

METROPOLITAN LIBRARY COMMISSION OF OKLAHOMA COUNTY

LIBRARY RETIREMENT PENSION BOARD AGENDA

Members:

Hugh Rice, Chair
Ann Caine, Vice-Chair
David Greenwell, Disbursing Agent
Donna Morris, Executive Director
Jim Welch, Deputy Executive Director/Technology
Lloyd Lovely, Deputy Executive Director/ Finance & Support

Wednesday, October 19, 2005
3:30 p.m.

Downtown Library
300 Park Avenue
4th Floor Classroom C-D
Oklahoma City, OK 73102

NOTE: Comments from the general public will be limited to 15 minutes with time pro-rated among speakers. Preference will be given residents of Oklahoma County. Persons signing up to address the committee must list their residential address and personally sign a speaker form.

- I. Call to Order and Establishment of Quorum - Hugh Rice, Chair
- II. Approval of Minutes of June 30, 2005 meeting
- III. Discussion, consideration and possible action: Update on quarterly watch for Todd Investment Advisors
- IV. Report on transition to new Plan: Lloyd Lovely, Deputy Executive Director/Finance & Support
- V. Discussion, consideration and possible action: Approval of amended and restated Defined Benefit Plan
- VI. Discussion, consideration and possible action: Approval of Defined Contribution Plan
- VII. Discussion, consideration and possible action: Annual Valuation as of July 1, 2005 presented by: Ken Culver, President, FBD Consulting, Inc.
- VIII. Discussion, consideration and possible action: Recommendation for the Metropolitan Library System's contribution to the Pension Fund for FY 2005-2006

cc: Metropolitan Library Commission
MLS Administrative Team
MLS Managers and Supervisors
President, MLS Staff Association
Ken Culver, President, FBD Consulting, Inc.
Asset Services Company
Bank of Oklahoma, Trustee Services

METROPOLITAN LIBRARY COMMISSION
OF OKLAHOMA COUNTY

LIBRARY RETIREMENT PENSION BOARD

MINUTES

DATE: Thursday, June 30, 2005 TIME: 3:30 PM
MEETING PLACE: Downtown Library
300 Park Avenue
Oklahoma City, OK 73102
(405) 231-8650

Written public notice of the time, date, and place of this meeting was given to the County Clerk of Oklahoma County, June 1, 2005. Notice of the time, date, place, and agenda for this meeting was posted by the Secretary of the Commission in prominent public view at the Downtown Library, 300 Park Avenue, Oklahoma City, on June 27, 2005, in conformity with the Oklahoma Open Meeting Act § 311.

COMMITTEE MEMBERS PRESENT:

David Greenwell, Acting Chair
Ann Caine
Lloyd Lovely
Donna Morris
Jim Welch

COMMITTEE MEMBERS EXCUSED:

Hugh Rice, Chair

COMMISSION MEMBERS PRESENT:

ESTIMATE OF OTHERS PRESENT: 2

The meeting was called to order at 3:00 p.m. by David Greenwell, Acting Chair.

Roll was called to establish a quorum. Present: Caine, Lovely, Morris, Welch, Greenwell.

Greenwell presented Agenda Item II - Approval of Minutes of the April 4, 2005 meeting.

Jim Welch moved to approve the Minutes of the April 4, 2005 meeting. Ann Caine seconded. No further discussion; motion passed; 4 - yes, 1 - no. (Abstained ~ David Greenwell)

Greenwell called on Ken Culver, Pension Solutions, Inc., to present Agenda Item III.

Culver gave a brief review on the Library System's current Defined Benefit Plan and the Board's decision to implement a new Defined Contribution Plan. He reviewed all the details, reports, employee input and research that had been conducted to reach the point of choosing a company that will help to design, advise and administer a new Defined Contribution Plan. Questions and discussion followed.

Culver explained that eight companies were invited to attend a pre-proposal information meeting and then to submit a proposal. Seven companies attended the pre-proposal meeting. Out of the seven attendees five companies submitted proposals. After carefully reviewing those proposals three companies were interviewed. From the interview process two candidates were chosen to present to the Board. Questions and discussion followed.

Culver continued by presenting Agenda Item IV. Culver reminded the Board that the two candidates presenting today are both excellent companies and both offer top services. Questions and discussion followed.

The first candidate to present was Bank of Oklahoma. Ellen Fleming, Senior Vice President & Manager of Retirement & Institutional Trust Services, Oklahoma City; Kristopher Neuhold, Vice President and Trust officer; and Paul Pustmueller, Vice President and Trust Officer presented the proposal. Questions and discussion followed.

The second candidate to present was Mass Mutual Financial Group. Anne Boozer, Regional Director; Mark Thompson, Assistant General Agent; Thomas Bick, Vice President & Chief Operations Officer, Simpkins & Associates; and Philip Simpkins, President, Simpkins & Associates, presented their proposal. Questions and discussion followed.

After each individual presentation the presenters left the meeting. Discussion focused on the pros and cons of each proposal. Morris asked the consultant Culver for his recommendation. Culver stated that Mass Mutual Financial Group would best fit the needs of the plan participants.

Morris moved to accept Mass Mutual Financial Group and Simpkins & Associates to design, implement, and administer a new Defined Contribution Plan. Caine seconded. After discussion, motion passed; 3 - yes, 2 - no.

No further business, the Board adjourned at 6:08 p.m.



Donna Morris, Executive Director
(Secretary)

**Metropolitan Library
Retirement Pension
Plan**

Second Quarter 2005

Investment Report

**HIGHLIGHTED PERFORMANCE
PERIOD ENDING JUNE 30, 2005**

Account Summary

Total Market Value	\$ 18,438,497
Total Fund Return	1.95%
Policy Index	2.21%

Asset Allocation

Equity	61.17%
Fixed	37.48%
Cash	1.35%

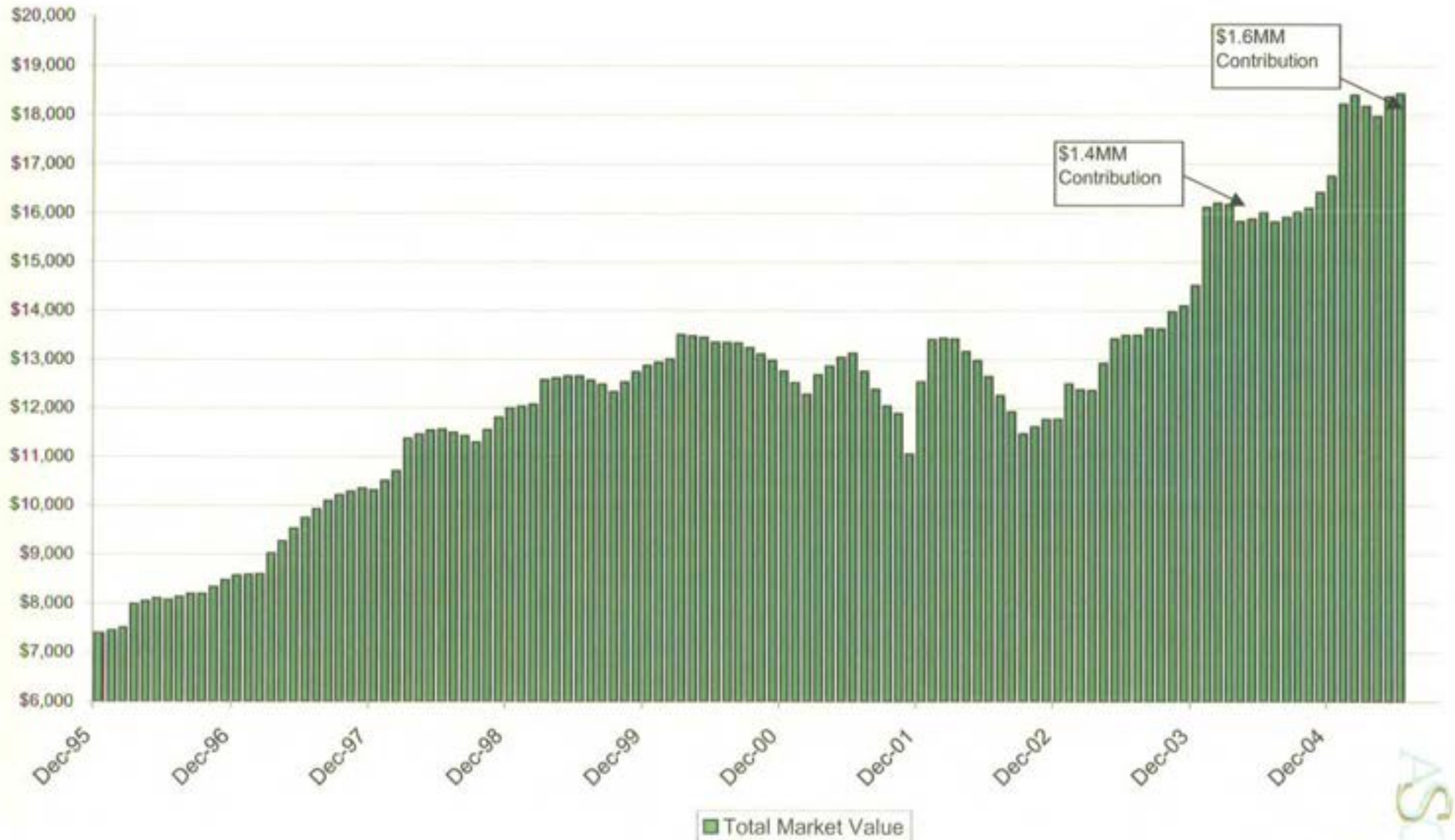
	Style	Fair Mkt Value	% of FMV	Outperformed Index		Difference	Location on Scatter Map
				2nd QTR	YTD		
Windham Capital Mgmt.	LCG	\$ 4,129,900	22.52%	NO	YES	-0.76%	NW - Good
Todd Investment Adv.	LCV	\$ 4,120,759	22.47%	YES	YES	1.49%	SW - Acceptable
Franklin Templeton	SCG	\$ 734,345	4.00%	NO	YES	0.54%	SW - Acceptable
Neuberger Berman	SCV	\$ 785,515	4.28%	NO	YES	-0.71%	NW - Good
American AAdvantage	IV	\$ 1,004,649	5.48%	NO	NO	-1.00%	NE - Acceptable
iShares MSCI EAFE ETF	IC	\$ 502,944	2.74%	NO	NO	-0.08%	Center
BOK Fixed Income		\$ 6,813,649	37.15%	NO	YES	-0.35%	SW - Acceptable
Cash		\$ 249,202	1.36%				
Total		\$ 18,340,963	100.00%				

PORTFOLIO RECOMMENDATIONS:

None.

Metropolitan Library Commission

Total Market Value History



PERFORMANCE REPORT PERIOD ENDING JUNE 2005

	Thousands \$ Invested	Latest Quarter	Calendar YTD	One Year	Two Years	Three Years	Since Inception
Windham - LCG	4,129.90	1.99	-0.11	5.57	10.14	6.23	N/A
Todd - LCV	4,120.76	3.16	3.02	11.88	14.34	8.29	N/A
Franklin Sm-Mid Cap Growth - SCG	734.34	4.08	0.27	8.76	16.22	10.85	N/A
Neuberger Berman Genesis - SCV	785.51	4.43	7.39	16.12	23.85	16.85	N/A
American Beacon Int'l Eq - ILCV	1,004.65	-1.83	-2.05	13.95	23.98	12.83	N/A
iShares MSCI EAFE Index	502.94	-1.07	-1.25	13.23	N/A	N/A	N/A
BOK	6,911.18	2.12	1.94	5.35	2.81	4.43	6.08
Total Fund	18,340.96	1.95	1.33	7.48	9.29	6.70	7.11

Equity and *Fixed Income* segments exclude Cash
 BOK *Total Fund* return data includes equity account transferred to Windham & Todd
 iShares MSCI EAFE ETF added 10/23/03



INVESTMENT PERFORMANCE PERIOD ENDING JUNE 2005

	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	TWO YEARS ROR	THREE YEARS ROR	SINCE INCEPTION ROR
Windham - LCG						
Metropolitan Library Commission	1.99	-0.11	5.57	10.14	6.23	N/A
RUSSELL 1000 GROWTH						
	2.47	-1.72	1.70	9.49	7.26	6.33
Todd - LCV						
Metropolitan Library Commission	3.16	3.02	11.88	14.34	8.29	N/A
RUSSELL 1000 VALUE						
	1.67	1.76	14.05	17.53	10.99	10.96
Franklin Sm-Mid Cap Growth - SCG						
Metropolitan Library Commission	4.08	0.27	8.76	16.22	10.85	N/A
RUSSELL 2000 GROWTH						
	3.48	-3.58	4.28	17.13	11.37	4.09
Neuberger Berman Genesis - SCV						
Metropolitan Library Commission	4.43	7.39	16.12	23.85	16.85	N/A
RUSSELL 2000 VALUE						
	5.07	0.89	14.38	24.35	14.15	13.37
American Beacon Int'l Eq - ILCV						
Metropolitan Library Commission	-1.83	-2.05	13.95	23.98	12.83	N/A
MSCI EAFE Value Gross of Fee						
	-0.82	-0.22	16.47	27.24	15.64	7.54
iShares MSCI EAFE Index						
Metropolitan Library Commission	-1.07	-1.25	13.23	N/A	N/A	N/A
MSCI GROSS EAFE						
	-0.75	-0.85	14.13	23.13	12.51	4.96
BOK						
Metropolitan Library Commission	2.12	1.94	5.35	2.81	4.43	6.08



INVESTMENT PERFORMANCE PERIOD ENDING JUNE 2005

	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	TWO YEARS ROR	THREE YEARS ROR	SINCE INCEPTION ROR
BOK						
LB INT GOV'T/CREDIT	2.48	1.59	4.80	2.34	5.09	6.12
Total Fund						
Metropolitan Library Commission	1.95	1.33	7.48	9.29	6.70	7.11
Library Policy	2.21	0.57	7.37	10.36	8.42	8.01
S&P 500	1.36	-0.82	6.30	12.52	8.27	8.93

The policy index reflects the returns of the manager's asset allocation if invested in the markets represented by the following indexes:

09/30/2003 - Present

39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
22.50%	RUSSELL 1000 GROWTH
22.50%	RUSSELL 1000 VALUE
3.75%	MSCI EAFE Value Gross of Fee
3.75%	MSCI GROSS EAFE INDEX
3.75%	RUSSELL 2000 GROWTH
3.75%	RUSSELL 2000 VALUE
1.00%	90 DAY U.S. TREASURY BILL

09/30/2001 - 09/30/2003

39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
22.50%	RUSSELL 1000 GROWTH
22.50%	RUSSELL 1000 VALUE
7.50%	MSCI GROSS EAFE INDEX
3.75%	RUSSELL 2000 GROWTH
3.75%	RUSSELL 2000 VALUE



INVESTMENT PERFORMANCE PERIOD ENDING JUNE 2005

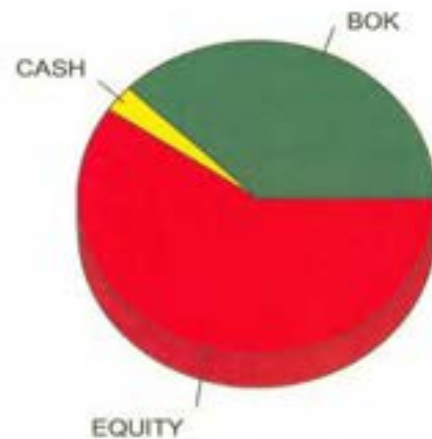
01/31/1950 - 09/30/2001	1.00%	90 DAY U.S. TREASURY BILL
	45.00%	RUSSELL 1000
	39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
	7.50%	MSCI GROSS EAFE INDEX
	3.75%	RUSSELL 2000 GROWTH
	3.75%	RUSSELL 2000 VALUE
	1.00%	90 DAY U.S. TREASURY BILL

iShares MSCI EAFE ETF added 10/23/03



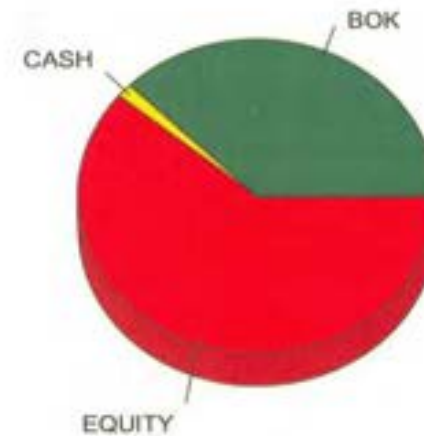
ASSET ALLOCATION

TOTAL MARKET VALUE
MARCH 31, 2005
\$ 18,098,381



	VALUE	PERCENT
EQUITY	10,831,337	59.56
BOK	6,846,097	37.64
CASH	509,137	2.80
TOTAL	18,186,571	100.00

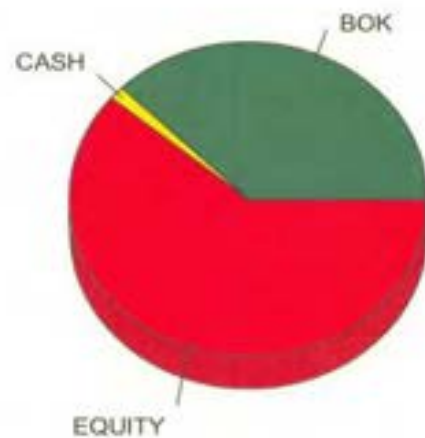
TOTAL MARKET VALUE
JUNE 30, 2005
\$ 18,340,962



	VALUE	PERCENT
EQUITY	11,278,112	61.17
BOK	6,911,184	37.48
CASH	249,202	1.35
TOTAL	18,438,497	100.00

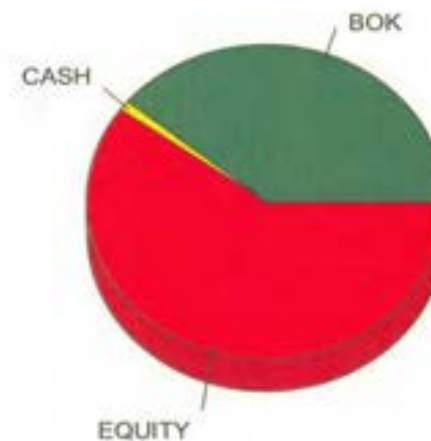
ASSET ALLOCATION PERIOD ENDING JUNE 30, 2005

ACTUAL



	VALUE	PERCENT
■ EQUITY	11,278,112	61.17
■ BOK	6,911,184	37.48
■ CASH	249,202	1.35
TOTAL	18,438,497	100.00

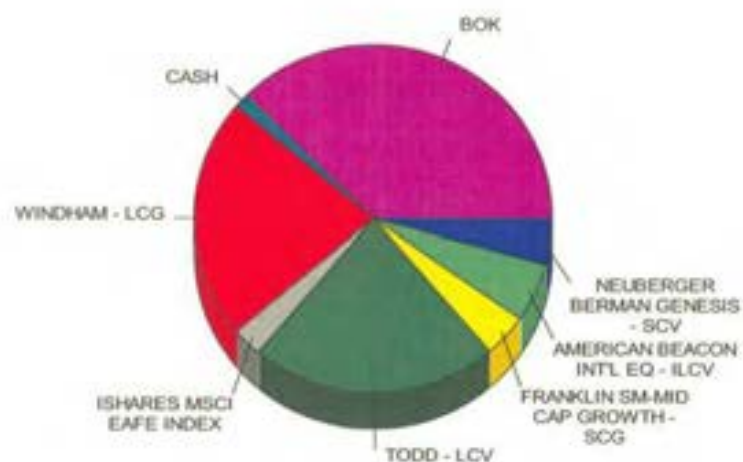
TARGET



	VALUE	PERCENT
■ EQUITY	11,004,577	60.00
■ BOK	7,152,975	39.00
■ CASH	183,410	1.00
TOTAL	18,340,962	100.00

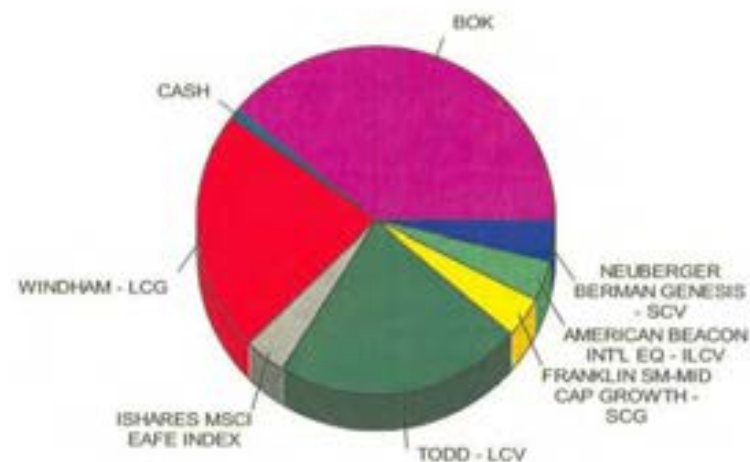
**ASSET ALLOCATION
SPECIFIC ASSET CLASS
PERIOD ENDING JUNE 30, 2005**

ACTUAL



	THOUSANDS OF DOLLARS	
	VALUE	PERCENT
WINDHAM - LCG	4,130	22.40
TODD - LCV	4,121	22.35
FRANKLIN SM-MID CAP GROWTH - SCG	734	3.98
NEUBERGER BERMAN GENESIS - SCV	786	4.26
AMERICAN BEACON INTL EQ - ILCV	1,005	5.45
ISHARES MSCI EAFE INDEX	503	2.73
BOK	6,911	37.48
CASH	249	1.35

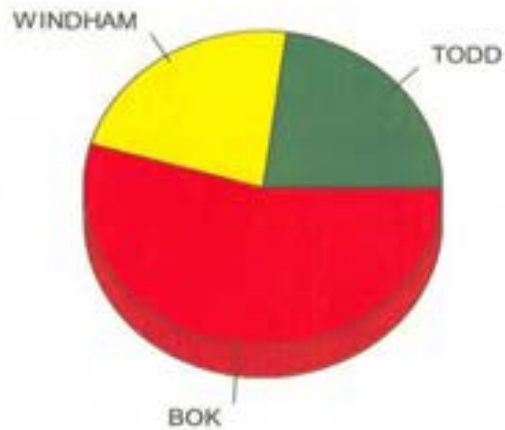
TARGET



	THOUSANDS OF DOLLARS	
	VALUE	PERCENT
WINDHAM - LCG	4,127	22.50
TODD - LCV	4,127	22.50
FRANKLIN SM-MID CAP GROWTH - SCG	688	3.75
NEUBERGER BERMAN GENESIS - SCV	688	3.75
AMERICAN BEACON INTL EQ - ILCV	688	3.75
ISHARES MSCI EAFE INDEX	688	3.75
BOK	7,153	39.00
CASH	183	1.00

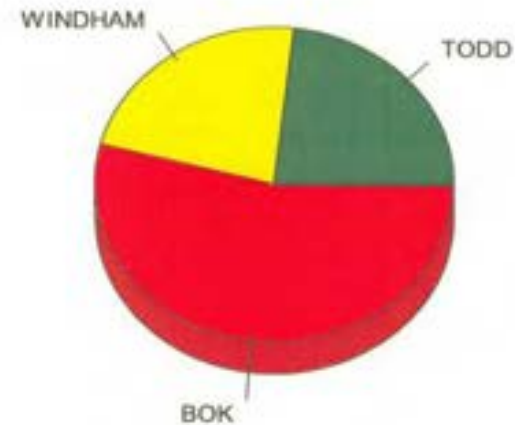
COMPOSITE ASSET ALLOCATION - TOTAL FUND PERIOD ENDING JUNE 30, 2005

TOTAL MARKET VALUE
March 31, 2005
\$ 18,098,381



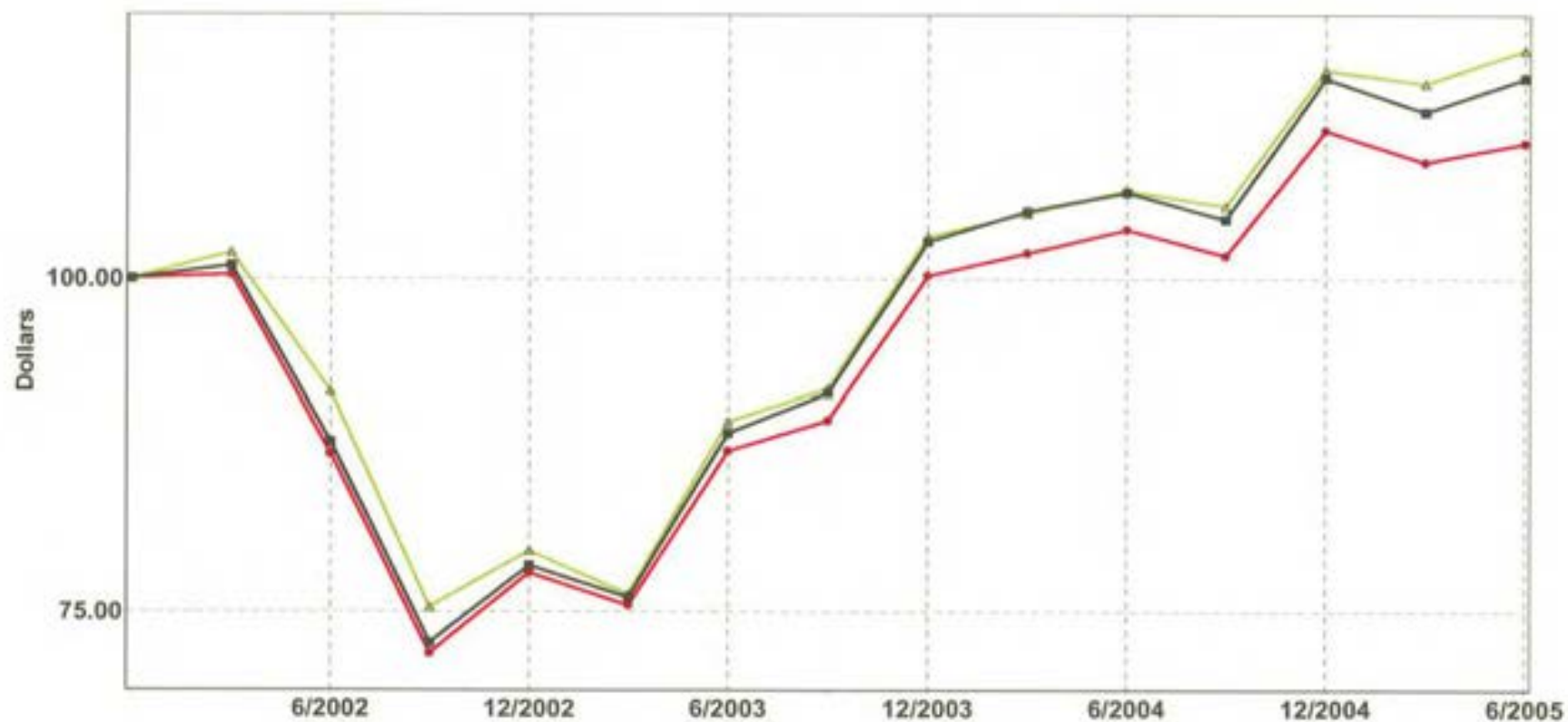
	VALUE	PERCENT
BOK	9,865,401	54.51
TODD	4,145,924	22.91
WINDHAM	4,087,056	22.58
TOTAL	18,098,381	100.00

TOTAL MARKET VALUE
June 30, 2005
\$ 18,340,962



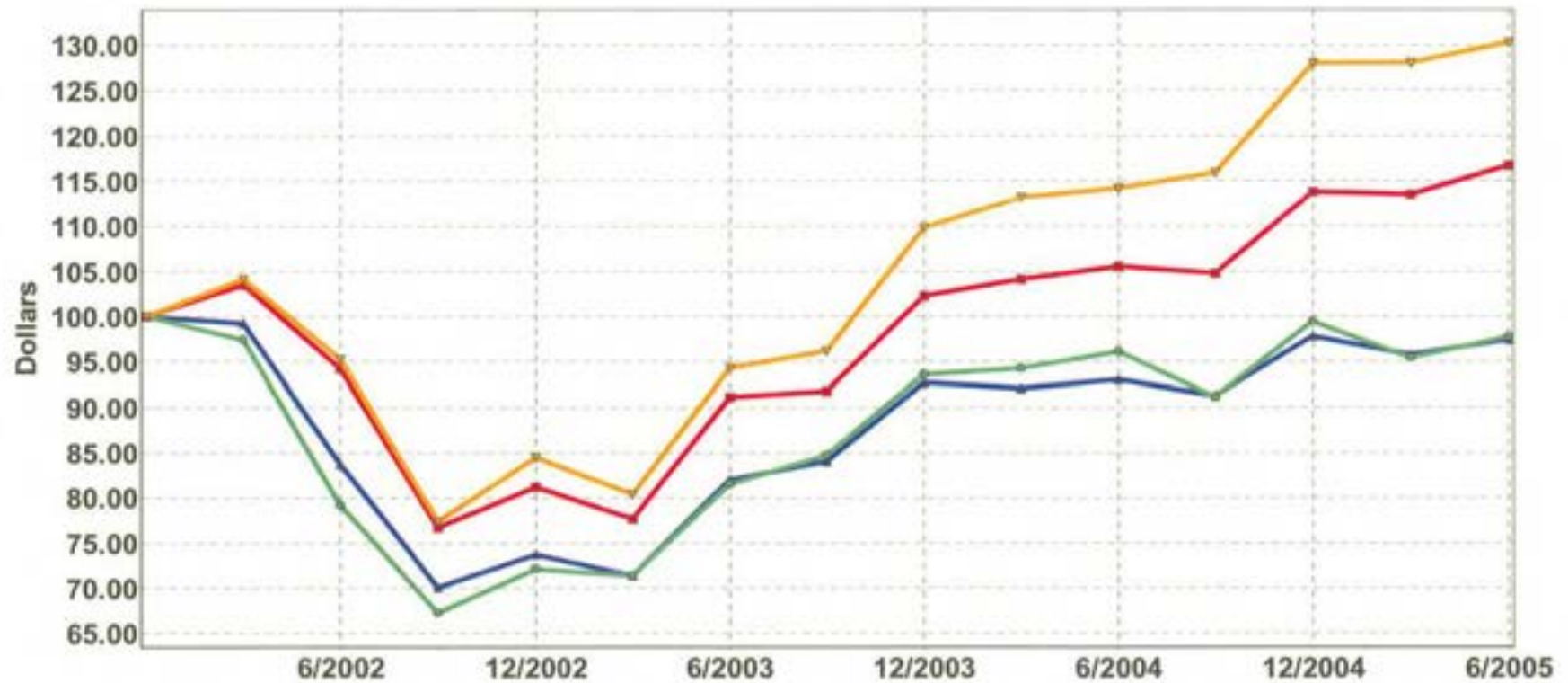
	VALUE	PERCENT
BOK	9,921,897	54.10
TODD	4,262,332	23.24
WINDHAM	4,156,733	22.66
TOTAL	18,340,962	100.00

**EQUITY ONLY
GROWTH OF A \$100
PERIODS ENDING JUNE 2005**



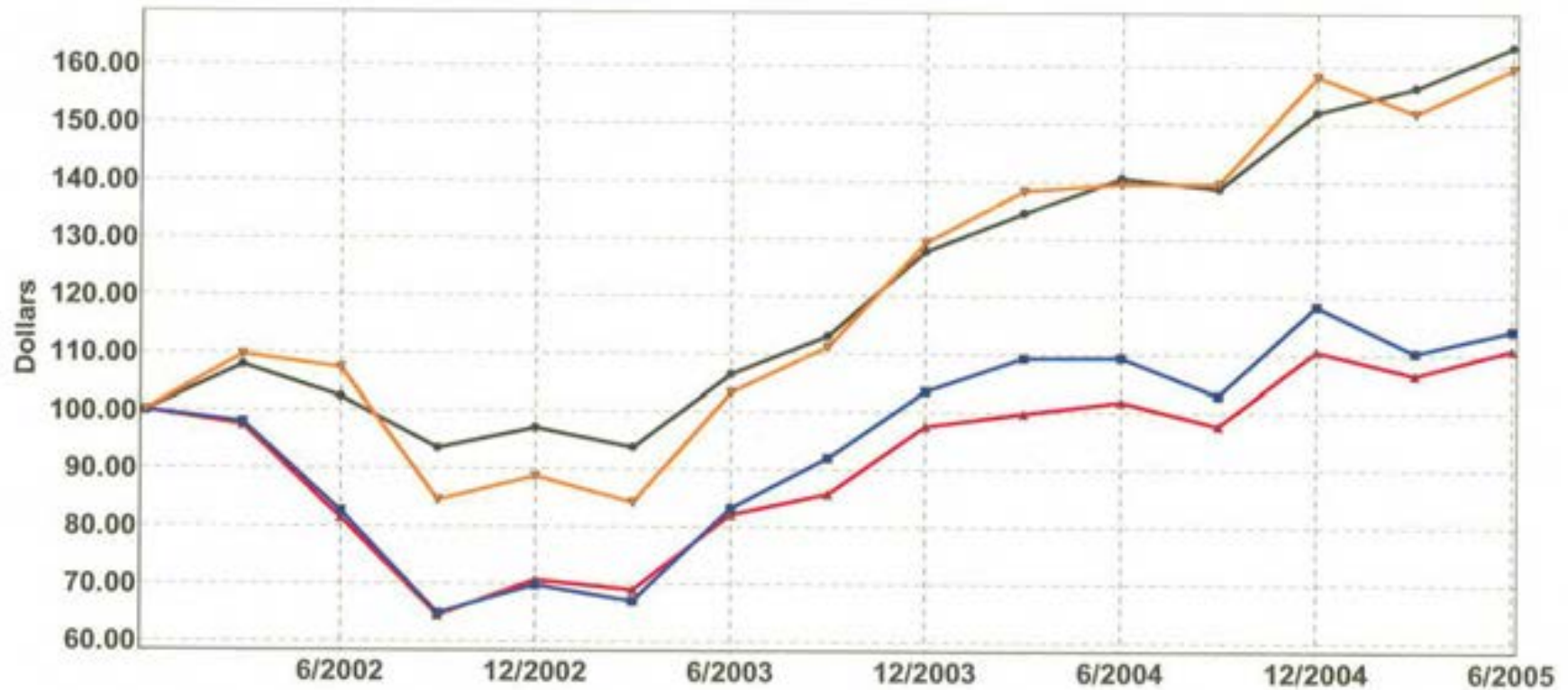
	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
▲ EQUITY	\$ 102	\$ 101	\$ 115
◆ S&P 500	\$ 101	\$ 99	\$ 109
■ RUSSELL 3000	\$ 102	\$ 100	\$ 113

LARGE CAP EQUITIES GROWTH OF \$100 PERIODS ENDING JUNE 2005



	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
WINDHAM	\$ 102	\$ 100	\$ 96
RUSSELL 1000 GROWTH	\$ 102	\$ 98	\$ 95
TODD	\$ 103	\$ 103	\$ 114
RUSSELL 1000 VALUE	\$ 102	\$ 102	\$ 128

**SMALL CAP MUTUAL FUNDS
GROWTH OF \$100
PERIODS ENDING JUNE 2005**



	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
FRANKLIN SM-MID CAP GROWTH - SCG	\$ 104	\$ 100	\$ 106
NEUBERGER BERMAN GENESIS - SCV	\$ 104	\$ 107	\$ 156
RUSSELL 2000 GROWTH	\$ 103	\$ 96	\$ 110
RUSSELL 2000 VALUE	\$ 105	\$ 101	\$ 152

INTERNATIONAL MUTUAL FUNDS GROWTH OF \$100 PERIODS ENDING JUNE 2005



	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
AMERICAN BEACON INT'L EQ - ILCV	\$ 98	\$ 98	\$ 151
ISHARES MSCI EAFE INDEX	\$ 99	\$ 99	N/A
MSCI EAFE VALUE GROS	\$ 99	\$ 100	\$ 155
MSCI GROSS EAFE	\$ 99	\$ 99	\$ 142

