

**City of Jonesboro, Arkansas Non-Uniformed Employees
457(b) Retirement Savings Plan and Trust**

January 1, 2012

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**CITY OF JONESBORO, ARKANSAS NON-UNIFORMED EMPLOYEES
457(b) RETIREMENT SAVINGS PLAN AND TRUST**

The CITY OF JONESBORO, ARKANSAS (the "City"), hereby establishes the City of Jonesboro, Arkansas Non-Uniformed Employees 457(b) Retirement Savings Plan, and hereby enters into this Trust Agreement with First Security Bank (the "Trustee"), under which there shall exist a Trust Fund to which contributions may be made and from which benefits shall be paid in accordance with the terms and conditions herein.

The Plan is designed to be an "eligible deferred compensation plan" as defined in Section 457(b) of the Internal Revenue Code of 1986, as amended.

Effective as of January 1, 2012, the terms and conditions of the Plan and Trust are as follows:

**ARTICLE 1
DEFINITIONS**

The following definitions apply to this Plan unless the context plainly requires otherwise. Any variation shall have the meaning ascribed to the defined term.

1.01 Account means a Participant's entire interest in the Plan, to which is credited Deferred Compensation Amounts pursuant to Section 3.02 and rollover amounts pursuant to Section 3.04, any allocated administrative expenses and investment experience thereon.

1.02 Alternate Payee means an individual who is entitled to payment from a Participant's Account pursuant to a Qualified Domestic Relations Order.

1.03 Beneficiary means any person who is designated, pursuant to Section 5.02, to receive the benefits payable from a Participant's Account under this Plan upon the death of the Participant.

1.04 City means the City of Jonesboro, Arkansas.

1.05 City Council means the City Council for the City of Jonesboro, Arkansas.

1.06 Code means Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code includes not only the section but any comparable section or sections of any future legislation that amends, supplements or supersedes the section.

1.07 Compensation means all wages for federal income tax withholding purposes as defined under Code §3401(a), plus all other payments to an Employee in the course of employment with the Employer for which the Employer must furnish a written statement under Code §§6041, 6051 and 6052 (Form W-2 Wages), but determined without regard to any rules that limit remuneration included in wages based on the nature or location of employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

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

1.09 Deferred Compensation means the amount of Compensation deferred by a Participant under this Plan pursuant to a Deferred Compensation Agreement.

1.10 Deferred Compensation Agreement means the written agreement between a Participant and the Employer pursuant to which the Participant agrees to accept a reduction in Compensation and the Employer agrees to credit the amount of such reduction to the Participant's Account under this Plan. A Deferred Compensation Agreement shall be completed and filed with the Plan Administrator and shall take effect as soon as administratively practicable following the Plan Administrator's receipt. A Deferred Compensation Agreement shall remain in effect until a new election is filed with the Plan Administrator.

1.11 Disability means a physical or mental condition of a Participant resulting from bodily injury, disease or mental disorder which renders such Participant incapable of continuing any gainful occupation and which condition constitutes total disability under the federal Social Security Acts.

1.12 Effective Date means January 1, 2012.

1.13 Eligible Employee means every Employee of the Employer, excluding the following:

- (a) leased employees;
- (b) Employees subject to a collective bargaining agreement;
- (c) uniformed police and fire department personnel;
- (d) part-time Employees, i.e., based on the classification in the Employer's payroll system, Employees who work less than on a full-time basis or less than forty (40) hours per week;
- (e) seasonal Employees, i.e., based on the classification in the Employer's payroll system, Employees who work in a position that is meant to be for a limited time or duration, or Employees whose services are limited to a specific/seasonal project or job; and
- (f) elected officials of the City of Jonesboro, Arkansas.

1.14 Eligible Retirement Plan means any account, annuity, plan or trust as defined in Code §402(c)(8)(B).

1.15 Eligible Rollover Distribution means any distribution as defined in Code §402(c)(4).

1.16 Employee means each natural person who is employed by the Employer as a common law employee, excluding independent contractors.

1.17 Employer means THE CITY OF JONESBORO, ARKANSAS, which is a municipality of the State of Arkansas.

1.18 Entry Date means January 1, April 1, July 1 and October 1 of each Plan Year.

1.19 Includible Compensation means an Employee's actual wages in box 1 of Form W-2 for services performed during a calendar year, but subject to a maximum of \$250,000 (or such amount adjusted pursuant to Code §401(a)(17)), and increased by any elective contribution under Code §§125, 132(f)(4), 401(k), 403(b) (including an election under this Plan).

1.20 Investment Manager means a registered investment advisor, a bank or an insurance company appointed to control the investments of the Trust.

1.21 Investment Options means the investments available to a Participant through the permitted investment options designated by the Trust.

1.22 Normal Retirement Age means age 65.

1.23 Participant means any Eligible Employee who has been admitted to participate in this Plan pursuant to the provisions of Article 2. An individual shall remain a Participant, regardless of whether such individual is an Eligible Employee of the Employer, if there remain any amounts credited to his/her Account.

1.24 Plan Administrator means the Employer acting through the City Council, or such individuals or committees as the City Council designates from time to time.

1.25 Plan Year means the twelve (12) month period ending each December 31.

1.26 Regulation means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

1.27 Rollover Amount means that portion of an Eligible Rollover Distribution from this Plan that, by election of the distributee, is transferred directly or, if permitted by the Code, indirectly to an Eligible Retirement Plan.

1.28 Qualified Domestic Relations Order or "QDRO" means any judgment, decree or order as defined in Code §414(p) and as described hereunder.

1.29 Required Beginning Date means April 1st of the calendar year following the later of: (a) the calendar year in which the Participant attains Age 70 1/2; or (b) the calendar year in which the Participant has a Severance from Employment.

