

MOTION NO. M2013-28

A motion of the Board of the Central Puget Sound Regional Transit Authority adopting a deferred compensation plan under IRS Code section 457(f), authorizing a grantor trust with respect to such plan that complies with the requirements of IRS Revenue Procedure 92-64 and associated actions required to establish and manage such plan.

BACKGROUND:

Motion No. M2012-94, adopted by the Board of Directors on December 20, 2012, approved a three-year contract extension for the chief executive officer that includes funding a deferred compensation plan and account under IRS Code section 457(f). This motion is necessary to comply with the Internal Revenue Code requirements under Code sections 409A and 457(f) that the terms of such plan be in writing and be adopted by the governing board.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority as follows: (1) the Board hereby adopts a Sound Transit Executive Deferred Compensation Plan (the Plan), which will be governed by Code sections 409A and 457(f), in substantially the form attached hereto as Exhibit A, (2) pursuant to Section 7.3(a)(12) of the Plan, the Board hereby delegates authority over day-to-day administration of the Plan to Sound Transit's Human Resources Director, (3) pursuant to Section 7.3(a)(5) of the Plan, the Board hereby authorizes the establishment of a grantor trust that satisfies the requirements of IRS Revenue Procedure 92-64 to facilitate the payment of Plan benefits, (4) Sound Transit's Human Resources Director is hereby authorized to execute whatever documents and take whatever actions are reasonably necessary to effectuate this motion, and (4) all prior actions of the Board and designees consistent with this motion are hereby ratified.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 23, 2013.


Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator

Exhibit A to Motion No. M2013-28

**SOUND TRANSIT
EXECUTIVE DEFERRED COMPENSATION PLAN**

Prepared by:

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**SOUND TRANSIT
EXECUTIVE DEFERRED COMPENSATION PLAN**

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RECITALS

Effective January 1, 2013, the Central Puget Sound Regional Transit Authority (“Sound Transit”), a Regional Transit Authority created pursuant to Chapter 81.112 of the Revised Code of Washington, hereby adopts the Sound Transit Executive Deferred Compensation Plan (the “Plan”).

The primary object of the Plan is to provide a select group of management or highly compensated employees of Sound Transit with an appropriate level of retirement income by supplementing the retirement benefits otherwise provided under any qualified retirement programs Sound Transit may, from time to time, provide to its eligible employees.

Under the Plan, Sound Transit is obligated to pay vested accrued benefits to Plan Participants and their Beneficiary or Beneficiaries from Sound Transit’s general assets.

The Plan is intended to constitute an ineligible deferred compensation plan within the meaning of Code section 457(f).

NOW THEREFORE, Sound Transit does hereby adopt this Plan effective as of January 1, 2013, as follows:

ARTICLE I TITLE AND DEFINITIONS

1.1 Title

This Plan shall be known as the Sound Transit Executive Deferred Compensation Plan.

1.2 Definitions

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

(a) “**Account**” means for each Eligible Employee, the bookkeeping account maintained by the Plan Administrator that is credited with amounts equal to (1) Sound Transit contributions, if any, made to the Plan for the Eligible Employee’s benefit pursuant to Section 4.1(a), and (2) adjustments to reflect deemed earnings pursuant to Section 4.1(b).

(b) “**Beneficiary**” or “Beneficiaries” means the beneficiary last designated in writing by a Participant in accordance with procedures established by the Plan Administrator to receive the benefits specified hereunder in the event of the Participant’s death. No Beneficiary designation shall become effective until it is filed with the Plan Administrator during the Participant’s lifetime.

(c) “**Board of Directors**” or “Board” means the Sound Transit Board of Directors.