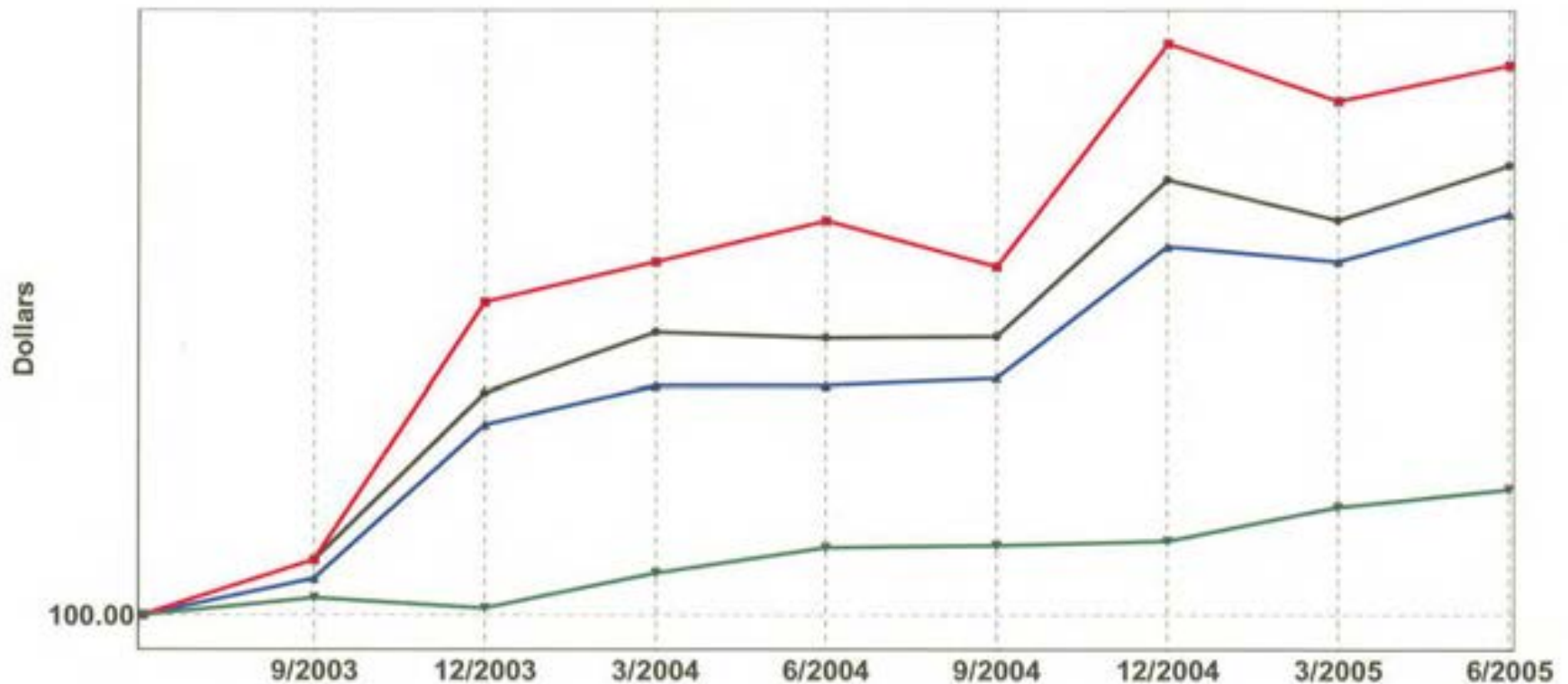


**FIXED INCOME ONLY
GROWTH OF A \$100
PERIODS ENDING JUNE 2005**



	LATEST QUARTER	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	SINCE INCEPTION
→ BOK	\$ 102	\$ 102	\$ 105	\$ 106	\$ 114	\$ 135	\$ 175
→ LB INT GOVT/CREDIT	\$ 102	\$ 102	\$ 105	\$ 105	\$ 116	\$ 139	\$ 176

**TOTAL ACCOUNT
GROWTH OF \$100
PERIODS ENDING JUNE 30, 2005**



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	TWO YEARS
METROPOLITAN LIBRARY COMMISSION	\$ 102	\$ 101	\$ 107	\$ 119
LIBRARY POLICY	\$ 102	\$ 101	\$ 107	\$ 122
S&P 500	\$ 101	\$ 99	\$ 106	\$ 127
CPI	\$ 101	\$ 102	\$ 103	\$ 106

TIME-WEIGHTED RATES OF RETURN WINDHAM - LCG
PERIOD ENDING JUNE 30, 2005

DATE	ACCOUNT				RUSSELL 1000 GROWTH			
	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001
03/2002	0.00 *			0.00 *	-2.59			-2.59
06/2002	-16.16 *	-16.16 *		-16.16 *	-18.67	-20.78		-20.78
09/2002	-16.39			-29.90 *	-15.05			-32.70
12/2002	5.02	-12.19	-26.38 *	-26.38 *	7.14	-8.98	-27.89	-27.89
03/2003	-2.42			-23.25 *	-1.07			-23.68
06/2003	15.33 *	12.54		-11.79 *	14.30	13.08		-12.72
09/2003	2.75			-8.79 *	3.92			-9.03
12/2003	10.94 *	13.99	28.29	-2.82 *	10.42	14.75	29.76	-3.27
03/2004	-0.46			-2.71	0.78			-2.57
06/2004	1.26	0.80		-1.95	1.94	2.74		-1.57
09/2004	-1.73 *			-2.39 *	-5.22			-3.33
12/2004	7.54	5.68 *	6.52 *	0.20 *	9.17	3.47	6.30	-0.18
03/2005	-2.06 *			-0.45 *	-4.08			-1.44
06/2005	1.99	-0.11 *		0.14 *	2.47	-1.72		-0.65

**TIME-WEIGHTED RATES OF RETURN TODD - LCV
PERIOD ENDING JUNE 30, 2005**

DATE	ACCOUNT				RUSSELL 1000 VALUE			
	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001
03/2002	3.83			3.83	4.09			4.09
06/2002	-9.35	-5.87		-5.87	-8.52	-4.78		-4.78
09/2002	-18.94			-23.70	-18.77			-22.65
12/2002	6.31	-13.63	-18.89	-18.89	9.22	-11.28	-15.52	-15.52
03/2003	-4.71 *			-18.63	-4.86			-16.04
06/2003	18.29 *	12.71 *		-5.80	17.28	11.57		-3.87
09/2003	0.68			-4.63	2.06			-2.19
12/2003	11.99	12.74	27.08	1.53	14.19	16.54	30.03	4.81
03/2004	2.08			2.29	3.02			5.65
06/2004	1.53 *	3.64		2.68	0.88	3.93		5.44
09/2004	-0.49			2.25	1.54			5.52
12/2004	9.13	8.60	12.55	5.08	10.38	12.08	16.49	8.57
03/2005	-0.13			4.63	0.08			7.91
06/2005	3.16 *	3.02 *		5.23	1.67	1.76		7.83

**TIME-WEIGHTED RATES OF RETURN BOK
PERIOD ENDING JUNE 30, 2005**

DATE	ACCOUNT				LB INT GOV'T/CREDIT			
	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001
03/2002	0.02 *			0.02 *	-0.23			-0.23
06/2002	3.91 *	3.93 *		3.93 *	3.55	3.32		3.32
09/2002	3.97			8.06 *	4.53			7.99
12/2002	0.99	5.01	9.14	9.14	1.69	6.29	9.82	9.82
03/2003	1.43			8.47	1.50			9.07
06/2003	1.15	2.60		7.83	2.71	4.26		9.44
09/2003	0.07 *			6.72	-0.02			8.03
12/2003	0.19 *	0.26 *	2.87	5.95	0.06	0.04	4.30	7.02
03/2004	2.15			6.28	2.48			7.38
06/2004	-2.04 *	0.07 *		4.76	-2.52	-0.10		5.54
09/2004	2.55			5.28	2.71			6.05
12/2004	0.78 *	3.34 *	3.41 *	5.10	0.44	3.16	3.05	5.68
03/2005	-0.18 *			4.64	-0.87			4.95
06/2005	2.12	1.94 *		4.93	2.48	1.59		5.33

**TIME-WEIGHTED RATES OF RETURN TOTAL FUND
PERIOD ENDING JUNE 30, 2005**

DATE	ACCOUNT				Library Policy			
	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001	QUARTERLY	SEMI ANNUALLY	ANNUALLY	Since 12/2001
03/2002	1.03 *			1.03 *	0.63			0.63
06/2002	-5.30 *	-4.33 *		-4.33 *	-5.79	-5.19		-5.19
09/2002	-8.54 *			-12.50 *	-9.25			-13.96
12/2002	3.33	-5.49	-9.58	-9.58	5.46	-4.29	-9.26	-9.26
03/2003	-1.99			-9.22	-1.72			-8.75
06/2003	9.80	7.61		-1.81	11.25	9.34		-0.52
09/2003	1.77			-0.56	2.66			1.06
12/2003	7.32	9.22	17.53	3.09	7.88	10.75	21.09	4.82
03/2004	1.74			3.53	2.64			5.49
06/2004	0.00 *	1.75		3.17	-0.22	2.42		4.84
09/2004	0.31 *			3.00	0.04			4.41
12/2004	5.74	6.07	7.92	4.67	6.72	6.77	9.35	6.31
03/2005	-0.61 *			4.11	-1.61			5.29
06/2005	1.95	1.33 *		4.39	2.21	0.57		5.56



Todd
 Asset Class: Domestic Equity
 Product Name: Metropolitan Library Commission
 Return Set: Net Size

Calendar Returns/Growth \$100/Manager Contribution
 Benchmark: Russell 1000 Value
 Ending Date: 06/30/2005

	Manager	Index
Qtr	3.16	1.67
YTD	3.02	1.76
2004	12.56	16.49
2003	27.11	30.03
2002	-19.38	-15.52
2001	-2.70	-5.59
2000	-1.28	7.01
1999	14.26	7.35
1998	29.69	15.63
1997	34.44	35.18
1996	23.43	21.64
1995	38.52	38.35



Todd

Asset Class: Domestic Equity

Product Name: Metropolitan Library Commission

Return Set: Net Size

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: Russell 1000 Value

10 Years Trailing ending 06/30/2005

	Manager	Index
Qtr	3.16	1.67
YTD	3.02	1.76
1Yr	11.89	14.06
2Yr	14.35	17.54
3Yr	8.30	11.00
4Yr	4.35	5.63
5Yr	4.04	6.56
6Yr	2.57	3.81
7Yr	5.66	5.51
8Yr	8.52	8.18
9Yr	11.05	10.71
10Yr	12.49	12.03

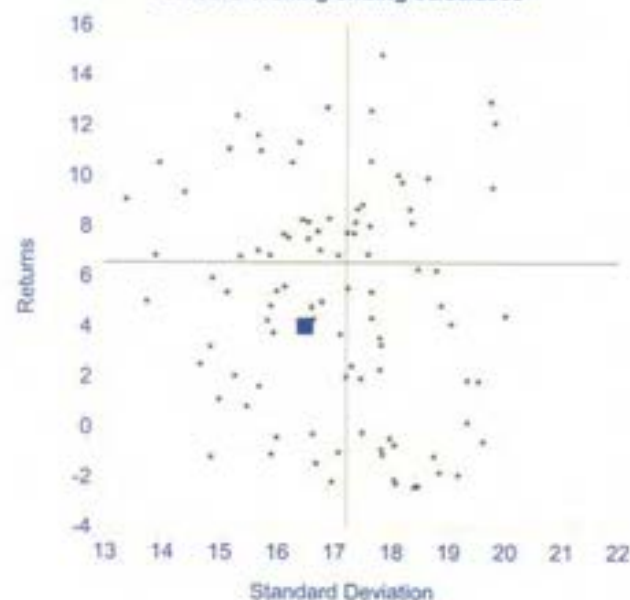


Risk Analysis

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	18.40	0.37	97.94	-2.21	0.97	6.98	2.73	-0.95
5Yr	16.48	0.09	95.81	-2.20	0.94	1.59	3.56	-0.72
10Yr	15.38	0.55	93.07	1.01	0.92	9.13	4.21	0.05

Index: Russell 1000 Value

Universe: Mobius Broad Large Cap Value
5 Years Trailing ending 06/30/2005



◆ Russell 1000 Value
■ Todd - Metropolitan Library Commission

Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	18.30	18.30	19.58
Worst Quarter	-18.94	-18.94	-18.94
Best 4 Quarters	36.16	36.16	47.60
Worst 4 Quarters	-2.87	-25.57	-25.57
Best Case	56.70	56.70	224.56
Worst Case	-18.94	-26.52	-27.15
Positive Quarters	8	13	29
Negative Quarters	4	7	11
Up-Market Ratio	85.84	82.44	95.92
Down-Market Ratio	100.17	97.66	88.26
Batting Average	33.33	35.00	45.00
Up-Market Return	22.02	20.72	26.22
Down-Market Return	-22.76	-33.40	-29.02

Index: Russell 1000 Value

Todd

Asset Class: Domestic Equity

Product Name: Metropolitan Library Commission

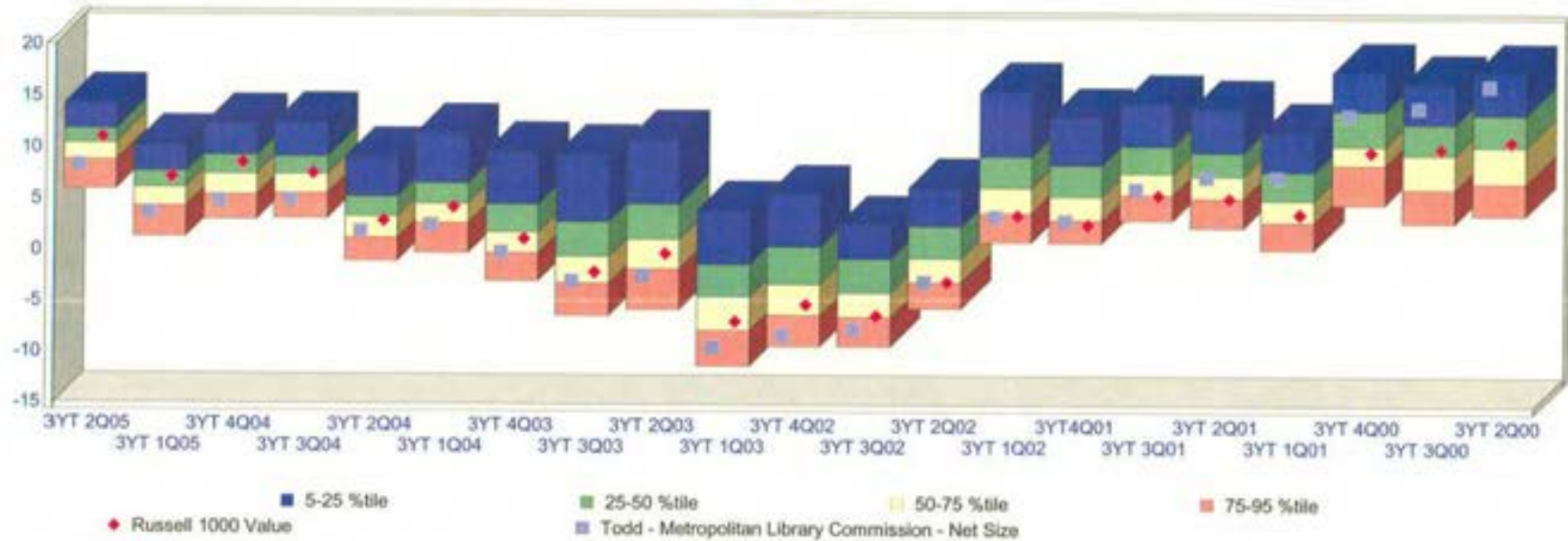
Universe Comparison

Benchmark: Russell 1000 Value

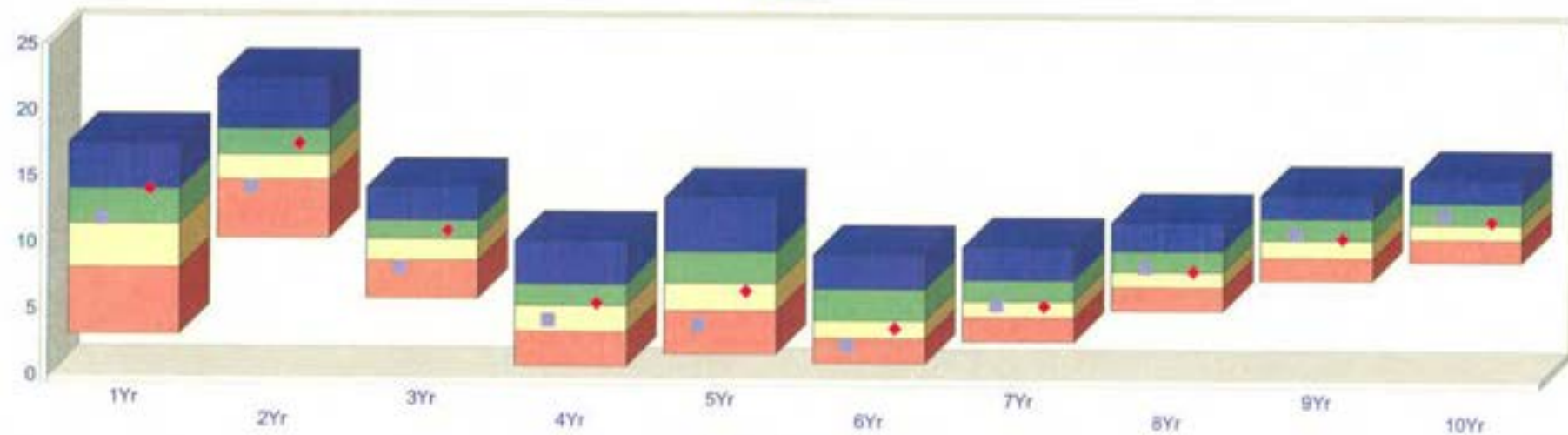
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Actual Library Returns from April 2002 to present. Previous Returns are composite.



Windham

Asset Class: Domestic Equity

Product Name: Library Metropolitan Commission

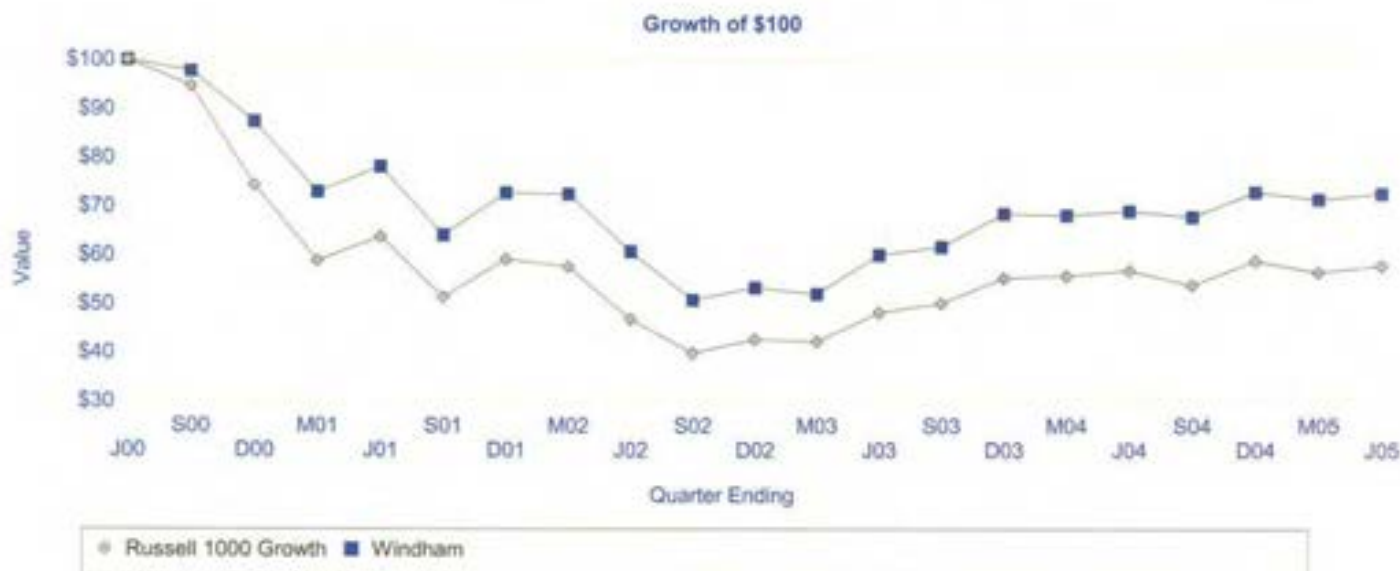
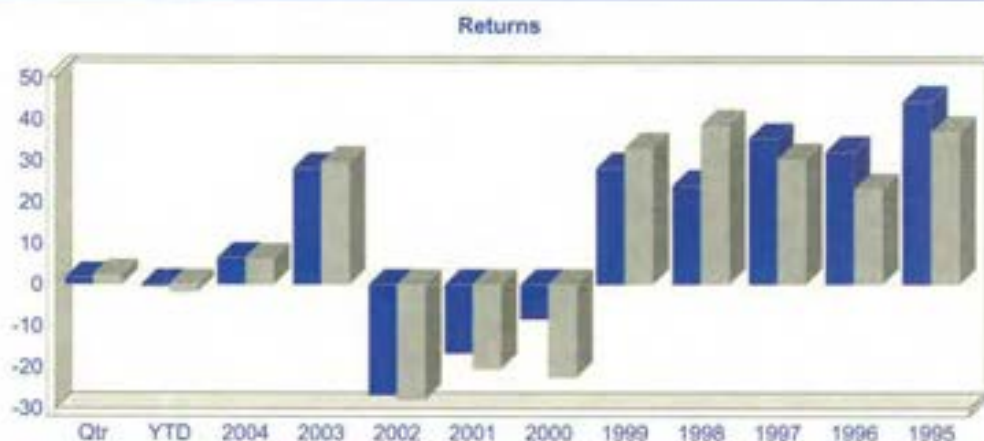
Return Set: Net Size

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: Russell 1000 Growth

Ending Date: 06/30/2005

	Manager	Index
Qtr	1.70	2.46
YTD	-0.42	-1.73
2004	6.54	6.30
2003	28.30	29.75
2002	-26.69	-27.89
2001	-16.63	-20.42
2000	-8.30	-22.42
1999	28.41	33.16
1998	24.03	38.71
1997	35.60	30.49
1996	32.35	23.12
1995	44.69	37.19



Windham

Asset Class: Domestic Equity

Product Name: Library Metropolitan Commission

Return Set: Net Size

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: Russell 1000 Growth

10 Years Trailing ending 06/30/2005

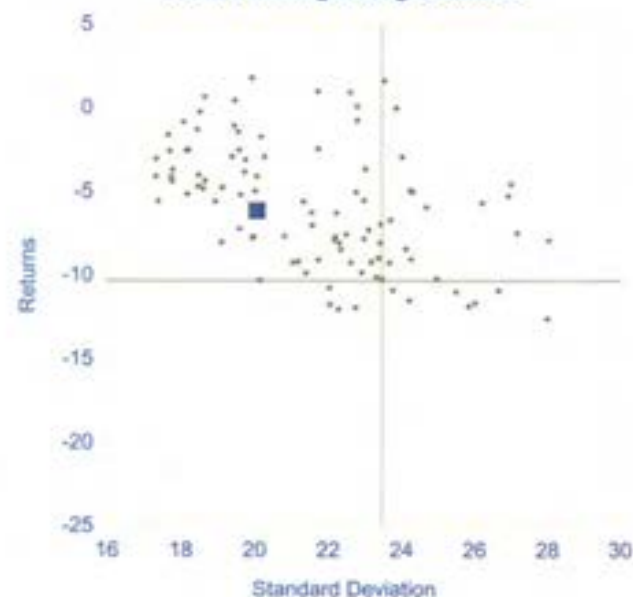
	Manager	Index
Qtr	1.70	2.46
YTD	-0.42	-1.73
1Yr	5.25	1.68
2Yr	9.97	9.48
3Yr	6.13	7.25
4Yr	-1.82	-2.41
5Yr	-6.18	-10.36
6Yr	-3.00	-5.17
7Yr	0.64	-1.10
8Yr	3.54	2.48
9Yr	6.93	5.34
10Yr	9.63	7.40

**Risk Analysis**

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	15.87	0.29	95.56	-0.90	0.98	4.71	3.38	-0.33
5Yr	20.08	-0.43	94.89	1.92	0.83	-10.33	6.12	0.58
10Yr	19.80	0.28	90.27	2.52	0.84	6.73	7.17	0.18

Index: Russell 1000 Growth

Universe: Mobius Broad Large Cap Growth
5 Years Trailing ending 06/30/2005



◆ Russell 1000 Growth

■ Windham - Library Metropolitan Commission

Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	15.33	15.33	24.10
Worst Quarter	-16.38	-18.03	-18.03
Best 4 Quarters	30.87	30.87	43.60
Worst 4 Quarters	-1.16	-34.37	-34.37
Best Case	43.57	43.57	244.82
Worst Case	-16.38	-49.15	-49.15
Positive Quarters	7	9	27
Negative Quarters	5	11	13
Up-Market Ratio	86.36	86.38	95.80
Down-Market Ratio	91.02	79.43	83.29
Batting Average	33.33	50.00	52.50
Up-Market Return	23.39	27.96	35.38
Down-Market Return	-21.48	-31.21	-29.28

Index: Russell 1000 Growth

Windham

Asset Class: Domestic Equity

Product Name: Library Metropolitan Commission

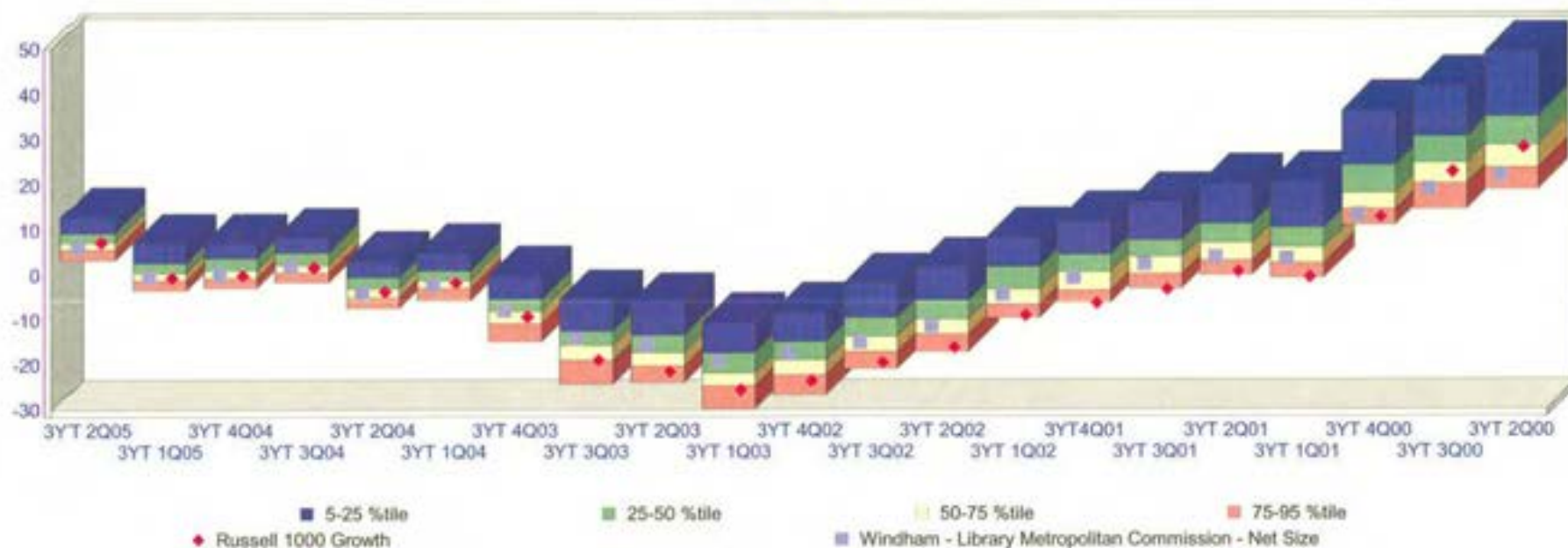
Universe Comparison

Benchmark: Russell 1000 Growth

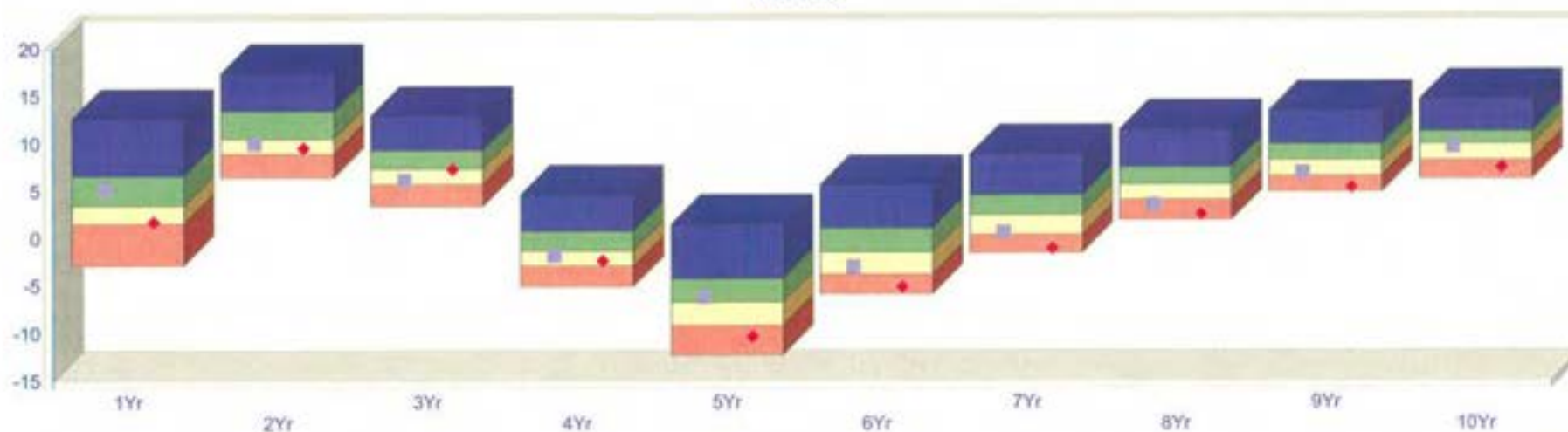
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Actual Library Returns from April 2002 to present. Previous Returns are composite.



Franklin Templeton Investments

Asset Class: Domestic Equity

Product Name: Franklin Small-Mid Cap Growth Adv

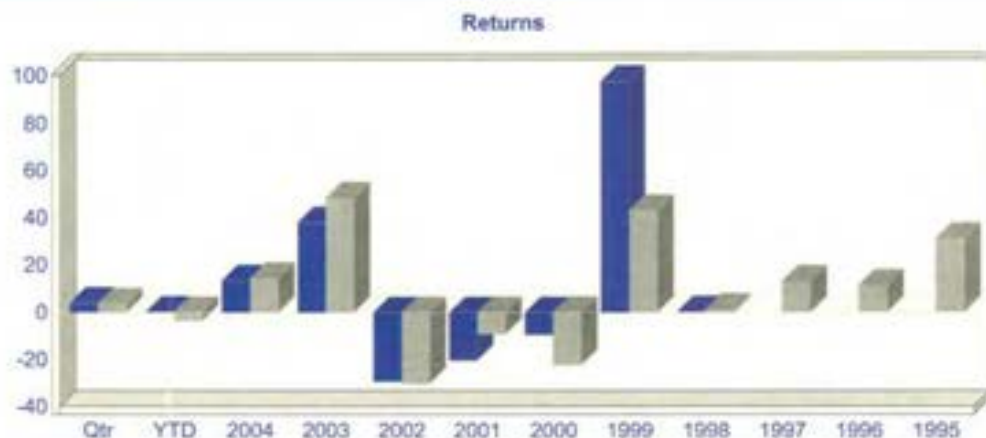
Return Set: Net

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: Russell 2000 Growth

Ending Date: 06/30/2005

	Manager	Index
Qtr	4.08	3.48
YTD	0.26	-3.58
2004	13.35	14.31
2003	38.01	48.54
2002	-29.42	-30.26
2001	-20.37	-9.23
2000	-9.56	-22.43
1999	97.66	43.09
1998	0.35	1.23
1997		12.95
1996		11.26
1995		31.04



Franklin Templeton Investments

Asset Class: Domestic Equity

Product Name: Franklin Small-Mid Cap Growth Adv

Return Set: Net

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: Russell 2000 Growth

10 Years Trailing ending 06/30/2005

	Manager	Index
Qtr	4.08	3.48
YTD	0.26	-3.58
1Yr	6.75	4.29
2Yr	16.22	17.13
3Yr	10.90	11.37
4Yr	0.84	0.89
5Yr	-6.47	-4.51
6Yr	4.93	0.32
7Yr	5.84	1.43
8Yr	6.85	2.83
9Yr		3.02
10Yr		5.16



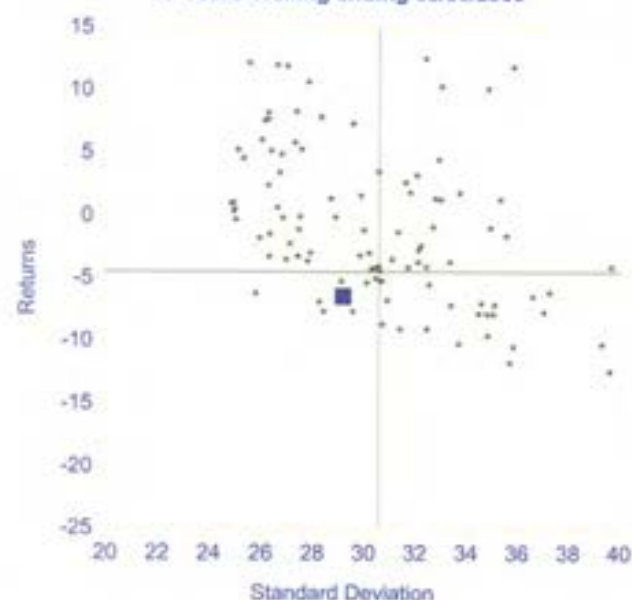
Risk Analysis

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	20.98	0.44	94.62	0.84	0.84	11.02	6.16	-0.20
5Yr	29.19	-0.31	93.93	-2.50	0.93	-9.64	7.63	-0.34

10Yr

Index: Russell 2000 Growth

Universe: Mobius Broad Small Cap Growth
5 Years Trailing ending 06/30/2005



◆ Russell 2000 Growth

■ Franklin Templeton Investments - Franklin Small-Mid Cap Growth Adv

Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	18.91	24.77	
Worst Quarter	-20.74	-25.12	
Best 4 Quarters	44.62	44.62	
Worst 4 Quarters	0.98	-49.84	
Best Case	72.09	72.09	
Worst Case	-20.74	-59.75	
Positive Quarters	8	11	
Negative Quarters	4	9	
Up-Market Ratio	85.55	83.83	
Down-Market Ratio	84.09	97.32	
Batting Average	66.67	50.00	
Up-Market Return	38.15	48.18	
Down-Market Return	-28.54	-40.96	

Index: Russell 2000 Growth

Franklin Templeton Investments

Asset Class: Domestic Equity

Product Name: Franklin Small-Mid Cap Growth Adv

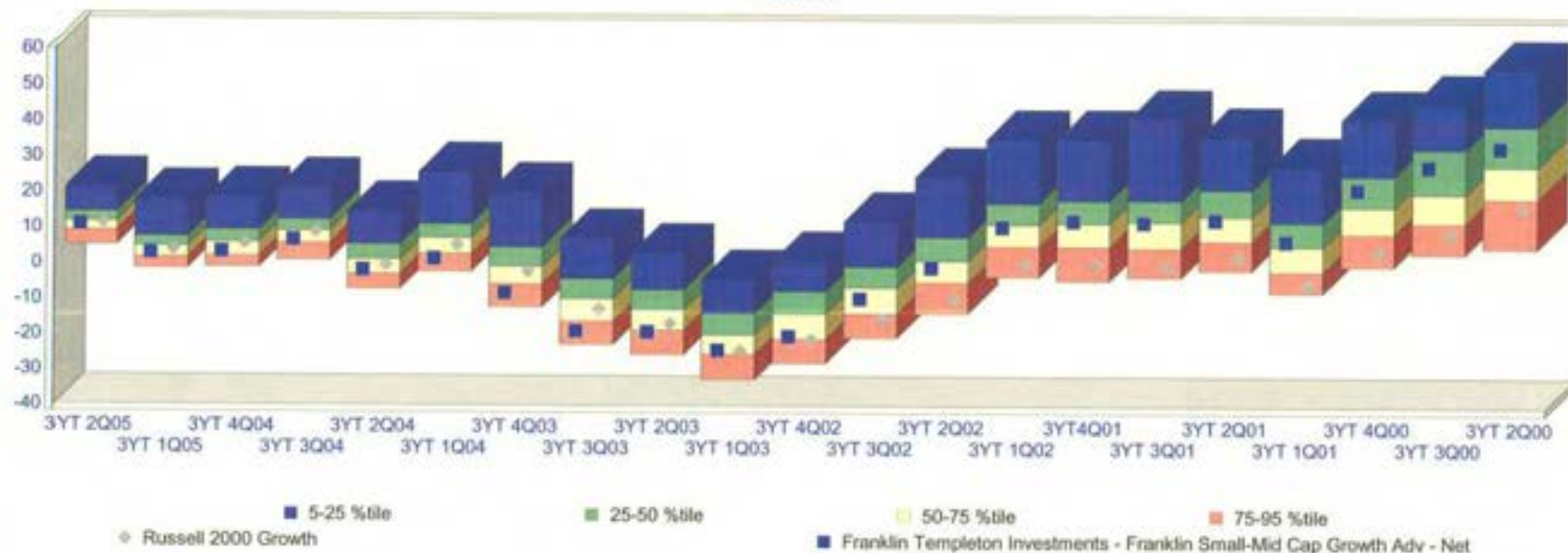
Universe Comparison

Benchmark: Russell 2000 Growth

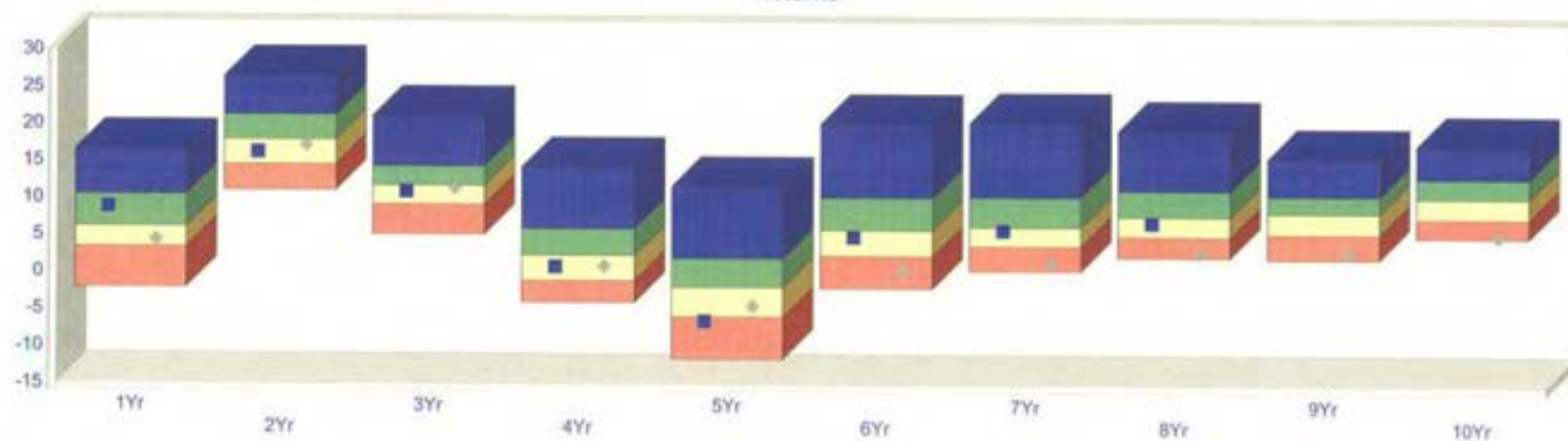
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Neuberger Berman

