak-Creek School District, Heather Mulcaire, Assistant Dean – Yavapai College, Verde Valley Campus- **INFORMATION AND DISCUSSION** {Time: 30} **(Recording at: 1:38:12)**

**In response to a request by Mr. Kuknyo at a previous Board meeting, Dr. Trish Alley, Heather Mulcaire, Matt Schumacher, and Amy Romero provided information on the collaboration between the schools, including the program they have created for 8<sup>th</sup> grade students to allow students to study new potential trades. Classes have been offered in Law Enforcement, Construction, Culinary Arts, Nursing, and Agriculture. They also discussed future plans for the program and student pathways from Verde TECH to the College.**

**Board members provided comments on the program, including potential future plans, and asked questions about the student demographics.**

### 3. Board Business

- d. Arizona Association of Community College Trustees (AACT) Equity Awards Nominations and Letter - Dr. Lisa Rhine **INFORMATION, DISCUSSION, AND DECISION** {Time: 15} **(Recording at: 2:24:12)**

**Chair McCasland moved item 3.d up on the agenda. Dr. Lisa Rhine shared with the Board on who she would like to nominate for AACT awards: Trustee of the Year – Mr. Ray Sigafos, Faculty Member of the Year – Karen Palmer, and for Board Support – Yvonne Sandoval.**

**Chair McCasland moved to approve the nominations of the three people and categories for the AACT awards. The motion was seconded by Mr. Kuknyo. The motion passed unanimously 5-0 (Ayes: McCasland, Sigafos, Padilla, Kuknyo, Chevalier).**

**Mr. Chevalier authorized Beckey Massey to sign the letter supporting the nominations on his behalf.**

### 4. Study Session - Continued

- d. Dates and Times of Future Meetings and Events - **INFORMATION AND DISCUSSION** {Time: 5} **Recording at: 2:27:00)**
  - i. 2022-2023 Dates, Times, and Places of Future Board Meetings, Workshops, and Retreat
  - ii. 2021-2022 Dates, Times, and Places of Future College Events
  - iii. 2022-2023 Dates, Times, and Places of Future National, State, and Local Conferences

**The Board discussed its policy, processes, and timing for Board self-evaluation, including past practices and the efficacy of those efforts. The Board discussed**

several options for future self-evaluations, and several members suggested that the board policy be adjusted to move from twice yearly self-evaluations to yearly self-evaluations.

The Board took a short break for lunch, which was not recorded (Recording at: 2:43:08).

- a. Executive Session – Pursuant to A.R.S. §38-431.03(A)(1), Review of President’s Annual Evaluation, Compensation, and Employment Agreement – Attorney Lynne Adams -- **PROCEDURAL** {Time: 60} (Recording at: 2:44:11)

**Dr. David Borofsky shared a few words about Dr. Rhine’s performance earlier in the meeting related to the President’s evaluation. (Recording at 2:17:28)**

**Mr. Kukyno moved to go into Executive Session pursuant to A.R.S. § 38-431.03(A)(1) to review the President’s annual evaluation, compensation, and employment agreement. Mr. Padilla seconded the motion. The motion passed unanimously 4-0 (Ayes: McCasland, Sigafos, Padilla, Kukyno). Mr. Chevalier was not present for the vote to go into executive session.**

- b. Reconvene in Public Session – Attorney Lynne Adams (Recording at: 2:45:44)  
**Chair McCasland called the meeting back into open session at 1:59 p.m. Mr. Chevalier was present by telephone for the remainder of the meeting.**

- c. Possible Action RE: President’s Evaluation and Consideration of President’s Contract as a result of Executive Session – Attorney Lynne Adams - **DECISION** {Time: 5}  
**Board members indicated that Dr. Rhine’s performance was deemed to be exceptional and outstanding. They also briefly discussed her goals and her accomplishments during the past year.**

**Mr. Sigafos moved to extend Dr. Rhine’s contract by an additional year. Mr. Kukyno seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kukyno, Chevalier).**

**Mr. Sigafos moved to increase Dr. Rhine’s base pay by ten percent as of July 1, 2022. Mr. Padilla seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kukyno, Chevalier).**

#### 4. Study Session – Continued

- c. District Governing Board Self-Assessment Education - Dr. David Borofsky, Director of Arizona Association of Community College Trustees- **INFORMATION AND DISCUSSION** {Time: 60} (Recording at: 2:51:11)

- a. Policy Role & Direction
  - i. Policy Matters vs. Operation Matters
- b. Board Leadership
- c. Advocating for the Board

**Dr. Borofsky led a discussion by Board members regarding the role of board members, including improving the leadership of the Board as a unit, advocating positively for the College, and operational v. policy roles. Dr. Borofsky presented some of the Board**

members' scores on the September 2021 and March 2022 self-evaluations and focused on areas in which scores had varied.

The Board members and Dr. Borofsky discussed their obligations regarding the community and representing their own districts v. the entire county in response to questions raised by Mr. Chevalier.

5. Adjournment of Board Regular Meeting – **DECISION** {Time: 1} (**Recording at: 4:08:15**)  
**Chair McCasland moved to adjourn the meeting. Mr. Kukyno seconded the motion. The motion passed 4-0 (Ayes: McCasland, Sigafos, Padilla, Kukyno). Mr. Chevalier was not present for the vote to adjourn the meeting.**

Meeting Adjourned: 3:45 p.m.

Respectfully submitted:

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Yvonne Sandoval, Recording Secretary

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Date

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Ms. Deb McCasland, Board Chair

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Mr. Ray Sigafos, Secretary

**Yavapai College**  
District Governing Board  
Board Special Session

Tuesday, August 9, 2022  
3:00 p.m.

**Members Present**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafos, Secretary  
Mr. Paul Chevalier, Board Member – Participated by Phone  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member -Participated by Zoom

**Administration Present**

Dr. Lisa B. Rhine, President  
Atty. Lynne Adams, Board Attorney  
Ms. Yvonne Sandoval, Executive Assistant  
Mrs. Beckey Massey, Coordinator to the District Governing Board

**Minutes**

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=12cd69d1-b745-4213-932e-aeec017ed267>

1. General Functions: Procedural
  - a. Call to Order {Time: 1} **(Recording at: 0:07)**  
**Chair McCasland called the District Governing Board Meeting to order at 3:08 p.m.**
  - b. Pledge of Allegiance {Time:1} **(Recording at 0:48)**  
**Mr. Padilla led the Pledge of Allegiance**
  - c. Adoption of Agenda – **DECISION** {Time: 1} **(Recording at 1:10)**  
**Board Secretary Mr. Sigafos moved to adopt the agenda. Member Padilla seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Chevalier, Padilla, Kuknyo).**
2. Board Business
  - a. Yavapai College Aviation Program Differential Tuition – Dr. Diane Ryan, Vice President for Academic Affairs and Mr. John Morgan, Dean for Career and Technical Education – **INFORMATION, DISCUSSION, AND DECISION** *(Attached)* {Time: 15} **(Recording at 1:38)**  
**Dean John Morgan provided the history of the Yavapai College Aviation Flight Program, explained the VA Rule change and provided information regarding the anticipated operations and costs related to providing a private pilot's license class for students (see presentation slides).**

The total cost to students will be \$14,388 for the private pilot's license program.

Member Kukyno clarified that the \$14,388 tuition and costs will get the student a private pilot's license but not a commercial pilot's license, which has additional and different tuition and costs. The total time to obtain a private license and a commercial license from the College is five semesters, or two years without taking time off during the summer.

Funding for the private pilot's license program is available for veterans through VA benefits. Non-veteran students can use a variety of options, including PELL grants and private loans from Sallie Mae or other lenders.

Currently 20 people have indicated that they would like to enroll in the program. 11 of those people are veterans, and 9 are not, so there is more "civilian" demand for the program.

Chair McCasland asked when the program will start. Dean Morgan indicated that if the Board approves the program and tuition and fees, it will start on August 15, 2022.

Member Sigafos moved to approve the aviation class fee schedule as presented and recommended by administration. Member Padilla seconded the motion.

Mr. Sigafos questioned the cost of tuition and the amount of flight time. Dean Morgan clarified the relationship between credit hours and the number hours of flight; there are other portions of the instructional program that are not flight time, including ground school class. Mr. Sigafos also asked for clarification on who Leighnor Aircraft was, and Dean Morgan provided background information on the company.

Member Kukyno confirmed that the entire program (private license and commercial license) would cost just more than \$100,000 and clarified that the ground school and SIM class all run at the same time.

Member Padilla asked if there was a cost difference between in state and out-of-state tuition. Dr. Clint Ewell indicated the tuition was a market-based price, instead of an in-state or out-of-state tuition-based program. Member Padilla asked about student eligibility for the program and the loan process for students to apply for, and Dean Morgan answered those questions, including noting that all students are required a physical to get into the program.

Member Chevalier had questions about the College's liability versus others' liability in the event of an accident. The agreement with Leighnor Aircraft required a minimum amount of insurance and mutual indemnification. Dr. Ewell confirmed that they had negotiated that Leighnor would be required to carry \$2,000,000 in liability insurance.

Member Chevalier asked if the flight instructors will be College employees. Dean Morgan confirmed that they will be part-time employees of Yavapai College. Mr. Chevalier indicated that he believed that each instructor should carry their own insurance for liability reasons. Dr. Ewell indicated that the College has been working with its insurer to ensure that the College has appropriate insurance coverage.

Mr. Chevalier asked why the program will not be offered on both sides of the county, noting that there is a location that could be used in Cottonwood. He asked Dr. Rhine to extend the program to Cottonwood.

Mr. Kukyno asked if there is money in the budget for the program. Dr. Ewell explained that the College planned to use funding from its Prop 207 fund to get the program started, and that there will be enough revenue from the program to fund any program costs as the program grows.

Chair McCasland called for a vote on the motion. The motion passed 4-1 (Ayes: McCasland, Sigafos, Padilla, Kukyno; Nay: Chevalier).

Mr. Chevalier gave a statement indicating that he felt he needed to vote no because the program would not also be offered in Cottonwood.

3. Adjournment of Board Regular Meeting: Procedural - **DECISION** {Time: 1} (**Recording at 52:09**)

Member Sigafos moved to adjourn the meeting. Member Kukyno seconded the motion. The motion passed unanimously (Ayes: McCasland, Sigafos, Padilla, Kukyno, Chevalier).

**Yavapai College**  
District Governing Board  
Board Special Session

Monday, September 19, 2022  
12:00 p.m.

Rock House  
1100 East Sheldon Street  
Prescott, Arizona 86301

**Members Present:**

Ms. Deb McCasland, Board Chair  
Mr. Ray Sigafoos, Secretary  
Mr. Mitch Padilla, Board Member  
Mr. Chris Kuknyo, Board Member

**Administration Present:**

Ms. Yvonne Sandoval, Executive Assistant

**MINUTES**

1. General Functions: Procedural

a. Call to Order {Time: 1}

Chair McCasland called the Yavapai College District Governing Board Special Session to order at 12:06 p.m.

Chair McCasland announced that Board Member Paul Chevalier emailed the College on August 15, 2022 that he was not available.

b. Pledge of Allegiance {Time:1}

The Pledge of Allegiance was led by Secretary Sigafoos.

c. Adoption of Agenda – **DECISION** {Time: 1}

Chair McCasland indicated that the YouTube live will not be available for this Board Special Session as directed from the Higher Learning Commission Accreditation Chair. Anyone wanting to attend could come in person as advertised. The YouTube link will be removed from the agenda.

**Member Kuknyo moved, seconded by Secretary Sigafoos, to adopt the District Governing Board Agenda with the edit noted by Chair McCasland. Motion carried unanimously. (Ayes: McCasland, Sigafoos, Padilla, and Kuknyo).**

2. Board Business

a. Higher Learning Commission Accreditation Team – Dr. Andrew Nwanne – **INFORMATION AND DISCUSSION** {Time: 40}

The District Governing Board and Higher Learning Commission Team provided introductions. The first questions asked was: How do you see your role as a District



Governing Board? The Board discussed they have three major roles, to provide accessible, quality (1) education, in support of (2) economic development, and (3) community enrichment. The Board went into details on their role in student success, the difference between governance vs. operational roles, and as Board Secretary ensuring the history is reflected in the Board minutes. The Board Chair has a slightly different role. As the Board Chair, they set the board agenda with the president and have ongoing communication with the president on the future of the college.

The next question was: What are the Board's policies? The Board discussed the overhaul of the Board's policies that happened last year and that every year the Board reviews their policies to make sure they are current and are understood by any incoming Board members.

The next question was: What is the Board's responsibility to the stakeholders? The Board discussed their stakeholders are students and residents/community. They discussed how they are fiscally responsible to the taxpayers and approve a college budget.

The next question was: How does the community view Yavapai College? The Board discussed the email communications it receives from the community when the community is unsatisfied. They also discussed the wide breadth of programs that are offered throughout the college's six locations and that the college is planning a bachelor degrees to begin sometime in the fall. The college has and will partner with federal, state and local entities to advance student success.

The next question was: As a Board how do you know when you are successful? The Board discussed the matrix of student success with completion rates, awarded certificates and licenses. The Board also discussed their conference training, the new board member onboarding training, and the board's workshop training they receive annually. The Board discussed being a member is voluntary and required a commitment from each of them to ensure they receive the training need to become a competent board member.

The next question was: As a Board what is the Board's role in new curriculum? The Board approves all new and sunseting programs in the Board's Consent Agenda after it has gone through the college's academic leader's approval process. The Board informed that Higher Learning Commission team that the Board only has one employee and that is the president of the college and the Board have excellent leadership under Dr. Rhine. The Board announced to the Higher Learning Commission Team that Dr. Rhine received the 2021 Association Community College Trustees Pacific Region Chief Executive Officer Award. The Board also mentioned that Board Secretary Ray Sigafos was selected for the 2022 Trustee Leadership Award for the Pacific Region from Association Community College Trustees, along with Dr. Karen Palmer for the Pacific Region Faculty Member Award, and Yvonne Sandoval for the Pacific Region Professional Board Staff Member Award.

The last question was: What are some of the challenges as a Board.? The college provides several reports and booklets on the college's budget and process. However, explaining the college budget to the public and having them understand the process



and documents is challenging due to the budget's complexity- especially, on how the college is planning to spend the taxpayer money.

3. Adjournment of Board Special Session: Procedural - **DECISION** {Time: 1}  
**Member Kuknyo moved, seconded by Member Padilla, to adjourn the District Governing Board Special Session. Motion carried unanimously (Ayes: McCasland, Sigafos, Padilla, and Kuknyo).**

**Special Session adjourned at 12:48 p.m.**

**Respectfully submitted:**

\_\_\_\_\_  
**Yvonne Sandoval, Recording Secretary**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Ms. Deb McCasland, Board Chair**

\_\_\_\_\_  
**Mr. Ray Sigafos, Secretary**

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
NONSTANDARDIZED PROFIT SHARING/401(k) PLAN  
ADOPTION AGREEMENT #001**

By executing this Nonstandardized Profit Sharing/401(k) Plan Adoption Agreement (the "Adoption Agreement" or "AA"), the undersigned Employer agrees to establish or continue a Profit Sharing/401(k) Plan. The Profit Sharing/401(k) Plan adopted by the Employer consists of the Defined Contribution Pre-Approved Plan Basic Plan Document #01 (the "BPD") and the elections made under this Adoption Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified under §2-1 of this Adoption Agreement.**

In completing the provisions of this Adoption Agreement, unless designated otherwise, selections under the Deferral column apply to all Salary Deferrals (including Roth Deferrals and Catch-Up Contributions) and After-Tax Employee Contributions. In addition, selections under the Deferral column apply to any Safe Harbor Contributions, unless designated otherwise under AA §6C, and also apply to any QNECs and/or QMACs made under the Plan, unless designated otherwise under AA §6D. The selections under the Match column apply to Matching Contributions under AA §6B and selections under the ER column apply to Employer Contributions under AA §6.

**SECTION 1  
EMPLOYER INFORMATION**

**1-1 EMPLOYER INFORMATION.**

Name: YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

Address: 1100 E. SHELDON STREET  
PRESCOTT, AZ 86301

Telephone: 928-776-2211

**1-2 EMPLOYER IDENTIFICATION NUMBER (EIN).** 86-0208371

**1-3 FORM OF BUSINESS.**

- |  |  |
|--|--|
| <input type="checkbox"/> C-Corporation   | <input type="checkbox"/> S-Corporation             |
| <input type="checkbox"/> Partnership / Limited Liability Partnership           | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Sole Proprietor                                       | <input type="checkbox"/> Tax-Exempt Entity         |
| <input checked="" type="checkbox"/> Other: <u>Government exempt from ERISA</u> |  |

[Note: Any entity entered under "Other" must be a legal entity recognized under federal income tax laws.]

**1-4 EMPLOYER'S TAX YEAR END.** The Employer's tax year ends JUNE 30

**1-5 RELATED EMPLOYERS.** Is the Employer part of a group of Related Employers (as defined in Section 1.124 of the Plan)?

- Yes  
 No

If yes, Related Employers may be listed below. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b). (See Section 2.02(c) of the Plan.)

[Note: This AA §1-5 is for informational purposes and the Employer need not list Related Employers. The failure to identify all Related Employers under this AA §1-5 will not jeopardize the qualified status of the Plan.]

**SECTION 2  
PLAN INFORMATION**

**2-1 PLAN NAME.** YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN

Original Effective Date: May 1, 1998

Restatement Effective Date: July 1, 2021

**2-2 PLAN NUMBER.** 001

**2-3 TYPE OF PLAN.**  Profit Sharing (PS) Plan only       PS and 401(k) Plan       PS and Safe Harbor 401(k) Plan

2-4 **PLAN YEAR.**

- (a) Calendar year.
- (b) The 12-consecutive month period ending on JUNE 30 each year.
- (c) The Plan has a Short Plan Year running from \_\_\_\_ to \_\_\_\_.

2-5 **FROZEN PLAN.** Check this AA §2-5 if the Plan is a frozen Plan to which no contributions will be made.

- This Plan is a frozen Plan effective \_\_\_\_\_. (See Section 3.02(a)(7) of the Plan.)

*[Note: As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.]*

2-6 **MULTIPLE EMPLOYER PLAN.** Is this Plan a Multiple Employer Plan as defined in Section 1.85 of the Plan? (See Section 16.07 of the Plan for special rules applicable to Multiple Employer Plans.)

- Yes
- No

2-7 **PLAN ADMINISTRATOR.**

- (a) The Employer identified in AA §1-1.
- (b) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

*[Note: This AA §2-7 may be used to designate an individual who is acting as Plan Administrator under ERISA §3(16). To the extent an individual named in this AA §2-7 does not take on all responsibilities of Plan Administrator, the Employer will retain those responsibilities as Plan Administrator. See Section 1.98 of the Plan.]*

2-8 **DEFINITION OF DISABLED.** An individual is considered Disabled for purposes of applying the provisions of this Plan if:

- (a) The individual is covered by the Employer's disability insurance plan and is determined to be disabled under such plan.
- (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
- (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled. [Selection of this subsection (c) requires the Plan to apply the Department of Labor's disability claims procedures as set forth in DOL Regulation §2560.503-1, as effective on April 1, 2018.]

*[Note: An Employer may elect any or all of the elections above. If more than one is selected, the hierarchy for determining whether an individual is considered Disabled is in the order listed above, unless described otherwise under separate administrative procedures or as described below.]*

- (d) Alternative definition of Disabled: \_\_\_\_\_

*[Note: Any alternative definition described in this subsection will apply uniformly to all Participants under the Plan. In addition, any alternative definition of Disabled may not discriminate in favor of Highly Compensated Employees. The Employer may describe different definitions of Disabled for different purposes under the plan.]*

**SECTION 3**  
**ELIGIBLE EMPLOYEES**

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. See Sections 2.02(e) and (f) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.

- | Deferral                 | Match                    | ER                       |                   |
|--------------------------|--------------------------|--------------------------|-------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) No exclusions |

- |                                     |                                     |                                     |   |
|-------------------------------------|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (b) Collectively Bargained Employees  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | (c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | (d) Leased Employees  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (e) Employees paid on an hourly basis   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (f) Employees paid on a salaried basis  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (g) Commissioned Employees  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (h) Highly Compensated Employees  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (i) Key Employees   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (j) Non-Key Employees who are Highly Compensated  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | (k) Employees eligible for another qualified plan sponsored by the Employer or a Related Employer<br>Specify name of other qualified plan (optional): _____   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | (l) Other: <u>EMPLOYEES WHO ARE NOT BENEFIT ELIGIBLE. A BENEFIT ELIGIBLE EMPLOYEE IS ONE WHO IS ELIGIBLE TO PARTICIPATE IN THE ARIZONA STATE RETIREMENT SYSTEM. BENEFIT ELIGIBLE EMPLOYEES WHO DO NOT EXECUTE AN IRREVOCABLE WAIVER OF COVERAGE UNDER THE ARIZONA STATE RETIREMENT SYSTEM WITHIN 30 DAYS OF EMPLOYMENT.</u> |

*[Note: A class of Employees excluded under the Plan must be defined in such a way that it precludes Employer discretion, and may not provide for an exclusion designed to cover only Nonhighly Compensated Employees with the lowest amount of compensation and/or the shortest periods of service who may represent the minimum number of Nonhighly Compensated Employees necessary to satisfy the coverage requirements under Code §410(b). See Section 2.02(b)(6) of the Plan for special rules that apply to service-based exclusions (e.g., part-time Employees). Also see Section 2.02(b) of the Plan for rules regarding the automatic exclusion/inclusion of other Employees.]*

**3-2 EMPLOYEES OF AN EMPLOYER ACQUIRED AS PART OF A CODE §410(b)(6)(C) TRANSACTION.** *[Note: For this purpose, a Code §410(b)(6)(C) transaction includes an asset sale, stock sale or other disposition or acquisition that results in the movement of Employees from one Employer to another Employer or causes a change in status as a Related Employer group.]*

- (a) An Employee acquired as part of a Code §410(b)(6)(C) transaction will become an Eligible Employee as of the date of the transaction (unless otherwise excluded under AA §3-1 or this AA §3-2). (See Section 2.02(d) of the Plan.)
- (b) Employees of an Employer acquired as part of a Code §410(b)(6)(C) transaction will not become an Eligible Employee until after the expiration of the transition period described in Code §410(b)(6)(C)(ii) (i.e., the period beginning on the date of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction). (See Section 2.02(d) of the Plan.)
- (c) All Employees of any Employer acquired as part of a Code §410(b)(6)(C) transaction are excluded and will NOT become an Eligible Employee upon the expiration of the transition period described in Code §410(b)(6)(C)(ii), unless otherwise provided elsewhere under the Plan.
- (d) The following Employees of acquired employers are excluded/included under the Plan:  
\_\_\_\_\_

*[Note: This subsection may be used to provide for the inclusion or exclusion of Employees with respect to specific Employers at a time other than provided under this AA §3-2.]*

- (e) Describe any special rules that apply for purposes of applying the rules under this AA §3-2: \_\_\_\_\_

*[Note: Employees acquired under a Code §410(b)(6)(C) transaction are eligible or not eligible to participate under the Plan, as provided under this AA §3-2. However, see Section 2.02(c) of the Plan for rules regarding the coverage of Employees of a Related Employer and AA §4-5 for rules regarding the crediting of service with a Predecessor Employer. Any special rules are subject to the minimum coverage requirements under Code §410(b) and the nondiscrimination rules under Code §401(a)(4). For Related Employers, elections under this AA §3-2 are subject to the completion of a Participation Agreement.]*

**SECTION 4**  
**MINIMUM AGE AND SERVICE REQUIREMENTS**

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below).

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan. If a different minimum service requirement applies for the same contribution type for different groups of Employees or for different contribution formulas, such differences may be described below.

- | Deferral                 | Match                    | ER                       |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (1) There is no minimum service requirement for participation in the Plan.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (3) The completion of at least ____ [ <i>cannot exceed 1,000</i> ] Hours of Service during the first ____ [ <i>cannot exceed 12</i> ] months of employment (or the first ____ [ <i>cannot exceed 365</i> ] days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier. <ul style="list-style-type: none"> <li><input type="checkbox"/> (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period.</li> <li><input type="checkbox"/> (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. See Section 2.03(a)(2) of the Plan for rules regarding the application of this subsection (ii).</li> </ul>   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (4) The completion of ____ [ <i>cannot exceed 1,000</i> ] Hours of Service during an Eligibility Computation Period. [ <i>Note: An Employee satisfies the service requirement immediately upon completion of the designated Hours of Service rather than at the end of the Eligibility Computation Period.</i> ]  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (5) Full-time Employees are eligible to participate as set forth in subsection (i). Employees who are “part-time” Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii). <ul style="list-style-type: none"> <li>(i) Full-time Employees must complete the following minimum service requirements to participate in the Plan:                             <ul style="list-style-type: none"> <li><input type="checkbox"/> (A) There is no minimum service requirement for participation in the Plan.</li> <li><input type="checkbox"/> (B) The completion of at least ____ [<i>cannot exceed 1,000</i>] Hours of Service during the first ____ [<i>cannot exceed 12</i>] months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.</li> <li><input type="checkbox"/> (C) Under the Elapsed Time method as defined in AA §4-3 below.</li> <li><input type="checkbox"/> (D) Describe: _____<br/>[<i>Note: Any conditions provided under (D) must satisfy the requirements of Code §410(a).</i>]</li> </ul> </li> <li>(ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3). [<i>Note: Generally, an Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service (or fewer Hours of Service designated under AA §4-3) during an Eligibility Computation Period.</i>]                             <ul style="list-style-type: none"> <li><input type="checkbox"/> (A) For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:                                     <ul style="list-style-type: none"> <li><input type="checkbox"/> (I) ____ hours per week.</li> </ul> </li> </ul> </li> </ul> |

(II) \_\_\_ hours per month.

(III) \_\_\_ hours per year.

(B) Describe part-time Employees for this purpose: \_\_

*[Note: A part-time employee must be described as an individual who works less than a specified number of hours (no greater than 40) during a standard work week.]*

N/A            (6) Two (2) Years of Service. *[Full and immediate vesting must be chosen under AA §8-2.]*

           (7) Under the Elapsed Time method as defined in AA §4-3 below.

           (8) Describe eligibility conditions: THE EMPLOYER SHALL DETERMINE ELIGIBILITY IN ACCORDANCE WITH THE ELIGIBILITY REQUIREMENTS AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.

           Describe eligibility conditions: \_\_\_\_\_

*[Note: Any conditions on eligibility must satisfy the requirements of Code §410(a). An eligibility condition under this AA §4-1 may not cause an Employee to enter the Plan later than the first Entry Date following the completion of a Year of Service (as defined in AA §4-3). Also see Section 2.02(b)(5) and (6) for rules regarding the exclusion of certain "short-service" Employees and disguised service conditions.]*

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(1) There is no minimum age for Plan eligibility.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) Age 21.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) Age 20½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) Age ___ (not later than age 21).

