

CENTRAL TEXAS DEFERRED COMPENSATION PLAN CHARTER AND BY-LAWS

I. GENERAL OVERVIEW AND PURPOSE

A. Purpose of Creation. The Central Texas Deferred Compensation Plan is an IRC §457(b) governmental deferred compensation plan (the “Plan”) that is being created pursuant to Section 609.102(c) of the Texas Government Code and Chapter 791 of the Texas Government Code (Interlocal Cooperation Act). The Plan is being established in order to provide a better value to the employees/participants of the Plan for each Participating Employer than the Participating Employer could achieve on its own.

B. Participating Employers. The Plan is open to eligible governmental employees of Williamson County and the Texas Cities of Georgetown, Pflugerville and Round Rock (“Participating Employer(s)”). Each Participating Employer shall be independently responsible for verifying those individuals that are eligible for participation in the Plan. The Committee, as defined below, may, upon a vote of its members, allow other governmental entities to become a Participating Employer under the Plan.

C. Plan Administrator. The Committee shall serve as the Plan Administrator, as defined under Section 609.103(b) of the Texas Government Code, and shall have the powers authorized by Chapter 609 of the Texas Government Code, as well as any powers provided to the Plan Administrator under the terms of this Central Texas Deferred Compensation Plan Charter and By-Laws, as amended. The Committee shall not be removed as the Plan Administrator unless a majority of the Committee Members vote to approve its removal as such.

D. Plan Sponsor. The Plan Sponsor shall act as the depository for all Plan related materials, which shall include but not be limited to the Plan documents, Plan service agreements, Committee and Subcommittee meeting minutes and any other materials related to the operation of the Plan. The Plan Sponsor shall also allow the Plan to use its employer identification number in order to sponsor the Plan as an eligible governmental employer.

From time to time it may be necessary for the Plan Sponsor to sign documents relating to the Plan since the Plan Sponsor’s employer identification number is being used by the Plan. In that event, the Plan Sponsor’s designated official or agent **shall** sign all Plan related documents if such Plan related documents have been previously approved by the Committee and signed by the Committee’s Chairperson.

The Plan Sponsor’s purchasing department shall assist the Committee in securing necessary outside services through an appropriate procurement process. Each of the Participating Employer’s purchasing departments may and are encouraged to assist the Plan Sponsor’s purchasing department with future procurement processes.

The Committee may remove the then acting Plan Sponsor at any time and choose another Participating Employer to serve as the Plan Sponsor. In the event the then acting Plan Sponsor

should withdraw from the Plan in the future, the then acting Plan Sponsor shall allow the Plan to continue to use its employer identification number for up to one year while the Committee selects a new Plan Sponsor and obtains a new employer identification number.

Williamson County will initially act as the Plan Sponsor and shall provide its employer identification information in order to sponsor the Plan as an eligible governmental employer. During such time, the Williamson County Purchasing Department shall assist the Committee in securing necessary outside services through an appropriate procurement process. Williamson County's legal counsel will assist the Williamson County Purchasing Department with legal matters that arise during any procurement process conducted by the Williamson County Purchasing Department.

E. Withdrawal by Participating Employer. A Participating Employer may not withdraw until the expiration of the then current Plan contract term. In the event a Participating Employer should so choose to withdraw from participating in the Plan, such withdrawing Participating Employer must provide the Committee with no less than twelve (12) months written notice of its intent to withdraw from the Plan with such withdrawal being effective as of the last day of the Plan's then existing third party administrator's contract term. In the event that Williamson County should withdraw from the Plan, the Committee shall select a new director or representative to perform the duties assigned to the Williamson County Human Resources Director hereunder.

II.

PLAN GOVERNANCE

A. Creation of Committee. Pursuant to Section 609.106 of the Texas Government Code, the Central Texas Deferred Compensation Plan Oversight Committee ("Committee") is hereby created to oversee and manage all activities of the Plan. The Committee is a fiduciary to the Plan and is compelled to act exclusively in the best interests of the Plan's participants and beneficiaries and to the Participating Employers of the Plan. Unless otherwise set forth herein, the Committee has exclusive authority to conduct all business related to the Plan. All authority to make decisions relating to the business of the Plan rests exclusively with the Plan's Committee (see Plan Governance below).