- (d) **“Cause”** or **“Termination for Cause”** with respect to a given Participant shall have the meaning given to such term in the employment agreement governing the Participant’s employment relationship with Sound Transit or, if none or if the employment agreement does not provide for such term, it shall mean that Sound Transit terminates an Employee’s employment with Sound Transit on account of Employee’s (i) fraud or embezzlement against Sound Transit; (ii) final conviction of any felony involving personal benefit or gain to the Employee; (iii) gross negligence or willful conduct that is materially injurious to Sound Transit; or (iv) blatant and willful disregard of written or verbal directions from the Board.
- (e) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (f) **“Disability”** means an Eligible Employee is disabled within a given Participant’s employment agreement governing the Participant’s employment relationship with Sound Transit or, if none, or if the employment agreement does not include a specific definition of disability, then to the extent that he is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (ii) receiving income replacement benefits for a period of not less than three (3) months under a disability benefit plan sponsored by Sound Transit, due to a medically determinable physical or mental impairment which can be expected to result in death or to last for a continuous period of not less than twelve (12) months; or (iii) determined to be totally disabled by the Social Security Administration.
- (g) **“Distributable Amount”** means the Participant’s Vested Account.
- (h) **“Distribution Event”** means, with respect to each Participant, such Participant’s Vesting Date.
- (i) **“Eligible Employee”** means any Employee who is designated in writing as eligible to participate in the Plan by the Plan Administrator.
- (j) **“Employee”** means a common law employee of Sound Transit.
- (k) **“Entry Date”** means the date on which an Employee first becomes an Eligible Employee.
- (l) **“Fund”** or **“Funds”** means one or more of the investment funds selected by the Plan Administrator pursuant to Section 3.2.
- (m) **“Investment Return”** means, for each Fund, an amount equal to the pre-tax rate of gain or loss on the assets of such Fund (net of applicable fund and investment charges) from one Valuation Date to the immediately following Valuation Date.
- (n) **“Participant”** means any Eligible Employee with an Account under the Plan.

- (o) **“Payment Commencement Date”** means as soon as administratively practicable following a Distribution Event.
- (p) **“Plan”** means the Sound Transit Executive Deferred Compensation Plan set forth herein, now in effect, or as amended from time to time.
- (q) **“Plan Administrator”** means the Board or a designee appointed by the Board to administer the Plan in accordance with Article VII.
- (r) **“Plan Year”** means each calendar year period beginning January 1 and ending December 31.
- (s) **“Separation from Service”** means the date on which an Employee dies, retires or otherwise has a termination of employment with the Employer. Whether a termination of employment has occurred is determined based on whether the facts and circumstances indicate that the Employer and the Employee reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Employee would perform after such date (as an employee or independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period (or the full period in which the Employee provided services to Sound Transit if the Participant has been providing services for less than thirty-six (36) months). An Employee will not be deemed to have experienced a Separation from Service if such Employee is on military leave, sick leave, or other bona fide leave of absence, to the extent such leave does not exceed a period of six (6) months or, if longer, such longer period of time during which a right to re-employment is protected by either statute or contract. If the period of leave exceeds six (6) months and the individual does not retain a right to re-employment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first date immediately following such 6-month period.
- (t) **“Service”** means performance of services for Sound Transit as an Employee.
- (u) **“Sound Transit”** means the Central Puget Sound Regional Transit Authority and any successor corporation.
- (v) **“Valuation Date”** means each date on which Accounts are valued. The Plan Administrator shall establish the Valuation Dates under the Plan. Any valuation under this Plan shall be based on the closing market prices of the investment Funds on the applicable Valuation Date or, if the Valuation Date is not a day on which the New York Stock Exchange is open for trading, the preceding such trading day.
- (w) **“Vested,” “Vested Interest” or “Vesting”** means a Participant’s nonforfeitable interest in his Account. A Participant’s Vested Interest in his Account will be determined under the provisions of Section 5.1.

(x) “**Vesting Date**” means the date on which a Participant’s Account becomes fully Vested.

(y) **Vesting Year of Vesting**” means a 12-consecutive month computation period during which an Employee remains continuously employed as an Employee. An Employee’s initial Vesting computation period will begin on his Entry Date, and each Vesting computation period thereafter will begin on the anniversary of such Entry Date.