1.30 Retirement means Severance from Employment on or after attainment of Normal Retirement Age.

1.31 Service means the period of continuous employment with the Employer.

1.32 Severance from Employment means a voluntary or involuntary termination of employment with the Employer for any reason including death or Disability, or for no reason; provided, however, that an approved leave of absence shall not constitute a Severance from Employment.

1.33 Trust means the funding vehicle established pursuant to Code §457(g) which shall consist of assets of the Plan held by the Trustee pursuant to the terms of the Trust Agreement. An annuity contract is a permitted investment, although not held in trust, and shall be deemed to constitute a qualified trust under Code §401 if it is purchased under the Plan and meets the requirements of Code §404(a)(2) and the regulations thereunder, except that the plan may be a §457(b) plan.

1.34 Trust Fund means the assets of the Plan and Trust as the same shall exist from time to time.

1.35 Trustee means the person or entity named as trustee herein or in any separate trust forming a part of this Plan, and any successors, effective upon the written acceptance of such person or entity to serve as Trustee

1.36 Valuation Date means the date or dates deemed necessary or appropriate by the Administrator for the valuation of the Participants' Accounts during the Plan Year, which shall include any day that the Trustee, any transfer agent appointed by the Trustee or the Employer or any stock exchange used by such agent, is open for business.

ARTICLE 2 ELIGIBILITY AND PARTICIPATION

2.01 Eligibility. An Eligible Employee shall be eligible to participate in this Plan after (i) completing ninety (90) days of Service and (ii) attaining the age of twenty-one (21).

2.02 Participation. Upon satisfying the requirements of Section 2.01 to participate in the Plan, an Eligible Employee shall become a Participant as of the Entry Date coinciding with or immediately following the date that such requirements are met.

ARTICLE 3 DEFERRED COMPENSATION AND ROLLOVER CONTRIBUTIONS

3.01 Employer Contribution. The Employer shall make no contributions to this Plan.

3.02 Participant Contribution; Elective Deferral Amounts. Each Participant may make contributions to the Plan by completing a Deferred Compensation Agreement and electing to reduce his/her Compensation by a percentage that is no less than one percent (1%) and not more than seventy-five percent (75%), and the Employer shall contribute such elective deferrals to the Plan for the Participant's Account. Such elective deferrals shall be remitted to the Trust Fund by the Employer within a period that is not longer than reasonable for the proper administration of the Participant's Account. For this purpose, elective deferrals shall be treated

as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is remitted to the Trust Fund within fifteen (15) business days following the end of the calendar month in which the amount would have otherwise been paid to the Participant.

(a) General Limitation. In no event shall the Deferred Compensation contributed by the Employer plus that elected by the Participant under this Plan during any Plan Year exceed the lesser of (1) \$17,000, or the applicable dollar amount as adjusted pursuant to Code §457(e)(15), or (2) 100% of the Participant's Includible Compensation for the Plan Year.

(b) Special §457 Catch-up Limitations. Notwithstanding any provision in paragraph (a) of this section to the contrary, with respect to any one or more of the three (3) Plan Years ending before the date upon which the Participant attain, Normal Retirement Age, such Participant may elect to have Deferred Compensation contributed to the Plan in an amount not to exceed the lesser of (1) twice the dollar amount the Participant would otherwise be permitted to contribute under paragraph (a), or (2) the Underutilized Limitation.

For purposes of this subsection, the Underutilized Limitation with respect to a Participant shall be equal to the sum of:

(A) the Participant's contribution limitation as set forth Section 3.02(a) for such Plan Year, and

(B) the excess of (i) over (ii) where:

(i) equals the sum of the limitations set forth in Code §457(b)(2) for all Plan Years on or after December 31, 1978 in which the Participant was eligible to participate in this Plan, and

(ii) equals the sum of all Deferred Compensation made on behalf of such Participant for such Plan Years plus his/her deferred compensation under any other eligible deferred compensation plan sponsor.

A Participant may not elect to apply the catch-up limitation described in this paragraph above more than once, regardless of whether the full amount of the limitation is utilized or whether the limitation is utilized for all three years.

(c) Catch-Up Contributions for Individuals Age 50 or Older. Any Participant who is projected to attain the age of fifty (50) before the end of a calendar year may elect to have additional Deferred Compensation contributed to the Plan in an amount not to exceed \$5,500, or such other amount as adjusted pursuant to Code §414(v), including any Employer contribution. If an individual is eligible for both the catch-up under this paragraph (c) and the catch-up under paragraph (b), the individual may elect the greater of the two.

(d) Correction of Excess Deferred Compensation. If the Deferred Compensation on behalf of a Participant for any calendar year exceeds the limitations described above, or the Deferred Compensation on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under

another eligible deferred compensation plan under Code §457(b) for which the Participant provides information that is accepted by the Plan Administrator, then the Deferred Compensation, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

3.03 Modification to Deferred Compensation Amounts. A Participant may elect to change the percentage of his or her Compensation contributed to the Plan, on a quarterly basis, by submitting a new Deferred Compensation Agreement to the Plan Administrator. Such change shall be effective as of the first day of the Plan Year quarter immediately upon the Plan Administrator's receipt of the properly completed Deferred Compensation Agreement. Notwithstanding the foregoing, a Participant may terminate his or her Deferred Compensation contributions at any time by notifying the Employer, on the form and in manner prescribed by the Plan Administrator. Such termination shall be effective as soon as administratively practicable following the Plan Administrator's receipt of such termination notification.