(c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: THE EMPLOYER SHALL DETERMINE ELIGIBILITY IN ACCORDANCE WITH THE ELIGIBILITY REQUIREMENTS AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.

*[Note: This subsection (c) may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan. Any special eligibility rules must satisfy the requirements of Code §410(a).]*

4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) <b>Immediate.</b> The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) <b>Semi-annual.</b> The first day of the 1st and 7th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) <b>Quarterly.</b> The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) <b>Monthly.</b> The first day of each calendar month.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) <b>Payroll period.</b> The first day of the payroll period.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) <b>The first day of the Plan Year.</b> <i>[See Section 2.03(b)(2) of the Plan for special rules that apply.]</i>

- (g) Describe Entry Date. \_\_\_\_\_  
 [Note: Any Entry Date under this subsection (g) must be within the dates described under subsections (a) – (f).]

An Eligible Employee’s Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee’s Entry Date is the Entry Date:

- | Deferral                 | Match                    | ER                       |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (h) next following satisfaction of the minimum age and service requirements.                    |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (i) coinciding with or next following satisfaction of the minimum age and service requirements. |
| N/A                      | <input type="checkbox"/> | <input type="checkbox"/> | (j) nearest the satisfaction of the minimum age and service requirements.                       |
| N/A                      | <input type="checkbox"/> | <input type="checkbox"/> | (k) preceding the satisfaction of the minimum age and service requirements.                     |

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution sources with respect to different groups of Employees, such different Entry Date provisions may be described below.

- | Deferral                 | Match                    | ER                       |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (l) Describe any special rules that apply with respect to the Entry Dates under this AA §4-2: _____ |

[Note: Any special rules under this subsection must satisfy the requirements of Code §410(a) and may not cause an Employee to enter the Plan later than the first Entry Date following the completion of a Year of Service (as defined in AA §4-3).]

**4-3 DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.72 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years. (See Section 2.03(a)(3)(i) of the Plan.) If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years. However, if the Employee fails to earn a Year of Service in the first or second Eligibility Computation Period, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years beginning in the first or second Eligibility Computation Period, as applicable. (See Section 2.03(a)(3)(iii) of the Plan.)
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

- | Deferral                 | Match                    | ER                       |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) <b>Year of Service.</b> Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [must be less than 1,000] Hours of Service during an Eligibility Computation Period. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) <b>Eligibility Computation Period (ECP).</b> The Plan will use Anniversary Years for all Eligibility Computation Periods. (See Section 2.03(a)(3) of the Plan.)   |



- |                          |                          |                          |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>(c) <b>Elapsed Time method.</b> Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. (See Section 2.03(a)(6) of the Plan.)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> (1) For Deferral, must complete a ____ period of service</li> <li><input type="checkbox"/> (2) For Match, must complete a ____ period of service</li> <li><input type="checkbox"/> (3) For ER, must complete a ____ period of service</li> </ul> <p><i>[Note: Under the Elapsed Time method in this subsection, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Eligibility Computation Period designated in Section 2.03(a)(3) of the Plan. The period of service may not exceed 12 months for eligibility for Salary Deferrals or After-Tax Employee Contributions. If a period greater than 12 months is entered and the Salary Deferral column is checked, the period of service will be deemed to be a 12-month period. If a period greater than 12 months applies to Matching Contributions or Employer Contributions, 100% vesting must be selected under AA §8 for those contributions.]</i></p> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>(d) <b>Equivalency Method.</b> For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the Plan). The Equivalency Method will apply to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> (1) All Employees.</li> <li><input type="checkbox"/> (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.</li> </ul> <p>Hours of Service for eligibility will be determined under the following Equivalency Method.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> (3) <b>Monthly.</b> 190 Hours of Service for each month worked.</li> <li><input type="checkbox"/> (4) <b>Weekly.</b> 45 Hours of Service for each week worked.</li> <li><input type="checkbox"/> (5) <b>Daily.</b> 10 Hours of Service for each day worked.</li> <li><input type="checkbox"/> (6) <b>Semi-monthly.</b> 95 Hours of Service for each semi-monthly period worked.</li> </ul>  |
| N/A                      | <input type="checkbox"/> | <input type="checkbox"/> | <p>(e) <b>Nonvested Participant Break in Service rule applies.</b> Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan.)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.</li> </ul>  |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>(f) <b>One-Year Break in Service rule applies.</b> The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service. (See Section 2.07(d) of the Plan if the One-Year Break in Service rule applies to Salary Deferrals.)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The One-Year Break in Service rule applies to all Employees, including Employees who have not terminated employment.</li> </ul>   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>(g) <b>Special eligibility provisions.</b> _____</p> <p><i>[Note: Any conditions provided under this AA §4-3 must satisfy the requirements of Code §410(a) and may not cause an Employee to enter the Plan later than the first Entry Date following the completion of a Year of Service (as defined in this AA §4-3).]</i></p>  |



**4-4 EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

**Deferral**      **Match**      **ER**  
                       

An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service requirements (as designated below):

- (a) the Effective Date of this Plan (as designated on the Employer Signature Page).
- (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
- (c) \_\_\_\_\_ [insert date no earlier than the Effective Date of this Plan]

An Eligible Employee who is employed on the designated date will enter the Plan on the designated date without regard to the minimum age and service requirements under AA §4-1. If both minimum age and service conditions are not waived, select (d) or (e) to designate which condition is waived under this AA §4-4.

- (d) This AA §4-4 only applies to the minimum service condition.
- (e) This AA §4-4 only applies to the minimum age condition.

The provisions of this AA §4-4 apply to all Eligible Employees employed on the designated date unless designated otherwise under subsection (f) or (g) below.

- (f) The provisions of this AA §4-4 apply to the following group of Employees employed on the designated date: \_\_\_\_\_
- (g) Describe special rules: \_\_\_\_\_

*[Note: An Employee who is employed as of the designated date described in this AA §4-4 will enter the Plan as of such date unless a different Entry Date is designated under subsection (g). The provisions of this AA §4-4 may not violate the minimum age or service rules under Code §410 or violate the nondiscrimination requirements under Code §401(a)(4).]*

**4-5 SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-5 and AA §6B-7.

In addition, this AA §4-5 may be used to identify any Predecessor Employers for whom service will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan. (See Sections 2.06, 3.09(c) and 7.08 of the Plan.)

If this AA §4-5 is not completed, no service with a Predecessor Employer will be counted except as otherwise required under this AA §4-5.

(a) **Identify Predecessor Employer(s):**

(1) The Plan will count service with all Employers which have been acquired as part of a transaction under Code §410(b)(6)(C).

(2) The Plan will count service with the following Predecessor Employers:

	Eligibility	Vesting	Allocation Conditions
<input type="checkbox"/> (i) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) **Describe any special provisions applicable to Predecessor Employer service:** \_\_\_\_\_

*[Note: Any special provisions under this subsection may not violate the nondiscrimination requirements under Code §401(a)(4).]*

**SECTION 5  
COMPENSATION DEFINITIONS**

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.142 of the Plan for a specific definition of the various types of Total Compensation.

- (a) W-2 Wages
- (b) Code §415 Compensation
- (c) Wages under Code §3401(a)

*[Note: For purposes of determining Total Compensation, each definition includes Elective Deferrals as defined in Section 1.47 of the Plan, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]*

5-2 **POST-SEVERANCE COMPENSATION.** Total Compensation includes post-severance compensation, to the extent provided in Section 1.142(b) of the Plan, unless otherwise elected below.

- (a) **Exclusion of post-severance compensation from Total Compensation.** The following amounts paid after a Participant’s severance of employment are excluded from Total Compensation:
  - (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
  - (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee’s gross income.

*[Note: Plan Compensation (as defined in Section 1.99 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3.]*

- (b) **Continuation payments for disabled Participants.** If this subsection is not elected, Total Compensation does not include continuation payments for disabled Participants. If this subsection is elected, Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.142(c) of the Plan. For this purpose, disability continuation payments will be included for:
  - (1) Nonhighly Compensated Employees only.
  - (2) All Participants who are permanently and totally disabled for a fixed or determinable period.

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions.

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(a) No exclusions.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(b) Elective Deferrals (as defined in Section 1.47 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Compensation above \$___ is excluded. (See Section 1.99 of the Plan.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Amounts received as a bonus are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Amounts received as commissions are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Overtime payments are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Amounts received for services performed for a non-signatory Related Employer are excluded. (See Section 2.02(c) of the Plan.)

*[Note: If this subsection is not elected, amounts received for services performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]*

- |                          |                          |                          |  |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (i) “Deemed §125 compensation” as defined in Section 1.142(d) of the Plan.                             |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (j) Amounts received after termination of employment are excluded. (See Section 1.142(b) of the Plan.) |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (k) Differential Pay (as defined in Section 1.142(e) of the Plan).                                     |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (l) Describe adjustments to Plan Compensation: _____   |

*[Note: Any exclusions selected under this AA §5-3 that do not meet the safe harbor exclusions under Treas. Reg. §1.414(s)-1, as described in Section 1.99(a) of the Plan, may cause the definition of Plan Compensation to fail to satisfy a safe harbor definition of compensation under Code §414(s). Certain exclusions above are safe harbor exclusions. (See Section 1.138 of the Plan.) Other exclusions may require the Plan to satisfy additional nondiscrimination testing, including the compensation ratio test under Treas. Reg. §1.414(s)-1(d)(3). Failure to use a definition of Plan Compensation that satisfies the nondiscrimination requirements under Code §414(s) will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or Safe Harbor 401(k) Plan safe harbors. Any adjustments to Plan Compensation under this AA §5-3 must be definitely determinable and preclude Employer discretion. See AA §6C-5 for the definition of Plan Compensation as it applies to Safe Harbor Contributions.]*

**5-4 PERIOD FOR DETERMINING COMPENSATION.**

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. *[Note: If a period other than Plan Year applies for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated under this AA §5-4.]*

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(1) The Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) The calendar year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The Employer's fiscal tax year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The 12-month period ending on ____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below. (See Section 1.99 of the Plan.)

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.03(c)(7)(ii) of the Plan) will not apply unless designated otherwise under this subsection (c).
- Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year.

<b>SECTION 6 EMPLOYER CONTRIBUTIONS</b>
---

- 6-1 EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions under the Plan (other than Safe Harbor Employer Contributions or QNECs)?

- Yes  
 No *[If No, skip to Section 6A.]*

*[Note: See AA §6C below for rules regarding Safe Harbor Employer Contributions and AA §6D-3 for rules regarding Qualified Nonelective Contributions (QNECs).]*

6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-4 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-5 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3.

- (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- (b) **Fixed contribution.**
  - (1) \_\_\_\_\_% of each Participant’s Plan Compensation.
  - (2) \$\_\_\_\_ for each Participant.
- (c) **Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make an Employer Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: \_\_\_\_\_

*[Note: Insert the appropriate contribution formula (and allocation formula, if applicable) from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]*

- (d) **Service-based contribution.** The Employer will make the following contribution:
  - (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation for each period of service designated below.
  - (2) **Fixed percentage.** \_\_\_\_% of Plan Compensation paid for each period of service designated below.
  - (3) **Fixed dollar.** \$\_\_\_\_ for each period of service designated below.

The service-based contribution will be based on the following periods of service:

- (4) Each Hour of Service
- (5) Each week of employment
- (6) Describe period: \_\_\_\_\_

The service-based contribution is subject to the following rules.

- (7) Describe any special provisions that apply to a service-based contribution: \_\_\_\_\_

*[Note: Any period described in subsection (6) must apply uniformly to all Participants and cannot exceed a 12-month period. Any special provisions under subsection (7) may only describe the basis for determining a discretionary service-based contribution, such as a uniform dollar amount, and must satisfy the nondiscrimination requirements under Code §401(a)(4) and the regulations thereunder.]*

- (e) **Year of Service contribution.** The Employer will make an Employer Contribution based on Years of Service with the Employer.

	Years of Service	Contribution %
<input type="checkbox"/> (1)	For Years of Service between ___ and ___	___%
<input type="checkbox"/> (2)	For Years of Service between ___ and ___	___%
<input type="checkbox"/> (3)	For Years of Service between ___ and ___	___%
<input type="checkbox"/> (4)	For Years of Service ___ and above	___%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: \_\_\_\_\_

*[Note: Any alternative definition of a Year of Service must meet the requirements of a Year of Service as defined in Section 2.03 of the Plan.]*

- (f) **Prevailing Wage Formula.** The Employer will make a contribution for each Participant’s Prevailing Wage Service based on the hourly contribution rate for the Participant’s employment classification. (See Section 3.02(a)(5) of the Plan.)
  - (1) **Amount of contribution.** The Employer will make an Employer Contribution based on the hourly contribution rate for the Participant’s employment classification. The Prevailing Wage Contribution will be determined as follows:
    - (i) The Employer Contribution will be determined based on the required contribution rates for the employment classifications under the applicable federal, state or municipal prevailing wage laws.

For any Employee performing Prevailing Wage Service, the Employer may make the required contribution for such service without designating the exact amount of such contribution.

- (ii) The Employer will make the Prevailing Wage Contribution based on the hourly contribution rates as set forth in the Addendum attached to this Adoption Agreement. However, if the required contribution under the applicable federal, state or municipal prevailing wage law provides for a greater contribution than set forth in the Addendum, the Employer may make the greater contribution as a Prevailing Wage Contribution.
- (2) **Offset of other contributions.** The contributions under the Prevailing Wage Formula will offset the following contributions under this Plan. (See Section 3.02(a)(5) of the Plan.)
  - (i) Employer Contributions (other than Safe Harbor Employer Contributions)
  - (ii) Safe Harbor Employer Contributions.
  - (iii) Qualified Nonelective Contributions (QNECs)
  - (iv) Matching Contributions (other than Safe Harbor Matching Contributions)
  - (v) Safe Harbor Matching Contributions.
  - (vi) Qualified Matching Contributions (QMACs)

*[Note: If subsection (ii) or (v) is checked, the Prevailing Wage contribution must satisfy the requirements for a Safe Harbor Contribution.]*

- (3) **Modification of default rules.** Section 3.02(a)(5) of the Plan contains default rules for administering the Prevailing Wage Formula. Complete this subsection (3) to modify the default provisions.
  - (i) **Application to Highly Compensated Employees.** Instead of applying only to Nonhighly Compensated Employees, the Prevailing Wage Formula applies to all eligible Participants, including Highly Compensated Employees.
  - (ii) **Minimum age and service conditions.** Instead of no minimum age or service condition, Prevailing Wage contributions are subject to a one Year of Service (as defined in AA§4-3) and age 21 minimum age and service requirement with semi-annual Entry Dates.
  - (iii) **Allocation conditions.** Instead of no allocation conditions, the Prevailing Wage contributions are subject to a 1,000 Hours of Service and last day employment allocation condition, as set forth under Section 3.09 of the Plan.
  - (iv) **Vesting.** Instead of 100% immediate vesting, Prevailing Wage contributions will vest under the following vesting schedule (as defined in Section 7.02 of the Plan):
    - (A) 6-year graded vesting schedule
    - (B) 3-year cliff vesting schedule
  - (v) **Describe:** \_\_\_\_\_

*[Note: Overriding the default provisions under this subsection (3) may restrict the ability of the Employer to take full credit for Prevailing Wage Contributions for purposes of satisfying its obligations under applicable federal, state or municipal prevailing wage laws. Subsection (v) may only describe modifications to the default provisions relating to minimum age and service conditions, Hour of Service and last day employment allocation conditions and vesting schedules, must satisfy the nondiscrimination requirements under Code §401(a)(4) and should be consistent with the applicable federal, state or municipal prevailing wage laws. See Section 3.02(a)(5) of the Plan.]*

- (g) **Describe special rules for determining contributions under Plan:** THE EMPLOYER SHALL CONTRIBUTE A PERCENTAGE OF PLAN COMPENSATION IN ACCORDANCE WITH THE EMPLOYER CONTRIBUTION RATE AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.

*[Note: Any special rules must be described in a manner that precludes Employer discretion and must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]*

### 6-3 ALLOCATION FORMULA.

- (a) **Pro rata allocation.** The discretionary Employer Contribution under AA §6-2 will be allocated:
  - (1) as a uniform percentage of Plan Compensation.
  - (2) as a uniform dollar amount.
- (b) **Fixed contribution.** The fixed Employer Contribution under AA §6-2 will be allocated in accordance with the selections made with respect to fixed Employer Contributions under AA §6-2.

- (c) **Permitted disparity allocation.** The discretionary Employer Contribution under AA §6-2 will be allocated under the two-step method (as defined in Section 3.02(a)(1)(ii)(A) of the Plan), using the Taxable Wage Base (as defined in Section 1.137 of the Plan) as the Integration Level. However, for any Plan Year in which the Plan is Top Heavy, the four-step method (as defined in Section 3.02(a)(1)(ii)(B) of the Plan) applies, unless provided otherwise under subsection (2) below.

To modify these default rules, complete the appropriate provision(s) below.

- (1) **Integration Level.** Instead of the Taxable Wage Base, the Integration Level is:
- (i) \_\_\_% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:
    - (A) N/A  (B) \$1
    - (C) \$100  (D) \$1,000
  - (ii) \$\_\_\_ (not to exceed the Taxable Wage Base)
  - (iii) 20% of the Taxable Wage Base

*[Note: See Section 3.02(a)(1)(ii) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]*

The Maximum Disparity Rate is the maximum amount that may be allocated with respect to Excess Compensation. If the two-step allocation method is used, under step one of the two-step formula, the amount allocated as a percentage of Plan Compensation and Excess Compensation may not exceed the following percentage:

<u>Integration Level</u> <u>(as a percentage of the Taxable Wage Base)</u>	<u>Maximum</u> <u>Disparity Rate</u>
100%	5.7%
More than 80% but less than 100%	5.4%
More than 20% and not more than 80%	4.3%
20% or less	5.7%

If the four-step allocation formula is used, under step three of the four-step formula, the amount allocated as a percentage of Plan Compensation and Excess Compensation may not exceed the following percentage:

<u>Integration Level</u> <u>(as a percentage of the Taxable Wage Base)</u>	<u>Maximum</u> <u>Disparity Rate</u>
100%	2.7%
More than 80% but less than 100%	2.4%
More than 20% and not more than 80%	1.3%
20% or less	2.7%

- (2) **Four-step method.**
- (i) Instead of applying only when the Plan is top heavy, the four-step method will always be used.
  - (ii) The four-step method will never be used, even if the Plan is Top Heavy.
  - (iii) In applying step one and step two under the four-step method, instead of using Total Compensation, the Plan will use Plan Compensation. (See Section 3.02(a)(1)(ii)(B) of the Plan.)
- (d) **Uniform points allocation.** The discretionary Employer Contribution designated in AA §6-2 will be allocated to each Participant in the ratio that each Participant's total points bears to the total points of all Participants. A Participant will receive the following points:
- (1) \_\_\_ point(s) for each \_\_\_ year(s) of age (attained as of the end of the Plan Year).
  - (2) \_\_\_ point(s) for each \$ \_\_\_ (not to exceed \$200) of Plan Compensation.
  - (3) \_\_\_ point(s) for each \_\_\_ Year(s) of Service. For this purpose, Years of Service are determined:
    - (i) In the same manner as determined for eligibility.
    - (ii) In the same manner as determined for vesting.
    - (iii) Points will not be provided with respect to Years of Service in excess of \_\_\_.



- (e) **Employee group allocation.** The Employer may make a separate Employer Contribution to the Participants in the following allocation groups. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.
- (1) A separate discretionary Employer Contribution may be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).
- (2) A separate discretionary or fixed Employer Contribution may be made to the following allocation groups. If no fixed amount is designated for a particular allocation group, the contribution made for such allocation group will be allocated as a uniform percentage of Plan Compensation to all Participants within that allocation group, unless otherwise designated as a uniform dollar amount below.
- The contribution made for each allocation group will be allocated as a uniform dollar amount to all Participants within the allocation group.
- Group 1:** \_\_\_\_\_
- [Note: The allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(a)(1)(iv)(B)(V) of the Plan for restrictions that apply with respect to "short-service" Employees. In the case of self-employed individuals (i.e., sole proprietorships or partnerships), the requirements of 1.401(k)-1(a)(6) continue to apply, and the allocation method should not be such that a cash or deferred election is created for a self-employed individual as a result of application of the allocation method.]*
- (3) **Special rules.** The following special rules apply to the Employee group allocation formula.
- (i) **Family Members.** In determining the separate groups under (2) above, each Family Member (as defined in Section 1.66 of the Plan) of a Five Percent Owner is always in a separate allocation group. If there is more than one Family Member, each Family Member will be in a separate allocation group.
- (ii) **Benefiting Participants who do not receive Minimum Gateway Contribution.** In determining the separate groups under (2) above, Benefiting Participants who do not receive a Minimum Gateway Contribution are always in a separate allocation group. If there is more than one Benefiting Participant who does not receive a Minimum Gateway Contribution, each will be in a separate allocation group. (See Section 3.02(a)(1)(iv)(B)(III) of the Plan.)
- (iii) **More than one Employee group.** Unless designated otherwise under this subsection (iii), if a Participant is in more than one allocation group described in (2) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. (See Section 3.02(a)(1)(iv)(A) of the Plan.)
- (A) **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group.
- (B) **Describe:** \_\_\_\_\_
- [Note: This subsection (B) may only describe the amount of the Employer Contribution a Participant will receive when such Participant is in more than one allocation group. Any language under this subsection (B) must be definitely determinable and may not violate the nondiscrimination requirements under Code §401(a)(4).]*
- (f) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2 will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.04 of the Plan).
- A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.
- (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of \_\_\_% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.



- (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: \_\_\_\_\_
- (3) **Describe special rules applicable to age-based allocation:** \_\_\_\_\_

*[Note: See Appendix A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)(4)-12. Any special rules described under subsection (3) may only describe an alternative method for determining adjusted Plan Compensation and may not violate the nondiscrimination requirements under Code §401(a)(4). In addition, subsection (3) may describe a definitely determinable allocation method that was specified in a previously-approved pre-approved plan document.]*

- (g) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2 will be allocated in accordance with the selections made under the service-based allocation formula in AA §6-2.
- (h) **Year of Service allocation formula.** The Year of Service Employer Contribution selected in AA §6-2 will be allocated in accordance with the selections made under the Year of Service allocation formula in AA §6-2.
- (i) **Prevailing Wage allocation formula.** The Prevailing Wage Employer Contribution selected in AA §6-2 will be allocated in accordance with the selections made under the Prevailing Wage allocation formula in AA §6-2. The Employer may attach an Addendum to the Adoption Agreement setting forth the hourly contribution rate for the employment classifications eligible for Prevailing Wage contributions.
- (j) **Describe special rules for determining allocation formula: A PERCENTAGE OF PLAN COMPENSATION IN ACCORDANCE WITH THE CONTRIBUTION RATE AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.**

*[Note: This subsection (j) may only be used to describe a definite allocation formula that was included in a previously-approved pre-approved plan. Any special rules under this subsection must be described in a manner that precludes Employer discretion and must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]*

**6-4 SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-4. Unless designated otherwise, in determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year. (See Section 3.02(c) of the Plan.)

- (a) **Period for determining Employer Contributions.** Instead of the Plan Year, Employer Contributions will be determined based on Plan Compensation earned during the following period: *[Note: Plan Year must be used if the permitted disparity allocation method is selected under AA §6-3 above.]*
- (1) Plan Year quarter
- (2) calendar month
- (3) payroll period
- (4) Other: \_\_\_\_\_

*[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this subsection. Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.]*

- (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:
- (1) \_\_\_\_\_% of Plan Compensation
- (2) \$\_\_\_\_\_
- (3) A discretionary amount determined by the Employer applied in a uniform manner for all eligible Participants for the Plan Year.
- (c) **Offset of Employer Contribution.**
- (1) A Participant's allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under \_\_\_\_\_ *[insert name of plan(s)].* (See Section 3.02(d)(2) of the Plan.)

6-5 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6-5 to receive an allocation of Employer Contributions under the Plan.

*[Note: Any allocation conditions set forth under this AA §6-5 do not apply to Prevailing Wage Contributions under AA §6-2, Safe Harbor Employer Contributions under AA §6C, or QNECs under AA §6D, unless provided otherwise under those specific sections. See AA §4-5 for treatment of service with Predecessor Employers for purposes of applying the allocation conditions under this AA §6-5.]*

- (a) **No allocation conditions apply** with respect to Employer Contributions under the Plan.
- (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
- (1) \_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
- (i) Hours of Service are determined using actual Hours of Service.
- (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):
- (A) Monthly  (B) Weekly
- (C) Daily  (D) Semi-monthly
- (2) \_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

*[Note: Under this safe harbor allocation condition, an Employee will satisfy the allocation conditions if the Employee completes the designated Hours of Service or period of employment, even if the Employee is not employed on the last day of the Plan Year. See Section 3.09 of the Plan for rules regarding the application of this allocation condition to the minimum coverage test.]*

- (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- (d) **Minimum service condition.** An Employee must be credited with at least:
- (1) \_\_\_\_ (not to exceed 1,000) Hours of Service during the Plan Year.
- (i) Hours of Service are determined using actual Hours of Service.
- (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):
- (A) Monthly  (B) Weekly
- (C) Daily  (D) Semi-monthly
- (2) \_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.
- (e) **Application to a specified period.** The allocation conditions selected under this AA §6-5 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6-5, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. See Section 3.09(a) of the Plan for a description of the rules for applying the allocation conditions on a periodic basis.
- (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:
- (i) Plan Year quarter
- (ii) calendar month
- (iii) payroll period
- (iv) Other: \_\_\_\_\_
- (2) **Application to allocation conditions.** If this subsection (2) is checked to apply allocation conditions on the basis of specified periods, to the extent an employment or minimum service allocation condition applies under this AA §6-5, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:
- (i) Only the employment condition will be based on the period selected in subsection (1) above.
- (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.
- (iii) Describe any special rules: \_\_\_\_\_

*[Note: Any special rules under this subsection (iii) must satisfy the nondiscrimination requirements of Code §401(a)(4).]*

- (f) **Exceptions.**
- (1) The above allocation condition(s) will not apply if the Employee, during the Plan Year:
- (i) dies.
  - (ii) terminates employment due to becoming Disabled.
  - (iii) becomes Disabled.
  - (iv) terminates employment after attaining Normal Retirement Age.  
*[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule below.]*
  - (v) terminates employment after attaining Early Retirement Age.  
*[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule below.]*
  - (vi) is on an authorized leave of absence from the Employer.
- (2) The exceptions selected under subsection (1) will apply even if an Employee has not terminated employment at the time of the selected event(s).
- (3) The exceptions selected under subsection (1) do not apply to:
- (i) an employment condition designated under this AA §6-5.
  - (ii) a minimum service condition designated under this AA §6-5.
- (g) Describe any special rules governing the allocation conditions under the Plan: \_\_\_\_\_  
*[Note: Any special rules must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

**SECTION 6A**  
**SALARY DEFERRALS**

6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

- Yes  
 No *[If "No" is checked, skip to Section 6B.]*

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise under this AA §6A-2, a Participant may defer any amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation (as set forth in Sections 5.02 and 5.03 of the Plan).