Asset Class: Domestic Equity

Product Name: Neuberger Berman Genesis Inv

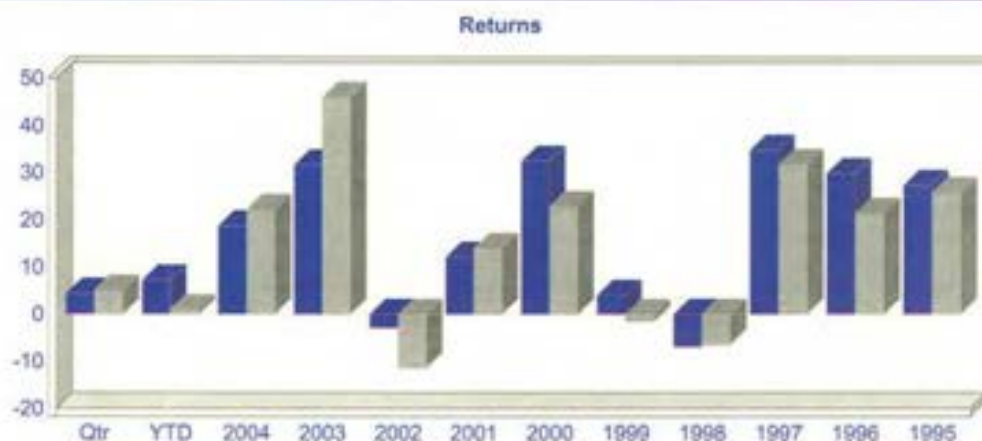
Return Set: Net

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: Russell 2000 Value

Ending Date: 06/30/2005

	Manager	Index
Qtr	4.37	5.08
YTD	7.27	0.90
2004	18.78	22.25
2003	31.70	46.02
2002	-2.95	-11.43
2001	12.11	14.03
2000	32.54	22.83
1999	4.04	-1.49
1998	-6.93	-6.45
1997	34.86	31.79
1996	29.86	21.37
1995	27.32	25.75



Neuberger Berman

Asset Class: Domestic Equity

Product Name: Neuberger Berman Genesis Inv

Return Set: Net

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: Russell 2000 Value

10 Years Trailing ending 06/30/2005

	Manager	Index
Qtr	4.37	5.08
YTD	7.27	0.90
1Yr	15.90	14.39
2Yr	23.67	24.35
3Yr	16.73	14.15
4Yr	13.66	12.71
5Yr	16.08	16.12
6Yr	16.00	13.08
7Yr	13.07	10.18
8Yr	13.25	11.35
9Yr	15.04	13.11
10Yr	16.55	13.89

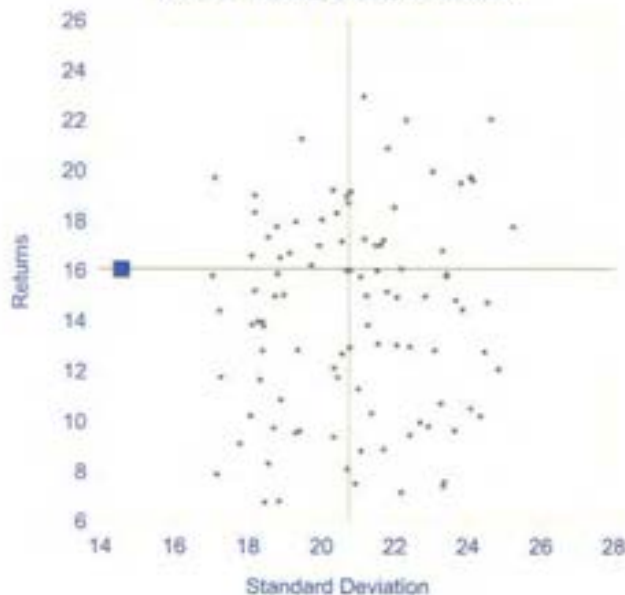


Risk Analysis

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	12.84	1.18	91.48	7.47	0.54	27.91	11.14	0.01
5Yr	14.60	0.91	87.04	4.05	0.66	20.33	8.88	-0.17
10Yr	16.62	0.74	81.98	4.28	0.80	15.41	7.98	0.21

Index: Russell 2000 Value

Universe: Mobius Broad Small Cap Value
5 Years Trailing ending 06/30/2005



Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	13.53	15.38	20.07
Worst Quarter	-8.60	-11.17	-16.41
Best 4 Quarters	43.34	43.34	52.37
Worst 4 Quarters	4.01	-12.99	-20.30
Best Case	74.04	110.77	362.57
Worst Case	-8.60	-13.19	-20.90
Positive Quarters	9	14	28
Negative Quarters	3	6	12
Up-Market Ratio	73.97	78.79	100.20
Down-Market Ratio	32.63	58.59	78.51
Batting Average	33.33	30.00	50.00
Up-Market Return	28.31	30.99	34.46
Down-Market Return	-9.22	-19.21	-24.09

Index: Russell 2000 Value

Neuberger Berman

Asset Class: Domestic Equity

Product Name: Neuberger Berman Genesis Inv

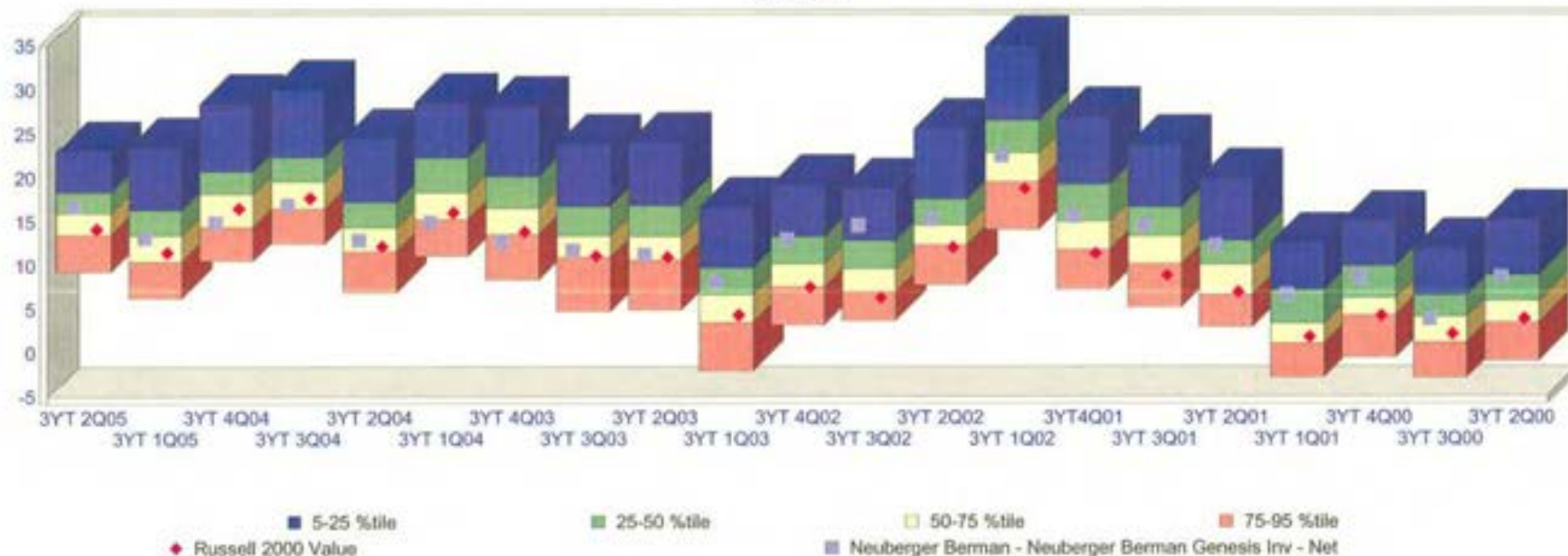
Universe Comparison

Benchmark: Russell 2000 Value

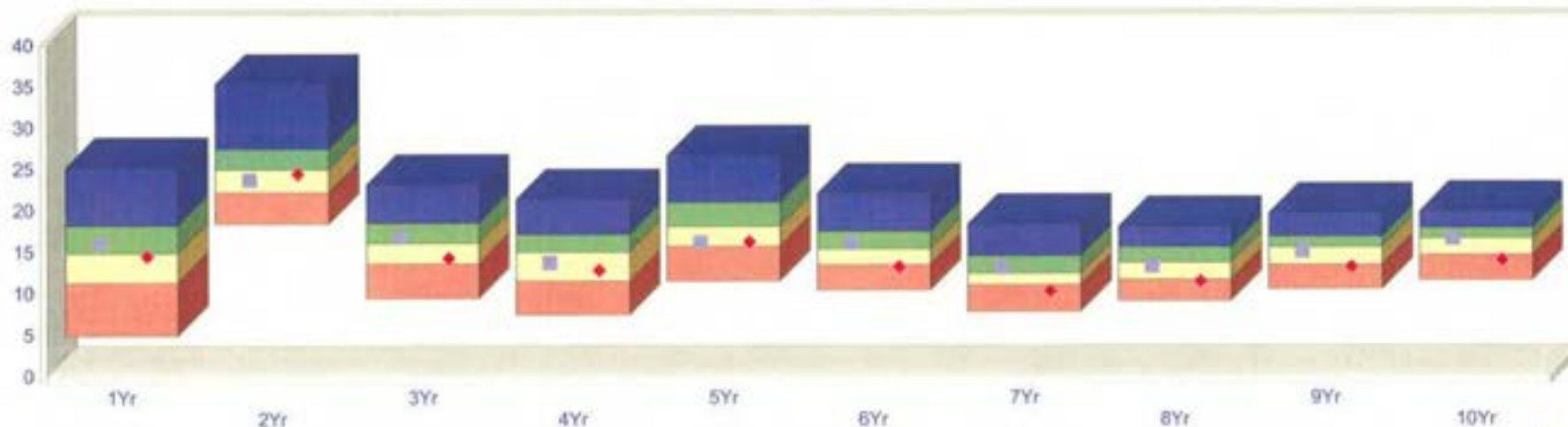
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Actual Library Returns from April 2002 to present. Previous Returns are composite.



American Beacon

Asset Class: International Equity

Product Name: American Beacon Intl Equity Instl

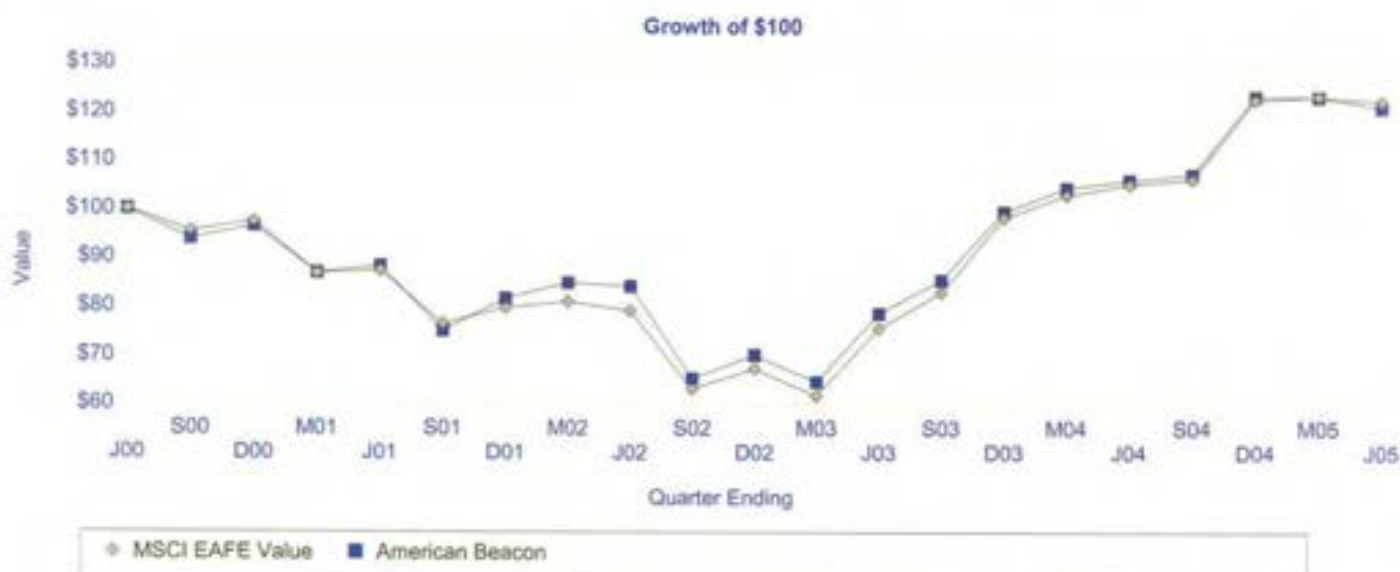
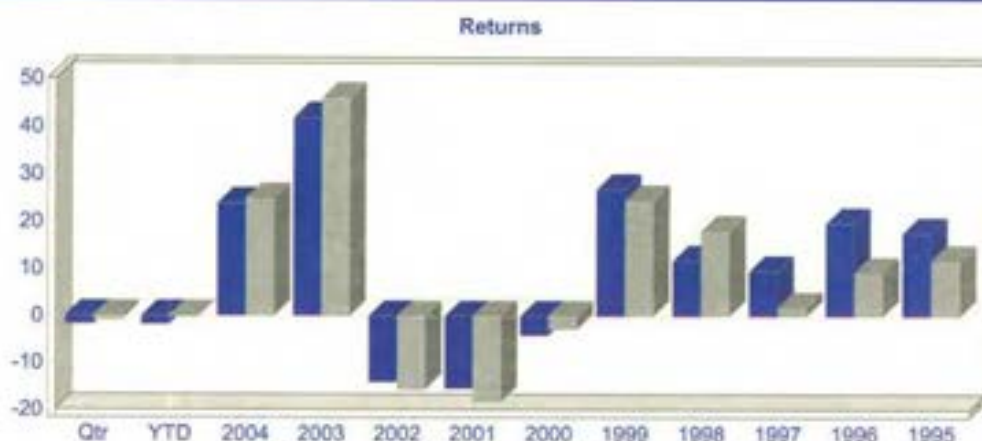
Return Set: Net

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: MSCI EAFE Value

Ending Date: 06/30/2005

	Manager	Index
Qtr	-1.82	-0.82
YTD	-1.88	-0.22
2004	23.92	24.88
2003	41.87	45.97
2002	-14.08	-15.60
2001	-15.44	-18.22
2000	-4.15	-2.82
1999	26.91	24.54
1998	11.73	18.09
1997	9.52	1.81
1996	19.78	9.22
1995	17.69	11.68



American Beacon

Asset Class: International Equity

Product Name: American Beacon Intl Equity Instl

Return Set: Net

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: MSCI EAFE Value

10 Years Trailing ending 06/30/2005

	Manager	Index
Qtr	-1.82	-0.82
YTD	-1.88	-0.22
1Yr	14.15	16.47
2Yr	24.09	27.24
3Yr	12.90	15.63
4Yr	8.21	8.81
5Yr	3.90	4.13
6Yr	5.79	5.66
7Yr	5.78	6.27
8Yr	6.52	6.32
9Yr	8.24	7.28
10Yr	9.25	8.11

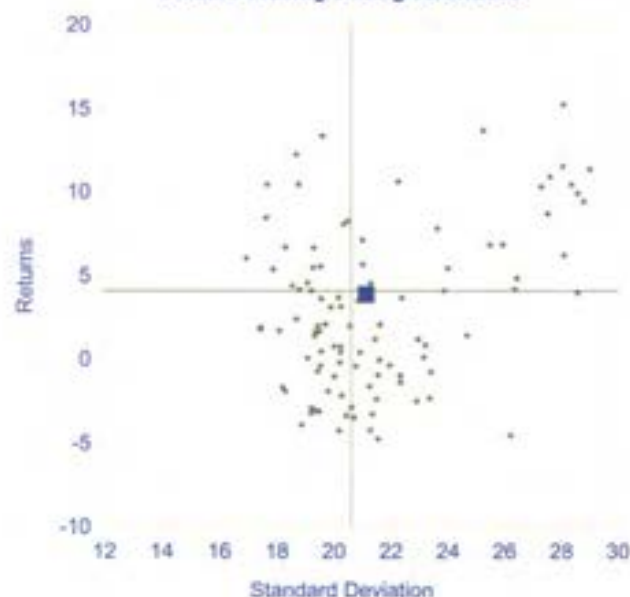


Risk Analysis

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	23.64	0.48	99.47	-2.42	1.00	11.24	1.72	-1.38
5Yr	21.15	0.06	97.65	-0.12	1.01	1.29	3.30	-0.04
10Yr	17.96	0.29	93.27	1.33	0.96	5.45	4.75	0.21

Index: MSCI EAFE Value

Universe: Mobius World Equity: International and Global
5 Years Trailing ending 06/30/2005



Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	21.81	21.81	21.81
Worst Quarter	-22.40	-22.40	-22.40
Best 4 Quarters	61.71	61.71	61.71
Worst 4 Quarters	-6.55	-23.94	-23.94
Best Case	91.15	91.15	146.78
Worst Case	-23.28	-35.45	-35.95
Positive Quarters	8	12	29
Negative Quarters	4	8	11
Up-Market Ratio	94.02	106.09	104.63
Down-Market Ratio	108.51	107.15	96.80
Batting Average	33.33	50.00	52.50
Up-Market Return	37.70	31.35	28.94
Down-Market Return	-29.93	-32.78	-25.79

Index: MSCI EAFE Value

◆ MSCI EAFE Value

■ American Beacon - American Beacon Intl Equity Instl

American Beacon

Asset Class: International Equity

Product Name: American Beacon Intl Equity Instl

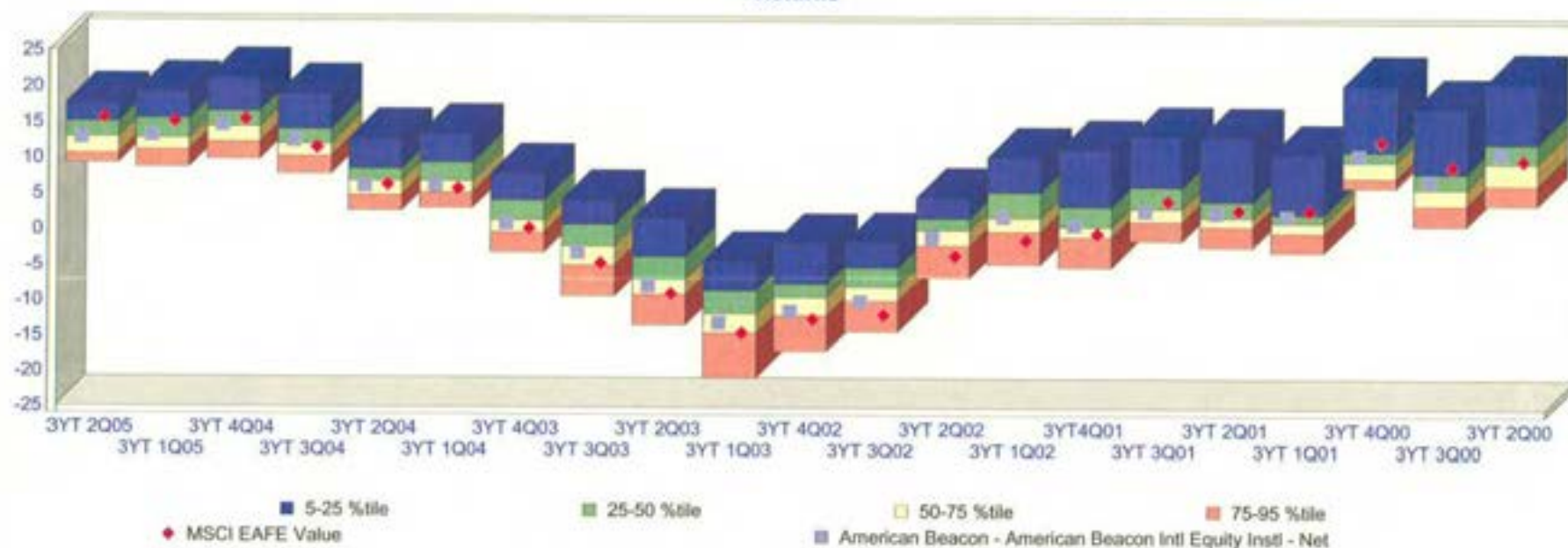
Universe Comparison

Benchmark: MSCI EAFE Value

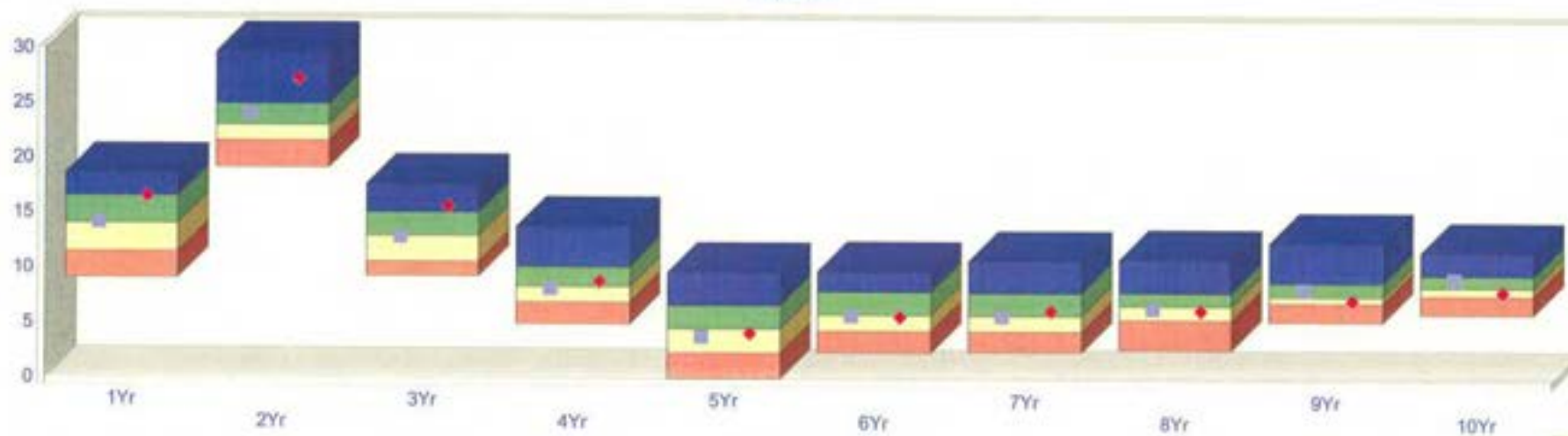
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Actual fund returns may differ from the returns shown. Previous returns are composite.



Barclays Global Investors

Asset Class: International Equity

Product Name: MSCI EAFE Equity Index Fund

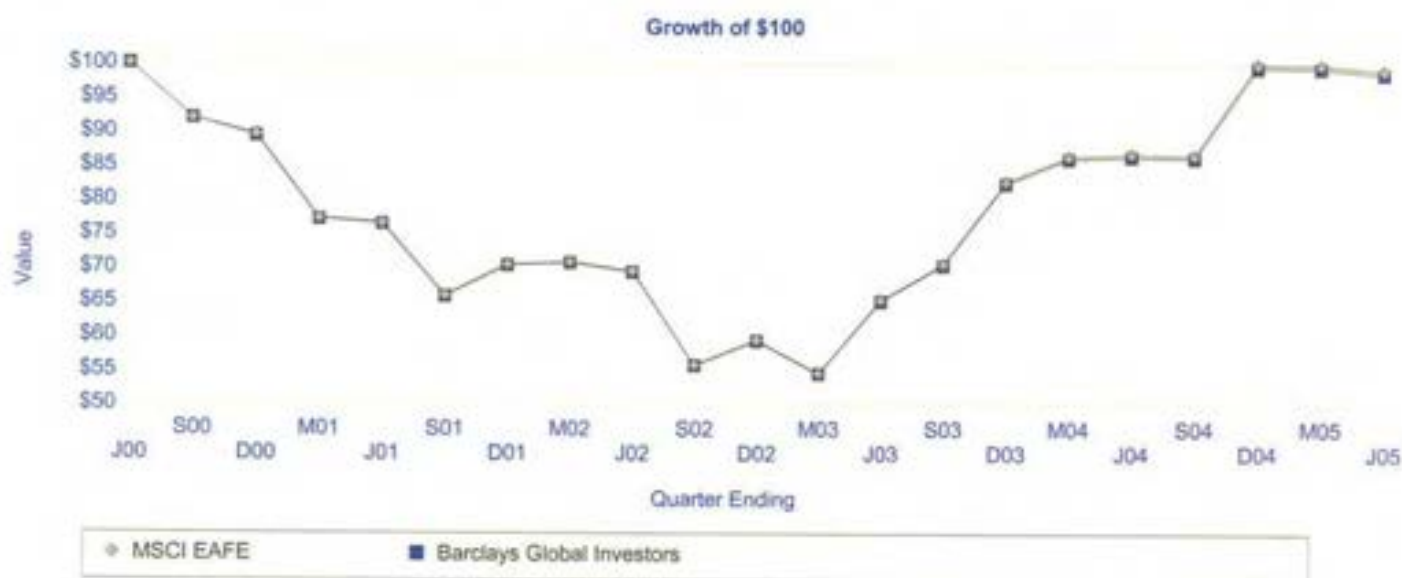
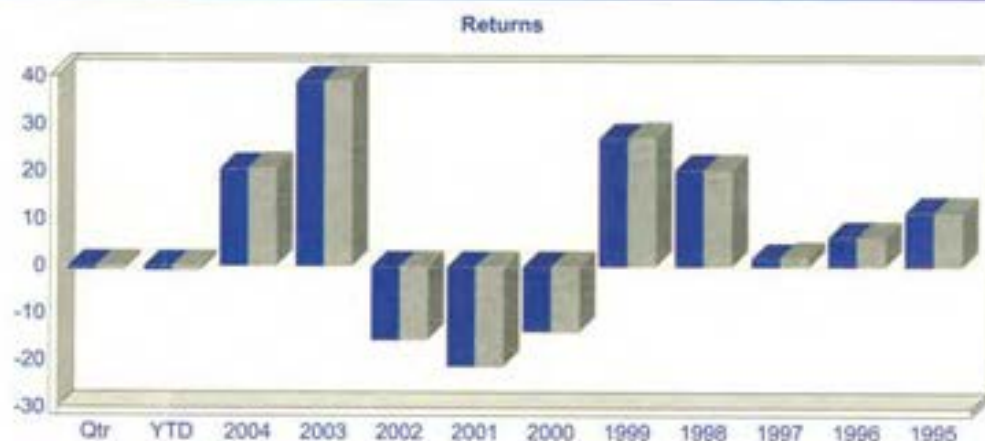
Return Set: Gross Size

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: MSCI EAFE

Ending Date: 06/30/2005

	Manager	Index
Qtr	-0.83	-0.75
YTD	-0.93	-0.85
2004	20.56	20.70
2003	38.98	39.17
2002	-15.69	-15.66
2001	-21.19	-21.20
2000	-13.91	-13.96
1999	27.05	27.30
1998	20.40	20.33
1997	1.75	2.06
1996	6.44	6.36
1995	11.59	11.55



Barclays Global Investors

Asset Class: International Equity

Product Name: MSCI EAFE Equity Index Fund

Return Set: Gross Size

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: MSCI EAFE

10 Years Trailing ending 06/30/2005

	Manager	Index
Qtr	-0.83	-0.75
YTD	-0.93	-0.85
1Yr	14.00	14.13
2Yr	22.99	23.13
3Yr	12.39	12.51
4Yr	6.54	6.64
5Yr	-0.28	-0.17
6Yr	2.47	2.57
7Yr	3.21	3.32
8Yr	3.58	3.70
9Yr	4.60	4.71
10Yr	5.47	5.57

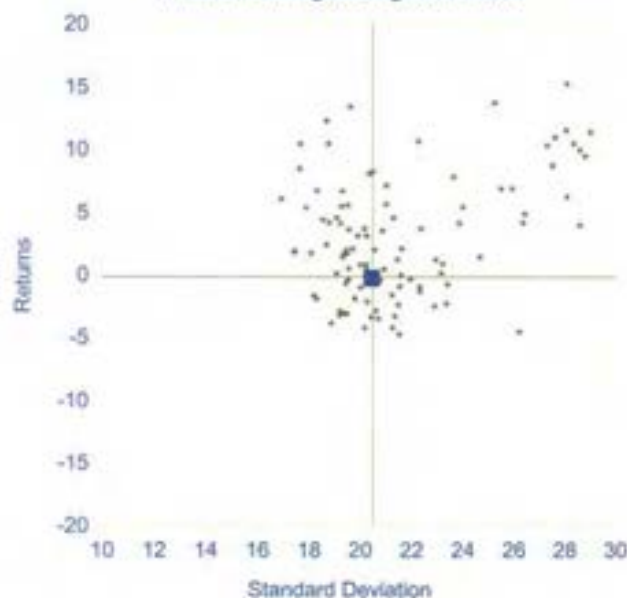


Risk Analysis

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	22.06	0.49	100.00	-0.10	1.00	10.80	0.08	-1.46
5Yr	20.46	-0.14	100.00	-0.12	1.00	-2.82	0.11	-1.06
10Yr	18.45	0.08	99.97	-0.09	1.00	1.55	0.30	-0.34

Index: MSCI EAFE

Universe: Mobius World Equity: International and Global
5 Years Trailing ending 06/30/2005



◆ MSCI EAFE

■ Barclays Global Investors - MSCI EAFE Equity Index Fund

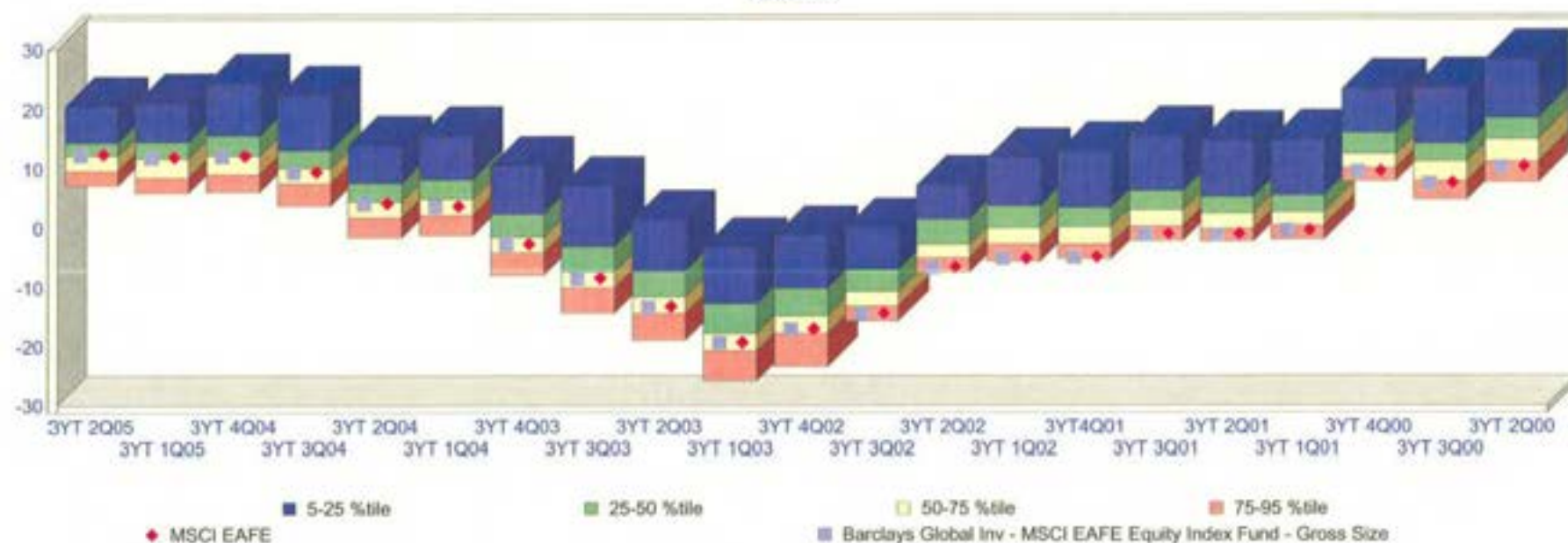
Market Cycle Analysis

	3Yr	5Yr	10Yr
Best Quarter	19.45	19.45	20.39
Worst Quarter	-19.68	-19.68	-19.68
Best 4 Quarters	57.91	57.91	57.91
Worst 4 Quarters	-6.15	-28.41	-28.41
Best Case	82.39	82.39	82.39
Worst Case	-21.43	-45.44	-47.45
Positive Quarters	7	9	22
Negative Quarters	5	11	18
Up-Market Ratio	99.52	99.54	99.71
Down-Market Ratio	100.17	100.32	100.44
Batting Average	25.00	30.00	35.00
Up-Market Return	46.30	38.86	33.37
Down-Market Return	-22.30	-23.95	-20.83

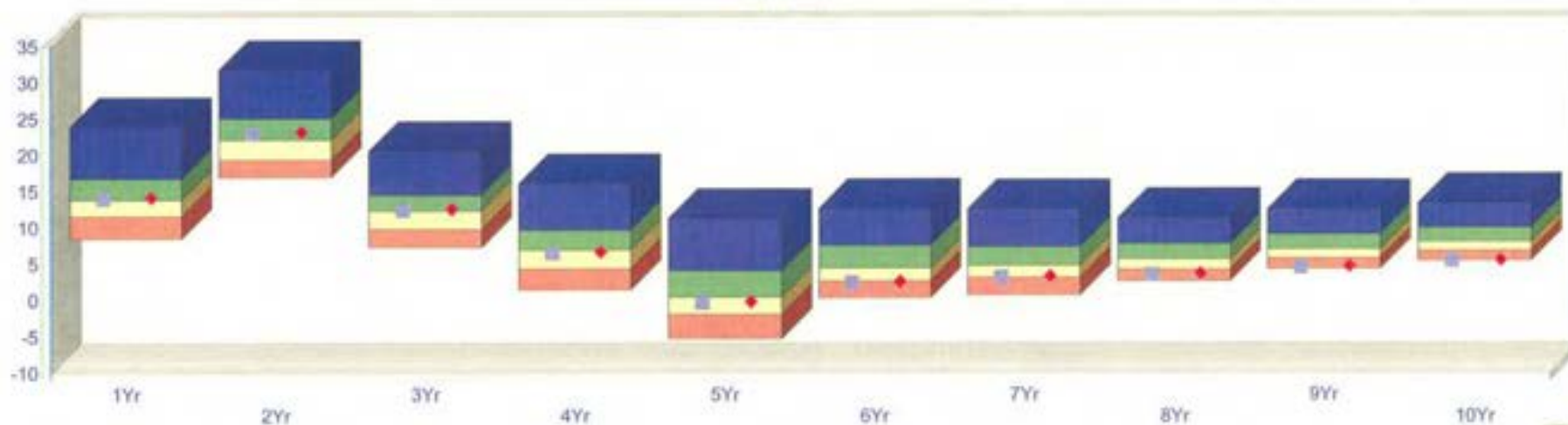
Index: MSCI EAFE

Universe Comparison

Returns



Returns



Ending 06/30/2005

Bank of Oklahoma

Asset Class: Domestic Fixed

Product Name: Dom Fixed with Acc Int

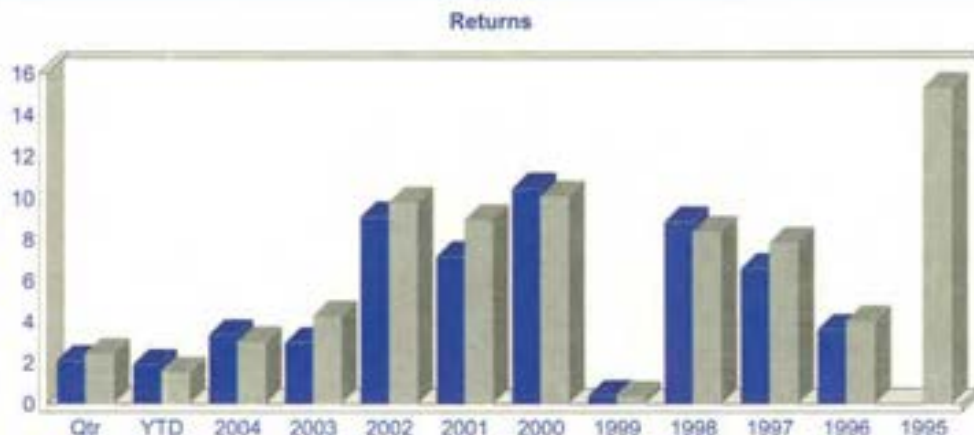
Return Set: Net Size

Calendar Returns/Growth \$100/Manager Contribution

Benchmark: Lehman Gov/Credit-Intermediate

Ending Date: 06/30/2005

	Manager	Index
Qtr	2.13	2.48
YTD	1.95	1.58
2004	3.41	3.04
2003	3.02	4.30
2002	9.13	9.82
2001	7.22	8.98
2000	10.50	10.10
1999	0.43	0.39
1998	8.90	8.42
1997	6.63	7.87
1996	3.65	4.06
1995		15.31