B. Specific Responsibilities of the Committee. The Committee is charged with the following responsibilities:

- Develop the Plan.
- Hire any resources necessary to allow the Committee to properly execute its responsibilities under state and federal laws. Such resources may include, but not be limited to, legal counsel that specializes in deferred compensation plans when such counsel is necessary, auditors, third party service providers, money managers and consultants.
- Approve the creation or dissolution of standing and ad hoc committees of the Committee.
- Review, approve and monitor annual budgets and budget change proposals.

- Develop and adopt an *Investment Policy Statement (IPS)* for the Plan that includes the purpose of the Plan, its investment objectives, the responsibility for Plan oversight, the number and type of investment options available, the investment review processes, and other items to ensure the use of good judgment and prudent care in making decisions on behalf of Plan participants and their beneficiaries.
- Select a Third Party Administrator (TPA) through a competitive bid process that will provide effective and cost-efficient operational support and investment services to the Plan.
- Provide a quarterly review of investment options for the Plan and add, replace, terminate or take any other action as necessary that is intended to better meet the needs of the Plan's participants and beneficiaries.
- Approve and/or develop training, education, and communication standards and materials for the Plan's eligible employees.
- Develop and implement policies and procedures that are necessary in order to comply with all state and federal laws and standards or codes of conduct, to the extent they exist and are applicable to a governmental deferred compensation plan under IRC §457(b).
- Hear requests and/or complaints relating to the Plan.
- Develop and approve other governance policies, directives, and administrative rules for the administration of the Plan and as may be adopted from time to time.

C. Committee Composition; and Committee Member Appointment, Removal, Resignation and Vacancies. Participating Employer representation on the Committee shall be determined by the percentage of assets the Participating Employer's group bears to the total Plan Assets; provided, however, each Participating Employer shall have at least one member on the Committee. Each Participating Employer shall determine and appoint its particular Committee Member(s). Each Participating Employer shall also appoint and designate one alternate Committee Member to serve in place of its Committee Member(s) in the event such member(s) is unable to attend a Committee or Subcommittee meeting. For purposes of this Charter and By-Laws, any reference made herein to Committee Member shall also mean and include the Participating Employer's alternate Committee Member.

Each Committee Member must be an employee of the appointing Participating Employer and it is strongly recommended that each Committee Member for each Participating Employer be an actively contributing member of the Plan. Members of the Committee shall serve at the pleasure of the Participating Employer's governing body and may be removed at any time by that governing body. In the event that a Participating Employer removes its acting Committee Member(s) and/or alternate Committee Member(s), such Participating Member must appoint a new Committee Member(s) and/or alternate Committee Member(s) to serve in the removed member's place prior to the next scheduled Committee meeting.

An individual Committee Member may resign from his or her position on the Committee by providing appropriate notice to the Chairperson. In such case, the resignation is not effective until accepted by the Chairperson and a new appointment has been made. Committee Member position vacancies that otherwise occur before the expiration of a Committee term shall be filled prior to the next scheduled Committee meeting.

D. Number of Committee Members; and Committee Member Terms.

The first Committee shall consist of nine (9) Committee Members. It has been agreed to and acknowledged by the Participating Employers that, as of the Effective Date, the assets of the Plan for each Participating Employer and the percentage that those assets bear to the total Plan's assets requires the following Committee representation for each Participating Employer:

Participating Employer	Number of Committee Members
Williamson County	3
City of Round Rock	3
City of Georgetown	2
City of Pflugerville	1

Annually, plan assets for each Participating Employer shall be reviewed by the Committee to determine what, if any, changes are necessary to the Committee's composition to appropriately reflect each Participating Employer's representation on the Committee.

The initial Committee Members from each Participating Employer shall have staggered terms. Williamson County and the City of Round Rock shall each have three (3) Committee Members initially with one (1) Committee Member serving a one (1) year term, one (1) Committee Member serving a two (2) year term and one (1) Committee Member serving a three (3) year term. The City of Georgetown shall have two (2) Committee Members initially with one (1) Committee Member serving a three (3) year term and one (1) Committee Member serving a two (2) year term. The City of Pflugerville shall have one (1) Committee Member initially that shall serve a three (3) year term.

The initial Vice-Chairperson shall serve a first term of three (3) years. Thus, the Committee must ensure that whomever is selected as the initial Vice-Chairperson is a Committee Member that is serving a three (3) year term. Each new Committee Member to the Committee must be appointed for a term of three (3) years.