(a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:

- (1) \_\_\_\_\_% of Plan Compensation  
 (2) \$\_\_\_\_\_.

*[Note: If both subsection (1) and subsection (2) are checked, the deferral limit is the lesser of the amounts selected.]*

Any limit described in subsection (1) or subsection (2) above applies with respect to the following period:

- (3) Plan Year.  
 (4) the portion of the Plan Year during which the individual is eligible to participate.  
 (5) each separate payroll period during which the individual is eligible to participate.

- (b) **Different limit for Highly Compensated Employees and Nonhighly Compensated Employees.** The Salary Deferral Limit described above applies only to Employees who are Highly Compensated Employees as of the first day of the Plan Year. For Nonhighly Compensated Employees, the following limit applies:
- (1) **No limit** (other than the Elective Deferral Dollar Limit and the Code §415 Limitation).
- (2) **Nonhighly Compensated Employee limit.**
- (i) \_\_\_\_\_% of Plan Compensation
- (ii) \$ \_\_\_\_\_
- during the following period:
- (iii) Plan Year.
- (iv) the portion of the Plan Year during which the individual is eligible to participate.
- (v) each separate payroll period during which the individual is eligible to participate.
- [Note: Any percentage or dollar limit imposed on Nonhighly Compensated Employees under (i) and/or (ii) above may not be lower than the percentage or dollar limit imposed on Highly Compensated Employees under (a) above. If both (i) and (ii) are checked, the deferral limit is the lesser of the amounts selected.]*
- (c) **Limits on deferrals on bonus payments.** *[Note: This subsection may only be selected if bonus payments are not excluded under AA §5-3.]*
- (1) The same limits specified above apply to bonus and non-bonus Plan Compensation. Employees may defer any amounts out of bonus payments, subject to the Elective Deferral Dollar Limit and the Code §415 Limitation (as defined in Sections 5.02 and 5.03 of the Plan) and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.03(a) of the Plan.)
- (2) A Participant may defer up to \_\_\_\_\_% (not to exceed 100%) of any bonus payment (subject to the Elective Deferral Dollar Limit and the Code §415 Limitation) without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election. (See Section 3.03(a) of the Plan.)
- (3) Describe special rules applicable to deferrals on bonus payments: \_\_\_\_\_
- [Note: If any selection under this subsection is checked, bonus payments may not be excluded from Plan Compensation in the Deferral column under AA §5-3.]*
- (d) **Describe any other limits that apply with respect to Salary Deferrals under the Plan:** THE EMPLOYER SHALL ALLOW FOR EMPLOYEE DEFERRALS AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.
- [Note: Any other limits provided under this subsection must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

**6A-3 MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

- (a) \_\_\_\_\_% of Plan Compensation for a payroll period.
- (b) \$\_\_\_\_\_ for a payroll period.
- (c) Describe: \_\_\_\_\_
- [Note: If more than one limit applies under this AA §6A-3, the minimum deferral rate is the lesser of the amounts designated under this AA §6A-3. Any minimum deferral rates provided under this AA §6A-3 must comply with the nondiscrimination requirements under Code §401(a)(4).]*

**6A-4 CATCH-UP CONTRIBUTIONS.** Catch-Up Contributions (as defined in Section 3.03(d) of the Plan) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

- Catch-Up Contributions are not permitted under the Plan.

**6A-5 ROTH DEFERRALS.**

- (a) **Availability of Roth Deferrals.**
- (1) Roth Deferrals are permitted under the Plan.
- (2) Roth Deferrals are not permitted under the Plan.

[*Note: If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9 below.*]

- (b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection, to the extent a Participant takes a distribution or withdrawal from his/her Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (As described under Section 8.11(b)(2) of the Plan, if a Participant fails to designate the appropriate Account for corrective distributions from the Plan, such distribution may be withdrawn equally from both the Pre-Tax Salary Deferral Account and the Roth Deferral Account, or the Employer may withdraw such amounts first from either the Pre-Tax Salary Deferral Account or the Roth Deferral Account.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

(1) **Distributions and withdrawals.**

- (i) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.
- (ii) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.
- (iii) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

(2) **Distribution of Excess Deferrals.**

- (i) Distribution of Excess Deferrals will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.
- (ii) Distribution of Excess Deferrals will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.
- (iii) Distribution of Excess Deferrals will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

(3) **Distribution of Salary Deferrals to Highly Compensated Employees to correct ADP or ACP Test failure.**

- (i) Distribution of Excess Contributions (or Excess Aggregate Contributions) will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the Plan Year.
- (ii) Distribution of Excess Contributions (or Excess Aggregate Contributions) will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.
- (iii) Distribution of Excess Contributions (or Excess Aggregate Contributions) will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

- (c) **In-Plan Roth Conversions.** Unless elected under this subsection, the Plan does not permit a Participant to make an In-Plan Roth Conversion under the Plan.

- (1) **Effective date.** Effective \_\_\_\_\_ [*not earlier than 1/1/2013*], a Participant may elect to convert all or any portion of his/her non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

[*Note: The Plan must provide for Roth Deferrals under AA §6A-5 as of the effective date designated in this subsection (1). An election under this subsection does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.*]

(2) **In-service distribution.**

- (i) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. [*Note: If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution sources to Roth Deferrals through an In-Plan Roth Conversion.*]

- (ii) For a Participant to convert his/her eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 or AA §10 are eligible for In-Plan Roth Conversion.
- (3) **Contribution sources.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution sources under the Plan.
- To override this default provision to limit the contributions sources available for In-Plan Roth Conversion, select the applicable contribution sources from which an In-Plan Roth Conversion is available:
- (i) Pre-tax Salary Deferrals
- (ii) Employer Contributions
- (iii) Matching Contributions
- (iv) Safe Harbor Contributions
- (v) QNECs and QMACs
- (vi) After-Tax Contributions
- (vii) Rollover Contributions
- (4) **Limits applicable to In-Plan Roth Conversions.** No special limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection.
- (i) Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
- [Note: If an In-Plan Roth Conversion is permitted from partially-vested sources, special rules apply for determining the vested percentage of such amounts after conversion. See Section 7.11 of the Plan.]*
- (ii) A Participant may not make an In-Plan Roth Conversion of less than \$\_\_\_ (may not exceed \$1,000).
- (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.
- [Note: If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution source that is eligible for conversion under subsection (3) above.]*
- (iv) Describe: \_\_\_\_\_
- [Note: Any selection in subsection (iv) must be definitely determinable and not subject to Employer discretion.]*
- (5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection.
- (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 8.10 of the Plan.
- [Note: If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 8.10 of the Plan. Thus, for example, a Participant may not take an in-service distribution of amounts attributable to Salary Deferrals (including any QNECs, QMACs or Safe Harbor contributions) prior to age 59½.]*
- (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the Plan and AA Appendix B. However, to the extent a Participant loan is not otherwise allowed, and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.
- [Note: If this subsection (ii) is selected, and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the Plan.]*
- (6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted at the same time as permitted for Roth Deferrals, as set forth under AA §10-1,



unless designated otherwise under this subsection. However, earlier distribution of certain converted amounts may be required to the extent necessary to protect distribution options that were available with respect to such converted amounts prior to the In-Plan Roth Conversion.

- (i) In-service distributions will not be permitted from an In-Plan Roth Conversion Account. However, as set forth in Section 3.03(f)(1)(vi) of the Plan, a distribution must continue to be offered for any converted amounts as of the earliest date a distribution would otherwise be permitted for such converted amounts, had they not been converted.
- (ii) An in-service distribution may be made from the In-Plan Roth Conversion Account at any time.
- (iii) Describe distribution options: \_\_\_\_\_

*[Note: This subsection (6) may not be used to eliminate an in-service distribution option that was otherwise available at the time of the In-Plan Roth Conversion. Thus, for example, if a Participant is permitted to make an In-Plan Roth Conversion of After-Tax Employee Contributions or Rollover Contributions, and such contributions are eligible for immediate distribution at the time of the In-Plan Roth Conversion, those amounts must continue to be available for distribution after the In-Plan Roth Conversion. To the extent a selection in this subsection (6) results in an improper elimination of a distribution right, the provisions of this subsection (6) will not apply.]*

- (d) Describe any special rules that apply to Roth Deferrals under the Plan: \_\_\_\_\_

*[Note: Any special rules must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

**6A-6 ADP TESTING.** The ADP Test will be performed using the testing method designated below: (See Section 6.01(a) of the Plan.)

*[Note: If the Plan is a Safe Harbor 401(k) Plan (as designated in AA §6C below), the Plan must use the Current Year Testing Method. Thus, for any year the Plan is a Safe Harbor 401(k) Plan, the Current Year Testing Method applies, regardless of any selection under this AA §6A-6.]*

- (a) **Current Year Testing Method.** The Plan will use the Current Year Testing Method in running the ADP test. If the Current Year Testing Method is elected, the ADP of the Nonhighly Compensated Group for the first Plan Year is calculated using current year data, unless otherwise designated below.
  - Deemed 3% used for first Plan Year.** Instead of using actual current year data for the first Plan Year, the ADP of the Nonhighly Compensated Group for the first Plan Year the 401(k) Plan is effective is deemed to be 3%.
- (b) **Prior Year Testing Method.** The Plan will use the Prior Year Testing Method in running the ADP Test. If the Prior Year Testing Method is elected, the ADP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%, unless otherwise designated below.
  - Current year data used for first Plan Year.** Instead of deeming the ADP of the Nonhighly Compensated Group to be 3% for the first Plan Year for which the 401(k) Plan is effective, the Plan will use the actual current year data for the first Plan Year.
- (c) **Application of Current Year Testing Method.** The Current Year Testing Method has applied since the \_\_\_\_ Plan Year. *[Note: If the Plan has switched from the Prior Year Testing Method to the Current Year Testing Method, this subsection may be checked to designate the first Plan Year for which the Current Year Testing Method applies.]*

**6A-7 SALARY DEFERRAL ELECTIONS.**

- (a) **Change or revocation of deferral election.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume a deferral election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke a deferral election at least once per year. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a deferral election (on a prospective basis) at any time.
- (b) **Salary deferral elections of rehired Participants.** Unless designated otherwise below, a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment and the Participant will need to make a new election upon rehire. *[Note: If this Plan is a QACA Safe Harbor Plan, the Employer must make an election that is consistent with the election in AA §6C-3(c)(5).]*
  - Participant's affirmative election does not cease upon termination of employment.** If this subsection (b) is selected, a terminated Participant's affirmative election to defer (or to not defer) will not cease upon termination of employment and the Participant's affirmative election to defer (or to not defer) in effect at the time of employment termination will apply upon rehire.



[Note: The Employer may modify the rules applicable to rehired employees under the Salary Reduction Agreement or other administrative procedures.]

**6A-8 AUTOMATIC CONTRIBUTION ARRANGEMENT (other than a QACA Safe Harbor 401(k) Plan).** No automatic contribution provisions apply under Section 3.03(c) of the Plan, unless provided otherwise under this AA §6A-8. (If the Employer wishes to adopt a QACA Safe Harbor Plan, the Employer should not complete this AA §6A-8 and instead complete AA §6C-3.)

(a) **Type of Automatic Contribution Arrangement.**

(1) **Eligible Automatic Contribution Arrangement.** Check this subsection (1) if the Employer intends for the Plan to be an Eligible Automatic Contribution Arrangement (EACA), as described in Section 3.03(c)(2). If this subsection (1) is checked, the selections in this AA §6A-8 must be consistent with the requirements of an EACA. As an EACA, the Employer also must complete AA §6A-8(c) relating to permissible withdrawals.

(2) **Automatic Contribution Arrangement other than an EACA.** Check this subsection (2) if the Employer intends for the Plan to be an Automatic Contribution Arrangement other than an EACA.

(b) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), a Participant will be deemed to have entered into a Salary Deferral Election for each payroll period, unless the Participant completes a Salary Deferral Election (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.

(1) **Effective date of Automatic Contribution Arrangement or EACA.** The automatic deferral provisions under this AA §6A-8 are effective as of:

(i) The Effective Date of this Plan as set forth under the Employer Signature Page.

(ii) \_\_\_\_\_ [insert date no earlier than the Effective Date of this Plan]

(iii) As set forth under a prior Plan document. [Note: If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-8 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-8, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.]

(iv) If the Employer is amending the provisions applicable to the ACA or EACA, the amended provisions are effective as of \_\_\_\_\_ [insert date]

(2) **Automatic Contribution Arrangement deferral amount and automatic increase.**

(i) **Automatic deferral amount.**

(A) \_\_\_% of Plan Compensation

(B) \$\_\_\_\_

(ii) **Automatic increase.** If elected under this subsection (ii), the automatic deferral amount will increase each Plan Year by the following amount. (See Section 3.03(c) of the Plan.)

(A) \_\_\_% of Plan Compensation

(B) \$\_\_\_\_

(C) If this (C) and subsection (3)(iii) below (relating to the expiration of affirmative deferral elections) are both elected, the automatic increase will apply to all Participants, including those Participants whose affirmative deferral elections have expired and no subsequent affirmative election is made.

Any automatic increase elected under this subsection (ii) will not cause the automatic deferral amount to exceed:

(D) \_\_\_% of Plan Compensation

(E) \$\_\_\_\_

(iii) **Special application of automatic increase provisions.** The Employer may describe under this subsection (iii) special rules applicable to automatic increase provisions: \_\_\_\_\_

[Note: Any special application of the automatic increase provisions must be definitely determinable and must not discriminate in favor of Highly Compensated Employees.]

(3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants (i.e., Participants who enter the Plan after the automatic deferral provisions are effective) and current Participants (i.e., Participants who were eligible to participate in the Plan at the time the automatic deferral provisions are effective) as set forth under this subsection (3).

(i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date of the automatic deferral provisions.

(ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:

(A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).

(B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(i). Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount, or who have not made a Salary Deferral Election, will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.

(C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (3)(i) are subject to the automatic deferral provisions. [*Note: See Section 3.03(c)(2)(i) of the Plan for the application of this subsection under an EACA.*]

(D) Describe: \_\_\_\_\_

[*Note: Any special provisions under subsection (D) must comply with the nondiscrimination requirements under Code §401(a)(4).*]

(iii) **Expiration of affirmative deferral elections.** Unless this subsection (iii) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant's affirmative elective deferral election will not expire. If this subsection (iii) is elected, a Participant's affirmative deferral election will expire:

(A) at the end of each Plan Year.

(B) Describe date that the affirmative election will expire: \_\_\_\_\_

[*Note: The date must be definite and not discriminate in favor of Highly Compensated Employees.*]

If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.

(iv) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iv).

Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. [*Note: This subsection (iv) may only be checked if Roth Deferrals are permitted under AA §6A-5.*]

[*Note: Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions. See Section 6.04(b)(1)(iii) of the Plan for the application of this provision to rehired Employees.*]

(4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(ii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant. (See Section 3.03(c)(2)(i) of the Plan.)

(i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) takes effect as of the appropriate date (as designated under subsection (iii) below) within the first Plan Year following the date automatic contributions begin.

(ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) takes effect as of the appropriate date (as designated under subsection

(iii) below) within the \_\_\_\_ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

- (iii) **Effective date.** The automatic increase described under subsection (2)(ii) is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:
- (A) The anniversary of the Participant's date of hire.
  - (B) The anniversary of the Participant's first automatic deferral contribution.
  - (C) The first day of each calendar year.
  - (D) Other date: \_\_\_\_\_
- (iv) **Special rules:** \_\_\_\_\_

*[Note: Any special rules under this subsection (iv) must satisfy the rules applicable to automatic increases under Treas. Reg. §1.401(k)-3, if applicable, and must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

(5) **Treatment of terminated Employees who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA§6A-8, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee terminated employment).

- (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA§6A-8, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant's deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.
- (ii) **Describe special rules applicable to rehired employees:** \_\_\_\_\_

*[Note: Any special rules under this subsection (ii) must satisfy the rules applicable to automatic enrollment under Treas. Reg. §1.401(k)-1, if applicable, and must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

(c) **Permissible Withdrawals under an Eligible Automatic Contribution Arrangement (EACA).**

(1) **Permissible withdrawals allowed.** If the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(2) of the Plan), the permissible withdrawal provisions under Section 3.03(c)(2) of the Plan apply. Thus, a Participant who receives an automatic deferral may withdraw such contributions (and earnings attributable thereto) within the time period set forth under Section 3.03(c)(2) of the Plan, without regard to the in-service distribution provisions selected under AA §10-1. Unless elected otherwise below, if an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Employee to take a permissive withdrawal, but only with respect to default contributions made after the Employee's return to employment.

The ability to take permissible withdrawals does not apply to rehired Employees, even if such Employees have not made automatic deferrals to the Plan for an entire Plan Year due to termination of employment.

(2) **No permissible withdrawals.** Although the Plan contains an automatic deferral election that is designed to satisfy the requirements of an EACA, the permissible withdrawal provisions under this subsection (c) are not available.

(3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than \_\_\_\_ [may not be less than 30 nor more than 90] days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

(d) **Other automatic deferral provisions:** \_\_\_\_\_

*[Note: Any language added under this subsection must comply with the nondiscrimination requirements under Code §401(a)(4) and the regulations thereunder.]*

**6A-9 SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated on the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the Plan.)

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-9.

- (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:
- (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
  - (2) \_\_\_\_\_ (insert date no earlier than the date the Plan is executed by the Employer).
- (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of \_\_\_\_\_. [If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9, unless a later date is designated under this subsection.]

**6A-10 SIMPLE 401(k) PLAN PROVISIONS.** The SIMPLE 401(k) provisions under Section 6.05 of the Plan do not apply unless specifically elected under this AA §6A-10.

- (a) By checking this box the Employer elects to have the SIMPLE 401(k) provisions described in Section 6.05 of the Plan apply.
- (1) Employer will make Matching Contributions under Section 6.05(b)(3) of the Plan.
  - (2) Employer will make Employer Contributions under Section 6.05(b)(4) of the Plan.
- (b) Other SIMPLE 401(k) provisions: \_\_\_\_\_

*[Note: This AA §6A-10 may only be checked if the Plan uses a calendar-year Plan Year and the Employer is an Eligible Employer as defined in Section 6.05(a)(1) of the Plan. All contributions under the SIMPLE 401(k) Plan are 100% vested at all times. If this AA §6A-10 is selected, no contributions may be authorized under AA §6 and AA §6B- §6D. Any special rules under subsection (b) must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

<b>SECTION 6B</b>
<b>MATCHING CONTRIBUTIONS</b>

**6B-1 MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

- Yes.** [Check this box if Matching Contributions may be made under the Plan, including Matching Contributions that satisfy the ACP safe harbor (i.e., Matching Contributions that are made in addition to the Safe Harbor Contributions required to satisfy the ADP safe harbor under AA §6C-2(a).]
- No.** [Check this box if there are no Matching Contributions or the only Matching Contributions are Safe Harbor Matching Contributions that satisfy the ADP safe harbor under AA §6C-2(a). If "No" is checked, skip to Section 6C.]

**6B-2 MATCHING CONTRIBUTION FORMULA.** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below. (See AA §6B-3 for the definition of Eligible Contributions for purposes of the Matching Contributions under the Plan. If the Plan provides for After-Tax Employee Contributions, also see AA §6D-2 to determine the application of the Matching Contribution formulas to After-Tax Employee Contributions.)

*[Note: A contribution will not be considered a Matching Contribution if such contribution is contributed before the underlying Salary Deferral or After-Tax Employee Contribution election is made or before an Employee performs the services with respect to which the underlying Salary Deferrals or After-Tax Employee Contributions are made (or when the cash that is subject to such election would be currently available, if earlier).]*

- (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount will be allocated as a uniform percentage of Eligible Contributions, unless designated otherwise below. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)
- (1) Discretionary matching contributions will be allocated as a flat dollar amount.

- (2) Allocation of discretionary Matching Contribution determined by written instructions to Plan Administrator (or Trustee). If a discretionary Matching Contribution formula applies (i.e., a formula that provides an Employer with discretion regarding how to allocate a Matching Contribution to Participants) and the Employer makes a discretionary Matching Contribution to the Plan, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing: (1) how the discretionary Matching Contribution formula will be allocated to Participants (e.g., a uniform percentage of Eligible Contributions or a flat dollar amount), (2) the computation period(s) to which the discretionary Matching Contribution formula applies (unless otherwise designated under AA §6B-5), and (3) if applicable, a description of each business location or business classification subject to separate discretionary Matching Contribution allocation formulas.

Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Participants who receive discretionary Matching Contributions no later than 60 days following the last date on which the discretionary Matching Contribution is made to the Plan for the Plan Year. If this AA §6B-2(a)(2) is elected, the written instruction requirement does not take effect until the first day of the Plan Year following the Plan Year in which this Plan's Cycle 3 restatement is executed.

- (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:
- (1) \_\_\_% of Eligible Contributions made for each period designated in AA §6B-5 below.
  - (2) \$\_\_\_ for each period designated in AA §6B-5 below.
  - (3) \_\_\_% of Eligible Contributions made for each period designated in AA §6B-5 below. However, to receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least \_\_\_% of Plan Compensation for such period.
  - (4) \$\_\_\_\_\_ for each period designated in AA §6B-5 below. However, to receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least \_\_\_% of Plan Compensation for such period.

- (c) **Matching Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make a Matching Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: \_\_\_\_\_

*[Note: Insert the appropriate Matching Contribution formula from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]*

- (d) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Eligible Contributions. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each tier.

- (1) **Tiers as percentage of Plan Compensation.**

Eligible Contributions	Fixed Match	Discretionary Match
<input type="checkbox"/> (i) Up to ___% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (ii) From ___% up to ___% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (iii) From ___% up to ___% of Plan Compensation	_____%	<input type="checkbox"/>
<input type="checkbox"/> (iv) From ___% up to ___% of Plan Compensation	_____%	<input type="checkbox"/>

- (2) **Tiers as dollar amounts.**

Eligible Contributions	Fixed Match	Discretionary Match
<input type="checkbox"/> (i) Up to \$___	_____%	<input type="checkbox"/>
<input type="checkbox"/> (ii) From \$___ up to \$___	_____%	<input type="checkbox"/>
<input type="checkbox"/> (iii) From \$___ up to \$___	_____%	<input type="checkbox"/>
<input type="checkbox"/> (iv) Above \$___	_____%	<input type="checkbox"/>



*[Note: If the Employer elects to make tiered Matching Contributions under subsection (1) or (2) above, funding will be made in the following non-discretionary order. First, all Matching Contributions under the first tier will be completely funded, but if the Employer's contribution is not sufficient to fully fund those contributions, then Matching Contributions will be made as a uniform percentage of eligible Participant contributions. Then, all Matching Contributions under the second tier will be fully funded, but if the Employer's contribution is not sufficient to fully fund the second-tier contributions, then Matching Contributions at the second tier will be made as a uniform percentage of eligible Participant contributions. The same approach will be followed for the third and fourth tiers.]*

- (3) **Discretionary tiered match.** The Employer will determine in its sole discretion how much, if any, it will make as a tiered Matching Contribution. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)

*[Note: If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contributions, the rate of Matching Contribution may not increase as the rate of Eligible Contributions increases.]*

- (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Eligible Contributions to all Participants based on Years of Service with the Employer. If discretionary Match is elected, the discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Year of Service level.

Years of Service	Fixed Match	Discretionary Match
<input type="checkbox"/> (1) From ___ up to ___ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (2) From ___ up to ___ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (3) From ___ up to ___ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (4) From ___ up to ___ Years of Service	_____%	<input type="checkbox"/>
<input type="checkbox"/> (5) Years of Service equal to and above ___	_____%	<input type="checkbox"/>

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: \_\_\_\_\_

*[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature. Any alternative definition of a Year of Service must meet the requirements of a Year of Service as defined in Section 2.03 of the Plan.]*

- (f) **Different Employee groups.** The Employer may make a different Matching Contribution to the Employee groups designated under subsection (1) below. The Matching Contribution will be allocated separately to each designated Employee group in accordance with the formula designated under subsection (2).

- (1) **Designated Employee groups.**

*[Note: Each group designation must describe a group of Employees which is definitely determinable with no Employer discretion.]*

- (2) **Matching Contribution formulas.**

- (i) **Discretionary Matching Contribution.** The Employer may make a different discretionary Matching Contribution for each Employee group designated under subsection (1). The discretionary Matching Contribution will be allocated as a uniform percentage of Eligible Contributions within each Employee group. (See AA §6B-5 relating to period for determining Matching Contributions and true-up requirements.)
- (ii) **Different Matching Contribution formula.** The following Matching Contribution will apply for each Employee group designated under subsection (1).

*[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature.]*

- (g) **Describe special rules for determining allocation formula:** THE EMPLOYER SHALL CONTRIBUTE A PERCENTAGE OF PLAN COMPENSATION IN ACCORDANCE WITH THE EMPLOYER MATCHING CONTRIBUTION RATE AS PRESCRIBED BY THE ARIZONA STATE RETIREMENT SYSTEM.

*[Note: Any special rules may not provide for a discretionary Matching Contribution allocation formula and must be described in a manner that precludes Employer discretion and must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]*

**6B-3 CONTRIBUTIONS ELIGIBLE FOR MATCHING CONTRIBUTIONS (“ELIGIBLE CONTRIBUTIONS”).** Unless designated otherwise under this AA §6B-3, all Salary Deferrals, including any Roth Deferrals and Catch-Up Contributions, are eligible for the Matching Contributions designated under AA §6B-2.

- (a) **Matching Contributions.** Only the following contribution sources are eligible for a Matching Contribution under AA §6B-2:

- (1) Pre-tax Salary Deferrals  
 (2) Roth Deferrals  
 (3) Catch-Up Contributions

*[Note: Any amounts excluded under this subsection do not apply to Safe Harbor Matching Contributions under AA §6C-2. See AA §6D-2 to determine eligibility of After-Tax Employee Contributions for Matching Contributions.]*

- (b) **Application of Matching Contributions to elective deferrals made under another plan maintained by the Employer.** If this subsection is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.

- (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: \_\_\_\_\_

- (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1): \_\_\_\_\_

*[Note: This subsection (2) may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another qualified plan, Code §403(b) plan or Code §457(b) plan.]*

- (c) **Calculation of Matching Contributions if Plan uses dual eligibility and/or different entry dates.** Unless designated otherwise below, if the Plan has dual eligibility and/or different entry dates (or the Employer chooses to use the Plan’s optional true-up provisions), the Matching Contribution formula(s) will be based on Eligible Contributions and Plan Compensation for the period designated under AA §6B-5.

