Plan Document for the

Murray State University
Supplemental & Optional Retirement (ORP) Tax Sheltered 403(b) Plan

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Section 1
Definition of Terms Used

The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 "Account": The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 "Account Balance": The bookkeeping account maintained for each Participant which reflects the value of the aggregate amount credited to the Participant’s Account under all Accounts, including the Participant’s Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant’s benefit, and any distribution made to the Participant or the Participant’s Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant’s death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, if such contributions are authorized under the Adoption Agreement, the account established for a Beneficiary after a Participant’s death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "Administrator": The Plan will be administered jointly by the Employer and the Vendors in accordance with the division of responsibilities stated in the Adoption Agreement. As used herein, the term “Administrator” may refer to both the Employer and the Vendors.

1.4 "Annuity Contract": A nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in Kentucky and that includes payment in the form of an annuity.

1.5 "Beneficiary": The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 "Custodial Account": The group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, and/or by each Participant individually, to hold assets of the Plan.
1.7 "Code": The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.8 "Compensation": All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan).

1.9 "Disabled": The definition of disability provided in the applicable Individual Agreement.

1.10 "Elective Deferral": The Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.

1.11 "Employee": Each individual, whether appointed or elected, who is a an employee of Murray State University or Murray State University Foundation, Inc. performing services for a public school as an employee of the Employer or Foundation. This definition is not applicable unless the employee’s compensation for performing services for a public education institution is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services for a public education institution unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.

A student who is enrolled and regularly attending classes at, and who is employed as a student worker, graduate assistant, or student teacher by, Murray State University is not an employee for purposes of this Plan.

1.12 "Employer": Murray State University

1.13 “Employer Contributions”: Any contribution made to the Plan by the Employer or Foundation as provided in the Adoption Agreement.

1.14 “Foundation”: Murray State University Foundation, Inc.
1.15 "Funding Vehicles": The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

1.16 "Includible Compensation": An Employee’s actual wages in box 1 of Form W-2 received by Employee for the most recent period of service that may be counted as a year of service under Section 403(b) of the Code for a year for services to the Employer, but subject to a maximum of $200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

1.17 "Individual Agreement": The agreements between a Vendor and the Employer and/or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.18 “ORP”: The Optional Retirement Plan at Murray State University.

1.19 "Participant": An individual for whom Elective Deferrals or other contributions permitted herein are currently being made, or for whom such contributions or Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire Account Balance benefit under the Plan.

1.20 "Plan": Murray State University Supplemental & Optional Retirement (ORP) Tax Sheltered 403(b) Plan.

1.21 “Plan year”: The plan year is the calendar year for Supplemental Tax Sheltered 403(b) plans for the calculation of maximum contribution limits. The plan year is the fiscal year for ORP plans and reporting to KTRS. W-2 reporting for the Supplemental Tax Shelter 403(b) plans and for ORP plans is the fiscal year. The fiscal year is July 1 to June 30.

1.22 “Related Employer”: The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.23 "Severance from Employment": For purpose of the Plan, severance from Employment means Severance from Employment with Murray State University or the Murray State University Foundation and any Related Entity. However, a
severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public education institution, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public education institution or in a capacity that is not employment with a public education institution (e.g., ceasing to be an employee performing services for a public education institution but continuing to work for the same State or local government employer).

1.24 "Vendor": The provider of an Annuity Contract or Custodial Account, or any organization expressly authorized by such provider to act on their behalf under this Plan.

1.25 "Valuation Date": Each business day of the Plan Year.

Section 2
Participation and Contributions

2.1 Eligibility. Except as otherwise excluded in the Adoption Agreement, each Employee shall be eligible to participate in the Supplemental Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer.

For the Optional Retirement Plan, employees must be regular, full-time employees as defined in the Murray State University Policies and Procedures Manual and otherwise be qualified to participate as required by law.

2.2 Contributions.

(a) General Rule for elective deferrals. An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing it with the appropriate Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than $200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer or the Foundation as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Except as otherwise provided in the Plan, all Elective
Deferrals shall be made on a pre-tax basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee’s election.

(b) Employer Contributions. If authorized in the Adoption Agreement, the Employer may make non-elective Employer contributions to Accounts of designated Employees to the ORP. Employer contributions shall be determined in accordance with the Adoption Agreement. Contributions made under this Section 2.2(c) shall be deposited into each Participant’s Account in accordance with Section 2.5 of the Plan.