Bank of Oklahoma

Asset Class: Domestic Fixed

Product Name: Dom Fixed with Acc Int

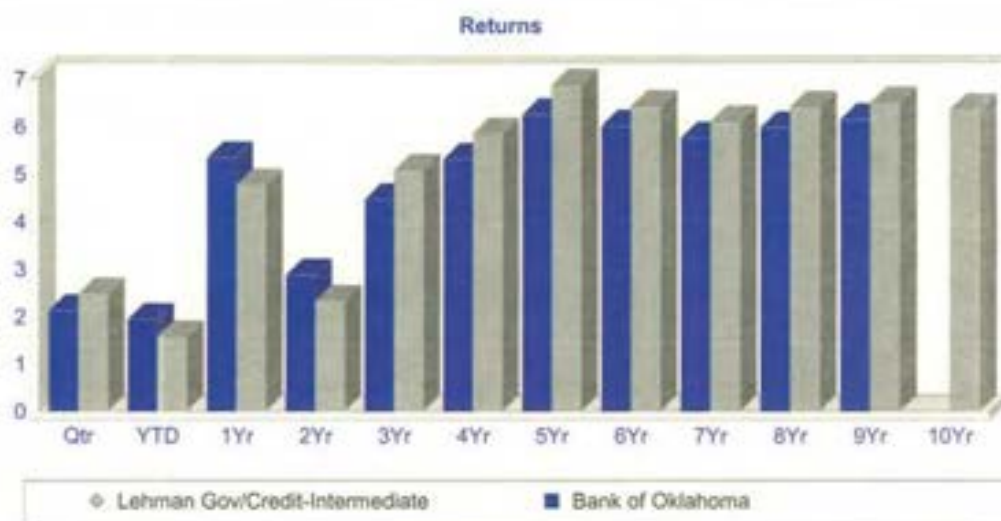
Return Set: Net Size

Trailing Returns/Risk Analysis/Scatterplot

Benchmark: Lehman Gov/Credit-Intermediate

10 Years Trailing ending 06/30/2005

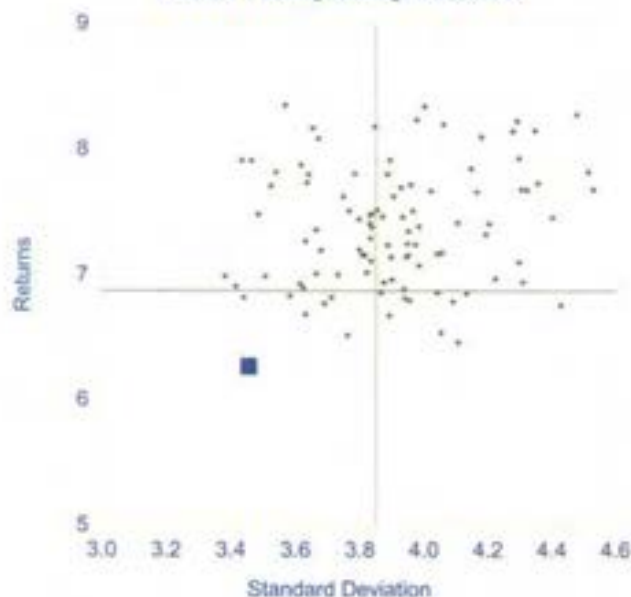
	Manager	Index
Qtr	2.13	2.48
YTD	1.95	1.58
1Yr	5.36	4.77
2Yr	2.89	2.33
3Yr	4.48	5.08
4Yr	5.32	5.85
5Yr	6.26	6.87
6Yr	6.02	6.42
7Yr	5.76	6.09
8Yr	5.98	6.40
9Yr	6.15	6.49
10Yr		6.34

**Risk Analysis**

Timeframe	Standard Deviation	Sharpe Ratio	R-Squared	Alpha	Beta	Treynor Ratio	Tracking Error	Information Ratio
3Yr	3.07	0.97	92.63	0.26	0.76	3.92	1.22	-0.50
5Yr	3.46	1.07	91.72	0.06	0.85	4.37	1.06	-0.56
10Yr								

Index: Lehman Gov/Credit-Intermediate

Universe: Mobius Fixed Income: Intermediate
5 Years Trailing ending 06/30/2005

**Market Cycle Analysis**

	3Yr	5Yr	10Yr
Best Quarter	3.97	4.29	
Worst Quarter	-2.04	-2.04	
Best 4 Quarters	7.73	12.05	
Worst 4 Quarters	0.48	0.48	
Best Case	14.05	35.49	
Worst Case	-2.04	-2.04	
Positive Quarters	10	17	
Negative Quarters	2	3	
Up-Market Ratio	82.15	87.25	
Down-Market Ratio	58.77	54.65	
Batting Average	41.67	40.00	
Up-Market Return	6.97	8.43	
Down-Market Return	-1.99	-1.97	

Index: Lehman Gov/Credit-Intermediate

◆ Lehman Gov/Credit-Intermediate

■ Bank of Oklahoma - Dom Fixed with Acc Int

Bank of Oklahoma

Asset Class: Domestic Fixed

Product Name: Dom Fixed with Acc Int

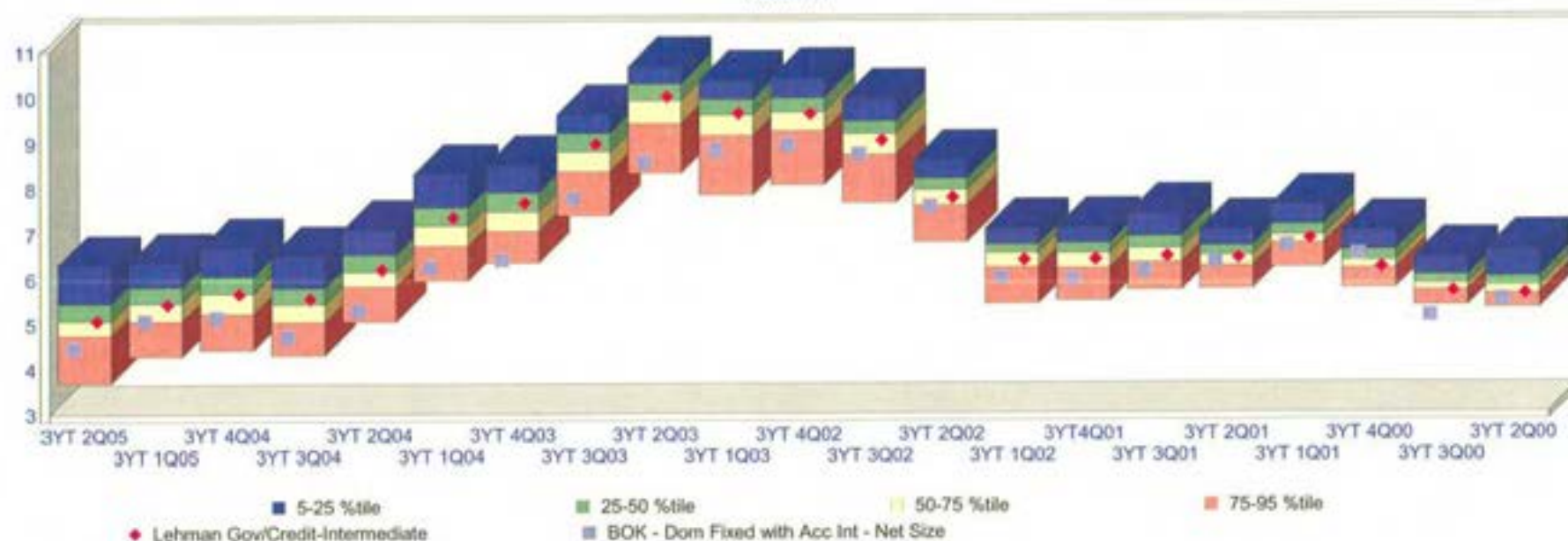
Universe Comparison

Benchmark: Lehman Gov/Credit-Intermediate

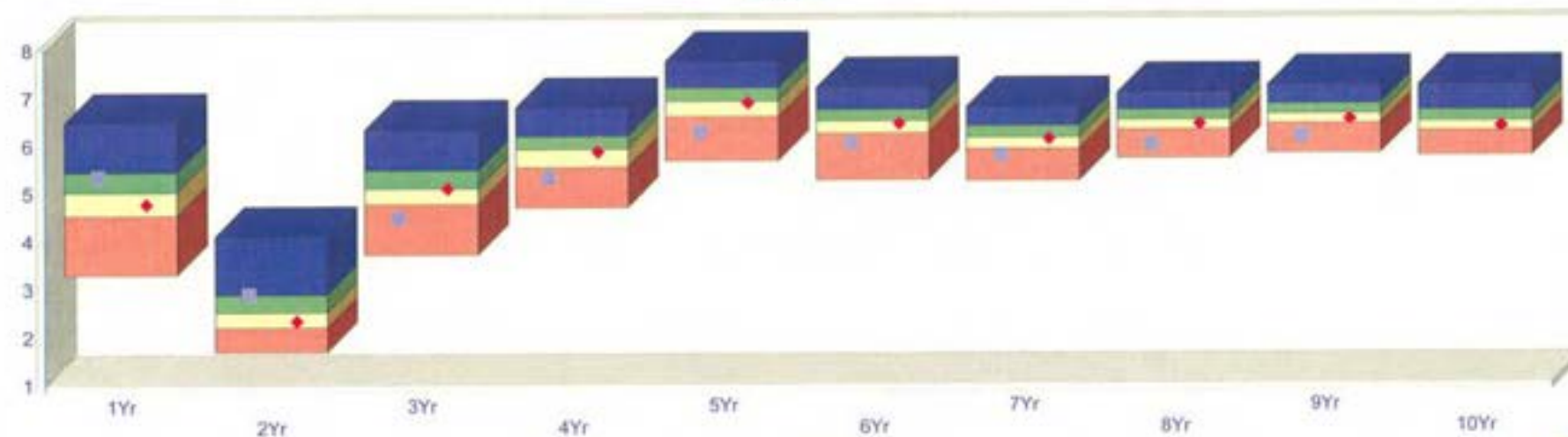
Ending Date: 06/30/2005

Universe Comparison

Returns



Returns



Ending 06/30/2005

Actual Library Returns from April 2002 to present. Previous Returns are composite.

MEMO

To: Lloyd Lovely
 Dr. Ann Caine
 Donna Morris
 Jim Welch
 Ken Culver
 David Greenwell
 Hugh Rice
 Lori Kane

From: Matt McGuire

Subject: August 2005 Monthly Performance

Date: September 19, 2005

Attached is the August 2005 performance for the Metropolitan Library's accounts.

The total fund performance for the Library was up .24% for the month, above the policy benchmark of .11%. On a year to date basis, the total fund has returned 3.85% vs. the policy of 2.83% outpacing the policy by 1.02%. Windham trailed the large growth index with a monthly return of -1.85% vs. the benchmark of -1.29%. Windham has outperformed the index on a YTD basis by .67%. Todd slightly underperformed the large value benchmark for the month with a return of -0.76% vs. the index at -0.43%. Todd has outperformed the large value index on a YTD basis as well by 1.25%.

The fixed income portfolio slightly underperformed its benchmark for the month, .95% and 1.17%, respectively.

Please feel free to contact me with any questions.

Cc: LibRPB File

Metropolitan Library Commission Total Market Value History



INVESTMENT PERFORMANCE PERIOD ENDING AUGUST 31, 2005

	LATEST MONTH ROR	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	TWO YEARS ROR	THREE YEARS ROR	FIVE YEARS ROR
Todd - LCV							
Metropolitan Library Commission	-0.76	4.39	5.67	16.68	14.86	14.43	N/A
RUSSELL 1000 VALUE	-0.43	3.56	4.25	16.85	17.18	15.30	5.66
Windham - LCG							
Metropolitan Library Commission	-1.85	1.35	2.43	11.13	9.35	11.47	N/A
RUSSELL 1000 GROWTH	-1.29	3.15	1.76	12.15	8.71	10.46	-10.52
Franklin Sm-Mid Cap Growth - SCG							
Metropolitan Library Commission	-0.05	9.24	6.31	25.18	15.23	18.47	N/A
RUSSELL 2000 GROWTH	-1.41	8.89	1.71	23.51	13.00	19.87	-3.68
Neuberger Berman Genesis - SCV							
Metropolitan Library Commission	1.11	9.74	14.22	29.95	22.53	21.47	N/A
RUSSELL 2000 VALUE	-2.30	7.82	4.18	22.60	21.04	21.91	15.09
American Beacon Int'l Eq - ILCV							
Metropolitan Library Commission	3.12	7.52	4.10	23.27	23.90	19.87	N/A
MSCI EAFE Value Gross of Fee	2.24	7.41	5.18	24.87	26.50	21.35	5.57
iShares MSCI EAFE Index							
Metropolitan Library Commission	3.84	8.46	5.59	24.67	N/A	N/A	N/A
MSCI GROSS EAFE	2.56	7.15	4.81	24.09	23.59	18.73	1.63
BOK							
Metropolitan Library Commission	0.95	0.93	2.46	3.45	4.17	3.66	6.01



INVESTMENT PERFORMANCE PERIOD ENDING AUGUST 31, 2005

	LATEST MONTH ROR	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	TWO YEARS ROR	THREE YEARS ROR	FIVE YEARS ROR
BOk							
LB INT GOV'T/CREDIT	1.17	0.75	1.92	2.55	3.81	4.28	6.53
Total Fund							
Metropolitan Library Commission	0.24	3.03	3.85	10.81	9.73	9.59	4.44
Library Policy							
S&P 500	0.11	3.01	2.83	11.05	10.48	10.72	2.41
	-0.91	2.92	1.93	12.55	12.00	12.02	-2.71

The policy index reflects the returns of the manager's asset allocation if invested in the markets represented by the following indexes:

09/30/2003 - Present

39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
22.50%	RUSSELL 1000 GROWTH
22.50%	RUSSELL 1000 VALUE
3.75%	MSCI EAFE Value Gross of Fee
3.75%	MSCI GROSS EAFE INDEX
3.75%	RUSSELL 2000 GROWTH
3.75%	RUSSELL 2000 VALUE
1.00%	90 DAY U.S. TREASURY BILL

09/30/2001 - 09/30/2003

39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
22.50%	RUSSELL 1000 GROWTH
22.50%	RUSSELL 1000 VALUE
7.50%	MSCI GROSS EAFE INDEX
3.75%	RUSSELL 2000 GROWTH
3.75%	RUSSELL 2000 VALUE

INVESTMENT PERFORMANCE PERIOD ENDING AUGUST 31, 2005

1.00%	90 DAY U.S. TREASURY BILL
01/31/1950 - 09/30/2001	
45.00%	RUSSELL 1000
39.00%	LEHMAN BROS INTERM GOV'T/CREDIT INDEX
7.50%	MSCI GROSS EAFE INDEX
3.75%	RUSSELL 2000 GROWTH
3.75%	RUSSELL 2000 VALUE
1.00%	90 DAY U.S. TREASURY BILL

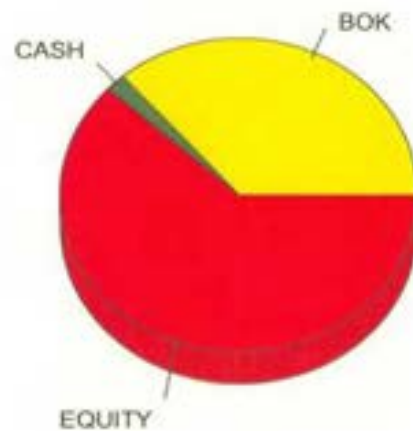
PERFORMANCE REPORT PERIOD ENDING AUGUST 2005

	Thousands \$ Invested	Latest Month	Latest Quarter	Calendar YTD	One Year	Two Years	Three Years	Since Inception
Windham - LCG	4,197.46	-1.85	1.35	2.43	11.13	9.35	11.47	N/A
Todd - LCV	4,207.41	-0.76	4.39	5.67	16.68	14.86	14.43	N/A
Franklin Sm-Mid Cap Growth - SCG	778.63	-0.05	9.24	6.31	25.18	15.23	18.47	N/A
Neuberger Berman Genesis - SCV	835.47	1.11	9.74	14.22	29.95	22.53	21.47	N/A
American Beacon Int'l Eq - ILCV	1,055.15	3.12	7.52	4.10	23.27	23.90	19.87	N/A
Ishares MSCI EAFE Index	530.44	3.84	8.46	5.59	24.67	N/A	N/A	N/A
BOK	6,815.22	0.95	0.93	2.46	3.45	4.17	3.66	6.03
Total Fund	18,701.61	0.24	3.03	3.85	10.81	9.73	9.59	7.26

"Equity" and "Fixed Income" segments exclude Cash
 BOK "Total Fund" return data includes equity account transferred to Windham & Todd
 iShares MSCI EAFE ETF added 10/23/03

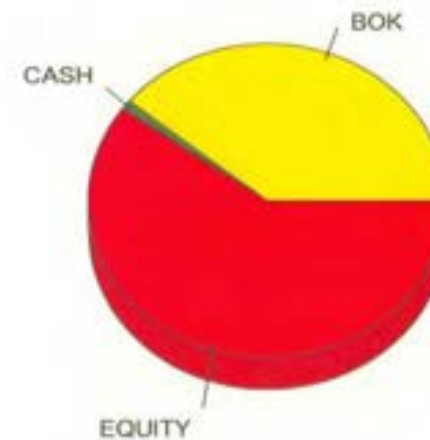
**ASSET ALLOCATION
PERIOD ENDING AUGUST 31, 2005**

ACTUAL



	VALUE	PERCENT
■ EQUITY	11,604,547	61.85
■ CASH	342,335	1.82
■ BOK	6,815,218	36.33
TOTAL	18,762,099	100.00

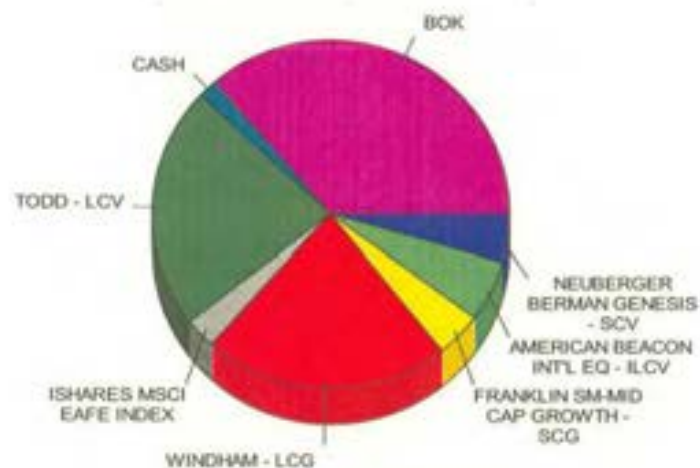
TARGET



	VALUE	PERCENT
■ EQUITY	11,220,965	60.00
■ CASH	187,016	1.00
■ BOK	7,293,628	39.00
TOTAL	18,701,609	100.00

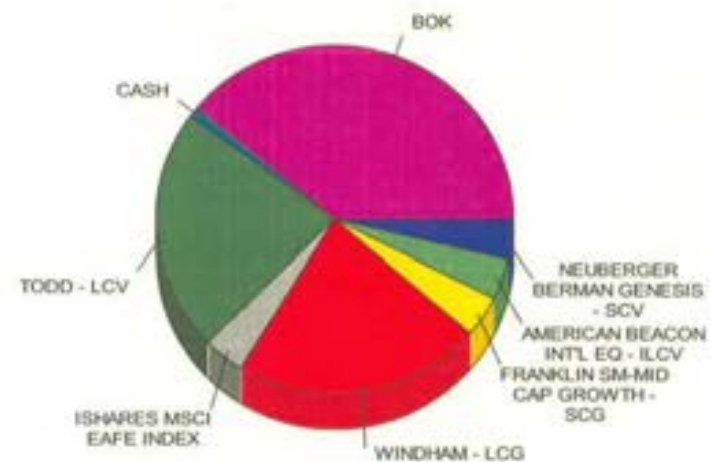
**ASSET ALLOCATION
SPECIFIC ASSET CLASS
PERIOD ENDING AUGUST 31, 2005**

ACTUAL



	THOUSANDS OF DOLLARS	
	VALUE	PERCENT
WINDHAM - LCG	4,197	22.37
TODD - LCV	4,207	22.43
FRANKLIN SM-MID CAP GROWTH - SCG	779	4.15
NEUBERGER BERMAN GENESIS - SCV	835	4.45
AMERICAN BEACON INTL EQ - ILCV	1,055	5.62
ISHARES MSCI EAFE INDEX	530	2.83
BOK	6,815	36.32
CASH	342	1.83

TARGET



	THOUSANDS OF DOLLARS	
	VALUE	PERCENT
WINDHAM - LCG	4,208	22.50
TODD - LCV	4,208	22.50
FRANKLIN SM-MID CAP GROWTH - SCG	701	3.75
NEUBERGER BERMAN GENESIS - SCV	701	3.75
AMERICAN BEACON INTL EQ - ILCV	701	3.75
ISHARES MSCI EAFE INDEX	701	3.75
BOK	7,294	39.00
CASH	187	1.00

METROPOLITAN LIBRARY SYSTEM'S AMENDMENT TO THE DEFINED BENEFIT PLAN

The Library Retirement Pension Board voted at its April 4, 2005 meeting to amend the current defined benefit plan by:

- Increasing the normal retirement age to 65
- Increasing employee's contributions to 4% (pre-tax)
- Allowing plan participants to "opt out" into a new defined contribution plan

The proposed amendment reflects those changes plus an additional change, which allows an early retirement option at age 62 for those participants who are vested. This additional amendment is cost-neutral to the Metropolitan Library System.

PROPOSED ACTION:

The Administration recommends the adoption of this amendment, effective August 29, 2005.

AMENDMENT

The Metropolitan Library System Pension Plan is hereby amended in the following respects, effective August 29, 2005 (unless otherwise indicated):

- 1) Section 1.1 of the Plan is hereby amended to read as follows:

1.1 Eligibility.

- A. Each Employee other than an Excluded Employee scheduled or projected to work 40 or more Hours of Service per week, becomes a Participant in the Plan the first day such Employee completes an Hour of Service and delivers completed Plan enrollment forms to the Pension Board.
- B. All Employees hired on or after August 29, 2005 shall be Excluded Employees and will not be eligible to participate in the Plan.
- C. Any Participant who is participating in the Plan prior to August 29, 2005 may elect to cease participation in the Plan effective August 29, 2005. Any Participant who makes such an election shall be an Excluded Employee. In addition, any Employee who makes such an election shall also have the option prior to August 29, 2005, to make a one time irrevocable election to transfer the Present Value of their Accrued Benefit (PVAB) in the Plan to the Defined Contribution Plan effective August 29, 2005

- 2) Section 1.5 B. of the Plan is hereby amended to read as follows:

1.5 Definitions. The following are definitions for this Section and for this Plan.

- B. "Employee" is a Metropolitan employee.

"Excluded Employee" is a Metropolitan Employee excluded as a Participant by Metropolitan. Excluded Employees shall also include those described in Sections 1.1B. and C.

- 3) Section 2.2 of the Plan is hereby amended to read as follows:

- 2.2 Participant Contributions. Each Participant is required to contribute 5% of his Compensation up to November 1, 1984 and 3% of his Compensation thereafter until the earlier of (i) his separation from Service, (ii) his completing 32 Years of Service or (iii) August 29, 2005. Participant contributions to the Prior Plan, with interest, transferred to this Plan are treated as Participant Contributions as of their transfer. As of August 29,

2005, each Participant is required to contribute 4% of his compensation to the Plan. The 4% contributions are being paid by the Employer in lieu of contributions by the Participants and are "picked up" by the Employer as that term is used in Internal Revenue Code Section 414(h)(2).

4) Section 3.3 of the Plan is hereby amended to read as follows:

3.3 Early Retirement Benefit. A Participant who retires on his Early Retirement Date (the first day of any month after he attains age 50, completes 20 Years of Credited Service before his Normal Retirement Date or attains age 62 and has completed 5 Years of Credited Service before his Normal Retirement Date, and has Metropolitan's consent) receives a benefit of the greater of the actuarial equivalent of his Accrued Benefit at his Normal Retirement Date or his Participant Contributions plus interest thereon.

5) Section 3.12 K. and L. of the Plan are hereby amended, effective for Participants who have not terminated employment prior to August 29, 2005, to read as follows:

3.12 Definitions. The following are definitions for this Section and for this Plan.

K. "Normal Retirement Age" is age 65.

L. "Normal Retirement Date" is the first day of the month on or after the Participant attains age 65 and completes 5 years of participation.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

By: Deanna Morris
Title: Executive Director
Date: 9-21-05

METROPOLITAN LIBRARY SYSTEM'S ADOPTION OF DEFINED CONTRIBUTION PLAN

The Library Retirement Pension Board voted at its April 4, 2005 meeting to begin a defined contribution plan, and further voted at its June 30, 2005 meeting to choose Mass Mutual as the plan's administrator. The attached proposed plan document reflects those decisions and management's further decisions on the features of that new plan.

PROPOSED ACTION:

The Administration recommends that the Metropolitan Library System Defined Contribution Plan be formally adopted as presented, effective August 29, 2005.

**METROPOLITAN LIBRARY SYSTEM
DEFINED CONTRIBUTION PLAN**

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(Intentionally left blank)

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(Intentionally left blank)

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SIMPLE 401(K) PROVISIONS

(Intentionally left blank)

ARTICLE I
DEFINITIONS

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

- 1.1 (Intentionally left blank)
- 1.2 (Intentionally left blank)
- 1.3 (Intentionally left blank)
- 1.4 "Administrator" means the Employer unless another person or entity has been designated by the Employer pursuant to Section 2.2 to administer the Plan on behalf of the Employer.
- 1.5 "Adoption Agreement" means the separate agreement which is executed by the Employer and sets forth the elective provisions of this Plan and Trust as specified by the Employer.
- 1.6 "Affiliated Employer" means any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Regulations under Code Section 414(o).
- 1.7 "Anniversary Date" means the last day of the Plan Year.
- 1.8 "Annuity Starting Date" means, with respect to any Participant, the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitles the Participant to such benefit.
- 1.9 "Beneficiary" means the person (or entity) to whom all or a portion of a deceased Participant's interest in the Plan is payable, subject to the restrictions of Sections 6.2 and 6.6.
- 1.10 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.11 "Compensation" with respect to any Participant means one of the following as elected in the Adoption Agreement:
- (a) Information required to be reported under Code Sections 6041, 6051 and 6052 (Wages, tips and other compensation as reported on Form W-2). Compensation means wages, within the meaning of Code Section 3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052. Compensation must be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).
- (b) Code Section 3401(a) Wages. Compensation means an Employee's wages within the meaning of Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).

(c) 415 Safe-Harbor Compensation. Compensation means wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Regulation 1.62-2(c))), and excluding the following:

- (1) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are excludable from the Employee's gross income, or any distributions from a plan of deferred compensation;
- (2) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (3) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (4) Other amounts which receive special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Code Section 403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

However, Compensation for any Self-Employed Individual shall be equal to Earned Income. Compensation shall include only that Compensation which is actually paid to the Participant during the determination period. Except as otherwise provided in this Plan, the determination period shall be the period elected by the Employer in the Adoption Agreement. If the Employer makes no election, the determination period shall be the Plan Year.

Notwithstanding the above, if elected in the Adoption Agreement, Compensation shall include all of the following types of elective contributions and all of the following types of deferred compensation:

- (a) Elective contributions that are made by the Employer on behalf of a Participant that are not includible in gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), and for Plan Years beginning on or after January 1, 2001 (or as of a date, no earlier than January 1, 1998, as specified in an addendum to the Adoption Agreement), 132(f)(4);
- (b) Compensation deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b); and
- (c) Employee contributions (under governmental plans) described in Code Section 414(b)(2) that are picked up by the employing unit and thus are treated as Employer contributions.

For Plan Years beginning on or after January 1, 1989, and before January 1, 1994, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed \$200,000. This limitation shall be adjusted by the Secretary at the same time and in the same manner as under Code Section 415(d), except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990.

For Plan Years beginning on or after January 1, 1994, Compensation in excess of \$150,000 (or such other amount provided in the Code) shall be disregarded for all purposes other than for purposes of salary deferral elections. Such amount shall be adjusted by the Commissioner for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the \$150,000 annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12).

If Compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual Compensation limit in effect for that prior period. For this purpose, in determining allocations in

Plan Years beginning on or after January 1, 1989, the annual compensation limit in effect for determination periods beginning before that date is \$200,000. In addition, in determining allocations in Plan Years beginning on or after January 1, 1994, the annual Compensation limit in effect for determination periods beginning before that date is \$150,000.

Notwithstanding the foregoing, except as otherwise elected in a non-standardized Adoption Agreement, the family member aggregation rules of Code Sections 401(a)(17) and 414(q)(6) as in effect prior to the enactment of the Small Business Job Protection Act of 1996 shall not apply to this Plan effective with respect to Plan Years beginning after December 31, 1996.

If, in the Adoption Agreement, the Employer elects to exclude a class of Employees from the Plan, then Compensation for any Employee who becomes eligible or ceases to be eligible to participate during a determination period shall only include Compensation while the Employee is an Eligible Employee.

If, in connection with the adoption of any amendment, the definition of Compensation has been modified, then, except as otherwise provided herein, for Plan Years prior to the Plan Year which includes the adoption date of such amendment, Compensation means compensation determined pursuant to the terms of the Plan then in effect.

1.12 "Contract" or "Policy" means any life insurance policy, retirement income policy, or annuity contract (group or individual) issued by the Insurer. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Plan provisions shall control.

1.13 "Designated Investment Alternative" means a specific investment identified by name by the Employer (or such other Fiduciary who has been given the authority to select investment options) as an available investment under the Plan to which Plan assets may be invested by the Trustee pursuant to the investment direction of a Participant.

1.14 "Directed Investment Option" means a Designated Investment Alternative and any other investment permitted by the Plan and the Participant Direction Procedures to which Plan assets may be invested pursuant to the investment direction of a Participant.

1.15 "Early Retirement Date" means the date specified in the Adoption Agreement on which a Participant or Former Participant has satisfied the requirements specified in the Adoption Agreement (Early Retirement Age). If elected in the Adoption Agreement, a Participant shall become fully Vested upon satisfying such requirements if the Participant is still employed at the Early Retirement Age.

A Former Participant who separates from service after satisfying any service requirement but before satisfying the age requirement for Early Retirement Age and who thereafter reaches the age requirement contained herein shall be entitled to receive benefits under this Plan (other than any accelerated vesting and allocations of Employer Contributions) as though the requirements for Early Retirement Age had been satisfied.

1.16 "Earned Income" means the net earnings from self-employment in the trade or business with respect to which the Plan is established, for which the personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions made by the Employer to a qualified plan to the extent deductible under Code Section 404. In addition, net earnings shall be determined with regard to the deduction allowed to the taxpayer by Code Section 164(f), for taxable years beginning after December 31, 1989.

1.17 (Intentionally left blank)

1.18 "Eligible Employee" means any Eligible Employee as elected in the Adoption Agreement and as provided herein. An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors. Furthermore, Employees of an Affiliated Employer will not be treated as "Eligible Employees" prior to the date the Affiliated Employer adopts the Plan as a Participating Employer.

If, in the Adoption Agreement, the Employer elects to exclude union employees, then Employees whose employment is governed by a collective bargaining agreement between the Employer and "employee representatives" under which retirement benefits were the subject of good faith bargaining and if two percent (2%) or

less of the Employees covered pursuant to that agreement are professionals as defined in Regulation 1.410(b)-9, shall not be eligible to participate in this Plan. For this purpose, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer.

If, in the Adoption Agreement, the Employer elects to exclude non-resident aliens, then Employees who are non-resident aliens (within the meaning of Code Section 7701(b)(1)(B)) who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)) shall not be eligible to participate in this Plan.

1.19 "Employee" means any person who is employed by the Employer. The term "Employee" shall also include any person who is an employee of an Affiliated Employer and any Leased Employee deemed to be an Employee as provided in Code Section 414(n) or (o).

1.20 "Employer" means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan and any predecessor which has maintained this Plan. In addition, unless the context means otherwise, the term "Employer" shall include any Participating Employer (as defined in Section 11.1) which shall adopt this Plan.

1.21 (Intentionally left blank)

1.22 (Intentionally left blank)

1.23 (Intentionally left blank)

1.24 (Intentionally left blank)

1.25 "Fiduciary" means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.26 "Fiscal Year" means the Employer's accounting year.

1.27 "Forfeiture" means, with respect to a Former Participant who has severed employment, that portion of the Participant's Account that is not Vested. Unless otherwise elected in the Adoption Agreement, Forfeitures occur pursuant to (a) below.

(a) A Forfeiture will occur on the earlier of:

(1) The last day of the Plan Year in which a Former Participant who has severed employment with the Employer incurs five (5) consecutive 1-Year Breaks in Service, or

(2) The distribution of the entire Vested portion of the Participant's Account of a Former Participant who has severed employment with the Employer. For purposes of this provision, if the Former Participant has a Vested benefit of zero, then such Former Participant shall be deemed to have received a distribution of such Vested benefit as of the year in which the severance of employment occurs.

(b) If elected in the Adoption Agreement, a Forfeiture will occur as of the last day of the Plan Year in which the Former Participant incurs five (5) 1-Year Breaks in Service.

Regardless of the preceding provisions, if a Former Participant is eligible to share in the allocation of Employer contributions or Forfeitures in the year in which the Forfeiture would otherwise occur, then the Forfeiture will not occur until the end of the first Plan Year for which the Former Participant is not eligible to share in the allocation of Employer contributions or Forfeitures. Furthermore, the term "Forfeiture" shall also include amounts deemed to be Forfeitures pursuant to any other provision of this Plan.

1.28 "Former Participant" means a person who has been a Participant, but who has ceased to be a Participant for any reason.

⁴ **1.29 "414(s) Compensation"** means any definition of compensation that satisfies the nondiscrimination requirements of Code Section 414(s) and the Regulations thereunder. The period for determining 414(s) Compensation

must be either the Plan Year or the calendar year ending with or within the Plan Year. An Employer may further limit the period taken into account to that part of the Plan Year or calendar year in which an Employee was a Participant in the component of the Plan being tested. The period used to determine 414(s) Compensation must be applied uniformly to all Participants for the Plan Year.

1.30 "415 Compensation" means, with respect to any Participant, such Participant's (a) Wages, tips and other compensation on Form W-2, (b) Section 3401(a) wages or (c) 415 safe-harbor compensation as elected in the Adoption Agreement for purposes of Compensation. 415 Compensation shall be based on the full Limitation Year regardless of when participation in the Plan commences. Furthermore, regardless of any election made in the Adoption Agreement, with respect to Limitation Years beginning after December 31, 1997, 415 Compensation shall include any elective deferral (as defined in Code Section 402(g)(3)) and any amount which is contributed or deferred by the Employer at the election of the Participant and which is not includible in the gross income of the Participant by reason of Code Section 125, 457, and, for Limitation Years beginning on or after January 1, 2001 (or as of a date, no earlier than January 1, 1998, as specified in an addendum to the Adoption Agreement), 132(f)(4). For Limitation Years beginning prior to January 1, 1998, 415 Compensation shall exclude such amounts.

Except as otherwise provided herein, if, in connection with the adoption of any amendment, the definition of 415 Compensation has been modified, then for Plan Years prior to the Plan Year which includes the adoption date of such amendment, 415 Compensation means compensation determined pursuant to the terms of the Plan then in effect.

1.31 "Highly Compensated Employee" means, effective for Plan Years beginning after December 31, 1996, an Employee described in Code Section 414(q) and the Regulations thereunder, and generally means any Employee who:

- (a) was a "five percent (5%) owner" as defined in Section 1.37(c) at any time during the "determination year" or the "look-back year"; or
- (b) for the "look-back year" had 415 Compensation from the Employer in excess of \$80,000 and, if elected in the Adoption Agreement, was in the Top-Paid Group for the "look-back year." The \$80,000 amount is adjusted at the same time and in the same manner as under Code Section 415(d), except that the base period is the calendar quarter ending September 30, 1996.

The "determination year" means the Plan Year for which testing is being performed and the "look-back year" means the immediately preceding twelve (12) month period. However, if the calendar year data election is made in the Adoption Agreement, for purposes of (b) above, the "look-back year" shall be the calendar year beginning within the twelve (12) month period immediately preceding the "determination year." Notwithstanding the preceding sentence, if the calendar year data election is effective with respect to a Plan Year beginning in 1997, then for such Plan Year the "look-back year" shall be the calendar year ending with or within the Plan Year for which testing is being performed, and the "determination year" shall be the period of time, if any, which extends beyond the "look-back year" and ends on the last day of the Plan Year for which testing is being performed.

A highly compensated former employee is based on the rules applicable to determining highly compensated employee status as in effect for that "determination year," in accordance with Regulation 1.414(q)-1T, A-4 and IRS Notice 97-45 (or any superseding guidance).

In determining whether an employee is a Highly Compensated Employee for a Plan Year beginning in 1997, the amendments to Code Section 414(q) stated above are treated as having been in effect for years beginning in 1996.

For purposes of this Section, for Plan Years beginning prior to January 1, 1998, the determination of 415 Compensation shall be made by including amounts that would otherwise be excluded from a Participant's gross income by reason of the application of Code Sections 125, 402(e)(3), 402(h)(1)(B) and, for Plan Years beginning on or after January 1, 2001 (or as of a date, no earlier than January 1, 1998, as specified in an addendum to the Adoption Agreement), 132(f)(4), and, in the case of Employer contributions made pursuant to a salary reduction agreement, Code Section 403(b).