The Committee may, at any time upon a vote, set a cap on the maximum number of Committee Members that shall serve on future Committees.

E. Committee Chairperson and Vice-Chairperson. At the first Committee meeting, the Committee shall vote to select a Chairperson and Vice-Chairperson. The Chairperson is responsible for ensuring that meetings are conducted orderly, properly and regularly; information is disseminated and maintained as necessary; and responsibilities, individual and collective, are consistently adhered to. The Chairperson shall have the authority to sign any and all documents necessary to carry out the Committee's responsibilities contained in this document and any requirements associated with the Plan. The Secretary shall attest to the signature of the Chairperson and the Chairperson shall obtain specific Committee approval, at an official Committee meeting, before signing any documents. The Vice-Chairperson shall assist the Chairperson and preside over meetings in the absence of the Chairperson.

At the end of each Plan year, the then current Chairperson shall cease acting as the Chairperson and the Vice-Chairperson shall assume the position of Chairperson and the Committee shall vote to select a new Vice-Chairperson. In the event that a Chairperson and/or Vice-Chairperson shall cease acting in such capacities during a Plan year, the Committee shall vote to select a successor Chairperson and/or Vice-Chairperson and such successor shall serve until the end of the current Plan year.

F. Committee Secretary. At the first Committee meeting, the Committee shall vote to select a Committee Secretary. The Secretary shall provide the services and comply with the obligations of the Secretary, as set forth herein. Furthermore, the Secretary shall provide the Plan Sponsor, as soon as practically possible, with original copies of all Plan related materials including Plan documents, Plan service agreements, Committee and Subcommittee meeting minutes and/or any other materials related to the operation of the Plan that the Secretary comes into possession of while acting in such capacity.

At the end of each Plan year, the then current Secretary shall cease acting as the Secretary and the Committee shall vote to select a new Secretary. In the event that a Secretary shall cease acting in such capacity during a Plan year, the Committee shall vote to select a successor Secretary and such successor shall serve until the end of the current Plan year. If the then acting Secretary should possess any Plan related materials including Plan documents, Plan service agreements, minutes from prior meetings and/or any other material related to the operation of the Plan, the then acting Secretary shall transfer all such Plan related materials to the Plan Sponsor prior to vacating the position of Secretary.

G. Responsibilities of Committee Members. The Committee Members shall, at a minimum, perform the following duties and tasks:

- Review all information submitted prior to meetings and be prepared to participate and provide input for recommendations and/or decision-making.
- Share ideas/concerns from employees with the Committee for discussion, consideration, and responses, as appropriate.
- Be respectful of “rules of order” and professional courtesy during meetings.
- Remember that all decisions are for the purpose of ensuring the best value to participants and their beneficiaries, and personal/individual agendas shall not be used as platforms for meeting discussions.
- Address disagreements or questions regarding procedures professionally and at the appropriate time and place.
- Serve as a liaison for questions/concerns between the Committee and the Committee Member’s employer.
- Ensure that all decisions regarding the Plan comply with the provisions of the Plan’s Investment Policy Statement.
- Assist in developing and implementing policies and procedures that are necessary in order to comply with all state and federal laws and standards or codes of conduct, to the extent they exist and are applicable to a governmental deferred compensation plan under IRC §457(b).

- Committee Members shall understand the fiduciary responsibilities assigned to the Committee and their roles in meeting the goals relative to the 457 Deferred Compensation Program. To that extent and as set forth in the attached Exhibit “A,” Committee Member Orientation and Education Policy, annually, the Committee Members must receive fiduciary training to ensure responsibilities and roles are understood.
- Committee Members shall comply with the Committee Code of Ethics, as set forth in the attached Exhibit “B.”

H. Committee Meeting Protocol and Procedures.

1. Rules of Order and Quorum:

- a. The Committee and its Subcommittees shall operate under the general guidance of Robert’s Rules of Order unless State law or Committee action provides otherwise.
- b. A quorum must be present for the Committee or its Subcommittees to conduct business. A majority of the Committee or Subcommittee will constitute a quorum.
- c. A simple majority of the Committee is required to pass and enact any motion or action recommended by any Committee Member.
- d. Committee Members may not attend meetings through delegates or authorize voting by proxy.
- e. Committee Meetings must be held in accordance with the Texas Open Meetings Act, as amended.