2.3 Information Provided by the Employee. Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.4 Changes in Elective Deferrals Election. Subject to the provisions of the applicable Individual Agreements and applicable law, an Employee may revise his or her participation election, including a change of the amount of his or her Elective Deferrals, the designation of Funding Vehicles and Accounts, and his or her designated Beneficiary. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.5 Contributions Made Promptly. Elective Deferrals and Employer Contributions (when applicable) under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable state law.

2.6 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

Section 3
Limitations on Amounts Deferred

3.1 Basic Annual Limitation. Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar
amount is the amount established under section 402(g)(1)(B) of the Code, which is $16,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under section 415(d) of the Code.

3.2 Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service. If authorized in the Adoption Agreement, because the Employer is a qualified organization (within the meaning of § 1.403(b)-4(c)(3)(ii) of the Income Tax Regulations), the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

(a) $3,000;

(b) The excess of:
   (1) $15,000, over
   (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or

(c) The excess of:
   (1) $5,000 multiplied by the number of years of service of the employee with the qualified organization, over
   (2) The total Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a "qualified employee" means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.3 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals and, if applicable, Roth 403(b) Contributions for a year is $5,500 for 2009, and is adjusted for cost-of-living after 2009 to the extent provided under the Code.

3.4 Coordination. If the Adoption Agreement authorizes contributions under section 3.2 of the Plan, amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals and, if applicable, Roth 403(b) Contributions for a year be more than the Participant's Includible Compensation for the year.
3.5 **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a § 403(b) plan.

3.6 **Correction of Excess Elective Deferrals.** If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance.

3.7 **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee’s employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

3.8 **Annual Contribution Limits.** The aggregate amount contributed into a Participant’s 403(b) Account for any year shall not exceed the amount permitted under Section 415(c) of the Code based on the Participant’s most recent period of service determined under Section 403(b) of the Code. If any Employer Contributions cause a Participant’s 403(b) Contract to exceed the annual contribution limitation of Section 415(c) of the Code, the excess contributions
shall be segregated and treated in a manner consistent with applicable IRS
guidance on “annual additions.”

Section 4
Loans

4.1 Loans. If authorized in the Adoption Agreement, loans shall be permitted
under the Plan to the extent permitted by and in accordance with the Individual
Agreements controlling the Account assets from which the loan is made and by
which the loan will be secured.

4.2 Information Coordination Concerning Loans. Each Vendor is responsible
for all information reporting and tax withholding required by applicable federal
and state law in connection with distributions and loans. To minimize the
instances in which Participants have taxable income as a result of loans from the
Plan, the Administrator shall take such steps as may be appropriate to coordinate
the limitations on loans set forth in Section 4.3, including the collection of
information from Vendors, and transmission of information requested by any
Vendor, concerning the outstanding balance of any loans made to a Participant
under the Plan or any other plan of the Employer. The Administrator shall also
take such steps as may be appropriate to collect information from Vendors, and
transmission of information to any Vendor, concerning any failure by a Participant
to repay timely any loans made to a Participant under the Plan or any other plan of
the Employer.

4.3 Maximum Loan Amount. No loan to a Participant under the Plan may exceed
the lesser of:

(a) $50,000, reduced by the greater of (i) the outstanding balance on any loan from
the Plan to the Participant on the date the loan is made or (ii) the highest
outstanding balance on loans from the Plan to the Participant during the one-year
period ending on the day before the date the loan is approved by the Administrator
(not taking into account any payments made during such one-year period); or (b)
one half of the value of the Participant’s vested Account Balance (as of the
valuation date immediately preceding the date on which such loan is approved by
the Administrator).

For purposes of this Section 4.3, any loan from any other plan maintained by the
Employer and any Related Employer shall be treated as if it were a loan made
from the Plan, and the Participant’s vested interest under any such other plan shall
be considered a vested interest under this Plan; provided, however, that the
provisions of this paragraph shall not be applied so as to allow the amount of a
loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

4.4 Loan Repayments for Participants in Military Service. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Agreement, loan repayments by eligible uniformed services personnel may be suspended as permitted under Section 414(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

Section 5
Benefit Distributions

5.1 Benefit Distributions At Severance from Employment or Other Distribution Event. Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), Section 5.4 (relating to hardship), or Section 8.3 (relating to termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participation has a Severance from Employment, dies, becomes disabled, has a hardship, or attains age 59½. Notwithstanding the foregoing and in accordance with the terms of the Individual Agreements, the withdrawal restrictions described above do not apply to Elective Deferrals made to an Annuity Contract and attributable earnings as of December 31, 1988. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Small Account Balances. The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed $3,000 (determined without regard to any separate account that holds rollover contributions under Section 6.1) and any such distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of $1,000).

