



SUMMARY REVIEW

FOR THE

**COLORADO COUNTY OFFICIALS AND EMPLOYEES
RETIREMENT ASSOCIATION
RETIREMENT PLAN AND TRUST AGREEMENT**

(AMENDED AND RESTATED JULY 1, 2008)

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INTRODUCTION

This Summary was prepared for the Plan as it existed on July 1, 2008; however, Colorado County Officials and Employees Retirement Association (“CCOERA”) reserves the right to amend the Plan from time to time.

Because this is only a Summary of the official governing Plan document, it cannot cover all the details of the Plan or how the rules will apply to every person in every situation. This Summary is not a legally binding document and in the event there is any conflict between this Summary and the Plan document, the official Plan document will always be followed in the actual determination of your benefits or rights.

HIGHLIGHTS

Your employer (“*Employer*”) has elected to participate in the Colorado County Officials and Employees Retirement Association Retirement Plan and Trust Agreement (“*Plan*”), which is designed to provide you with a tax-sheltered means to accumulate retirement savings through your own contributions as well as through contributions made by your Employer. This summary review (“*Summary*”) is provided to explain in easy to understand language how the Plan works and what your benefits and rights, as well as your obligations, are under the Plan.

Your Employer has elected to participate in the Plan by completing a document called a Participation Agreement. Participation Agreement elections will vary among each employer participating in the Plan (each employer being an “*Association Member*”). Because this Summary cannot review each employer’s Participation Agreement elections, it will address the important features and basic options available in the Participation Agreement, and summarize how these elections will impact your benefits and rights under the Plan.

The following are the highlights of this Summary:

Mandatory Participant Contributions

You must contribute a minimum of 3% of your compensation to the Plan, or such additional percentage as elected by your Employer in the Employer’s Participation Agreement. Funds you contribute to the Plan are designated by the Employer as either after-tax or pre-tax. These contributions, as well as the earnings on those funds, are tax-deferred until distributed to you in the future.

Voluntary Contributions

You may elect to make additional after-tax contributions to the Plan, up to certain statutory limits.

Participating Employer Contributions

Each month, you will receive Employer contributions that match your Mandatory Participant Contributions. Your Employer will determine the amount of Employer contributions by electing a certain percentage in its Participation Agreement. In no event may your Employer contribute a percentage that equals less than 3% of your compensation.

Prior Service Benefits

In addition to the required Participating Employer Contributions, the Employer may decide to make Prior Service Benefit contributions to provide past service benefits to certain eligible officials and employees.

Vesting in Employer and Participant Contributions

Your Employer will select a vesting schedule in its Participation Agreement. The vesting schedule will only apply to Participating Employer Contributions (including Prior Service Benefit contributions, if applicable). You are always 100% vested in your Mandatory Participant Contributions and Voluntary Contributions to the Plan.

Investing Your Accounts

You choose how you want to invest your account, whether among a selection of custom portfolios, investment funds or through a self-directed brokerage account (subject to minimum balance requirements).

Access to Your Accounts While Still Working

Only if your Employer so elects in its Participation Agreement may you access your vested accounts and take a loan (only while still working), and repay the amount you borrow to your account, including interest.

Distributions Upon Either Retirement or Termination of Employment

The Plan provides distributions in the form of a lump-sum payment, partial distributions, or periodic payments. When you retire or terminate employment, you are always entitled to the value of your savings (including investment gains and losses), and you also will receive the vested value of your Employer's contributions (including investment gains and losses).

PARTICIPATION AND SERVICE

ELIGIBILITY TO PARTICIPATE

Officials

Elected officials shall commence participation in the Plan on the first day of the month following commencement of the term of office. If you are an official, you will be deemed to have elected to participate unless you affirmatively waive participation. If you do not waive participation, you may not at a later time opt out of the Plan. Similarly, once you waive participation, you are making a one-time irrevocable election not to participate and may not later opt into the Plan. The irrevocable election rule is an Internal Revenue Code requirement that applies to certain governmental plans such as the Plan, and must be enforced by the Plan in all events.