3.04 Rollover Contributions from Other Eligible Deferred Compensation Plans. The direct transfer and/or rollover contribution of an Eligible Rollover Distribution from another eligible deferred compensation plan (as defined in Code §457(b)) shall be accepted and allocated to a Participant's Account under this Plan provided that such amounts are in cash. The Plan Administrator may request proof that the prior plan is an eligible deferred compensation plan under Code §457(b). Direct transfer and/or rollover contribution amounts shall not be subject to the limitations of the Section 3.02, provided, however, that the actual amount deferred during the calendar year under both the prior plan and the Plan shall be taken into account in calculating the deferral limitations for that year.

3.05 Vesting. A Participant shall be fully vested at all times in his or her Account. All Participant Accounts shall be non-forfeitable at all times.

3.06 Leave of Absence or Disability. Unless a Deferred Compensation Agreement is otherwise revised, Deferred Compensation under the Plan shall continue (i) if a Participant is absent from work by leave of absence, but only to the extent that Compensation continues, and (ii) with respect to a Participant who incurs a Disability and has not incurred a Severance from Employment.

3.07 Reemployment after a Military Leave; Make-Up Contributions. A Participant who is in qualified military service, as defined in Code §414(u)(5) and who is reemployed within the time required by law after the expiration of his qualified military service, may make-up Deferred Compensation for the period of his qualified military service, based on his deemed compensation during his qualified military service as defined in Code §414(u). Such make-up Deferred Compensation amounts may be made in either a single payment or in installments and must be made during the period beginning with the date of the Participant's reemployment after his military leave equal to the lesser of (i) three times the period of his military leave and (ii) five years.

In determining the USERRA contributions, a Participant will be treated as having received compensation during the period of qualified military service equal to the rate of pay the Participant would have received from the Employer but for the qualified military service.

ARTICLE 4
RETIREMENT AND SEPARATION BENEFITS

4.01 Eligibility To Receive Benefits. Except as provided in section 4.06, distribution of benefits from the Plan shall be made no earlier than the later of: (i) the date of the Participant's Severance from Employment; or (ii) the Participant's Required Beginning Date.

4.02 Retirement and Severance Benefits. Upon Severance from Employment, a Participant shall receive a benefit from this Plan equal to the balance of his/her Account as of the Valuation Date on which the Participant's account is liquidated to pay benefits. Such payment shall be made in accordance with Section 4.03.

4.03 Benefit Commencement and Form of Distribution. A Participant's benefits under this Plan shall commence anytime after he becomes eligible to receive benefits pursuant to Section 4.01, as selected by the Participant pursuant to a written election which is accepted and approved by the Plan Administrator. The benefit shall be paid in the form of a lump sum.

In no event shall distribution of benefits commence later than the Participant's Required Beginning Date. If no election is made, a lump sum will be paid to the Participant at his Normal Retirement Age, or if later, the date of his Severance from Employment.

Notwithstanding the above, if a Participant's account exceeds \$1,000, distribution may not be made without the Participant's consent.

4.04 Provisions Relating to Eligible Rollover Distributions.

(a) Election Procedure. If all or any portion of a distribution is an Eligible Rollover Distribution, the distributee shall have the right to elect to have all or any portion of the Eligible Rollover Distribution treated as a Rollover Amount. Subject to satisfaction of the requirements of Code §457(e)(16) and this Section, Rollover Amounts shall be delivered directly by this Plan to an Eligible Retirement Plan as designated by the distributee. Any such election shall be made in writing on forms acceptable to the Plan Administrator and shall include such information and certifications as may reasonably be required by the Plan Administrator.

(b) Effect of Delivery of Rollover Amounts. Each distributee, by electing to have any portion of his/her Eligible Rollover Distribution treated as a Rollover Amount, agrees that, upon transmittal as instructed of the funds to which such election applies, the Plan Administrator, the Trustee, the Employer and all other persons and entities associated with the operation and maintenance of this Plan shall be released from all duties, obligations, responsibilities and liabilities in connection with the amount so transmitted. None of the persons or entities so released shall be responsible to see to the crediting or application of the funds so transferred.

4.05 Transfers to Certain Plans for the Purchase of Service Credit. After Severance from Employment, any Participant who is a participant in a defined benefit governmental plan (as defined in IRC Section 414(d)) may have a direct trustee to trustee transfer made from this Plan to the defined benefit governmental plan if the transferred assets are used for:

(a) The purchase of service credit (as defined in Code §415(n)(3)(A)) in the defined benefit governmental plan; or

(b) A repayment of a cash-out from the defined benefit governmental plan which meets the requirements of Code §415(k)(3).

4.06 In Service Withdrawals. Withdrawals prior to Severance from Employment are not permitted under this Plan, except (i) after the Participant's Required Beginning Date, or (ii) in the event of a serious financial condition arising from an unforeseeable emergency.

In the event of a serious financial condition arising from an unforeseeable emergency, the Participant may apply to the Plan Administrator for a withdrawal of the Participant's Account under the Plan prior to retirement or Severance from Employment by the Participant. If approved, the withdrawal will be effective at the later of the date specified in the Participant's application or the date of the approval by the Plan Administrator. Any such withdrawal will be limited to the amount determined by the Plan Administrator to be necessary to meet the emergency, but no withdrawal shall be approved to the extent that the emergency is or may be relieved through reimbursement or compensation by insurance, by liquidation of the Participant's assets to the extent that such liquidation will not itself cause severe financial hardship, or by future cessation of deferrals under the Plan.

An unforeseeable emergency is a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to a casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The needs to send a child to college or the desire to purchase a new home are not unforeseeable emergencies.