5.3 Minimum Distributions. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in § 1.403(b)-6(e) of the Income Tax Regulations.
5.4 **In-Service Distributions From Rollover Account.** If a Participant has a separate account attributable to rollover contributions to the plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

5.5 **Hardship Withdrawals.** If authorized under the Adoption Agreement:

(a) Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. If applicable under an Individual Agreement, no Elective Deferrals shall be allowed under the Plan or any other Plan of the Employer during the 6-month period beginning on the date the Participant receives a distribution on account of hardship. The 6-month suspension requirement is not applicable to the Optional Retirement Plan (ORP).

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant’s financial need (pursuant to § 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant’s right to make Elective Deferrals under the Plan. In addition, in the case of a hardship withdrawal that is not automatically deemed to be necessary to satisfy the financial need (pursuant to § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

A distribution is deemed to be on account of an immediate and heavy financial need of the employee if the distribution is for:

1. Expenses for (or necessary to obtain) medical care that would be deductible under section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

2. Costs directly related to the purchase of a principal residence for the employee (excluding mortgage payments);

3. Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the employee, or the employee’s spouse, children, or dependents (as defined in section 152, and, for
taxable years beginning on or after January 1, 2005, without regard to section 152(b)(1), (b)(2) and (d)(1)(B));

(4) Payments necessary to prevent the eviction of the employee from the employee's principal residence or foreclosure on the mortgage on that residence;

(5) Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependents (as defined in section 152, and, for taxable years beginning on or after January 1, 2005, without regard to section 152(d)(1)(B)); or

(6) Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction under section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

5.6 Rollover Distributions. (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

Section 6
Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

(a) Eligible Rollover Contributions. To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to
effectuate the rollover in accordance with section 402 of the Code and to confirm
that such plan is an eligible retirement plan within the meaning of section
402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover
contribution from a Roth elective deferral account under an applicable retirement
plan described in section 402A(e)(1) of the Code or a Roth IRA described in
section 408A of the Code.

(b) Eligible Rollover Distribution. For purposes of Section 6.1(a), an eligible
rollover distribution means any distribution of all or any portion of a Participant’s
benefit under another eligible retirement plan, except that an eligible rollover
distribution does not include (1) any installment payment for a period of 10 years
or more, (2) any distribution made as a result of an unforeseeable emergency or
other distribution which is made upon hardship of the employee, or (3) for any
other distribution, the portion, if any, of the distribution that is a required
minimum distribution under section 401(a)(9) of the Code. In addition, an eligible
retirement plan means an individual retirement account described in section 408(a)
of the Code, an individual retirement annuity described in section 408(b) of the
Code, a qualified trust described in section 401(a) of the Code, an annuity plan
described in section 403(a) or 403(b) of the Code, or an eligible governmental plan
described in section 457(b) of the Code, that accepts the eligible rollover
distribution.

(c) Separate Accounts. Unless otherwise provided by the terms of applicable
Individual Agreements, the Vendor shall establish and maintain for the Participant
a separate account for any eligible rollover distribution paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan. (a) If authorized under the Adoption
Agreement, at the direction of the Employer the Administrator may permit
Participants or Beneficiaries in another plan under section 403(b) of the Code to
transfer assets to the Plan as provided in this Section 6.2. Such a transfer is
permitted only if the other plan provides for the direct transfer of each person’s
entire interest therein to the Plan and the participant is an employee or former
employee of the Employer. The Administrator and any Vendor accepting such
transferred amounts may require that the transfer be in cash or other property
acceptable to it. The Administrator or any Vendor accepting such transferred
amounts may require such documentation from the other plan as it deems
necessary to effectuate the transfer in accordance with § 1.403(b)-10(b)(3) of the
Income Tax Regulations and to confirm that the other plan is a plan that satisfies
section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant’s Account
Balance, so that the Participant or Beneficiary whose assets are being transferred
has an accumulated benefit immediately after the transfer at least equal to the
accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan.
(a) If authorized under the Adoption Agreement, at the direction of the Employer, the Administrator may permit Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with §1.403(b)-10(b)(3) of the Income Tax Regulations. A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose 403(b) restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant’s or Beneficiary’s interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant’s or Beneficiary’s interest in the transferor plan (e.g., a pro rata portion of the Participant’s or Beneficiary’s interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan’s liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure
that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to § 1.403(b)-10(b)(3) of the Income Tax Regulations.

