

PASSED

**IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY
OF LANE COUNTY, OREGON**

ORDER NO.)In the Matter of Adopting the Restatement of the
03-8-27-1H)HACSA 401(k) Plan

WHEREAS, the Agency heretofore established and presently maintains a qualified defined contribution plan known as the HACSA 401(k) Plan (the Plan); and

WHEREAS, pursuant to the terms of the Plan, the Agency has reserved the right at any time and from time to time to amend the Plan by action of its Board of Commissioners; and

WHEREAS, the Agency wishes to amend the Plan in its entirety effective as of the dates set forth in the Plan restatement and amendments described below;

NOW, THEREFORE, it is hereby Ordered that the HACSA 401(k) Plan January 1, 2002 Restatement presented to the Board is adopted, and it is

FURTHER Ordered, that unless otherwise specifically provided by the terms of the Plan, this Restatement is effective with respect to each change made to satisfy the provisions of (i) the Uruguay Round Agreements Act ("GATT"), (ii) the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), (iii) Small Business Job Protection Act of 1996 ("SBJPA"), (iv) the Taxpayer Relief Act of 1997 ("TRA '97"), (v) the IRS Restructuring and Reform Act of 1998 ("RRA '98"), (vi) any other change in the Code or ERISA, or (vii) regulations, rulings, or other published guidance issued under the Code, ERISA, GATT, USERRA, SBJPA, TRA '97 or RRA '98 (collectively the "GUST required changes"), as of the first day of the first period (which may or may not be the first day of a Plan Year) with respect to which such change became required because of such provision, and it is

FURTHER Ordered, that the EGTRRA Compliance Amendment (to comply with the Economic Growth and Tax Relief Reconciliation Act of 2001) and the Minimum Required Distributions Compliance Amendment (to comply with final and temporary Treasury regulations issued under Internal Revenue Code Section 401 (a)(9) presented to the Board are adopted and it is

FURTHER Ordered, that the Executive Director or the Deputy Director of the Agency are hereby authorized to take such actions and to execute such documents as they deem necessary or desirable in order to carry out the intent of the foregoing orders and to make the Plan fully effective in accordance with its terms and intent.

DATED this 27th day of August, 2003



Peter Sorenson, Chair
HACSA Board of Commissioners

APPROVED AS TO FORM

Date 8/14/03 legis county


OFFICE OF LEGAL COUNSEL

In the Matter of Adopting the Restatement of the HACSA 401(k) Plan

HACSA 401(k) PLAN
January 1, 2002 Restatement

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PREAMBLE

The HACSA 401(k) Plan, originally effective as of January 1, 1981, is hereby amended and restated in its entirety. Except as otherwise specifically provided in Article XXII, this amendment and restatement shall be effective as of January 1, 2002. The Plan, as amended and restated hereby, is intended to qualify as a profit-sharing plan under Code Section 401(a), includes a cash or deferred arrangement that is intended to qualify under Code Section 401(k), and is a governmental plan under Code Section 414(d). The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

Notwithstanding any other provision of the Plan to the contrary, a Participant's vested interest in his Account under the Plan on and after the effective date of this amendment and restatement shall be not less than his vested interest in his account on the day immediately preceding the effective date.

Any sample amendment adopted by the Sponsor prior to this amendment and restatement for purposes of complying with EGTRRA shall continue in effect after this amendment and restatement.

Any amendment to the Plan previously adopted to comply with final and temporary regulations issued under Code Section 401(a)(9) shall be incorporated by reference into this amendment and restatement of the Plan.

The "**Compensation**" of a Participant for any period means the wages as defined in Code Section 3401(a), determined without regard to any rules that limit compensation included in wages based on the nature or location of the employment or services performed, and all other payments made to him for such period for services as an Employee for which his Employer is required to furnish the Participant a written statement under Code Sections 6041(d), 6051(a)(3), and 6052 (commonly referred to as W-2 earnings).

In addition to the foregoing, Compensation includes any amount that would have been included in the foregoing description, but for the Participant's election to defer payment of such amount under Code Section 125, 402(e)(3), 402(h)(1)(B), 403(b), or 457(b) and contributions described in Code Section 414(h)(2) under a salary reduction agreement that are picked up by the employing unit and treated as employer contributions. Effective for Plan Years beginning on and after January 1, 2001, Compensation shall also include any amount that is not included in the Participant's taxable gross income pursuant to Code Section 132(f).

In no event, however, shall the Compensation of a Participant taken into account under the Plan for any Plan Year exceed \$150,000 (subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year). If the Compensation of a Participant is determined over a period of time that contains fewer than 12 calendar months, then the annual compensation limitation described above shall be adjusted with respect to that Participant by multiplying the annual compensation limitation in effect for the Plan Year by a fraction the numerator of which is the number of full months in the period and the denominator of which is 12; provided, however, that no proration is required for a Participant who is covered under the Plan for less than one full Plan Year if the formula for allocations is based on Compensation for a period of at least 12 months.

A "**Contribution Period**" means the period specified in Article VI for which Employer Contributions shall be made.

An "**Eligible Employee**" means any Employee who has met the eligibility requirements of Article III to participate in the Plan; provided, however, that any leased Employee of an Employer shall not be considered an Eligible Employee, and any employee who has made an irrevocable one-time election not to participate in the Plan, as provided in Article III, shall not be considered an Eligible Employee for those purposes for which he has made such an election.

The "**Eligibility Service**" of an employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his eligibility to participate in the Plan as may be required under Article III.

An "**Employee**" means any person who is classified by an Employer, in accordance with its payroll records, as an employee of the Employer and any "leased employee" (other than an "excludable leased employee") of an Employer. Any individual who is not treated by an

any time during the Plan Year or the "look back year" or (ii) received "compensation" from the Employers and Related Companies during the "look back year" in excess of \$80,000 (subject to adjustment annually at the same time and in the same manner as under Code Section 415(d)).

A "highly compensated former employee" includes any Employee who (1) separated from service from an Employer and all Related Companies (or is deemed to have separated from service from an Employer and all Related Companies) prior to the Plan Year, (2) performed no services for an Employer or any Related Company during the Plan Year, and (3) was a "highly compensated active employee" for either the separation year or any Plan Year ending on or after the date the Employee attains age 55, as determined under the rules in effect under Code Section 414(q) for such year.

The determination of who is a Highly Compensated Employee hereunder shall be made in accordance with the provisions of Code Section 414(q) and regulations issued thereunder.

For purposes of this definition, the following terms have the following meanings:

- (a) An employee's "compensation" means compensation as defined in Code Section 415(c)(3) and regulations issued thereunder.
- (b) The "look back year" means the 12-month period immediately preceding the Plan Year.

An "**Hour of Service**" with respect to a person means each hour, if any, that may be credited to him in accordance with the provisions of Article II.

An "**Investment Fund**" means any separate investment Trust Fund maintained by the Trustee as may be provided in the Plan or the Trust Agreement or any separate investment fund maintained by the Trustee, to the extent that there are Participant Sub-Accounts under such funds, to which assets of the Trust may be allocated and separately invested.

The "**Normal Retirement Date**" of an employee means the date he attains age 65.

A "**Participant**" means any person who has an Account in the Trust.

A "**Pick-Up Contribution**" means any contribution made in accordance with the provisions of Article IV by or on behalf of an Employee that is (a) required as a condition of his employment as an Employee, (b) picked up by his Employer pursuant to Code Section 414(h)(2), and (c) treated as an Employer Contributions to the Plan. Pick Up Contributions shall not be included in an Employee's gross income for income tax purposes until such time as the Pick Up Contributions are distributed from the Plan. Pick Up Contributions shall be 100 percent vested when made.

The "**Plan**" means the HACSA 401(k) Plan, as from time to time in effect.

A "**Tax-Deferred Contribution**" means the amount contributed to the Plan on a Participant's behalf by his Employer in accordance with Article IV, other than any Pick Up Contribution. The "**Trust**" means the trust, custodial accounts, annuity contracts, or insurance contracts maintained by the Trustee under the Trust Agreement.

The "**Trust Agreement**" means any agreement or agreements entered into between the Sponsor and the Trustee relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets if the custodial account or contract would, except for the fact that it is not a trust, constitute a qualified trust under Code Section 401.

The "**Trustee**" means the trustee or any successor trustee which at the time shall be designated, qualified, and acting under the Trust Agreement and shall include any insurance company that issues an annuity or insurance contract pursuant to the Trust Agreement or any person holding assets in a custodial account pursuant to the Trust Agreement. The Sponsor may designate a person or persons other than the Trustee to perform any responsibility of the Trustee under the Plan, other than trustee responsibilities as defined in ERISA Section 405(c)(3), and the Trustee shall not be liable for the performance of such person in carrying out such responsibility except as otherwise provided by ERISA. The term Trustee shall include any delegate of the Trustee as may be provided in the Trust Agreement.

A "**Trust Fund**" means any fund maintained under the Trust by the Trustee.