ARTICLE II PARTICIPATION

2.1 Participation

An individual remains a Participant as long as he or she has an Account that has not yet been entirely distributed and/or forfeited; provided, however, that Participants who are no longer Eligible Employees may no longer receive Sound Transit contributions under this Plan. If Sound Transit determines, based upon a judicial or administrative determination or an opinion of counsel, that the Participant ceases to be an Eligible Employee, such Participant shall cease participating in this Plan and become ineligible for additional Sound Transit contributions hereunder (until such time as the individual once again becomes an Eligible Employee).

ARTICLE III DEFERRAL OF COMPENSATION

3.1 Sound Transit Contributions

(a) Contractual Contributions. Sound Transit will make contributions to the Account of an Eligible Employee as provided under the terms of a valid employment agreement entered into between such Eligible Employee and Sound Transit, if any.

(b) Discretionary Contributions. Sound Transit may, in its sole discretion and independent of any Sound Transit contributions as may be required under Section 3.1(a), make discretionary contributions to the Accounts of one or more Eligible Employees at such times and in such amounts as the Plan Administrator may determine.

3.2 Investment Elections

(a) Hypothetical Investment Funds. The Plan Administrator may, in its discretion, provide each Participant with a list of investment Funds available for hypothetical investment, and the Participant may designate, in a manner specified by the Plan Administrator, one or more Funds in which his or her Account will be deemed to be invested for purposes of determining the amount of earnings to be credited to that Account. The Plan Administrator may, from time to time, in its sole discretion select a commercially available fund to substitute for the Fund actually selected. The Investment

Return of each such commercially available fund shall be used to determine the amount of earnings to be credited to Participants' Accounts under Section 4.1(b).

(b) Deemed Investment Elections. In making the designation pursuant to this Section 3.2, the Participant may specify that all or any 1% multiple of his or her Account be deemed to be invested in one or more of the Funds offered by the Plan Administrator. Subject to such limitations and conditions as the Plan Administrator may specify, a Participant may change the designation made under this Section 3.2 in such manner and at such time or times as the Plan Administrator shall specify. If a Participant fails to elect a Fund under this Section 3.2, or if the Plan Administrator shall not provide Participants with a list of Funds pursuant to this Section 3.2, the Participant's Account shall be invested in one or more of such Funds as directed by the Plan Administrator.

(c) No Sound Transit Obligation. Sound Transit may, but need not, acquire investments corresponding to those designated by the Participants hereunder, and it is not under any obligation to maintain any investment it may make. Any such investments, if made, shall be in the name of Sound Transit, and shall be its sole property in which no Participant shall have any interest.

ARTICLE IV ACCOUNTS

4.1 Participant Accounts

The Plan Administrator shall establish and maintain an Account for each Participant under the Plan. Each Participant's Account may be further divided into separate subaccounts ("investment fund subaccounts"), corresponding to investment Funds selected by the Participant pursuant to Section 3.2 or as otherwise determined by the Plan Administrator to be necessary or appropriate for proper Plan administration. A Participant's Account shall be credited as follows:

(a) Sound Transit Contribution. As soon as practicable after the last day of the Plan Year or such earlier time or times as the Plan Administrator may determine, the Plan Administrator shall credit the investment fund subaccounts of the Participant's Account with an amount equal to the portion, if any, of any Sound Transit contribution made to or for the Participant's benefit in accordance with Section 3.1; that is, the portion of the Participant's Sound Transit contribution, if any, that the Participant has elected (or, failing such election, as directed by the Plan Administrator) to be deemed to be invested in a certain type of investment Fund shall be credited to the investment fund subaccount corresponding to that investment Fund.

(b) Investment Returns. On each Valuation Date, each investment fund subaccount of a Participant's Account shall be adjusted for deemed Investment Returns in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the preceding Valuation Date by the Investment Return for the corresponding Fund selected by the Participant.