6.4 Contract and Custodial Account Exchanges. (a) If authorized by the Adoption Agreement, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, unless otherwise indicated on the Adoption Agreement, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2. For example, transfers from an ORP Plan account to a Supplemental 403(b) Plan account are not permitted. If the Adoption Agreement authorizes exchanges to a Vendor that is not eligible to receive contributions under Section 2, (referred to below as an exchange) the exchange is not permitted unless the conditions in paragraphs (b) through (d) of this Section 6.4 are satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) contracts or custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receivingVendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following: (i) the Employer providing information as to whether the Participant’s employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1); (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.4 if the withdrawal results in a 6-month suspension of the Participant’s right to make Elective Deferrals under the Plan; and (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant’s or Beneficiary’s section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 5.4); and
(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following: (i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1); and (ii) information concerning the Participant’s or Beneficiary’s Roth Contributions and after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Vendor will enter into an information sharing agreement as described in Section 6.4(d) with the Employer if the Employer’s existing contract with the Vendor does not provide for the exchange of information described in Section 6.4(d)(1) and (2).

6.5 Permissive Service Credit Transfers.
(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant’s Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant’s or Beneficiary’s interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant’s or Beneficiary’s interest in the transferor plan (e.g., a pro rata portion of the Participant’s or Beneficiary’s interest in any after-tax employee contributions).

Section 7
Investment of Contributions

7.1 Manner of Investment. All Elective Deferrals, Roth 403(b) Contributions, Employer Contributions, or other amounts contributed to the Plan, all property
and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations.

7.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

Section 8
Amendment and Plan Termination

8.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

8.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time, provided however that any amendment which reduces contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable regulations promulgated thereunder.
8.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Section 9
Miscellaneous

9.1 Non-Assignability. Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

9.2 Domestic Relation Orders. Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order"), then the amount of the Participant’s Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

9.3 IRS Levy. Notwithstanding Section 9.1, the Administrator may direct payment from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

9.4 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals and Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment
made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

9.5 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors or incompetents, then the Administrator shall direct payment of the benefit to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

9.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

9.7 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the records of the Employer or the Administrator, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. To the extent consistent with the administrative procedures of the Vendor and/or Administrator under the Plan, Accounts of participants or other distributees who cannot be located may be escheated to the State in which the distributee last resided, subject to any limitations upon such procedures under applicable federal or state law.

9.8 Incorporation of Individual Agreements. The Plan, together with the Adoption Agreement and any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Adoption Agreement and applicable Individual Agreements are hereby incorporated by reference into the Plan,
excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements, provided however that the Plan may not enlarge the rights of the Employer, the Administrator, or a Participant under the Individual Agreement.

9.9 **Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the Commonwealth of Kentucky without regard to its provisions related to conflicts of law.

9.10 **Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.11 **Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.
The Employer has evidenced its intent to adopt this Plan by executing the Adoption Agreement which is a part of this 403(b) Plan document. This Plan document, the Adoption Agreement, and any underlying Annuity Contracts and Custodial Accounts provided by the Vendors authorized by the Employer, as well as necessary forms and administrative policies and procedures incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan.

IN WITNESS WHEREOF, the Employer has caused this written Plan to be executed this 26th day of August, 2009 with the effective date as of January 1, 2009.

Employer: Murray State University

By: Thomas W. Denton 8/26/09
Vice President for Finance
and Administration

STATE OF KENTUCKY
COUNTY OF CALLOWAY

The above and foregoing instrument was duly acknowledged before the undersigned Notary Public by THOMAS DENTON, Vice President, Finance & Administrative Services, Murray State University, to be his duly authorized act and deed, for and on behalf of Murray State University, on this 26th day of August, 2009.

Christina Cole
NOTARY PUBLIC
My commission expires: 9-19-2011