A "**Valuation Date**" means each day of the Plan Year.

The "**Vesting Service**" of an employee means the period or periods of service credited to him under the provisions of Article II for purposes of determining his vested interest in his Employer Contributions Sub-Account, if Employer Contributions are provided for under either Article VI or Article XXI.

1.2 Interpretation

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

absence commenced or the last day of the period during which he retains such reemployment rights.

2.2 Crediting of Hours of Service

A person shall be credited with an Hour of Service for:

- (a) Each hour for which he is paid, or entitled to payment, for the performance of duties for an Employer, a Predecessor Employer, or a Related Company during the applicable period; provided, however, that hours compensated at a premium rate shall be treated as straight-time hours.
- (b) Subject to the provisions of Section 2.3, each hour for which he is paid, or entitled to payment, by an Employer, a Predecessor Employer, or a Related Company on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), lay-off, jury duty, military duty, or leave of absence.
- (c) Each hour for which he would have been scheduled to work for an Employer, a Predecessor Employer, or a Related Company during the period that he is absent from work because of service with the armed forces of the United States provided he is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and returns to work with an Employer or a Related Company within the period during which he retains such reemployment rights; provided, however, that the same Hour of Service shall not be credited under paragraph (b) of this Section and under this paragraph (c).
- (d) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer, a Predecessor Employer, or a Related Company; provided, however, that the same Hour of Service shall not be credited both under paragraph (a) or (b) or (c) of this Section, as the case may be, and under this paragraph (d); and provided, further, that the crediting of Hours of Service for back pay awarded or agreed to with respect to periods described in such paragraph (b) shall be subject to the limitations set forth therein and in Section 2.3.
- (e) Solely for purposes of determining whether a person who is on a "maternity/paternity absence" has incurred a Break in Service for a "computation period", Hours of Service shall include those hours with which such person would otherwise have been credited but for such "maternity/paternity absence", or shall include eight Hours of Service for each day of "maternity/paternity absence" if the actual hours to be credited cannot be determined; except that not more than the minimum number of hours required to prevent a Break in Service shall be credited by reason of any "maternity/paternity absence"; provided, however, that any hours included as Hours of Service pursuant to this

2.4 Department of Labor Rules

The rules set forth in paragraphs (b) and (c) of Department of Labor Regulations Section 2530.200b-2, which relate to determining Hours of Service attributable to reasons other than the performance of duties and crediting Hours of Service to particular periods, are hereby incorporated into the Plan by reference.

2.5 Crediting of Continuous Service

A person shall be credited with "continuous service" for the aggregate of the periods of time between his "employment commencement date" or any "reemployment commencement date" and the "severance date" that next follows such "employment commencement date" or "reemployment commencement date"; provided, however, that an employee who has a "reemployment commencement date" within the 12-consecutive-month period following the earlier of the first date of his absence or his "severance date" shall be credited with "continuous service" for the period between his "severance date" and "reemployment commencement date".

2.6 Eligibility Service

Eligibility Service shall be determined in accordance with the following provisions:

- (a) An employee shall be credited with Eligibility Service equal to his "continuous service". Eligibility Service shall be computed in full months treating each calendar month in which an employee is credited with "continuous service" for the entire calendar month as a month of Eligibility Service.
- (b) Notwithstanding the provisions of paragraph (a), "continuous service" completed by an employee prior to a "severance date" shall not be included in determining the employee's Eligibility Service unless either (i) the employee had a nonforfeitable right to any portion of his Account, excluding that portion of his Account that is attributable to After-Tax or Rollover Contributions, as of his "severance date", or (ii) the period of time between the employee's "severance date" and his "reemployment commencement date" is less than the greater of five years or the employee's period of "continuous service" determined as of such severance date; provided, however, that solely for purposes of applying this paragraph, if a person is on a "maternity/paternity absence" beyond the first anniversary of the first day of such absence, his "severance date" shall be the second anniversary of the first day of such "maternity/paternity absence".

2.7 Years of Vesting Service

An employee shall be credited with a year of Vesting Service for each "computation period" during which he completes at least 1,000 Hours of Service, excluding Hours of Service with respect to a Related Company.

2.8 Exclusion of Vesting Service Completed Following a Break for Determining Vested Interest in Prior Accrued Benefit

Notwithstanding any other provision of the Plan to the contrary, Vesting Service completed by an Employee after a Break in Service shall not be included in determining his vested interest in his Account attributable to employment prior to such Break in Service if the number of his consecutive Breaks in Service is five or more.

2.9 Crediting of Hours of Service with Respect to Short Computation Periods

The following provisions shall apply with respect to crediting Hours of Service with respect to any short "computation period":

- (a) For purposes of this Article, the following terms have the following meanings:
 - (i) An "old computation period" means any "computation period" that ends immediately prior to a change in the "computation period".
 - (ii) A "short computation period" means any "computation period" of fewer than 12 consecutive months.
- (b) Notwithstanding any other provision of the Plan to the contrary, no person shall incur a Break in Service for a short "computation period" solely because of such short "computation period".
- (c) For purposes of determining the years of Vesting Service to be credited to an Employee, a "computation period" shall not include the "short computation period", but if an Employee completes at least 1,000 Hours of Service in the 12-consecutive-month period beginning on the first day of the "short computation period", such Employee shall be credited with a year of Vesting Service for such 12-consecutive-month period.

2.10 Crediting of Service on Transfer or Amendment

Notwithstanding any other provision of the Plan to the contrary, if an Employee is transferred from employment covered under a qualified plan maintained by an Employer or a Related Company for which service for purposes of eligibility to participate is credited based on Hours of Service and computation periods in accordance with Department of Labor Regulations Section 2530.200 through 2530.203 to employment covered under the Plan or, prior to amendment, the Plan provided for crediting of service for purposes of eligibility to participate on the basis of Hours of Service and computation periods in accordance with Department of Labor Regulations Section 2530.200 through 2530.203, an affected Employee shall be credited with Eligibility Service hereunder as provided in Treasury Regulations Section 1.410(a)-7(f)(1).

ARTICLE III ELIGIBILITY

3.1 Eligibility

Each Employee who was an Eligible Employee immediately prior to January 1, 2002 shall continue to be an Eligible Employee on January 1, 2002. Each other Employee shall become an Eligible Employee as of the Enrollment Date coinciding with or next following the date on which he has completed six months of Eligibility Service.

3.2 Transfers of Employment

If a person is transferred directly from employment with an Employer or with a Related Company in a capacity other than as an Employee to employment as an Employee, he shall become an Eligible Employee as of the date he is so transferred if prior to an Enrollment Date coinciding with or preceding such transfer date he has met the eligibility requirements of Section 3.1. Otherwise, the eligibility of a person who is so transferred to participate in the Plan shall be determined in accordance with Section 3.1.

3.3 Reemployment

If a person who terminated employment with an Employer and all Related Companies is reemployed as an Employee and if he had been an Eligible Employee prior to his termination of employment, he shall again become an Eligible Employee on the date he is reemployed. Otherwise, the eligibility of a person who terminated employment with an Employer and all Related Companies and who is reemployed by an Employer or a Related Company to participate in the Plan shall be determined in accordance with Section 3.1 or 3.2.

3.4 Notification Concerning New Eligible Employees

Each Employer shall notify the Administrator as soon as practicable of Employees becoming Eligible Employees as of any date.

3.5 Effect and Duration

Upon becoming an Eligible Employee, an Employee shall be entitled to make Tax-Deferred Contributions to the Plan in accordance with the provisions of Article IV and receive allocations of Employer Contributions in accordance with the provisions of Article VI (provided he meets any applicable requirements thereunder) and shall be bound by all the terms and conditions of the Plan and the Trust Agreement. A person shall continue as an Eligible Employee eligible to make Tax-Deferred Contributions to the Plan and to participate in allocations of Employer Contributions only so long as he continues employment as an Employee.

**ARTICLE IV
PICK-UP AND TAX-DEFERRED CONTRIBUTIONS**

4.1 Pick Up Contributions

An Employee is a Pick Up Eligible Employee for a month if he is an Eligible Employee for the month and during the six preceding calendar months has at all times been an Employee and at no time been a leased employee of an Employer. An individual who is a Pick Up Eligible Employee for a month shall, until the end of any later two-year period in which the individual is at no time an Employee, continue to be a Pick Up Eligible Employee for each month in which the individual is an Eligible Employee. To be a Pick Up Eligible Employee after such two-year period the individual must again meet the requirements of this Section.

Effective for each month in which he is a Pick Up Eligible Employee, the Employer shall make a Pick Up Contribution to the Plan on such Pick Up Eligible Employee's behalf. A Pick Up Eligible Employee may not elect to receive such Pick Up Contribution in cash in lieu of having it contributed to the Plan.