- The Plan will make Matching Contributions only on Salary Deferrals and After-Tax Employee Contributions (if applicable) made after the Participant becomes eligible for Matching Contributions, regardless of the period designated under AA §6B-5. *[Note: The election of this option may require additional or more complex nondiscrimination testing.]*

- (d) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: \_\_\_\_\_

*[Note: Any special rules must satisfy the nondiscrimination requirements under Code §401(a)(4) and the regulations thereunder. If contribution sources are limited for only certain Matching Contributions, those limitations may be described under this subsection.]*

**6B-4 LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, all Eligible Contributions are eligible for Matching Contributions, unless elected otherwise under this AA §6B-4. (See AA §6D-2 for any limits that apply with respect to After-Tax Employee Contributions.)

- (a) **ACP safe harbor match.** The Matching Contribution formula(s) selected in AA §6B-2 are designed to satisfy the ACP Safe Harbor as described in Section 6.04(i) of the Plan. Therefore, any fixed Matching Contribution selected in AA §6B-2 will only apply with respect to Eligible Contributions that do not exceed 6% of Plan Compensation. To the extent any Matching Contribution formula is discretionary under AA §6B-2, the discretionary Matching Contributions will not exceed 4% of Plan Compensation for the Plan Year.

*[Note: If this subsection is checked, no allocation conditions should be selected under AA §6B-7. If allocation conditions are selected under AA §6B-7, the Matching Contributions under AA §6B-2 may not qualify for the ACP safe harbor. See Section 6.04(i) of the Plan.]*



- (b) **Limit on the amount of Eligible Contributions.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Eligible Contributions that do not exceed:
- (1) \_\_\_\_\_% of Plan Compensation.
  - (2) \$\_\_\_\_\_.
  - (3) A discretionary amount determined by the Employer that will be applied in a uniform manner for all eligible Participants for the Plan Year.

*[Note: If both subsection (1) and subsection (2) are selected, the limit under this subsection is the lesser of the percentage selected in subsection (1) or the dollar amount selected in subsection (2).]*

- (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:
- (1) \_\_\_\_\_% of Plan Compensation.
  - (2) \$\_\_\_\_\_.
- (d) **Application of limits.** The limits identified under this AA §6B-4 do not apply to the following Matching Contribution formula(s):

- |  |  |
|--|--|
| <input type="checkbox"/> (1) Any limit on the amount of Eligible Contributions does not apply to: <ul style="list-style-type: none"><li><input type="checkbox"/> (i) Discretionary match</li><li><input type="checkbox"/> (ii) Fixed match</li><li><input type="checkbox"/> (iii) Tiered match</li><li><input type="checkbox"/> (iv) Year of Service match</li><li><input type="checkbox"/> (v) Employee group match</li></ul> | <input type="checkbox"/> (2) Any limit on Matching Contributions does not apply to: <ul style="list-style-type: none"><li><input type="checkbox"/> (i) Discretionary match</li><li><input type="checkbox"/> (ii) Fixed match</li><li><input type="checkbox"/> (iii) Tiered match</li><li><input type="checkbox"/> (iv) Year of Service match</li><li><input type="checkbox"/> (v) Employee group match</li></ul> |
|--|--|

- (e) **Special limits applicable to Matching Contributions:** \_\_\_\_\_

*[Note: Any special provisions under this subsection must comply with the nondiscrimination requirements under Code §401(a)(4).]*

**6B-5 PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Eligible Contributions and Plan Compensation for the Plan Year. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 through AA §6B-4, complete this AA §6B-5.

- (a) payroll period
- (b) Plan Year quarter
- (c) calendar month
- (d) Other: \_\_\_\_\_

*[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. Any alternative period designated under this AA §6B-5 may not exceed a 12-month period and will apply uniformly to all Participants.]*

*[Note: In determining the amount of Matching Contributions for a particular period, if the Employer actually makes Matching Contributions to the Plan on a more frequent basis than the period selected in this AA §6B-5, a Participant will be entitled to a true-up contribution to the extent he/she does not receive a Matching Contribution based on the Eligible Contributions and/or Plan Compensation for the entire period selected in this AA §6B-5. If a period other than the Plan Year is selected under this AA §6B-5, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Plan Year was selected under this AA §6B-5. See Section 3.04(c) of the Plan. Discretionary “true-up” contributions are not available for Safe Harbor Plans.]*

**6B-6 ACP TESTING.** The ACP Test will be performed using the testing method designated below: (See Section 6.02(a) of the Plan.)

*[Note: If the Plan is a Safe Harbor 401(k) Plan (as designated in AA §6C below), the Plan must use the Current Year Testing Method. Thus, for any year the Plan is a Safe Harbor 401(k) Plan, the Current Year Testing Method applies, regardless of any selection under this §6B-6.]*

- (a) **Current Year Testing Method.** The Plan will use the Current Year Testing Method in running the ACP test. If the Current Year Testing Method is elected, the ACP of the Nonhighly Compensated Group for the first Plan Year is calculated using current year data, unless otherwise designated below.
  - Deemed 3% used for first Plan Year.** Instead of using actual current year data for the first Plan Year, the ACP of the Nonhighly Compensated Group for the first Plan Year the 401(k) Plan is effective is deemed to be 3%.
- (b) **Prior Year Testing Method.** The Plan will use the Prior Year Testing Method in running the ACP Test. If the Prior Year Testing Method is elected, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%, unless otherwise designated below.
  - Current year data used for first Plan Year.** Instead of deeming the ACP of the Nonhighly Compensated Group to be 3% for the first Plan Year for which the 401(k) Plan is effective, the Plan will use the actual current year data for the first Plan Year.
- (c) **Application of Current Year Testing Method.** The Current Year Testing Method has applied since the \_\_\_\_ Plan Year. *[Note: If the Plan has switched from the Prior Year Testing Method to the Current Year Testing Method, this subsection may be checked to designate the first Plan Year for which the Current Year Testing Method applies.]*

6B-7 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan.

*[Note: Any allocation conditions set forth under this AA §6B-7 do not apply to Safe Harbor Matching Contributions under AA §6C or QMACs under AA §6D, unless provided otherwise under those specific sections. See AA §4-5 for treatment of service with Predecessor Employers for purposes of applying the allocation conditions under this AA §6B-7.]*

- (a) **Application of allocation conditions**
  - (1) **No allocation conditions** apply with respect to Matching Contributions under the Plan.
  - (2) Allocation conditions only apply to discretionary Matching Contributions under the Plan.
  - (3) Allocation conditions only apply to fixed Matching Contributions under the Plan.

*[Note: (2) or (3) above should be selected only if the Plan provides for both Fixed and Discretionary Matching Contributions.]*
- (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
  - (1) \_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
    - (i) Hours of Service are determined using actual Hours of Service.
    - (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):
      - (A) Monthly  (B) Weekly
      - (C) Daily  (D) Semi-monthly
  - (2) \_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

*[Note: Under this safe harbor allocation condition, an Employee will satisfy the allocation conditions if the Employee completes the designated Hours of Service or period of employment, even if the Employee is not employed on the last day of the Plan Year. See Section 3.09 of the Plan for rules regarding the application of this allocation condition to the minimum coverage test.]*
- (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- (d) **Minimum service condition.** An Employee must be credited with at least:
  - (1) \_\_\_\_ Hours of Service (not to exceed 1,000) during the Plan Year.
    - (i) Hours of Service are determined using actual Hours of Service.
    - (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3):
      - (A) Monthly  (B) Weekly
      - (C) Daily  (D) Semi-monthly
  - (2) \_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

- (e) **Application to a specified period.** The allocation conditions selected under this AA §6B-7 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6B-7, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. (See Section 3.09(a) of the Plan for a description of the rules for applying the allocation conditions on a periodic basis.)
- (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:
- (i) Plan Year quarter
  - (ii) calendar month
  - (iii) payroll period
  - (iv) Other: \_\_\_\_\_
- (2) **Application to allocation conditions.** To the extent an employment or minimum service allocation condition applies under this AA §6B-7, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:
- (i) Only the employment condition will be based on the period selected in subsection (1) above.
  - (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.
  - (iii) Describe any special rules: \_\_\_\_\_  
*[Note: Any special rules under this subsection (iii) must satisfy the nondiscrimination requirements of Code §401(a)(4).]*
- (f) **Exceptions.**
- (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:
- (i) dies.
  - (ii) terminates employment due to becoming Disabled.
  - (iii) becomes Disabled.
  - (iv) terminates employment after attaining Normal Retirement Age.  
*[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule below.]*
  - (v) terminates employment after attaining Early Retirement Age.  
*[Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent termination of employment. The Employer may modify this rule below.]*
  - (vi) is on an authorized leave of absence from the Employer.
- (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).
- (3) The exceptions selected under subsection (1) above do not apply to:
- (i) an employment condition designated under this AA §6B-7.
  - (ii) a minimum service condition designated under this AA §6B-7.
  - (iii) the following Matching Contributions:
    - (A) Discretionary match
    - (B) Fixed match
    - (C) Tiered match
    - (D) Year of Service match
    - (E) Employee group match
- (g) **Describe any special rules governing the allocation conditions under the Plan:** \_\_\_\_\_  
*[Note: Any special rules must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

**SECTION 6C**  
**SAFE HARBOR 401(k) CONTRIBUTIONS**

**6C-1 SAFE HARBOR 401(k) PLAN.** Is the Plan intended to be a Safe Harbor 401(k) Plan?

- (a) Yes, the Plan is intended to be a Traditional Safe Harbor 401(k) Plan under Code §401(k)(12)  
[Complete AA §6C-2 below.]
- (b) Yes, the Plan is intended to be a QACA Safe Harbor 401(k) Plan under Code §401(k)(13)  
[Complete AA §6C-3 below.]
- (c) No [If “No” is checked, skip to Section 6D.]

**6C-2 TRADITIONAL SAFE HARBOR CONTRIBUTIONS.** To qualify as a Traditional Safe Harbor 401(k) Plan, the Employer must make a traditional Safe Harbor Matching Contribution or Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-2 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above.

(a) **Traditional Safe Harbor Matching Contribution.**

(1) **Safe Harbor Matching Contribution formula.**

- (i) **Basic match:** 100% of Salary Deferrals up to the first 3% of Plan Compensation, plus 50% of Salary Deferrals up to the next 2% of Plan Compensation.
- (ii) **Enhanced match:** \_\_\_% of Salary Deferrals up to \_\_\_% of Plan Compensation.
- (iii) **Tiered match:** \_\_\_% of Salary Deferrals up to the first \_\_\_% of Plan Compensation,
- (A) plus \_\_\_% of Salary Deferrals up to the next \_\_\_% of Plan Compensation,
- (B) plus \_\_\_% of Salary Deferrals up to the next \_\_\_% of Plan Compensation.

*[Note: The enhanced match under subsection (ii) and the tiered match under subsection (iii) must provide a matching contribution that is at least equivalent to the basic match described in subsection (i). If the enhanced match or tiered match applies to Salary Deferrals in excess of 6% of Plan Compensation or if the tiered match provides for a greater level of match at higher levels of Salary Deferrals, the Matching Contribution will be subject to ACP Testing. See Section 6.04(i)(2) of the Plan.]*

(2) **Period for determining Safe Harbor Matching Contributions.** Instead of the Plan Year, the Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:

- (i) payroll period
- (ii) Plan Year quarter
- (iii) calendar month
- (iv) Other: \_\_\_\_\_

*[Note: In determining the amount of Safe Harbor Matching Contributions for a particular period, if the Employer actually makes Safe Harbor Matching Contributions to the Plan on a more frequent basis than the period selected in this subsection (2), a Participant will be entitled to a “true-up” contribution to the extent he/she does not receive a Safe Harbor Matching Contribution based on the Salary Deferrals and/or Plan Compensation for the entire period selected in this subsection (2). Thus, for example, if Plan Year applies under this subsection (2), additional Safe Harbor Matching Contributions may be required if the Safe Harbor Matching Contributions are made on a more frequent basis than annually. If true-up contributions will not be made for any Participant under the Plan, payroll period should be selected under this subsection (2).]*

(b) **Traditional Safe Harbor Employer Contribution:** \_\_\_% (not less than 3%) of Plan Compensation.

(1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.

*[Note: If this subsection (1) is checked, the Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice, but does not provide a supplemental notice, the Employer need not provide the Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor 401(k) Plan for that Plan Year and will be subject to ADP/ACP testing, as applicable. See Section 6.04(a)(4)(iii) of the Plan for rules that apply in subsequent Plan Years.]*

(c) **Other plan:** Check this subsection if the Safe Harbor Employer Contribution or Safe Harbor Matching Contribution will be made under another plan maintained by the Employer and identify the plan: \_\_\_\_\_

6C-3 **QACA SAFE HARBOR CONTRIBUTIONS.** To qualify as a QACA Safe Harbor 401(k) Plan, the Employer must make a QACA Safe Harbor Matching Contribution or QACA Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-3 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above. As a QACA Safe Harbor 401(k) Plan, the Employer also must complete the **QACA automatic deferral percentage and automatic increase** subsection below.

(a) **QACA Safe Harbor Matching Contribution.**

(1) **QACA Safe Harbor Matching Contribution formula.**

- (i) **Basic match:** 100% of Salary Deferrals up to the first 1% of Plan Compensation, plus 50% of Salary Deferrals up to the next 5% of Plan Compensation.
- (ii) **Enhanced match:** \_\_\_% of Salary Deferrals up to \_\_\_% of Plan Compensation.
- (iii) **Tiered match:** \_\_\_% of Salary Deferrals up to the first \_\_\_% of Plan Compensation,
- (A) plus \_\_\_% of Salary Deferrals up to the next \_\_\_% of Plan Compensation,
- (B) plus \_\_\_% of Salary Deferrals up to the next \_\_\_% of Plan Compensation.

*[Note: The enhanced match under subsection (ii) and the tiered match under subsection (iii) must provide a matching contribution that is at least equivalent at all deferral levels to the basic match described in subsection (i). If the enhanced match or tiered match applies to Salary Deferrals in excess of 6% of Plan Compensation, or if the tiered match provides for a greater level of match at higher levels of Salary Deferrals, the Matching Contribution will be subject to ACP Testing. See Section 6.04(i)(2) of the Plan.]*

(2) **Period for determining Safe Harbor Matching Contributions.** Instead of the Plan Year, the Safe Harbor/QACA Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:

- (i) payroll period
- (ii) Plan Year quarter
- (iii) calendar month
- (iv) Other: \_\_\_\_\_

*[Note: In determining the amount of QACA Safe Harbor Matching Contributions for a particular period, if the Employer actually makes QACA Safe Harbor Matching Contributions to the Plan on a more frequent basis than the period selected in this subsection (2), a Participant will be entitled to a "true-up" contribution to the extent he/she does not receive a QACA Safe Harbor Matching Contribution based on the Salary Deferrals and/or Plan Compensation for the entire period selected in this subsection (2). Thus, for example, if Plan Year applies under this subsection (2), additional QACA Safe Harbor Matching Contributions may be required if the QACA Safe Harbor Matching Contributions are made on a more frequent basis than annually. If true-up contributions will not be made for any Participant under the Plan, payroll period should be selected under this subsection (2).]*

(3) **Other plan.** Check this subsection (3) if the QACA Safe Harbor Matching Contribution will be made under another plan maintained by the Employer and identify the plan: \_\_\_\_\_

(b) **QACA Safe Harbor Employer Contribution:** \_\_\_% (not less than 3%) of Plan Compensation.

(1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the QACA Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.

*[Note: If this subsection (1) is checked, the QACA Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice, but does not provide a supplemental notice, the Employer need not provide the QACA Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor 401(k) Plan for that Plan Year and will be subject to ADP/ACP testing, as applicable. See Section 6.04(a)(4)(iii) of the Plan for rules that apply in subsequent Plan Years.]*

(2) **Other plan.** Check this subsection (2) if the QACA Safe Harbor Employer Contribution will be made under another plan maintained by the Employer and identify the plan: \_\_\_\_\_

(c) **QACA automatic deferral percentage and automatic increase.**

- (1) **Automatic deferral percentage.** \_\_\_% [must be at least 3% and no more than 10%] of Plan Compensation.



- (2) **Automatic increase.** If elected under this subsection (2), the automatic deferral amount will increase each Plan Year by the following amount:

(i) \_\_\_\_\_% of Plan Compensation

but not in excess of

(ii) \_\_\_\_\_% [not less than 6% nor more than 10%] of Plan Compensation

*[Note: If the percentage under subsection (1) is less than 6% of Plan Compensation, an automatic deferral of at least 1% must apply under subsection (2)(i). If no percentage is entered under subsection (2)(ii), any automatic increase selected under subsection (2)(i) will not exceed 10% of Plan Compensation.]*

- (3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (1) will apply to new Participants and existing Participants as set forth under this subsection (3).

(i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date.

(ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:

(A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).

(B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(i). Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount or who have not made a Salary Deferral Election will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.

(C) Describe: \_\_\_\_\_

*[Note: Any special provisions under subsection (C) must comply with the nondiscrimination requirements under Code §401(a)(4).]*

(iii) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iii).

Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. *[This subsection (iii) may only be checked if Roth Deferrals are permitted under AA §6A-5.]*

*[Note: Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions. See Section 6.04(b)(1)(iii) of the Plan for the application of this provision to rehired Employees.]*

- (4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (c)(2) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant. (See Section 6.04(b)(1)(i) of the Plan.)

(i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2) above takes effect as of the appropriate date (as designated under subsection (iii) below) within the first Plan Year following the date automatic contributions begin.

(ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2) above takes effect as of the appropriate date (as designated under subsection (iii) below) within the \_\_\_\_\_ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

*[Note: The Plan must satisfy the minimum deferral requirements applicable to a QACA Safe Harbor 401(k) Plan. See Section 6.04(b)(1)(i) of the Plan for special rules that apply if this subsection (ii) is checked. Also see Rev. Rul. 2009-30.]*

(iii) **Effective date.** The automatic increase described under subsection (2) above is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:

- (A) The anniversary of the Participant's date of hire.
- (B) The anniversary of the Participant's first automatic deferral contribution.
- (C) The first day of each calendar year.
- (D) Other date: \_\_\_\_\_

*[Note: The Plan must satisfy the minimum deferral requirements applicable to a QACA Safe Harbor 401(k) Plan. See Section 6.04(b)(1)(i) of the Plan for special rules that apply if this subsection (iii) is checked for a QACA plan. Also see Rev. Rul. 2009-30.]*

- (iv) **Special rules:** \_\_\_\_\_

*[Note: Any special rules under this subsection (iv) must satisfy the rules applicable to automatic increases under Treas. Reg. §1.401(k)-3, if applicable, and must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

- (5) **Treatment of terminated Employees who are rehired.** Unless designated otherwise under subsection (i) below, a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment. In addition, unless designated otherwise under subsection (ii) below, in applying the automatic deferral provisions under the Plan, a rehired Participant is treated as a new Employee if the Participant is precluded from making automatic deferrals to the Plan for an entire Plan Year.

- (i) **Participant's affirmative election does not cease upon termination of employment.** If this subsection (i) is selected, a terminated Participant's affirmative election to defer (or to not defer) will not cease upon termination of employment. Thus, a Participant who entered into an election to defer (or not to defer) prior to termination of employment will not be subject to the automatic deferral provisions upon rehire. (See Section 6.04(b)(1)(iii) of the Plan.)

- (ii) **Rehired Employees not treated as new Employee.** If this provision applies, a Participant who is precluded from making automatic deferrals to the Plan for an entire Plan Year will not be treated as a new Employee for purposes of applying the automatic deferral provisions under the Plan. Thus, a rehired Participant's minimum deferral percentage will continue to be calculated based on the date the individual first began making automatic deferrals under the Plan. (See Section 6.04(b)(1)(iii) of the Plan.)

- (d) **Permissible Withdrawals under a Qualified Automatic Contribution Arrangement.**

- (1) **Permissible withdrawals allowed.** If the QACA Safe Harbor 401(k) Plan satisfies the requirements for an EACA, the permissible withdrawal provisions under Section 3.03(c)(2)(ii) of the Plan apply. Thus, a Participant who receives an automatic deferral may withdraw such contributions (and earnings attributable thereto) within the time period set forth under Section 3.03(c)(2)(ii) of the Plan, without regard to the in-service distribution provisions selected under AA §10-1. Unless elected otherwise below, if an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Employee to take a permissive withdrawal, but only with respect to default contributions made after the Employee's return to employment.

- The ability to take permissible withdrawals does not apply to rehired Employees, even if such Employees have not made automatic deferrals to the Plan for an entire Plan Year due to termination of employment.

- (2) **No permissible withdrawals.** Although the QACA Safe Harbor 401(k) Plan contains an automatic deferral election that is designed to satisfy the requirements of an EACA, the permissible withdrawal provisions under this subsection are not available.

- (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than \_\_\_\_\_ *[may not be less than 30 nor more than 90]* days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

- (e) **Other automatic deferral provisions:** \_\_\_\_\_

*[Note: Any language added under this subsection must comply with the nondiscrimination requirements under Code §401(a)(4) and the regulations thereunder.]*



6C-4 **ELIGIBILITY FOR SAFE HARBOR CONTRIBUTION.** (Complete this 6C-4 only if eligibility rules for Traditional Safe Harbor 401(k) Plans or QACA Safe Harbor 401(k) Plans are different than for Salary Deferrals.) The Safe Harbor Contribution selected in AA §6C-2 or §6C-3 above will be allocated to all Participants who are eligible to make Salary Deferrals under the Plan, unless designated otherwise under this AA §6C-4.

- (a) **Availability of Safe Harbor Contributions.** Instead of being allocated to all eligible Participants, the Safe Harbor Contribution selected in AA §6C-2 or §6C-3 will be allocated only to:
- (1) Nonhighly Compensated Participants
  - (2) Nonhighly Compensated Participants and any Highly Compensated Non-Key Employees
- (b) **Eligible Employees.** Unless designated otherwise under this subsection, any Excluded Employees will be determined under the Deferral column under AA §3-1. If this subsection is checked, the following Employees will be excluded for purposes of receiving the Safe Harbor Contribution. [Note: The exclusion of Employees under this subsection may require additional nondiscrimination testing. See Section 6.04(c) of Plan.]
- (1) Same exclusions as designated for Matching Contributions under AA §3-1.
  - (2) Same exclusions as designated for Employer Contributions under AA §3-1.
  - (3) The following Employees are Excluded Employees for purposes of receiving the Safe Harbor Contribution:
    - (i) Collectively Bargained Employees
    - (ii) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income
    - (iii) Leased Employees
    - (iv) Describe: \_\_\_\_\_

*[Note: If this subsection (iv) is completed to designate a class of Excluded Employees, such Employee class must be defined in such a way that it precludes Employer discretion and may not be based on time or service (e.g., part-time Employees) and may not provide for an exclusion designed to cover only Nonhighly Compensated Employees with the lowest amount of compensation and/or the shortest periods of service which may represent the minimum number of Nonhighly Compensated Employees necessary to satisfy the coverage requirements under Code §410(b).]*

(c) **Minimum age and service conditions.** Unless designated otherwise under this subsection, the minimum age and service conditions applicable to Salary Deferrals under AA §4 will apply for purposes of any Safe Harbor Contributions selected under AA §6C-2 or §6C-3. If this subsection is checked, the following minimum age and service conditions apply for Safe Harbor Contributions. [Note: The addition of minimum age or service conditions under this subsection may require additional nondiscrimination testing. See Section 6.04(d) of the Plan.]

- (1) **Minimum service requirement.**
- (i) No minimum service conditions apply.
  - (ii) The minimum service conditions applicable to Matching Contributions (as selected in AA §4).
  - (iii) The minimum service conditions applicable to Employer Contributions (as selected in AA §4).
  - (iv) One Year of Service using shifting Eligibility Computation Period. (See Section 6.04(d) of the Plan.)
  - (v) The completion of at least \_\_\_\_ [cannot exceed 1,000] Hours of Service during the first \_\_\_\_ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.
  - (vi) Describe: \_\_\_\_\_

*[Note: For purposes of determining eligibility for Safe Harbor Contributions, an Employee may not be required to complete more than one Year of Service.]*

- (2) **Minimum age requirement.**
- (i) No minimum age requirement
  - (ii) Age 21
  - (iii) Age \_\_\_\_ (not later than age 21)

- (3) **Entry Date.**
- |   |   |
|---|---|
| <input type="checkbox"/> (i) Immediate                  | <input type="checkbox"/> (ii) Semi-annual |
| <input type="checkbox"/> (iii) Quarterly                | <input type="checkbox"/> (iv) Monthly     |
| <input type="checkbox"/> (v) Describe Entry Date: _____ |   |

*[Note: Entry Date under subsection (v) must be within the dates described under subsections (i) – (iv).]*

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1 or subsections (1) and (2) above. For this purpose, an Employee's Entry Date is the Entry Date:

- (vi) next following satisfaction of the minimum age and service requirements.
  - (vii) coinciding with or next following satisfaction of the minimum age and service requirements.
  - (viii) nearest the satisfaction of the minimum age and service requirements.
  - (ix) preceding the satisfaction of the minimum age and service requirements.
- (d) Describe eligibility conditions: \_\_\_\_\_  
*[Note: Any additional eligibility conditions under this subsection must satisfy the requirements of Code §410(a) and may not violate the nondiscrimination requirements of Code §401(a)(4).]*

**6C-5 DEFINITION OF PLAN COMPENSATION.** Unless designated otherwise under this AA §6C-5, Plan Compensation is the same definition as selected under the Deferral column of AA §5-3 and AA §5-4. (See *Note* below for special rules applicable to definition of Plan Compensation.)

- (a) **Modification of Plan Compensation.** Instead of using the definition of Plan Compensation used for Salary Deferrals under AA §5-3, the following exclusions apply for Safe Harbor Contributions:
- (1) No exclusions.
  - (2) All fringe benefits, expense reimbursements, deferred compensation, moving expenses, and welfare benefits are excluded.
  - (3) Amounts received as a bonus are excluded.
  - (4) Amounts received as commissions are excluded.
  - (5) Overtime payments are excluded.
  - (6) Describe adjustments to Plan Compensation: \_\_\_\_\_  
*[Note: Any exclusions selected under subsections (3) – (6) may cause the definition of Plan Compensation to fail to satisfy a safe harbor definition of compensation under Code §414(s). Any modification under this subsection (6) must be definitely determinable and preclude Employer discretion.]*
- (b) **Exclusions applicable only to Highly Compensated Employees.** If this subsection is checked, any non-safe harbor adjustments selected under AA §5-3 or under this AA §6C-5, to the extent the adjustments apply to Safe Harbor 401(k) Plan Contributions, will apply only to Highly Compensated Employees. *[Note: If this subsection is checked, the definition of Plan Compensation that applies for purposes of determining the amount of Safe Harbor Contributions under the Plan will be deemed to satisfy a safe harbor definition of compensation under Code §414(s). See Section 1.138 of the Plan for a description of non-safe harbor compensation adjustments.]*
- (c) **Compensation while a Participant.** Instead of using the period of compensation designated under AA §5-4 for Salary Deferrals, the following Plan Compensation will be taken into account for Safe Harbor Contributions:
- (1) Only Plan Compensation earned while the Employee is eligible to receive a Safe Harbor Contribution.
  - (2) Plan Compensation for the entire Plan Year, including compensation earned while an individual is not eligible to receive the Safe Harbor Contribution.