ARTICLE 5 DEATH BENEFITS

5.01 Form and Amount of Death Benefits. Upon the death of a Participant, death benefits shall be payable as follows:

(a) **Death Prior to Distribution of Benefits.** If a Participant's death occurs before his/her Plan benefit has been distributed pursuant to Article 4, the Participant's Beneficiary shall elect a distribution date that is no later than the December 31st of the calendar year in which the fifth (5th) anniversary of the date of the Participant's death occurs. Alternatively, the Beneficiary may elect that distributions commence at any time on or before: (1) December 31st of the calendar year immediately following the calendar year of the Participant's death; or (2) (or if the Beneficiary is the Participant's spouse, December 31st of the calendar year in which the Participant would have attained Age 70-1/2). Payment to the Participant's Beneficiary shall be made in a lump sum.

(b) **Section 401(a)(9) Compliance.** Notwithstanding any other provision of this Article, all distributions shall commence no later than the latest permissible benefit commencement date under Code §401(a)(9) Regulations thereunder, and each benefit will be distributed at a rate not less than the minimum distribution rate prescribed for such benefit under

Code §401(a)(9) and the Regulations thereunder. The provisions of Code §401(a)(9) and the Regulations issued thereunder are hereby incorporated by reference.

5.02 Beneficiary Designation.

(a) **In General.** The Participant shall file with the Plan Administrator a written designation of primary and contingent Beneficiary which shall indicate the person or persons who shall receive benefits payable under this Plan upon the Participant's death. The Participant accepts and acknowledges the burden for executing and filing a proper Beneficiary designation with the Plan Administrator.

(b) **Change in Beneficiary Designation.** Any change in Beneficiary designation shall become effective only upon receipt of the form by the Plan Administrator whether or not the Participant is living at the time of such receipt. Any change of Beneficiary designation filed in proper form with the Plan Administrator shall revoke all prior Beneficiary designations.

(c) **Death Without Beneficiary Designation.** If a Participant dies without having designated a Beneficiary or if every designated Beneficiary has predeceased the Participant, the benefit payment under this Plan shall be made to the Participant's surviving spouse or, if none, to Participant's children (including adopted children), per stirpes, or if none, to Participant's estate.

5.03 Rollovers By Designated Beneficiary. A designated Beneficiary may direct the Plan Administrator to rollover the Beneficiary's benefits to a Code §§401(a), Code §403(b), traditional IRA, and eligible government 457 plans, and such other plans as may be allowed by the Code. Nonspouse Beneficiaries (parents, children, domestic partners, and other individuals) may rollover amounts paid by this Plan only to an inherited IRA and only via a direct trust-to-trust transfer.

ARTICLE 6

LOANS AND QUALIFIED DOMESTIC RELATIONS ORDERS

6.01 Loans to Participants. This Plan does not permit loans from the Plan to Participants.

6.02 Qualified Domestic Relations Orders. Upon receipt of notification of any judgment, decree or order which relates to the provision of child support, alimony payments, or marital property rights of a spouse, former spouse, child, or other dependent of a Participant and which is made pursuant to a state domestic relations and/or community property law ("Court Order"), the Plan Administrator shall, within a reasonable period after receipt of such Court Order, determine whether it satisfies the requirements of a Qualified Domestic Relations Order under the Code. "Qualified Domestic Relations Order" shall mean a Domestic Relations Order which creates or recognizes the existence of an "Alternate Payee's" right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under this Plan and which clearly specifies (i) the name and the last known mailing address of the Participant and each Alternate Payee covered by the Order, (ii) the amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the

manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such Order applies, (iv) each plan to which such Order applies and (v) any other requirements of the Code or regulations. All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "Alternate Payee" under a Qualified Domestic Relations Order. Furthermore, a distribution to an "Alternate Payee" shall be permitted if such distribution is authorized by a Qualified Domestic Relations Order, even if the affected Participant has not separated from service and has not reached the Normal Retirement Age or earliest retirement age under the Plan. For the purposes of this Section, "Alternate Payee," "Qualified Domestic Relations Order" and "earliest retirement age" shall have the meanings set forth under Code §414(p).

ARTICLE 7 ESTABLISHMENT AND MAINTENANCE OF ACCOUNTS

7.01 Establishment of Accounts. An Account shall be established in the name of each Participant and maintained by the Plan Administrator as a recording of the aggregate Deferred Compensation, Investment Option allocations, earnings and any other information deemed necessary to administer such Account. Such Account shall become the basis for determining benefits under the Plan. Additionally, as appropriate, one or more sub-accounts shall be established as part of the Participant's Account as a recording of the rollover contributions made to this Plan, earnings thereon and expenses attributable thereto.

7.02 Reporting of Accounts. A report of the status of a Participant's Account and any Account activity shall be furnished by the Plan Administrator at intervals as determined by the Employer, provided, however that such report shall be no less than annual.

ARTICLE 8 INVESTMENT OF DEFERRED COMPENSATION

8.01 General. The Plan Administrator shall, after deducting any applicable administrative expense charges, allocate the Deferred Compensation as directed by the Participant among the Investment Option(s) selected pursuant to this Article 8. The market value or cash value of the Participant's Account shall be dependent upon the investment return experience of the Participant's elected Investment Option(s).

8.02 Investment Direction by Participants.

(a) Rights of Participants, Beneficiaries and Alternate Payees. A Participant shall direct the Plan Administrator as to the Investment Option(s) which shall be the standard by which value of the Participant's Deferred Compensation Account shall be measured. Beneficiaries and/or Alternate Payees shall also direct the investment of their Accounts. In such a case, the provisions of this Section 8.02 shall also apply to investment by such Beneficiaries and Alternate Payees.