Employees

If you are a city manager or a member of the key management staff who reports directly to the city manager or directly to the city council, your Employer may exempt you from Plan participation. Unless this exception applies, you are required to participate in the Plan according to Colorado law.

Plan participation will begin on the first day of the month after you satisfy the eligibility conditions elected in your Employer's Participation Agreement. Eligibility requirements may include:

- Having to work a certain minimum number of months per year; for example, your Employer might require that you work 12 months a year, and exclude temporary or seasonal employees from Plan participation.
- Having to work a certain minimum hours per week; for example, your Employer might require that you work 30 hours a week, and exclude part-time employees from Plan participation.
- Having to work a certain minimum hours per year; for example, your Employer might require that you work 1,000 hours per year, and exclude part-time employees who do not meet this threshold from Plan participation.

Additionally, your Employer may impose a waiting period before you can enter the Plan. For example, your Employer may specify in its Participation Agreement that an employee must satisfy the eligibility criteria for 12 months before he or she is eligible to enter the Plan.

HOW TO BEGIN PARTICIPATING

When you first become eligible to participate, you will receive enrollment information (which might be electronic). You must complete the enrollment forms and return them to the person designated on the forms. As discussed above, if you are an elected official and do not affirmatively waive participation, you will be deemed to have irrevocably elected to participate in the Plan. Subject to limited exception as discussed above in Eligibility to Participate, if you are an employee and do not affirmatively elect to save in the Plan, your Employer will make default enrollment and investment elections for you. Although the enrollment elections may not be modified for the duration of your employment, you may modify the Employer's default investment elections in accordance with procedures established by the Administrator (*see Changing Your Investment Decisions* below in **Investment Elections**). Contribution Elections (when made available by your employer), once made, are irrevocable, unless there is a Plan design change or your Employer modifies its elections in a new Participation Agreement, at which point you may also be permitted to make new elections.

Your enrollment materials will also specify:

- **Contribution Amount.** The percentage of your compensation which will be contributed as Mandatory Participant Contributions in the Participation Agreement.
 - Your Employer may permit you to choose your contribution percentage within certain limits. For example, your Employer may allow you to choose to contribute between 3% and 8% of your compensation. If your Employer does make this election, you must indicate in your enrollment form what percentage of compensation will be deducted from your pay.
 - *Your election will be irrevocable until your Employer adopts a new Participation Agreement with different enrollment options.* If you do not select a contribution percentage, your Employer will make a default election for you and this election will be irrevocable. *See “Your Contributions” below.*
- **Investment Choices.** How you want to invest your savings among the Plan's investment options. *See “Investing Your Accounts” below.*
- **Beneficiary Designation.** Whom you want as a beneficiary or beneficiaries to receive your vested account balance if you die. You can name any person or entity (such as a trust) as beneficiary. If you do not designate a beneficiary under the Plan, any death benefits will automatically be paid to your spouse, or if you have no surviving spouse, then in the following order: issue (by representation), or if none, parents (in equal shares), then your estate.

Unless you are an official who has opted out of Plan participation or an employee who is exempt from Plan participation, deductions will begin on the first day of the month after you become eligible.

HOW TO MAKE ELECTIONS, CHANGES IN INVESTMENTS

You may direct the investment of your accounts by using the Plan participant line (1-800-352-0313) or website (<https://ccoera.gwrs.com/login.do>). The participant line is an interactive telephone

response system. The website is an online resource that is available on the Internet. Both resources will permit you to monitor your accounts, review and select investment options and initiate several types of transactions. If you have any questions about the participant line or the website, you can get assistance from a Plan Representative on the participant line or contact CCOERA, the Plan administrator (“Administrator”) at our direct line (303-713-9400).

DETERMINING YOUR SERVICE WITH THE EMPLOYER - EMPLOYEES

Service is important in determining what amount of your account balance is nonforfeitable (“*vested*”) if you terminate your employment with the Employer. It is also important in determining when you may begin participating in the Plan, if your Employer elects a hold-out period before Plan participation may begin.