2. Scheduling of Regular, Special, and Emergency Meetings:

- a. Regular meetings of the Committee will be held quarterly. Once elected, the Committee Chairperson shall propose a regular meeting schedule to the Committee for the upcoming year. The Committee will thereafter consider the Committee Chairperson’s proposed regular meeting schedule and adopt an annual schedule identifying the time and location of regular meetings. The Committee or Committee Chairperson may modify this schedule at its discretion.
- b. The Committee Chairperson or a majority of Committee Members may call for special or emergency meetings of the Committee.

3. Meeting Notices:

- a. At least seventy-two (72) hour’s notice of all Committee meetings, including executive sessions, shall be provided to the public in accordance with the Texas Open Meetings Act.
- b. If permitted by the Texas Open Meeting Act, in the case of an emergency meeting requiring immediate action to avoid some serious consequence, shorter notice may be provided.

- c. The Committee Chairperson shall provide the members of the Committee with at least (7) seven calendar day's notice of all non-emergency type Committee meetings.

4. Committee Member Attendance:

- a. Committee Members are obligated to make every reasonable effort to attend the meetings of the Committee and the Subcommittees on which they serve.
- b. If a Committee Member cannot attend a meeting of the Committee or a Subcommittee, the member must notify the Chairperson as soon as practicable, but in no event later than forty-eight (48) hours prior to any such meeting.
- c. A Committee Member may participate in any meeting of the Committee by telephone or video conference in a manner consistent with the Texas Open Meetings Act.

5. Meeting Agendas:

- a. The Committee Chairperson, in consultation with the Secretary, will prepare an agenda for each Committee meeting containing a list of the specific matters to be discussed, considered or decided at the meeting.
- b. The Committee may discuss, consider or make decisions only on matters related to those listed in the agenda.
- c. Items may be placed on a future Committee meeting agenda by any of the following means:
 - (1) By initiation of any Committee Member at a meeting of the Committee;
 - (2) By a Committee Member's submission of an item to the Chairperson at least seven (7) calendar days prior to the next scheduled meeting;
 - (3) By the Committee Chairperson;
 - (4) By the Secretary, through the Committee Chairperson;
or
 - (5) By other person's submission of an item to the Chairperson at least seven (7) calendar days prior to the next scheduled meeting.
- d. The agenda shall reflect the means by which each agenda item was added.
- e. The agenda for an executive session must contain a general description of the agenda item or subject matter to be considered at the meeting and the exception under which it may be discussed in an executive session under the Texas Open Meetings Act.

6. Meeting Materials:

- a. The Secretary will make every effort to have the agenda and meeting materials completed and distributed to the Committee Member seven (7) calendar days before each meeting.
- b. The Secretary shall prepare a summary of the issues to be discussed, a staff or committee recommendation, if applicable, and a proposed motion for the Committee to consider.

7. Public Access and Testimony at Committee Meetings:

- a. All open sessions of the meetings of the Committee are public and all persons who wish to attend may do so as required in accordance with the Texas Open Meetings Act.
- b. Every agenda for a regular Committee meeting shall provide the public an opportunity to address the Committee during public comment sessions. The Committee Chairperson may prescribe the time and manner of such public comment.
- c. With regard to matters raised by a member of the public for which proper public notice has not been provided, the Committee or Subcommittee may request the Secretary to investigate the issue further and report back to the Committee or Subcommittee at a later meeting. The Committee may also add such matter to a future Committee agenda.
- d. The Secretary, in consultation with the Chairperson, will convene meetings in facilities and locations that provide the public with reasonable access to all public meetings of the Committee or a Subcommittee as required by state law.
- e. An individual who intends to speak at a meeting of the Committee or a Subcommittee may be required by the Committee to sign a register to permit compliance with minute taking required under state law.

8. Executive Sessions

- a. The Committee and its Subcommittees may conduct business in executive session as permitted by state law. Executive sessions shall be presided over by the Chairperson of the Committee.
- b. Executive sessions shall be closed to the public and subject to the following conditions:
 - (1) The executive session must be held during a regular, special or emergency meeting of the Committee.
 - (2) The executive session must address only those subject matters permitted under the Texas Open Meetings Act.
 - (3) The executive session must satisfy all of the state's notice requirements under the Texas Opening Meetings Act.

