

**FIRST AMENDMENT  
TO  
ARIZONA BOARD OF REGENTS  
OPTIONAL RETIREMENT PLAN  
(FOURTH AMENDMENT AND RESTATEMENT)**

WHEREAS, the Arizona Board of Regents (the "Board"), a body corporate created by the Arizona Constitution for the powers enumerated in Article 2, Chapter 13, Title 15, Arizona Revised Statutes (A.R.S. sections 15-1621, et seq.), adopted in amended and restated form the Arizona Board of Regents Optional Retirement Plan (Fourth Amendment and Restatement) (the "Plan"), effective July 1, 2008, to provide retirement benefits to certain employees of the Board and Universities; and

WHEREAS, the Board is authorized, pursuant to Section 11.1 of the Plan, to adopt amendments to the Plan; and

WHEREAS, the Board desires to adopt amendments to the Plan to comply with recent changes to the tax laws contained in the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act");

NOW, THEREFORE, pursuant to the authority granted in Section 11.1 of the Plan, the following amendments are adopted, effective as hereafter provided:

1. Section 7.4, Vesting on Normal Retirement or Death, of Article VII, VESTING, is amended in its entirety, effective January 1, 2007, to read as follows:

"7.4 Vesting on Normal Retirement Date or Death.

(a) If a Participant retires under this Plan on or after his Normal Retirement Date, a Participant shall have a nonforfeitable right to one hundred percent (100%) of his Employer Contribution Account. If a Participant's Employment is terminated because of death, his Beneficiary shall have a nonforfeitable right to

one hundred percent (100%) of the deceased Participant's Employer Contribution Account.

(b) If a Participant who does not currently perform services for an Employer for reason of "qualified military service" as defined in Section 414(u) of the Code dies after December 31, 2006 while performing such qualified military service, such Participant's Beneficiary shall have a nonforfeitable right to one hundred percent (100%) of the deceased Participant's Employer Contribution Account."

2. Clause (iii), Salary continuation payments for military service participants, of Section 1.6.2, Adjustments to Section 415 Compensation of Appendix A, Limitation on Annual Additions and Annual Benefits, is amended in its entirety, effective July 1, 2009, to read as follows:

"(iii) **Salary continuation payments for military service participants.** §415 compensation does include payments to an individual who is currently performing services for the Employer by reason of qualified military service (as that term is used in Section 414(u)(1) of the Code) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service."

3. Nothing in this First Amendment shall be construed to adversely affect the rights of any Participant to any benefit provided under the Plan or to decrease any accrued benefit under the Plan, except to the extent permitted under the Code or necessary to maintain the Plan as one qualified under Section 401(a) of the Code.

IN WITNESS WHEREOF, the Board has caused this First Amendment to be executed by its duly authorized officer this 10 day of JUNE, 2010.

ARIZONA BOARD OF REGENTS

By   
Executive Director