Your employment with the Employer (“*Service*”) generally begins as of the first date you are actively at work with your Employer (“*Date of Employment*”) and ends on the date an interruption in your employment with the Employer occurs, for any reason. However, if you are granted an authorized leave of absence, you will remain a participant during that time and be treated as if you were not on leave.

Please see the Administrator regarding benefit and Service credit information if you intend to take a leave due to military service.

If you resign, retire or are discharged, and are later rehired by your Employer or by another Association Member within 30 days of your termination, you will receive credit for your prior Service if you were participating in the Plan at the time of your termination. If you are reemployed more than 30 days after you resign, retire or are discharged, you may receive service credit for your prior years of Service, depending on your new Employer’s election in its Participation Agreement. The Administrator will have more information for you upon your rehire.

DETERMINING YOUR SERVICE WITH THE EMPLOYER – ELECTED OFFICIALS

If you are an official, you will be deemed to have elected to participate in the Plan as of the first day of the calendar month coincident with or immediately following the start of your term of office, unless you opt out of participation as discussed above. If you are granted an authorized leave of absence, you will remain a participant during that time and be treated as if you were not on leave.

Officials are at all times 100% vested in their accounts.

BASIS FOR PLAN CONTRIBUTIONS

COMPENSATION USED IN CALCULATING PLAN CONTRIBUTIONS

Your Employer defines the term “*Compensation*” in its Participation Agreement. This definition is important because it is used for purposes of allocating contributions or forfeitures. *Compensation* generally will include all amounts you are paid for personal services; however, your Employer can exclude overtime pay, bonuses, holiday, vacation, sick pay and other amounts paid for personal services from the definition by making certain elections in its Participation Agreement.

TYPES OF CONTRIBUTIONS

An account will be established in your name in the Plan for each type of contribution. Your accounts under the Plan will include an Employer Contributions Account and a Mandatory Participant Contributions Account, and may include a Prior Service Benefits Account, a Voluntary Contributions Account and a Deductible Voluntary Contributions Account.

Type of Contribution	Description
Mandatory Participant Contributions	You must contribute 3% of your compensation to the Plan, or such additional percentage as elected by your Employer in the Employer's Participation Agreement. Funds you contribute to the Plan are designated by the Employer as either after-tax or pre-tax. These contributions, as well as the earnings on those funds, are tax-deferred until distributed to you in the future.
Voluntary Contributions	You may elect to make additional after-tax contributions to the Plan, up to certain statutory limits.
Participating Employer Contributions	You will receive Employer contributions that match your Mandatory Participant Contributions. Your Employer will determine the amount of Employer contributions by electing a certain percentage in its Participation Agreement. In no event may your Employer contribute a percentage that equals less than 3% of your compensation.
Prior Service Benefits	In addition to the required Employer Contributions, the Employer may decide to make Prior Service Benefit contributions to provide past service benefits to certain eligible officials and employees.
Deductible Voluntary Contributions Account	You may no longer make these types of contributions to the Plan, but if you did make Deductible Voluntary Contributions prior to January 1, 1987, you will have a Deductible Voluntary Contributions Account holding these contributions.

LIMITATIONS ON CONTRIBUTIONS

Federal tax laws place limits on the contributions to your accounts. Whether you reach those limits depends on your pay, your contributions and the Employer contributions you receive for the year. These limits are indexed, meaning that they may be changed each year.

Percentage Limit. You may contribute 100% of your compensation to the Plan after normal employer tax-related deductions.

Compensation Limit. The amount of compensation that may be considered for Plan purposes is limited to a dollar amount. For example, the maximum for 2009 is \$245,000. This means that if you are contributing 3% of compensation in 2009 and are earning \$265,000, your contribution will be limited to \$7,350 or 3% of \$245,000.

Combined Contributions Limit. The maximum amount that can go into your account in any Plan Year is generally the lesser of 100% of your compensation or \$49,000 in 2009 (future amount as indexed). This limit applies to your Mandatory Participant Contributions and Voluntary

Contributions, as well as any contributions the Employer makes on your behalf. Earnings are not included in the contributions limit.