The amount of the Pick Up Contribution made on behalf of a Pick Up Eligible Employee for each month shall be equal to six percent of the Pick Up Eligible Employee's Compensation for the month. A Pick Up Eligible Employee's Compensation for the month shall not be reduced by the amount of the Pick Up Contribution made on his behalf for the month. Pick Up Contributions made on behalf of a Pick Up Eligible Employee shall be picked up by the Employer in accordance with Code Section 414(h)(2) and treated as an Employer Contribution to the Plan. Pick Up Contributions shall not be taxable to a Pick Up Eligible Employee until they are distributed from the Plan.

4.2 Tax-Deferred Contributions

Effective as of the date he becomes an Eligible Employee, each Eligible Employee may elect, in accordance with rules prescribed by the Administrator, to have Tax-Deferred Contributions made to the Plan on his behalf by his Employer as hereinafter provided. An Eligible Employee's election shall include his authorization for his Employer to reduce his Compensation and to make Tax-Deferred Contributions on his behalf. An Eligible Employee who elects not to have Tax-Deferred Contributions made to the Plan as of the first Enrollment Date he becomes eligible to participate may change his election by amending his reduction authorization as prescribed in this Article.

Tax-Deferred Contributions on behalf of an Eligible Employee shall commence as soon as administratively practicable on or after the date on which his election is effective.

4.7 Resumption of Tax-Deferred Contributions

An Eligible Employee who has voluntarily suspended his Tax-Deferred Contributions may elect, in the manner prescribed by the Administrator, to have such contributions resumed. An Eligible Employee may make such election at such time or times during the Plan Year as the Administrator may prescribe, by giving such number of days advance notice of his election as the Administrator may prescribe.

4.8 Delivery of Tax-Deferred Contributions

As soon after the date an amount would otherwise be paid to an Employee as it can reasonably be separated from Employer assets, each Employer shall cause to be delivered to the Trustee in cash all Tax-Deferred Contributions attributable to such amounts.

4.9 Vesting of Pick-Up and Tax-Deferred Contributions

A Participant's vested interest in his Pick Up Contributions Sub-Account and his Tax-Deferred Contributions Sub-Account shall be at all times 100 percent.

**ARTICLE VI
EMPLOYER CONTRIBUTIONS**

6.1 Contribution Period

The Contribution Periods for Employer Contributions shall be each Plan Year.

6.2 Profit-Sharing Contributions

Each Employer may, in its discretion, make a Profit-Sharing Contribution to the Plan for the Contribution Period in an amount up to six percent of the Compensation paid to its Eligible Employees during the Contribution Period who have met the allocation requirements for Profit-Sharing Contributions described in this Article. Notwithstanding any other provision of the Plan to the contrary, Compensation paid to an Eligible Employee during a Contribution Period, while the Eligible Employee is not a Pick Up Eligible Employee (as defined in Section 4.1), shall be excluded in determining the amount of each Employer's Profit-Sharing Contribution for such Contribution Period.

6.3 Allocation of Profit-Sharing Contributions

Any Profit-Sharing Contribution made for a Contribution Period shall be allocated among the Eligible Employees during the Contribution Period who have met the allocation requirements for Profit-Sharing Contributions described in this Article. The allocable share of each such Eligible Employee shall be in the ratio which his Compensation from the Employers for the Contribution Period bears to the aggregate of such Compensation for all such Eligible Employees. Notwithstanding any other provision of the Plan to the contrary, Compensation paid to an Eligible Employee during the Contribution Period, while the Eligible Employee is not a Pick Up Eligible Employee (as defined in Section 4.1), shall be excluded in determining the amount of the Eligible Employee's allocable share of the Profit-Sharing Contributions for such Contribution Period.

6.4 Verification of Amount of Employer Contributions by the Sponsor

The Sponsor shall verify the amount of Employer Contributions to be made by each Employer in accordance with the provisions of the Plan. Notwithstanding any other provision of the Plan to the contrary, the Sponsor shall determine the portion of the Employer Contribution to be made by each Employer with respect to an Employee who transfers from employment with one Employer as an Employee to employment with another Employer as an Employee.

Employer Contributions Sub-Account on the effective date of such an amendment shall not be less than his vested interest in his Employer Contributions Sub-Account immediately prior to the effective date of the amendment.

6.9 Forfeitures to Reduce Employer Contributions

Notwithstanding any other provision of the Plan to the contrary, the amount of the Employer Contribution required under this Article for a Plan Year shall be reduced by the amount of any forfeitures occurring during the Plan Year or any prior Plan Year that are not used to pay Plan expenses and that are applied against Employer Contributions as provided in Article XIV.

any simplified employee pension cash or deferred arrangement as described in Code Section 402(h)(1)(B), any eligible deferred compensation plan under Code Section 457, or any plan as described in Code Section 501(c)(18), and any contribution made on behalf of the Participant by an Employer or a Related Company for the purchase of an annuity contract under Code Section 403(b) pursuant to a salary reduction agreement.

An "**employee contribution**" means any employee after-tax contribution allocated to an Eligible Employee's account under any qualified plan of an Employer or a Related Company.

An "**excess contribution**" means any contribution made to the Plan on behalf of a Participant that exceeds one of the limitations described in this Article.

An "**excess deferral**" with respect to a Participant means that portion of a Participant's Tax-Deferred Contributions for his taxable year that, when added to amounts deferred for such taxable year under other plans or arrangements described in Code Section 401(k), 408(k), or 403(b) (other than any such plan or arrangement that is maintained by an Employer or a Related Company), would exceed the dollar limit imposed under Code Section 402(g) as in effect on January 1 of the calendar year in which such taxable year begins and is includible in the Participant's gross income under Code Section 402(g).

A "**limitation year**" means the Plan Year.

A "**qualified matching contribution**" means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Company solely on account of "elective contributions" made on his behalf or "employee contributions" made by him that is a qualified matching contribution as defined in regulations issued under Code Section 401(k), is nonforfeitable when made, and is distributable only as permitted in regulations issued under Code Section 401(k).

A "**qualified nonelective contribution**" means any employer contribution allocated to an Eligible Employee's account under any plan of an Employer or a Related Company that the Participant could not elect instead to receive in cash, that is a qualified nonelective contribution as defined in Code Sections 401(k) and 401(m) and regulations issued thereunder, is nonforfeitable when made, and is distributable only as permitted in regulations issued under Code Section 401(k).

The "**test compensation**" of an Eligible Employee for a Plan Year means compensation as defined in Code Section 414(s) and regulations issued thereunder, limited, however, to \$150,000 (subject to adjustment annually as provided in Code Sections 401(a)(17)(B) and 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year) and, if elected by the Sponsor, further limited solely to "test compensation" of an Employee attributable to periods of time when he is an Eligible Employee. If the "test compensation" of an Eligible Employee is determined over a

the "excess deferrals", plus any income and minus any losses attributable thereto, shall be distributed to the Participant no later than the April 15 immediately following such taxable year. Any Tax-Deferred Contributions that are distributed to a Participant in accordance with this Section shall nevertheless be taken into account in determining the Participant's "deferral percentage" for the "testing year" in which the Tax-Deferred Contributions were made.

7.4 Limitation on Tax-Deferred Contributions of Highly Compensated Employees

Notwithstanding any other provision of the Plan to the contrary, the Tax-Deferred Contributions made with respect to a Plan Year ending before January 1, 2003, on behalf of Eligible Employees who are Highly Compensated Employees may not result in an average "deferral percentage" for such Eligible Employees that exceeds the greater of:

- (a) a percentage that is equal to 125 percent of the average "deferral percentage" for all other Eligible Employees for the "testing year"; or
- (b) a percentage that is not more than 200 percent of the average "deferral percentage" for all other Eligible Employees for the "testing year" and that is not more than two percentage points higher than the average "deferral percentage" for all other Eligible Employees for the "testing year",

unless the "excess contributions", determined as provided in Section 7.5, are distributed as provided in Section 7.6.

In order to assure that the limitation contained herein is not exceeded with respect to a Plan Year, the Administrator is authorized to suspend completely further Tax-Deferred Contributions on behalf of Highly Compensated Employees for any remaining portion of a Plan Year or to adjust the projected "deferral percentages" of Highly Compensated Employees by reducing the percentage of their deferral elections for any remaining portion of a Plan Year to such smaller percentage that will result in the limitation set forth above not being exceeded. In the event of any such suspension or reduction, Highly Compensated Employees affected thereby shall be notified of the reduction or suspension as soon as possible and shall be given an opportunity to make a new deferral election to be effective the first day of the next following Plan Year. In the absence of such an election, the election in effect immediately prior to the suspension or adjustment described above shall be reinstated as of the first day of the next following Plan Year.

