

ARTICLE IX

LARIMER COUNTY BOARD OF RETIREMENT POWERS AND DUTIES

AND PARTICIPANTS' ACCOUNTS

9.1 MEMBERS' COMPENSATION, EXPENSES. The Larimer County Board of Retirement shall be selected as provided by Colorado Revised Statutes, 24-54-107. (1973) as now in force or hereafter amended. The members of the Board shall serve without compensation for services as such, but the Employer shall pay all expenses of the Board, including the expense of any bond required by the Act.

9.2 TERM. Each member's term shall be determined as provided by Colorado Revised Statutes, 24-54-107 (1973) as now in force or hereafter amended and each member shall serve until his successor is appointed.

9.3 POWERS. The Larimer County Retirement Association hereby designates the Board as its governing body to exercise full and complete control and management of this Plan. In the case of a vacancy in the membership of the Board, the remaining members of the Board may exercise any and all of the powers, authority, duties and discretion conferred upon the Board pending the filling of the vacancy.

9.4 GENERAL. The Board shall have the following powers and duties:

- (a) To select a Secretary, who need not be a member of the Board;
- (b) To determine the rights of eligibility of an Employee to participate in the Plan, the value of a Participant's Accrued Benefit and the Nonforfeitable percentage of each Participant's Accrued Benefit;
- (c) To adopt bylaws, rules of procedure and regulations necessary for the proper and efficient administration of the Plan and the functioning of the Board, provided the rules are not inconsistent with the terms of this Agreement;
- (d) To enforce the terms of the Plan and the rules and regulations it adopts;
- (e) To direct the Trustee as respects the crediting and distribution of the Trust;
- (f) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (g) To engage the service of agents whom it may deem advisable to assist it with the performance of its duties;
- (h) To engage the services of an Investment Manager or Managers (as defined in Act 53(38)), each of whom shall have full power and authority to manage, acquire or dispose (or direct the Trustee with respect to acquisition or disposition) of any Plan asset under its control;
- (i) To maintain records of its Activities. The Board shall exercise all of its powers, duties and discretion under the Plan in a uniform and nondiscriminatory manner.

9.5 FUNDING POLICY. The Board shall review, not less often than annually, all pertinent Employee information and Plan data in order to establish the funding policy of the Plan and to determine the appropriate methods of carrying out the Plan's objectives. The Board shall communicate annually to the Trustee and to any Plan Investment Manager the Plan's short-term and long-term financial needs so investment policy can be coordinated with Plan financial requirements.

9.6 MANNER OF ACTION. The decision of a majority of the members appointed and qualified shall control.

9.7 AUTHORIZED REPRESENTATIVE. The Board may authorize any one (1) of its members, or its Secretary, to sign on its behalf any notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents. The Board must evidence this authority by an instrument signed by all members and filed with the Trustee.

The Larimer County Treasurer shall serve as the treasurer of the Board and as the treasurer of the Plan. No fee shall be charged by the Treasurer

9.8 INTERESTED MEMBER. No member of the Board may decide or determine any matter concerning the distribution, nature or method of settlement of his own benefits under the Plan.

9.9 INDIVIDUAL ACCOUNTS. The Board shall maintain, or direct the Trustee to maintain, a separate Account in the name of each Participant to reflect the Participant's Accrued Benefit under the Plan. Furthermore, if a Participant re-enters the Plan subsequent to his having a Break in Service, the Trustee, shall maintain a separate Account for the Participant's pre-Break in Service Accrued Benefit and a separate Account for his post-Break in Service Accrued Benefit unless the Participant's entire Accrued Benefit under the Plan is one hundred percent (100%) Nonforfeitable. The Board will make its allocations, or request the Trustee to make its allocations, to the Accounts of the Participants in accordance with the provisions of Section 9.1 1.

The Board shall maintain, or direct the Trustee to maintain, records of the amount of each Participant's required contributions prior to July 1, 1985. Participant required contributions based upon compensation earned by the Participant prior to July 1, 1985, shall be treated as made prior to July 1, 1985, even though the contributions may be received by the Trustee on or after July 1, 1985.

9.10 VALUE OF PARTICIPANT'S ACCRUED BENEFIT. The value of each Participant's Accrued Benefit shall consist of that proportion of the net worth (at fair market value) of the Employer's Trust Fund which the net credit balance in his Account bears to the total net credit balance in the Accounts of all Participants. For purposes of a distribution under the Plan, the value of a Participant's Accrued Benefit shall be its value as of the Accounting Date, or other valuation date, immediately preceding the date of the distribution. Any distribution (other than a distribution from a segregated Account) made to a Participant (or to his Beneficiary) more than ninety (90) days after the Accounting Date immediately preceding the distribution shall include interest on the amount of the distribution as an expense of the Trust Fund. The interest shall accrue at the rate of five percent (5%) per annum from such Accounting Date to the date of the distribution.

9.11 ALLOCATION AND DISTRIBUTION OF NET INCOME GAIN OR LOSS. As of each Accounting Date of each Plan Year, the Trustee first shall reduce Accounts (excluding segregated Accounts) for any forfeitures arising under Section 5.9 and then shall allocate the net income (or net loss) from the Trust and the increase or decrease in the fair market value of the assets of the Trust for the period pro rata to Accounts of the Participants under the Plan as the Accounts stood at the beginning of the current Quarter but, for this purpose, excluding from the Accounts any segregated Accounts, amounts charged during the period to the Accounts in accordance with Section 9.13, and the amount of any Account which the Trustee has fully distributed since the immediately preceding Accounting Date. A suspense account, if any, under the Plan shall not share in the allocation under this Section 9.11. A segregated Account shall receive all income it earns and shall bear all expense or loss it incurs. As of each Accounting Date of each Plan year, the Trustee shall reduce a segregated Account for any

forfeiture arising under Section 5.9 after the Trustee has made all other allocations, changes or adjustments to the Account for the Plan Year.