(b) Available Investment Options. The Plan Administrator may offer such Investment Options as it determines in the exercise of its sole and absolute discretion and as provided in the Trust. The Plan Administrator may offer additional Investment Options or

eliminate Investment Options as it determines in the exercise of its sole and absolute discretion, as provided in the Trust.

(c) Transmission of Investment Directions. Investment directions must be provided by written communication, telephonic or electronic communication or such other means as the Plan Administrator may require. Until an investment direction becomes effective, the Plan Administrator, Employer and the Trustee shall be fully protected in following the previous investment direction which is to be superseded by the new investment direction.

(d) Default Investment Direction. In the event that a Participant declines or fails to provide investment directions with respect to his/her Account, the Trustee shall determine the appropriate manner in which such assets are to be invested, and the Plan Administrator and the Trustee shall be fully protected with regard to such action and indemnified by the Employer except for actions or failures to act which are grossly negligent.

(e) Limited Trading Authorization. A participant or Alternate Payee may designate in writing, in such form as approved by the Plan Administrator for that purpose, another party to execute investment transactions affecting the Participant's account. Neither the Employer, nor the Plan Administrator, nor any Trustee shall be liable for following the instructions of any third party so designated.

8.03 Losses Under the Plan. The Plan Administrator, Employer and the Trustee shall not be accountable or liable for any investment losses to a Participant's Account incurred by virtue of implementing the directions of the Participant with respect to the investment of the Account.

ARTICLE 9 ESTABLISHMENT OF TRUST/EXCLUSIVE BENEFIT

9.01 Trust Agreement and Trustee. All Deferred Compensation amounts, rollover amounts and earnings, gains and losses thereon shall be held in a trust or in an annuity contract for the exclusive benefit of Participants and Beneficiaries. Such Trust or annuity contract shall comply with Code §457(g) at all times, and the Trustee accepts the Trust created, agrees to perform the duties described and shall have the powers set forth herein.

9.02 Receipt of Contributions. The Trustee is accountable to the Employer for the funds contributed to it by the Employer, but does not have any duty to see that the contributions received comply with the provisions of the Plan. The Trustee is not obligated to collect any contributions from the Employer, nor is obliged to see that funds deposited with it are deposited according to the provisions of the Plan.

9.03 Powers. The Trustee shall be a directed trustee. The Trustee shall invest the Trust Fund in the Investment Options directed by the Participants, or in the case of a Participant who does not direct the investment of the Participant's Account, in the Investment Option selected by the Trust or as directed in writing by the Employer, Plan Administrator, Investment Manager, or other Plan Fiduciary, as the case may be.

The Trustee shall have full power and authority to invest and reinvest the Trust Fund in any investments permitted by law for the investment of trust funds as provided in the preceding paragraph. The Trustee shall also have full power with respect to any and all securities or property at any time received or held in the Trust Fund, to do all such acts, take all such proceedings and exercise all such rights and privileges, whether herein specifically referred to or not, as could be done, taken or exercised by the absolute owner thereof, in order to fully accomplish its duties as provided herein, including, without in any way limiting or impairing the generality of the foregoing, the following powers and authority:

(a) To invest any part or all of the Trust Fund in any certificates of deposit, annuities, or any of the following that are publicly traded: common or preferred stocks, bonds, open-end or closed-end mutual funds (including exchange traded funds and mutual funds established and maintained as collective investment funds for trust accounts by the Trustee or its affiliate), or any other investments permitted by law for the investment of trust funds.

(b) To sell the same, at either public or private sale, at such time or times and on such terms and conditions as to credit or otherwise as it may deem appropriate.

(c) To consent to or participate in any plan for the reorganization, consolidation or merger of any corporation, the security of which is held in the Trust Fund, and to pay any and all calls and assessments imposed upon the owners of such securities as a condition of their participating therein; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between such corporation and any other corporation or person.

(d) To exercise or dispose of any right it may have as the holder of any security to convert the same into another or other securities, or to acquire any additional security or securities, to make any payments, to exchange any security or to do any other act with reference thereto which it may deem advisable.

(e) To deposit any security with any protective or reorganization committee, and to delegate to such committee such power and authority with relation thereto as it may deem proper, and to agree to pay and to pay out of the Trust Fund such portion of the expenses and compensation of such committee as the Trustee may deem proper.

(f) To renew or extend the time of payment of any obligation due or becoming due.

(g) To grant options to purchase any property, including common stocks held in the Trust Fund.

(h) To compromise, arbitrate or otherwise adjust or settle claims in favor of or against the Trust Fund, and to deliver or accept in either total or partial satisfaction of any indebtedness or other obligation any property, and to continue to hold for such period of time as the Trustee may deem appropriate any property so received.

(i) To exchange any property for other property upon such terms and conditions as the Trustee may deem proper, and to give and receive money to effect equality in price.

(j) To vote proxies, execute powers of attorney and deliver same to such person or persons as the Trustee may deem proper, granting to such person such power and authority with relation to any securities at any time held for the Trust Fund as it may deem proper.

(k) To foreclose any obligation by judicial proceeding or otherwise.

(l) To sue or defend in connection with any and all securities or property at any time received or held for the Trust Fund with all costs and attorneys' fees in connection therewith to be charged against the Trust Fund.

(m) To borrow money, with or without giving security.

(n) To cause any securities held for the Trust Fund to be registered and to carry any such securities in the name of a nominee or nominees or in the name of the Trustee.

(o) To hold such portion of the Trust Fund as the Trustee may deem necessary for the ordinary administration of the Trust Fund in short-term cash equivalents having ready marketability or by depositing the same in a passbook savings account in any bank subject to the rules and regulations governing such deposits, and without regard to the amount of any such deposit.

(p) To transfer all or part of the Trust Fund to be commingled with other funds in a common trust, mutual fund, similar fund administered by the Trustee or other open-end investment companies.