ARTICLE V VESTING

5.1 Vesting of Accounts.

Unless specified otherwise by the Board or the Plan Administrator, the value of a Participant's Account attributable to any Sound Transit contributions pursuant to Section 3.1, together with any amounts credited to the Participant's Account under Section 4.1(e) with respect to such amounts, shall be fully vested and nonforfeitable upon the first occurrence of any one of the following events:

- (a) Vesting Dates in Employment Agreement. The vesting date(s) as provided under the terms of a valid employment agreement entered into between the Participant and Sound Transit.
- (b) Ten Vesting Years of Service. A Participant's Account becomes fully Vested when such Participant accumulates ten (10) Vesting Years of Service prior to a Separation from Service.
- (b) Vesting Prior to Ten Vesting Years of Service. Where a Participant Separates from Service with fewer than 10 Years of Service, such Participant's Account shall be fully Vested only if such Separation from Service resulted from any one of the following circumstances:
 - (1) The Participant's death.
 - (2) The Participant's Disability.
 - (3) The Participant's involuntary termination from employment by Sound Transit, where such termination is not a Termination for Cause.
- (c) Plan Termination. Where Sound Transit terminates this Plan pursuant to Section 9.6, the nonvested Accounts of those Participants who had not Separated from Service on or before such Plan termination shall be fully Vested.

5.2 Forfeiture of Nonvested Accounts.

A Participant's Account shall be immediately and irrevocably forfeited if the Participant Separates from Service without a Vested Interest in such Account.

ARTICLE VI DISTRIBUTIONS

6.1 Distribution of Vested Accounts

(a) Distribution Event. Where a Participant Separates from Service on or after his Vesting Date, and provided that such Participant does not return to Service prior to the Payment Commencement Date, the Participant's Distributable Amount shall be paid at the time and in the form specified in 6.1(b).

(b) Form of Payment. Payment of the Distributable Amount will be made to the Participant (and after his or her death to his or her Beneficiary) in a single cash lump sum payment on such Participant's Payment Commencement Date.

ARTICLE VII ADMINISTRATION

7.1 Plan Administrator

A Plan Administrator shall be appointed by, and serve at the pleasure of, the Board. The number of members comprising the Plan Administrator shall be determined by the Board, which may from time to time vary the number of members. A member of the Plan Administrator may resign by delivering a written notice of resignation to the Board. The Board may remove any member by delivering a certified copy of its resolution of removal to such member. Vacancies in the membership of the Plan Administrator shall be filled promptly by the Board.

7.2 Plan Administrator Action

A majority of the members of the Plan Administrator at the time in office shall constitute a quorum for the transaction of business at all meetings. The Plan Administrator shall act at meetings at which a quorum of members is present by affirmative vote of a simple majority of the members present. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Plan Administrator and such written consent is filed with the minutes of the proceedings of the Plan Administrator. A member of the Plan Administrator shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The chairman or any other member or members of the Plan Administrator designated by the chairman may execute any certificate or other written direction on behalf of the Plan Administrator.

7.3 Powers and Duties of the Plan Administrator

(a) General. The Plan Administrator, on behalf of the Participants and their Beneficiaries, shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (1) To select the funds to be the investment Funds in accordance with Section 3.2 hereof;
- (2) To construe and interpret the terms and provisions of this Plan;
- (3) To amend, modify, suspend or terminate the Plan in accordance with Section 9.5;
- (4) To set aside funds to assist Sound Transit to meet its obligations under this Plan, provided that the funds are set aside in a manner that does not result in immediate taxation to Participants;
- (5) To establish one or more grantor trusts (as defined in Code section 671 et seq.) to facilitate the payment of benefits under the Plan;
- (6) To provide periodic statements of Account to Participants and Beneficiaries;
- (7) To compute and certify the amount and kind of benefits payable to Participants and their Beneficiaries;
- (8) To maintain all records that may be necessary for the administration of the Plan;
- (9) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;
- (10) To make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms of this Plan document;
- (11) To appoint and retain legal counsel to assist the Plan Administrator in carrying out the administration of the Plan;
- (12) To delegate its authority to any officer, employee, committee or agent of Sound Transit, as it deems advisable for the effective administration of the Plan; and
- (13) To take any such other actions as it deems advisable to carry out the purposes of the Plan.