YOUR CONTRIBUTIONS

MANDATORY PARTICIPANT CONTRIBUTIONS

If you are an employee, you must participate in the Plan (subject to limited exceptions, as described above in Participation and Service). After you satisfy your Employer's eligibility requirements, you will contribute a percentage of your Compensation, depending on what option is offered under your Employer's Participation Election. Your contribution will be earmarked to your account and deposited into the Plan's trust fund.

Automatic Contribution. If you do not affirmatively elect a percentage (where your employer allows a choice), a percentage of your pay will automatically be contributed to the Plan.

One-Time Irrevocable Election. Once you make your election (or once your Employer makes your election for you if you do not affirmatively make an election), it may not be changed for the duration of your employment or until your Employer adopts a new Participation Agreement with new elections.

If you are an official, you may waive participation in the Plan; however, once you waive Plan participation, you may not revoke that waiver for the remainder of your term of office. Similarly, your election percentage may not be changed for the remainder of your term of office unless your Employer adopts a new Participation Agreement with new elections.

VOLUNTARY CONTRIBUTIONS

You may make additional Voluntary Contributions to the Plan (not matched by your employer). You may make these contributions by lump-sum or from time to time in your sole discretion. Your election to make Voluntary Contributions is not irrevocable and may be changed on a prospective basis. These Voluntary Contributions are nondeductible and will be made with after-tax dollars; however, earnings on these contributions will accumulate on a tax-deferred basis.

WHY SAVE IN THE PLAN?

When you save in the Plan, through your Employer, your contributions go directly into the Plan—instead of into your paycheck. If the contribution is made on a pre-tax basis, it will lower your current taxable pay so that you are taxed on less income for the year. As a result, your current federal income taxes are lower.

You eventually will pay federal income taxes on your pre-tax savings, but not until the money is actually paid to you or your beneficiary. State and local taxes may also be postponed. If your contributions are made on an after-tax basis, their earnings will not be taxed until they are distributed. You will not pay additional income taxes on any contributions made on an after-tax basis. To help protect your savings, the government limits the ability to withdraw the amounts you save while you are employed.

ROLLOVER CONTRIBUTIONS

A “*Rollover Contribution*” is an amount that is available to you for distribution from the plan of a previous employer or from a traditional IRA. By rolling over the distribution directly into the Plan, you continue to defer federal income taxes on your money. A Rollover Contribution is possible even if you are not contributing to the Plan and can be made to the Plan before you are eligible to participate in the Plan or after you terminate employment and have left your assets with the Plan.

Eligible Rollover Distributions. Most types of benefit payments you receive as a participant or a surviving spouse can be rolled over. These types of payments are called “*eligible rollover distributions.*” However, the following types of benefit payments cannot be rolled over: hardship withdrawals, payments attributable to after-tax contributions you made, installment or annuity payments made over a period of at least 10 years or over your life expectancy or the joint life expectancy of you and your beneficiary, or payments required to be made to you after you have attained age 70½.

Deadline for Rollover Contributions. An eligible payout from a prior employer can be rolled over from your prior employer’s plan. If you make a rollover after you receive the payment, it must be rolled over into the Plan within 60 days of receiving it. If you have recently started employment with the Employer and are eligible to receive a payment from your former employer’s plan, access the Plan participant line or website to obtain the necessary information and to determine whether your funds are eligible. You may also want to consult with a tax advisor before making your decision.

EMPLOYER CONTRIBUTIONS

PARTICIPATING EMPLOYER CONTRIBUTIONS

Your Employer will make contributions on behalf of each participant in an amount equal to the elected percentage in its Participation Agreement, but in no event will the percentage be less than 3% of your Compensation. Participating Employer Contributions may be based on the amount and rate of your elected Mandatory Participant Contributions. Employer Contributions shall be transferred to your account as soon as administratively practicable and in no event later than the time period required by law.

