

Salary Reduction Agreement and Amendment to Employment Contract

(To be completed in triplicate: one copy for the Employer; one copy for the Employee; one copy to be submitted with the participation application.)

It is hereby agreed by _____

(Name and Address of Employer)

of _____ (hereinafter called the Employer) and by

_____ (Name and Address of Employee)

of _____ (hereinafter called the Participant) that the existing employment contract between the Employer and the Participant be amended in the following manner and that this amendment be incorporated therein by reference and made part thereof as if set out in full, as of the date of this amendment.

I. For amounts earned on or after _____, which date is subsequent to the execution of this agreement, the compensation to be paid by the Employer to the Participant shall be reduced by an amount equal to either (i) \$ _____, or (ii) _____ % of such compensation (elect only one) on each regular pay date, beginning with the first date falling due on or after the first of the calendar month next following the date of this amendment.

The maximum amount by which the Participant's pay may be reduced for any taxable year pursuant to this and any other amendments is an amount equal to the lesser of:

- (1) The Participant's "exclusion allowance" as provided in Internal Revenue Code Section 403(b); or
- (2) The limitation on contributions for Defined Contribution Plans, as provided in Section 415; or
- (3) The limitation on Exclusion of Elective Deferrals, provided in Section 402(g).

II. The amount determined under I, shall be transmitted by the Employer in accordance with the 403(b) program established and maintained by the Employer, in the following manner:

(a) an amount or amounts as shown below shall be paid into contracts issued by the following life insurance companies:

Amount	(or)	Percent of Pay	Insurance Company
\$ _____		_____	_____
\$ _____		_____	_____
\$ _____		_____	_____

(b) an amount or amounts as shown below shall be transmitted to the custodian under the custodial agreement made by the Employer for the benefit of Participants for purposes of such 403(b) program to purchase shares issued by the following mutual funds:

Amount	(or)	Percent of Pay	Mutual Fund
\$ _____		_____	_____
\$ _____		_____	_____
\$ _____		_____	_____

This amendment has been executed by and on behalf of the parties hereto on _____ (Date)

By signing this amendment both parties agree to all the paragraphs listed on this form including paragraphs III through VIII on the next page.

(Participant)

Employer _____

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(Social Security Number)

By _____

(Title)

- III. This agreement shall be legally binding and irrevocable as to both Employer and Participant with respect to amounts earned while the agreement is in effect while employment continues; however, either party may change or terminate this agreement as of the end of any month, so that it will not apply to salary subsequently earned, by giving at least thirty days written notice.
- IV. If the Participant terminates employment with the Employer, this amendment shall automatically terminate according to the terms of the employment contract.
- V. If the Employer terminates the 403(b) program, this amendment shall automatically terminate.
- VI. The Employer agrees to furnish the Participant with a complete copy of the 403(b) program.
- VII. The Participant agrees that the Employer shall have no liability whatsoever for any loss suffered by the Participant
 - (a) with regard to his or her selection of a life insurance company contract or of mutual fund shares, or
 - (b) by reason of the Employer's transmittal of contributions, providing they are transmitted in accordance with the terms of the 403(b) program.
- VIII. The Participant understands that:
 - (a) the Employer is executing this agreement to provide the Participant with an opportunity to benefit from the provisions of Section 403(b),
 - (b) the Employer does not recommend to the Participant that he or she participate in the 403(b) program,
 - (c) the Employer does not warrant any particular tax consequences to the Participant,
 - (d) all computations in connection with the determination of the amount of the salary reduction hereby authorized, including the amount of the maximum exclusion allowance, includible compensation and years of service pursuant to such Section 403(b) shall be the responsibility of the Participant and are based on information to be furnished by the Participant.