*[Note: In order to qualify as a Safe Harbor 401(k) Plan, the Plan must use a definition of Plan Compensation that satisfies a nondiscriminatory definition under Code §414(s). If the definition of Plan Compensation used for determining Safe Harbor Contributions or QACA Safe Harbor Contributions under the Plan does not satisfy a nondiscriminatory definition under Code §414(s) for a given Plan Year, the Employer will be deemed to have elected to use Total Compensation for purposes of determining the Traditional Safe Harbor or QACA Safe Harbor Contribution for such Plan Year. See Section 1.99(a) of the Plan.]*

**6C-6 OFFSET OF ADDITIONAL EMPLOYER CONTRIBUTIONS.** Any additional Employer Contributions under AA §6 will be allocated to all eligible Participants in addition to the Safe Harbor Employer Contribution, unless selected otherwise under this AA §6C-6.

- Check this AA §6C-6 to provide that the Safe Harbor Employer Contribution offsets any additional Employer Contributions designated under AA §6. For this purpose, if the permitted disparity allocation method is selected under AA §6-3, this offset applies only to the second step of the two-step permitted disparity formula or the fourth step of the four-step permitted disparity formula. (See Section 3.02(d)(1) of the Plan.)

6C-7 **DELAYED EFFECTIVE DATE.** The Safe Harbor provisions under this AA §6C are effective as of the Effective Date of the Plan (or the Effective Date of any Plan amendment or restatement, if applicable), as designated on the Employer Signature Page. To provide for a delayed effective date for the Safe Harbor provisions, check this AA §6C-7.

- The Safe Harbor provisions under this AA §6C are effective beginning \_\_\_\_\_. Prior to this delayed effective date, the provisions of this AA §6C do not apply. Thus, prior to the delayed effective date, the Employer is not obligated to make a Safe Harbor Contribution and the Plan is subject to ADP and ACP Testing, to the extent applicable.

**SECTION 6D**  
**SPECIAL CONTRIBUTIONS**

6D-1 **SPECIAL CONTRIBUTIONS.** The following Special Contributions may be made under the Plan:

- (a) No Special Contributions are permitted. [Skip to Section 7.]
- (b) After-Tax Employee Contributions  
*[Note: After-Tax Employee Contributions are not considered Roth Deferrals. The Employer may elect Roth Deferrals under AA §6A-5.]*
- (c) Fixed Qualified Nonelective Contributions (QNECs), as elected under AA §6D-3.  
*[Note: Under the Plan, the Employer may always make a discretionary QNEC to the Plan as a uniform percentage of Plan Compensation, a uniform dollar amount, or as a Targeted QNEC. See Section 3.02(a)(6) of the Plan.]*
- (d) Qualified Matching Contributions (QMACs)

*[Note: Regardless of any elections under this AA §6D-1, the Employer may make additional QNECs or QMACs to the Plan on behalf of the Nonhighly Compensated Employees and use such amounts to correct an ADP or ACP Test violation. See Sections 6.01(b)(3) and 6.02(b)(3) of the Plan for special rules regarding the allocation of QNECs/QMACs under the Plan.]*

6D-2 **AFTER-TAX EMPLOYEE CONTRIBUTIONS.** If After-Tax Employee Contributions are authorized under AA §6D-1, a Participant may contribute any amount as After-Tax Employee Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the Plan), except as limited under this AA §6D-2.

- (a) **Limits on After-Tax Employee Contributions.** If this subsection is checked, the following limits apply to After-Tax Employee Contributions:
- (1) **Maximum limit.** A Participant may make After-Tax Employee Contributions up to
- (i) \_\_\_\_% of Plan Compensation
- (ii) \$\_\_\_\_\_
- for the following period:
- (iii) the entire Plan Year.
- (iv) the portion of the Plan Year during which the Employee is eligible to participate.
- (v) each separate payroll period during which the Employee is eligible to participate.
- (2) **Minimum limit.** The amount of After-Tax Employee Contributions a Participant may make for any payroll period may not be less than:
- (i) \_\_\_\_% of Plan Compensation.
- (ii) \$\_\_\_\_\_.
- (b) **Eligibility for Matching Contributions.** Unless designated otherwise under this subsection, After-Tax Employee Contributions will not be eligible for Matching Contributions under the Plan.
- (1) After-Tax Employee Contributions are eligible for the following Matching Contributions under the Plan:
- (i) All Matching Contributions elected under AA §6B and AA §6C.
- (ii) All Matching Contributions elected under AA §6B (other than Safe Harbor/QACA Safe Harbor Matching Contributions elected under AA §6C).
- (iii) Only Safe Harbor/QACA Safe Harbor Matching Contributions under AA §6C.
- (iv) All Matching Contributions designated under AA §6B-2 and/or AA §6C, except for the following Matching Contributions: \_\_\_\_\_

- (2) The Matching Contribution formula only applies to After-Tax Employee Contributions that do not exceed:
- (i) \_\_\_\_\_% of Plan Compensation.
  - (ii) \$\_\_\_\_\_.
  - (iii) A discretionary amount determined by the Employer.
- (c) **Change or revocation of After-Tax Employee Contributions.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume an after-tax election will be effective as set forth under the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke an after-tax election at least once per year. Unless the After-Tax Contributions election form or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke an after-tax election (on a prospective basis) at any time. Unless designated otherwise in a Participant's after-tax election form, a Participant's affirmative election to make an After-Tax Employee Contribution will cease upon termination of employment and the Participant will need to make a new election upon rehire.
- (d) **ACP Testing Method.** The same ACP Testing Method will apply to After-Tax Employee Contributions as applies to Matching Contributions, as designated under AA §6B-6. If no method is selected under AA §6B-6, designate the testing method below.

*[Note: If the Plan is a Safe Harbor 401(k) Plan (as designated in AA §6C), the Plan must use the Current Year Testing Method.]*

- (1) **Current Year Testing Method.** The Plan will use the Current Year Testing Method in running the ACP test. If the Current Year Testing Method is elected, the ACP of the Nonhighly Compensated Group for the first Plan Year is calculated using current year data, unless otherwise designated below.
- Deemed 3% used for first Plan Year.** Instead of using actual current year data for the first Plan Year, the ACP of the Nonhighly Compensated Group for the first Plan Year the 401(k) Plan is effective is deemed to be 3%.
- (2) **Prior Year Testing Method.** The Plan will use the Prior Year Testing Method in running the ACP Test. If the Prior Year Testing Method is elected, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%, unless otherwise designated below.
- Current year data used for first Plan Year.** Instead of deeming the ACP of the Nonhighly Compensated Group to be 3% for the first Plan Year for which the 401(k) Plan is effective, the Plan will use the actual current year data for the first Plan Year.
- (3) **Application of Current Year Testing Method.** The Current Year Testing Method has applied since the \_\_\_\_\_ Plan Year. *[Note: If the Plan has switched from the Prior Year Testing Method to the Current Year Testing Method, this subsection (3) may be checked to designate the first Plan Year for which the Current Year Testing Method applies.]*
- (e) **Other limits:** \_\_\_\_\_

*[Any other limits under this subsection must comply with the nondiscrimination requirements under Code §401(a)(4).]*

**6D-3 QUALIFIED NONELECTIVE CONTRIBUTIONS (QNECs).** Notwithstanding any contrary selections in the Adoption Agreement, for any Plan Year, the Employer may make a discretionary QNEC on behalf of Nonhighly Compensated Participants under the Plan to correct a violation of the ADP and/or ACP tests. (See Sections 6.01(b)(3) and 6.02(b)(3).) Such corrective QNEC may be allocated to all Nonhighly Compensated Participants as a uniform percentage of Plan Compensation or a uniform dollar amount or as a Targeted QNEC, without regard to any allocation conditions selected in AA §6-5. The allocation method chosen by the Employer for a corrective QNEC will be uniformly applied to all Participants receiving the corrective QNEC for the Plan Year. The Employer also may make a discretionary QNEC that is not a corrective QNEC and allocate such discretionary QNEC as a uniform percentage of Plan Compensation to Nonhighly Compensated Employees. If the Employer decides to make a discretionary QNEC, the Employer must designate the contribution as a QNEC prior to making such contribution to the Plan. (See Section 6.01(a)(4) and 6.02(a)(4) of the Plan for a description of the amount of QNEC that may be used in the ADP Test and/or ACP Test.)

The Employer may elect under this AA §6D-3 to make a fixed QNEC to the Plan.

Unless provided otherwise under this AA §6D-3, any QNEC authorized under AA §6D-1 will be allocated to Nonhighly Compensated Employees who are eligible to make Salary Deferrals, without regard to the allocation conditions selected in AA §6-5. Any contribution designated as a QNEC will automatically be subject to the requirements for QNECs (as described in Section 3.02(a)(6) of the Plan). QNECs will be eligible for in-service distribution under the same conditions as elected for Salary Deferrals under AA §10 (other than hardship distributions), unless designated otherwise under AA §10.

To modify these default allocation provisions, complete the applicable provisions under this AA §6D-3.

- (a) **All Participants.** Any QNEC made pursuant to this AA §6D-3 will be allocated to all Participants who are eligible to defer, including Highly Compensated Employees.
- (b) **Fixed QNEC.**
- (1) The Employer will make a QNEC each Plan Year equal to \_\_\_\_% of Plan Compensation.
- (2) The Employer will make a QNEC each Plan Year equal to \$\_\_\_\_.
- [Note: A flat dollar QNEC may only be used in the ADP Test to the extent the QNEC does not violate the Targeted QNEC requirements as set forth in Section 3.02(a)(6)(ii)(B) of the Plan.]*
- (c) **Allocation conditions.** Any QNEC made pursuant to this AA §6D-3 will be allocated only to Participants who have satisfied the following allocation conditions:
- (1) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than 500 Hours of Service. (See Section 3.09 of the Plan.)
- (2) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- (3) **Minimum service condition.** An Employee must be credited with at least 1,000 HOS during the Plan Year.
- (4) **Describe any special rules governing the allocation conditions relating to QNECs:** \_\_\_\_\_
- [Note: Any special rules under this subsection must satisfy the nondiscrimination requirements under Code §401(a)(4).]*
- (d) **Eligibility for QNECs.** In determining eligibility for QNECs, only those Participants who are eligible for the following contributions will share in the allocation of QNECs (subject to the selections in this AA §6D-3):
- (1) **Employer Contributions**
- (2) **Matching Contributions**
- (3) **Describe any special rules governing eligibility relating to QNECs:** \_\_\_\_\_
- [Note: Any special rules under this subsection must satisfy the nondiscrimination requirements under Code §401(a)(4).]*

**6D-4 QUALIFIED MATCHING CONTRIBUTIONS (QMACs).** Notwithstanding any contrary selections in the Adoption Agreement, for any Plan Year, the Employer may make a discretionary QMAC on behalf of Nonhighly Compensated Participants under the Plan to correct a violation of the ADP and/or ACP tests. (See Sections 6.01(b)(3) and 6.02(b)(3).) Such corrective QMAC may be allocated to all Nonhighly Compensated Participants as a uniform percentage of Eligible Contributions or a uniform dollar amount or as a Targeted QMAC, without regard to any allocation conditions selected in AA §6-5. The allocation method chosen by the Employer for a corrective QMAC will be applied uniformly to all Participants receiving the corrective QMAC for the Plan Year.

If QMACs are authorized under AA §6D-1, the Employer may make a non-corrective discretionary QMAC as a uniform percentage of Eligible Contributions. If the Employer decides to make a discretionary QMAC, the Employer must designate the contribution as a QMAC prior to making such contribution to the Plan. Unless provided otherwise under this AA §6D-4, any discretionary QMAC authorized under AA §6D-1 will be allocated only to Nonhighly Compensated Employees, without regard to the allocation conditions selected in AA §6B-7. Any discretionary Matching Contribution designated as a QMAC will automatically be subject to the requirements for QMACs (as described in Section 3.04(d) of the Plan). QMACs will be eligible for in-service distribution under the same conditions as elected for Salary Deferrals under AA §10 (other than hardship distributions). (See Section 6.01(a)(4) and 6.02(a)(1) of the Plan for a description of the amount of QMAC that may be used in the ADP Test and/or ACP Test.)

To modify these default allocation provisions, complete the applicable provision under this AA §6D-4.

- (a) **Eligibility for QMAC.** The discretionary QMAC will be allocated to all Participants (instead of only to Nonhighly Compensated Employees).
- (b) **Designated QMACs.** The Employer may designate under this subsection to treat specific Matching Contributions under AA §6B-2 as QMACs. *[Note: Any Matching Contributions designated as QMACs will automatically be subject to the requirements for QMACs (as described in Section 3.04(d) of the Plan), notwithstanding any contrary selections in this Adoption Agreement.]*
- (1) All Matching Contributions are designated as QMACs.
- (2) The following Matching Contributions described in AA §6B-2 are designated as QMACs: \_\_\_\_\_
- (3) Any discretionary QMAC made pursuant to this AA §6D-4 will be allocated as a Targeted QMAC, as described in Section 3.04(d)(2) of the Plan.



- (c) **Allocation conditions.** Any QMAC made pursuant to this AA §6D-4 will be allocated only to Participants who have satisfied the following allocation conditions:
- (1) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than 500 Hours of Service. (See Section 3.09 of the Plan.)
  - (2) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
  - (3) **Minimum service condition.** An Employee must be credited with at least 1,000 HOS during the Plan Year.
  - (4) **Describe:** \_\_\_\_\_
- (d) **Special rules:** \_\_\_\_\_
- [Note: Any special provisions under this AA §6D-4 must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]

**SECTION 7  
RETIREMENT AGES**

- 7-1 **NORMAL RETIREMENT AGE.** Normal Retirement Age under the Plan is:
- (a) Age 65 (not to exceed 65).
  - (b) The later of age \_\_\_\_ (not to exceed 65) or the \_\_\_\_ (not to exceed 5<sup>th</sup>) anniversary of the Employee's:
    - (1) Participation commencement date (as defined in Section 1.91 of the Plan).
    - (2) Employment date.
  - (c) Describe: \_\_\_\_\_
- [Note: If this subsection is completed, the Normal Retirement Age may not be later than the later of age 65 or the 5<sup>th</sup> anniversary of the Employee's participation commencement date.]
- [Note: Effective May 22, 2007 (for Plans initially adopted on or after May 22, 2007), and effective for the first Plan Year beginning on or after July 1, 2008 (for Plans initially adopted prior to May 22, 2007), if the Plan contains any assets transferred from a Money Purchase Plan (or any other pension plan described in Treas. Reg. §1.401-1(a)(2)(i)), the Normal Retirement Age selected in this AA §7-1 must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. An NRA under age 55 is presumed not to satisfy this requirement while a Normal Retirement Age of at least age 62 is deemed to be reasonable. See Section 1.91 of the Plan.]
- 7-2 **EARLY RETIREMENT AGE.** Unless designated otherwise under this AA §7-2, there is no Early Retirement Age under the Plan.
- (a) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
    - (1) Attainment of age \_\_\_\_
    - (2) The \_\_\_\_ anniversary of the date the Employee commenced participation in the Plan, and/or
    - (3) The completion of \_\_\_\_ Years of Service, determined as follows:
      - (i) Same as for eligibility.
      - (ii) Same as for vesting
  - (b) Describe: \_\_\_\_\_
- [Note: Any special rules under this subsection must preclude Employer discretion and must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]

**SECTION 8  
VESTING AND FORFEITURES**

- 8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6, Matching Contributions under AA §6B, or QACA Safe Harbor Contributions under AA §6C that are subject to vesting?
- Yes
  - No [If "No" is checked, skip to Section 9.]
- [Note: "Yes" should be checked under this AA §8-1 if the Plan provides for Employer Contributions and/or Matching Contributions that are subject to a vesting schedule, even if such contributions are always 100% vested under AA §8-2. "No" should be checked if the only contributions under the Plan are Salary Deferrals, Safe Harbor Contributions (other than QACA Safe Harbor Contributions), QNECs, QMACs and/or After-Tax Employee Contributions. If the Plan holds Employer



*Contributions and/or Matching Contributions that are subject to vesting, but the Plan no longer provides for such contributions, see Sections 7.04(e) and 7.13(e) of the Plan for default rules for applying the vesting and forfeiture rules to such contributions.]*

**8-2 VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02 of the Plan for a description of the various vesting schedules under this AA §8-2. *[Note: Any Prevailing Wage Contributions under AA §6-2, any Safe Harbor Contributions under AA §6C and any QNECs or QMACs under AA §6D are always 100% vested, regardless of any contrary selections in this AA §8-2 (unless provided otherwise under AA §6-2 for Prevailing Wage Contributions or under this AA §8-2 for any QACA Safe Harbor Contributions).]*

(a) **Vesting schedule for Employer Contributions and Matching Contributions:**

- | ER                                  | Match                               |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | (1) Full and immediate vesting.        |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | (2) 3-year cliff vesting schedule      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | (3) 6-year graded vesting schedule     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | (4) 5-year graded vesting schedule     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | (5) Modified vesting schedule          |
|                                     |                                     | ___% immediately on Plan participation |
|                                     |                                     | ___% after 1 Year of Service           |
|                                     |                                     | ___% after 2 Years of Service          |
|                                     |                                     | ___% after 3 Years of Service          |
|                                     |                                     | ___% after 4 Years of Service          |
|                                     |                                     | ___% after 5 Years of Service          |
|                                     |                                     | 100% after 6 Years of Service          |

*[Note: If a modified vesting schedule is selected, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service.]*

(b) **Special vesting schedule for QACA Safe Harbor Contributions.** Unless designated otherwise under this subsection, any QACA Safe Harbor Contributions will be 100% vested. However, if this subsection is checked, the following vesting schedule applies for QACA Safe Harbor Contributions. *[Note: This subsection may be checked only if a QACA Safe Harbor Contribution is selected under AA §6C-3.]*

- Instead of being 100% vested, QACA Safe Harbor Contributions are subject to the following vesting schedule:
- (1) 2-year cliff vesting
  - (2) 1-year cliff vesting
  - (3) Graduated vesting
  - \_\_\_% after 1 Year of Service
  - 100% after 2 Years of Service

(c) **Special provisions applicable to vesting schedule:** \_\_\_\_\_

*[Note: Any special provisions must satisfy the nondiscrimination requirements under Code §401(a)(4) and must satisfy the vesting requirements under Code §411.]*

**8-3 VESTING SERVICE.** In applying the vesting schedules under this AA §8, all service with the Employer counts for vesting purposes, unless designated otherwise under this AA §8-3.

- (a) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.
- (b) Service completed before the Employee's \_\_\_ (not to exceed 18th) birthday is excluded.

*[Note: See Section 7.08 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]*

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee:

- (a) dies
- (b) terminates employment due to becoming Disabled
- (c) becomes Disabled
- (d) reaches Early Retirement Age
- (e) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. [*Note: No election should be made under this AA §8-5 if all contributions are 100% vested. ER and Match columns also apply to any Safe Harbor QACA Contributions to the extent a vesting schedule applies under AA §8-2 above.*]

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.72 of the Plan for the definition of Hours of Service.)
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.09 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

**ER            Match**

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) <b>Year of Service.</b> Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ Hours of Service during a Vesting Computation Period.   |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) <b>Vesting Computation Period.</b> Instead of the Plan Year, the Vesting Computation Period is: <ul style="list-style-type: none"> <li><input type="checkbox"/> (1) The 12-month period beginning with the Employee's Employment Commencement Date and, for subsequent Vesting Computation Periods, the 12-month period beginning with the anniversary of the Employee's Employment Commencement Date.</li> <li><input type="checkbox"/> (2) Describe: _____</li> </ul> <p><i>[Note: Any Vesting Computation Period described in this subsection (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]</i></p>   |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) <b>Elapsed Time Method.</b> Instead of determining vesting service based on actual Hours of Service, vesting service will be determined under the Elapsed Time method. If this subsection is checked, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Vesting Computation Period designated in Section 7.06 of the Plan. (See Section 7.05(b) of the Plan.)  |
| <input type="checkbox"/> | <input type="checkbox"/> | (d) <b>Equivalency Method.</b> For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.05(a)(2) of the Plan). The Equivalency Method will apply to: <ul style="list-style-type: none"> <li><input type="checkbox"/> (1) All Employees.</li> <li><input type="checkbox"/> (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked.</li> </ul> <p>Hours of Service for vesting will be determined under the following Equivalency Method.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> (3) <b>Monthly.</b> 190 Hours of Service for each month worked.</li> <li><input type="checkbox"/> (4) <b>Weekly.</b> 45 Hours of Service for each week worked.</li> <li><input type="checkbox"/> (5) <b>Daily.</b> 10 Hours of Service for each day worked.</li> <li><input type="checkbox"/> (6) <b>Semi-monthly.</b> 95 Hours of Service for each semi-monthly period.</li> </ul> |

- (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.09(c) of the Plan.)
  - The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.09(b) of the Plan) applies to temporarily disregard an Employee’s service earned prior to a one-year Break in Service.
  - The One-Year Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- (g) **Special rules:** \_\_\_\_\_  
 [Note: Any special rules under this subsection must satisfy the nondiscrimination requirements of Code §401(a)(4) and the regulations thereunder.]

**8-6 ALLOCATION OF FORFEITURES.**

The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-6 how forfeitures occurring during a Plan Year will be treated. (See Section 7.13 of the Plan.) [Note: ER and Match columns also apply to any Safe Harbor QACA Contributions to the extent a vesting schedule applies under AA §8-2 above.]

- | ER                       | Match                    |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) N/A. All contributions are 100% vested. [Do not complete the rest of this AA §8-6.]       |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) Reallocated as additional Employer Contributions or as additional Matching Contributions. |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) Used to reduce Employer and/or Matching Contributions.                                    |

**For purposes of subsection (b) or (c), forfeitures will be applied:**

- (d) for the Plan Year in which the forfeiture occurs.
- (e) for the Plan Year **following** the Plan Year in which the forfeitures occur.  
 [Note: In any event, forfeitures must be used by the end of the Plan Year following the Plan Year in which the forfeitures occur.]

**Prior to applying forfeitures under subsection (b) or (c):**

- (f) Forfeitures may be used to pay Plan expenses. (See Section 7.13(d) of the Plan.)
- (g) Forfeitures may **not** be used to pay Plan expenses.

**In determining the amount of forfeitures to be allocated under subsection (b), the same allocation conditions apply as for the source for which the forfeiture is being allocated under AA §6-5 or AA §6B-7, unless designated otherwise below.**

- (h) Forfeitures are not subject to any allocation conditions.
- (i) Forfeitures are subject to a last day of employment allocation condition.
- (j) Forfeitures are subject to a \_\_\_\_ Hours of Service minimum service requirement.

**In determining the treatment of forfeitures under this AA §8-6, the following special rules apply:**

- (k) Describe: \_\_\_\_\_  
 [Note: Any language added under this subsection (k) may not result in a discriminatory allocation of forfeitures in violation of the requirements of Code §401(a)(4).]

**8-7 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

- (a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.12(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

- The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.12(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-7(b).

- A forfeiture will occur upon the completion of \_\_\_\_ [*cannot exceed 5*] consecutive Breaks in Service (as defined in Section 7.09(a) of the Plan).

**8-8 SPECIAL RULE FOR FORFEITURE UPON DEATH OF A PARTICIPANT.** Unless elected below, no vested benefits are forfeited upon the death of a Participant.

To modify this default forfeiture rule, check the box below.

- The Plan will forfeit benefits (including vested benefits) upon the death of a Participant, as permitted under Code §411(a)(3)(A). In no event may the Plan forfeit any benefits required by the Qualified Joint and Survivor Annuity requirements under Section 9 of the Plan and Code §401(a)(11). In addition, in no event may the Plan forfeit any amounts attributable to a Participant's Salary Deferrals or After-Tax Employee Contributions under the Plan or if the Plan has commenced distributions prior to the Participant's death.

**SECTION 9  
DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT**

**9-1 AVAILABLE FORMS OF DISTRIBUTION.**

**Lump sum distribution.** A Participant may take a distribution of his/her entire vested Account Balance in a single lump sum upon termination of employment. In addition, the Plan Administrator may permit a Participant to take partial distributions or installment distributions solely to the extent necessary to satisfy the required minimum distribution rules under Section 8 of the Plan.

**Additional distribution options.** To provide for additional distribution options to the extent available under the Investment Arrangement(s), check the applicable distribution forms under this AA §9-1.

- (a) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

- (b) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.

Minimum distribution amount. A Participant may not take a partial lump sum distribution of less than \$ \_\_\_\_.

- (c) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan. [*Note: This annuity distribution option is in addition to any QJSA distribution required under AA §9-2.*]

- (d) **Describe distribution options: ANY ANNUITY OR ANY OTHER WITHDRAWAL OPTIONS AS PROVIDED UNDER THE FUNDING VEHICLE CONTRACT.**

[*Note: Any additional distribution options under this subsection may not be subject to the discretion of the Employer or Plan Administrator.*]

**9-2 QUALIFIED JOINT AND SURVIVOR ANNUITY RULES.** This Plan is not subject to the Qualified Joint and Survivor Annuity rules, except to the extent required under Section 9.01 of the Plan (e.g., if the Plan is a Transferee Plan). Upon termination of employment, a Participant may receive a distribution from the Plan, in accordance with the provisions of AA §9-3, in any form allowed under AA §9-1. (If any portion of this Plan is subject to the Qualified Joint and Survivor Annuity rules, the QJSA and QPSA provisions will automatically apply to such portion of the Plan.)

To override this default provision, complete the applicable sections of this AA §9-2.

- (a) **Qualified Joint and Survivor Annuity rules.** Check this subsection to apply the Qualified Joint and Survivor Annuity rules to the entire Plan. If this subsection is checked, all distributions from the Plan must satisfy the QJSA requirements under Section 9 of the Plan, with the following modifications:
- (1) **No modifications.**
  - (2) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the Spouse's survivor benefit is:
    - (i) 100%
    - (ii) 75%
    - (iii) 66-2/3%
- (b) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.