9.04 Records and Statements. The records of the Trustee pertaining to the Plan must be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or the Plan Administrator may specify in writing. The Trustee must furnish the Plan Administrator with whatever information relating to the Trust Fund the Plan Administrator considers necessary.

9.05 Fees and Expenses from Fund. The Trustee will receive reasonable annual compensation as may be agreed upon from time to time between the Employer and the Trustee. No person who is receiving full pay from the Employer may receive compensation for services as Trustee. The Trustee will pay from the Trust Fund all fees and expenses reasonably incurred by the Plan, to the extent such fees and expenses are for the ordinary and necessary administration and operation of the Plan, unless the Employer pays the fees and expenses. Any fee or expense paid, directly or indirectly, by the Employer is not an Employer contribution to the Plan, provided the fee or expense relates to ordinary and necessary administration of the Fund.

9.06 Parties to Litigation. No Participant or Beneficiary is a necessary party or is required to receive notice of process in any court proceeding involving the Plan, the Trust Fund or any fiduciary of the Plan. Any final judgment entered in any proceeding will be conclusive upon the Employer, the Plan Administrator, the Trustee, Participants and Beneficiaries.

9.07 Professional Agents. The Trustee, with the written direction of the Employer, may employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee. With the written direction of the Employer, the Trustee may delegate to any agent, attorney, accountant or other person selected by the Employer any non Trustee power or duty vested in it by the Plan.

9.08 Distribution Directions. The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee. If no one claims a payment or distribution made from the Trust, the Trustee must promptly notify the Employer and then dispose of the payment in accordance with the subsequent direction of the Employer.

9.09 Third Party/Multiple Trustees. No person dealing with the Trustee is obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Plan. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and is not liable to any person in so acting. The certificate of the Trustee that it is acting in accordance with the Plan will be conclusive in favor of any person relying on the certificate. If more than two persons act as Trustee, a decision of the majority of such persons controls with respect to any decision regarding the administration or investment of the Trust Fund or any portion of the Trust Fund with respect to which such persons act as Trustee. However, the signature of only one Trustee is necessary to effect any transaction on behalf of the Trust.

9.10 Resignation. The Trustee may resign its position at any time by giving 30 days' written notice in advance to the Employer. If the Employer fails to appoint a successor Trustee within 60 days of its receipt of the Trustee's written notice of resignation, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed its acceptance of appointment with the former Trustee.

9.11 Removal. The Employer, by giving 30 days' written notice in advance to the Trustee, may remove any Trustee. In the event of the resignation or removal of a Trustee, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee.

9.12 Interim Duties and Successor Trustee. Each successor Trustee succeeds to the title to the Trust vested in his predecessor by accepting in writing his appointment as successor Trustee and by filing the acceptance with the former Trustee without the signing or filing of any further statement. The resigning or removed Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, must execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee has and enjoys all of the powers, both discretionary and ministerial, conferred under this Agreement upon his predecessor. A successor Trustee is not personally liable for any act or failure to act of any predecessor Trustee. With the approval of the Employer, a successor Trustee, with respect to the Plan, may

accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.

9.13 Valuation of Trust. The Trustee must value the Trust Fund as of each Valuation Date to determine the fair market value of the assets in the trust. The Trustee also must value the Trust Fund on such other dates as directed in writing by the Employer.

9.14 Limitation on Liability – If Investment Manager, Ancillary Trustee or Independent Fiduciary Appointed. The Trustee is not liable for the acts or omissions of any Investment Manager the Employer may appoint, nor is the Trustee under any obligation to invest or otherwise manage any asset of the Plan which is subject to the management of a properly appointed Investment Manager. The Employer, the Trustee and any properly appointed Investment Manager may execute a letter agreement as a part of this Plan delineating the duties, responsibilities and liabilities of the Investment Manager with respect to any part of the Trust Fund under the control of the Investment Manager.

The limitation on liability described in this Section 9.14 also applies to the acts or omissions of any ancillary trustee or independent fiduciary properly appointed under Section 9.16 of the Plan. However, if a Trustee, pursuant to the delegation described in Section 9.16 of the Plan, appoints an ancillary trustee, the Trustee is responsible for the periodic review of the ancillary trustee's actions and must exercise its delegated authority in accordance with the terms of the Plan. The Employer, the Trustee and an ancillary trustee may execute a letter agreement as a part of this Plan delineating any indemnification agreement between the parties.

9.15 Powers of the Custodian. The Employer may appoint a custodian of the Trust Fund assets. A custodian has the same powers, rights and duties as a nondiscretionary Trustee. Any reference in the Plan to a Trustee also is a reference to a custodian unless the context of the Plan indicates otherwise. A limitation of the Trustee's liability by Plan provision also acts as a limitation of the custodian's liability. The Custodian will be protected from any liability with respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, an Investment Manager, a named Fiduciary or other third party with authority to provide direction to the Custodian. The resignation or removal of the custodian shall be made in accordance with Sections 9.10 and 9.11 as though the custodian were a Trustee

9.16 Investment in Group Trust Fund. At the Employer's discretion, the Trustee, for collective investment purposes, may combine into one trust fund the Trust created under his Plan with the Trust created under any other qualified retirement plan the Employer maintains. However, the Trustee must maintain separate records of account for the assets of each Trust in order to reflect properly each Participant's Account Benefit under the plans) in which he is a Participant.