In determining who is a Highly Compensated Employee, Employees who are non-resident aliens and who received no earned income (within the meaning of Code Section 911(d)) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees. Additionally, all Affiliated Employers shall be taken into account as a single employer and Leased Employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) shall be considered Employees unless such Leased Employees

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are covered by a plan described in Code Section 414(n)(5) and are not covered in any qualified plan maintained by the Employer. The exclusion of Leased Employees for this purpose shall be applied on a uniform and consistent basis for all of the Employer's retirement plans.

1.32 "Highly Compensated Participant" means any Highly Compensated Employee who is eligible to participate in the component of the Plan being tested.

1.33 "Hour of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties during the applicable computation period (these hours will be credited to the Employee for the computation period in which the duties are performed); (2) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, incapacity (including disability), jury duty, lay-off, military duty or leave of absence) during the applicable computation period (these hours will be calculated and credited pursuant to Department of Labor regulation 2530.200b-2 which is incorporated herein by reference); (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3).

Notwithstanding (2) above, (i) no more than 501 Hours of Service are required to be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, or unemployment compensation or disability insurance laws; and (iii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee. Furthermore, for purposes of (2) above, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or insurer, to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

Hours of Service will be credited for employment with all Affiliated Employers and for any individual considered to be a Leased Employee pursuant to Code Section 414(n) or 414(o) and the Regulations thereunder. Furthermore, the provisions of Department of Labor regulations 2530.200b-2(b) and (c) are incorporated herein by reference.

Hours of Service will be determined on the basis of the method elected in the Adoption Agreement.

1.34 "Insurer" means any legal reserve insurance company which has issued or shall issue one or more Contracts or Policies under the Plan.

1.35 "Investment Manager" means a Fiduciary as described in Act Section 3(38).

1.36 (Intentionally left blank)

1.37 (Intentionally left blank)

1.38 "Late Retirement Date" means the date of, or the first day of the month or the Anniversary Date coinciding with or next following, whichever corresponds to the election in the Adoption Agreement for the Normal Retirement Date, a Participant's actual retirement after having reached the Normal Retirement Date.

1.39 "Leased Employee" means, effective with respect to Plan Years beginning on or after January 1, 1997, any person (other than an Employee of the recipient Employer) who, pursuant to an agreement between the recipient Employer and any other person or entity ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient Employer. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. Furthermore, Compensation for a Leased Employee shall only include Compensation from the leasing organization that is attributable to services performed for the recipient Employer.

A Leased Employee shall not be considered an employee of the recipient Employer if: (a) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code Section 415(c)(3), but for Plan Years beginning prior to January 1, 1998, including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b), or for Plan Years beginning on or after January 1, 2001 (or as of a date, no earlier than January 1, 1998, as specified in an addendum to the Adoption Agreement), 132(f)(4), (2) immediate participation, and (3) full and immediate vesting; and (b) leased employees do not constitute more than twenty percent (20%) of the recipient Employer's nonhighly compensated workforce.

1.40 "Limitation Year" means the determination period used to determine Compensation. However, the Employer may elect a different Limitation Year in the Adoption Agreement or by adopting a written resolution to such effect. All qualified plans maintained by the Employer must use the same Limitation Year. Furthermore, unless there is a change to a new Limitation Year, the Limitation Year will be a twelve (12) consecutive month period. In the case of an initial Limitation Year, the Limitation Year will be the twelve (12) consecutive month period ending on the last day of the period specified in the Adoption Agreement (or written resolution). If the Limitation Year is amended to a different twelve (12) consecutive month period, the new "Limitation Year" must begin on a date within the "Limitation Year" in which the amendment is made.

1.41 "Net Profit" means, with respect to any Fiscal Year, the Employer's net income or profit for such Fiscal Year determined upon the basis of the Employer's books of account in accordance with generally accepted accounting principles, without any reduction for taxes based upon income, or for contributions made by the Employer to this Plan and any other qualified plan.

1.42 "Non-Eligible Contribution" means the Employer's contributions to the Plan other than elective deferrals, any qualified non-elective contributions and any qualified matching contributions.

1.43 (Intentionally left blank)

1.44 (Intentionally left blank)

1.45 "Normal Retirement Age" means the age elected in the Adoption Agreement at which time a Participant's Account shall be nonforfeitable (if the Participant is employed by the Employer on or after that date).

1.46 "Normal Retirement Date" means the date elected in the Adoption Agreement.

1.47 "1-Year Break in Service" means, if the Hour of Service Method is elected in the Adoption Agreement, the applicable computation period during which an Employee or former Employee has not completed more than 500 Hours of Service. Further, solely for the purpose of determining whether an Employee has incurred a 1-Year Break in Service, Hours of Service shall be recognized for "authorized leaves of absence" and "maternity and paternity leaves of absence." For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefore is necessary to prevent the Employee from incurring a 1-Year Break in Service, or, in any other case, in the immediately following computation period. The Hours of Service credited for a "maternity or paternity leave of absence" shall be those which would normally have been credited but for such absence, or, in any case in which the Administrator is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "maternity or paternity leave of absence" shall not exceed the number of Hours of Service needed to prevent the Employee from incurring a 1-Year Break in Service.

"Authorized leave of absence" means an unpaid, temporary cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, whether occasioned by illness, military service, or any other reason.

A "maternity or paternity leave of absence" means an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement.

If the Elapsed Time Method is elected in the Adoption Agreement, a "1-Year Break in Service" means a twelve (12) consecutive month period beginning on the severance from service date or any anniversary thereof and ending on the next succeeding anniversary of such date; provided, however, that the Employee or former Employee does not perform an Hour of Service for the Employer during such twelve (12) consecutive month period.

1.48 "Owner-Employee" means a sole proprietor who owns the entire interest in the Employer or a partner (or member in the case of a limited liability company treated as a partnership or sole proprietorship for federal income tax purposes) who owns more than ten percent (10%) of either the capital interest or the profits interest in the Employer and who receives income for personal services from the Employer.

1.49 "Participant" means any Eligible Employee who has satisfied the requirements of Section 3.2 and has not for any reason become ineligible to participate further in the Plan.

1.50 "Participant Directed Account" means that portion of a Participant's interest in the Plan with respect to which the Participant has directed the investment in accordance with the Participant Direction Procedures.

1.51 "Participant Direction Procedures" means such instructions, guidelines or policies, the terms of which are incorporated herein, as shall be established pursuant to Section 4.10 and observed by the Administrator and applied and provided to Participants who have Participant Directed Accounts.

1.52 "Participant's Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's total interest under the Plan resulting from (a) the Employer's contributions in the case of a Profit Sharing Plan or Money Purchase Plan, and (b) the Employer's Non-Elective Contributions in the case of a 401(k) Profit Sharing Plan. Separate accountings shall be maintained with respect to that portion of a Participant's Account attributable to Employer matching contributions and to Employer discretionary contributions made pursuant to Section 12.1(a)(3).

1.53 "Participant's Combined Account" means the total aggregate amount of a Participant's interest under the Plan resulting from Employer contributions.

1.54 (Intentionally left blank)

1.55 "Participant's Rollover Account" means the account established and maintained by the Administrator for each Participant with respect to such Participant's interest in the Plan resulting from amounts transferred from another qualified plan or "conduit" Individual Retirement Account in accordance with Section 4.6.

1.56 "Participant's Transfer Account" means the account established and maintained by the Administrator for each Participant with respect to the total interest in the Plan resulting from amounts transferred to this Plan from a direct plan-to-plan transfer in accordance with Section 4.7.

1.57 "Period of Service" means the aggregate of all periods commencing with an Employee's first day of employment or reemployment with the Employer or an Affiliated Employer and ending on the first day of a Period of Severance. The first day of employment or reemployment is the first day the Employee performs an Hour of Service. An Employee will also receive partial credit for any Period of Severance of less than twelve (12) consecutive months. Fractional periods of a year will be expressed in terms of days.

Periods of Service with any Affiliated Employer shall be recognized. Furthermore, Periods of Service with any predecessor employer that maintained this Plan shall be recognized. Periods of Service with any other predecessor employer shall be recognized as elected in the Adoption Agreement.

In determining Periods of Service for purposes of vesting under the Plan, Periods of Service will be excluded as elected in the Adoption Agreement and as specified in Section 3.5.

In the event the method of crediting service is amended from the Hour of Service Method to the Elapsed Time Method, an Employee will receive credit for a Period of Service consisting of:

- (a) A number of years equal to the number of Years of Service credited to the Employee before the computation period during which the amendment occurs; and
- (b) The greater of (1) the Periods of Service that would be credited to the Employee under the Elapsed Time Method for service during the entire computation period in which the transfer occurs or (2) the service taken into account under the Hour of Service Method as of the date of the amendment.

In addition, the Employee will receive credit for service subsequent to the amendment commencing on the day after the last day of the computation period in which the transfer occurs.

1.58 "Period of Severance" means a continuous period of time during which an Employee is not employed by the Employer. Such period begins on the date the Employee retires, quits or is discharged, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for "maternity or paternity" reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a one year Period of Severance. For purposes of this paragraph, an absence from work for "maternity or paternity" reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

1.59 "Plan" means this instrument (hereinafter referred to as Cross-Tested Defined Contribution Plan and Trust) and the Adoption Agreement as adopted by the Employer, including all amendments thereto and any addendum which is specifically permitted pursuant to the terms of the Plan.

1.60 "Plan Year" means the Plan's accounting year as specified in the Adoption Agreement. Unless there is a Short Plan Year, the Plan Year will be a twelve-consecutive month period.

1.61 (Intentionally left blank)

1.62 (Intentionally left blank)

1.63 (Intentionally left blank)

1.64 (Intentionally left blank)

1.65 (Intentionally left blank)

1.66 (Intentionally left blank)

1.67 "Regulation" means the Income Tax Regulations as promulgated by the Secretary of the Treasury or a delegate of the Secretary of the Treasury, and as amended from time to time.

1.68 "Retired Participant" means a person who has been a Participant, but who has become entitled to retirement benefits under the Plan.

1.69 "Retirement Date" means the date as of which a Participant retires for reasons other than Total and Permanent Disability, regardless of whether such retirement occurs on a Participant's Normal Retirement Date, Early Retirement Date or Late Retirement Date (see Section 6.1).

1.70 "Self-Employed Individual" means an individual who has Earned Income for the taxable year from the trade or business for which the Plan is established, and, also, an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the taxable year. A Self-Employed Individual shall be treated as an Employee.

1.71 (Intentionally left blank)

1.72 "Short Plan Year" means, if specified in the Adoption Agreement, a Plan Year of less than a twelve (12) month period. If there is a Short Plan Year, the following rules shall apply in the administration of this Plan. In determining whether an Employee has completed a Year of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes in the Short Plan Year, the number of the Hours of Service (or months of service if the Elapsed Time Method is used) required shall be proportionately reduced based on the number of days (or months) in the Short Plan Year. The determination of whether an Employee has completed a Year of Service (or Period of Service) for vesting and eligibility purposes shall be made in accordance with Department of Labor regulation 2530.203-2(c)(Intentionally left blank)

1.73 (Intentionally left blank)

1.74 "Taxable Wage Base" means, with respect to any Plan Year, the contribution and benefit base under Section 230 of the Social Security Act at the beginning of such Plan Year.

1.75 "Terminated Participant" means a person who has been a Participant, but whose employment has been terminated other than by death, Total and Permanent Disability or retirement.

1.76 (Intentionally left blank)

1.77 (Intentionally left blank)

1.78 "Top-Paid Group" shall be determined pursuant to Code Section 414(q) and the Regulations thereunder and generally means the top twenty percent (20%) of Employees who performed services for the Employer during the applicable year, ranked according to the amount of 415 Compensation received from the Employer during such year. All Affiliated Employers shall be taken into account as a single employer, and Leased Employees shall be treated as Employees if required pursuant to Code Section 414(n) or (o). Employees who are non-resident aliens who received no earned income (within the meaning of Code Section 911(d)(2)) from the Employer constituting United States source income within the meaning of Code Section 861(a)(3) shall not be treated as Employees. Furthermore, for the purpose of determining the number of active Employees in any year, the following additional Employees may also be excluded, however, such Employees shall still be considered for the purpose of identifying the particular Employees in the Top-Paid Group:

- (a) Employees with less than six (6) months of service;
- (b) Employees who normally work less than 17 1/2 hours per week;
- (c) Employees who normally work less than six (6) months during a year; and
- (d) Employees who have not yet attained age twenty-one (21).

In addition, if ninety percent (90%) or more of the Employees of the Employer are covered under agreements the Secretary of Labor finds to be collective bargaining agreements between Employee representatives and the Employer, and the Plan covers only Employees who are not covered under such agreements, then Employees covered by such agreements shall be excluded from both the total number of active Employees as well as from the identification of particular Employees in the Top-Paid Group.

The foregoing exclusions set forth in this Section shall be applied on a uniform and consistent basis for all purposes for which the Code Section 414(q) definition is applicable. Furthermore, in applying such exclusions, the Employer may substitute any lesser service, hours or age.

1.79 "Total and Permanent Disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The disability of a Participant shall be determined by a licensed physician chosen by the Administrator. However, if the condition constitutes total disability under the federal Social Security Acts, the Administrator may rely upon such determination that the Participant is Totally and Permanently Disabled for the purposes of this Plan. The determination shall be applied uniformly to all Participants.

1.80 "Trustee" means the person or entity named in the Adoption Agreement, or any successors thereto.

1.81 "Trust Fund" means the assets of the Plan and Trust as the same shall exist from time to time.

1.82 "Valuation Date" means the date or dates specified in the Adoption Agreement. Regardless of any election to the contrary, the Valuation Date shall include the Anniversary Date and may include any other date or dates deemed necessary or appropriate by the Administrator for the valuation of Participants' Accounts during the Plan Year, which may include any day that the Trustee, any transfer agent appointed by the Trustee or the Employer, or any stock exchange used by such agent, are open for business.

1.83 "Vested" means the nonforfeitable portion of any account maintained on behalf of a Participant.

1.84 (Intentionally left blank)

1.85 "Year of Service" means the computation period of twelve (12) consecutive months, herein set forth, and during which an Employee has completed at least 1,000 Hours of Service (unless a lower number of Hours of Service is specified in the Adoption Agreement).

For purposes of eligibility for participation, the initial computation period shall begin with the date on which the Employee first performs an Hour of Service (employment commencement date). The initial computation period beginning after a 1-Year Break in Service shall be measured from the date on which an Employee again performs an Hour of Service. Unless otherwise elected in the Adoption Agreement, the succeeding computation periods shall begin on the anniversary of the Employee's employment commencement date. However, unless otherwise elected in the Adoption Agreement, if one (1) Year of Service or less is required as a condition of eligibility, then the computation period after the initial computation period shall shift to the current Plan Year which includes the anniversary of the date on which the Employee first performed an Hour of Service, and subsequent computation periods shall be the Plan Year. If there is a shift to the Plan Year, an Employee who is credited with the number of Hours of Service to be credited with a Year of Service in both the initial eligibility computation period and the first Plan Year which commences prior to the first anniversary of the Employee's initial eligibility computation period will be credited with two (2) Years of Service for purposes of eligibility to participate.

If two (2) Years of Service are required as a condition of eligibility, a Participant will only have completed two (2) Years of Service for eligibility purposes upon completing two (2) consecutive Years of Service without an intervening 1-Year Break-in-Service.

For vesting purposes, and all other purposes not specifically addressed in this Section, the computation period shall be the period elected in the Adoption Agreement. If no election is made in the Adoption Agreement, the computation period shall be the Plan Year.

In determining Years of Service for purposes of vesting under the Plan, Years of Service will be excluded as elected in the Adoption Agreement and as specified in Section 3.5.

Years of Service and 1-Year Breaks in Service for eligibility purposes will be measured on the same eligibility computation period. Years of Service and 1-Year Breaks in Service for vesting purposes will be measured on the same vesting computation period.

Years of Service with any Affiliated Employer shall be recognized. Furthermore, Years of Service with any predecessor employer that maintained this Plan shall be recognized. Years of Service with any other predecessor employer shall be recognized as elected in the Adoption Agreement.

In the event the method of crediting service is amended from the Elapsed Time Method to the Hour of Service Method, an Employee will receive credit for Years of Service equal to:

- (a) The number of Years of Service equal to the number of 1-year Periods of Service credited to the Employee as of the date of the amendment; and
- (b) In the computation period which includes the date of the amendment, a number of Hours of Service (using the Hours of Service equivalency method elected in the Adoption Agreement) to any fractional part of a year credited to the Employee under this Section as of the date of the amendment.

ARTICLE II ADMINISTRATION

2.1 POWERS AND RESPONSIBILITIES OF THE EMPLOYER

(a) In addition to the general powers and responsibilities otherwise provided for in this Plan, the Employer shall be empowered to appoint and remove the Trustee and the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan, the Code, and the Act. The Employer may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Employer deems necessary or desirable in connection with the exercise of its fiduciary duties under this Plan. The Employer may compensate such agents or advisers from the assets of the Plan as fiduciary expenses (but not including any business (settlor) expenses of the Employer), to the extent not paid by the Employer.

(b) The Employer shall establish a "funding policy and method," i.e., it shall determine whether the Plan has a short run need for liquidity (e.g., to pay benefits) or whether liquidity is a long run goal and investment growth (and stability of same) is a more current need, or shall appoint a qualified person to do so. If the Trustee has discretionary authority, the Employer or its delegate shall communicate such

needs and goals to the Trustee, who shall coordinate such Plan needs with its investment policy. The communication of such a "funding policy and method" shall not, however, constitute a directive to the Trustee as to the investment of the Trust Funds. Such "funding policy and method" shall be consistent with the objectives of this Plan.

(c) The Employer may appoint, at its option, an Investment Manager, investment adviser, or other agent to provide direction to the Trustee with respect to any or all of the Plan assets. Such appointment shall be given by the Employer in writing in a form acceptable to the Trustee and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have the authority to direct the investment.

(d) The Employer shall periodically review the performance of any Fiduciary or other person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Employer or by a qualified person specifically designated by the Employer, through day-to-day conduct and evaluation, or through other appropriate ways.

2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Employer may appoint one or more Administrators. If the Employer does not appoint an Administrator, the Employer will be the Administrator. Any person, including, but not limited to, the Employees of the Employer, shall be eligible to serve as an Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. An Administrator may resign by delivering a written resignation to the Employer or be removed by the Employer by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery to the Administrator if no date is specified. Upon the resignation or removal of an Administrator, the Employer may designate in writing a successor to this position.

2.3 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Administrator, the responsibilities of each Administrator may be specified by the Employer and accepted in writing by each Administrator. In the event that no such delegation is made by the Employer, the Administrators may allocate the responsibilities among themselves, in which event the Administrators shall notify the Employer and the Trustee in writing of such action and specify the responsibilities of each Administrator. The Trustee thereafter shall accept and rely upon any documents executed by the appropriate Administrator until such time as the Employer or the Administrators file with the Trustee a written revocation of such designation.

2.4 POWERS AND DUTIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Benefits under this Plan will be paid only if the Administrator decides in its discretion that the applicant is entitled to them. Any such determination by the Administrator shall be conclusive and binding upon all persons. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan continue to be deemed a qualified plan under the terms of Code Section 401(a), and shall comply with the terms of the Code and all regulations issued pursuant thereto. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan.

The Administrator shall be charged with the duties of the general administration of the Plan and the powers necessary to carry out such duties as set forth under the terms of the Plan, including, but not limited to, the following:

- (a) the discretion to determine all questions relating to the eligibility of an Employee to participate or remain a Participant hereunder and to receive benefits under the Plan;
- (b) the authority to review and settle all claims against the Plan, including claims where the settlement amount cannot be calculated or is not calculated in accordance with the Plan's benefit formula.

Cross-Tested Defined Contribution Plan

This authority specifically permits the Administrator to settle, in compromise fashion, disputed claims for benefits and any other disputed claims made against the Plan;

- (c) to compute, certify, and direct the Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
- (d) to authorize and direct the Trustee with respect to all discretionary or otherwise directed disbursements from the Trust Fund;
- (e) to maintain all necessary records for the administration of the Plan;
- (f) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan that are consistent with the terms hereof;
- (g) to determine the size and type of any Contract to be purchased from any Insurer, and to designate the Insurer from which such Contract shall be purchased;
- (h) to compute and certify to the Employer and to the Trustee from time to time the sums of money necessary or desirable to be contributed to the Plan;
- (i) to consult with the Employer and the Trustee regarding the short and long-term liquidity needs of the Plan in order that the Trustee can exercise any investment discretion (if the Trustee has such discretion), in a manner designed to accomplish specific objectives;
- (j) (Intentionally left blank)
- (k) to assist Participants regarding their rights, benefits, or elections available under the Plan;
- (l) to act as the named Fiduciary responsible for communicating with Participants as needed to maintain Plan compliance with the Code, including, but not limited to, the receipt and transmission of Participants' directions as to the investment of their accounts under the Plan and the formation of policies, rules, and procedures pursuant to which Participants may give investment instructions with respect to the investment of their accounts; and
- (m) to determine the validity of, and take appropriate action with respect to, any qualified domestic relations order received by it.

2.5 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

2.6 APPOINTMENT OF ADVISERS

The Administrator may appoint counsel, specialists, advisers, agents (including nonfiduciary agents) and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan, including but not limited to agents and advisers to assist with the administration and management of the Plan, and thereby to provide, among such other duties as the Administrator may appoint, assistance with maintaining Plan records and the providing of investment information to the Plan's investment fiduciaries and, if applicable, to Plan Participants.

2.7 INFORMATION FROM EMPLOYER

The Employer shall supply full and timely information to the Administrator on all pertinent facts as the Administrator may require in order to perform its functions hereunder and the Administrator shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Administrator may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

2.8 PAYMENT OF EXPENSES

All expenses of administration may be paid out of the Trust Fund unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any Employer incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator or Trustee in carrying out the instructions of Participants as to the directed investment of their accounts (if permitted) and other specialists and their agents and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund.

2.9 MAJORITY ACTIONS

Except where there has been an allocation and delegation of administrative authority pursuant to Section 2.3, if there is more than one Administrator, then they shall act by a majority of their number, but may authorize one or more of them to sign all papers on their behalf.

2.10 CLAIMS PROCEDURE

Claims for benefits under the Plan may be filed in writing with the Administrator. Written notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days after the application is filed. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

2.11 CLAIMS REVIEW PROCEDURE

Any Employee, former Employee, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 2.10 shall be entitled to request the Administrator to give further consideration to the claim by filing with the Administrator a written request for a hearing. Such request, together with a written statement of the reasons why the claimant believes such claim should be allowed, shall be filed with the Administrator no later than sixty (60) days after receipt of the written notification provided for in Section 2.10. The Administrator shall then conduct a hearing within the next sixty (60) days, at which the claimant may be represented by an attorney or any other representative of such claimant's choosing and expense and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of the claim. At the hearing (or prior thereto upon five (5) business days written notice to the Administrator) the claimant or the claimant's representative shall have an opportunity to review all documents in the possession of the Administrator which are pertinent to the claim at issue and its disallowance. Either the claimant or the Administrator may cause a court reporter to attend the hearing and record the proceedings. In such event, a complete written transcript of the proceedings shall be furnished to both parties by the court reporter. The full expense of any such court reporter and such transcripts shall be borne by the party causing the court reporter to attend the hearing. A final decision as to the allowance of the claim shall be made by the Administrator within sixty (60) days of receipt of the appeal (unless there has been an extension of sixty (60) days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the sixty (60) day period). Such communication shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. Notwithstanding the preceding, to the extent any of the time periods specified in this Section are amended by law, then the time frames specified herein shall automatically be changed in accordance with such law or regulation.

If the Administrator, pursuant to the claims review procedure, makes a final written determination denying a Participant's or Beneficiary's benefit claim, then in order to preserve the claim, the Participant or Beneficiary must file an action with respect to the denied claim not later than one hundred eighty (180) days following the date of the Administrator's final determination.

ARTICLE III ELIGIBILITY

3.1 CONDITIONS OF ELIGIBILITY

Any Eligible Employee shall be eligible to participate hereunder on the date such Employee has satisfied the conditions of eligibility elected in the Adoption Agreement.

3.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee who has satisfied the conditions of eligibility pursuant to Section 3.1 shall become a Participant effective as of the date elected in the Adoption Agreement. If said Employee is not employed on such date, but is reemployed before a 1-Year Break in Service has occurred, then such Employee shall become a Participant on the date of reemployment or, if later, the date that the Employee would have otherwise entered the Plan had the Employee not terminated employment.

Unless specifically provided otherwise in the Adoption Agreement, an Eligible Employee who satisfies the Plan's eligibility requirement conditions by reason of recognition of service with a predecessor employer will become a Participant as of the day the Plan credits service with a predecessor employer or, if later, the date the Employee would have otherwise entered the Plan had the service with the predecessor employer been service with the Employer.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise have become a Participant, shall go from a classification of a noneligible Employee to an Eligible Employee, such Employee shall become a Participant on the date such Employee becomes an Eligible Employee or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee.

If an Employee, who has satisfied the Plan's eligibility requirements and would otherwise become a Participant, shall go from a classification of an Eligible Employee to a noneligible class of Employees, such Employee shall become a Participant in the Plan on the date such Employee again becomes an Eligible Employee, or, if later, the date that the Employee would have otherwise entered the Plan had the Employee always been an Eligible Employee. However, if such Employee incurs a 1-Year Break in Service, eligibility will be determined under the Break in Service rules set forth in Section 3.5.

3.3 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan and the Act. Such determination shall be subject to review pursuant to Section 2.11.

3.4 TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Employee to an ineligible Employee, such Former Participant shall continue to vest in the Plan for each Year of Service (or Period of Service, if the Elapsed Time Method is used) completed while an ineligible Employee, until such time as the Participant's Account is forfeited or distributed pursuant to the terms of the Plan. Additionally, the Former Participant's interest in the Plan shall continue to share in the earnings of the Trust Fund in the same manner as Participants.

3.5 REHIRED EMPLOYEES AND BREAKS IN SERVICE

(a) If any Participant becomes a Former Participant due to severance from employment with the Employer and is reemployed by the Employer before a 1-Year Break in Service occurs, the Former Participant shall become a Participant as of the reemployment date.

(b) If any Participant becomes a Former Participant due to severance from employment with the Employer and is reemployed after a 1-Year Break in Service has occurred, Years of Service (or Periods of Service if the Elapsed Time Method is being used) shall include Years of Service (or Periods of Service if the Elapsed Time Method is being used) prior to the 1-Year Break in Service subject to the following rules:

(1) In the case of a Former Participant who under the Plan does not have a nonforfeitable right to any interest in the Plan resulting from Employer contributions, Years of Service (or Periods of Service) before a period of 1-Year Breaks in Service will not be taken into account if the number of consecutive 1-Year Breaks in Service equals or exceeds the greater of (A) five (5) or (B) the aggregate number of pre-break Years of Service (or Periods of Service). Such aggregate number of Years of Service (or Periods of Service) will not include any Years of Service (or Periods of Service) disregarded under the preceding sentence by reason of prior 1-Year Breaks in Service;

(2) A Former Participant who has not had Years of Service (or Periods of Service) before a 1-Year Break in Service disregarded pursuant to (1) above, shall participate in the Plan as of the date of reemployment, or if later, as of the date the Former Participant would otherwise enter the Plan pursuant to Sections 3.1 and 3.2 taking into account all service not disregarded.

(c) After a Former Participant who has severed employment with the Employer incurs five (5) consecutive 1-Year Breaks in Service, the Vested portion of such Former Participant's Account attributable to pre-break service shall not be increased as a result of post-break service. In such case, separate accounts will be maintained as follows:

- (1) one account for nonforfeitable benefits attributable to pre-break service; and
- (2) one account representing the Participant's Employer-derived account balance in the Plan attributable to post-break service.

(d) If any Participant becomes a Former Participant due to severance of employment with the Employer and is reemployed by the Employer before five (5) consecutive 1-Year Breaks in Service, and such Former Participant had received a distribution of the entire Vested interest prior to reemployment, then the forfeited account shall be reinstated only if the Former Participant repays the full amount which had been distributed. Such repayment must be made before the earlier of five (5) years after the first date on which the Participant is subsequently reemployed by the Employer or the close of the first period of five (5) consecutive 1-Year Breaks in Service commencing after the distribution. If a distribution occurs for any reason other than a severance of employment, the time for repayment may not end earlier than five (5) years after the date of distribution. In the event the Former Participant does repay the full amount distributed, the undistributed forfeited portion of the Participant's Account must be restored in full, unadjusted by any gains or losses occurring subsequent to the Valuation Date preceding the distribution. The source for such reinstatement may be Forfeitures occurring during the Plan Year. If such source is insufficient, then the Employer will contribute an amount which is sufficient to restore the Participant's Account, provided, however, that if a discretionary contribution is made for such year, such contribution will first be applied to restore any such accounts and the remainder shall be allocated in accordance with the terms of the Plan. If a non-Vested Former Participant was deemed to have received a distribution and such Former Participant is reemployed by the Employer before five (5) consecutive 1-Year Breaks in Service, then such Participant will be deemed to have repaid the deemed distribution as of the date of reemployment.

3.6 ELECTION NOT TO PARTICIPATE

An Employee may, subject to the approval of the Employer, elect voluntarily not to participate in the Plan. The election not to participate must be irrevocable and communicated to the Employer, in writing, within a reasonable period of time before the beginning of the first Plan Year.

3.7 CONTROL OF ENTITIES BY OWNER-EMPLOYEE (Intentionally left blank)

ARTICLE IV CONTRIBUTION AND ALLOCATION

4.1 FORMULA FOR DETERMINING EMPLOYER'S CONTRIBUTION

(a) For a Money Purchase Plan:

(1) The Employer will make contributions on the following basis. On behalf of each Participant eligible to share in allocations, for each year of such Participant's participation in this Plan, the Employer will contribute the amount elected in the Adoption Agreement. All contributions by the Employer will be made in cash. In the event a funding waiver is obtained, this Plan shall be deemed to be an individually designed plan.

(2) Notwithstanding the foregoing, with respect to an Employer which is not a tax-exempt entity, the Employer's contribution for any Fiscal Year shall not exceed the maximum amount allowable as a deduction to the Employer under the provisions of Code Section 404.

(b) For a Profit Sharing Plan:

(1) For each Plan Year, the Employer may (or will in the case of a Prevailing Wage contribution) contribute to the Plan such amount as elected by the Employer in the Adoption Agreement.

(2) (Intentionally left blank)

4.2 TIME OF PAYMENT OF EMPLOYER'S CONTRIBUTION

Unless otherwise provided by contract or law, the Employer may make its contribution to the Plan for a particular Plan Year at such time as the Employer, in its sole discretion, determines. If the Employer makes a contribution for a particular Plan Year after the close of that Plan Year, the Employer will designate to the Administrator the Plan Year for which the Employer is making its contribution.

4.3 ALLOCATION OF CONTRIBUTION, FORFEITURES AND EARNINGS

(a) The Administrator shall establish and maintain an account in the name of each Participant to which the Administrator shall credit as of each Anniversary Date, or other Valuation Date, all amounts allocated to each such Participant as set forth herein.

(b) The Employer shall provide the Administrator with all information required by the Administrator to make a proper allocation of the Employer's contribution, if any, for each Plan Year. Within a reasonable period of time after the date of receipt by the Administrator of such information, the Administrator shall allocate any contributions as follows:

(1) For a Money Purchase Plan (other than a Money Purchase Plan which is integrated by allocation):

(i) The Employer's contribution shall be allocated to each Participant's Account in the manner set forth in Section 4.1 herein and as specified in the Adoption Agreement.

(ii) However, regardless of the preceding, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service (or three (3) Months of Service if the Elapsed Time method is chosen in the Adoption Agreement) during the Plan Year or who is employed on the last day of the Plan Year. Furthermore, regardless of any election in the Adoption Agreement to the contrary, for the Plan Year in which this Plan terminates, a Participant shall only be eligible to share in the allocation of the Employer's contributions for the Plan Year if the Participant is employed at the end of the Plan Year and has completed a Year of Service (or Period of Service if the Elapsed Time Method is elected).

(2) (Intentionally left blank)

(3) For a Profit Sharing Plan with a non-integrated allocation formula or a Prevailing Wage contribution:

(i) The Employer's contribution shall be allocated to each Participant's Account in accordance with the allocation method elected in the Adoption Agreement.

(ii) However, regardless of the preceding, a Participant shall only be eligible to share in the allocations of the Employer's contribution for the year if the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service (or three (3) Months of Service if the Elapsed Time method is chosen in the Adoption Agreement) during the Plan Year or who is employed on the last day of the Plan Year. Furthermore, regardless of any election in the Adoption Agreement to the contrary, for the Plan Year in which this Plan terminates, a Participant shall only be

eligible to share in the allocation of the Employer's contributions for the Plan Year if the Participant is employed at the end of the Plan Year and has completed a Year of Service (or Period of Service if the Elapsed Time Method is elected).

(4) (Intentionally left blank)

(c) Except as otherwise elected in the Adoption Agreement or as provided in Section 4.10 with respect to Participant Directed Accounts, as of each Valuation Date, before allocation of any Employer contributions and Forfeitures, any earnings or losses (net appreciation or net depreciation) of the Trust Fund (exclusive of assets segregated for distribution) shall be allocated in the same proportion that each Participant's and Former Participant's nonsegregated accounts bear to the total of all Participants' and Former Participants' nonsegregated accounts as of such date. If any nonsegregated account of a Participant has been distributed prior to the Valuation Date subsequent to a Participant's termination of employment, no earnings or losses shall be credited to such account.

(d) Participants' Accounts shall be debited for any insurance or annuity premiums paid, if any, and credited with any dividends or interest received on Contracts.

(e) On or before each Anniversary Date, any amounts which became Forfeitures since the last Anniversary Date may be made available to reinstate previously forfeited account balances of Former Participants, if any, in accordance with Section 3.5(d) or used to satisfy any contribution that may be required pursuant to Section 6.9. The remaining Forfeitures, if any, shall be treated in accordance with the Adoption Agreement. If no election is made in the Adoption Agreement, any remaining Forfeitures will be used to reduce any future Employer contributions under the Plan. However, if the Plan provides for an integrated allocation, then any remaining Forfeitures will be added to the Employer's contributions under the Plan. Regardless of the preceding sentences, in the event the allocation of Forfeitures provided herein shall cause the "Annual Additions" (as defined in Section 4.4) to any Participant's Account to exceed the amount allowable by the Code, an adjustment shall be made in accordance with Section 4.5. Except, however, a Participant shall only be eligible to share in the allocations of Forfeitures for the year if the conditions set forth in the Adoption Agreement are satisfied. If no election is made in the Adoption Agreement, then a Participant shall be eligible to share in the allocation of the Employer's contribution for the year if the Participant completes more than five hundred (500) Hours of Service (or three (3) Months of Service if the Elapsed Time method is chosen in the Adoption Agreement) during the Plan Year or who is employed on the last day of the Plan Year.

(f) (Intentionally left blank)

(g) (Intentionally left blank)

(h) (Intentionally left blank)

(i) (Intentionally left blank)

(j) For the purposes of this Section, 415 Compensation will be limited to the same dollar limitations set forth in Section 1.11 adjusted in such manner as permitted under Code Section 415(d).

(k) Notwithstanding anything in this Section to the contrary, all information necessary to properly reflect a given transaction may not be available until after the date specified herein for processing such transaction, in which case the transaction will be reflected when such information is received and processed. Subject to express limits that may be imposed under the Code, the processing of any contribution, distribution or other transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan.

(l) Notwithstanding anything in this Section to the contrary, the provisions of this subsection apply for any Plan Year if, in the Adoption Agreement, the Employer elected to apply the 410(b) ratio percentage failsafe provisions and the Plan fails to satisfy the "ratio percentage test" due to a last day of the Plan Year allocation condition or an Hours of Service (or months of service) allocation condition. A plan satisfies the "ratio percentage test" if, on the last day of the Plan Year, the "benefiting ratio" of the Non-Highly Compensated Employees who are "ineligible" is at least 70% of the "benefiting ratio" of the Highly

Compensated Employees who are "includible." The "benefiting ratio" of the Non-Highly Compensated Employees is the number of "includible" Non-Highly Compensated Employees "benefiting" under the Plan divided by the number of "includible" Employees who are Non-Highly Compensated Employees. The "benefiting ratio" of the Highly Compensated Employees is the number of Highly Compensated Employees "benefiting" under the Plan divided by the number of "includible" Highly Compensated Employees. "Includible" Employees are all Employees other than: (1) those Employees excluded from participating in the plan for the entire Plan Year by reason of the collective bargaining unit exclusion or the nonresident alien exclusion described in the Code or by reason of the age and service requirements of Article III; and (2) any Employee who incurs a separation from service during the Plan Year and fails to complete at least 501 Hours of Service (or three (3) months of service if the Elapsed Time Method is being used) during such Plan Year.

For purposes of this subsection, an Employee is "benefiting" under the Plan on a particular date if, under the Plan, the Employee is entitled to an Employer contribution or an allocation of Forfeitures for the Plan Year.

If this subsection applies, then the Administrator will suspend the allocation conditions for the "includible" Non-Highly Compensated Employees who are Participants, beginning first with the "includible" Employees employed by the Employer on the last day of the Plan Year, then the "includible" Employees who have the latest separation from service during the Plan Year, and continuing to suspend the allocation conditions for each "includible" Employee who incurred an earlier separation from service, from the latest to the earliest separation from service date, until the Plan satisfies the "ratio percentage test" for the Plan Year. If two or more "includible" Employees have a separation from service on the same day, then the Administrator will suspend the allocation conditions for all such "includible" Employees, irrespective of whether the Plan can satisfy the "ratio percentage test" by accruing benefits for fewer than all such "includible" Employees. If the Plan for any Plan Year suspends the allocation conditions for an "includible" Employee, then that Employee will share in the allocation for that Plan Year of the Employer contribution and Forfeitures, if any, without regard to whether the Employee has satisfied the other allocation conditions set forth in this Section.

