




Executive Compensation 457(b) Plan

SAMPLE DEFERRAL ELECTION FORM

This sample deferral election form has been prepared to assist with the administration of your co-op's Executive Compensation 457(b) Plan. This form must be completed by eligible plan participants at the time of enrollment in the plan. It is the responsibility of the co-op as the plan administrator to verify plan and participant eligibility.

-  The information set forth in this deferral election form does not constitute legal advice. Prospective participants should consult an attorney or personal tax advisor to develop a tax strategy before electing their form of payment or taking any other action with respect to their participation in a nonqualified deferred compensation plan.
-  Retain the original, signed copy of the deferral election form in the co-op's records, as the U.S. Department of Labor or Internal Revenue Service may request copies.
-  If you have any questions, please contact the Homestead Advisers Deferred Compensation team at deferredcomp@homesteadadvisers.com.

IMPORTANT: Homestead Advisers offers nonqualified deferred compensation plans as an additional service to members for their employees and directors and provides certain administrative support services; however, Homestead Advisers does not sponsor or act as the plan administrator of these plans, assume liability for their operation, or provide legal or tax advice in conjunction with the plans. Co-ops and participants are responsible for any tax or legal consequences associated with their adoption, operation or participation in nonqualified deferred compensation plans.

SAMPLE: Executive Compensation 457(b) Plan Deferral Election Form

I hereby elect to participate in the Executive Compensation 457(b) Plan offered by

(the "co-op") and elect to defer the following amount of my taxable compensation to be withheld from my pay and credited to a Homestead Funds account for my benefit established by the co-op as provided in the plan. The amount credited to the account shall also be credited with earnings and losses incurred in the investment fund(s) of the account.

I hereby authorize the co-op to deduct from my taxable compensation the amount indicated below. The amount of my deferral election shall be the basis for deferrals and withholding from my pay by the co-op from month to month until I elect in writing to change my election. Any election modifications shall be effective not earlier than the first day of the month following the submission of my revised deferral election form.

*Specify Percentage of Pay or
Annual Dollar Amount*

Effective Date

Name of Participant (Please Print)

Date

Participant's Signature

Contribution Limits

The maximum annual salary deferral that you can contribute to the Executive Compensation 457(b) Plan is the lesser of 100% of your salary or the maximum contribution limit established annually by the IRS during any year the employer is tax-exempt and subject to Internal Revenue Code section 457. The annual contribution limit includes all elective salary deferrals and employer contributions (if applicable).

You may also elect to defer accumulated sick pay, vacation pay and back pay, if an agreement providing for the deferral is entered into the month prior to the month in which the amounts would otherwise be paid or made available, and you are employed by the co-op in that year.

(continued)

Special Catch-up Contributions

If you did not defer the maximum amount that you were eligible to contribute to the Executive Compensation 457(b) Plan in previous years, you may make "special catch-up" contributions during each of the three years prior to, but not including, the year you reach normal retirement age for your co-op's primary retirement plan. You may also designate in writing a different catch-up period assuming it is after your normal retirement age/date.

For example, if you are an executive and the normal retirement age for your co-op's retirement plan is age 62, you may elect to make special catch-up contributions for the years you reach ages 59, 60 and/or 61. Alternately, if you are in an age 62 plan but wish to retire at age 65, you could elect contributions for the years you reach ages 62, 63 and 64 providing a written declaration is submitted prior to the catch-up contribution period. Be sure to verify the normal retirement age for your co-op's retirement plan prior to making any catch-up contributions to the plan.

If you are a director, your normal retirement age is 65 for purposes of the catch-up contributions.

During your three years of special catch-up eligibility, you are able to contribute the *lesser of*:

- a) Twice the annual deferral limit
- b) The annual deferral limit plus the amount you were eligible to contribute in previous years but did not

The total of your special catch-up contributions cannot exceed the difference between your actual contributions and the maximum amount you were eligible to contribute under the plan for prior years. You may change the deferral amount of special catch-up contributions during each year you are eligible.

Specify Annual Dollar Amount

Effective Date

Name of Participant (Please Print)

Date

Participant's Signature