PRIOR SERVICE BENEFITS

Your Employer may, in its discretion, make “*Prior Service Benefit*” contributions in addition to the regular required Participating Employer Contributions. Your Employer will make this contribution to your account only if elected in its Participation Agreement. These contributions will be based on a percentage of your Compensation for a maximum of 60 months of continuous service prior to the contributions being made.

CONTRIBUTIONS IN THE EVENT OF A CHANGE IN STATUS

You may continue to receive Participating Employer Contributions and Prior Service Benefits even if you have had what is referred to in the Plan as a “change in status.” A change in status means that you were eligible to participate in the Plan by satisfying the eligibility criteria your Employer elected in the Participation Agreement, and then you experienced a change such that you no longer satisfy the eligibility criteria. For example, your Employer might require employees to work a minimum of 30 hours per week in order to participate in the Plan. Suppose you are hired for full-time

employment and work 40 hours a week, and then following your first year of employment, you drop to part-time status and only work 20 hours a week. If your Employer so elects in its Participation Agreement, you will continue to receive Participating Employer Contributions and Prior Service Contributions, even though you no longer satisfy your Employer's specified eligibility criteria. See your Employer or the Administrator for details.

INVESTING YOUR ACCOUNTS

MAINTENANCE OF ACCOUNTS

All contributions to the Plan are held in a trust fund. The Trustees appointed by CCOERA are responsible for managing the trust fund, maintaining accurate and detailed records of its assets, and, at the direction of the Administrator, making all distributions under the Plan. The Administrator will establish and maintain one or more accounts on your behalf, as applicable.

The accounts of all participants will be updated each business day of the Plan Year (that is, each day on which the New York Stock Exchange is open) to reflect contributions, distributions, and earnings or losses due to investment performance. Generally, you will receive a statement of your account(s) following the end of each calendar quarter. Alternatively, you may elect to obtain an on-line statement of your account(s). The on-line statement will replace the quarterly statement mailed to your home address unless you direct otherwise. You may access the Plan participant line or website to obtain further information regarding the on-line statement.

INVESTMENT OPTIONS

Selection of Funds. You may invest your account balances in any one or more of the available funds in the percentages permitted by the Administrator. When you become a participant, you will receive information about the investment funds that are available to you through the Plan. The investment funds represent a variety of investment objectives, and each fund carries a different degree of risk. It is entirely your choice as to which of the investment funds to use for the investment of your account. Neither CCOERA nor your Employer recommend any investment option over another. You will be notified as investment funds are added or deleted.

Self-Directed Brokerage Accounts. You may choose instead to invest your account as a self-directed brokerage account. Brokerage accounts are not limited to a select group of investment options. Rather, you select from the universe of stocks, bonds and mutual funds made available to you through the investment brokerage house. Annual or quarterly fees may apply to this investment method. Fees for each transaction may also apply.

INVESTMENT ELECTIONS

Making Your Initial Investment Decision. When you begin saving in the Plan, or roll amounts over from another plan, you indicate the percentage of your contributions you want to go into each investment fund in 1% increments, which must add up to 100%. These elections stay in effect until you make a change. If you have not made an investment election, the contributions to your account will automatically be invested in Pension Portfolio 3.

Changing Your Investment Decisions. You may change the way your future contributions will be invested at any time, in 1% increments. You may also transfer existing balances from one investment fund to another at any time, in specific dollar amounts or in 1% increments. Changes to your investment elections completed by 2:00pm MST will generally be processed the same

day; later requests will take effect the next business day following your request. There may be situations in which requests do not process according to the normal schedule (such as the stock market closing early or the systems being down). In those instances, the request will be processed as soon as possible, normally the following business day. To make a fund exchange you can either call the toll free number at 1-800-352-0313 and follow the prompts, or log into your account at <https://ccoera.gwrs.com/login.do>.

