

BLOOMFIELD HILLS SCHOOLS
§457(b) ELIGIBLE DEFERRED COMPENSATION PLAN
PARTICIPATION AGREEMENT

In order to make deferrals from my Compensation to the trust or custodial account designated below pursuant to the Bloomfield Hills Schools §457 Eligible Deferred Compensation Plan (hereinafter "the Plan") and Section 457(b) of the Internal Revenue Code of 1986, as amended, (hereinafter "the Code") it is hereby agreed by and among _____ (Employee) and _____ (Employer) and _____ (Investment Representative), as follows:

1. Beginning _____, the compensation to be paid by the Employer to the Employee shall be reduced in the following manner:

Amount of Payroll Deferral: \$ _____ dollars per pay period, to be paid to the following investment provider designated below:

Number of pay periods in which deferral to be made: _____

Total number of Code Section 457(b) investment providers currently utilized by Employee under the Plan: _____

2. Notwithstanding Paragraph 1 above, the Employer assumes no responsibility for and makes no representation concerning treatment for federal, state or local tax purposes of amounts paid for and/or received under any investment contract to which deferrals from Compensation are made under this Agreement. The responsibility for complying with applicable statutory and plan requirements is with the Employee and the Investment Representative. The Investment Representative will assist the Employee with meeting applicable requirements by preparing the calculations specified in paragraphs 4 and 10 based on the information supplied by the Employee. If the Employee has more than one arrangement to make deferrals from his/her compensation to an investment provider under the Plan, the Employee agrees to disclose and inform each affected Investment Representative of all of the relevant information. If the Employee makes contributions directly to a trust or custodial account without the assistance of a custodial account representative, then the employee agrees to retain a qualified tax professional to assist employee in complying with this Agreement. An Employee who makes contributions directly to a trust or custodial account without the assistance of an Investment Representative shall have the duty to comply with all of the duties assigned to the Investment Representative under this Agreement.

3. Notwithstanding paragraph 1 above, the Employer shall not be obligated to pay any amount to any Investment Representative in excess of any amount then due from said Employer to the Employee, nor shall the Employer incur any responsibility or obligation to the Employee with respect to any amounts contributed pursuant to this Agreement other than responsibility for the transmission of funds resulting from the reduction of compensation provided for herein for the purchase of or contribution to such investment.

4. Notwithstanding paragraph 1 above, no Agreement will be accepted by the Employer unless the Investment Representative prepares and delivers a written calculation (in the form approved by the Employer) to the Employer which demonstrates that the Employee is entitled to the compensation reduction (elective deferral) amount set forth in this Agreement pursuant to the provisions of Code Section 457 and, that except as permitted under Code Section 414(v), the total amount of deferrals from Compensation to the Plan will not cause the Code Section 457 limitations to be exceeded. The calculation must take into account all Code Section 457(b)(3) investment providers to which the Employee has deferred Compensation under the Plan. The demonstrations may take into account any special elections available to the Employee under Code Section 414(v) if applicable. Under this Agreement, subject to the provisions of Code Section 414(v), excess deferrals are prohibited. Excess deferrals and earnings under this Agreement which are attributable only to this Employer, shall be automatically returned to the Employee by the investment provider. The Employee shall designate amounts as excess deferrals which are attributable to multiple contracts.

5. No after-tax contributions, transfers or rollovers from other qualified plans will be allowed or accepted.

6. Compensation may be deferred under this Agreement for any calendar month only if the Agreement providing for such deferral has been entered into before the beginning of such month. This Agreement is legally binding and irrevocable with respect to amounts earned while the Agreement is in effect.

7. Subject to the provisions of paragraph 6 above, this Agreement shall continue to be effective for this calendar year and each subsequent calendar year until a new Agreement is executed or this Agreement is modified (subject to the provisions of paragraph 6 above) or terminated.

8. The Employee retains the right to terminate the Agreement in its entirety for amounts not yet earned by filing a written statement with the Employer which states that the Agreement shall be terminated.

9. Other terms and conditions of employment between the Employee and the Employer shall not be affected by this Agreement and in the event of any conflict, the terms of an Employee's contract of employment shall prevail.