In determining the "deferral percentage" for any Eligible Employee who is a Highly Compensated Employee for the Plan Year, "elective contributions", "qualified nonelective contributions", and "qualified matching contributions" (to the extent that "qualified nonelective contributions" and "qualified matching contributions" are taken into account in determining "deferral percentages") made to his accounts under any plan of an Employer or a Related Company that is not mandatorily disaggregated pursuant to IRS regulations Section 1.410(b)-

After determining the dollar amount of the "excess contributions" that have been made to the Plan, the Administrator shall allocate such excess among Highly Compensated Employees in order of the dollar amount of the Tax-Deferred Contributions allocated to their Accounts as follows:

- (c) The contributions made on behalf of the Highly Compensated Employee(s) with the largest dollar amount of Tax-Deferred Contributions allocated to his Account for the Plan Year shall be reduced by the dollar amount of the excess (with such dollar amount being allocated equally among all such Highly Compensated Employees), but not below the dollar amount of such contributions made on behalf of the Highly Compensated Employee(s) with the next highest dollar amount of such contributions allocated to his Account for the Plan Year.
- (d) If the excess has not been fully allocated after application of the provisions of paragraph (c), the Administrator shall continue reducing the contributions made on behalf of Highly Compensated Employees, continuing with the Highly Compensated Employees with the largest remaining dollar amount of such contributions allocated to their Accounts for the Plan Year, in the manner provided in paragraph (c) until the entire excess determined above has been allocated.

7.6 Distribution of Excess Tax-Deferred Contributions

"Excess contributions" allocated to a Highly Compensated Employee pursuant to the preceding Section, plus any income and minus any losses attributable thereto, shall be distributed to the Highly Compensated Employee prior to the end of the next succeeding Plan Year. If such excess amounts are distributed more than 2 1/2 months after the last day of the Plan Year for which the excess occurred, an excise tax may be imposed under Code Section 4979 on the Employer maintaining the Plan with respect to such amounts.

7.7 Determination of Income or Loss

The income or loss attributable to "excess contributions" that are distributed pursuant to this Article shall be determined for the preceding Plan Year under the method otherwise used for allocating income or loss to Participants' Accounts.

7.8 Code Section 415 Limitations on Crediting of Contributions and Forfeitures

Notwithstanding any other provision of the Plan to the contrary, the "annual addition" with respect to a Participant for a "limitation year" shall in no event exceed the lesser of (i) \$30,000 (adjusted as provided in Code Section 415(d)) or (ii) 25 percent of the Participant's compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder, for the "limitation year"; provided, however, that the limit in clause (i) shall be pro-rated for any short "limitation year". If the "annual addition" to the Account of a Participant in any "limitation year"

7.10 Scope of Limitations

The Code Section 415 limitations contained in the preceding Sections shall be applicable only with respect to benefits provided pursuant to defined contribution plans and defined benefit plans described in Code Section 415(k). For purposes of applying the Code Section 415 limitations contained in the preceding Sections, the term "Related Company" shall be adjusted as provided in Code Section 415(h).

**ARTICLE VIII
TRUST FUNDS AND ACCOUNTS**

8.1 General Fund

The Trustee shall maintain a General Fund as required to hold and administer any assets of the Trust that are not allocated among the Investment Funds as provided in the Plan or the Trust Agreement. The General Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in the General Fund shall be an undivided interest.

8.2 Investment Funds

The Sponsor shall determine the number and type of Investment Funds and shall communicate the same and any changes therein in writing to the Administrator and the Trustee. Each Investment Fund shall be held and administered as a separate common trust fund. The interest of each Participant or Beneficiary under the Plan in any Investment Fund shall be an undivided interest.

8.3 Loan Investment Fund

If a loan from the Plan to a Participant is approved in accordance with the provisions of Article XII, the Sponsor shall direct the establishment and maintenance of a loan Investment Fund in the Participant's name. The assets of the loan Investment Fund shall be held as a separate trust fund. A Participant's loan Investment Fund shall be invested in the note(s) reflecting the loan(s) made to the Participant in accordance with the provisions of Article XII. Notwithstanding any other provision of the Plan to the contrary, income received with respect to a Participant's loan Investment Fund shall be allocated and the loan Investment Fund shall be administered as provided in Article XII.

8.4 Income on Trust

Any dividends, interest, distributions, or other income received by the Trustee with respect to any Trust Fund maintained hereunder shall be allocated by the Trustee to the Trust Fund for which the income was received.

8.5 Accounts

As of the first date a contribution is made by or on behalf of an Employee there shall be established an Account in his name reflecting his interest in the Trust. Each Account shall be maintained and administered for each Participant and Beneficiary in accordance with the

**ARTICLE IX
LIFE INSURANCE CONTRACTS**

9.1 No Life Insurance Contracts

A Participant's Account may not be invested in life insurance contracts on the life of the Participant.

the direct and necessary result of investment instructions given by a Participant, his Beneficiary, or an alternate payee under a qualified domestic relations order.

similarly adjusted, and each Account in the Trust Fund shall be credited or charged with the amount of its allocated share.

11.4 Finality of Determinations

The Trustee shall have exclusive responsibility for determining the value of each Account maintained hereunder. The Trustee's determinations thereof shall be conclusive upon all interested parties.

11.5 Notification

Within a reasonable period of time after the end of each Plan Year, the Administrator shall notify each Participant and Beneficiary of the value of his Account and Sub-Accounts as of a Valuation Date during the Plan Year.

provided in the preceding sentence, prior to determining the amount of the benefit payable to each such individual.

12.3 Requirements to Prevent a Taxable Distribution

Notwithstanding any other provision of the Plan to the contrary, the following terms and conditions shall apply to any loan made to a Participant under this Article:

- (a) The interest rate on any loan to a Participant shall be a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money.
- (b) The amount of any loan to a Participant (when added to the outstanding balance of all other loans to the Participant from the Plan or any other plan maintained by an Employer or a Related Company) shall not exceed the lesser of:
 - (i) \$50,000, reduced by the excess, if any, of the highest outstanding balance of any other loan to the Participant from the Plan or any other plan maintained by an Employer or a Related Company during the preceding 12-month period over the outstanding balance of such loans on the date a loan is made hereunder; or
 - (ii) 50 percent of the vested portions of the Participant's Account and his vested interest under all other plans maintained by an Employer or a Related Company.
- (c) The term of any loan to a Participant shall be no greater than five years.
- (d) Substantially level amortization shall be required over the term of the loan with payments made not less frequently than quarterly, except that if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer or any Related Company (for periods in which the Participant does not perform military service as described in paragraph (e)), provided that all of the following requirements are met:
 - (i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;
 - (ii) Payments resume after the earlier of (a) the date such leave of absence ends or (b) the one-year anniversary of the date such leave began;
 - (iii) The period during which payments are suspended does not exceed one year;

12.5 Default

If either (1) a Participant fails to make or cause to be made, any payment required under the terms of the loan by the end of the calendar quarter following the calendar quarter in which the payment was due, unless payment is not made because the Participant is on a leave of absence and the amortization schedule is waived as provided in Section 12.3(d) or (e), or (2) there is an outstanding principal balance existing on a loan after the last scheduled repayment date (extended as provided in Section 12.3(e), if applicable), the Administrator shall direct the Trustee to declare the loan to be in default, and the entire unpaid balance of such loan, together with accrued interest, shall be immediately due and payable. In any such event, if such balance and interest thereon is not then paid, the Trustee shall charge the Account of the borrower with the amount of such balance and interest as of the earliest date a distribution may be made from the Plan to the borrower without adversely affecting the tax qualification of the Plan or of the cash or deferred arrangement.

12.6 Deemed Distribution Under Code Section 72(p)

If a Participant's loan is in default as provided in Section 12.5, the Participant shall be deemed to have received a taxable distribution in the amount of the outstanding loan balance as required under Code Section 72(p), whether or not distribution may actually be made from the Plan without adversely affecting the tax qualification of the Plan; provided, however, that the taxable portion of such deemed distribution shall be reduced in accordance with the provisions of Code Section 72(e) to the extent the deemed distribution is attributable to the Participant's After-Tax Contributions.

12.7 Treatment of Outstanding Balance of Loan Deemed Distributed Under Code Section 72(p)

With respect to any loan made on or after January 1, 2002, the balance of such loan that is deemed to have been distributed to a Participant hereunder shall cease to be an outstanding loan for purposes of Code Section 72(p) and a Participant shall not be treated as having received a taxable distribution when his Account is offset by such outstanding loan balance as provided in Section 12.5. Any interest that accrues on a loan after it is deemed to have been distributed shall not be treated as an additional loan to the Participant and shall not be included in the Participant's taxable income as a deemed distribution. Notwithstanding the foregoing, however, unless a Participant repays such loan, with interest, the amount of such loan, with interest thereon calculated as provided in the original loan note, shall continue to be considered an outstanding loan for purposes of determining the maximum permissible amount of any subsequent loan under Section 12.3(b).

If a Participant elects to make payments on a loan after it is deemed to have been distributed hereunder, such payments shall be treated as After-Tax Contributions to the Plan solely for purposes of determining the taxable portion of the Participant's Account and shall not be treated

**ARTICLE XIII
WITHDRAWALS WHILE EMPLOYED**

13.1 Non-Hardship Withdrawals of After-Tax Contributions

A Participant who is employed by an Employer or a Related Company may elect at any time, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his After-Tax Contributions Sub-Account.