VESTING IN YOUR ACCOUNT

Your “*vesting*” determines whether you are entitled to receive some or all of your account balances when your Service terminates, or what portion of your account(s) are available for a loan, if your Employer permits loan to eligible borrowers in its Participation Agreement. Being *vested* means you have earned a nonforfeitable right to receive some or all of the amount allocated to your accounts in the Plan. Vesting does not affect that portion of your account that is based on Employee contributions and investment earnings and losses allocated to your vested account.

Once you become vested in a percentage of an account, your vested percentage in prior contributions in that account cannot decrease. However, a change to the vesting schedule may affect your vesting in future contributions.

You are always 100% vested in your Mandatory Participant Contributions, Voluntary Contributions, Deductible Voluntary Contributions and Rollover Contributions.

If you are an employee, the vesting of your Participating Employer Contributions and your Prior Service Benefits depends on your completed months of service with the Employer. Your Employer will elect a vesting schedule in its Participation Agreement. See your Employer or the Administrator for information on your vesting.

Exception to Vesting Schedules. Regardless of the vesting schedule your Employer elects in its Participation Agreement, you will automatically become 100% vested in your Participating Employer Contributions and your Prior Service Benefits upon (1) your attainment of age 55 while in the Service of the Employer, (2) the date your Service terminates due to disability, or (3) the date your Service terminates due to death. Additionally, you will become fully vested in all of your accounts in the event the Plan is terminated.

If you are an elected official, you will immediately become fully vested in Participating Employer Contributions.

You may receive vesting credit for Service with an Association Member if you terminate employment with your Employer and are rehired with either the same Employer, or with another Association Member. Whether or not you receive vesting credit will depend, in part, on how much time has passed between employment (for example, if you are re-employed within 30 days after your initial termination, or if you are re-employed more than 30 days after your initial termination). If you are reemployed within 30 days of your initial termination, you will receive vesting credit for Service prior to your initial termination. Your Employer has made an election within its Participation Agreement, which will govern vesting crediting with respect to reemployment more than 30 days after termination. See your Employer or the Administrator for details.

VESTING IN THE EVENT OF A CHANGE IN STATUS

You will continue to vest in Participating Employer Contributions and Prior Service Benefits even if you have had a change in status as described above in the *Participating Employer Contributions* section. Accordingly, you will continue to vest in Participating Employer Contributions and Prior Service Contributions, even though you no longer are eligible to participate in the Plan and no longer receive additional Participating Employer Contributions and Prior Service Contributions.

VESTING IN THE EVENT OF AN AUTHORIZED LEAVE OF ABSENCE

If you are granted an authorized leave of absence, you will continue to receive service credit for vesting while you are on leave. An *authorized leave of absence* is an absence authorized by your Employer in accordance with its personnel practices and includes an absence due to service in the United States Armed Forces provided you return to employment with your Employer in the time period required by federal law. See your Employer or the Administrator for details.

FINAL PAYMENT OF YOUR BENEFITS

FORM OF PAYMENT (IF A DISTRIBUTION IS REQUIRED OR REQUESTED)

Normal Form. Generally, your vested account may be paid to you in a lump-sum payment.

Optional Forms. You may elect to have your vested account paid in partial payments over a specified number of years or periodic payments of a specified amount.

TIMING OF DISTRIBUTION

When you retire or terminate employment, you can elect to receive a distribution of your vested account as soon as administratively possible, or you can defer payment to a later date. Generally speaking, you can postpone the payment of benefits until the April 1 following the calendar year in which you reach 70½ if you have terminated employment.

If you have terminated employment with the Employer but defer payment, you cannot make any further contributions to your account (exclusive of rollover contributions) and you cannot take any loans. You can continue to change how your account is invested.

SPECIAL NOTE: CASH OUT OF SMALL ACCOUNTS

For vested account balances that do not exceed \$1,000, the Administrator may, in its discretion, automatically pay out your vested account to you in a single lump-sum payment.

SPECIAL CONSIDERATIONS

Forfeiture. Upon your termination of Service with the Employer, your unvested amounts (if any) will be forfeited and may be used to pay Plan expenses or the Employer's contributions to the Plan. If you are reemployed by the same Employer within 30 days following termination of employment, you will not forfeit any portion of your unvested account.