**9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:
- (1) the date the Participant terminates employment.
  - (2) the last day of the Plan Year during which the Participant terminates employment.
  - (3) the first Valuation Date following the Participant's termination of employment.
  - (4) the completion of \_\_\_ Breaks in Service.
  - (5) the end of the calendar quarter following the date the Participant terminates employment.
  - (6) attainment of Normal Retirement Age, death or becoming Disabled.
  - (7) Describe: \_\_\_\_\_
- [Note: Any distribution event under this subsection (a) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator. See AA §11-7 for special rules that may apply to distributions of Qualifying Employer Securities and/or Qualifying Employer Real Property.]*
- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:
- (1) the date the Participant terminates employment.
  - (2) the last day of the Plan Year during which the Participant terminates employment.
  - (3) the first Valuation Date following the Participant's termination of employment.
  - (4) the end of the calendar quarter following the date the Participant terminates employment.
  - (5) Describe: \_\_\_\_\_
- [Note: Any distribution event under this subsection (b) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator. See AA §11-7 for special rules that may apply to distributions of Qualifying Employer Securities and/or Qualifying Employer Real Property.]*

**9-4 DISTRIBUTION UPON DISABILITY.** Unless designated otherwise under this AA §9-4, a Participant who terminates employment on account of becoming Disabled may receive a distribution of his/her vested Account Balance in the same manner as a regular distribution upon termination.

- (a) **Immediate distribution upon termination of employment.** Distribution will be made as soon as reasonable following the date the Participant terminates employment on account of becoming Disabled.
- (b) **Following year distribution upon termination of employment.** Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates on account of becoming Disabled.
- (c) **Describe:** \_\_\_\_\_
- [Note: Any distribution event described in this subsection will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

**9-5 DETERMINATION OF BENEFICIARY.**

- (a) **Default beneficiaries.** Under Section 8.08(c) of the Plan, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) and is not designated under the terms of the Investment Arrangement(s) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including



step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.

If this subsection (a) is checked, the default beneficiaries under Section 8.08(c) of the Plan are modified as follows:

(1) The Plan adopts the default beneficiary rules under Section 8.08(c) of the Plan, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.

(2) Describe other modifications to the default beneficiaries under Section 8.08(c) of the Plan: \_\_\_\_\_  
[Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.]

(b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving Spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).

If this subsection (b) is checked, in order to be considered the surviving Spouse, the Participant and surviving Spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving Spouse are not married for at least one year as of the date of the Participant's death, the Spouse will not be treated as the surviving Spouse for purposes of applying the distribution provisions of the Plan. (See Section 9.04(c)(2) of the Plan.)

(c) **Divorce of Spouse.** Unless elected otherwise under this subsection (c), if a Participant designates his/her Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 8.08(c)(6) of the Plan.

If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and Spouse.

[Note: Section 8.08(c)(6) of the Plan and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 8.08(c)(6) of the Plan.]

#### 9-6 SPECIAL RULES.

(a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants:

(1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.03(b) of the Plan for special rules upon Plan termination.)

(2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:

(i) \$1,000

(ii) \$\_\_\_\_\_ (must be less than \$5,000)

(b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000 (to the extent available under the Plan).

To override this default provision, check below.

(1) The Automatic Rollover provisions under Section 8.06 of the Plan apply to all Involuntary Cash-Out Distributions (including those below \$1,000).

(2) The Automatic Rollover provisions under Section 8.06 of the Plan do not apply to Involuntary Cash-Out Distributions below \$\_\_\_\_\_ (must be between \$0 and \$1,000).

(c) **Treatment of Rollover Contributions.** Unless elected otherwise under this subsection (c), Rollover Contributions will be included in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(b) of the Plan. To exclude Rollover Contributions for purposes of applying the Plan's distribution rules, check below.

In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be excluded.



*[Note: This subsection (c) should not be checked if a lower Involuntary Cash-Out Distribution is selected in subsection (a) above in order to avoid the Automatic Rollover provisions described in Section 8.06 of the Plan.]*

- (d) **Distribution upon attainment of stated age.** The Participant consent requirements under Section 8.04 of the Plan apply for distributions occurring prior to attainment of the Participant’s Required Beginning Date.  
To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.
- Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant’s consent, regardless of the value of such Participant’s vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).
- (e) **In-kind distributions.** Section 8.02(b) of the Plan allows the Plan Administrator to authorize an in-kind distribution of property, including Qualifying Employer Securities and Qualifying Employer Real Property, to the extent the Plan holds such property.  
To modify this default rule, check below.
- A Participant may not receive an in-kind distribution in the form of property or securities, even if the Plan holds such property on behalf of any Participant.

<b>SECTION 10</b>
<b>IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS</b>

**10-1 AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this AA §10-1. If more than one option is selected for a particular contribution source under this AA §10-1, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this AA §10-1. *[Note: If special in-service distribution rules apply to Accounts that hold inactive sources of contributions, the Employer may designate such rules under AA §10-3.]*

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age _____. <i>[Note: No in-service distribution of Salary Deferral is permitted prior to age 59½.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) A Hardship that satisfies the safe harbor rules under Section 8.10(e)(1) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) A non-safe harbor Hardship described in Section 8.10(e)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(h) The Participant has participated in the Plan for at least ____ (cannot be less than 60) months.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(i) The amounts being withdrawn have been held in the Trust for at least two years.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Upon a Participant becoming Disabled.
<input type="checkbox"/>	N/A	N/A	(k) As a Qualified Reservist Distribution as defined under Section 8.10(d) of the Plan.
<input type="checkbox"/>	N/A	N/A	(l) Upon a deemed separation of employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.06(c) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(m) Describe: _____

*[Note: Any distribution event described in this AA §10-1 may not discriminate in favor of Highly Compensated Employees. No in-service distribution of Salary Deferrals is permitted prior to age 59½, except for Hardship, Disability, as a Qualified Reservist Distribution or on a deemed separation of employment. If Normal Retirement Age or Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for purposes of determining eligibility to distribute Salary Deferrals. If this Plan has accepted a transfer of assets from a pension plan (e.g., a Money Purchase Plan), no in-service distribution from amounts attributable to such transferred assets is permitted prior to age 62, except for Disability. See AA §11-7 for special rules that may apply to distributions of Qualifying Employer Securities and/or Qualifying Employer Real Property.]*

**10-2 APPLICATION TO OTHER CONTRIBUTION SOURCES.** If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6D, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from his/her Rollover Account and After-Tax Employee Contribution Account at any time. If the Plan provides for Traditional/QACA Safe Harbor Contributions under AA §6C, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from his/her Traditional/QACA Safe Harbor Contribution Account at the same time as elected for Salary Deferrals under AA §10-1.

Alternatively, if this AA §10-2 is completed, the following in-service distribution provisions apply for Rollover Contributions, After-Tax Employee Contributions, and/or Safe Harbor Contributions:

<b>Rollover</b>	<b>After-Tax</b>	<b>SH</b>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age 59½.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of age ____.
<input type="checkbox"/>	<input type="checkbox"/>	N/A	(d) A Hardship that satisfies the safe harbor rules under Section 8.10(e)(1) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	N/A	(e) A non-safe harbor Hardship described in Section 8.10(e)(2) of the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Attainment of Early Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Upon a Participant becoming Disabled.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Describe: _____

*[Note: Any distribution event described in this AA §10-2 may not discriminate in favor of Highly Compensated Employees. No in-service distribution of Safe Harbor/QACA Safe Harbor Contributions is permitted prior to age 59½, except upon Participant becoming Disabled.]*

**10-3 SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-3.

- (a) In-service distributions will only be permitted if the Participant is 100% vested in the source from which the withdrawal is taken.
- (b) A Participant may take no more than \_\_\_\_ in-service distribution(s) in a Plan Year.
- (c) A Participant may not take an in-service distribution of less than \$\_\_\_\_.
- (d) A Participant may not take an in-service distribution of more than \$\_\_\_\_.
- (e) Unless elected otherwise under this subsection, the hardship distribution provisions of the Plan are not expanded to cover primary beneficiaries as set forth in Section 8.10(e)(5) of the Plan. If this subsection is checked, the hardship provisions of the Plan will apply with respect to individuals named as primary beneficiaries under the Plan.
- (f) In determining whether a Participant has an immediate and heavy financial need for purposes of applying the non-safe harbor Hardship provisions under Section 8.10(e)(2) of the Plan, the following modifications are made to the permissible events listed under Section 8.10(e)(1)(i) of the Plan: \_\_\_\_\_

*[Note: This subsection may only be used to the extent a non-safe harbor Hardship distribution is authorized under AA §10-1 or AA §10-2.]*

- (g) If a plan does not otherwise provide for Employer Contributions, but must make Top-Heavy contributions to the Plan, the Employer may designate under this AA §10-3(g) the in-service distribution options available under the Account holding the Top Heavy contributions: \_\_\_\_\_
- (h) If the Plan includes Accounts that hold inactive sources of contributions, the Employer may designate under this AA §10-3(h) the in-service distribution options available to such Accounts: \_\_\_\_\_

- (i) Other distribution rules: \_\_\_\_\_

[Note: Any other distribution rules described in this subsection may not discriminate in favor of Highly Compensated Employees. This subsection may be used to apply the limitations under this AA §10-3 only to specific in-service distribution options (e.g., hardship distributions).]

**10-4 REQUIRED MINIMUM DISTRIBUTIONS.**

- (a) **Required Beginning Date – non-5% owners.** In applying the required minimum distribution rules under Section 8.12 of the Plan, the Required Beginning Date for non-5% owners is the later of attainment of age 70½ or termination of employment. To override this default provision, check this subsection (a).

- The Required Beginning Date for a non-5% owner is the date the Employee attains age 70½, even if the Employee is still employed with the Employer.

- (b) **Required distributions after death.** If a Participant dies before distributions begin, and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule (as described in Section 8.12(f)(1) of the Plan) or the life expectancy method described under Sections 8.12(b) and (d) of the Plan apply. See Section 8.12(f)(2) of the Plan for rules regarding the timing of an election authorized under this AA §10-4.

Alternatively, if selected under this subsection (b), any death distributions to a Designated Beneficiary will be made only under either the 5-year rule or the life expectancy method, as elected below:

- (1) The 5-year rule under Section 8.12(f)(1) of the Plan applies (instead of the life expectancy method). Thus, the entire death benefit must be distributed by the end of the fifth year following the year of the Participant's death. Death distributions to a Designated Beneficiary may not be made under the life expectancy method.
- (2) The life expectancy method under Sections 8.12(b) and (d) of the Plan (and not the 5-year rule).

<b>SECTION 11 MISCELLANEOUS PROVISIONS</b>
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**11-1 PLAN VALUATION.** The Plan is valued annually, as of the last day of the Plan Year.

- (a) **Additional valuation dates.** In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(1) <b>Daily.</b> The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) <b>Monthly.</b> The Plan is valued at the end of each month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) <b>Quarterly.</b> The Plan is valued at the end of each Plan Year quarter.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) <b>Describe:</b> _____

[Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.]

- (b) **Special rules.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: \_\_\_\_\_

[Note: This subsection may be used to describe special rules for different investment options, such as Qualifying Employer Securities and Qualifying Employer Real Property or other specific investment options. Any special rules may not violate the nondiscrimination rules under Code §401(a)(4).]

**11-2 DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.70 of the Plan), the Top-Paid Group Test does not apply, unless designated otherwise under this AA §11-2.

- (a) **The Top-Paid Group Test applies.**
- (b) **The Calendar Year Election applies.** [Note: This subsection may be chosen only if the Plan Year is not the calendar year. If this subsection is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.70(c) of the Plan.]

**11-3 SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.

- (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending \_\_\_\_\_.

*[Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.]*

- (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled, as described under Section 5.03(c)(7)(iii) of the Plan.

- (c) **Special rules:** \_\_\_\_\_

*[Note: Any special rules under this subsection must be consistent with the requirements of Code §415 and the regulations thereunder and must comply with the nondiscrimination requirements under Code §401(a)(4).]*

**11-4 SPECIAL RULES FOR TOP-HEAVY PLANS.** No special rules apply with respect to Top-Heavy Plans, unless designated otherwise under this AA §11-4.

- (a) **Top Heavy contribution.** If this subsection is checked, any Top Heavy minimum contribution required under Section 4 of the Plan will be allocated to all Participants, including Key Employees. *[If this subsection is not checked, any Top Heavy minimum contribution will be allocated only to Non-Key Employees.]*

- (b) **Vesting rules applicable to Top Heavy Plans.** Generally, if a Top Heavy minimum contribution is made for a Plan Year, such contribution will be subject to the vesting schedule selected in AA §8-2 applicable to Employer Contributions. If no Employer Contributions are made to the Plan, any Top Heavy minimum contribution will be subject to a 6-year graded vesting schedule.

- Alternatively, if elected under this subsection, the following vesting schedule will apply to any Top Heavy minimum contributions under the Plan. (See Section 4.04(h) of the Plan.)

- (1) Full and immediate vesting.

- (2) 3-year cliff vesting schedule

- (3) Describe: \_\_\_\_\_

*[Note: Any vesting schedule under this subsection (3) must be a permissible vesting schedule, as described in Section 7.02 of the Plan.]*

**11-5 SPECIAL RULES FOR MORE THAN ONE PLAN.**

- (a) **Top Heavy minimum contribution – Defined Contribution Plan.** If the Employer maintains this Plan and one or more Defined Contribution Plans, any Top Heavy minimum contribution will be provided under this Plan, provided the Top Heavy minimum contribution is not otherwise provided under the other Defined Contribution Plans. (See Section 4.04(f)(1) of the Plan.)

To provide the Top Heavy minimum contribution under another Defined Contribution Plan, complete this subsection (a).

- (1) The Top Heavy minimum contribution will be provided in the following Defined Contribution Plan maintained by the Employer: \_\_\_\_\_

- (2) Describe the Top Heavy minimum contribution that will be provided under the other Defined Contribution Plan:  
\_\_\_\_\_

- (3) Describe Employees who will receive the Top Heavy minimum contribution under the other Defined Contribution Plan: \_\_\_\_\_

- (b) **Top Heavy minimum contribution – Defined Benefit Plan.** If the Employer maintains this Plan and one or more Defined Benefit Plans, any Top Heavy minimum contribution will be provided under this Plan, provided the Top Heavy minimum benefit is not otherwise provided under the other Defined Benefit Plans. If the Top Heavy minimum contribution is provided under this Plan, the minimum required contribution is increased from 3% to 5% of Total Compensation for the Plan Year. (See Section 4.04(f)(2) of the Plan.)

To provide the Top Heavy minimum benefit under a Defined Benefit Plan, complete this subsection (b).

- (1) The Top Heavy minimum benefit will be provided in the following Defined Benefit Plan maintained by the Employer: \_\_\_\_\_

- (2) Describe the Top Heavy minimum benefit that will be provided under the Defined Benefit Plan:  
\_\_\_\_\_

- (3) Describe Employees who will receive Top Heavy minimum benefit under the Defined Benefit Plan:

11-6 **FAIL-SAFE COVERAGE PROVISION.** If the Plan fails the minimum coverage test under Code §410(b)(1)(A) or (B) due to the application of an allocation condition under AA §6-5 or AA §6B-7, the Employer must amend the Plan in accordance with the provisions of Section 14.02(a) of the Plan to correct the coverage violation.

Alternatively, the Employer may elect under this AA §11-6 to apply a Fail-Safe Coverage Provision that will allow the Plan to automatically correct the minimum coverage violation.

- The Fail-Safe Coverage Provision (as described under Section 14.02(b)(1) of the Plan) applies.

[*Note: If the Fail-Safe Coverage Provision applies, the Plan may not perform the average benefit test to demonstrate compliance with the coverage requirements under Code §410(b), except as provided in Section 14.02 of the Plan.*]

11-7 **QUALIFYING EMPLOYER SECURITIES AND QUALIFYING REAL PROPERTY.** See Section 10.06(c) of the Plan for the limits that apply with respect to investments in Qualifying Employer Securities and Qualifying Real Property.

The following special rules apply regarding the purchase of Qualifying Employer Securities and Qualifying Real Property:

- (a) Investment in Qualifying Employer Securities and/or Qualifying Employer Real Property may only be made from the following Accounts: \_\_\_\_\_
- (b) The following distribution restrictions apply to Qualifying Employer Securities and/or Qualifying Employer Real Property held by a Participant under the Plan: \_\_\_\_\_
- (c) The following special rules apply with respect to the investment in Qualifying Employer Securities and/or Qualifying Employer Real Property: \_\_\_\_\_

[*Note: Any provisions entered under this AA §11-7 must satisfy the nondiscrimination requirements under Code §401(a)(4) and the regulations thereunder.*]

11-8 **ELECTION NOT TO PARTICIPATE.** (See Section 2.08 of the Plan). All Participants share in any allocation under this Plan and no Employee may waive out of Plan participation.

To allow Employees to make a one-time irrevocable waiver, check below.

- An Employee may make a one-time irrevocable election not to participate under the Plan at any time prior to the time the Employee first becomes eligible to participate under the Plan. [*Note: Use of this provision could result in a violation of the minimum coverage rules under Code §410(b).*]

11-9 **ERISA SPENDING ACCOUNTS.** Section 11.05(d) of the Plan authorizes the Employer to establish an ERISA Spending Account to hold certain miscellaneous amounts that are remitted to or received by the Plan.

- If the Employer maintains an ERISA Spending Account, the following special rules apply: \_\_\_\_\_

11-10 **MILITARY SERVICE PROVISIONS.**

- (a) **Benefit accruals.** The benefit accrual provisions under Section 15.06 of the Plan do not apply. To apply the benefit accrual provisions under Section 15.06, check the box below.
- Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.06 of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.
- (b) **Deemed separation from service.** Unless elected otherwise under AA §10-1 above, an individual shall not be treated as having been severed from employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §401(k)(2)(B)(i)(I).

11-11 **PROTECTED BENEFITS.** There are no protected benefits (as defined in Code §411(d)(6)) other than those described in the Plan.

To designate protected benefits other than those described in the Plan, complete this AA §11-11.

- (a) **Additional protected benefits.** In addition to the protected benefits described in this Plan, certain other protected benefits are protected from a prior plan document. See the Addendum attached to this Adoption Agreement for a description of such protected benefits.

- (b) **Money Purchase Plan assets.** This Plan contains assets that were held under a Money Purchase Plan (e.g., Money Purchase Plan assets were transferred to this Plan by merger, trust-to-trust transfer or conversion). See the Addendum attached to this Adoption Agreement for a description of any special provisions that apply with respect to the transferred assets. See Section 14.05(c) of the Plan for rules regarding the treatment of transferred assets.

*[Note: If a 411(d)(6) protected benefit in the Plan or a plan being merged into the Plan is not either (i) available as a provision through the Pre-Approved Plan or (ii) the subject of a prior determination, advisory, or opinion letter, the Employer cannot rely on the Pre-Approved Plan Provider's opinion letter for qualification with respect to such benefit. If a 411(d)(6) protected benefit in the Plan or a plan being merged into the Plan is not permitted in a pre-approved plan, as described in Section 6.03 of Revenue Procedure 2017-41, such provision must be discontinued no later than the date the Employer adopts this Pre-Approved Plan or, in the case of a merger, the merger date and shall apply only to the extent required under Code Section 411(d)(6).]*

- (c) **Elimination of distribution options.** Effective \_\_\_\_\_, the distribution options described in subsection (1) below are eliminated.

(1) **Describe eliminated distribution options:** \_\_\_\_\_

(2) **Application to existing Account Balances.** The elimination of the distribution options described in subsection (1) applies to:

(i) All benefits under the Plan, including existing Account Balances.

(ii) Only benefits accrued after the effective date of the elimination (as described above).

*[Note: The elimination of distribution options must not violate the "anti-cutback" requirements of Code §411(d)(6) and the regulations thereunder. See Section 14.01(d) of the Plan.]*

- 11-12 SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.07 of the Plan apply.

- The following special rules apply with respect to Multiple Employer Plans: \_\_\_\_\_

*[Note: Any special rules under this AA §11-12 must satisfy the nondiscrimination requirements under Code §401(a)(4) and must satisfy the rules applicable to Multiple Employer Plans under Code §413(c).]*

- 11-13 CLAIMS PROCEDURES.** The Plan Administrator shall establish and maintain reasonable claims procedures as described in Section 11.07 of the Plan. Special rules may be described below.

- The following special rules apply with respect to claims procedures under Section 11.07 of the Plan: \_\_\_\_\_

*[Note: Any special rules under this AA §11-13 must satisfy the requirements under ERISA Reg. §2560.503-1 and any other applicable guidance. If the Employer adds an arbitration clause to resolve benefit claim disputes, the Employer may not rely on the Plan's opinion letter as to the acceptability of such arbitration clause. The addition of an arbitration clause does not otherwise affect the Employer's reliance on the Plan's opinion letter.]*



**APPENDIX A**  
**SPECIAL EFFECTIVE DATES**

*[Note: This Appendix A may be used to memorialize prior Plan provisions that pertain to sources that no longer accept new contributions under the Plan.]*

- A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:  
\_\_\_\_\_
- A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:  
\_\_\_\_\_
- A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:  
\_\_\_\_\_
- A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:  
\_\_\_\_\_
- A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:  
\_\_\_\_\_
- A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:  
\_\_\_\_\_
- A-7 **Safe Harbor 401(k) Plan provisions.** The Safe Harbor 401(k) Plan provisions under AA §6C are effective as follows:  
\_\_\_\_\_
- A-8 **Special Contributions.** The Special Contribution provisions under AA §6D are effective as follows:  
\_\_\_\_\_
- A-9 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:  
\_\_\_\_\_
- A-10 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:  
\_\_\_\_\_
- A-11 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:  
\_\_\_\_\_
- A-12 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distributions and Required Minimum Distributions under AA §10 are effective as follows:  
\_\_\_\_\_
- A-13 **Miscellaneous provisions.** The miscellaneous provisions under AA §11 are effective as follows:  
\_\_\_\_\_
- A-14 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.04 of the Plan apply, as follows:  
\_\_\_\_\_
- A-15 **Other special effective dates:**  
\_\_\_\_\_

- A-16 **Special effective dates for restated pre-approved plans.** Use this A-16 to memorialize plan operational changes that have occurred after the general effective date of the plan and the actual plan restatement adoption date. Adopting employers may use the above Special Effective Date options (A-1 through A-15) to memorialize these changes or they may use this A-16. If the adopting employer uses A-16, the changes will be part of the Plan, but will not be reflected in the SPD or plan summary:
-

**APPENDIX B  
LOAN POLICY**

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to this Appendix B or any modifications to a separate loan policy describing the loan provisions selected under the Plan will not affect an Employer's reliance on the IRS Favorable Letter.

B-1 Are PARTICIPANT LOANS permitted? (See Section 13 of the Plan.)

- (a) Yes  
 (b) No

B-2 LOAN PROCEDURES.

- (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.  
 (b) Loans will be provided under a separate written loan policy. [If this subsection is checked, do not complete the rest of this Appendix B.]

B-3 AVAILABILITY OF LOANS. Participant loans are available to all Participants and Beneficiaries who are parties in interest. Participant loans are not available to a former Employee or Beneficiary (including an Alternate Payee under a QDRO) except in those limited situations where the former Employee or Beneficiary is also considered to be a "party in interest" as defined in ERISA §3(14). To override this default provision, complete this AA §B-3.

- (a) A former Employee or Beneficiary (including an Alternate Payee) who has a vested Account Balance may request a loan from the Plan.  
 (b) A "limited participant" as defined in Section 3.07 of the Plan may not request a loan from the Plan.  
 (c) An officer or director of the Employer, as defined for purposes of the Sarbanes-Oxley Act, may not request a loan from the Plan.  
 (d) Describe limitations on receiving loans under the Plan: \_\_\_\_\_  
[Note: Any limitation under subsection (d) must meet the nondiscrimination requirements under Code §401(a)(4).]

B-4 LOAN LIMITS. The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

- A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance.  
[Note: If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]

B-5 NUMBER OF LOANS. The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- (a) A Participant may have \_\_\_ loans outstanding at any time, subject to any internal administrative limitations imposed by the Investment Arrangement, the service provider or platform.  
 (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 LOAN AMOUNT. Subject to any internal administrative limitations imposed by the Investment Arrangement, or the service provider or platform, the default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

- (a) There is no minimum loan amount.  
 (b) The minimum loan amount is \$ \_\_\_\_\_.  
 (c) The maximum loan amount is \$ \_\_\_\_\_.

B-7 INTEREST RATE. The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

- (a) The prime interest rate plus \_\_\_ percentage point(s).

- (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.
- (c) Describe: \_\_\_\_\_
- [Note: Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.]
- B-8 PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-8.
- (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(e)(1)(i) of the Plan.
- (b) A Participant may only receive a Participant loan under the following circumstances: \_\_\_\_\_
- B-9 APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.
- The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.
- B-10 CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.
- (a) The cure period for determining when a Participant loan is treated as in default will be \_\_\_\_\_ days (cannot exceed 90) following the end of the month in which the loan payment is missed.
- (b) The cure period for determining when a Participant loan is treated as in default will be the greater of \_\_\_\_\_ days (cannot exceed 90) following the end of the month in which the loan payment is missed or the last day of the second calendar quarter following the calendar quarter in which the missed payment was due.
- (c) The cure period for determining when a loan is treated as in default will be \_\_\_\_\_ days (cannot exceed 90) following the first missed loan payment.
- B-11 PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years. To override this default provision, complete this AA §B-11.
- (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.
- (b) The loan repayment period for the purchase of a principal residence may not exceed \_\_\_\_\_ years (may not exceed 30), subject to any internal limitations imposed by the Investment Arrangement(s) or the service provider or platform.
- (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans, subject to any internal limitations imposed by the Investment Arrangement or the service provider or platform.
- B-12 TERMINATION OF EMPLOYMENT.** Section 13.11 of the Plan provides that a Participant loan becomes due and payable in full upon the Participant's termination of employment. To override this default provision, complete this AA §B-12.
- A Participant loan will not become due and payable in full upon the Participant's termination of employment.
- B-13 DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.11(b) of the Plan provides that upon termination of employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.
- A Participant may not request the Direct Rollover of the loan note upon termination of employment.
- B-14 LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.
- (a) A Participant may not renegotiate the terms of a loan.
- (b) The following special provisions apply with respect to renegotiated loans: \_\_\_\_\_

B-15 **SOURCE OF LOAN.** Participant loans may be made from all available contribution sources, to the extent vested, unless designated otherwise under this AA §B-15. If selected, complete either (a) or (b).

- (a) Participant loans will not be available from the following contribution sources: \_\_\_\_\_
- (b) Participant loans will only be available from the following contribution sources: \_\_\_\_\_

B-16 **SPOUSAL CONSENT.** If this Plan is subject to the Joint and Survivor Annuity requirements under Section 9 of the Plan, a Participant may not use his/her Account Balance as security for a Participant loan unless the Participant's Spouse, if any, consents to the use of such Account Balance as security for the loan. If the Plan is not subject to the Joint and Survivor Annuity requirements under Section 9 of the Plan, a Spouse's consent is not required to use a Participant's Account Balance as security for a Participant loan. However, the Employer may elect under this AA §B-16 to require spousal consent for loans, even though the Plan is not subject to the Joint and Survivor Annuity requirements of Section 9 of the Plan.