13.2 Non-Hardship Withdrawals of Rollover Contributions

A Participant who is employed by an Employer or a Related Company may elect at any time, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his Rollover Contributions Sub-Account.

13.3 Age 59 1/2 Withdrawals

A Participant who is employed by an Employer or a Related Company and who has attained age 59 1/2 may elect, subject to the limitations and conditions prescribed in this Article, to make a cash withdrawal or a withdrawal through the purchase of a Qualified Joint and Survivor Annuity or a Single Life Annuity as provided in Article XVI from his vested interest in any of the following Sub-Accounts:

- (a) his Tax-Deferred Contributions Sub-Account.
- (b) his Pick Up Contributions Sub-Account.
- (c) his Profit-Sharing Contributions Sub-Account.

Withdrawal rights granted by this Section that are not granted by the Plan as in effect immediately before the Sponsor adopted this amendment and restatement are effective upon such adoption.

13.4 Overall Limitations on Non-Hardship Withdrawals

Non-hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

- (a) A Participant must apply for a non-hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.

13.7 Satisfaction of Necessity Requirement for Hardship Withdrawals

A withdrawal shall be deemed to be necessary to satisfy an immediate and heavy financial need of a Participant only if the Participant satisfies all of the following requirements:

- (a) The withdrawal is not in excess of the amount of the immediate and heavy financial need of the Participant.
- (b) The Participant has obtained all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans maintained by an Employer or any Related Company.
- (c) The Participant's Tax-Deferred Contributions and the Participant's "elective contributions" and "employee contributions", as defined in Article VII, under all other qualified and non-qualified deferred compensation plans maintained by an Employer or any Related Company shall be suspended for at least 12 months after his receipt of the withdrawal.
- (d) The Participant's Tax-Deferred Contributions and "elective contributions", as defined in Article VII, for his taxable year immediately following the taxable year of the withdrawal shall not exceed the applicable limit under Code Section 402(g) for such next taxable year less the amount of the Participant's Tax-Deferred Contributions and "elective contributions" for the taxable year of the withdrawal.

A Participant shall not fail to be treated as an Eligible Employee for purposes of applying the limitations contained in Article VII of the Plan merely because his Tax-Deferred Contributions are suspended in accordance with this Section.

13.8 Conditions and Limitations on Hardship Withdrawals

Hardship withdrawals made pursuant to this Article shall be subject to the following conditions and limitations:

- (a) A Participant must apply for a hardship withdrawal such number of days prior to the date as of which it is to be effective as the Administrator may prescribe.
- (b) Hardship withdrawals may be made effective as soon as administratively practicable after the Administrator's approval of the Participant's withdrawal application.
- (c) The amount of a hardship withdrawal may include any amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution.

**ARTICLE XIV
TERMINATION OF EMPLOYMENT AND SETTLEMENT DATE**

14.1 Termination of Employment and Settlement Date

A Participant's Settlement Date shall occur on the date he terminates employment with the Employers and all Related Companies because of death, disability, retirement, or other termination of employment. Written notice of a Participant's Settlement Date shall be given by the Administrator to the Trustee.

14.2 Separate Accounting for Non-Vested Amounts

If as of a Participant's Settlement Date the Participant's vested interest in his Employer Contributions Sub-Account is less than 100 percent, that portion of his Employer Contributions Sub-Account that is not vested shall be accounted for separately from the vested portion and shall be disposed of as provided in the following Section. If prior to such Settlement Date the Participant received a distribution under the Plan, his vested interest in his Employer Contributions Sub-Account shall be an amount ("X") determined by the following formula:

$$X = P(AB + D) - D$$

For purposes of the formula:

- P** = The Participant's vested interest in his Employer Contributions Sub-Account on the date distribution is to be made.
- AB** = The balance of the Participant's Employer Contributions Sub-Account as of the Valuation Date immediately preceding the date distribution is to be made.
- D** = The amount of all prior distributions from the Participant's Employer Contributions Sub-Account. Amounts deemed to have been distributed to a Participant pursuant to Code Section 72(p), but which have not actually been offset against the Participant's Account balance shall not be considered distributions hereunder.

14.3 Disposition of Non-Vested Amounts

That portion of a Participant's Employer Contributions Sub-Account that is not vested upon the occurrence of his Settlement Date shall be disposed of as follows:

- (a) If the Participant has no vested interest in his Account upon the occurrence of his Settlement Date or his vested interest in his Account as of the date of distribution does

- (a) he returns to employment with an Employer before he incurs five consecutive Breaks in Service commencing after the date he received, or is deemed to have received, distribution of his vested interest in his Account;
- (b) he resumes employment covered under the Plan before the earlier of (i) the end of the five-year period beginning on the date he is reemployed or (ii) the date he incurs five consecutive Breaks in Service commencing after the date he received, or is deemed to have received, distribution of his vested interest in his Account; and
- (c) if he received actual distribution of his vested interest in his Account, he repays to the Plan the full amount of such distribution that is attributable to Employer Contributions before the earlier of (i) the end of the five year period beginning on the date he is reemployed or (ii) the date he incurs five consecutive Breaks in Service commencing after the date he received distribution of his vested interest in his Account.

Funds needed in any Plan Year to recredit the Account of a Participant with the amounts of prior forfeitures in accordance with the preceding sentence shall come first from forfeitures that arise during such Plan Year, and then from Trust income earned in such Plan Year, to the extent that it has not yet been allocated among Participants' Accounts as provided in Article XI, with each Trust Fund being charged with the amount of such income proportionately, unless his Employer chooses to make an additional Employer Contribution, and shall finally be provided by his Employer by way of a separate Employer Contribution.

interest in his Account begins under this Article, but before his entire vested interest in his Account is distributed, his Beneficiary shall receive distribution of the remainder of the Participant's vested interest in his Account beginning as soon as reasonably practicable following the Participant's date of death in a form that provides for distribution at least as rapidly as under the form in which the Participant was receiving distribution.

15.4 Cash Outs and Participant Consent

Notwithstanding any other provision of the Plan to the contrary, if a Participant's vested interest in his Account does not exceed \$5,000, distribution of such vested interest shall be made to the Participant in a single sum payment or through a direct rollover, as described in Article XVI, as soon as reasonably practicable following his Settlement Date. If a Participant has no vested interest in his Account on his Settlement Date, he shall be deemed to have received distribution of such vested interest on his Settlement Date.

If a Participant's vested interest in his Account exceeds \$5,000, distribution shall not commence to such Participant prior to his Normal Retirement Date without the Participant's written consent and, if the Participant is married, the written consent of his spouse. Notwithstanding the foregoing, spousal consent shall not be required if distribution is made through the purchase of a Qualified Joint and Survivor Annuity or the spouse cannot be located or spousal consent cannot be obtained for other reasons set forth in Code Section 401(a)(11) and regulations issued thereunder.

A Participant's vested interest in his Account shall be deemed to exceed \$5,000 if the Participant's Benefit Payment Date has occurred with respect to amounts currently held in his Account and as of such Benefit Payment Date his vested interest in his Account exceeded \$5,000.

15.5 Required Commencement of Distribution

Notwithstanding any other provision of the Plan to the contrary, distribution of a Participant's vested interest in his Account shall commence to the Participant no later than the earlier of:

- (a) If the Participant has filed his application for distribution with the Administrator, 60 days after the close of the Plan Year in which occurs the later of (i) the Participant's Normal Retirement Date or (ii) his Settlement Date; or
- (b) his Required Beginning Date.

Distributions required to commence under this Section shall be made in the form provided under Article XVI and in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the minimum distribution incidental benefit requirements.

diligent effort to locate the person as the Administrator determines, that benefit will be forfeited. However, if the payee later files a claim for that benefit, the benefit will be restored.

15.10 Distribution Pursuant to Qualified Domestic Relations Orders

Notwithstanding any other provision of the Plan to the contrary, if a qualified domestic relations order so provides, distribution may be made to an alternate payee pursuant to a qualified domestic relations order, as defined in Code Section 414(p), regardless of whether the Participant's Settlement Date has occurred or whether the Participant is otherwise entitled to receive a distribution under the Plan.

16.2 Normal Form of Payment

Unless a Participant, or his Beneficiary, if the Participant has died, elects an optional form of payment, distribution shall be made to the Participant, or his Beneficiary, as the case may be, through the purchase of a single premium, nontransferable annuity contract. Subject to the automatic annuity and Qualified Preretirement Survivor Annuity requirements described in this Article, a Participant, or his Beneficiary, if the Participant has died, may elect any one of the following types of annuity contracts: any form of annuity available under an insurance contract. Notwithstanding any other provision of this Article, a Participant's Beneficiary may not elect to receive distribution of an annuity payable over the joint lives of the Beneficiary and any other individual. The terms of any annuity contract purchased hereunder and distributed to a Participant or his Beneficiary shall comply with the requirements of the Plan.