Age 70½ Required Distributions. If you are no longer an employee, and have not yet received a lump sum of your vested benefit by the time you attain age 70½, you will begin to receive minimum required distributions by the April 1 following the calendar year in which you attain age 70½ (unless otherwise provided under the law). The minimum distribution required is equal to your account balance divided by your choice of the following:

- your life expectancy; or
- the presumed joint life expectancy of you and a spouse beneficiary who is deemed to be 10 years younger than you.

Keep Your Records Current. If the Administrator is unable to locate you at your last address of record, payment of your benefits under the Plan may be delayed. If you decide to postpone distribution of your benefit, it is important that you notify your Employer of any changes in your mailing address and/or name.

PAYMENT OF BENEFITS UPON DEATH

If you die prior to receiving all of your benefits under the Plan, the Trustee will pay the balance of your account to your beneficiary in either a lump-sum distribution, in partial payments over a specified number of years or periodic payments of a specified amount, based on your or your beneficiary's election.

Generally, benefits must be paid to your beneficiary within 5 years of the date of your death or, if payments commence within one year of the date of your death, over the lifetime of your beneficiary. However, if your designated beneficiary is your spouse, he or she may elect to defer distribution until as late as December 31 of the calendar year in which you would have attained age 70½. A spouse or non-spouse beneficiary may also roll over Plan benefits into an inherited IRA. See the Administrator for details.

REMINDER

It is important for you to complete a beneficiary designation form whenever your personal circumstances change. Notify your Employer and the Administrator of any changes so that distributions will not be postponed.

PAYMENT OF BENEFITS UPON DISABILITY

If your employment terminates on account of disability, you will be entitled to receive your benefits. In general, disability under the Plan means that you are incapable of performing your duties for your Employer as a result of a physical or mental condition that is likely to be permanent. The Employer may require a physical examination, or the submission of qualified medical reports and other evidence in order to confirm the disability.

PAYMENT OF BENEFITS WHILE IN USERRA COVERED SERVICE

A recent change in the law provides that you shall be treated for Plan purposes as having severed employment while in certain military covered service. This change permits you to take a distribution from the Plan if you meet certain requirements. See the Administrator regarding the special rule for distributions if you intend to take a leave due to military service.

TAKING A LOAN FROM YOUR ACCOUNT

If your Employer so elects in its Participation Agreement, you may borrow from your vested account while you are still working. You do not pay taxes on a loan from your account, provided you repay it to the Plan according to the Plan's loan rules. Your repayment will include the amount that you borrow and the interest portion of your payment. Each payment of principal and interest that you make will be deposited into your account in the Plan. You will be given instructions for your application at the time of your loan request.

BORROWING ELIGIBILITY

If permitted under your Employer's Participation Agreement, you can apply for a loan if you are a Plan participant, if you are an active employee, and if you do not already have one loan under the Plan. See your Employer or the Administrator for details.

LOAN TERMS

Amount of Loan. You can borrow up to 50% of your total vested account balance less your highest outstanding loan balance during the last 12 months, if any. The amount available for a loan is determined at the time you request your loan through the Administrator. You cannot borrow less than \$2,500 or more than \$50,000 (minus your highest outstanding loan balance during the last 12 months, if any).

Term of Loan. You can take up to 5 years to repay a general purpose loan and up to 15 years in the case of a principal residence loan. All loans are due and payable in full on the date you terminate Service with the Employer.

Rate of Interest and Amortization. All loans shall bear interest at the lending rate determined under the loan policy adopted by the Administrator.

Refinancing. The Plan permits you to refinance an outstanding loan if certain repayment rules are satisfied. A refinancing combines your remaining balance with a new loan amount to be repaid at a new interest rate, but continuing the original term period of your initial loan.