- Even though the Plan is not subject to the Joint and Survivor Annuity requirements under Section 9 of the Plan, spousal consent is required for a loan, if the Participant's Account Balance exceeds \$\_\_\_\_\_.

*[Note: An election under this AA §B-16 does not subject the Plan to the Qualified Joint and Survivor Annuity rules and the Plan Administrator may determine the manner and timing of receiving spousal consent.]*

B-17 **MODIFICATIONS TO DEFAULT LOAN PROVISIONS.**

- The following special rules will apply with respect to Participant loans under the Plan: \_\_\_\_\_

*[Note: Any provision under this AA §B-17 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.]*

**APPENDIX C**  
**ADMINISTRATIVE ELECTIONS**

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix C with new elections. The provisions selected under this Appendix C do not create qualification issues and any changes to the provisions under this Appendix C will not affect the Employer's reliance on the IRS Favorable Letter.

**C-1 DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.07 of the Plan.)

- (a) No
- (b) Yes, but subject to the following restrictions:
- (1) No restrictions apply
  - (2) Only for Accounts that are 100% vested
  - (3) Specify Accounts: \_\_\_\_\_
  - (4) Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.07(d) of the Plan.)
  - (5) Describe any special rules that apply for purposes of direction of investments: \_\_\_\_\_

*[Note: This subsection (5) may be used to describe special investment provisions for specific types of investments, such as Qualifying Employer Securities or Qualifying Real Property, or for specific Accounts, such as the Rollover Contribution Account. Any provisions added under this subsection (5) will be subject to the nondiscrimination requirements under Code §401(a)(4).]*

**C-2 ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)

- (a) No
- (b) Yes
- (1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan. (See Section 3.07 of the Plan.)
  - (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.
  - (3) Describe any special rules for accepting Rollover Contributions: \_\_\_\_\_

*[Note: The Employer may designate in this subsection (3) or in separate written procedures the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]*

**C-3 LIFE INSURANCE.** Are **life insurance** investments permitted? (See Section 10.08 of the Plan.)

- (a) No
- (b) Yes

**C-4 QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.06 of the Plan apply?

- (a) No
- (b) Yes
- (1) The provisions of Section 11.06 of the Plan are modified as follows: \_\_\_\_\_
  - (2) Alternate Payee shall not be entitled to payment prior to the Participant's earliest retirement date, which is the earlier of the date the Participant has a present entitlement to a distribution or the earliest date on which the Participant would be entitled to a distribution after separation from service.



**EMPLOYER SIGNATURE PAGE**

**PURPOSE OF EXECUTION.** This Signature Page is being executed for YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN to effect:

- (a) The adoption of a new plan, effective . [Note: Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- (b) The restatement of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
  - (1) Effective date of restatement: 7-1-2021 . [Note: Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.]
  - (2) Name of plan(s) being restated: YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN
  - (3) The original effective date of the plan(s) being restated: 5-1-1998
- (c) An amendment or restatement of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-41). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
  - (1) Effective Date(s) of amendment/restatement: \_\_\_\_\_
  - (2) Name of plan being amended/restated: \_\_\_\_\_
  - (3) The original effective date of the plan being amended/restated: \_\_\_\_\_
  - (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: \_\_\_\_\_

**PRE-APPROVED PLAN PROVIDER INFORMATION.** The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

Name of Pre-Approved Plan Provider (or authorized representative): Raymond, Reeves & Stout, LLP  
Address: 1423 S. Higley Rd. Ste. 116 Mesa, AZ 85206  
Telephone number: (480) 834-6524

**IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN.** A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the Internal Revenue Service to the Pre-Approved Plan Provider as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #01. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

(Name of Employer)

DR. LISA RHINE

(Name of authorized representative)

(Signature)



PRESIDENT

(Title)

7-25-22

(Date)

**TRUST DECLARATION**

**This Trust Declaration may be used to identify and adopt the Trust associated with the Plan.**

*[Note: The Internal Revenue Service does not review the Trust Declaration, or the trust provisions associated with Pre-Approved Plans. Therefore, the provisions of the Trust Declaration, ASC Trust Agreement or any separate Trust agreement have not been approved by the IRS and the IRS opinion letter does not cover such Trust Agreement. The Provider, the Trustee and the adopting Employer should review the applicable Trust provisions, and any modifications thereto, with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]*

Name of Plan. YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN

Name of Employer. YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

Effective date of Trust Agreement: 7-1-2021

(a) **The Trust terms are:**

(1) **Determined under the Trust provisions contained in the ASC Trust Agreement - Standard.**

*[Note: Trustee must complete the Trustee Signature section under Section (b) below.]*

(i) **Directed Trustee.** The Trustee may only invest Plan assets as directed by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

(ii) **Discretionary Trustee.** The Trustee has discretion to invest Plan assets, unless specifically directed otherwise by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

**[Modification of ASC Trust Agreement Provisions.** The Employer may amend the Trust provisions as provided under Section 1.19 of the ASC Trust Agreement. Plan provisions will override any conflicting provisions in the Trust Agreement, including any modification thereto. The Provider and the adopting Employer should review any modifications of the ASC Trust Agreement with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

(2) **Determined under a separate Trust agreement(s).** The Trust provisions are contained in a separate Trust Agreement that has been furnished to the Employer. Notwithstanding the terms of the Plan, the terms of the Trust Agreement shall control the rights and responsibilities of the Trustee with respect to the Trust and the assets held in such Trust.

Name of Trustee. \_\_\_\_\_

Title of Trust Agreement. \_\_\_\_\_

Address of Trustee. \_\_\_\_\_

*[Note: In using a separate Trust Agreement, the Trustee may adopt such Trust Agreement by either completing the Trustee Signature section under Section (b) below or may execute the separate Trust Agreement. In either case, the information above – Name of Trustee, Title of Trust Agreement and Address of Trustee – must be completed.]*

(3) **Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.** There is no Trust associated with the Plan because the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts.

*[Note: No signature is required under this Trust Declaration if the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts. The Employer or Plan Administrator may enter into a separate agreement with the custodian or insurance company. Such separate agreement must be consistent with the terms of the Plan.]*

**ACTION BY THE BOARD OF DIRECTORS  
RESTATEMENT OF QUALIFIED RETIREMENT PLAN**

The undersigned, being all of the members of the Board of Directors of YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT (“Employer”), hereby consent to the following resolutions:

WHEREAS, the Employer has maintained the YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN (“Plan”) since 5-1-1998 for the benefit of eligible employees; and

WHEREAS, the Employer is restating the above-referenced Plan to comply with the requirements of the 2017 IRS Cumulative List (IRS Notice 2017-37), the American Taxpayer Relief Act of 2012, the Tax Cuts and Jobs Act of 2017 and other applicable guidance (collectively referred to herein as the Cycle 3 restatement).

NOW, THEREFORE, BE IT RESOLVED that the Employer hereby adopts the YAVAPAI COLLEGE OPTIONAL DEFINED CONTRIBUTION RETIREMENT PLAN as the complete Cycle 3 restatement of the prior Plan, to be effective on 7-1-2021;

RESOLVED FURTHER that the undersigned members of the Board of Directors authorize the execution of the restated Plan document and authorize the performance of any other actions necessary to implement the adoption of the Cycle 3 Plan restatement. The members of the Board of Directors may designate any members of the Board of Directors (or other authorized person) to execute the restated Plan document and perform the necessary actions to adopt the restated Plan. The Employer will maintain a copy of the restated Plan, as approved by the members of the Board of Directors, along with a copy of the prior Plan, in its files;

RESOLVED FURTHER that the Employer will act as administrator of the Plan and will be responsible for performing all actions necessary to carry out the administration of the Plan. The Employer may designate any other person or persons to perform the actions necessary to administer the Plan; and

RESOLVED FURTHER that Plan participants shall be provided with a summary of the Plan provisions within a reasonable period of time following the adoption of the restated Plan.

**Members of the Board of Directors:**

_____	_____	_____
<b>Ms. Deb McCasland, Board Chair</b>	<b>[Signature]</b>	<b>[Date]</b>
_____	_____	_____
<b>Mr. Ray Sigafos, Secretary</b>	<b>[Signature]</b>	<b>[Date]</b>
_____	_____	_____
<b>Member Mr. Paul Chevalier</b>	<b>[Signature]</b>	<b>[Date]</b>
_____	_____	_____
<b>Member Mr. Mitch Padilla</b>	<b>[Signature]</b>	<b>[Date]</b>
_____	_____	_____
<b>Member Mr. Chris Kukyno</b>	<b>[Signature]</b>	<b>[Date]</b>

**MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT – NAVAJO COUNTY  
COMMUNITY COLLEGE DISTRICT- COCONINO COUNTY COMMUNITY  
COLLEGE DISTRICT- YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
INTERGOVERNMENTAL AGREEMENT  
Effective October 1, 2022**

**INTRODUCTION**

THIS INTERGOVERNMENTAL AGREEMENT (hereafter “Agreement”) is made and entered into by and between **MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT** (by and through its Governing Board), hereinafter referred to as **MCC**, **NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT** (by and through its Governing Boards), hereinafter referred to as **NPC**, **COCONINO COUNTY COMMUNITY COLLEGE DISTRICT** (by and through its Governing Board), hereinafter referred to as **CCC**, and **YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT** (by and through its Governing Board), hereinafter referred to as **YC**, collectively known as the Northern Arizona Community College Partnership, pursuant to A.R.S. §11-952 and 41-2632 *et seq.*

WHEREAS, **MCC, NPC, CCC and YC** are authorized to enter into this Agreement by virtue of A.R.S. §15-1470 *et seq.*; and

WHEREAS, this Agreement will supersede previous Intergovernmental Agreement(s) between the Parties and will be the basis for continued cooperative endeavors between **MCC, NPC, CCC and YC**; and

WHEREAS, **MCC, NPC, CCC and YC** will strive jointly to deliver selective programs of higher education instruction and education-related services in a cost-effective manner, thereby providing a higher educational value for the resources invested and greater access to degree programs for the residents of the Northern Arizona that includes Mohave, Navajo, Apache, Yavapai and Coconino Counties; and

WHEREAS, **MCC, NPC, CCC and YC** agree to preserve the integrity and autonomy of each institution, permitting each to effectively fulfill its own mission; and

NOW, THEREFORE, **MCC, NPC, CCC and YC** agree as follows:

**ARTICLE I—PURPOSE**

The purpose of this Agreement is to provide terms and conditions under which **MCC, NPC, CCC and YC** will exercise efficient and maximal use of available educational resources through common and complementary resources of each institution.

**MCC, NPC, CCC and YC** intend to collaborate in areas of academic instruction, curriculum development, data sharing, business functions, student services, and other support services to provide a cooperative higher education network for residents of the Northern Arizona which includes Mohave, Navajo, Apache, Yavapai and Coconino Counties.

No separate legal entity is created by this Agreement.

## **ARTICLE II—NORTHERN ARIZONA COMMUNITY COLLEGE PARTNERSHIP**

The respective administrations facilitated by the Chief Academic Officers of **MCC, NPC, CCC and YC** shall jointly establish and maintain the Northern Arizona Community College Partnership (hereafter “Partnership”). The Partnership shall be charged with preparing recommendations to the Presidents of **MCC, NPC, CCC and YC** or their designees on areas of collaboration outlined in this Agreement.

The Partnership shall maintain written operational details of this Agreement and shall provide a copy of such details to the Presidents of **MCC, NPC, CCC and YC**. The Partnership may update operational details as needed. The Partnership shall forward any recommendations for changes to this Agreement to the Presidents of **MCC, NPC, CCC and YC** for consideration which shall be subject to approval by all parties and documented as a change to the Agreement by a writing signed by all parties.

The Partnership shall maintain written Sub-Agreements consistent with this Agreement using the template in Appendix A and recording each approved Sub-Agreement in Appendix B. Copies of all Sub-Agreements shall be provided to the Presidents of **MCC, NPC, CCC and YC**.

The Presidents of **MCC, NPC, CCC and YC or their designees** shall determine and provide necessary fiscal support for the Partnership and for joint measures under this Agreement in an equitable fashion. Absent a specific agreement to share costs, **MCC, NPC, CCC and YC** are fiscally responsible for services or resources at their respective institutions.

## **ARTICLE III—SUB-AGREEMENTS/RECORD KEEPING**

Staff at respective institutions shall prepare drafts of Sub-Agreements and provide a copy of such to the Presidents of **MCC, NPC, CCC and YC or their designees** for approval; and maintain written Sub-Agreements consistent with this Agreement using the template in Appendix A and recording each approved Sub-Agreement in Appendix B. Copies of all Sub-Agreements shall be provided to the Presidents of **MCC, NPC, CCC and YC or their designees**.

The Presidents of **MCC, NPC, CCC and YC or their designees** shall determine and provide necessary fiscal support for joint measures under this Agreement in an equitable fashion. Absent a specific agreement to share costs, **MCC, NPC, CCC and YC** are fiscally responsible for services or resources at their respective institutions.

## **ARTICLE IV—TERM OF AGREEMENT/AMENDMENTS**

The Agreement shall take effect upon execution by all Parties and shall continue in effect until June 30, 2027, and may be renewed thereafter for successive five-year periods through a written agreement signed by all Parties.

This Agreement may be amended by a writing signed by all Parties.

## **ARTICLE V—TERMINATION, CANCELLATION, AND FINANCES**

1. Any party may terminate this Agreement for any reason effective the first day of a fiscal year upon ninety days prior written notice to the other party.
2. All institutions will separately establish and maintain budgets to support any joint educational programs or activities established under this Agreement.
3. In the event of termination of the Agreement, property acquired by one party to this Agreement shall be retained by the party that purchased that property. Property jointly acquired shall be equitably divided, or if sold, its proceeds shall be equitably divided, in proportion to the contribution of each party toward the cost of acquisition.
4. Any party may cancel this Agreement without any further obligation in the event that sufficient appropriated funding is unavailable to assure full performance of its terms.
5. The Parties recognize that this Agreement may be canceled by any Party for conflict of interest in accordance with ARS § 38-511.

## **ARTICLE VI—SPECIAL PROVISIONS**

1. All Parties will exercise efficient and maximal use of available educational resources. Specifications, roles, and responsibilities shall be developed by staff and approved by the Presidents of **MCC, NPC, CCC and YC** and shall be followed by all institutions.
2. The institutions may update these specifications, roles and responsibilities, as needed, with Presidential approval.
3. Each institution shall register admitted students under each institution's procedures and tuition schedules, and shall collect tuition for classes taught at said institution.
4. Each institution will coordinate academic program efforts and share resources according to the written guidelines as established by each institution, including but not limited to academic instruction, curriculum development, and equipment sharing.
5. Each institution will have representation on the Northern Arizona Community College Partnership as designated by each College President.
6. The institution at which the student is registered for a class shall provide and pay for any disability accommodations for that class.
7. All Parties will mutually provide access to shared student educational records and enrollment information to the extent permitted by the Family Educational Rights and Privacy Act.
8. All Parties agree to inform each other of any significant complaints, problems, successes, and opportunities regarding this Agreement. Note: May need to be more expansive in sub agreements.

## **ARTICLE VII—CONTRACT CLAIMS AND ARBITRATION**

The Parties shall first attempt to resolve any contract claims or disputes they may have through negotiation. If they are unsuccessful in doing so, the Parties shall submit any contract claims or disputes they may have to arbitration, through the services of the Coconino County Superior Court Alternative Dispute Resolution program, pursuant to the Arizona Uniform Arbitration Act (Arizona Revised Statutes Sections 12-1501 through 12-1518), and Rules 72 through 76 of the Arizona Rules of Civil Procedure providing for arbitration by agreement of reference.



**ARTICLE VIII—NON-DISCRIMINATION**

The Parties agree to comply with Arizona Executive Order 99.4, prohibiting discrimination in employment by government contractors, to the extent applicable to this contract.

**ARTICLE IX—MUTUAL INDEMNIFICATION/LIABILITY**

Each party (as “Indemnitor”) agrees to indemnify, defend, and hold harmless the other party (as “Indemnitee”) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney fees), hereinafter collectively referred to as “claims”, arising out of bodily injury to any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

Each institution shall maintain adequate insurance (which may include a bona fide self-insurance program) to cover any liability arising from the acts and omissions of its employees or agents. None of the institutions shall be responsible for maintaining insurance coverage for liability arising from acts and omissions of the other institution’s employees or agents.

**ARTICLE X—GOVERNANCE OF STATE LAW**

This Agreement shall be governed and interpreted under the laws of the State of Arizona.

**ARTICLE XI—AUTHORIZING SIGNATURES FOR THE AGREEMENT**

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT:

By \_\_\_\_\_  
Board Chair Date

By \_\_\_\_\_  
President Date

Pursuant to A.R.S. § 11-952(D), the attorney for each of the parties has determined that the foregoing agreement is in proper form and is within the powers of authority granted under the laws of this state:

\_\_\_\_\_  
By: Date  
Title:  
Counsel for Mohave County  
Community College District

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_  
Board Chair Date

By \_\_\_\_\_  
President Date

Pursuant to A.R.S. § 11-952(D), the attorney for each of the parties has determined that the foregoing agreement is in proper form and is within the powers of authority granted under the laws of this state:

\_\_\_\_\_  
By: Date  
Title:  
Counsel for Navajo County  
Community College District

COCONINO COUNTY COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_  
Board Chair Date

By \_\_\_\_\_  
President Date

Pursuant to A.R.S. § 11-952(D), the attorney for each of the parties has determined that the foregoing agreement is in proper form and is within the powers of authority granted under the laws of this state:

\_\_\_\_\_  
By: Date  
Title:  
Counsel for Coconino County  
Community College District

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_  
Board Chair Date

By \_\_\_\_\_  
President Date

Pursuant to A.R.S. § 11-952(D), the attorney for each of the parties has determined that the foregoing agreement is in proper form and is within the powers of authority granted under the laws of this state:

\_\_\_\_\_  
By: Date  
Title:  
Counsel for Yavapai County  
Community College District

**APPENDIX A—TEMPLATE FOR SUB-AGREEMENTS**

This Sub-Agreement is subject to, incorporates by reference, and may not conflict or be inconsistent in any regard with the provisions of the MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT— NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT – COCONINO COUNTY COMMUNITY COLLEGE DISTRICT and YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT INTERGOVERNMENTAL AGREEMENT dated \_\_\_\_\_, 2022.

Each Sub-Agreement must follow the format of this template, and after approval by all Parties below, shall be updated on the index of Sub-Agreements in Appendix B.

(Describe purpose, details and term of agreement in this section)

The following signatures denote approval:

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MCC President Signature Date

---

NPC President Signature Date

---

CCC President Signature Date

---

YC President Signature Date

The Partnership Chair and all Presidents (or Presidents’ designees authorized to sign intergovernmental Agreements) must approve each Sub-Agreement for it to take effect.

- Copies to:
- President of MCC
  - President of NPC
  - President of CCC
  - President of YC

Other as appropriate to the Sub-Agreement (list here)



## APPENDIX B—INDEX OF SUB-AGREEMENTS

Appendix B shall be maintained and kept current by the Partnership. Each Sub-Agreement must be in the format of Appendix A and must be properly signed and dated. The original document of the Sub-Agreement is kept with Partnership files in media of the Partnership's choosing. Appendix B is updated to summarize each Sub-Agreement as follows.

Each Sub-Agreement is governed by the Agreement as stated in Appendix A. The duration and other terms of the Agreement shall govern each Sub-Agreement unless otherwise provided in a Sub-Agreement.

<u>Title</u>	<u>Index of Sub-Agreements in Alphabetical Order or Title</u>		<u>Description</u>
	<u>Approved</u>	<u>Revised</u>	
Test Project	TBD	n/a	Agreement describes program details.

# Bachelor of Science (BS) In Organizational Management & Leadership

The total credits for the BS degree is 120 (75 lower division and 45 upper division).  
The following course progression is a typical 4-year pathway. Please meet with our Career Navigator to develop the best pathway for you.

## Lower Division – Year One (30 credits)

### Fall Term (15 credits)

- ENG 101: College Composition
- BSA 131: Introduction to Business
- CSA 110: Intro to Computer Information Systems
- CSA 126: Microsoft Office for Windows

### Spring Term (15 credits)

- ENG 236: Technical Writing
- ECN 235: Principles of Economic-Macro
- ECN 236: Principals of Economics-Micro
- COM 100: Intro to Human
- PSY 101: Intro to Psychology

## Lower Division – Year Two (30 credits)

### Fall Term (15 credits)

- MAT 142: College Mathematics or MAT 152: College Algebra
- PHI 232: Business Ethics
- MAT 167: Elementary Statistics or ECN 232: Business Statistical Analysis
- ACC 131: Principles of Accounting I
- GEO 212: Introduction to Meteorology

### Spring Term (15 credits)

- BSA 237: Legal Environment of Business
- ART 200: Art History: Paleolithic Period through the Late Middle Ages
- ACC 132: Principles of Accounting II
- SOC 101: Intro to Sociology
- General Education Option (3 credits)

Up to 17 credits of elective coursework (100 level or higher) with a grade of C or higher.

## Upper Division – Year Three & Four

### YC Core (6 credits)

- Experiential learning within our community organizations to reinforce “Power Skills” and solve “Pain Points”.
- BUS 399: BA Mentor/Internship
  - BUS 499: BA Capstone

### General Core (24 credits)

- Foundations of Leadership
- Global Environment of Business
- Business Policy & Strategic Planning
- Principles of Finance
- Business Operations & Logistics
- Marketing & Social Media
- Business Strategies & Sustainability
- Project Management

### Concentration (15 credits)

#### Organizational Management & Leadership

- Leadership & Change Management
- Leadership Application & Development
- Business Process Improvement
- Managing Talent & Developing Leaders
- Diversity, Equity, and Inclusion Management

**YAVAPAI COLLEGE DISTRICT GOVERNING BOARD**

**RESOLUTION NO. 2022-08**

A RESOLUTION OF THE YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2022 ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

**RECITALS:**

WHEREAS, A.R.S. §41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual budgeted expenditure limitation report (ABELR) on the governing body's behalf; and

WHEREAS, the Yavapai County Community College District Governing Board desires to designate Dr. Clint Ewell, as the College's Chief Fiscal Officer.

WHEREAS, Entities must submit an updated form and documentation for any changes in the individuals designated to file the ABELR.

**ENACTMENTS:**

**NOW THEREFORE BE IT RESOLVED** BY THE YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Dr. Clint Ewell is hereby designated as the College's Chief Fiscal Officer for purposes of officially submitting the fiscal year 2022 ABELR to the Arizona Auditor General's Office on the governing body's behalf.

PASSED AND ADOPTED by the Yavapai County Community College District Governing Board, this 27th day of September, 2022.

**Approved as to form:**

\_\_\_\_\_  
Ms. Deb McCasland, Board Chair

\_\_\_\_\_  
Ms. Lynne Adams, College Legal Counsel

**YAVAPAI COLLEGE DISTRICT GOVERNING BOARD**

**RESOLUTION NO. 2022-09**

A RESOLUTION OF THE YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2023 ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL.

**RECITALS:**

WHEREAS, A.R.S. §41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's annual budgeted expenditure limitation report (ABELR) on the governing body's behalf; and

WHEREAS, the Yavapai County Community College District Governing Board desires to designate Dr. Clint Ewell, as the College's Chief Fiscal Officer.

WHEREAS, Entities must submit an updated form and documentation for any changes in the individuals designated to file the ABELR.

**ENACTMENTS:**

**NOW THEREFORE BE IT RESOLVED** BY THE YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Dr. Clint Ewell is hereby designated as the College's Chief Fiscal Officer for purposes of officially submitting the fiscal year 2023 ABELR to the Arizona Auditor General's Office on the governing body's behalf.

PASSED AND ADOPTED by the Yavapai County Community College District Governing Board, this 27th day of September, 2022.

**Approved as to form:**

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Ms. Deb McCasland, Board Chair

---

Ms. Lynne Adams, College Legal Counsel

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
REPORT OF EXPENDITURES**

**For the month Ended July 31, 2022  
Fiscal Year 2022 -2023**

**District Governing Board**

**Fiscal Year 2022-23 Budget:**

**\$ 258,100**

	<b><u>Purpose</u></b>	<b><u>Year-to-Date Expenditures</u></b>	<b><u>Encumbered Obligations</u></b>	<b><u>Total Expenditures/ Encumbrances</u></b>
<b>EXPENDITURES (note 1):</b>				
Salary Expenses	Staff Support	\$ 12,662	\$ 58,185	\$ 70,847
HHS	Catering	-	12,000	12,000
Osborn Maledon PA	Legal Counsel	3,320	36,680	40,000
Supplies/Other	Various Vendors	231	-	231
YC Printing Services	Printing	164	-	164
				<u>123,242</u>
<b>Remaining Budget - July 31, 2022</b>				<b><u><u>\$ 134,858</u></u></b>

**Note 1:** Expenditures reported on the modified accrual basis of accounting.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**REPORT OF REVENUES AND EXPENDITURES**

**For the Month Ended July 31, 2022 - 8.3% of the Fiscal Year Complete**

**Fiscal Year 2022-2023**

**GENERAL FUND**

	<u>Year-to-Date Revenues</u>		<u>Total Revenues</u>	<u>FY 22/23 Budget</u>	<u>Percent of Budget</u>	<u>FY 22/23 Estimate</u>	<u>Budget to Estimate Variance</u>	<u>FY 21/22 Actuals</u>	<u>Percent Change (Current Versus Prior Year)</u>		
<b>REVENUES:</b>											
Primary Property Taxes	\$ 3,503,176		\$ 3,503,176	\$ 42,164,600	8.3%	\$ 42,164,600	\$ -	\$ 3,407,131	2.8%		
Primary Property Taxes - Contingency	-		-	(150,000)	0.0%	(150,000)	-	-	0.0%		
Tuition and Fees	4,352,410		4,352,410	11,860,000	36.7%	11,610,000	(250,000)	4,688,371	-7.2%		
Tuition and Fees - Contingency	-		-	(530,000)	0.0%	(280,000)	250,000	-	0.0%		
State Appropriation - Maintenance	75,100		75,100	300,400	25.0%	300,400	-	147,625	-49.1%		
State Appropriation - Rural Aid	695,550		695,550	1,843,400	37.7%	2,782,200	938,800	-	100.0%		
YCF Contribution - Basketball Program	-		-	423,700	0.0%	423,700	-	-	100.0%		
Other Revenues	17,654		17,654	472,900	3.7%	472,900	-	10,824	63.1%		
Interest Income	-		-	70,000	0.0%	70,000	-	-	0.0%		
Fund Balance Applied to Budget	-		-	1,727,000	0.0%	1,727,000	-	-	0.0%		
General Fund Transfer In/(Out)	(316,975)		(316,975)	(3,803,700)	8.3%	(3,803,700)	-	(281,617)	12.6%		
<b>TOTAL REVENUES</b>	<b>8,326,915</b>		<b>8,326,915</b>	<b>54,378,300</b>	<b>15.3%</b>	<b>55,317,100</b>	<b>938,800</b>	<b>7,972,334</b>	<b>4.4%</b>		
		<u>Year-to-Date Expenditures</u>	<u>Total Encumbered Obligations</u>	<u>Labor Encumbrances</u>	<u>Total Expenditures and Non-Labor Encumbrances</u>	<u>FY 22/23 Budget</u>	<u>Percent of Actual and Non-Labor Encumbrances to Budget</u>	<u>FY 22/23 Estimate</u>	<u>Budget to Estimate Variance</u>	<u>FY 21/22 Actuals</u>	<u>Percent Change (Current Versus Prior Year)</u>
<b>EXPENDITURES (Note 1):</b>											
Instruction		\$ 710,471	\$ 3,011,284	\$ 2,939,284	\$ 782,471	\$ 20,751,600	3.8%	\$ 20,647,842	\$ (103,758)	\$ 669,253	6.2%
Academic Support		370,323	2,611,901	2,509,165	473,059	5,065,600	9.3%	5,065,600	-	386,974	-4.3%
Institutional Support		1,140,902	6,517,295	5,676,534	1,981,663	11,083,400	17.9%	11,050,150	(33,250)	765,849	49.0%
Student Services		515,859	4,126,820	4,126,820	515,859	9,222,800	5.6%	9,176,686	(46,114)	429,126	20.2%
Operation/Maintenance of Plant		365,534	3,568,400	3,022,944	910,990	6,832,500	13.3%	6,832,500	-	317,960	15.0%
Scholarships		150,433	-	-	150,433	1,409,900	10.7%	1,409,900	-	20,639	628.9%
Public Service		-	-	-	-	12,500	0.0%	12,500	-	36,213	-100.0%
<b>TOTAL EXPENDITURES</b>		<b>3,253,522</b>	<b>19,835,700</b>	<b>18,274,747</b>	<b>4,814,475</b>	<b>54,378,300</b>	<b>8.9%</b>	<b>54,195,178</b>	<b>(183,122)</b>	<b>2,626,014</b>	<b>23.9%</b>
<b>SURPLUS/(DEFICIT)</b>					<b>\$ 3,512,440</b>	<b>\$ -</b>					

**COMMENTS:**

Tuition and Fees revenues above budget due to most of the revenue related to the fall 2022 semester being recorded. This will even out over the next few months.