- c. The Committee will take no action with regard to a matter during executive session. Any such action must be taken during that portion of a meeting that is open to the public.
- d. The Committee may consult with legal counsel before entering into executive session. Committee Members are prohibited from publicly disclosing the discussions held in executive session. The Chairperson shall remind the Committee or Subcommittee of this prohibition at the beginning of each executive session.

9. Meeting Minutes and Committee Records

- a. The Secretary will ensure that minutes of all meetings of the Committee and Subcommittees are taken and made available to the public as required by state law.
- b. The Secretary will prepare a written copy of the minutes taken at prior meetings of the Committee and present it to the Committee, as appropriate, for approval at subsequent meetings.
- c. The Secretary will keep records of the Committee activities and actions in accordance with state law and such other documents necessary or appropriate to establish a due diligence record of the Committee's activities. All original copies of such records shall be transferred to the Plan Sponsor as soon as reasonably practical.

III. **Plan Related Expenses**

It is the intent of each Participating Employer that any expenses related to the effective operation of the Plan be ultimately borne exclusively by the Plan's participants. Until that can be achieved, each Participating Employer has agreed to fund any expense for the development of the Plan on the same basis as the Participating Employer's plan's assets as of the Effective Date bear to the total Plan's assets on that same date. It is expected that those costs would not exceed TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) for the Plan in each of the calendar years of 2011 and 2012.

It is expected that Williamson County will collect each Participating Employer's portion of expenses as they become due and issue payment for such expense on behalf of all Participating Employers. Upon receiving bills or invoices for Plan expenses, Williamson County will issue a request for payment to each of the Participating Employers and the Participating Employers shall tender its portion of the Plan expenses to Williamson County within ten (10) business days of receiving Williamson County's request for payment.

In the event that a new entity is added to the Plan as a Participating Employer in the future, such new entity must pay a proportionate amount of all Plan start up costs that was initially paid by the original Participating Employers of the Plan. Such proportionate amount shall be determined

based on the amount of assets that the new entity invests in the Plan as such amount of assets bears to the entire amount of assets that the original Participating Employers invested as of the date the plan was created.

IV. CONFORMANCE TO PLAN ADMINISTRATION

The Participating Employers acknowledge and understand that, in order to realize the potential costs savings that can be obtained through a cooperative such as this Plan, the Participating Employers must each follow various common administrative standards and conditions which the Committee and the third party administrator design as a part of the Plan. For example, if the Committee decides loans should be offered to the participants of the Plan, all Participating Employers must offer loans; if the Committee decides that loans must be repaid through payroll deductions, all Participating Employers must provide for the payroll deduction capability; and if the Committee decides that deferral remittances will use the third party administrator's website and EFT, all Participating Employers must comply. The preceding common administrative standards and conditions are only set forth for example purposes and such examples shall not be considered to be an exhaustive list of all types of common administrative standards and conditions that may be set forth by the Committee.

V. MISCELLANEOUS

A. Definitions of Terms. Unless specifically defined herein, the terms capitalized herein shall have the same meaning as the terms set forth in Chapter 609 of the Texas Government Code.

B. Liability of Plan Administrator and Members. The entity serving as the Plan Administrator and the individuals serving as members of the Committee shall not be liable or responsible to a participating employee for the diminution in value or loss of all or part of the participating employee's deferred amounts or investment income because of market conditions or the failure, insolvency, or bankruptcy of a qualified vendor.

C. Construction. Each party hereto acknowledges that it and its counsel have reviewed this charter and these by-laws and that the normal rules of construction are not applicable and there will be no presumption that any ambiguities will be resolved against the drafting party in the interpretation of hereof.

D. Relationship of the Parties. Each party to the Plan, in the performance of its obligations, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever.

E. No Waiver of Immunities. Nothing contained herein shall be deemed to waive, modify or amend any legal defense available at law or in equity to the Participating Employers, their past or present officers, employees, or agents, nor to create any legal rights or claim on behalf of any third party. The Participating Employers do not waive, modify, or alter to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

F. **Existing Deferred Compensation Plans.** Each of the Participating Employers shall have the exclusive responsibility to continue to administer its existing deferred compensation plans in accordance with the law until such time that a procurement process for a third party administrator has been completed; an agreement with such third party administrator has been approved by the Committee and signed by all necessary parties; and the conversion of the Participating Employer's individual deferred compensation plans to this Plan have been completed.