16.3 Optional Forms of Payment

Subject to the automatic annuity requirements of this Article, a Participant, or his Beneficiary, as the case may be, may elect to receive distribution of all or a portion of his Account in one or a combination of the following optional forms of payment:

- (a) Single Sum Cash Payment.
- (b) Installment Payments - Distribution shall be made in a series of cash installments over a period not exceeding the life expectancy of the Participant, or the Participant's Beneficiary, if the Participant has died, or a period not exceeding the joint life and last survivor expectancy of the Participant and his Beneficiary. Each installment shall be equal in amount except as necessary to adjust for any changes in the value of the Participant's Account unless the Participant elects a more rapid distribution schedule. The determination of life expectancies shall be made on the basis of the expected return multiples in Tables V or VI of Section 1.72-9 of the Treasury regulations and shall be calculated either once at the time installment payments begin or annually for the Participant and/or his Beneficiary, if his Beneficiary is his spouse, as determined by the Participant at the time installment payments begin.

A right granted by this Section to receive Installment Payments that is not granted by the Plan as in effect immediately before the Sponsor adopted this amendment and restatement is effective upon such adoption.

16.4 Change of Election

Subject to the automatic annuity requirements of this Article, a Participant or Beneficiary who has elected an annuity form of payment or an optional form of payment may revoke or change his election at any time prior to his Benefit Payment Date by filing his election with the Administrator in the form prescribed by the Administrator.

- (a) An "eligible retirement plan" means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a) that accepts rollovers; provided, however, that, in the case of a direct rollover by a surviving spouse, an eligible retirement plan does not include a qualified trust described in Code Section 401(a).
- (b) An "eligible rollover distribution" means any distribution of all or any portion of the balance of a Participant's Account; provided, however, that an eligible rollover distribution does not include the following:
 - (i) any distribution to the extent such distribution is required under Code Section 401(a)(9).
 - (ii) the portion of any distribution that consists of the Participant's After-Tax Contributions.
 - (iii) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the "qualified distributee" or the joint lives or life expectancies of the "qualified distributee" and the "qualified distributee's" designated beneficiary, or for a specified period of ten years or more.
 - (iv) any hardship withdrawal of Tax-Deferred Contributions made in accordance with the provisions of Article XIII.
- (c) A "qualified distributee" means a Participant, his surviving spouse, or his spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p).

16.8 Notice Regarding Forms of Payment

The Administrator shall provide each Participant with a written explanation of his right to defer distribution until his Normal Retirement Date, or such later date as may be provided in the Plan, his right to make a direct rollover, and (i) the terms and conditions of the "automatic annuity form" and the other forms of payment available under the Plan, (ii) the Participant's right to choose a form of payment other than the "automatic annuity form" or to revoke such choice, and (iii) the rights of the Participant's spouse. The Administrator shall provide such explanation within the 60 day period ending 30 days before the Participant's Benefit Payment Date. Notwithstanding the foregoing, distribution of the Participant's Account may commence fewer than 30 days after such explanation is provided to the Participant if (i) the Administrator clearly informs the Participant of his right to consider his election of whether or not to make a direct

**ARTICLE XVII
BENEFICIARIES**

17.1 Designation of Beneficiary

An unmarried Participant's Beneficiary shall be the person or persons designated by such Participant in accordance with rules prescribed by the Administrator. A married Participant's Beneficiary shall be his spouse, unless the Participant designates a person or persons other than his spouse as Beneficiary with his spouse's written consent. For purposes of this Section, a Participant shall be treated as unmarried and spousal consent shall not be required if the Participant is not married on his Benefit Payment Date. A Participant's designation of a Beneficiary shall be subject to the Qualified Preretirement Survivor Annuity provisions of Article XVI.

If no Beneficiary has been designated pursuant to the provisions of this Section, or if no Beneficiary survives the Participant and he has no surviving spouse, then the Beneficiary under the Plan shall be the deceased Participant's surviving children in equal shares or, if there are no surviving children, the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him in full, and if the Participant has not designated another Beneficiary to receive the balance of the distribution in that event, the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

meeting, or by the employee or employees of the Sponsor designated by the committee to carry out such acts on behalf of the Sponsor. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Sponsor as under the Plan shall be in writing and signed by either (i) a majority of the members of the committee appointed to act on behalf of the Sponsor or by such member or members as may be designated by an instrument in writing, signed by all the members thereof, as having authority to execute such documents on its behalf, or (ii) the employee or employees authorized to act for the Sponsor in accordance with the provisions of this Section.

18.4 Claims Review Procedure

Except to the extent that the provisions of any collective bargaining agreement provide another method of resolving claims for benefits under the Plan, the provisions of this Section shall control with respect to the resolution of such claims. Whenever a claim for benefits under the Plan filed by any person (herein referred to as the "Claimant") is denied, whether in whole or in part, the Sponsor shall transmit a written notice of such decision to the Claimant within 90 days of the date the claim was filed or, if special circumstances require an extension, within 180 days of such date, which notice shall be written in a manner calculated to be understood by the Claimant and shall contain a statement of (i) the specific reasons for the denial of the claim, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such information is necessary, (iv) that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, (v) records and other information relevant to the Claimant's claim, a description of the review procedures and in the event of an adverse review decision, a statement describing any voluntary review procedures and the Claimant's right to obtain copies of such procedures, and (vi) a statement that there is no further administrative review following the initial review, and that the Claimant has a right to bring a civil action under ERISA Section 502(a) if the Sponsor's decision on review is adverse to the Claimant. The notice shall also include a statement advising the Claimant that, within 60 days of the date on which he receives such notice, he may obtain review of such decision in accordance with the procedures hereinafter set forth. Within such 60-day period, the Claimant or his authorized representative may request that the claim denial be reviewed by filing with the Sponsor a written request therefor, which request shall contain the following information:

- (a) the date on which the Claimant's request was filed with the Sponsor; provided, however, that the date on which the Claimant's request for review was in fact filed with the Sponsor shall control in the event that the date of the actual filing is later than the date stated by the Claimant pursuant to this paragraph;
- (b) the specific portions of the denial of his claim which the Claimant requests the Sponsor to review;

all persons who have or who claim an interest under the Plan, and all third parties dealing with the Employers or the Trustee.

Related Company establishes or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the Participant's written consent to the commencement of distribution shall not be required regardless of the value of the vested portions of his Account.

- (c) Notwithstanding the provisions of paragraph (b) of this Section, no distribution shall be made to a Participant of any portion of the balance of his Tax-Deferred Contributions Sub-Account prior to his separation from service (other than a distribution made in accordance with Article XIII or required in accordance with Code Section 401(a)(9)) unless (i) neither his Employer nor a Related Company establishes or maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7), a tax credit employee stock ownership plan as defined in Code Section 409, or a simplified employee pension as defined in Code Section 408(k)) either at the time the Plan is terminated or at any time during the period ending 12 months after distribution of all assets from the Plan; provided, however, that this provision shall not apply if fewer than two percent of the Eligible Employees under the Plan were eligible to participate at any time in such other defined contribution plan during the 24-month period beginning 12 months before the Plan termination, and (ii) the distribution the Participant receives is a "lump sum distribution" as defined in Code Section 402(e)(4), without regard to clauses (I), (II), (III), and (IV) of sub-paragraph (D)(i) thereof.

Notwithstanding anything to the contrary contained in the Plan, upon any such Plan termination, the vested interest of each Participant and Beneficiary in his Employer Contributions Sub-Account shall be 100 percent; and, if there is a partial termination of the Plan, the vested interest of each Participant and Beneficiary who is affected by the partial termination in his Employer Contributions Sub-Account shall be 100 percent. For purposes of the preceding sentence only, the Plan shall be deemed to terminate automatically if there shall be a complete discontinuance of contributions hereunder by all Employers.

19.4 Reorganization

The merger, consolidation, or liquidation of any Employer with or into any other Employer or a Related Company shall not constitute a termination of the Plan as to such Employer. If an Employer disposes of substantially all of the assets used by the Employer in a trade or business or disposes of a subsidiary and in connection therewith one or more Participants terminates employment but continues in employment with the purchaser of the assets or with such subsidiary, no distribution from the Plan shall be made to any such Participant from his Tax-Deferred Contributions Sub-Account prior to his separation from service (other than a distribution made in accordance with Article XIII or required in accordance with Code Section 401(a)(9)), except that a distribution shall be permitted to be made in such a case, subject to the Participant's consent (to the extent required by law), if (i) the distribution would constitute a "lump sum distribution" as defined in Code Section 402(e)(4), without regard to clauses (I), (II), (III), or (IV) of sub-paragraph (D)(i) thereof, (ii) the Employer continues to maintain the Plan

ARTICLE XX
ADOPTION BY OTHER ENTITIES

20.1 No Adoption

No other entity may become an Employer hereunder.