10. The Investment Representative agrees to assist the Employee by preparing and supplying the Employee and the Employer with written annual calculations demonstrating that the total amounts contributed to the Employee's investments under the Plan will not exceed the limitations set forth in Code Sections 457 (or corresponding provisions of future tax laws). Copies of such calculations shall be filed with the Employer. The demonstrations may take into account any special elections available to the Employee under Code Section 414(v).

11. The Bloomfield Hills Schools §457(b) Eligible Deferred Compensation Plan and this Participation Agreement, the Authorized Investment Representative Agreement, shall together constitute the applicable plan documents for the Bloomfield Hills Schools §457 Eligible Deferred Compensation Plan. To the extent that any provision in a document is inconsistent with the Bloomfield Hills Schools §457(b) Eligible Deferred Compensation Plan, the provisions of the Bloomfield Hills Schools §457(b) Eligible Deferred Compensation Plan are controlling.

12. The ability to make compensation reduction agreement contributions (elective deferrals) under this Agreement is available to all employees of the Bloomfield Hills Schools as defined in the Bloomfield Hills Schools §457(b) Eligible Deferred Compensation Plan. All eligible employees shall participate commencing with the month following the month after completion and filing of this Agreement and other applicable enrollment forms.

13. Any investment as a funding vehicle hereunder must be a trust or custodial account and must meet the requirements of Code Section 457(g). Any investment used as a funding vehicle shall make distributions which meet the requirements of Code Section 401(a)(9) and the regulations and proposed regulations issued thereunder. These distribution requirements shall override any distribution option in an investment which is inconsistent with Code Section 401(a)(9).

14. To the extent permitted under Section 457(e)(17) of the Code, a Participant may request a trustee-to-trustee transfer from his/her trust or custodial account under the Plan to a governmental defined benefit pension plan for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under such plan, or for the purpose of a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof.

15. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "Distributee's" election under this Plan, a "Distributee" may elect, at the

time and in the manner prescribed by the Employer and investment, to have any portion of an "Eligible Rollover Distribution" paid directly to an "Eligible Retirement Plan" specified by the "Distributee" in a "Direct Rollover".

For purposes of this Section,

- (a) "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: a hardship distribution, any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (b) "Eligible Retirement Plan" is an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b) of the Code plan that accepts the Distributee's Eligible Rollover Distribution. "Eligible Retirement Plan" shall also include (i) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state, or (ii) a qualified plan described in Section 401(a) of the Code or 403(b) annuity plan which agrees to separately account for amounts transferred into such plan from this Plan. The Employer shall not be responsible for the effect upon taxation and distribution options resulting from a rollover from the Plan to an Eligible Retirement Plan.
- (c) "Distributee" includes an Employee or former Employee. In addition, the employee's former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
- (d) "Direct Rollover" is a payment by the plan to the eligible retirement plan specified by the distributee.

16. An Employee may receive distributions from his or her trust or custodial account only as permitted by applicable laws. Except as specifically modified hereunder, an Employee, or if applicable a designated beneficiary, is only eligible to receive distribution from this Plan upon severance from employment with the Employer, the calendar year in which the Employee attains age seventy and one half (70 ½) or upon meeting the requirements for distribution in an unforeseeable emergency which are specified in the Plan. Notwithstanding the foregoing, a Participant may withdraw assets which do not exceed the dollar limit provided under Code Section 411(a)(11)(A), provided that (1) no amount has been deferred under the plan with respect to such Employee during the 2-year period ending on the date of the distribution, and (2) there has been no prior distribution under the plan to such participant to which this subparagraph applied.. Any such distributions shall be subject to the distribution restrictions of the affected Employee's trust or custodial account. Distribution from the Plan to an eligible Employee or Beneficiary shall only be made after completion and return of the necessary benefit distribution forms to the appropriate Investment Representative(s).

EMPLOYER:
Bloomfield Hills Schools

By: _____

Dated: _____

Its: _____

EMPLOYEE:

Dated: _____

INVESTMENT REPRESENTATIVE

By: _____

Dated: _____

Its: _____

Representing: _____

Investment Provider