9.12 INDIVIDUAL STATEMENT. As soon as practicable after the Accounting Date of each Plan Year but within the time prescribed by the Act and the regulations under the Act, the Board or the Trustee will deliver to each Participant (and to each Beneficiary) a statement reflecting the condition of his Accrued Benefit in the Trust as of that date and such other information the Act requires be furnished the Participant or Beneficiary. No Participant, except a member of the Board, shall have the right to inspect the records reflecting the Account of any other Participant.

9.13 ACCOUNT CHARGED. The Trustee shall charge all distributions made to a Participant or to his Beneficiary from his Account against the Account of the Participant when made.

9.14 UNCLAIMED ACCOUNT PROCEDURE. The Plan does not require either the Trustee or the Board to search for, or ascertain the whereabouts of, any Participant or Beneficiary. The Board, by certified or registered mail addressed to his last known address of record with the Board or the Employer, shall notify any Participant, or Beneficiary, that he is entitled to a distribution under this Plan, and the notice shall quote the provisions of this section. If the Participant, or Beneficiary, fails to claim his distributive share or make his whereabouts known in writing to the Board or Trustee within six (6) months from the date of mailing of the notice, or before the termination or discontinuance of this Plan, whichever should first occur, the Board and Trustee shall treat the Participant's or Beneficiary's unclaimed payable Accrued Benefit as forfeited and shall reallocate the unclaimed payable Accrued Benefit in accordance with Section 3.5 for the Plan Year in which the forfeiture occurs.

If a Participant or Beneficiary who has incurred a forfeiture of his Accrued Benefit under the provisions of the first paragraph of this Section 9.14 makes a claim, at any time, for his forfeited Accrued Benefit the Board and Trustee shall restore the Participant's or Beneficiary's forfeited Accrued Benefit to the same dollar amount as the dollar amount of the Accrued Benefit forfeited, unadjusted for any gains or losses occurring subsequent to the date of the forfeiture. The Trustee shall make the restoration during the Plan Year in which the Participant or Beneficiary makes the claim as follows:

- (1) First, from the amount, if any, of Participant forfeitures the Trustee would otherwise allocate for the Plan Year;
- (2) Second, the amount, if any, of the Trust Fund net income or gain for the Plan Year.

To the extent the amounts available for restoration for a particular Plan Year are not sufficient to enable the Trustee to make the required restoration, the Employer shall contribute, without regard to any requirement or condition of Section 3.1, such additional amount as is necessary to enable the Trustee to make the required restoration. If, for a particular Plan Year, the Trustee must restore the accrued benefit of more than one Beneficiary or Participant, then the Trustee shall make the restoration allocations to each such Participant's Account in the same proportion that a Participant's restored amount for the Plan Year bears to the restored amount for the Plan Year of all Beneficiaries or Participants. The allocations under this paragraph shall not be taken into account in applying the limitation on allocations under Article III.

The Board shall direct the Trustee to distribute the Participant's or Beneficiary's restored Accrued Benefit to him not later than sixty (60) days after the close of the Plan Year in which the Trustee restores the forfeited Accrued Benefit. The forfeiture provisions of this Section 9.14 shall apply solely to the Participant's or to the Beneficiary's Accrued Benefit derived from Employer contributions.

9.15 BOARD DIRECTION OF INVESTMENT. The Board shall have the right to direct the Trustee with respect to the investment and re-investment of assets comprising the Trust Fund. The

Trustee and the Board may execute a letter agreement as a part of this Plan containing such conditions, limitations and other provisions they deem appropriate before the Trustee shall follow any Board or Participant direction as respects the investment or re-investment of any part of the Trust Fund.

9.16 AMENDMENT TO VESTING SCHEDULE. Though the Board reserves the right to amend the vesting schedule at any time, the Board shall not amend the vesting schedule (and no amendment shall be effective) if the amendment would reduce the Nonforfeitable percentage of any Participant's Accrued Benefit derived from Employer contributions (determined as of the later of the date the Board adopts the amendment, or the date the amendment becomes effective) to a percentage less than the Nonforfeitable percentage computed under the Plan without regard to the amendment.

If the Board makes a permissible amendment to the vesting schedule, each Participant having at least five (5) Years of Service with the Employer may elect to have the percentage of his Nonforfeitable Accrued Benefit computed under the Plan without regard to the amendment. The Participant must file his election with the Board within sixty (60) days of the latest of (a) the Board's adoption of the amendment; (b) the effective date of the amendment; or (c) his receipt of a copy of the amendment. The Board, as soon as practicable, shall forward a true copy of any amendment to the vesting schedule to each affected Participant, together with an explanation of the effect of the amendment, the appropriate form upon which the Participant may make an election to remain under the vesting schedule provided under the Plan prior to the amendment and notice of the time within which the Participant must make an election to remain under the prior vesting schedule. For purposes, of this Section 9.16, an amendment to the vesting schedule includes any Plan amendment which directly or indirectly affects the computation of the Nonforfeitable percentage of an Employee's rights to his Employer derived Accrued Benefit.