(m) Gateway Contribution. If this is a Profit Sharing Plan, then effective for Plan Years beginning on or after January 1, 2002, each Plan Year the Employer may make an additional discretionary Employer contribution ("Gateway Contribution") in an amount necessary to satisfy the minimum allocation gateway requirement described in Regulation 1.401(a)(4)-8(b)(1)(vi). In applying the provisions of this subsection (m), the term "Employer contributions" shall also include any Forfeitures that are allocated to a Participant.

(1) Eligibility for Gateway Contribution. Any Gateway Contribution made pursuant to this subsection for a Plan Year will be allocated to each Non-Highly Compensated Participant who receives an allocation of other "Employer contributions," for such Plan Year. The Gateway Contribution will be allocated without regard to any allocation conditions otherwise applicable to "Employer contributions" under the Plan. However, Participants who the Administrator disaggregates pursuant to Regulation 1.410(b)-7(c)(3) because they have not satisfied the greatest minimum age and service conditions permissible under Code Section 410(a) shall not be eligible to receive an allocation of any Gateway Contribution made pursuant to this Section 4.3(m) unless such an allocation is necessary to satisfy Code Section 401(a)(4).

(2) Amount of Gateway Contribution. The Gateway Contribution will be allocated pro rata on the basis of Compensation (as defined in (3) or (4) below, whichever is applicable) of each eligible Participant (as described in subsection (1) above) but in no event will an allocation of the Gateway Contribution exceed the lesser of: (A) 5% of Compensation or (B) one-third (1/3) of the highest allocation rate for any Highly Compensated Participant for the Plan Year.

(3) Compensation for 5% Gateway allocation. For allocation purposes under the 5% gateway contribution under (A) of subsection (2) above, Compensation means 415 Compensation except that it shall be determined for the Plan Year (rather than the Limitation Year) and shall exclude 415 Compensation paid while an Employee is not a Participant in the Plan.

(4) Compensation for determination of rate and 1/3 Gateway allocation. For purposes of the 1/3 gateway contribution alternative under (B) of subsection (2) above, the Administrator will (a) determine the allocation rate, and (b) allocate the gateway contribution, using a Participant's Compensation, provided the definition of Compensation satisfies Regulation 1.414(s). In addition, the allocation rate for any Participant is determined by dividing the total "Employer contribution"

made on behalf of such Participant by the Participant's Compensation (as defined in the preceding sentence).

4.4 MAXIMUM ANNUAL ADDITIONS

(a)(1) If a Participant does not participate in, and has never participated in another qualified plan maintained by the Employer, or a welfare benefit fund (as defined in Code Section 419(e)) maintained by the Employer, or an individual medical account (as defined in Code Section 415(l)(2)) maintained by the Employer, or a simplified employee pension (as defined in Code Section 408(k)) maintained by the Employer which provides "Annual Additions," the amount of "Annual Additions" which may be credited to the Participant's accounts for any Limitation Year shall not exceed the lesser of the "Maximum Permissible Amount" or any other limitation contained in this Plan. If the Employer contribution that would otherwise be contributed or allocated to the Participant's accounts would cause the "Annual Additions" for the Limitation Year to exceed the "Maximum Permissible Amount," the amount contributed or allocated will be reduced so that the "Annual Additions" for the Limitation Year will equal the "Maximum Permissible Amount," and any amount in excess of the "Maximum Permissible Amount" which would have been allocated to such Participant may be allocated to other Participants.

(2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the Employer may determine the "Maximum Permissible Amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

(3) As soon as is administratively feasible after the end of the Limitation Year the "Maximum Permissible Amount" for such Limitation Year shall be determined on the basis of the Participant's actual 415 Compensation for such Limitation Year.

(b)(1) This subsection applies if, in addition to this Plan, a Participant is covered under another qualified defined contribution plan maintained by the Employer that is a "Master or Prototype Plan," a welfare benefit fund (as defined in Code Section 419(e)) maintained by the Employer, an individual medical account (as defined in Code Section 415(l)(2)) maintained by the Employer, or a simplified employee pension (as defined in Code Section 408(k)) maintained by the Employer, which provides "Annual Additions," during any Limitation Year. The "Annual Additions" which may be credited to a Participant's accounts under this Plan for any such Limitation Year shall not exceed the "Maximum Permissible Amount" reduced by the "Annual Additions" credited to a Participant's accounts under the other plans and welfare benefit funds, individual medical accounts, and simplified employee pensions for the same Limitation Year. If the "Annual Additions" with respect to the Participant under other defined contribution plans and welfare benefit funds maintained by the Employer are less than the "Maximum Permissible Amount" and the Employer contribution that would otherwise be contributed or allocated to the Participant's accounts under this Plan would cause the "Annual Additions" for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the "Annual Additions" under all such plans and welfare benefit funds for the Limitation Year will equal the "Maximum Permissible Amount," and any amount in excess of the "Maximum Permissible Amount" which would have been allocated to such Participant may be allocated to other Participants. If the "Annual Additions" with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions in the aggregate are equal to or greater than the "Maximum Permissible Amount," no amount will be contributed or allocated to the Participant's account under this Plan for the Limitation Year.

(2) Prior to determining the Participant's actual 415 Compensation for the Limitation Year, the Employer may determine the "Maximum Permissible Amount" for a Participant on the basis of a reasonable estimation of the Participant's 415 Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

(3) As soon as is administratively feasible after the end of the Limitation Year, the "Maximum Permissible Amount" for the Limitation Year will be determined on the basis of the Participant's actual 415 Compensation for the Limitation Year.

(4) If, pursuant to Section 4.4(b)(2) or Section 4.5, a Participant's "Annual Additions" under this Plan and such other plans would result in an "Excess Amount" for a Limitation Year, the

"Excess Amount" will be deemed to consist of the "Annual Additions" last allocated, except that "Annual Additions" attributable to a simplified employee pension will be deemed to have been allocated first, followed by "Annual Additions" to a welfare benefit fund or individual medical account, and then by "Annual Additions" to a plan subject to Code Section 412, regardless of the actual allocation date.

(5) If an "Excess Amount" was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the "Excess Amount" attributed to this Plan will be the product of:

- (i) the total "Excess Amount" allocated as of such date, times
- (ii) the ratio of (1) the "Annual Additions" allocated to the Participant for the Limitation Year as of such date under this Plan to (2) the total "Annual Additions" allocated to the Participant for the Limitation Year as of such date under this and all the other qualified defined contribution plans.

(6) Any "Excess Amount" attributed to this Plan will be disposed of in the manner described in Section 4.5.

(c) If the Participant is covered under another qualified defined contribution plan maintained by the Employer which is not a "Master or Prototype Plan," "Annual Additions" which may be credited to the Participant's Combined Account under this Plan for any Limitation Year will be limited in accordance with Section 4.4(b), unless the Employer provides other limitations in the Adoption Agreement.

(d) For any Limitation Year beginning prior to the date the Code Section 415(e) limits are repealed with respect to this Plan (as specified in the Adoption Agreement for the GUST transitional rules), if the Employer maintains, or at any time maintained, a qualified defined benefit plan covering any Participant in this Plan, then the sum of the Participant's "Defined Benefit Plan Fraction" and "Defined Contribution Plan Fraction" may not exceed 1.0. In such event, the rate of accrual in the defined benefit plan will be reduced to the extent necessary so that the sum of the "Defined Contribution Fraction" and "Defined Benefit Fraction" will equal 1.0. However, in the Adoption Agreement the Employer may specify an alternative method under which the plans involved will satisfy the limitations of Code Section 415(e), including increased top heavy minimum benefits so that the combined limitation is 1.25 rather than 1.0.

(e) For purposes of applying the limitations of Code Section 415, the transfer of funds from one qualified plan to another is not an "Annual Addition." In addition, the following are not Employee contributions for the purposes of Section 4.4(f)(1)(b): (1) rollover contributions (as defined in Code Sections 402(e), 403(a)(4), 403(b)(8) and 408(d)(3)); (2) repayments of loans made to a Participant from the Plan; (3) repayments of distributions received by an Employee pursuant to Code Section 411(a)(7)(B) (cash-outs); (4) repayments of distributions received by an Employee pursuant to Code Section 411(a)(3)(D) (mandatory contributions); and (5) Employee contributions to a simplified employee pension excludable from gross income under Code Section 408(k)(6).

(f) For purposes of this Section, the following terms shall be defined as follows:

(1) "Annual Additions" means the sum credited to a Participant's accounts for any Limitation Year of (a) Employer contributions, (b) Employee contributions (except as provided below), (c) forfeitures, (d) amounts allocated, after March 31, 1984, to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer, (e) amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit fund (as defined in Code Section 419(e)) maintained by the Employer and (f) allocations under a simplified employee pension. Except, however, the Compensation percentage limitation referred to in paragraph (f)(9)(ii) shall not apply to: (1) any contribution for medical benefits (within the meaning of Code Section 419A(f)(2)) after separation from service which is otherwise treated as an "Annual Addition," or (2) any amount otherwise treated as an "Annual Addition" under Code Section 415(l)(1). Notwithstanding the foregoing, for Limitation Years beginning prior to January 1, 1987, only that portion of Employee contributions equal to the lesser of Employee contributions in excess of six percent (6%) of 415 Compensation or one-half of Employee contributions shall be considered an "Annual Addition."

For this purpose, any Excess Amount applied under Section 4.5 in the Limitation Year to reduce Employer contributions shall be considered "Annual Additions" for such Limitation Year.

(2) "Defined Benefit Fraction" means a fraction, the numerator of which is the sum of the Participant's "Projected Annual Benefits" under all the defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of one hundred twenty-five percent (125%) of the dollar limitation determined for the Limitation Year under Code Sections 415(b)(1)(A) as adjusted by Code Section 415(d) or one hundred forty percent (140%) of the "Highest Average Compensation" including any adjustments under Code Section 415(b).

Notwithstanding the above, if the Participant was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined benefit plans maintained by the Employer which were in existence on May 6, 1986, the denominator of this fraction will not be less than one hundred twenty-five percent (125%) of the sum of the annual benefits under such plans which the Participant had accrued as of the end of the close of the last Limitation Year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the plan after May 5, 1986. The preceding sentence applies only if the defined benefit plans individually and in the aggregate satisfied the requirements of Code Section 415 for all Limitation Years beginning before January 1, 1987.

(3) Defined Contribution Dollar Limitation means \$30,000 as adjusted under Code Section 415(d).

(4) Defined Contribution Fraction means a fraction, the numerator of which is the sum of the "Annual Additions" to the Participant's accounts under all the defined contribution plans (whether or not terminated) maintained by the Employer for the current and all prior "Limitation Years," (including the "Annual Additions" attributable to the Participant's nondeductible voluntary employee contributions to any defined benefit plans, whether or not terminated, maintained by the Employer and the "Annual Additions" attributable to all welfare benefit funds (as defined in Code Section 419(e)), individual medical accounts (as defined in Code Section 415(l)(2)), and simplified employee pensions (as defined in Code Section 408(k)) maintained by the Employer), and the denominator of which is the sum of the "Maximum Aggregate Amounts" for the current and all prior Limitation Years in which the Employee had service with the Employer (regardless of whether a defined contribution plan was maintained by the Employer). The maximum aggregate amount in any Limitation Year is the lesser of one hundred twenty-five percent (125%) of the dollar limitation determined under Code Section 415(c)(1)(A) as adjusted by Code Section 415(d) or thirty-five percent (35%) of the Participant's 415 Compensation for such year.

If the Employee was a Participant as of the end of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined contribution plans maintained by the Employer which were in existence on May 5, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the "Defined Benefit Fraction" would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (1) the excess of the sum of the fractions over 1.0 times (2) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the plan made after May 5, 1986, but using the Code Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987.

For Limitation Years beginning prior to January 1, 1987, the "Annual Additions" shall not be recomputed to treat all Employee contributions as "Annual Additions."

(5) "Employer" means the Employer that adopts this Plan and all Affiliated Employers, except that for purposes of this Section, the determination of whether an entity is an Affiliated Employer shall be made by applying Code Section 415(h).

(6) "Excess Amount" means the excess of the Participant's "Annual Additions" for the Limitation Year over the "Maximum Permissible Amount."

(7) "Highest Average Compensation" means the average Compensation for the three (3) consecutive Years of Service with the Employer while a Participant in the Plan that produces the highest average. A Year of Service with the Employer is the twelve (12) consecutive month period ending on the last day of the Limitation Year.

(8) "Master or Prototype Plan" means a plan the form of which is the subject of a favorable opinion letter from the Internal Revenue Service.

(9) "Maximum Permissible Amount" means the maximum Annual Addition that may be contributed or allocated to a Participant's accounts under the Plan for any "Limitation Year," which shall not exceed the lesser of:

- (i) the "Defined Contribution Dollar Limitation," or
- (ii) twenty-five percent (25%) of the Participant's 415 Compensation for the "Limitation Year."

The Compensation Limitation referred to in (ii) shall not apply to any contribution for medical benefits (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an "Annual Addition."

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different twelve (12) consecutive month period, the "Maximum Permissible Amount" will not exceed the "Defined Contribution Dollar Limitation" multiplied by a fraction, the numerator of which is the number of months in the short Limitation Year and the denominator of which is twelve (12).

(10) "Projected Annual Benefit" means the annual retirement benefit (adjusted to an actuarially equivalent "straight life annuity" if such benefit is expressed in a form other than a "straight life annuity" or qualified joint and survivor annuity) to which the Participant would be entitled under the terms of the plan assuming:

- (i) the Participant will continue employment until Normal Retirement Age (or current age, if later), and
- (ii) the Participant's 415 Compensation for the current Limitation Year and all other relevant factors used to determine benefits under the Plan will remain constant for all future Limitation Years.

For purposes of this subsection, "straight life annuity" means an annuity that is payable in equal installments for the life of the Participant that terminates upon the Participant's death.

(g) Notwithstanding anything contained in this Section to the contrary, the limitations, adjustments and other requirements prescribed in this Section shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder.

4.5 ADJUSTMENT FOR EXCESSIVE ANNUAL ADDITIONS

Allocation of "Annual Additions" (as defined in Section 4.4) to a Participant's Combined Account for a Limitation Year generally will cease once the limits of Section 4.4 have been reached for such Limitation Year. However, if as a result of the allocation of Forfeitures, a reasonable error in estimating a Participant's annual 415 Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Code Section 402(g)(3)) that may be made with respect to any Participant under the limits of Section 4.4, or other facts and circumstances to which Regulation 1.415-6(b)(6) shall be applicable, the "Annual Additions" under this Plan would cause the maximum provided in Section 4.4 to be exceeded, the "Excess Amount" will be disposed of in one of the following manners, as uniformly determined by the Plan Administrator for all Participants similarly situated:

- (a) Any after-tax voluntary Employee contributions (plus attributable gains), to the extent they would reduce the Excess Amount, will be distributed to the Participant;
- (b) If, after the application of subparagraph (a), an "Excess Amount" still exists, any unmatched Elective Deferrals (and for Limitation Years beginning after December 31, 1995, any gains

attributable to such Elective Deferrals), to the extent they would reduce the Excess Amount, will be distributed to the Participant;

(c) To the extent necessary, any matched Elective Deferrals and any Employer matching contributions will be proportionately reduced from the Participant's Account. Any Elective Deferrals (and for Limitation Years beginning after December 31, 1995, any gains attributable to such Elective Deferrals) will be distributed to the Participant and the Employer matching contributions (and for Limitation Years beginning after December 31, 1995, any gains attributable to such matching contributions) will be used to reduce the Employer's contributions in the next Limitation Year;

(d) If, after the application of subparagraphs (a), (b) and (c), an "Excess Amount" still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the "Excess Amount" in the Participant's Account will be used to reduce Employer contributions (including any allocation of Forfeitures) for such Participant in the next Limitation Year, and each succeeding Limitation Year if necessary;

(e) If, after the application of subparagraphs (a), (b) and (c), an "Excess Amount" still exists, and the Participant is not covered by the Plan at the end of a Limitation Year, the "Excess Amount" will be held unallocated in a suspense account. The suspense account will be applied to reduce future Employer contributions (including allocation of any Forfeitures) for all remaining Participants in the next Limitation Year, and each succeeding Limitation Year if necessary; and

(f) If a suspense account is in existence at any time during a Limitation Year pursuant to this Section, no investment gains and losses shall be allocated to such suspense account. If a suspense account is in existence at any time during a particular Limitation Year, all amounts in the suspense account must be allocated and reallocated to Participants' Accounts before any Employer contributions or any Employee contributions may be made to the Plan for that Limitation Year. Except as provided in (a), (b) and (c) above, "Excess Amounts" may not be distributed to Participants or Former Participants.

4.6 ROLLOVERS

(a) If elected in the Adoption Agreement and with the consent of the Administrator, the Plan may accept a "rollover," provided the "rollover" will not jeopardize the tax-exempt status of the Plan or create adverse tax consequences for the Employer. The amounts rolled over shall be set up in a separate account herein referred to as a "Participant's Rollover Account." Such account shall be fully Vested at all times and shall not be subject to forfeiture for any reason. For purposes of this Section, the term Participant shall include any Eligible Employee who is not yet a Participant, if, pursuant to the Adoption Agreement, "rollovers" are permitted to be accepted from Eligible Employees. In addition, for purposes of this Section the term Participant shall also include former Employees if the Employer and Administrator consent to accept "rollovers" of distributions made to former Employees from any plan of the Employer.

(b) Amounts in a Participant's Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as elected in the Adoption Agreement and subsection (c) below. The Trustee shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee under the terms of this Plan.

(c) At Normal Retirement Date, or such other date when the Participant or Eligible Employee or such Participant's or Eligible Employee's Beneficiary shall be entitled to receive benefits, the Participant's Rollover Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distribution of amounts held in a Participant's Rollover Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder. Furthermore, such amounts shall be considered to be part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent.

(d) The Administrator may direct that rollovers made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated, invested as part of the general Trust Fund or, if elected in the Adoption Agreement, directed by the Participant.

(e) For purposes of this Section, the term "qualified plan" shall mean any tax qualified plan under Code Section 401(a), or any other plans from which distributions are eligible to be rolled over into this Plan pursuant to the Code. The term "rollover" means: (i) amounts transferred to this Plan in a direct rollover made pursuant to Code Section 401(a)(31) from another "qualified plan"; (ii) distributions received by an Employee from other "qualified plans" which are eligible for tax-free rollover to a "qualified plan" and which are transferred by the Employee to this Plan within sixty (60) days following receipt thereof; (iii) amounts transferred to this Plan from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which (A) were previously distributed to the Employee by another "qualified plan" (B) were eligible for tax-free rollover to a "qualified plan" and (C) were deposited in such conduit individual retirement account within sixty (60) days of receipt thereof; (iv) amounts distributed to the Employee from a conduit individual retirement account meeting the requirements of clause (iii) above, and transferred by the Employee to this Plan within sixty (60) days of receipt thereof from such conduit individual retirement account; and (v) any other amounts which are eligible to be rolled over to this Plan pursuant to the Code.

(f) Prior to accepting any "rollovers" to which this Section applies, the Administrator may require the Employee to establish (by providing opinion of counsel or otherwise) that the amounts to be rolled over to this Plan meet the requirements of this Section.

4.7 PLAN-TO-PLAN TRANSFERS FROM QUALIFIED PLANS

(a) With the consent of the Administrator, amounts may be transferred (within the meaning of Code Section 414(l)) to this Plan from other tax qualified plans under Code Section 401(a), provided the plan from which such funds are transferred permits the transfer to be made and the transfer will not jeopardize the tax-exempt status of the Plan or Trust or create adverse tax consequences for the Employer. Prior to accepting any transfers to which this Section applies, the Administrator may require an opinion of counsel that the amounts to be transferred meet the requirements of this Section. The amounts transferred shall be set up in a separate account herein referred to as a "Participant's Transfer Account." Furthermore, for Vesting purposes, the Participant's Transfer Account shall be treated as a separate "Participant's Account."

(b) Amounts in a Participant's Transfer Account shall be held by the Trustee pursuant to the provisions of this Plan and may not be withdrawn by, or distributed to the Participant, in whole or in part, except as elected in the Adoption Agreement and subsection (d) below, provided the restrictions of subsection (c) below and Section 6.15 are satisfied. The Trustee shall have no duty or responsibility to inquire as to the propriety of the amount, value or type of assets transferred, nor to conduct any due diligence with respect to such assets; provided, however, that such assets are otherwise eligible to be held by the Trustee under the terms of this Plan.

(c) Except as permitted by Regulations (including Regulation 1.411(d)-4), amounts attributable to elective contributions (as defined in Regulation 1.401(k)-1(g)(3)), including amounts treated as elective contributions, which are transferred from another qualified plan in a plan-to-plan transfer (other than a direct rollover) shall be subject to the distribution limitations provided for in Regulation 1.401(k)-1(d).

(d) At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the Participant's Transfer Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary. Any distribution of amounts held in a Participant's Transfer Account shall be made in a manner which is consistent with and satisfies the provisions of Sections 6.5 and 6.6, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder. Furthermore, such amounts shall be considered to be part of a Participant's benefit in determining whether an involuntary cash-out of benefits may be made without Participant consent.

(e) The Administrator may direct that Employee transfers made after a Valuation Date be segregated into a separate account for each Participant until such time as the allocations pursuant to this Plan have been made, at which time they may remain segregated, invested as part of the general Trust Fund or, if elected in the Adoption Agreement, directed by the Participant.

(f) Notwithstanding anything herein to the contrary, a transfer directly to this Plan from another qualified plan (or a transaction having the effect of such a transfer) shall only be permitted if it will not result in the elimination or reduction of any "Section 411(d)(6) protected benefit" as described in Section 8.1(e).

4.8 VOLUNTARY EMPLOYEE CONTRIBUTIONS

(a) This Plan will not accept after-tax voluntary Employee contributions. If this is an amendment to a Plan that had previously allowed after-tax voluntary Employee contributions, then this Plan will not accept after-tax voluntary Employee contributions for Plan Years beginning after the Plan Year in which this Plan is adopted by the Employer.

(b) (Intentionally left blank)

(c) The balance in each Participant's Voluntary Contribution Account shall be fully Vested at all times and shall not be subject to Forfeiture for any reason.

(d) A Participant may elect at any time to withdraw after-tax voluntary Employee contributions from such Participant's Voluntary Contribution Account and the actual earnings thereon in a manner which is consistent with and satisfies the provisions of Section 6.5, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder. If the Administrator maintains sub-accounts with respect to after-tax voluntary Employee contributions (and earnings thereon) which were made on or before a specified date, a Participant shall be permitted to designate which sub-account shall be the source for the withdrawal. Forfeitures of Employer contributions shall not occur solely as a result of an Employee's withdrawal of after-tax voluntary Employee contributions.

In the event a Participant has received a hardship distribution pursuant to Regulation 1.401(k)-1(d)(2)(iii)(B) from any plan maintained by the Employer, then the Participant shall be barred from making any after-tax voluntary Employee contributions for a period of twelve (12) months after receipt of the hardship distribution.

(e) At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary is entitled to receive benefits, the Participant's Voluntary Contribution Account shall be used to provide additional benefits to the Participant or the Participant's Beneficiary.

(f) To the extent a Participant has previously made mandatory Employee contributions under prior provisions of this Plan, such contributions will be treated as after-tax voluntary Employee contributions.

4.9 QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS (Intentionally left blank)**4.10 DIRECTED INVESTMENT ACCOUNT**

(a) If elected in the Adoption Agreement, all Participants may direct the Trustee as to the investment of all or a portion of their individual account balances as set forth in the Adoption Agreement and within limits set by the Employer. Participants may direct the Trustee, in writing (or in such other form which is acceptable to the Trustee), to invest their accounts in specific assets, specific funds or other investments permitted under the Plan and the Participant Direction Procedures. That portion of the account of any Participant that is subject to investment direction of such Participant will be considered a Participant Directed Account.

(b) The Administrator will establish a Participant Direction Procedure, to be applied in a uniform and nondiscriminatory manner, setting forth the permissible investment options under this Section, how often changes between investments may be made, and any other limitations and provisions that the Administrator may impose on a Participant's right to direct investments.

(c) The Administrator may, in its discretion, include or exclude by amendment or other action from the Participant Direction Procedures such instructions, guidelines or policies as it deems necessary or appropriate to ensure proper administration of the Plan, and may interpret the same accordingly.

(d) As of each Valuation Date, all Participant Directed Accounts shall be charged or credited with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in the market value using publicly listed fair market values when available or appropriate as follows:

(1) to the extent the assets in a Participant Directed Account are accounted for as pooled assets or investments, the allocation of earnings, gains and losses of each Participant's Account shall be based upon the total amount of funds so invested in a manner proportionate to the Participant's share of such pooled investment; and

(2) to the extent the assets in a Participant Directed Account are accounted for as segregated assets, the allocation of earnings, gains on and losses from such assets shall be made on a separate and distinct basis.

(e) Investment directions will be processed as soon as administratively practicable after proper investment directions are received from the Participant. No guarantee is made by the Plan, Employer, Administrator or Trustee that investment directions will be processed on a daily basis, and no guarantee is made in any respect regarding the processing time of an investment direction. Notwithstanding any other provision of the Plan, the Employer, Administrator or Trustee reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, Administrator or Trustee. Furthermore, the processing of any investment transaction may be delayed for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan and considered the applicable Valuation Date for an investment transaction.

(f) The Participant Direction Procedures should provide an explanation of the circumstances under which Participants and their Beneficiaries may give investment instructions, including but not limited to, the following:

- (1) the conveyance of instructions by the Participants and their Beneficiaries to invest Participant Directed Accounts in a Directed Investment Option;
- (2) the name, address and phone number of the Fiduciary (and, if applicable, the person or persons designated by the Fiduciary to act on its behalf) responsible for providing information to the Participant or a Beneficiary upon request relating to the Directed Investment Options;
- (3) applicable restrictions on transfers to and from any Designated Investment Alternative;
- (4) any restrictions on the exercise of voting, tender and similar rights related to a Directed Investment Option by the Participants or their Beneficiaries;
- (5) a description of any transaction fees and expenses which affect the balances in Participant Directed Accounts in connection with the purchase or sale of a Directed Investment Option; and
- (6) general procedures for the dissemination of investment and other information relating to the Designated Investment Alternatives as deemed necessary or appropriate, including but not limited to a description of the following:
 - (i) the investment vehicles available under the Plan, including specific information regarding any Designated Investment Alternative;
 - (ii) any designated Investment Managers; and
 - (iii) a description of the additional information that may be obtained upon request from the Fiduciary designated to provide such information.

(g) With respect to those assets in a Participant's Directed Account, the Participant or Beneficiary shall direct the Trustee with regard to any voting, tender and similar rights associated with the ownership of such assets (hereinafter referred to as the "Stock Rights") as follows based on the election made in the Adoption Agreement:

- (1) each Participant or Beneficiary shall direct the Trustee to vote or otherwise exercise such Stock Rights in accordance with the provisions, conditions and terms of any such Stock Rights;
- (2) such directions shall be provided to the Trustee by the Participant or Beneficiary in accordance with the procedure as established by the Administrator and the Trustee shall vote or otherwise exercise such Stock Rights with respect to which it has received directions to do so under this Section; and

(3) to the extent to which a Participant or Beneficiary does not instruct the Trustee to vote or otherwise exercise such Stock Rights, such Participants or Beneficiaries shall be deemed to have directed the Trustee that such Stock Rights remain nonvoted and unexercised.

(h) Any information regarding investments available under the Plan, to the extent not required to be described in the Participant Direction Procedures, may be provided to Participants in one or more documents (or in any other form, including, but not limited to, electronic media) which are separate from the Participant Direction Procedures and are not thereby incorporated by reference into this Plan.

4.11 INTEGRATION IN MORE THAN ONE PLAN (Intentionally left blank)

4.12 QUALIFIED MILITARY SERVICE

Notwithstanding any provisions of this Plan to the contrary, effective as of the later of December 12, 1994, or the Effective Date of the Plan, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u). Furthermore, loan repayments may be suspended under this Plan as permitted under Code Section 414(u)(4).

**ARTICLE V
VALUATIONS**

5.1 VALUATION OF THE TRUST FUND

The Administrator shall direct the Trustee, as of each Valuation Date, to determine the net worth of the assets comprising the Trust Fund as it exists on the Valuation Date. In determining such net worth, the Trustee shall value the assets comprising the Trust Fund at their fair market value (or their contractual value in the case of a Contract or Policy) as of the Valuation Date and may deduct all expenses for which the Trustee has not yet been paid by the Employer or the Trust Fund. The Trustee may update the value of any shares held in a Participant Directed Account by reference to the number of shares held on behalf of the Participant, priced at the market value as of the Valuation Date.

5.2 METHOD OF VALUATION

In determining the fair market value of securities held in the Trust Fund which are listed on a registered stock exchange, the Administrator shall direct the Trustee to value the same at the prices they were last traded on such exchange preceding the close of business on the Valuation Date. If such securities were not traded on the Valuation Date, or if the exchange on which they are traded was not open for business on the Valuation Date, then the securities shall be valued at the prices at which they were last traded prior to the Valuation Date. Any unlisted security held in the Trust Fund shall be valued at its bid price next preceding the close of business on the Valuation Date, which bid price shall be obtained from a registered broker or an investment banker. In determining the fair market value of assets other than securities for which trading or bid prices can be obtained, the Trustee may appraise such assets itself, or in its discretion, employ one or more appraisers for that purpose and rely on the values established by such appraiser or appraisers.

**ARTICLE VI
DETERMINATION AND DISTRIBUTION OF BENEFITS**

6.1 DETERMINATION OF BENEFITS UPON RETIREMENT

Every Participant may terminate employment with the Employer and retire for purposes hereof on the Participant's Normal Retirement Date or Early Retirement Date. However, a Participant may postpone the termination of employment with the Employer to a later date, in which event the participation of such Participant in the Plan, including the right to receive allocations pursuant to Section 4.3, shall continue until such Participant's Retirement Date. Upon a Participant's Retirement Date, or if elected in the Adoption Agreement, the attainment of Normal Retirement Date without termination of employment with the Employer, or as soon thereafter as is practicable, the Administrator shall direct the distribution, at the election of the Participant, of the Participant's entire Vested interest in the Plan in accordance with Section 6.5.

6.2 DETERMINATION OF BENEFITS UPON DEATH

(a) Upon the death of a Participant before the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Combined Account shall, if elected in

the Adoption Agreement, become fully Vested. The Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of the deceased Participant's Vested accounts to the Participant's Beneficiary.

(b) Upon the death of a Former Participant, the Administrator shall direct, in accordance with the provisions of Sections 6.6 and 6.7, the distribution of any remaining Vested amounts credited to the accounts of such deceased Former Participant to such Former Participant's Beneficiary.

(c) The Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the account of a deceased Participant or Former Participant as the Administrator may deem desirable. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive.

(d) Unless otherwise elected in the manner prescribed in Section 6.6, the Beneficiary of the Participant's Vested accounts shall be the Participant's surviving spouse. Except, however, the Participant may designate a Beneficiary other than the spouse for the Vested amounts credited to the Participant's accounts. In such event, the designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke a designation of a Beneficiary or change a Beneficiary by filing written (or in such other form as permitted by the Plan) notice of such revocation or change with the Administrator.

(e) A Participant may, at any time, designate a Beneficiary for death benefits, if any, payable under the Plan. In the event no valid designation of Beneficiary exists, or if the Beneficiary is not alive at the time of the Participant's death, the death benefit will be paid in the following order of priority, unless the Employer specifies a different order of priority in an addendum to the Adoption Agreement, to:

- (1) The Participant's surviving spouse;
- (2) The Participant's children, including adopted children, per stirpes
- (3) The Participant's surviving parents, in equal shares; or
- (4) The Participant's estate.

If the Beneficiary does not predecease the Participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the Beneficiary's estate.

(f) Notwithstanding anything in this Section to the contrary, if a Participant has designated the spouse as a Beneficiary, then a divorce decree or a legal separation that relates to such spouse shall revoke the Participant's designation of the spouse as a Beneficiary unless the decree or a domestic relations order provides otherwise or a subsequent Beneficiary designation is made.

(g) If the Plan provides an insured death benefit and a Participant dies before any insurance coverage to which the Participant is entitled under the Plan is effected, the death benefit from such insurance coverage shall be limited to the premium which was or otherwise would have been used for such purpose.

(h) In the event of any conflict between the terms of this Plan and the terms of any Contract issued hereunder, the Plan provisions shall control.

6.3 DETERMINATION OF BENEFITS IN EVENT OF DISABILITY

In the event of a Participant's Total and Permanent Disability prior to the Participant's Retirement Date or other termination of employment, all amounts credited to such Participant's Combined Account shall, if elected in the Adoption Agreement, become fully Vested. In the event of a Participant's Total and Permanent Disability, the Administrator, in accordance with the provisions of Sections 6.5 and 6.7, shall direct the distribution to such Participant of the entire Vested interest in the Plan.

6.4 DETERMINATION OF BENEFITS UPON TERMINATION

(a) If a Participant's employment with the Employer is terminated for any reason other than death, Total and Permanent Disability, or retirement, then such Participant shall be entitled to such benefits as are provided herein.

Distribution of the funds due to a Terminated Participant shall be made on the occurrence of an event which would result in the distribution had the Terminated Participant remained in the employ of the Employer (upon the Participant's death, Total and Permanent Disability, Early or Normal Retirement). However, at the election of the Participant, the Administrator shall direct that the entire Vested portion of the Terminated Participant's Combined Account be payable to such Terminated Participant provided the conditions, if any, set forth in the Adoption Agreement have been satisfied. Any distribution under this paragraph shall be made in a manner which is consistent with and satisfies the provisions of Section 6.5, including but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder.

Regardless of whether distributions in kind are permitted, in the event the amount of the Vested portion of the Terminated Participant's Combined Account equals or exceeds the fair market value of any insurance Contracts, the Trustee, when so directed by the Administrator and agreed to by the Terminated Participant, shall assign, transfer, and set over to such Terminated Participant all Contracts on such Terminated Participant's life in such form or with such endorsements, so that the settlement options and forms of payment are consistent with the provisions of Section 6.5. In the event that the Terminated Participant's Vested portion does not at least equal the fair market value of the Contracts, if any, the Terminated Participant may pay over to the Trustee the sum needed to make the distribution equal to the value of the Contracts being assigned or transferred, or the Trustee, pursuant to the Participant's election, may borrow the cash value of the Contracts from the Insurer so that the value of the Contracts is equal to the Vested portion of the Terminated Participant's Combined Account and then assign the Contracts to the Terminated Participant.

Notwithstanding the above, unless otherwise elected in the Adoption Agreement, if the value of a Terminated Participant's Vested benefit derived from Employer and Employee contributions does not exceed \$5,000 the Administrator shall direct that the entire Vested benefit be paid to such Participant in a single lump-sum. Furthermore, the determination of whether the \$5,000 threshold has been exceeded is generally based on the value of the Vested benefit as of the Valuation Date preceding the date of the distribution.

(b) The Vested portion of any Participant's Account shall be a percentage of such Participant's Account determined on the basis of the Participant's number of Years of Service (or Periods of Service if the Elapsed Time Method is elected) according to the vesting schedule specified in the Adoption Agreement. However, a Participant's entire interest in the Plan shall be non-forfeitable upon the Participant's Normal Retirement Age (if the Participant is employed by the Employer on or after such date).

(c) (Intentionally left blank)

(d) Upon the complete discontinuance of the Employer's contributions to the Plan (if this is a profit sharing plan) or upon any full or partial termination of the Plan, all amounts then credited to the account of any affected Participant shall become 100% Vested and shall not thereafter be subject to Forfeiture.

(e) If this is an amended or restated Plan, then notwithstanding the vesting schedule specified in the Adoption Agreement, the Vested percentage of a Participant's Account shall not be less than the Vested percentage attained as of the later of the effective date or adoption date of this amendment and restatement. The computation of a Participant's nonforfeitable percentage of such Participant's interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Article. Furthermore, if the Plan's vesting schedule is amended, then the amended schedule will only apply to those Participants who complete an Hour of Service after the effective date of the amendment.

(f) (Intentionally left blank)

(g) In determining Years of Service or Periods of Service for purposes of vesting under the Plan, Years of Service or Periods of Service shall be excluded as elected in the Adoption Agreement.

6.5 DISTRIBUTION OF BENEFITS

(a) (Intentionally left blank)

Cross-Tested Defined Contribution Plan

(b) A Participant who does not die before the Annuity Starting Date shall receive the Vested value of all Plan benefits in one or more of the following methods which are permitted pursuant to the Adoption Agreement:

- (1) One lump-sum payment in cash or in property that is allocated to the accounts of the Participant at the time of the distribution;
- (2) Partial withdrawals;
- (3) Payments over a period certain in monthly, quarterly, semiannual, or annual cash installments. In order to provide such installment payments, the Administrator may (A) segregate the aggregate amount thereof in a separate, federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate or other liquid short-term security or (B) purchase a nontransferable annuity contract for a term certain (with no life contingencies) providing for such payment. The period over which such payment is to be made shall not extend beyond the Participant's life expectancy (or the life expectancy of the Participant and the Participant's designated Beneficiary).
- (4) Purchase of or providing an annuity. However, such annuity may not be in any form that will provide for payments over a period extending beyond either the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and the Participant's designated Beneficiary).
- (c) (Intentionally left blank)
- (d) (Intentionally left blank)

(e) Notwithstanding any provision in the Plan to the contrary, for Plan Years beginning after December 31, 1996, the distribution of a Participant's benefits, whether under the Plan or through the purchase of an annuity Contract, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder (including Regulation 1.401(a)(9)-2):

- (1) A Participant's benefits will be distributed or must begin to be distributed not later than the Participant's "required beginning date." Alternatively, distributions to a Participant must begin no later than the Participant's "required beginning date" and must be made over the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancies of the Participant and the Participant's designated Beneficiary) in accordance with Regulations. However, if the distribution is to be in the form of a joint and survivor annuity or single life annuity, then distributions must begin no later than the "required beginning date" and must be made over the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) in accordance with Regulations.
- (2) The "required beginning date" for a Participant who is a "five percent (5%) owner" with respect to the Plan Year ending in the calendar year in which such Participant attains age 70 1/2 means April 1st of the calendar year following the calendar year in which the Participant attains age 70 1/2. Once distributions have begun to a "five percent (5%) owner" under this subsection, they must continue to be distributed, even if the Participant ceases to be a "five percent (5%) owner" in a subsequent year.
- (3) The "required beginning date" for a Participant other than a "five percent (5%) owner" means, unless the Employer has elected to continue the pre-SBJPA rules in the Adoption Agreement, April 1st of the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Participant retires.
- (4) If the election is made to continue the pre-SBJPA rules, then except as provided below, the "required beginning date" is April 1st of the calendar year following the calendar year in which a Participant attains age 70 1/2.
 - (i) However, the "required beginning date" for a Participant who had attained age 70 1/2 before January 1, 1988, and was not a five percent (5%) owner (within the meaning of Code Section 416) at any time during the Plan Year ending with or within the

calendar year in which the Participant attained age 66 1/2 or any subsequent Plan Year, is April 1st of the calendar year following the calendar in which the Participant retires.