(b) Construction and Interpretation. The Plan Administrator shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including but not limited to Sound Transit, and any Participant or Beneficiary. The Plan Administrator shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan. The Plan is intended to be an ineligible deferred compensation plan under Code section 457(f) that complies with the requirements of Code section 409A and its provisions shall be interpreted in accordance with said intent.

(c) Information. To enable the Plan Administrator to perform its functions, Sound Transit shall supply full and timely information to the Plan Administrator on all matters relating to the Compensation of all Participants, their death or other cause of termination, and such other pertinent facts as the Plan Administrator may reasonably require. The Plan Administrator is entitled to rely on the accuracy of all such information provided.

(d) Compensation, Expenses and Indemnity. The members of the Plan Administrator shall serve without compensation for their services in connection with Plan administration. Expenses and fees in connection with the administration of the Plan shall be paid by Sound Transit. To the extent permitted by applicable state law, Sound Transit shall indemnify and save harmless the Plan Administrator and each member thereof, the Board, and any delegate of the Plan Administrator who is an employee of Sound Transit or, against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of bad faith or willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by Sound Transit or provided by Sound Transit under any bylaw, agreement or otherwise, to the extent such indemnities are permitted under state law.

ARTICLE VIII CLAIMS PROCEDURE

8.1 Submission of Claim

Benefits shall be paid in accordance with the provisions of this Plan. The Participant, or any person claiming through the Participant (“Claiming Party”), shall make a written request for benefits under this Plan, mailed or delivered to the Plan Administrator. Such claim shall be reviewed by the Plan Administrator or its delegate.

8.2 Denial of Claim

If a claim for payment of benefits is denied in full or in part, the Plan Administrator or its delegate shall provide a written notice to the Claiming Party within ninety (90) days setting forth: (a) the specific reasons for denial; (b) any additional material or information necessary to perfect the claim; (c) an explanation of why such material or information is necessary; and (d) an explanation of the steps to be taken for a review of the denial. A claim shall be deemed denied if the Plan Administrator or its delegate does not take any action within the ninety (90) day period for making an initial claim decision.

8.3 Review of Denied Claim

If the Claiming Party desires review of a denied claim, the Claiming Party shall notify the Plan Administrator or its delegate in writing within sixty (60) days after receipt of the written notice of denial. As part of such written request, the Claiming Party may request a review of the Plan document or other pertinent documents, may submit any written issues and comments, and may request an extension of time for such written submission of issues and comments.

8.4 Decision upon Review of Denied Claim

The decision on the review of the denied claim shall be rendered by the Plan Administrator or its delegate (which may include a review subcommittee) within sixty (60) days after receipt of the request for review. The decision shall be in writing and shall state the specific reasons for the decision, including reference to specific provisions of the Plan on which the decision is based. With prior notice to the Claiming Party, the reviewing authority may invoke an extension of 60 additional days to review the claim.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interests in any specific property or assets of Sound Transit. No assets of Sound Transit shall be held in any way as collateral security for the fulfilling of the obligations of Sound Transit under this Plan. Any and all of Sound Transit's assets shall be, and remain, the general unpledged, unrestricted assets of Sound Transit, as applicable. Sound Transit's obligation under the Plan shall be merely that of an unfunded and unsecured promise of Sound Transit to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors.

9.2 Restriction Against Assignment

Sound Transit shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No part of a Participant's Account shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Account be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Plan Administrator, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Plan Administrator shall direct.

9.3 Withholding

There shall be withheld from each payment made under the Plan all taxes, which are required to be withheld by Sound Transit in respect to such payment. Sound Transit shall have the right to reduce any payment by the amount of cash sufficient to provide the amount of said taxes. Moreover, the Plan Administrator shall have the right to reduce any payment by any amounts owed by the Participant to Sound Transit for any reason, including without limitation, amounts due to Sound Transit on account of the Participant's breach of his duties as an Employee.