9.17 Appointment of Ancillary Trustee or Independent Fiduciary. The Employer, in writing, may appoint any person in any state to act as ancillary trustee with respect to a designated portion of the Trust Fund. An ancillary trustee must acknowledge in writing its acceptance of the terms and conditions of its appointment as ancillary trustee. The ancillary trustee has the rights, powers, duties and discretion as the Employer may delegate, subject to any limitations or directions specified in the instrument evidencing appointment of the ancillary

trustee and to the terms of the Plan. The investment powers delegated to the ancillary trustee may include any investment powers available under Section 9.03 of the Plan including the right to invest any portion of the assets of the Trust Fund in a common trust fund, as described in Code §584, or in any collective investment fund, the provisions of which govern the investment of such assets and which the Plan incorporates by this reference, but only if the ancillary trust is a bank or similar financial institution supervised by the United States or by a state and the ancillary trustee (or its affiliate, as defined in Code §1504) maintains the common trust fund or collective investment fund exclusively for the collective investment of money contributed by the ancillary trustee (or its affiliate) in a trustee capacity and which conforms to the rules of the Comptroller of the Currency. The Employer also may appoint as an ancillary trustee the trustee of any group trust fund designated for investment pursuant to the provisions of Section 9.15 of the Plan.

The ancillary trustee may resign its position at any time by providing at least 30 days advance written notice to the Employer, unless the Employer waives this notice requirement. The Employer, in writing, may remove an ancillary trustee at any time. In the event of resignation or removal, the Employer may appoint another ancillary trustee, return the assets to the control and management of the Trustee or receive such assets in the capacity of ancillary trustee. The Employer may delegate its responsibilities under this Section 9.16 to a Trustee under the Plan, subject to the acceptance by the Trustee of that delegation.

If the U.S. Department of Labor (the "Department") requires engagement of an independent fiduciary to have control or management of all or a portion of the Trust Fund, the Employer will appoint such independent fiduciary, as directed by the Department. The independent fiduciary must accept its appointment in writing and must acknowledge its status as a fiduciary of the Plan.

ARTICLE 10 PLAN ADMINISTRATION

10.01 Appointment. The Plan Administrator shall be the City Council, or such other City official selected by the City Council.

10.02 Actions. Any third party shall be entitled to rely on a document executed by the Mayor of the City, the City's Clerk or other City official acting on behalf of the Employer.

10.03 Delegation of Responsibilities. The Plan Administrator may delegate to a person or persons, such as Human Resources employees of the Employer, or a committee, the authority to take administrative actions on its behalf.

10.04 Authority of Plan Administrator. The Plan Administrator shall have the authority to carry out the terms of this Plan and perform any act(s) necessary to carry out such duties including, but not limited to, the following:

(a) To maintain and preserve records relating to Participants, former Participants, Beneficiaries and Alternate Payees;

(b) To prepare and furnish to Participants all information required under applicable law or the provisions of this Plan;

(c) To prepare sufficient Eligible Employee data and the amount of funds so that the separate Accounts may be maintained for Participants and make required payments of benefits;

(d) To prepare and file or publish with all appropriate government officials all reports and other information required under law to be so filed or published;

(e) To engage consultants, including legal, investment and actuarial advisors, and rely on recommendations therefrom;

(f) To determine all claims for benefits under the Plan, and to provide procedures for determination of claims for benefits. In so doing, the Plan Administrator shall have the complete discretion and authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and to decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration; and

(g) To retain records on elections and waivers by Participants and their Beneficiaries, as further set forth herein.

10.05 Construction of the Plan. The Plan Administrator shall resolve questions arising in the administration, interpretation and application of the Plan. The Plan Administrator shall correct any defect, reconcile any inconsistency, or supply any omission with respect to this Plan. All decisions or actions of the Plan Administrator in respect to any question arising out of the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

10.06 Plan Expenses. The Plan Administrator may provide that expenses attributable to a particular Participant's account, and any per-Participant expenses, may be charged against the Participants' account. Further, other administration expenses may be charged against Participants' accounts based on Participants' account balances. Any expenses not paid out of Participants' accounts shall be paid by the Employer.

10.07 Reporting and Disclosure. The Plan Administrator shall keep all individual and group records relating to Participants and Beneficiaries and all other records necessary for the proper operation of the Plan and Administration of Participant Accounts, including but not limited to investment reports, audits and quarterly reports.

10.08 Right to Suspend Benefits and Correct Errors. The Plan Administrator shall take such steps as are considered necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as the consequence of an administrative error. The Plan Administrator may suspend the payment until satisfied as to the correctness of the payment or the person to receive the payment or to allow filing in any court of competent jurisdiction of a suit in such form as the Plan Administrator considers appropriate for a legal determination of the benefits to be paid and the persons to receive them. The Plan Administrator specifically reserves the right to correct errors of every sort, and the Participant hereby agrees as Participant or on behalf of any Beneficiary or Beneficiaries to any method of error correction as the Plan Administrator shall specify. The objective of any such method of

error correction shall be, to the extent reasonably possible, to adjust the Account of the Participant by reversing transactions or taking other actions to approach the situation that would have existed if the error had not been made. The Plan Administrator shall also be authorized to recover any payment made in error including the right to make deductions from future benefits.

10.09 Reliance on Electronic Instructions, Directions, Signatures, Contracts and Records. For all purposes under the Plan, the Plan Administrator and the Employer may (but are not required to) give the same effect to electronic instructions, directions, signatures, contracts, records or similar communications (collectively, "records and signatures") as it would give to written records and signatures, and the Plan Administrator's and the Employer's actions in so doing shall be protected to the same extent as if such electronic records and signatures were, in fact, in written form. Any such electronic records and signatures shall be retained and provided by the Plan Administrator and/or the Employer in accordance with applicable law. For all purposes under the Plan, the term "electronic" or "electronically" shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

ARTICLE 11 AMENDMENT, TERMINATION AND SUSPENSION

11.01 Amendment. The Employer, by appropriate action of the City Council, may amend this Plan at any time. No amendment shall increase the duties or liabilities of the Plan Administrator or Trustee without the consent of such party. No amendment shall deprive any Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such amendment.