(ii) Notwithstanding (i) above, the "required beginning date" for a Participant who was a five percent (5%) owner (within the meaning of Code Section 416) at any time during the five (5) Plan Year period ending in the calendar year in which the Participant attained age 70 1/2 is April 1st of the calendar year in which the Participant attained age 70 1/2. In the case of a Participant who became a five percent (5%) owner during any Plan Year after the calendar year in which the Participant attained age 70 1/2, the "required beginning date" is April 1st of the calendar year following the calendar year in which such subsequent Plan Year ends.

(5) If this is an amendment or restatement of a plan that contained the pre-SBJPA rules and an election is made to use the post-SBJPA rules, then the transition rules elected in the Adoption Agreement will apply.

(6) Except as otherwise provided herein, "five percent (5%) owner" means, for purposes of this Section, a Participant who is a five percent (5%) owner as defined in Code Section 416 at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70 1/2.

(7) Distributions to a Participant and such Participant's Beneficiaries will only be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Regulations thereunder.

(8) For purposes of this Section, the life expectancy of a Participant and/or a Participant's spouse (other than in the case of a life annuity) shall or shall not be redetermined annually as elected in the Adoption Agreement and in accordance with Regulations. If the Participant or the Participant's spouse may elect, pursuant to the Adoption Agreement, to have life expectancies recalculated, then the election, once made shall be irrevocable. If no election is made by the time distributions must commence, then the life expectancy of the Participant and the Participant's spouse shall not be subject to recalculation. Life expectancy and joint and last survivor life expectancy shall be computed using the return multiples in Tables V and VI of Regulation Section 1.72-9.

(9) With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, or if later, the date specified in the Adoption Agreement, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Regulations under section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final Regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

However, if the date specified in the Adoption Agreement is a date in 2001 other than January 1, 2001, then with respect to distributions under the Plan made on or after such date for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Regulations under section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. If the total amount of required minimum distributions made to a participant for 2001 prior to the specified date are equal to or greater than the amount of required minimum distributions determined under the 2001 Proposed Regulations, then no additional distributions are required for such participant for 2001 on or after such date. If the total amount of required minimum distributions made to a participant for 2001 prior to the specified date are less than the amount determined under the 2001 Proposed Regulations, then the amount of required minimum distributions for 2001 on or after such date will be determined so that the total amount of required minimum distributions for 2001 is the amount determined under the 2001 Proposed Regulations. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final Regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

(f) All annuity Contracts under this Plan shall be non-transferable when distributed. Furthermore, the terms of any annuity Contract purchased and distributed to a Participant or spouse shall comply with all of the requirements of this Plan.

(g) The restrictions imposed by this Section shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have retirement benefits paid in an alternative method acceptable under Code Section 401(a) as in effect prior to the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

(h) If a distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be equal to an amount ("X") determined by the formula:

$$X \text{ equals } P (AB \text{ plus } D) - D$$

For purposes of applying the formula: P is the Vested percentage at the relevant time, AB is the account balance at the relevant time, D is the amount of distribution, and the relevant time is the time at which, under the Plan, the Vested percentage in the account cannot increase.

However, the Employer may attach an addendum to the Adoption Agreement to provide that a separate account shall be established for the Participant's interest in the Plan as of the time of the distribution, and at any relevant time the Participant's Vested portion of the separate account will be equal to an amount determined as follows: $P (AB \text{ plus } (R \times D)) - (R \times D)$ where R is the ratio of the account balance at the relevant time to the account balance after distribution and the other terms have the same meaning as in the preceding paragraph. Any amendment to change the formula in accordance with the preceding sentence shall not be considered an amendment which causes this Plan to become an individually designed Plan.

(i) If this is a Plan amendment that eliminates or restricts the ability of a Participant to receive payment of the Participant's interest in the Plan under a particular optional form of benefit, then the amendment shall not apply to any distribution with an annuity starting date earlier than the earlier of: (i) the 90th day after the date the Participant receiving the distribution has been furnished a summary that reflects the amendment and that satisfies the Act requirements at 29 CFR 2520.104b-3 relating to a summary of material modifications or (ii) the first day of the second Plan Year following the Plan Year in which the amendment is adopted.

6.6 DISTRIBUTION OF BENEFITS UPON DEATH

(a) Unless otherwise elected as provided below, a Vested Participant who dies before the Annuity Starting Date shall have the Vested amount credited to the Participant's Combined Account paid to the Participant's Beneficiary as soon as administratively feasible. Any distribution to the Participant's Beneficiary shall be subject to the rules specified in Section 6.6(h).

(b) (Intentionally left blank)

(c) (Intentionally left blank)

(d) (Intentionally left blank)

(e) (Intentionally left blank)

(f) (Intentionally left blank)

(g) Death benefits may be paid to a Participant's Beneficiary in one of the following optional forms of benefits subject to the rules specified in Section 6.6(h) and the elections made in the Adoption Agreement. Such optional forms of distributions may be elected by the Participant. However, if no optional form of distribution was elected by the Participant prior to death, then the Participant's Beneficiary may elect the form of distribution:

(1) One lump-sum payment in cash or in property that is allocated to the accounts of the Participant at the time of the distribution.

(2) Partial withdrawals.

(3) Payment in monthly, quarterly, semi-annual, or annual cash installments over a period to be determined by the Participant or the Participant's Beneficiary. In order to provide such installment payments, the Administrator may (A) segregate the aggregate amount thereof in a separate, federally insured savings account, certificate of deposit in a bank or savings and loan association, money market certificate or other liquid short-term security or (B) purchase a nontransferable annuity contract for a term certain (with no life contingencies) providing for such payment. After periodic installments commence, the Beneficiary shall have the right to reduce the period over which such periodic installments shall be made, and the cash amount of such periodic installments shall be adjusted accordingly.

(4) (Intentionally left blank)

(5) (Intentionally left blank)

(b) Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder.

(1) If it is determined, pursuant to Regulations, that the distribution of a Participant's interest has begun and the Participant dies before the entire interest has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution elected pursuant to Section 6.5 as of the date of death.

(2) If a Participant dies before receiving any distributions of the interest in the Plan or before distributions are deemed to have begun pursuant to Regulations, then the death benefit shall be distributed to the Participant's Beneficiaries in accordance with the following rules subject to the elections made in the Adoption Agreement and subsections 6.6(h)(3) and 6.6(i) below:

(i) The entire death benefit shall be distributed to the Participant's Beneficiaries by December 31st of the calendar year in which the fifth anniversary of the Participant's death occurs;

(ii) The 5-year distribution requirement of (i) above shall not apply to any portion of the deceased Participant's interest which is payable to or for the benefit of a designated Beneficiary. In such event, such portion shall be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such designated Beneficiary) provided such distribution begins not later than December 31st of the calendar year immediately following the calendar year in which the Participant died (or such later date as may be prescribed by Regulations);

(iii) However, in the event the Participant's spouse (determined as of the date of the Participant's death) is the designated Beneficiary, the provisions of (ii) above shall apply except that the requirement that distributions commence within one year of the Participant's death shall not apply. In lieu thereof, distributions must commence on or before the later of: (1) December 31st of the calendar year immediately following the calendar year in which the Participant died; or (2) December 31st of the calendar year in which the Participant would have attained age 70 1/2. If the surviving spouse dies before distributions to such spouse begin, then the 5-year distribution requirement of this Section shall apply as if the spouse was the Participant.

(3) (Intentionally left blank)

(i) For purposes of Section 6.6(h)(2), the election by a designated Beneficiary to be excepted from the 5-year distribution requirement (if permitted in the Adoption Agreement) must be made no later than December 31st of the calendar year following the calendar year of the Participant's death. Except, however, with respect to a designated Beneficiary who is the Participant's surviving spouse, the election must be made by the earlier of: (1) December 31st of the calendar year immediately following the calendar year in which the Participant died or, if later, December 31st of the calendar year in which the Participant would have attained age 70 1/2; or (2) December 31st of the calendar year which contains the fifth anniversary of the date of the Participant's death. An election by a designated Beneficiary must be in writing (or in such

other form as permitted by the IRS) and shall be irrevocable as of the last day of the election period stated herein. In the absence of an election by the Participant or a designated Beneficiary, the 5-year distribution requirement shall apply.

(j) For purposes of this Section, the life expectancy of a Participant and a Participant's spouse (other than in the case of a life annuity) shall or shall not be redetermined annually as elected in the Adoption Agreement and in accordance with Regulations. If the Participant may elect, pursuant to the Adoption Agreement, to have life expectancies recalculated, then the election, once made shall be irrevocable. If no election is made by the time distributions must commence, then the life expectancy of the Participant and the Participant's spouse shall not be subject to recalculation. Life expectancy and joint and last survivor life expectancy shall be computed using the return multiples in Tables V and VI of Regulation Section 1.72-9.

(k) For purposes of this Section, any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.

(l) (Intentionally left blank)

(m) Subject to the spouse's right of consent afforded under the Plan, the restrictions imposed by this Section shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have death benefits paid in an alternative method acceptable under Code Section 401(a) as in effect prior to the enactment of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

6.7 TIME OF DISTRIBUTION

Except as limited by Sections 6.5 and 6.6, whenever a distribution is to be made, or a series of payments are to commence, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable. However, unless a Former Participant elects in writing to defer the receipt of benefits (such election may not result in a death benefit that is more than incidental), the payment of benefits shall begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (a) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (b) the tenth (10th) anniversary of the year in which the Participant commenced participation in the Plan; or (c) the date the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and, if applicable, the Participant's spouse, to consent to a distribution that is "immediately distributable" (within the meaning of Section 6.5(d)), shall be deemed to be an election to defer the commencement of payment of any benefit sufficient to satisfy this Section.

6.8 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY

In the event a distribution is to be made to a minor or incompetent Beneficiary, then the Administrator may direct that such distribution be paid to the legal guardian, or if none in the case of a minor Beneficiary, to a parent of such Beneficiary, or to the custodian for such Beneficiary under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor or incompetent Beneficiary shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

6.9 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder shall, at the later of the Participant's attainment of age 62 or Normal Retirement Age, remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable shall be treated as a Forfeiture pursuant to the Plan. Notwithstanding the foregoing, the amount distributable may be treated as a Forfeiture at the time it is determined that the whereabouts of the Participant or the Participant's Beneficiary can not be ascertained. In the event a Participant or Beneficiary is located subsequent to the Forfeiture, such benefit shall be restored, first from Forfeitures, if any, and then from an additional Employer contribution, if necessary. Upon Plan termination, the portion of the distributable amount that is an "eligible rollover distribution" as defined in Plan Section 6.14(b)(1) may be paid directly to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b). However, regardless of the

preceding, a benefit that is lost by reason of escheat under applicable state law is not treated as a Forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

6.10 IN-SERVICE DISTRIBUTION

For Profit Sharing Plans, if elected in the Adoption Agreement, at such time as the conditions set forth in the Adoption Agreement have been satisfied, then the Administrator, at the election of a Participant who has not severed employment with the Employer, shall direct the distribution of up to the entire Vested amount then credited to the accounts as elected in the Adoption Agreement maintained on behalf of such Participant. In the event that the Administrator makes such a distribution, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section shall be made in a manner consistent with Section 6.5, including, but not limited to, all notice and consent requirements of Code Sections 411(a)(11) and 417 and the Regulations thereunder. Furthermore, if an in-service distribution is permitted from more than one account type, the Administrator may determine any ordering of a Participant's in-service distribution from such accounts.

6.11 ADVANCE DISTRIBUTION FOR HARDSHIP

(a) For Profit Sharing Plans (except to the extent Section 12.9 applies), if elected in the Adoption Agreement, the Administrator, at the election of the Participant, shall direct the distribution to any Participant in any one Plan Year up to the lesser of 100% of the Vested interest of the Participant's Combined Account valued as of the last Valuation Date or the amount necessary to satisfy the immediate and heavy financial need of the Participant. Any distribution made pursuant to this Section shall be deemed to be made as of the first day of the Plan Year or, if later, the Valuation Date immediately preceding the date of distribution, and the account from which the distribution is made shall be reduced accordingly. Withdrawal under this Section shall be authorized only if the distribution is for an immediate and heavy financial need. The Administrator will determine whether there is an immediate and heavy financial need based on the facts and circumstances. An immediate and heavy financial need includes, but is not limited to, a distribution for one of the following:

- (1) Medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, or any of the Participant's dependents (as defined in Code Section 152) or necessary for these persons to obtain medical care as described in Code Section 213(d);
- (2) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;
- (3) Funeral expenses for a member of the Participant's family;
- (4) Payment of tuition, related educational fees, and room and board expenses, for the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, children, or dependents (as defined in Code Section 152); or
- (5) Payments necessary to prevent the eviction of the Participant from the Participant's principal residence or foreclosure on the mortgage on that residence.

(b) If elected in the Adoption Agreement, no distribution shall be made pursuant to this Section from the Participant's Account until such Account has become fully Vested. Furthermore, if a hardship distribution is permitted from more than one account type, the Administrator may determine any ordering of a Participant's hardship distribution from such accounts.

(c) Any distribution made pursuant to this Section shall be made in a manner which is consistent with and satisfies the provisions of Section 6.5.

6.12 SPECIAL RULE FOR CERTAIN PROFIT SHARING PLANS

(a) The provisions of this Section apply to a Participant in a Profit Sharing Plan or 401(k) Profit Sharing Plan to the extent elected in the Adoption Agreement.

(b) (Intentionally left blank)

(c) Notwithstanding anything in Sections 6.2 and 6.6 to the contrary, upon the death of a Participant, the automatic form of distribution will be a lump-sum rather than a Qualified Pre-Retirement

Survivor Annuity. Furthermore, the Participant's spouse will be the Beneficiary of the Participant's entire Vested interest in the Plan unless an election is made to waive the spouse as Beneficiary. The other provisions in Section 6.2 shall be applied by treating the death benefit in this subsection as though it is a Qualified Pre-Retirement Survivor Annuity.

(d) Except to the extent otherwise provided in this Section, the provisions of Sections 6.2, 6.5 and 6.6 regarding spousal consent shall be inoperative with respect to this Plan.

(e) If a distribution is one to which Code Sections 401(a)(11) and 417 do not apply, such distribution may commence less than thirty (30) days after the notice required under Regulation 1.411(a)-11(e) is given, provided that:

- (1) the Plan Administrator clearly informs the Participant that the Participant has a right to a period of at least thirty (30) days after the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (2) the Participant, after receiving the notice, affirmatively elects a distribution.

6.13 DOMESTIC RELATIONS ORDER DISTRIBUTION

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "domestic relations order." Furthermore, a distribution to an "alternate payee" shall be permitted if such distribution is authorized by a "domestic relations order," even if the affected Participant has not reached the "earliest retirement age" under the Plan. For the purposes of this Section, "alternate payee," "domestic relations order" and "earliest retirement age" shall have the meanings set forth under Code Section 414(p).

6.14 DIRECT ROLLOVERS

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a "distributee's" election under this Section, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an "eligible rollover distribution" that is equal to at least \$500 paid directly to an "eligible retirement plan" specified by the "distributee" in a "direct rollover."

(b) For purposes of this Section, the following definitions shall apply:

(1) An "eligible rollover distribution" means any distribution described in Code Section 402(c)(4) and generally includes any distribution of all or any portion of the balance to the credit of the distributee, except that an "eligible rollover distribution" does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the "distributee" or the joint lives (or joint life expectancies) of the "distributee" and the "distributee's" designated beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); for distributions made after December 31, 1998, any hardship distribution described in Code Section 401(k)(2)(B)(i)(IV); and any other distribution reasonably expected to total less than \$200 during a year.

(2) An "eligible retirement plan" is 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 plan described in Code Section 401(a), that accepts the "distributee's" "eligible rollover distribution." However, in the case of an "eligible rollover distribution" to the surviving spouse, an "eligible retirement plan" is an individual retirement account or individual retirement annuity.

(3) A "distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

- (4) A "direct rollover" is a payment by the Plan to the "eligible retirement plan" specified by the "distributee."

6.15 TRANSFER OF ASSETS FROM A MONEY PURCHASE PLAN

- (a) This Section shall be effective as of the following date:
- (1) for Plans not entitled to extended reliance as described in Revenue Ruling 94-76, the first day of the first Plan Year beginning on or after December 12, 1994, or if later, 90 days after December 12, 1994; or
 - (2) for Plans entitled to extended reliance as described in Revenue Ruling 94-76, as of the first day of the first Plan Year following the Plan Year in which the extended reliance period applicable to the Plan ends. However, in the event of a transfer of assets to the Plan from a money purchase plan that occurs after the date of the most recent determination letter, the effective date of the amendment shall be the date immediately preceding the date of such transfer of assets.
- (b) Notwithstanding any provision of this Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution prior to the Employee's retirement, death, disability, or severance from employment, and prior to Plan termination, the optional form of benefit is not available with respect to benefits attributable to assets (including the post-transfer earnings thereon) and liabilities that are transferred, within the meaning of Code Section 414(l), to this Plan from a money purchase pension plan qualified under Code Section 401(a) (other than any portion of those assets and liabilities attributable to after-tax voluntary Employee contributions or to a direct or indirect rollover contribution).

6.16 ELECTIVE TRANSFERS OF BENEFITS TO OTHER PLANS

- (a) If a voluntary, fully-informed election is made by a Participant, then if the conditions set forth herein are satisfied, a Participant's entire benefit may be transferred between qualified plans (other than any direct rollover described in Q&A-3 of Regulation 1.401(a)(31)-1). As an alternative to the transfer, the Participant may elect to retain the Participant's "Section 411(d)(6) protected benefits" under the Plan (or, if the plan is terminating, to receive any optional form of benefit for which the Participant is eligible under the plan as required by Code Section 411(d)(6)). A transfer between qualified plans may only be made pursuant to this subsection if the following additional requirements are met:
- (i) The transfer occurs at a time at which the participant's benefits are distributable. A Participant's benefits are distributable on a particular date if, on that date, the Participant is eligible, under the terms of the Plan, to receive an immediate distribution of these benefits (e.g., in the form of an immediately commencing annuity) from that plan under provisions of the plan not inconsistent with Code Section 401(a);
 - (ii) For transfers that occur on or after January 1, 2002, the transfer occurs at a time at which the Participant is not eligible to receive an immediate distribution of the participant's entire nonforfeitable accrued benefit in a single-sum distribution that would consist entirely of an eligible rollover distribution within the meaning of Code Section 401(a)(31)(C);
 - (iii) The participant is fully Vested in the transferred benefit in the transferee plan;
 - (iv) In the case of a transfer from a defined contribution plan to a defined benefit plan, the defined benefit plan provides a minimum benefit, for each Participant whose benefits are transferred, equal to the benefit, expressed as an annuity payable at normal retirement age, that is derived solely on the basis of the amount transferred with respect to such Participant; and
 - (v) The amount of the benefit transferred, together with the amount of any contemporaneous Code Section 401(a)(31) direct rollover to the transferee plan, equals the Participant's entire nonforfeitable accrued benefit under the Plan.
- (b) If a voluntary, fully-informed election is made by a Participant, then if the conditions set forth herein are satisfied, a Participant's entire benefit may be transferred between qualified defined contribution plans (other than any direct rollover described in Q&A-3 of Regulation 1.401(a)(31)-1). As an

alternative to the transfer, the Participant may elect to retain the Participant's "Section 411(d)(6) protected benefits" under the Plan (or, if the plan is terminating, to receive any optional form of benefit for which the Participant is eligible under the plan as required by Code Section 411(d)(6)). A transfer between qualified plans may only be made pursuant to this subsection if the following additional requirements are met:

- (i) To the extent the benefits are transferred from a money purchase pension plan, the transferee plan must be a money purchase pension plan. To the extent the benefits being transferred are part of a qualified cash or deferred arrangement under Code Section 401(k), the benefits must be transferred to a qualified cash or deferred arrangement under Code Section 401(k). Benefits transferred from a profit-sharing plan other than from a qualified cash or deferred arrangement, or from a stock bonus plan other than an employee stock ownership plan, may be transferred to any type of defined contribution plan; and
- (ii) The transfer must be made either in connection with an asset or stock acquisition, merger, or other similar transaction involving a change in employer of the employees of a trade or business (i.e., an acquisition or disposition within the meaning of Regulation 1.410(b)-2(f)) or in connection with the Participant's change in employment status to an employment status with respect to which the Participant is not entitled to additional allocations under the Plan.

ARTICLE VII TRUSTEE AND CUSTODIAN

7.1 BASIC RESPONSIBILITIES OF THE TRUSTEE

- (a) The provisions of this Article, other than Section 7.6, shall not apply to this Plan if a separate trust agreement is being used as specified in the Adoption Agreement.
- (b) The Trustee is accountable to the Employer for the funds contributed to the Plan by the Employer, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan. The Trustee is not obligated to collect any contributions from the Employer, nor is it under a duty to see that funds deposited with it are deposited in accordance with the provisions of the Plan.
- (c) The Trustee will credit and distribute the Trust Fund as directed by the Administrator. The Trustee is not obligated to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or whether the manner of making any payment or distribution is proper. The Trustee is accountable only to the Administrator for any payment or distribution made by it in good faith on the order or direction of the Administrator.
- (d) In the event that the Trustee shall be directed by a Participant (pursuant to the Participant Direction Procedures if the Plan permits Participant directed investments), the Employer, or an Investment Manager or other agent appointed by the Employer with respect to the investment of any or all Plan assets, the Trustee shall have no liability with respect to the investment of such assets, but shall be responsible only to execute such investment instructions as so directed.
 - (1) The Trustee shall be entitled to rely fully on the written (or other form acceptable to the Administrator and the Trustee, including but not limited to, voice recorded) instructions of a Participant (pursuant to the Participant Direction Procedures), the Employer, or any Fiduciary or nonfiduciary agent of the Employer, in the discharge of such duties, and shall not be liable for any loss or other liability resulting from such direction (or lack of direction) of the investment of any part of the Plan assets.
 - (2) The Trustee may delegate the duty of executing such instructions to any nonfiduciary agent, which may be an affiliate of the Trustee or any Plan representative.
 - (3) The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole and absolute discretion, deems such direction improper by virtue of applicable law. The Trustee shall not be responsible or liable for any loss or expense that may result from the Trustee's refusal or failure to comply with any direction from the Participant.

(4) Any costs and expenses related to compliance with the Participant's directions shall be borne by the Participant's Directed Account, unless paid by the Employer.

(5) Notwithstanding anything herein above to the contrary, the Trustee shall not invest any portion of a Participant's Directed Account in "collectibles" within the meaning of Code Section 408(m).

(e) The Trustee will maintain records of receipts and disbursements and furnish to the Employer and/or Administrator for each Plan Year a written annual report pursuant to Section 7.9.

(f) The Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.

(g) The Trustee may employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Plan, and the Trustee may act or refrain from acting on the advice or opinion of any such person.

7.2 INVESTMENT POWERS AND DUTIES OF DISCRETIONARY TRUSTEE

(a) This Section applies if the Employer, in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee, designates the Trustee to administer all or a portion of the trust as a discretionary Trustee. If so designated, then the Trustee has the discretion and authority to invest, manage, and control those Plan assets except, however, with respect to those assets which are subject to the investment direction of a Participant (if Participant directed investments are permitted), or an Investment Manager, the Administrator, or other agent appointed by the Employer. The exercise of any investment discretion hereunder shall be consistent with the "funding policy and method" determined by the Employer.

(b) The Trustee shall, except as otherwise provided in this Plan, invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, common or preferred stocks, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code or the Act so that at all times this Plan may qualify as a qualified Plan and Trust.

(c) The Trustee, in addition to all powers and authorities under common law, statutory authority, including the Act, and other provisions of this Plan, shall have the following powers and authorities to be exercised in the Trustee's sole discretion:

(1) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;

(2) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(3) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property. However, the Trustee shall not vote proxies relating to securities for which it has not been assigned full investment management responsibilities. In those

cases where another party has such investment authority or discretion, the Trustee will deliver all proxies to said party who will then have full responsibility for voting those proxies.

(4) To cause any securities or other property to be registered in the Trustee's own name, in the name of one or more of the Trustee's nominees, in a clearing corporation, in a depository, or in book entry form or in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;

(5) To invest in a common, collective, or pooled trust fund (the provisions of which are incorporated herein by reference) maintained by any Trustee (or any affiliate of such Trustee) hereunder pursuant to Revenue Ruling 81-100, all or such part of the Trust Fund as the Trustee may deem advisable, and the part of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The name of the trust fund may be specified in an addendum to the Adoption Agreement. The Trustee may withdraw from such common, collective, or pooled trust fund all or such part of the Trust Fund as the Trustee may deem advisable;

(6) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;

(7) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(8) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(9) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(10) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agents or counsel may or may not be an agent or counsel for the Employer;

(11) To apply for and procure from the Insurer as an investment of the Trust Fund any annuity or other Contracts (on the life of any Participant, or in the case of a Profit Sharing Plan (including a 401(k) plan), on the life of any person in whom a Participant has an insurable interest, or on the joint lives of a Participant and any person in whom the Participant has an insurable interest) as the Administrator shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity, or other Contracts; to collect, receive, and settle for the proceeds of all such annuity, or other Contracts as and when entitled to do so under the provisions thereof;

(12) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest or in cash or cash balances without liability for interest thereon, including the specific authority to invest in any type of deposit of the Trustee (or of a financial institution related to the Trustee);

(13) To invest in Treasury Bills and other forms of United States government obligations;

(14) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange regardless of whether such options are covered;

- (15) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations including the specific authority to make deposit into any savings accounts or certificates of deposit of the Trustee (or a financial institution related to the Trustee);
- (16) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or any Affiliated Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and Trust and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests; and
- (17) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

7.3 INVESTMENT POWERS AND DUTIES OF NONDISCRETIONARY TRUSTEE

(a) This Section applies if the Employer, in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee, designates the Trustee to administer all or a portion of the trust as a nondiscretionary Trustee. If so designated, then the Trustee shall have no discretionary authority to invest, manage, or control those Plan assets, but must act solely as a directed Trustee of those Plan assets. A nondiscretionary Trustee, as directed Trustee of the Plan funds it holds, is authorized and empowered, by way of limitation, with the powers, rights and duties set forth herein and in Section 7.14, each of which the nondiscretionary Trustee exercises solely as directed Trustee in accordance with the direction of the party which has the authority to manage and control the investment of the Plan assets. If no directions are provided to the Trustee, the Employer will provide necessary direction. Furthermore, the Employer and the nondiscretionary Trustee may, in writing, limit the powers of the nondiscretionary Trustee to any combination of powers listed within this Section.

(b) The Trustee, in addition to all powers and authorities under common law, statutory authority, including the Act, and other provisions of this Plan, shall have the following powers and authorities:

- (1) To invest the assets, without distinction between principal and income, in securities or property, real or personal, wherever situated, including, but not limited to, common or preferred stocks, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by the Code or the Act so that at all times this Plan may qualify as a qualified Plan and Trust.
- (2) To purchase, or subscribe for, any securities or other property and to retain the same. In conjunction with the purchase of securities, margin accounts may be opened and maintained;
- (3) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;
- (4) At the direction of the party which has the authority or discretion, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate powers, and pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;
- (5) To cause any securities or other property to be registered in the Trustee's own name, in the name of one or more of the Trustee's nominees, in a clearing corporation, in a depository, or in book entry form or in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;

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- (6) To invest in a common, collective, or pooled trust fund (the provisions of which are incorporated herein by reference) maintained by any Trustee (or any affiliate of such Trustee) hereunder pursuant to Revenue Ruling 81-100, all or such part of the Trust Fund as the party which has the authority to manage and control the investment of the assets shall deem advisable, and the part of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, or pooled trust fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The name of the trust fund may be specified in an addendum to the Adoption Agreement;
- (7) To borrow or raise money for the purposes of the Plan in such amount, and upon such terms and conditions, as the Trustee shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee, and to secure the repayment thereof by pledging all, or any part, of the Trust Fund; and no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency, or propriety of any borrowing;
- (8) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (9) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;
- (10) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be an agent or counsel for the Employer;
- (11) To apply for and procure from the Insurer as an investment of the Trust Fund any annuity or other Contracts (on the life of any Participant, or in the case of a Profit Sharing Plan (including a 401(k) plan), on the life of any person in whom a Participant has an insurable interest, or on the joint lives of a Participant and any person in whom the Participant has an insurable interest) as the Administrator shall deem proper, to exercise, at the direction of the person with the authority to do so, whatever rights and privileges may be granted under such annuity or other Contracts; to collect, receive, and settle for the proceeds of all such annuity or other Contracts as and when entitled to do so under the provisions thereof;
- (12) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest or in cash or cash balances without liability for interest thereon, including the specific authority to invest in any type of deposit of the Trustee (or of a financial institution related to the Trustee);
- (13) To invest in Treasury Bills and other forms of United States government obligations;
- (14) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange regardless of whether such options are covered;
- (15) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations including the specific authority to make deposit into any savings accounts or certificates of deposit of the Trustee (or a financial institution related to the Trustee); and
- (16) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified employee pension benefit trust created by the Employer or any Affiliated Employer, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests.

7.4 POWERS AND DUTIES OF CUSTODIAN

If there is a discretionary Trustee, the Employer may appoint a custodian. A custodian has the same powers, rights and duties as a nondiscretionary Trustee. Any reference in the Plan to a Trustee also is a reference to a custodian unless the context of the Plan indicates otherwise. A limitation of the Trustee's liability by Plan provision also acts as a limitation of the custodian's liability. Any action taken by the custodian at the discretionary Trustee's direction satisfies any provision in the Plan referring to the Trustee taking that action. The resignation or removal of the custodian shall be made in accordance with Section 7.11 as though the custodian were a Trustee.

7.5 LIFE INSURANCE

(a) The Trustee, at the direction of the Administrator and pursuant to instructions from the individual designated in the Adoption Agreement for such purpose and subject to the conditions set forth in the Adoption Agreement, shall ratably apply for, own, and pay all premiums on Contracts on the lives of the Participants or, in the case of Profit Sharing Plan, on the life of any person in whom the Participant has an insurable interest or on the joint lives of a Participant and any person in whom the Participant has an insurable interest. Any initial or additional Contract purchased on behalf of a Participant shall have a face amount of not less than \$1,000, the amount set forth in the Adoption Agreement, or the limitation of the Insurer, whichever is greater. If a life insurance Contract is to be purchased for a Participant or Former Participant, then the aggregate premium for ordinary life insurance for each Participant or Former Participant must be less than 50% of the aggregate contributions and Forfeitures allocated to the Participant's or Former Participant's Combined Account. For purposes of this limitation, ordinary life insurance Contracts are Contracts with both non-decreasing death benefits and non-increasing premiums. If term insurance or universal life insurance is purchased, then the aggregate premium must be 25% or less of the aggregate contributions and Forfeitures allocated to the Participant's or Former Participant's Combined Account. If both term insurance and ordinary life insurance are purchased, then the premium for term insurance plus one-half of the premium for ordinary life insurance may not in the aggregate exceed 25% of the aggregate Employer contributions and Forfeitures allocated to the Participant's or Former Participant's Combined Account. Notwithstanding the preceding, the limitations imposed herein with respect to the purchase of life insurance shall not apply, in the case of a Profit Sharing Plan (including a 401(k) plan), to the portion of the Participant's Account that has accumulated for at least two (2) Plan Years or to the entire Participant's Account if the Participant has been a Participant in the Plan for at least five (5) years. Amounts transferred to this Plan in accordance with Section 4.6(c)(ii), (iii) or (v) and a Participant's or Former Participant's Voluntary Contribution Account may be used to purchase Contracts without limitation.

(b) The Trustee must distribute the Contracts to the Participant or Former Participant or convert the entire value of the Contracts at or before retirement into cash or provide for a periodic income so that no portion of such value may be used to continue life insurance protection beyond commencement of benefits. Furthermore, if a Contract is purchased on the joint lives of the Participant and another person and such other person predeceases the Participant, then the Contract may not be maintained under this Plan.

(c) Notwithstanding anything herein above to the contrary, amounts credited to a Participant's Qualified Voluntary Employee Contribution Account pursuant to Section 4.9, shall not be applied to the purchase of life insurance Contracts. Furthermore, no life insurance Contracts shall be required to be obtained on an individual's life if, for any reason (other than the nonpayment of premiums) the Insurer will not issue a Contract on such individual's life.

(d) The Trustee will be the owner of any life insurance Contract purchased under the terms of this Plan. The Contract must provide that the proceeds will be payable to the Trustee; however, the Trustee shall be required to pay over all proceeds of the Contract to the Participant's designated Beneficiary in accordance with the distribution provisions of Article VI. A Participant's spouse will be the designated Beneficiary pursuant to Section 6.2, unless a qualified election has been made in accordance with Sections 6.5 and 6.6 of the Plan, if applicable. Under no circumstances shall the Trust retain any part of the proceeds that are in excess of the cash surrender value immediately prior to death. However, the Trustee shall not pay the proceeds in a method that would violate the requirements of the Retirement Equity Act of 1984, as stated in Article VI of the Plan, or Code Section 401(a)(9) and the Regulations thereunder. In the event of any conflict between the terms of this Plan and the terms of any insurance Contract purchased hereunder, the Plan provisions shall control.

7.6 LOANS TO PARTICIPANTS

(a) If specified in the Adoption Agreement, the Trustee (or the Administrator if the Trustee is a nondiscretionary Trustee or if loans are treated as Participant directed investments pursuant to the Adoption Agreement) may, in the Trustee's (or, if applicable, the Administrator's) sole discretion, make loans to Participants or Beneficiaries under the following circumstances: (1) loans shall be made available to all Participants and Beneficiaries on a reasonably equivalent basis; (2) loans shall not be made available to Highly Compensated Employees in an amount greater than the amount made available to other Participants; (3) loans shall bear a reasonable rate of interest; (4) loans shall be adequately secured; and (5) loans shall provide for periodic repayment over a reasonable period of time. Furthermore, no Participant loan shall exceed the Participant's Vested interest in the Plan.

(b) Loans shall not be made to any Shareholder-Employee or Owner-Employee (including an Owner-Employee's family members as defined in Code Section 267(c)(4)) unless an exemption for such loan is obtained pursuant to Act Section 408 or such loan would otherwise not be a prohibited transaction pursuant to Code Section 4975 and Act Section 408.

(c) An assignment or pledge of any portion of a Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance Contract purchased under the Plan, shall be treated as a loan under this Section.

(d) If the Vested interest of a Participant is used to secure any loan made pursuant to this Section, then the written (or such other form as permitted by the IRS) consent of the Participant's spouse shall be required in a manner consistent with Section 6.5(a), provided the spousal consent requirements of such Section apply to the Plan. Such consent must be obtained within the 90-day period prior to the date the loan is made. Any security interest held by the Plan by reason of an outstanding loan to the Participant or Former Participant shall be taken into account in determining the amount of the death benefit or Pre-Retirement Survivor Annuity. However, unless the loan program established pursuant to this Section provides otherwise, no spousal consent shall be required under this paragraph if the total interest subject to the security is not in excess of \$5,000.

(e) The Administrator shall be authorized to establish a participant loan program to provide for loans under the Plan. The loan program shall be established in accordance with Department of Labor Regulation Section 2550.408(b)-1(d)(2) providing for loans by the Plan to parties-in-interest under said Plan, such as Participants or Beneficiaries. In order for the Administrator to implement such loan program, a separate written document forming a part of this Plan must be adopted, which document shall specifically include, but need not be limited to, the following:

- (1) the identity of the person or positions authorized to administer the Participant loan program;
- (2) a procedure for applying for loans;
- (3) the basis on which loans will be approved or denied;
- (4) limitations, if any, on the types and amounts of loans offered;
- (5) the procedure under the program for determining a reasonable rate of interest;
- (6) the types of collateral which may secure a Participant loan; and
- (7) the events constituting default and the steps that will be taken to preserve Plan assets in the event such default.

(f) Notwithstanding anything in this Plan to the contrary, if a Participant or Beneficiary defaults on a loan made pursuant to this Section that is secured by the Participant's interest in the Plan, then a Participant's interest may be offset by the amount subject to the security to the extent there is a distributable event permitted by the Code or Regulations.

(g) Notwithstanding anything in this Section to the contrary, if this is an amendment and restatement of an existing Plan, any loans made prior to the date this amendment and restatement is adopted shall be subject to the terms of the Plan in effect at the time such loan was made.

7.7 MAJORITY ACTIONS

Except where there has been an allocation and delegation of powers, if there shall be more than one Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

7.8 TRUSTEE'S COMPENSATION AND EXPENSES AND TAXES

The Trustee shall be paid such reasonable compensation as set forth in the Trustee's fee schedule (if the Trustee has such a schedule) or as agreed upon in writing by the Employer and the Trustee. However, an individual serving as Trustee who already receives full-time compensation from the Employer shall not receive compensation from this Plan. In addition, the Trustee shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by it as Trustee. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Employer. All taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof, shall be paid from the Trust Fund.