State Appropriation - Rural Aid is at 37.7% of budget due to an additional \$938,800 of one-time appropriation granted to the College by the State, subsequent to the College approving its budget. The 1st quarter allotment of this appropriation, as well as the College's recurring appropriation, was received in July. The additional appropriation will be used to fund non-recurring expenses.

Instructional expenditures under budget due to faculty contracts beginning in mid-August. This will even out over the next few months.

Institutional Support expenditures above budget due to the payment and or encumbering of various expenses at the beginning of the fiscal year (e.g. insurance, software licenses, IT maintenance, dues, etc.).

Scholarships increased significantly from the prior year due to the payment of Promise Scholarship reimbursements to May 2022 graduates.

The Budget currently has a surplus of \$3,512,440

**Note 1:** Expenditures reported on the modified accrual basis of accounting.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**GENERAL FUND EXPENDITURES BY NACUBO NATURAL EXPENSE CATEGORIES**

**For the Month Ended July 31, 2022 - 8.3% of the Fiscal Year Complete**

**Fiscal Year 2022-2023**

	<u>Year to Date</u>	<u>Prior Year</u>	<u>Percent Change</u>	
Salaries	\$ 1,412,984	\$ 1,353,137	4.4%	<b>1</b>
Benefits	514,081	537,985	-4.4%	<b>2</b>
Supplies	129,790	131,721	-1.5%	
Contractual Services and Other	874,747	379,793	130.3%	<b>3</b>
Utilities & Communications	114,012	94,790	20.3%	<b>4</b>
Travel, Conferences & Memberships	57,475	107,949	-46.8%	<b>5</b>
Scholarships	150,433	20,639	628.9%	<b>6</b>
	<u>\$ 3,253,522</u>	<u>\$ 2,626,014</u>	23.9%	

- 1** - Salaries increased due to annual compensation increases.
- 2** - Benefits decreased due to employee medical plan selection changes, and lower employee tuition waiver experience.
- 3** - Contractual Services increased from the prior year mainly due to the timing of payments for items such as the District's commercial liability insurance.
- 4** - Utilities increased due to more usage associated with the post COVID-19 re-opening.
- 5** - Travel, Conferences & Memberships decreased from the prior year due to timing of payments for institutional memberships and dues.
- 6** - Scholarships increased due to the payment of Promise Scholarship reimbursements to May 2022 graduates.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**REPORT OF REVENUES AND EXPENDITURES**

**For the Month Ended July 31, 2022 - 8.3% of the Fiscal Year Complete**

**Fiscal Year 2022-2023**

**RESTRICTED FUND**

	<u>Year-to-Date Revenues</u>		<u>Total Revenues</u>	<u>Budget</u>	<u>Percent of Budget</u>
<b>REVENUES:</b>					
Federal Grants and Contracts	\$ 38,704		\$ 38,704	\$ 11,060,000	0.3%
State Grants and Contracts	18,266		18,266	410,000	4.5%
Private Gifts, Grants and Contracts	19,000		19,000	1,367,000	1.4%
Proposition 301 Workforce Development	221,177		221,177	1,250,000	17.7%
Proposition 207 Workforce Development	-		-	2,000,000	0.0%
State Appropriation - STEM Workforce	152,775		152,775	611,100	25.0%
Fund Balance Applied to Budget	145,833		145,833	1,750,000	8.3%
<b>TOTAL REVENUES</b>	<b>595,755</b>		<b>595,755</b>	<b>18,448,100</b>	<b>3.2%</b>

	<u>Year-to-Date Expenditures</u>	<u>Total Encumbered Obligations</u>	<u>Labor Encumbrances</u>	<u>Total Expenditures and Non-Labor Encumbrances</u>	<u>Budget</u>	<u>Percent of Actual and Non- Labor Encumbrances to Budget</u>
<b>EXPENDITURES (Note 1):</b>						
Instruction	\$ 69,505	\$ 707,175	\$ 535,264	\$ 241,416	\$ 6,216,700	3.9%
Academic Support	-	-	-	-	400,000	0.0%
Institutional Support	-	-	-	-	400,000	0.0%
Student Services	51,903	513,055	483,055	81,903	1,546,500	5.3%
Operation/Maintenance of Plant	-	-	-	-	107,400	0.0%
Scholarships	13,924	-	-	13,924	8,215,500	0.2%
Public Service	82,140	722,909	722,909	82,140	1,562,000	5.3%
<b>TOTAL EXPENDITURES</b>	<b>217,472</b>	<b>1,943,139</b>	<b>1,741,228</b>	<b>419,383</b>	<b>18,448,100</b>	<b>2.3%</b>
<b>SURPLUS/(DEFICIT)</b>				<b>\$ 176,372</b>		

**COMMENTS:**

Restricted Funds expended only to the extent that Grants and Gifts are received.

First quarter STEM Workforce appropriation was received in July 2022.

**Note 1:** Expenditures reported on the modified accrual basis of accounting.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**REPORT OF REVENUES AND EXPENDITURES**

**For the Month Ended July 31, 2022 - 8.3% of the Fiscal Year Complete**

**Fiscal Year 2022-2023**

**UNEXPENDED PLANT FUND**

	<u>Year-to-Date Revenues</u>		<u>Total Revenues</u>	<u>Budget</u>	<u>Percent of Budget</u>		
<b>REVENUES:</b>							
Primary Property Taxes	\$ 655,569		\$ 655,569	\$ 7,890,500	8.3%		
Primary Property Taxes - Contingency	-		-	(45,000)	0.0%		
Investment Income	-		-	30,000	0.0%		
Other	-		-	30,000	0.0%		
General Fund Transfer In	125,000		125,000	1,500,000	8.3%		
<b>TOTAL REVENUES</b>	<b>780,569</b>		<b>780,569</b>	<b>9,405,500</b>	<b>8.3%</b>		
		<u>Year-to-Date Expenditures</u>	<u>Encumbered Obligations</u>	<u>Labor Encumbrances</u>	<u>Total Expenditures and Non-Labor Encumbrances</u>	<u>Budget</u>	<u>Percent of Actual and Non- Labor Encumbrances to Budget</u>
<b>EXPENDITURES (Note 1):</b>							
Planned Maintenance		\$ 29,734	\$ 1,066,580	\$ -	\$ 1,096,314	\$ 3,974,000	27.6%
Unplanned Maintenance		-	22,500	-	22,500	275,600	8.2%
Capital Improvement Projects		329	52,429	-	52,758	1,757,300	3.0%
Equipment		36,993	236,916	-	273,909	2,153,700	12.7%
Furniture and Fixtures		2,245	33,776	-	36,021	257,500	14.0%
Library Books		-	-	-	-	90,900	0.0%
Contributions to Capital Projects Accumulation Account		-	-	-	-	134,000	0.0%
Capital Contingency		-	-	-	-	762,500	0.0%
<b>TOTAL EXPENDITURES</b>		<b>69,301</b>	<b>1,412,201</b>	<b>-</b>	<b>1,481,502</b>	<b>9,405,500</b>	<b>15.8%</b>
<b>SURPLUS/(DEFICIT)</b>					<b>\$ (700,933)</b>	<b>-</b>	

**COMMENTS:**

The Budget currently has a deficit of (\$700,933) as a result of a significant amount of Preventative Maintenance projects being encumbered for the fiscal year. The supporting revenues/transfers will be received over the remaining fiscal year.

**Note 1:** Expenditures reported on the modified accrual basis of accounting.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**REPORT OF REVENUES AND EXPENDITURES**

**For the Month Ended July 31, 2022 - 8.3% of the Fiscal Year Complete**

**Fiscal Year 2022-2023**

**AUXILIARY FUND**

	<b>Budgeted Revenues</b>	<b>Budgeted Expenses</b>	<b>Budgeted Surplus/ (Deficit)</b>	<b>Actual Revenues</b>	<b>Actual Expenditures and Non-Labor Encumbrances</b>	<b>Year-to-date Surplus/ (Deficit)</b>
<b>AUXILIARY ENTERPRISES</b>						
Residence Halls and Summer Conferences	\$ 1,282,000	\$ 502,600	\$ 779,400	\$ 590,375	\$ 15,578	\$ 574,797
Transfer To Debt Fund to Pay Revenue Bonds	(404,500)	-	(404,500)	(33,708)	-	(33,708)
Subtotal - Residence Halls and Summer Conferences	<u>877,500</u>	<u>502,600</u>	<u>374,900</u>	<u>556,667</u>	<u>15,578</u>	<u>541,089</u>
Bookstore Rental and Commissions	75,000	-	75,000	4,700	-	4,700
Food Service & Vending	165,000	192,000	(27,000)	10,949	17,072	(6,123)
Edventures	340,000	349,800	(9,800)	660	2,685	(2,025)
Winery - Tasting Room	275,000	342,200	(67,200)	15,741	17,917	(2,176)
Family Enrichment Center	727,900	915,200	(187,300)	29,918	59,592	(29,674)
Community Events	767,400	1,047,000	(279,600)	30,868	64,978	(34,110)
Performing Arts Productions	215,000	221,000	(6,000)	-	34,254	(34,254)
SBDC (Federal Grant Match Requirement)	-	110,100	(110,100)	-	5,588	(5,588)
Yavapai College Foundation	458,100	458,100	-	22,694	22,694	-
Other Auxiliary Enterprises	190,600	136,100	54,500	10,264	9,419	845
General Fund Transfer In	1,451,600	-	1,451,600	120,967	-	120,967
Contingency	-	100,000	(100,000)	-	-	-
Facilities & Administrative Allocation	-	1,169,000	(1,169,000)	-	97,417	(97,417)
	<u><b>\$ 5,543,100</b></u>	<u><b>\$ 5,543,100</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 803,428</b></u>	<u><b>\$ 347,194</b></u>	<u><b>\$ 456,234</b></u>

**Comments:**

Residence Halls and Summer Conferences revenues are above budget due to most of the fall 2022 semester room revenues being recorded. This will even out over the next few months.

The Budget currently has a surplus of \$456,234.

**Note 1:** Expenditures reported on the modified accrual basis of accounting.





**INDEPENDENT CONSULTANT SERVICE CONTRACT**

This Contract is made as of September 28, 2022, by and between Yavapai County Community College District d/b/a Yavapai College, ("College"), located at 1100 East Sheldon Street, Prescott, AZ 86301, and The Association of Community College Trustees ("Consultant") located at 1101 17<sup>th</sup> Street NW, Suite 300, Washington, DC 20036.

W I T N E S S E T H

WHEREAS, College is desirous of obtaining professional consultant services in support of its goals and objectives; and

WHEREAS, Consultant wishes to provide and has substantial experience and knowledge in connection with providing professional consultant services; and

WHEREAS, College deems it to be in the best interest to retain the benefit of Consultant's services to the extent provided herein; and

WHEREAS, College desires to retain the services of Consultant, and Consultant is willing to be retained as a consultant to College, upon the terms and subject to the conditions hereinafter set forth; and

NOW, THEREFORE, intending to be legally bound, College agrees to retain Consultant as a consultant, and Consultant hereby agrees to be retained as a consultant to College, upon the following terms and conditions:

1. **Duties (Statement of Work).** Consultant shall provide to College services as described in Exhibits A and B, and per this Contract. Consultant shall be expected to work as needed to achieve the objectives agreed upon with College. Consultant shall make the services available to College at such times and for such periods of time as may be reasonably necessary in order to accomplish the intent of the immediately preceding sentences.

2. **Term.** The term of Contract is from September 28, 2022, through June 30, 2023.

3. **Termination.**

(a) College may terminate this Contract prior to the expiration of the Term upon the occurrence of one of the following:

- I. death; incapacity or illness of Consultant or any identified key employees which continues for at least ninety (90) days,
- II. any willful action by Consultant which is intended to adversely affect College, or any person or entity affiliated therewith, or the business or property of the foregoing;

- III. Consultant's commission of a felony (as determined by a plea or a finding of guilt in a court of competent jurisdiction);
- IV. failure or refusal of Consultant to perform any material duties hereunder or to obey any direction from College, which failure or refusal remains uncured for fifteen (15) days following written notice to Consultant specifying such failure or refusal;
- V. employment or gratuity offered or made by Consultant to an officer or employee of College for the purpose of influencing the securing of the Contract. In addition, College shall be entitled to recover exemplary damages in the amount of three (3) times the value of gratuity offered by the Consultant;
- VI. College determines that Consultant has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. By providing signature of execution of Contract shall attest that Consultant is not currently suspended or debarred. If Consultant becomes suspended or debarred, Consultant shall immediately notify College; or

(b) Either party may terminate this Contract at any time, without any reason, upon not less than thirty (30) days prior written notice to the other provided that Consultant will complete any projects that Consultant has commenced work upon, if so requested by College.

(c) Upon the termination of this Contract under section 3(a) or 3(b), Consultant shall be entitled to receive all fees accrued hereunder up to and including the effective date of such termination.

(d) The parties understand that this Contract is subject to cancellation pursuant to Section 38-511 of the Arizona Revised Statutes, without penalty or further obligation on the part of College, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of College is, at any time while this Contract or any extension hereof is in effect, an employee or agent of College, in any capacity, or a consultant to College, with respect to the subject matter of this Contract.

**4. Compensation.** For consulting services rendered hereunder, College will pay Consultant fees based on upon the agreed upon fee of \$6,000 USD – \$3,000 each separately for Board Assessment Services (as described in Exhibit A) and Presidential Evaluation Services (as described in Exhibit B) . Fees include all normal office overhead expenses, such as communications, faxes, mail, email, and reproductions, use of facilities by visiting College officials and staff, but exclude pre-approved travel or special expenditures. Out-of-pocket expenses that are not so pre-approved will not be reimbursed.

Consultant agrees that College will not deduct income, Social Security, or other taxes on any payments to the Consultant hereunder. Consultant acknowledges and agrees that Consultant is solely liable and responsible for payment of any such taxes due to the proper taxing authorities.



Consultant will not be paid or provided any retirement, health, or other employment benefits by College.

5. **Certification.** Consultant certifies that is an independent contractor; provides services to other customers; maintains insurance; sets its own priorities on time and hours of work; provides its own supplies; and determines the means of delivering services.

6. **Non-Discrimination.** Consultant will comply with all applicable state and federal law, rules, regulations, and executive orders governing equal employment opportunity, immigration, and nondiscrimination, including the Americans with Disabilities Act. If applicable, the parties will abide by the requirements of 41 CFR § 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, age, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national original, protected veteran status or disability. College also prohibits discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, citizenship status, disability, veteran status, or genetic information.

7. **Compliance with Immigration Laws; Legal Worker's Act.** Consultant shall at all times comply with the Federal Immigration Reform and Control Act of 1986 (and by any subsequent amendments) and shall indemnify, hold harmless, and defend College from any and all costs or expenses whatsoever arising out of Consultant's noncompliance. To the extent applicable to this Contract under A.R.S. § 41-4401, Consultant warrants on behalf of itself and its subcontractors that it verifies the employment eligibility through the E-verify program of any employee it hires and complies with federal immigration laws and regulations relating to their employees. Consultant shall at all times comply with the Federal Immigration Reform and Control Act of 1986 (and by any subsequent amendments to it) and shall indemnify, hold harmless, and defend College from any and all costs or expenses whatsoever arising out of Consultant's compliance or noncompliance with that law. Additionally, Consultant agrees to abide by all applicable laws that apply to it and this Contract, including executive orders of the Governor of the State of Arizona.

8. **Insurance.** Consultant shall, at its own expense, obtain and maintain throughout the Term of this Contract, policies of insurance from an insurance company duly authorized to do business in Arizona. College does not offer any insurance coverage to Consultant.

9. **Governing Law.** In accordance with ARS § 41-2501, et seq, and AAC R2-7-101, et seq, Contract shall be governed and interpreted by the laws of the State of Arizona.

10. **Arbitration.** In accordance with ARS § 12-1518, the parties agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes.

11. **Representation and Warranty of Consultant.** The Consultant hereby represents and warrants to College that it is not a party to or otherwise subject to or bound by any contract, agreement or understanding which would limit or otherwise adversely affect its ability to perform its duties hereunder or which would be breached by its execution and delivery of this Contract or by the performance of its duties hereunder.

12. **Confidentiality.** Consultant recognizes this Contract creates a confidential relationship between Consultant and the Board of Yavapai College. Information concerning the Board's business will be kept in confidence within Consultant. In order to provide the best possible service to College, there will be times when such information may be shared among Consultant Associates. This is to benefit of their varied experiences, but at no time will the information be shared outside of Consultant.

13. **Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given when received and shall be delivered either personally, by telecopy, or mailed first class, postage prepaid, registered, or certified mail, addressed as follows:

**If to College:**

Yavapai College  
Procurement and Contract Services  
1100 E. Sheldon Street  
Prescott, AZ 86301  
[procurement@yc.edu](mailto:procurement@yc.edu)

**If to Consultant:**

The Association of Community College Trustees  
Attn: Colleen Allen  
1101 17<sup>th</sup> Street NW, Suite 300  
Washington, DC 20036  
[callen@acct.org](mailto:callen@acct.org)

Each of the foregoing shall be entitled to specify a different address by giving notice as aforesaid to the others.

14. **Severability.** If any provision of this Contract of the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Contract and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15. **Entire Agreement.** This Contract and Exhibits A and B represent the entire agreement of the parties with respect to the subject matter hereof and may be amended only by a writing signed by each of them.

16. **Agreement Binding.** This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigned, and, in case of The Consultant, his heirs, executors and legal representatives.

17. **Section Readings.** The section headings of this Contract are for convenience of reference only and shall not affect the construction or interpretation of any of the provisions hereof.

18. **Indemnification.** Consultant agrees that any personal injury to the Consultant, third parties or any property damage resulting from performance of the Obligations hereunder by Consultant shall be the responsibility of Consultant. Consultant will defend, indemnify, and

hold harmless College, its trustees, officers, employees, and agents, from any and all claims, demands, lawsuits or award of damage arising out of the Consultant's performance of the Obligations

19. **Audit.** To the extent required by A.R.S. § 35-214, the Consultant shall retain all data, books, and other records ("records") relating to this Contract for a period of five (5) years after completion of the Contract. All records shall be subject to inspection and audit by College at reasonable times. Upon request, the Consultant shall produce the original of any or all such records.

20. **Registered Sex Offender Notification Restriction.** Consultant represents and warrants that no employee who has been adjudicated to be a registered sex offender will perform work on College premises or equipment at any time. Consultant further agrees that a violation of this condition shall be considered a material breach and may result in a cancellation of the Contract at College's discretion.

21. **Contract Assignment.** Consultant may not, in part or in whole, subcontract, delegate or assign this Contract without the prior written permission of a representative of College authorized to sign contracts.

22. **Order of Precedence.** This Contract take precedence over any inconsistent or materially different terms in Exhibits A and B. Additionally, College does not agree to, and will not be bound by, Consultant terms and conditions that a representative of College not authorized to sign contracts has approved and signed.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year first above written.

The Association of Community College  
Trustees  
1101 17<sup>th</sup> Street NW, Suite 300  
Washington, DC 20036

By:  \_\_\_\_\_

Name: Jee Hang Lee

Title: President & CEO

Date: 9/19/2022 \_\_\_\_\_

Yavapai College  
1100 East Sheldon Street  
Prescott, AZ 86301

By: \_\_\_\_\_

Name: Ryan Bouwhuis

Title: Director of Procurement & Contract Services

Date: \_\_\_\_\_



**EXHIBIT A**

**ACCT CONTRACT  
Board Self-Assessment Services Between  
Yavapai College  
And**

**The Association of Community College Trustees**

For the sum of \$3,000 (three-thousand dollars) plus shipping expenses, the Association of Community College Trustees (ACCT) agrees to assist the Yavapai College (YC) District Governing Board with its 2022-2023 self-assessment process. ACCT will work with a designated member of the YC District Governing Board to revise/update (if necessary) a customized assessment instrument; ACCT will distribute the link to each member of the District Governing Board, collect the data, prepare a confidential summary analysis, and submit a final report for the District Governing Board according to the dates below. The Board and the president of the Yavapai College will be responsible for the review, revision, and approval of the assessment instrument.

**Indemnification**

Notwithstanding anything herein to the contrary, each party shall defend, indemnify, and hold the other party, its directors, officers, agents, representatives, employees and assigns (herein referred to cumulatively as "Indemnitees"), harmless from and against claims for bodily injury or death to any person and damage to property of Indemnitees or others and all reasonable costs and expenses (including without limitation court costs, reasonable attorney's fees, accountant's fees and expert fees) to the extent the same is caused by the intentional or negligent action or negligent inaction of such party, its directors, officers, agents, representatives, employees and assigns. The foregoing indemnity shall not be construed to indemnify any Indemnitee to the extent that any claim or expense is caused by the Indemnitee's negligent action or negligent inaction.

**Mandatory Arbitration**

All disputes concerning the terms of this contract or claims by either party pursuant to this contract, including but not limited to termination of this contract, are subject to and shall be submitted to mandatory arbitration under the auspices of the American Arbitration Association. The Commercial Rules as they exist at the time of the dispute or claim shall apply. Venue for the Arbitration shall be the District of Columbia. Each party shall be individually responsible for the cost of its own attorney fees and its pro rata share of the costs of Arbitration including Arbitration fees.

**Cancellation**

Either party may cancel this agreement with a ten (10) days-notice to the other party. If instituted, YC would reimburse only those charges incurred by ACCT on behalf of YC up to that point in time.

**Confidentiality**

ACCT will not disclose any confidential, nonpublic information without the consent of the Yavapai College District Governing Board. All assessment data, instruments, and analysis are prepared for the President and the Yavapai College District Governing Board and are not for public distribution.

ACCT will invoice the college for the fees and shipping expenses upon submission of the report. The assessment instrument will be distributed to each board member on March 21, 2023; data collection will close on March 24, 2023. ACCT will submit the summary analysis report to the college on or before March 31, 2023.

\_\_\_\_\_  
Authorized Signature

  
\_\_\_\_\_  
Jee Hang Lee, President & CEO, ACCT

\_\_\_\_\_  
Date

\_\_\_\_\_  
September 6, 2022  
Date



**EXHIBIT B**

**ACCT Contract  
Presidential Evaluation Services  
Between  
Yavapai College  
And  
The Association of Community College Trustees**

For the sum of \$3,000 (three-thousand dollars) plus shipping expenses, the Association of Community College Trustees (ACCT) agrees to assist the Yavapai College (YC) District Governing Board with its annual president’s evaluation process. In consultation with the Board Chair ACCT will develop a presidential evaluation instrument, distribute the link to each member of the District Governing Board, collect the data, prepare a confidential summary analysis, and submit a final report to the Board. The Board and the president of the Yavapai College will be responsible for the development, review, revision, and approval of the evaluation instrument.

**Indemnification:**

Notwithstanding anything herein to the contrary, each party shall defend, indemnify, and hold the other party, its directors, officers, agents, representatives, employees and assigns (herein referred to cumulatively as “Indemnitees”), harmless from and against claims for bodily injury or death to any person and damage to property of Indemnitees or others and all reasonable costs and expenses (including without limitation court costs, reasonable attorney’s fees, accountant’s fees and expert fees) to the extent the same is caused by the intentional or negligent action or negligent inaction of such party, its directors, officers, agents, representatives, employees and assigns. The foregoing indemnity shall not be construed to indemnify any Indemnitee to the extent that any claim or expense is caused by the Indemnitee’s negligent action or negligent inaction.

**Mandatory Arbitration:**


All disputes concerning the terms of this contract or claims by either party pursuant to this contract, including but not limited to termination of this contract, are subject to and shall be submitted to mandatory arbitration under the auspices of the American Arbitration Association. The Commercial Rules as they exist at the time of the dispute or claim shall apply. Venue for the Arbitration shall be the District of Columbia. Each party shall be individually responsible for the cost of its own attorney fees and its pro rata share of the costs of Arbitration including Arbitration fees.

**Confidentiality:**

ACCT will not disclose any confidential, nonpublic information without the consent of the Yavapai College District Governing Board. All evaluation data, instruments, and analysis are prepared for the President and the Yavapai College District Governing Board and are not for public distribution.

ACCT will invoice the college for the fees and shipping expenses upon submission of the report. The evaluation instrument will be distributed on May 8, 2023; data collection will close on May 12, 2023. ACCT will submit the summary analysis reports to the college on or before May 16, 2023.

\_\_\_\_\_  
Authorized Signature

  
\_\_\_\_\_  
Jee Hang Lee, President & CEO, ACCT

\_\_\_\_\_  
Date

\_\_\_\_\_  
September 6, 2022  
\_\_\_\_\_  
Date