21.7 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit he would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

21.8 Back Pay Awards

The provisions of this Section shall apply only to an Employee or former Employee who becomes entitled to back pay by an award or agreement of an Employer without regard to mitigation of damages. If a person to whom this Section applies was or would have become an Eligible Employee after such back pay award or agreement has been effected, and if any such person who had not previously elected to make Tax-Deferred Contributions pursuant to Section 4.2 shall within 30 days of the date he receives notice of the provisions of this Section make an election to make Tax-Deferred Contributions in accordance with such Section 4.2 (retroactive to any Enrollment Date as of which he was or has become eligible to do so), then such Participant may elect that any Tax-Deferred Contributions not previously made on his behalf but which, after application of the foregoing provisions of this Section, would have been made under the provisions of Article IV shall be made out of the proceeds of such back pay award or agreement. In addition, if any such Employee or former Employee would have been eligible to participate in the allocation of Pick Up Contributions or Employer Contributions under the provisions of Article IV, Article VI or this Article for any prior Plan Year after such back pay award or agreement has been effected, his Employer shall make a Pick Up Contribution and an Employer Contribution equal to the amount of the Pick Up Contribution and Employer Contribution which would have been allocated to such Participant under the provisions of Article IV, Article VI or this Article as in effect during each such Plan Year. The amounts of such additional contributions shall be credited to the Account of such Participant. Any additional contributions made pursuant to this Section shall be made in accordance with, and subject to the limitations of the applicable provisions of the Plan.

21.9 Condition on Employer Contributions

Notwithstanding anything to the contrary contained in the Plan or the Trust Agreement, any contribution of an Employer hereunder is conditioned upon the continued qualification of the Plan under Code Section 401(a), the exempt status of the Trust under Code Section 501(a), and the deductibility of the contribution under Code Section 404. Except as otherwise provided in this Section and Section 21.10, however, in no event shall any portion of the property of the Trust ever revert to or otherwise inure to the benefit of an Employer or any Related Company.

Participant has died, or alternate payee under a qualified domestic relations order shall be treated as a Participant for purposes of directing investments as provided in Article X.

21.15 Merged Plans

In the event another defined contribution plan (the "merged plan") is merged into and made a part of the Plan, each Employee who was eligible to participate in the "merged plan" immediately prior to the merger shall become an Eligible Employee on the date of the merger. In no event shall a Participant's vested interest in his Sub-Account attributable to amounts transferred to the Plan from the "merged plan" (his "transferee Sub-Account") on and after the merger be less than his vested interest in his account under the "merged plan" immediately prior to the merger. Notwithstanding any other provision of the Plan to the contrary, a Participant's service credited for eligibility and vesting purposes under the "merged plan" as of the merger, if any, shall be included as Eligibility and Vesting Service under the Plan to the extent Eligibility and Vesting Service are credited under the Plan. Special provisions applicable to a Participant's "transferee Sub-Account", if any, shall be specifically reflected in the Plan or in an Addendum to the Plan.

21.16 Transferred Funds

If funds from another qualified plan are transferred or merged into the Plan, such funds shall be held and administered in accordance with any restrictions applicable to them under such other plan to the extent required by law and shall be accounted for separately to the extent necessary to accomplish the foregoing.

21.17 Veterans Reemployment Rights

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u). The Administrator shall notify the Trustee of any Participant with respect to whom additional contributions are made because of qualified military service.

21.18 Delivery of Cash Amounts

To the extent that the Plan requires the Employers to deliver cash amounts to the Trustee, such delivery may be made through any means acceptable to the Trustee, including wire transfer.

21.19 Written Communications

Any communication among the Employers, the Administrator, and the Trustee that is stipulated under the Plan to be made in writing may be made in any medium that is acceptable to the receiving party and permitted under applicable law. In addition, any communication or disclosure to or from Participants and/or Beneficiaries that is required under the terms of the Plan

ARTICLE XXII
EFFECTIVE DATE

22.1 GUST Effective Dates

Unless otherwise specifically provided by the terms of the Plan, this amendment and restatement is effective with respect to each change made to satisfy the provisions of (i) the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), (ii) Small Business Job Protection Act of 1996 ("SBJPA"), (iii) the Taxpayer Relief Act of 1997 ("TRA '97"), (iv) any other change in the Code or ERISA, or (v) regulations, rulings, or other published guidance issued under the Code, ERISA, USERRA, SBJPA, or TRA '97 (collectively the "GUST required changes"), the first day of the first period (which may or may not be the first day of a Plan Year) with respect to which such change became required because of such provision (including any day that became such as a result of an election or waiver by an Employee or a waiver or exemption issued under the Code, ERISA, USERRA, SBJPA, or TRA '97), including, but not limited to, the following:

- (a) The addition of a new Section to Article XXI entitled "Veterans Reemployment Rights" is effective December 12, 1994.
- (b) The following changes are effective for Plan Years beginning after December 31, 1996:
 - (i) elimination of the family aggregation requirements;
 - (ii) changes to the definition of "Highly Compensated Employee" in Article I of the Plan;
 - (iii) changes to the definition of "leased employee" in Article I or II, as applicable;
 - (iv) changes to the 401(k) discrimination test in Article VII of the Plan and changes to the method of correction where the Plan fails to satisfy the test.
- (c) Changes in the definition of "Required Beginning Date" in Article I of the Plan and the addition of special provisions in Article XV permitting Participants to whom distribution has commenced under the old rules, but who would not be required to commence under the new rules, to suspend distributions, are effective January 1, 1999.
- (d) Changes to the anti-alienation provisions of Article XV to include the exceptions in Code Section 401(a)(13)(C) and (D) are effective for judgments, orders, and decrees issued and settlement agreements entered into on or after August 5, 1997.

**ADDENDUM INCORPORATING
EGTRRA COMPLIANCE AMENDMENT
TO**

Name of Plan:
HACSA 401(k) Plan (the "Plan")

This Amendment to the Plan is adopted to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). This Amendment is intended as good faith compliance with the requirements of EGTRRA and is to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided, this Amendment shall be effective as of the first day of the first Plan Year beginning after December 31, 2001.

This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

References to provisions by Plan Section or Article numbers in this Amendment are to the provisions associated with these Section or Article numbers in the approved volume submitter specimen plan from which the Plan is generated. If the Section or Article numbers have been changed in generating the Plan, references are to the provisions in the Plan that are associated with the Section or Article numbers in the approved volume submitter specimen plan.

AMENDMENT SECTION 1: PLAN LOANS FOR OWNER-EMPLOYEES AND SHAREHOLDER EMPLOYEES

- x *Select this Amendment Section 1 if the Plan provides for loans. (Do not select if the Plan does not provide for loans.)*

Effective for plan loans made after December 31, 2001, the provisions of Section 12.1 prohibiting loans to any owner-employee or shareholder-employee shall cease to apply.

AMENDMENT SECTION 2: LIMITATIONS ON CONTRIBUTIONS

- x *All Plans must select this Amendment Section 2.*

Effective for "limitation years" beginning after December 31, 2001, the first sentence of the Section in Article VII entitled "Code Section 415 Limitations on Crediting of Contributions and Forfeitures" is amended to provide as follows:

- A. The definition of "key employee in Section 22.1 is amended to provide as follows:

A **"key employee"** means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the "determination date" was an officer of an Employer or a Related Company having annual compensation greater than \$130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of an Employer or a Related Company, or a 1-percent owner of an Employer or a Related Company having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of Code Section 415(c)(3). The determination of who is a "key employee" will be made in accordance with Code Section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

- B. The definition of "top heavy plan" in Section 22.1 is modified for purposes of determining the present values of accrued benefits and the amounts of account balances of employees as of a "determination date" as follows:

The present values of accrued benefits and the amounts of account balances of an Employee as of the "determination date" shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Code Section 416(g)(2) during the one-year period ending on the "determination date". The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code Section 416(g)(2)(A)(i). In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting "five-year period" for "one-year period". The accrued benefits and accounts of any individual who has not performed services for an Employer or any Related Company during the one-year period ending on the "determination date" shall not be taken into account.

- C. The Section in Article XXII entitled "Minimum Employer Contributions" is modified in the following respect:

Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Code Section 416(c)(2) of the Plan. The preceding sentence shall apply with respect to Matching Contributions under the Plan or, if

Years of Vesting Service	Vested Interest
Less than 2	0%
2, but less than 3	20%
3, but less than 4	40%
4, but less than 5	60%
5, but less than 6	80%
6 or more	100%

or

- Γ A Participant's vested interest in his Matching Contributions Sub-Account shall be determined in accordance with the alternative vesting schedule below (*must be at least as favorable at every level as the 2-6 year graded schedule*):

Years of Vesting Service	Vested Interest
Less than __	__%
__, but less than __	__%
__, but less than __	__%
__, but less than __	__%
__, but less than __	__%
__ or more	100%

- B. The vesting schedule selected in Section 5A above applies:

- Γ to all Matching Contributions under the Plan, including contributions for Plan Years beginning before January 1, 2002

or

- Γ only to Matching Contributions for Plan Years beginning after December 31, 2001.

includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

AMENDMENT SECTION 7: ROLLOVERS FROM OTHER PLANS

- x ***Select this Amendment Section 7 and complete the selections below only if the Plan accepts Rollover Contributions.***

Effective with respect to distributions made after December 31, 2001, the Section of Article V entitled "Rollover Contributions" is amended to provide the following:

- A. The Plan will accept as a Rollover Contribution a **direct rollover** (the rollover is made directly from the other qualified plan or annuity contract) of an "eligible rollover distribution" from (select all that apply):

Γ a qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions.