REPAYING YOUR LOAN

You have the unlimited right to repay the full amount of any loan prior to the end of its term without penalty. Payments on your loan will be due at such times as the Administrator shall determine but not less frequently than quarterly. Failure to make payments of principal and interest when due shall be included as an event of default with respect to the loan. While you are in the Service of the Employer, your loan payments must be automatically deducted from your paycheck unless other arrangements are made, for example, for loan repayments during an unpaid leave of absence.

Additional details are available in the Plan's Loan Policy, a copy of which may be obtained upon request of the Administrator.

SPECIAL NOTE: EFFECTS OF TAKING A LOAN

Because a loan is not considered taxable income to you, you will not be required to pay income taxes on any loan you take unless you default. In the event of a default, the outstanding loan balance (including accrued interest) becomes taxable income to you in the year of the default. However, by taking a loan, you lose the opportunity to invest those funds until you repay the loan. Thus, if the interest on your loan is lower than interest you could have made on your investments, the cost of the loan may outweigh its benefits.

TAXATION OF BENEFITS

Special tax rules apply to payments from the Plan, which can affect your decision about the timing and form of payment you receive when you terminate employment with your Employer. The rules are complicated and are subject to change, so you may want to check with a tax advisor before you choose to receive a payment.

Taxation. Current federal income tax laws do not require you to report as income amounts you contribute to the Plan as pre-tax Mandatory Participant Contributions, any amounts the Employer contributes to the Plan or any earnings on any of your accounts. However, when the Trustee distributes your vested account balance to you, the portion of your account attributable to all contributions and the investment earnings credited thereto will generally be includable in your gross income for income tax purposes, unless contributions were made on an after-tax basis (for example, in the case of Voluntary Contributions, or if your Mandatory Participant Contributions were made on an after-tax basis).

Rollover and Distribution. Before you receive any distribution from the Plan, you will be given information concerning your rollover rights and an election form on which to choose whether to have some or all of your distribution directly rolled to another plan or to an IRA, except in the event your account balance does not exceed \$1,000 (in which case the Administrator may distribute your account to you in a single lump-sum payment). You should consult your own tax advisor with respect to the proper method of reporting any distribution you receive from the Plan. If you are not at least age 59½ at the time you receive a distribution under the Plan, the law, with limited exceptions, imposes a 10% penalty on the taxable portion of your distribution, for example, if you had already attained a normal retirement age of 55 under the Plan prior to separation from service.

CIRCUMSTANCES AFFECTING YOUR PLAN BENEFITS

The Plan is designed to provide you with funds for your financial security when you are no longer working. Because the Plan is a “*qualified*” plan under federal law, your vested rights to your benefits are protected in many ways. However, there are some circumstances under which your benefits may be forfeited, delayed or decreased, as follows:

- In general, your benefits cannot be paid to your creditors or assigned by you as collateral. However, if the Administrator receives a court order that constitutes a “*domestic relations order*,” some or all of your vested benefits may be paid to your spouse, former spouse or other dependents.

- If you elect to defer payment of your benefits but you do not keep the Administrator advised of changes in your name or address, payment of your benefits may be delayed.
- The amount of your benefit will depend on your investment choices. Neither the Plan nor your Employer is responsible for the investment performance of investment options you choose. Rather, you will be responsible for any resulting losses to your account.

AMENDMENT OR TERMINATION OF THE PLAN

Although CCOERA intends to continue the Plan, CCOERA has the right to amend or terminate the Plan at any time. In addition, Association Members may withdraw from the Plan. If the Plan is terminated, you will receive benefits under the Plan based on your account balance accumulated as of the date of the termination of the Plan. Similarly, if the Plan experiences a partial termination or complete discontinuance of Participating Employer Contributions, affected Participants will receive benefits under the Plan based on their account balances accumulated as of the date of such event.

QUESTIONS?

If you have any questions concerning your benefits, or if you would like to review a copy of the Plan, you should contact your Employer or the Administrator at:

Colorado County Officials and Employees Retirement Association

Attn: Executive Director

751 SouthPark Drive

Littleton, Colorado 80120

(303) 713-9400

www.ccoera.org

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