11.02 Suspension of Contributions. The Plan Administrator may temporarily suspend the acceptance of Deferred Compensation as necessary to facilitate appropriate administration of this Plan or to comply with any Federal, state or local law. Written notice of such suspension shall be provided to all Participants and may accompany the distribution of payroll check. No such suspension shall deprive a Participant or Beneficiary of any right or benefit to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such amendment or suspension.

11.03 Termination. The Employer may, by appropriate action of the City Council, terminate this Plan. No such termination shall deprive a Participant or Beneficiary of any benefits to which the Participant or Beneficiary is entitled under this Plan immediately prior to the effective date of such termination. Following such termination, a Participant or Beneficiary (including any Alternate Payee) shall be entitled to immediate distribution of his/her Account. Upon receipt of such distribution, the Employer, Trustee, and any agents, delegates and Eligible Employees thereof shall be relieved of any obligation with respect to such Participant under this Plan.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.01 Non-alienation of Benefits - Attachment. Except as required for any Qualified Domestic Relations Orders, no Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments under this Plan, except the right to designate a Beneficiary or Beneficiaries as hereinabove provided. The rights of the Participant under this Plan shall not be subject to the rights of creditors of the Participant and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of any creditors or other third persons having claims against the Participant.

12.02 No Contract of Employment. Neither the establishment of the Plan, nor the participation in the Plan, shall be construed as giving any Participant or Eligible Employee, the right to be retained in the service of the Employer.

12.03 Severability of Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

12.04 Heirs, Assigns and Personal Representatives. This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant and Beneficiary, present and future (except that no successor to the Employer shall be considered a Plan sponsor unless that successor adopts this Plan).

12.05 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

12.06 Controlling Law. This Plan shall be construed and enforced according to Arkansas State Law ("State Law") and the Code, and shall be interpreted in a manner consistent with the maintenance of its status as an "eligible deferred compensation plan" as defined in Code §457(b). Reference to any section of the Code or State Law shall be deemed to incorporate any required amendment of such section as necessary to maintain the status of this Plan as an eligible deferred compensation plan.

12.07 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Plan Administrator, the Employer, Trustee and all other parties with respect thereto.

12.08 Lost Payees. In the event a Participant or Beneficiary cannot be located, the Plan Administrator shall make one attempt, whether through the IRS or Social Security program, or a commercial locator to find such person. If such person cannot be located, and the Participant or Beneficiary fails to claim his distributive share or make his whereabouts known in writing to the Plan Administrator within six (6) months from the date of mailing of a notice to the Participant's last known address of record with the Plan Administrator, or before this Plan is terminated or discontinued, whichever should first occur, the unclaimed amount shall be treated as a forfeiture. Such forfeitures shall be used to defray administrative expenses of the Plan. If such Participant or Beneficiary subsequently makes a claim, any time, for his forfeited Account, the Plan

Administrator must restore the Participant's or Beneficiary's forfeited Account, unadjusted for any gains or losses occurring subsequent to the date of the forfeiture. If a Participant's or Beneficiary's Account is required to be restored to him, such restoration shall be made first, from forfeitures for the year of restoration and then from Employer contributions.

12.09 Reliance on Data and Consents. The Employer, the Plan Administrator, Trustee and all other persons or entities associated with the operation of the Plan, the administration management of its assets, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by a Participant, and/or Beneficiary, including, without limitation, data with respect to age, health and marital status. Furthermore, the Employer, the Plan Administrator, Trustee and all persons identified above may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the administration operation of the Plan by any Participant or Beneficiary, or the representatives of such persons without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the administration operation of the Plan, its assets and the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference. It shall be the duty of the Participant or Beneficiary to advise the appropriate parties of any change in such data. The Plan Administrator shall not be liable for the consequences of such change in data.

12.10 Tax Consequences. The Employer does not represent or guarantee that any particular Federal or State income, estate, payroll, personal property or other tax consequences will occur because of the Participant's or Beneficiary's participation in this Plan. The Participant shall be responsible to obtain appropriate advice regarding all questions to Federal, State or local income, estate, payroll, personal property or other tax consequences arising from participation in this Plan.

12.11 Equal Access to Benefits, Rights and Features. Any determination made by the Employer with respect to the availability of benefits, rights and features under this Plan shall apply on a non-discriminatory basis allowing equal access for all Participants; provided, however, that such access may be limited by the terms of a collective bargaining agreement or individual employment contract.

12.12 Claim Procedures. Any dispute over payment from Accounts under the Plan shall be resolved by the Plan Administrator pursuant to its claims procedures.

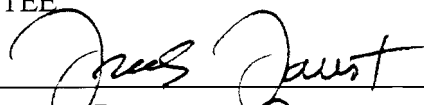
12.13 Entire Agreement. This Plan and Trust Agreement, properly adopted amendments to the Plan and Trust Agreement and proper actions of the governing body or chief executive of the Employer shall govern the provision of deferred compensation benefits pursuant to Code §457(b). No other instrument, communication statement of any sort shall modify this Plan in any way or be relied upon the parties to this Plan and Trust Agreement.

IN WITNESS WHEREOF, the Employer and the Trustee have caused this Plan and Trust Agreement to be executed effective as of the _____ day of _____, 2011.

CITY OF JONESBORO, ARKANSAS
EMPLOYER

FIRST SECURITY BANK
TRUSTEE

By: _____



Frank Faust

Print Name



Title