- x a qualified plan described in Code Section 401(a) or 403(a), including after-tax employee contributions. (do not select if the preceding selection is marked.)

Effective date: January 1, 2002 (cannot be earlier than January 1, 2002)

- x an annuity contract described in Code Section 403(b), excluding after-tax employee contributions.

Effective date: January 1, 2002 (cannot be earlier than January 1, 2002)

- x an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

Effective date: January 1, 2002 (cannot be earlier than January 1, 2002)

- Γ none of the above.

complete the fill-ins below. Note that this Amendment will result in the involuntary distribution of a separated Participant's Account over \$5,000 if the portion of the Account that is not attributable to Rollover Contributions is \$5,000 or less.

For purposes of the Section in Article XV entitled "Cash Outs and Participant Consent", the value of a Participant's vested interest in his Account shall be determined without regard to that portion of the account balance that is attributable to Rollover Contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16). If the value of the Participant's vested interest in his Account as so determined is \$5,000 or less, the Plan shall immediately distribute the Participant's entire vested interest in his Account.

Rollover Contributions shall be excluded in determining the value of a Participant's vested interest in his Account:

with respect to distributions made after December 31, 2001. (enter a date that may not be earlier than December 31, 2001)

with respect to Participants who separate from service after December 31, 2001. (enter a date that may be earlier or later than December 31, 2001)

AMENDMENT SECTION 9: REPEAL OF MULTIPLE USE TEST

If applicable, the Section of Article VII entitled "Multiple Use Limitation" shall not apply for Plan Years beginning after December 31, 2001.

AMENDMENT SECTION 10. MODIFICATION OF TOP-HEAVY RULES FOR SAFE HARBOR PLANS

Γ *Select this Amendment Section 10 if the Plan consists solely of a cash or deferred arrangement which is intended to meet the safe harbor requirements of Code Section 401(k)(12) and Matching Contributions with respect to which the safe harbor requirements of Code Section 401(m)(11) are intended to be met.*

The top-heavy requirements of Code Section 416 and Article XXII of the Plan shall not apply in any year beginning after December 31, 2001, in which the Plan consists solely of a cash or deferred arrangement which meets the requirements of Code Section 401(k)(12) and Matching Contributions with respect to which the requirements of Code Section 401(m)(11) are met.

AMENDMENT SECTION 11: CATCH-UP CONTRIBUTIONS

and "employee contributions", as defined in Section 7.1, under the Plan and all other plans maintained by an Employer or a Related Company for the period specified below.

Effective date: January 1, 2002 (*not earlier than January 1, 2002 - must select January 1, 2002 for safe harbor plans described above*)

Suspension Period for Hardship Withdrawals Made in Calendar Year preceding effective date:

x A Participant who receives a hardship withdrawal of Tax-Deferred Contributions in the calendar year preceding the effective date shall be prohibited from making "elective deferrals" and "employee contributions" under the Plan and all other plans maintained by an Employer or a Related Company for six months after receipt of the distribution or until the effective date, if later. (*Must select for safe harbor plans described above*)

or

Γ A Participant who receives a hardship withdrawal of Tax-Deferred Contributions in the calendar year preceding the effective shall be prohibited from making "elective deferrals" and "employee contributions" under the Plan and all other plans maintained by an Employer or a Related Company for the period specified in the provisions of the Plan relating to suspension of Tax-Deferred Contributions upon a hardship withdrawal that were in effect prior to this amendment.

AMENDMENT SECTION 13: ELIMINATION OF REDUCTION IN 402(g) LIMIT FOR YEAR FOLLOWING YEAR IN WHICH HARDSHIP DISTRIBUTION MADE

x *Selection of this Amendment Section 13 is optional for 401(k) plans, other than plans described in Code Section 401(k)(12) or 401(m)(11) (i.e., plans that provide for safe harbor contributions to satisfy the discrimination testing rules), that use the safe harbor (deemed) standards for hardship withdrawals of Tax-Deferred Contributions set forth in Treas. Reg. Section 1.401(k)-1(d)(2)(iv). This Amendment Section 12 is required for a plan described in Code Section 401(k)(12) or 401(m)(11) (i.e., plans that provide for safe harbor contributions to satisfy the discrimination testing rules) and that provide for hardship withdrawals. Also see Notice 2001-56 for guidance regarding the effective date of the change made by EGTRRA Section 636(a).*

If you select this Amendment Section 13 the reduction in the maximum Tax-Deferred Contributions that a participant may make under Code Section 402(g)

The preceding provisions shall apply for distributions made after:

_____ December 31, 2001 _____ (enter a date no earlier than December 31, 2001), and shall apply (choose one):

regardless of when the severance from employment occurred.

or

for severances from employment occurring after _____ (enter date)

AMENDMENT SECTION 15: INCREASE IN TAX-DEFERRED CONTRIBUTION LIMITS

This Amendment Section 15 should be selected and the fill-in below completed if your Plan provides for tax-deferred contributions and you want to increase the Plan limits on Tax-Deferred Contributions.

The maximum amount of Tax-Deferred Contributions to be made to the Plan on behalf of an Eligible Employee for a payroll period cannot exceed the following:

_____ % of his Compensation

or

the maximum amount permitted to be made on his behalf under the Internal Revenue Code.

* * *

EXECUTED AT _____, _____, this _____ day
of _____, _____.

HOUSING AUTHORITY AND COMMUNITY
SERVICES AGENCY OF LANE COUNTY

By: _____

Title: _____

**COMPLIANCE AMENDMENT
TO**

Name of Plan: HACSA 401(k) Plan (the "Plan")

This Amendment to the Plan is adopted to comply with final and temporary regulations issued under Code Section 401(a)(9).

**SECTION I
DEFINITIONS**

1.1 Definitions

For purposes of this Amendment the following terms have the following meanings. Except as otherwise specifically provided herein, any term defined in Section 1.1 of the Plan has the meaning given such term in such Section.

A Participant's "**designated beneficiary**" means the individual who is designated as the Participant's Beneficiary under Article XVII of the Plan and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

A "**distribution calendar year**" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under Section 3.2 of this Amendment. The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that "distribution calendar year".

A Participant's or Beneficiary's "**life expectancy**" means his life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

A "**Participant's account balance**" means the Account balance as of the last Valuation Date in the calendar year immediately preceding the "distribution calendar year" (the "valuation calendar year") increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the "valuation calendar year" after the Valuation Date and decreased by distributions made in the "valuation calendar year" after the Valuation Date. The Account balance for the

If a Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (a) If the Participant's surviving spouse is the Participant's sole "designated beneficiary", then, except as provided in Section VI of this Amendment, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.
- (b) If the Participant's surviving spouse is not the Participant's sole "designated beneficiary", then, except as provided in Section VI of this Amendment, distributions to the "designated beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (c) If there is no "designated beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (d) If the Participant's surviving spouse is the Participant's sole "designated beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this section 3.2, other than section 3.2(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 3.2 and Section V, unless Section 3.2(d) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 3.2(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 3.2(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 3.2(a)), the date distributions are considered to begin is the date distributions actually commence.

3.3 Forms of Distribution

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first "distribution calendar year", distributions will be made in accordance with Sections IV and V of this Amendment. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury regulations.

"life expectancy" of the Participant's "designated beneficiary", determined as follows:

- (1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (2) If the Participant's surviving spouse is the Participant's sole "designated beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (3) If the Participant's surviving spouse is not the Participant's sole "designated beneficiary", the "designated beneficiary's" remaining "life expectancy" is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (b) If there is no "designated beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

5.2 Death Before Date Distributions Begin

If the Participant dies before the date distributions begin, the following rules shall apply.

- (a) Except as provided in Section VI, if there is a "designated beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the remaining "life expectancy" of the Participant's "designated beneficiary", determined as provided in Section 5.1 of this Amendment.
- (b) If there is no "designated beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

A "designated beneficiary" who is receiving payments under the 5-year rule (as described in Section 6.2 above) may make a new election to receive payments under the "life expectancy" rule in Sections 3.2 and 5.2 of this Amendment until December 31, 2003, provided that all amounts that would have been required to be distributed under the "life expectancy" rule for all "distribution calendar years" before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

* * *

EXECUTED AT _____, _____, this _____ day
of _____, _____.

HOUSING AUTHORITY AND COMMUNITY
SERVICES AGENCY OF LANE COUNTY

By: _____

Title: _____