9.4 Tax Liabilities from Plan

Upon the Participant's Vesting Date, the portion of the Participant's Account that is attributable to Sound Transit contributions under Section 4.1(a) shall become taxable to such Participant. Earnings under 4.1(b) shall not be taxed until distributed or made available to such Participant. If, due to a change in applicable law or regulations or enforcement activity by the Internal Revenue Service, all or any portion of a Participant's benefit under this Plan generates a state or federal income tax liability to the Participant prior to receipt or prior to the Participant's Vesting Date, the provision or provisions of the Plan that would generate such taxation shall be considered null and void to the extent, and only to the extent, necessary to avoid the tax liability. If, notwithstanding the actions taken to avoid the tax liability, a tax liability is generated before a Participant is eligible to receive a Plan benefit or prior to the Participant's Vesting Date, each affected Participant may petition the Plan Administrator for a distribution of funds sufficient to meet such liability (including additions to tax, penalties and interest). Upon the grant of such a petition, which grant shall not be unreasonably withheld, Sound Transit shall distribute to the Participant immediately available funds in an amount equal to that Participant's federal, state and local tax liability associated with such taxation, which liability shall be measured by using that Participant's then current highest federal, state and local marginal tax rate, plus the rates or amounts for the applicable additions to tax, penalties and interest. At the discretion of Sound Transit, this distribution may or may not include an additional amount to "gross up" the tax liability distribution to include all applicable taxes on the tax liability distribution and the grossed up amount. If the petition is granted, the tax liability distribution (including gross-up) shall be made as soon as practicable after the date when the Participant's petition is granted. Such a distribution shall reduce the benefits to be paid under Article VI of the Plan.

9.5 Amendment, Modification, Suspension or Termination

The Plan Administrator may at any time, and from time to time, amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any vested amounts allocated to a Participant's Account, provided that a termination or suspension of the Plan or any Plan amendment or modification that will significantly increase costs to Sound Transit shall be approved by the Board. Subject to the foregoing, the Plan Administrator may amend the Plan as required in order to comply with the applicable requirements of Code section 457(f) or Code section 409A.

9.6 Special Plan Termination Rules

The Plan may be terminated only as permitted under Code section 409A and applicable regulations issued thereunder and only if:

- (a) All arrangements of the same type as this Plan (account balance nonqualified deferred compensation plans) are terminated with respect to all Participants; and
- (b) Sound Transit does not adopt a new deferred compensation arrangement that would be required to be aggregated with this Plan under the Proposed Treasury Regulations issued under Code section 409A at any time for a period of five (5) years following the Plan's termination date.

9.7 Governing Law

This Plan shall be construed, governed and administered in accordance with the laws of the State of Washington, to the extent not preempted by federal law.

9.8 Entire Agreement

This Plan document constitutes the agreement of the parties with respect to deferred compensation. Only the Plan Administrator is authorized to construe and interpret this Plan. No employee or agent of Sound Transit is authorized to modify or amend the terms of this Plan, or to make promises or to commit Sound Transit to provide additional benefits or other benefits not expressly provided for in this Plan document. In the event of conflict between this Plan document and any other oral or written communication regarding the Plan, this Plan document shall be controlling.

9.9 Receipt or Release

Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, and Sound Transit. The Plan Administrator may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

9.10 Payments on Behalf of Persons Under Incapacity

In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Plan Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Plan Administrator may direct that such payment be made to any person found by the Plan Administrator, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of the Plan Administrator, and Sound Transit.

9.11 No Employment Rights

Participation in this Plan shall not confer upon any person any right to be employed by Sound Transit or any other right not expressly provided hereunder.

9.12 Headings, etc. Not Part of Agreement

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

IN WITNESS WHEREOF, Sound Transit has caused this document to be executed by its duly authorized officer on this _____ day of March, 2013.

CENTRAL PUGET SOUND REGIONAL
TRANSIT AUTHORITY

By: _____

Title: _____