IN WITNESS WHEREOF, the parties have set their hands on this 12 day of January, 2012 (the "Effective Date").

WILLIAMSON COUNTY

By: _____

Dan A. Gattis,
Williamson County Judge

ATTEST:

By: _____

Nancy E. Rister
Nancy Rister,
Williamson County Clerk

CITY OF ROUND ROCK

By: _____

Alan McGraw, Mayor
Round Rock, Texas

ATTEST:

By: _____

Sara White,
City Secretary
Round Rock, Texas

CITY OF GEORGETOWN

By: _____

George Garver, Mayor
Georgetown, Texas

ATTEST:

By: _____

Jessica Hamilton, Brettle
Jessica Hamilton, Brettle
City Secretary
Georgetown, Texas

CITY OF PFLUGERVILLE

By: _____

Jeff Coleman, Mayor
Pflugerville, Texas

ATTEST:

By: _____

Karen Thompson,
City Secretary
Pflugerville, Texas

EXHIBIT “A”

COMMITTEE MEMBER ORIENTATION AND EDUCATION POLICY

General

The Committee finds that it is critical for the sound governance of the Plan for Committee Members to be fully informed with regard to the nature, purposes, structure, operational systems and processes of Plan. The Committee further finds that it is important that Committee Members are provided with appropriate education and training in areas that will facilitate the performance of their governance and oversight responsibilities as Committee Members and fiduciaries for the Plan.

Committee Member Education Policy

1. Each Committee Member is responsible for evaluating his or her own educational needs and obtaining knowledge in specific subject matters. The Williamson County Human Resources Director and/or its designee will assist them in determining the appropriate information on conferences or seminars to meet their education needs.
2. Committee Members are encouraged to attend select conferences and seminars relating to:
 - a. Investment issues and trends;
 - b. Retirement and deferred compensation benefits design;
 - c. Fiduciary management of employee benefit trusts; and
 - d. Other subjects related to the oversight of the Plan;
3. The Williamson County Human Resources Director and/or its designee will periodically provide to the Committee information on available conferences and seminars.
4. Each Committee Member shall be individually responsible for arranging his or her annual fiduciary education session(s).

Reimbursement of Education Expenses

Reimbursement of travel-related expenses and fees for any educational seminars or information for each Committee Member shall be paid for by the Participating Employer under which such member is employed.

EXHIBIT “B”
COMMITTEE CODE OF ETHICS

General

The Committee has established the following Code of Ethics for the individual Committee Member in order to comply with applicable state law and its duties of loyalty as fiduciaries for the Plan.

The Committee recognizes that compliance with these requirements is often complex and confusing. Committee Members are strongly encouraged to seek the advice of legal counsel whenever there is uncertainty as to the required level of compliance.

State Law

The Committee and its Committee Members will adhere, without limitation; to the following state laws as such apply to the conduct of his or her affairs and to the carrying out the duties of as Committee Members of the Plan:

1. Conflict of interest laws;
2. Gifts and gratuities laws;
3. Contracts and procurement laws relating to supplies and services;
4. Disclosure of interest laws; and
5. Any and all other laws pertaining to a Texas governmental deferred compensation plan.

Code of Ethics

The Committee Members shall:

1. Maintain the highest ethical conduct at all times consistent with their fiduciary duty to act only for the exclusive benefit of the Plan members and beneficiaries.
2. The Committee Members shall conduct themselves with integrity and exercise care, prudence and diligence in handling the affairs of the Plan.
3. Avoid accepting gifts or gratuities prohibited by state law or any future Gift and Gratuities Policy established by the Committee.
4. The Committee Members must avoid conflicts of interest and appearance of conflicts of interest as defined under state law with respect to their fiduciary responsibility. Where a conflict of interest or appearance of a conflict of interest does exist, the Committee

Member must disclose such interest immediately and refrain from voting or otherwise participating in any manner with regard to the subject matter of the conflict.

5. The Committee Members shall :

- a. Avoid dealing with assets of the Plan for their own interest.
- b. Not accept gifts or gratuities prohibited by state law.
- c. Not act in any transaction involving the Plan on behalf of any party whose interests are adverse to the interests of the Plan or the members and beneficiaries.
- d. Avoid receiving any monetary or other valuable consideration for their personal account from any party conducting business with the Plan.