7.9 ANNUAL REPORT OF THE TRUSTEE

(a) Within a reasonable period of time after the later of the Anniversary Date or receipt of the Employer's contribution for each Plan Year, the Trustee, or its agent, shall furnish to the Employer and Administrator a written statement of account with respect to the Plan Year for which such contribution was made setting forth:

- (1) the net income, or loss, of the Trust Fund;
- (2) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;
- (3) the increase, or decrease, in the value of the Trust Fund;
- (4) all payments and distributions made from the Trust Fund; and
- (5) such further information as the Trustee and/or Administrator deems appropriate.

(b) The Employer, promptly upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustee and/or Administrator of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within thirty (30) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding on the Employer and the Trustee as to all matters contained in the statement to the same extent as if the account of the Trustee had been settled by judgment or decree in an action for a judicial settlement of its account in a court of competent jurisdiction in which the Trustee, the Employer and all persons having or claiming an interest in the Plan were parties. However, nothing contained in this Section shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so desires.

7.10 AUDIT (Intentionally left blank)

7.11 RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE

(a) Unless otherwise agreed to by both the Trustee and the Employer, a Trustee may resign at any time by delivering to the Employer, at least thirty (30) days before its effective date, a written notice of resignation.

(b) Unless otherwise agreed to by both the Trustee and the Employer, the Employer may remove a Trustee at any time by delivering to the Trustee, at least thirty (30) days before its effective date, a written notice of such Trustee's removal.

(c) Upon the death, resignation, incapacity, or removal of any Trustee, a successor may be appointed by the Employer; and such successor, upon accepting such appointment in writing and delivering same to the Employer, shall, without further act, become vested with all the powers and responsibilities of the

predecessor as if such successor had been originally named as a Trustee herein. Until such a successor is appointed, any remaining Trustee or Trustees shall have full authority to act under the terms of the Plan.

(d) The Employer may designate one or more successors prior to the death, resignation, incapacity, or removal of a Trustee. In the event a successor is so designated by the Employer and accepts such designation, the successor shall, without further act, become vested with all the powers and responsibilities of the predecessor as if such successor had been originally named as Trustee herein immediately upon the death, resignation, incapacity, or removal of the predecessor.

(e) Whenever any Trustee hereunder ceases to serve as such, the Trustee shall furnish to the Employer and Administrator a written statement of account with respect to the portion of the Plan Year during which the individual or entity served as Trustee. This statement shall be either (i) included as part of the annual statement of account for the Plan Year required under Section 7.9 or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Employer no later than the due date of the annual statement of account for the Plan Year. The procedures set forth in Section 7.9 for the approval by the Employer of annual statements of account shall apply to any special statement of account rendered hereunder and approval by the Employer of any such special statement in the manner provided in Section 7.9 shall have the same effect upon the statement as the Employer's approval of an annual statement of account. No successor to the Trustee shall have any duty or responsibility to investigate the acts or transactions of any predecessor who has rendered all statements of account required by Section 7.9 and this subparagraph.

7.12 TRANSFER OF INTEREST

Notwithstanding any other provision contained in this Plan, the Trustee at the direction of the Administrator shall transfer the interest, if any, of a Participant to another trust forming part of a pension, profit sharing, or stock bonus plan that meets the requirements of Code Section 401(a), provided that the trust to which such transfers are made permits the transfer to be made.

7.13 TRUSTEE INDEMNIFICATION

The Employer agrees to indemnify and hold harmless the Trustee against any and all claims, losses, damages, expenses and liabilities the Trustee may incur in the exercise and performance of the Trustee's powers and duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct.

7.14 EMPLOYER SECURITIES AND REAL PROPERTY (Intentionally left blank)

ARTICLE VIII AMENDMENT, TERMINATION AND MERGERS

8.1 AMENDMENT

(a) The Employer shall have the right at any time to amend this Plan subject to the limitations of this Section. However, any amendment that affects the rights, duties or responsibilities of the Trustee or Administrator may only be made with the Trustee's or Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution. The Trustee shall not be required to execute any such amendment unless the amendment affects the duties of the Trustee hereunder.

(b) (Intentionally left blank)

(c) (Intentionally left blank)

(d) No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries or estates; or causes any reduction in the amount credited to the account of any Participant; or causes or permits any portion of the Trust Fund to revert to or become property of the Employer.

(e) Except as permitted by Regulations (including Regulation 1.411(d)-4) or other IRS guidance, no Plan amendment or transaction having the effect of a Plan amendment (such as a merger, plan transfer or similar transaction) shall be effective if it eliminates or reduces any "Section 411(d)(6) protected benefit" or adds or modifies conditions relating to "Section 411(d)(6) protected benefits" which results in a

further restriction on such benefits unless such "Section 411(d)(6) protected benefits" are preserved with respect to benefits accrued as of the later of the adoption date or effective date of the amendment. "Section 411(d)(6) protected benefits" are benefits described in Code Section 411(d)(6)(A), early retirement benefits and retirement-type subsidies, and optional forms of benefit. A Plan amendment that eliminates or restricts the ability of a Participant to receive payment of the Participant's interest in the Plan under a particular optional form of benefit will be permissible if the amendment satisfies the conditions in (1) and (2) below:

(1) The amendment provides a single-sum distribution form that is otherwise identical to the optional form of benefit eliminated or restricted. For purposes of this condition (1), a single-sum distribution form is otherwise identical only if it is identical in all respects to the eliminated or restricted optional form of benefit (or would be identical except that it provides greater rights to the Participant) except with respect to the timing of payments after commencement.

(2) (Intentionally left blank)

8.2 TERMINATION

(a) The Employer shall have the right at any time to terminate the Plan by delivering to the Trustee and Administrator written notice of such termination. Upon any full or partial termination, all amounts credited to the affected Participants' Combined Accounts shall become 100% Vested and shall not thereafter be subject to forfeiture, and all unallocated amounts, including Forfeitures, shall be allocated to the accounts of all Participants in accordance with the provisions hereof.

(b) Upon the full termination of the Plan, the Employer shall direct the distribution of the assets to Participants in a manner that is consistent with and satisfies the provisions of Section 6.5. Distributions to a Participant shall be made in cash (or in property if permitted in the Adoption Agreement) or through the purchase of irrevocable nontransferable deferred commitments from the Insurer. Except as permitted by Regulations, the termination of the Plan shall not result in the reduction of "Section 411(d)(6) protected benefits" as described in Section 8.1(e).

8.3 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

This Plan may be merged or consolidated with, or its assets and/or liabilities may be transferred to any other plan only if the benefits which would be received by a Participant of this Plan, in the event of a termination of the plan immediately after such transfer, merger or consolidation, are at least equal to the benefits the Participant would have received if the Plan had terminated immediately before the transfer, merger or consolidation and such transfer, merger or consolidation does not otherwise result in the elimination or reduction of any "Section 411(d)(6) protected benefits" as described in Section 8.1(e).

ARTICLE IX TOP HEAVY PROVISIONS

(Intentionally left blank)

ARTICLE X MISCELLANEOUS

10.1 EMPLOYER ADOPTIONS

(a) Any organization may become the Employer hereunder by executing the Adoption Agreement in a form satisfactory to the Trustee, and it shall provide such additional information as the Trustee may require. The consent of the Trustee to act as such shall be signified by its execution of the Adoption Agreement or a separate agreement (including, if elected in the Adoption Agreement, a separate trust agreement).

(b) Except as otherwise provided in this Plan, the affiliation of the Employer and the participation of its Participants shall be separate and apart from that of any other employer and its participants hereunder.

10.2 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon the Employee as a Participant of this Plan.

10.3 ALIENATION

(a) Subject to the exceptions provided below and as otherwise permitted by the Code and the Act, no benefit which shall be payable to any person (including a Participant or the Participant's Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized except to such extent as may be required by law.

(b) Subsection (a) shall not apply to the extent a Participant or Beneficiary is indebted to the Plan by reason of a loan made pursuant to Section 7.6. At the time a distribution is to be made to or for a Participant's or Beneficiary's benefit, such portion of the amount to be distributed as shall equal such indebtedness shall be paid to the Plan, to apply against or discharge such indebtedness. Prior to making a payment, however, the Participant or Beneficiary must be given notice by the Administrator that such indebtedness is to be so paid in whole or part from the Participant's interest in the Plan. If the Participant or Beneficiary does not agree that the indebtedness is a valid claim against the Participant's interest in the Plan, the Participant or Beneficiary shall be entitled to a review of the validity of the claim in accordance with procedures provided in Sections 2.10 and 2.11.

(c) Subsection (a) shall not apply to a "qualified domestic relations order" defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Administrator shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a "qualified domestic relations order," a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.

(d) Notwithstanding any provision of this Section to the contrary, an offset to a Participant's accrued benefit against an amount that the Participant is ordered or required to pay the Plan with respect to a judgment, order, or decree issued, or a settlement entered into, on or after August 5, 1997, shall be permitted in accordance with Code Sections 401(a)(13)(C) and (D).

10.4 CONSTRUCTION OF PLAN

This Plan and Trust shall be construed and enforced according to the Code, the Act and the laws of the state or commonwealth in which the Employer's (or if there is a corporate Trustee, the Trustee's) principal office is located (unless otherwise designated in the Adoption Agreement), other than its laws respecting choice of law, to the extent not pre-empted by the Act.

10.5 GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

10.6 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Trustee, the Employer or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee, the Employer or the Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

10.7 PROHIBITION AGAINST DIVERSION OF FUNDS

(a) Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants, Former Participants, or their Beneficiaries.

(b) In the event the Employer shall make a contribution under a mistake of fact pursuant to Act Section 403(c)(2)(A), the Employer may demand repayment of such contribution at any time within one (1) year following the time of payment and the Trustee shall return such amount to the Employer within the one (1) year period. Earnings of the Plan attributable to the contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

(c) Except as specifically stated in the Plan, any contribution made by the Employer to the Plan (if the Employer is not tax-exempt) is conditioned upon the deductibility of the contribution by the Employer under the Code and, to the extent any such deduction is disallowed, the Employer may, within one (1) year following a final determination of the disallowance, whether by agreement with the Internal Revenue Service or by final decision of a court of competent jurisdiction, demand repayment of such disallowed contribution and the Trustee shall return such contribution within one (1) year following the disallowance. Earnings of the Plan attributable to the contribution may not be returned to the Employer, but any losses attributable thereto must reduce the amount so returned.

10.8 EMPLOYER'S AND TRUSTEE'S PROTECTIVE CLAUSE

The Employer, Administrator and Trustee, and their successors, shall not be responsible for the validity of any Contract issued hereunder or for the failure on the part of the Insurer to make payments provided by any such Contract, or for the action of any person which may delay payment or render a Contract null and void or unenforceable in whole or in part.

10.9 INSURER'S PROTECTIVE CLAUSE

Except as otherwise agreed upon in writing between the Employer and the Insurer, an Insurer which issues any Contracts hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The Insurer shall be protected and held harmless in acting in accordance with any written direction of the Administrator or Trustee, and shall have no duty to see to the application of any funds paid to the Trustee, nor be required to question any actions directed by the Administrator or Trustee. Regardless of any provision of this Plan, the Insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Contract which it issues hereunder, or the rules of the Insurer.

10.10 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, the Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer.

10.11 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

10.12 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Administrator, (3) the Trustee (if the Trustee has discretionary authority as elected in the Adoption Agreement or as otherwise agreed upon by the Employer and the Trustee), and (4) any Investment Manager appointed hereunder. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Employer shall have the sole responsibility for making the contributions provided for under the Plan; and shall have the sole authority to appoint and remove the Trustee and the Administrator; to formulate the Plan's "funding policy and method"; and to amend the elective provisions of the

Adoption Agreement or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described in the Plan. If the Trustee has discretionary authority, it shall have the sole responsibility of management of the assets held under the Trust, except those assets, the management of which has been assigned to an Investment Manager or Administrator, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan, and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

10.13 HEADINGS

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

10.14 APPROVAL BY INTERNAL REVENUE SERVICE

Notwithstanding anything herein to the contrary, if, pursuant to a timely application filed by or on behalf of the Plan, the Commissioner of the Internal Revenue Service or the Commissioner's delegate should determine that the Plan does not initially qualify as a tax-exempt plan under Code Sections 401 and 501, and such determination is not contested, or if contested, is finally upheld, then if the Plan is a new plan, it shall be void ab initio and all amounts contributed to the Plan, by the Employer, less expenses paid, shall be returned within one (1) year and the Plan shall terminate, and the Trustee shall be discharged from all further obligations. If the disqualification relates to a Plan amendment, then the Plan shall operate as if it had not been amended. If the Employer's Plan fails to attain or retain qualification, such Plan will no longer participate in this prototype plan and will be considered an individually designed plan.

10.15 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

10.16 PAYMENT OF BENEFITS

Except as otherwise provided in the Plan, benefits under this Plan shall be paid, subject to Sections 6.10, 6.11 and 12.9, only upon death, Total and Permanent Disability, normal or early retirement, termination of employment, or termination of the Plan.

ARTICLE XI PARTICIPATING EMPLOYERS

11.1 ELECTION TO BECOME A PARTICIPATING EMPLOYER

Notwithstanding anything herein to the contrary, with the consent of the Employer and Trustee, any Affiliated Employer may adopt the Employer's Plan and all of the provisions hereof, and participate herein and be known as a Participating Employer, by a properly executed document evidencing said intent and will of such Participating Employer. Regardless of the preceding, an entity that ceases to be an Affiliated Employer may continue to be a Participating Employer through the end of the transition period for certain dispositions set forth in Code Section 410(b)(6)(C). In the event a Participating Employer is not an Affiliated Employer and the transition period in the preceding sentence, if applicable, has expired, then this Plan will be considered an individually designed plan.

11.2 REQUIREMENTS OF PARTICIPATING EMPLOYERS

(a) Each Participating Employer shall be required to select the same Adoption Agreement provisions as those selected by the Employer other than the Plan Year, the Fiscal Year, and such other items that must, by necessity, vary among employers.

(b) The Trustee may, but shall not be required to, commingle, hold and invest as one Trust Fund all contributions made by Participating Employers, as well as all increments thereof. However, the

assets of the Plan shall, on an ongoing basis, be available to pay benefits to all Participants and Beneficiaries under the Plan without regard to the Employer or Participating Employer who contributed such assets.

(c) Unless the Employer otherwise directs, any expenses of the Plan which are to be paid by the Employer or borne by the Trust Fund shall be paid by each Participating Employer in the same proportion that the total amount standing to the credit of all Participants employed by such Employer bears to the total standing to the credit of all Participants.

11.3 DESIGNATION OF AGENT

Each Participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Trustee and Administrator for purposes of this Plan, each Participating Employer shall be deemed to have designated irrevocably the Employer as its agent. Unless the context of the Plan clearly indicates otherwise, the word "Employer" shall be deemed to include each Participating Employer as related to its adoption of the Plan.

11.4 EMPLOYEE TRANSFERS

In the event an Employee is transferred between Participating Employers, accumulated service and eligibility shall be carried with the Employee involved. No such transfer shall effect a termination of employment hereunder, and the Participating Employer to which the Employee is transferred shall thereupon become obligated hereunder with respect to such Employee in the same manner as was the Participating Employer from whom the Employee was transferred.

11.5 PARTICIPATING EMPLOYER'S CONTRIBUTION AND FORFEITURES

Any contribution or Forfeiture subject to allocation during each Plan Year shall be allocated among all Participants of all Participating Employers in accordance with the provisions of this Plan. However, if a Participating Employer is not an Affiliated Employer (due to the transition rule for certain dispositions set forth in Code Section 410(b)(6)(C)) then any contributions made by such Participating Employer will only be allocated among the Participants eligible to share of the Participating Employer. On the basis of the information furnished by the Administrator, the Trustee may keep separate books and records concerning the affairs of each Participating Employer hereunder and as to the accounts and credits of the Employees of each Participating Employer. The Trustee may, but need not, register Contracts so as to evidence that a particular Participating Employer is the interested Employer hereunder, but in the event of an Employee transfer from one Participating Employer to another, the employing Participating Employer shall immediately notify the Trustee thereof.

11.6 AMENDMENT

Amendment of this Plan by the Employer at any time when there shall be a Participating Employer that is an Affiliated Employer hereunder shall only be by the written action of each and every Participating Employer and with the consent of the Trustee where such consent is necessary in accordance with the terms of this Plan.

11.7 DISCONTINUANCE OF PARTICIPATION

Except in the case of a standardized Plan, any Participating Employer that is an Affiliated Employer shall be permitted to discontinue or revoke its participation in the Plan at any time. At the time of any such discontinuance or revocation, satisfactory evidence thereof and of any applicable conditions imposed shall be delivered to the Trustee. The Trustee shall thereafter transfer, deliver and assign Contracts and other Trust Fund assets allocable to the Participants of such Participating Employer to such new trustee or custodian as shall have been designated by such Participating Employer, in the event that it has established a separate qualified retirement plan for its employees provided, however, that no such transfer shall be made if the result is the elimination or reduction of any "Section 411(d)(6) protected benefits" as described in Section 8.1(e). If no successor is designated, the Trustee shall retain such assets for the Employees of said Participating Employer pursuant to the provisions of Article VII hereof. In no such event shall any part of the corpus or income of the Trust Fund as it relates to such Participating Employer be used for or diverted to purposes other than for the exclusive benefit of the employees of such Participating Employer.

11.8 ADMINISTRATOR'S AUTHORITY

The Administrator shall have authority to make any and all necessary rules or regulations, binding upon all Participating Employers and all Participants, to effectuate the purpose of this Article.

11.9 PARTICIPATING EMPLOYER CONTRIBUTION FOR AFFILIATE

If any Participating Employer is prevented in whole or in part from making a contribution which it would otherwise have made under the Plan by reason of having no current or accumulated earnings or profits, or because such earnings or profits are less than the contribution which it would otherwise have made, then, pursuant to Code Section 404(a)(3)(B), so much of the contribution which such Participating Employer was so prevented from making may be made, for the benefit of the participating employees of such Participating Employer, by other Participating Employers who are members of the same affiliated group within the meaning of Code Section 1504 to the extent of their current or accumulated earnings or profits, except that such contribution by each such other Participating Employer shall be limited to the proportion of its total current and accumulated earnings or profits remaining after adjustment for its contribution to the Plan made without regard to this paragraph which the total prevented contribution bears to the total current and accumulated earnings or profits of all the Participating Employers remaining after adjustment for all contributions made to the Plan without regard to this paragraph.

A Participating Employer on behalf of whose employees a contribution is made under this paragraph shall not be required to reimburse the contributing Participating Employers.

**ARTICLE XII
CASH OR DEFERRED PROVISIONS**

(Intentionally left blank)

**ARTICLE XIII
SIMPLE 401(K) PROVISIONS**

(Intentionally left blank)

METROPOLITAN LIBRARY SYSTEM

PENSION PLAN

ANNUAL VALUATION

JULY 1, 2005



INTRODUCTION

This report contains a detailed description and the results of a valuation of the Metropolitan Library System Pension Plan as of July 1, 2005. The purpose of the valuation is to:

1. set forth the financial condition of the Plan;
2. determine the level of the company's contribution for the July 1, 2005 through June 30, 2006 Plan Year;
3. provide information for tax and accounting purposes.

In completing the Valuation and subsequent Actuarial Certification, we have relied on the following sources:

The Plan: This valuation was based upon copies of the Plan originally effective July 1, 1969, restated effective July 1, 1994 on March 30, 1994, most recently amended effective April 1, 1997 on March 11, 1997, restated December 12, 2002 and amended effective August 29, 2005.

Employee Data: This valuation is based upon the employee data provided to us by the Plan Sponsor.

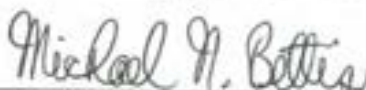
Asset Information: This valuation was based upon asset values provided to us by Bank of Oklahoma, N.A.

In an effort to determine the funded status of the plan for termination liability purposes, the plan assets are compared with the present value of accrued benefits:


1. Current plan assets (market value)	18,469,980
2. Present value of accrued benefits	15,518,509

The present value of accrued benefits is based on the plan's definition of actuarial equivalence which is 8% interest and UP84 mortality. This produces a benefit security ratio of 119%.

This report has been prepared in accordance with generally accepted actuarial principles and practices. It is based on financial and employee information (neither of which has been audited by us) furnished as specified above. The contents of this report are believed to comply with the section of ERISA as reflected in IRS Code Section 412 (C)(3) requiring that "actuarial assumptions must be reasonable".



Michael N. Bettis, A.S.A.
Actuary


Date

CONTRIBUTION REQUIREMENTS

The contribution is based upon the actuarial assumptions proposed by the Plan's Enrolled Actuary, and as input into the system as plan specifications.

If the Employer contribution is made on February 1, 2006, the amount is \$ 719,272. The estimated employee contributions for the 2005 plan year are assumed to be \$ 131,385.

ACTUARY'S COMMENTS

The plan was amended effective August 29, 2005 in the following areas:

- Participants are provided the opportunity to cease participation in the plan.
- Mandatory contribution rate is four percent of compensation in place of three percent.
- Normal retirement age is age 65 in place of age 62.
- An additional early retirement eligibility provision of age 62 and five years was added.

Prior to the plan changes, the Employer's dollar amount normal cost has increased from \$ 1,511,529 last year to \$ 1,604,723 this year. The Employer normal cost percentage has increased from 21.45% in the prior valuation to 22.54% in the current valuation.

The plan's market value investment rate of return for the year ending June 30, 2005 was approximately 7.13%. The plan's actuarial value investment rate of return for the year ending June 30, 2005 was approximately 2.56%. This compares to an assumed rate of return of 7%. This produced a loss of approximately \$ 784,000. The overall experience loss was approximately \$ 998,000. This loss includes part of the previously unrecognized investment losses that were incurred during the past four years.

The average salary increase for participants included in both the current and prior year valuation was approximately 5.74%. The actuarial assumption for salary increases was 5% for the prior year.

After the plan changes, the Employer's dollar amount normal cost has decreased to \$ 691,054. The Employer normal cost percentage has decreased to 19.65% of payroll for continuing active participants. If the payroll for all active employees prior to the plan change was used, the Employer normal cost percentage would be 9.71%.

**METROPOLITAN LIBRARY SYSTEM
PENSION PLAN
STATEMENT OF NET ASSETS
JULY 1, 2005**

ASSETS

Cash:

Cash on Hand \$0

Money Market 642,486

Receivables:

Employee Contribution 0

Accrued Income 108,097

Due from Brokers 0

Government Securities 5,602,961

Corporate Obligations 1,282,698

Equities 11,278,369

Total Assets 18,914,611

LIABILITIES

Benefit Payments 0

Due to Brokers 444,631

Total Liabilities 444,631

NET ASSETS \$ 18,469,980

**METROPOLITAN LIBRARY SYSTEM
PENSION PLAN
STATEMENT OF INCOME
JULY 1, 2004 THROUGH JUNE 30, 2005**

INCOME

Contributions

Employer \$ 1,573,250

Employee 221,103

Investment Income:

Interest 318,368

Dividends 197,869

Accruals 6,173

Unrealized Gains 614,627

Realized Gain 167,203

Miscellaneous Income 1,112

Total Income 3,099,705

EXPENSES

Lump-Sum Benefits 30,398

Monthly Income Payments 623,552

Trust Fees 43,936

Investment Management Fees 71,439

Interest Expense and Foreign Tax 4,593

Total Expenses \$773,918

NET INCOME 2,325,787

Beginning Assets, July 1, 2004 16,144,193

Ending Assets, June 30, 2005 18,469,980

METROPOLITAN LIBRARY SYSTEM PENSION PLAN
DEFINED BENEFIT PENSION PLAN SPECIFICATIONS
AND ACTUARIAL ASSUMPTIONS

EFFECTIVE DATE	JULY 1, 1969
VALUATION DATE	JULY 1, 2005
MONTHLY PENSION	2.5% OF MONTHLY COMPENSATION MULTIPLIED BY YEARS OF BENEFIT SERVICE FROM THE DATE OF HIRE TO THE NORMAL RETIREMENT DATE - TOTAL BENEFIT SERVICE NOT TO EXCEED 32 YEAR(S) .
ELIGIBILITY REQUIREMENTS	(A) MINIMUM MONTHS OF SERVICE: NONE (B) MINIMUM AGE: NONE (C) MAXIMUM AGE: NONE (D) PARTICIPANT ENTERS PLAN ON FIRST OF THE MONTH COINCIDING WITH OR FOLLOWING COMPLETION OF ELIGIBILITY REQUIREMENTS
NORMAL RETIREMENT AGE	(A) 1ST OF MONTH FOLLOWING ATTAINMENT OF AGE 65 OR 5 YEARS OF PARTICIPATION, IF LATER. (B) ELIGIBILITY FOR EARLY RETIREMENT: ATTAINMENT OF AGE 50 AND 20 YEARS OF SERVICE
FUNDING PROVISIONS	(A) AGGREGATE FUNDING (B) AUXILIARY FUND DEPOSITS
SALARY AVERAGING	AVERAGE HIGH 5 CONSECUTIVE SALARIES NUMBER OF YEARS TO CONSIDER: 10 USE HISTORICAL SALARIES FOR ACCRUAL

09-10-2005

METROPOLITAN LIBRARY SYSTEM PENSION PLAN
DEFINED BENEFIT PENSION PLAN SPECIFICATIONS
AND ACTUARIAL ASSUMPTIONS

MAXIMUM SALARY MAXIMUM CURRENT SALARY: \$ 205000
MAXIMUM PROJECTED SALARY: \$ 205000

TYPE OF ANNUITY LIFE AND 2 YEARS CERTAIN

ACCRUED BENEFIT FRACTIONAL RULE BASED ON SERVICE.
FULLY ACCRUED AFTER 32 YEARS.
EFFECTIVE DATE: JULY 1, 1969

VESTING SCHEDULE YR. % YR. % YR. %

1 0 3 0 5 100
2 0 4 0 6 100
VESTING BASED UPON TOTAL SERVICE

TOP HEAVY STATUS THIS PLAN HAS BEEN DETERMINED NOT TO BE
TOP-HEAVY FOR THE CURRENT PLAN YEAR

09-10-2005

METROPOLITAN LIBRARY SYSTEM PENSION PLAN
DEFINED BENEFIT PENSION PLAN SPECIFICATIONS
AND ACTUARIAL ASSUMPTIONS

ACTUARIAL ASSUMPTIONS

PRE-RETIREMENT

- (A) INTEREST: 7%
- (B) MORTALITY: GAM83 (MALE)
- (C) FEMALE MORTALITY: GAM83 (FEMALE)
- (D) SALARY SCALE: 5%
- (E) TURNOVER: T5

POST RETIREMENT

- (A) INTEREST: 7%
- (B) MORTALITY: GAM83 (MALE)
- (C) FEMALE MORTALITY: GAM83 (FEMALE)
- (D) MALE SETBACK: -1 YEARS
- (E) FEMALE SETBACK: -4 YEARS

ACTUARIAL EQUIVALENCE

POST RETIREMENT

- (A) INTEREST: 8%
- (B) MORTALITY: UP 84

PRESENT VALUE OF
ACCRUED BENEFIT

PRE-RETIREMENT

- (A) INTEREST: 8%
- (B) MORTALITY: UP 84

POST RETIREMENT

- (A) INTEREST: 8%
- (B) MORTALITY: UP 84

09-10-2005

METROPOLITAN LIBRARY SYSTEM PENSION PLAN
DEFINED BENEFIT PENSION PLAN SPECIFICATIONS
AND ACTUARIAL ASSUMPTIONS

CURRENT LIABILITY

PRE-RETIREMENT

- (A) INTEREST: 7%
- (B) MORTALITY: GAM83 (MALE)
- (C) FEMALE MORTALITY: GAM83 (FEMALE)
- (D) SALARY SCALE: 5%
- (E) TURNOVER: T5

POST RETIREMENT

- (A) INTEREST: 7%
- (B) MORTALITY: GAM83 (MALE)
- (C) FEMALE MORTALITY: GAM83 (FEMALE)
- (D) MALE SETBACK: -1 YEARS
- (E) FEMALE SETBACK: -4 YEARS

09-10-2005

ACTUARIAL FUNDING METHOD

Calculation of the Contribution Limitations

The Aggregate Actuarial Cost Method has been used. Under the Aggregate Actuarial Cost Method, the Normal Cost is the excess of the actuarial present value of total benefits over valuation assets funded as a level percentage of expected future earnings of all active participants. Any actuarial gains or losses are automatically reflected in the Normal Cost.

Calculation of the Actuarial Present Value of Accrued and Vested Benefits

The actuarial method used to determine the actuarial present value of accrued benefits (both vested and non-vested) was the Unit Credit Actuarial Method. Accrued benefits payable at the assumed retirement age based on service at the valuation date were calculated for all active participants included in the valuation. Accrued benefits for inactive participants were calculated based on actual benefits earned and were the same as the benefit valued to determine the Contribution Limitation.

METROPOLITAN LIBRARY SYSTEM PENSION PLAN

VALUATION AS OF 07/01/05

PARTICIPANT COUNT FOR FORM 5500:

(a) ACTIVES		(b) RECEIVING BENEFITS	56
(i) FULLY VESTED	140	(c) ENTITLED TO FUTURE BENEFITS	14
(ii) PARTIALLY VESTED	0		
(iii) NONVESTED	68	(d) SUBTOTAL [(a)(iv)+(b)+(c)]	278
(iv) TOTAL	208	(e) BENEFICIARIES	0
		(f) TOTAL [(d)+(e)]	278

METROPOLITAN LIBRARY SYSTEM PENSION PLAN
7/1/05
AGE - SERVICE DISTRIBUTION

-----COMPLETED YEARS OF SERVICE-----

AGE	<1	1	2	3	4	5	6	7	8 TO 15	16 TO 29	>29	TOT.	AVERAGE SALARY	TOTAL SALARY
0-24	1	0	1	0	0	0	0	0	0	0	0	2	23287	46573
25-29	4	4	2	1	0	0	0	0	0	0	0	11	27252	299772
30-34	1	1	1	1	7	0	1	1	1	0	0	14	27775	388852
35-39	1	2	2	1	0	3	3	3	5	2	0	22	34676	762866
40-44	0	4	1	2	2	1	1	0	4	2	0	17	34748	590712
45-49	3	2	0	3	5	1	1	2	7	15	0	39	35694	1392077
50-54	0	0	2	2	3	1	1	5	11	11	0	36	36467	1312796
55-59	1	2	3	1	2	0	3	1	9	16	4	42	43530	1828258
60-64	0	0	0	1	2	0	1	1	3	7	3	18	40580	730436
>64	0	0	0	0	2	0	1	1	1	2	0	7	33219	232536
TOTALS	11	15	12	12	23	6	12	14	41	55	7	208	36466	7584878

STATUS	NUMBER IN GROUP	M	F	SUMMARY			TOTAL SALARY	EXCESS SALARY
				AGE	AVERAGE SERVICE	SALARY		
ACTIVE	189	46	143	48.0	11.8	37406	7069743	168284
NEW ENTRANT	12	4	8	35.8	0.6	23550	282600	0
ACT.-FROZ.	0	0	0	.0	.0	0	0	0
POSTPONED	7	0	7	67.6	12.0	33219	232536	666
TOTALS	208	50	158	47.9	11.1	36466	7584879	168949

METROPOLITAN LIBRARY SYSTEM PENSION PLAN

REPORT AS OF 07/01/2005

EMPLOYEES ELIGIBLE FOR NORMAL RETIREMENT WITHIN 18 MONTHS

	NORMAL		CURRENT
	RETIREMENT		ACCRUED
EMPLOYED	DATE	STATUS	BENEFIT
01/01/1978	09/01/2001	ACTIVE	2,835
08/20/1981	06/01/2002	ACTIVE	1,361
09/16/1996	10/01/2001	ACTIVE	527
11/24/1987	11/01/2006	ACTIVE	938
07/01/1982	03/01/2006	ACTIVE	3,794
05/27/1980	02/01/2006	ACTIVE	2,046
09/22/1997	02/01/2004	ACTIVE	525
02/15/1999	01/01/2007	ACTIVE	234
10/13/1997	11/01/2002	ACTIVE	416
10/31/1988	12/01/2005	ACTIVE	892
02/19/2001	03/01/2006	ACTIVE	215
10/30/2000	11/01/2005	ACTIVE	307
10/05/1998	11/01/2003	ACTIVE	348
09/01/1971	03/01/2004	ACTIVE	3,747
09/25/2000	10/01/2005	ACTIVE	315
07/17/2000	08/01/2005	ACTIVE	331
04/04/1966	09/01/2004	ACTIVE	3,124
09/28/1992	09/01/2006	ACTIVE	661
08/13/1990	09/01/2006	INACTIVE	574

METROPOLITAN LIBRARY SYSTEM PENSION PLAN

REPORT AS OF 07/01/2005

EMPLOYEES ELIGIBLE FOR EARLY RETIREMENT WITHIN 18 MONTHS

	EARLY		CURRENT
	RETIREMENT		ACCRUED
EMPLOYED	DATE	STATUS	BENEFIT
06/04/1984	07/01/2004	ACTIVE	2,119
09/18/1978	09/01/2002	ACTIVE	2,409
09/13/1982	10/01/2002	ACTIVE	2,348
11/22/1982	12/01/2002	ACTIVE	2,772
07/19/1982	08/01/2002	ACTIVE	2,064
08/01/1972	09/12/1998	ACTIVE	3,963
05/06/1985	08/01/2005	ACTIVE	1,309
07/08/1985	08/01/2005	ACTIVE	1,832
01/04/1984	02/01/2004	ACTIVE	1,326
09/16/1980	05/01/2004	ACTIVE	2,140
11/04/1975	08/25/1998	ACTIVE	2,016
01/22/1985	02/01/2005	ACTIVE	1,363
07/01/1977	02/01/2006	ACTIVE	2,807
09/01/1976	06/01/2004	ACTIVE	1,730
09/06/1977	09/28/2000	ACTIVE	4,542
11/01/1984	11/01/2004	ACTIVE	938
06/01/1969	11/16/1999	ACTIVE	7,031
01/16/1984	02/01/2004	ACTIVE	2,649
10/01/1973	08/13/1998	ACTIVE	2,077
09/16/1980	09/01/2006	ACTIVE	1,271
12/04/1979	11/01/2006	ACTIVE	1,715
05/21/1984	06/01/2004	ACTIVE	2,088
02/16/1982	03/01/2002	ACTIVE	3,367
10/01/1978	10/01/2004	ACTIVE	2,959
07/01/1982	07/01/2002	ACTIVE	2,066
01/01/1973	06/28/1997	ACTIVE	5,842
09/13/1982	10/01/2002	ACTIVE	1,219
09/13/1982	01/01/2007	ACTIVE	1,281
06/03/1974	12/17/1995	ACTIVE	2,785

METROPOLITAN LIBRARY SYSTEM PENSION PLAN

VALUATION AS OF 7/1/2005

DETERMINATION OF SMOOTHED MARKET VALUE

	July 1,			
	2001	2002	2003	2004
Fair Market Value	13,200,765	12,813,064	13,581,885	16,144,193
Contributions	1,122,731	1,155,266	1,646,098	1,794,353
Benefit Payments	(592,250)	(633,194)	(599,979)	(653,950)
Interest at 7.0%	940,464	910,776	982,160	1,164,405
Subtotal	1,470,945	1,432,848	2,028,279	2,304,808
Expected Value end of plan year	14,671,710	14,245,912	15,610,164	18,449,001
Fair Market Value end of plan year	12,813,064	13,581,885	16,144,193	18,469,980
Gain(Loss)	(1,858,646)	(664,027)	534,029	20,979
Interest on Contribution	37,643	38,266	53,968	58,257
Weighted Benefit Payments	(303,322)	(348,630)	(322,000)	(342,082)
Smoothed Market Value				18,469,980
			4/5	(16,783)
			3/5	(320,417)
			2/5	265,611
			1/5	371,729
				18,770,120
Market Value Range				
Minimum				14,775,984
Maximum				22,163,976

METROPOLITAN LIBRARY SYSTEM PENSION PLAN

VALUATION AS OF 7/1/2005

SUMMARY OF ACTUARIAL VALUATION

	<u>Prior Plan</u>	<u>New Plan</u>
1 Total Present Value of Benefits	35,021,284	26,691,150
2 Actuarial Asset Value	18,770,120	18,770,120
3 Present Value of Future Employee Contributions	1,872,407	1,265,390
4 Present Value of Future Normal Cost = 1 - 2 - 3	14,378,757	6,655,640
5 Average Temporary Annuity Factor	8.960276	9.631144
6 Normal Cost @ Beginning of Year	1,604,723	691,054
7 Normal Cost @ 1/31/2006	1,670,249	719,272
8 Current Compensation	7,119,695	3,516,558
9 Normal Cost % = 6/8	22.54%	19.65%

METROPOLITAN LIBRARY SYSTEM'S CONTRIBUTION TO PENSION FUND FY 2005-2006

The Metropolitan Library System's contribution to the pension fund each year is based on the recommendation of the plan administrator, FBD Consulting Inc. This year the recommended amount is \$719,272 a decrease of \$853,978 from last year's contribution.

The Administration recommends that the Metropolitan Library System's contribution to the defined benefit fund be \$719,272 payable by February 1, 2006 as recommended by the actuary. The Metropolitan Library Commission has approved an amount of \$1,200,000 in the Fiscal Year 2005-06 budget for this and for the defined contribution plan, estimated to be \$420,000.

PROPOSED ACTION:

That the Metropolitan Library System's contribution to the defined benefit fund for FY 2005-06 shall be \$719,272 payable by February 1, 2006.