

DERRYCOOPERATIVESCHOOLDISTRICT
DerryCooperativeSchoolDistrict403(b)Plan
SUMMARYPLANDESCRIPTION

July1,2008

NON-ERISAPLAN
ADOPTIONAGREEMENT#001

SUMMARY PLAN DESCRIPTION

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I. INTRODUCTION

We are pleased to provide the following summary of your Code §403(b) Arrangement. This §403(b) Arrangement is intended to provide you with retirement income through your contributions. The Employer makes no contributions to this Plan. Once you become a Participant in this Plan, a Custodial Account or Annuity Contract will be established in your name to hold all your contributions as well as the investment earnings on those contributions. Your benefits at retirement will be equal to the value of your Account on the date you retire or separate from employment.

This 403(b) Arrangement is not intended to be subject to the provisions of ERISA. Although not subject to ERISA, the Plan is subject to applicable provisions of the Internal Revenue Code which provides strict rules with respect to the operation of the 403(b) Arrangement, including the investment of your contributions.

While this summary describes the principal provisions of the §403(b) Arrangement, it does not include every limitation or detail. Every attempt has been made to provide concise and accurate information. If, however, there is a discrepancy between this booklet and the official Plan document, the Plan document will govern. You may examine the §403(b) documents during regular business hours at the Plan Administrator's office and obtain a copy of the Plan by written request to the Plan Administrator. You may be charged a small fee to cover copying costs. You should read the Summary of Plan Provisions carefully as it gives you a detailed description of your Plan, how it works, what benefits it provides, how they may be obtained and how they may be lost. If the summary does not answer your questions or if you need further information, contact the Plan Administrator.

II. PLAN DATA

A. Agent For Service Of Legal Process

The Agent for Service of legal process is the Plan Sponsor. The agent for service of legal process and the address at which process may be served is listed below. Additionally, service of legal process may also be made upon the Employer or the Plan Administrator.

Agent for Service of legal process :

Address:

B. Funding Arrangement

Contributions are invested in one or more Investment Vehicles available to Participants under this Plan. The Investment Vehicles available to Participants are Mutual Funds or Annuity Contracts. The Plan Administrator will provide more information regarding the Investment Vehicles available to you as a Participant.

C. Effective Date

The Effective Date is the date on which this Plan was originally established or the date that an amendment to this Plan goes into effect.

This is a new Plan ; the Effective Date is July 1, 2008 .

D. Employer

Name: Derry Cooperative School District
Address: 18 South Main Street
Derry, NH 03038
Telephone: 603-432-1210

- E. **Plan Administrator**
The Employer has designated the following individual(s) to serve as the Plan Administrator:
- Name: Jane Simard
Address: 18 South Main Street
Derry, NH 03038
Telephone: 603-432-1210
- Name: Kathy Kennedy
Address: 18 South Main Street
Derry, NH 03038
Telephone: 603-432-1210
- F. **Plan Name**
Derry Cooperative School District 403(b) Plan
- G. **Plan Year**
The twelve (12) month period beginning on January 1 and ending on December 31.
- H. **Three Digit Plan Number**
001
- I. **Type Of Plan**
The Plan is a defined contribution retirement plan designed to satisfy the requirements of Code Section 403(b)(7) or Code Section 403(b)(1).

III. DEFINITIONS

- A. **Compensation**
The amount of Elective Deferrals you make is based on the amount of Compensation you receive. The total of your earnings for services provided to the Employer which are includable in your taxable income, including amounts reported on Form W-2 and any other taxable income not reported on Form W-2 [Code § 403(b) Includable Income].
- B. **Disability**
A physical or mental illness which prevents you from working and which qualifies you to receive disability benefits under Social Security.
- C. **Early Retirement Age**
Early Retirement is not provided under the Plan.
- D. **Elective Deferral**
Employer contributions made to the Plan at your election instead of being paid to you in cash as part of your Compensation.
- E. **Entry Date**
The date on which you enter the Plan. You are eligible to make Elective Deferral Contributions as soon as you are hired.
- F. **Includable Compensation**
Includable Compensation is not the same as income includable on your tax return. Compensation is a combination of income and benefits received in exchange for services provided to your Employer. Includable Compensation does include the following amounts:
- Elective Deferrals (Employer contributions made on your behalf under a Salary Reduction Agreement).
 - Amounts contributed or deferred by your Employer under a Code Section 125 cafeteria plan.

- Amounts contributed or deferred, at the election of the Employee, under an eligible Code Section 457 nonqualified deferred compensation plan (state or local government or tax exempt organization plan).
- Wages, salaries, and fees for personal services earned with the Employer maintaining your 403(b) account.
- Income otherwise excluded under the foreign income exclusion.
- The value of qualified transportation fringe benefits (including transit passes, certain parking, and transportation in a commuter highway vehicle between your home and work).

Includable Compensation does not include:

- Your Employer's contribution to your 403(b) account.
- Compensation earned while your Employer was not an Eligible Employer.
- Your Employer's contribution to a Qualified Retirement Plan that are on your behalf, and you can exclude from income.
- The cost of incidental life insurance.

G. Most Recent Year Of Service

The Most Recent Year of Service is your last full Year of Service, ending on the last day of your tax year that you worked for the Employer that maintains a Code §403(b) account on your behalf.

H. Normal Retirement Age

Normal Retirement Age is the date on which the full value of your account becomes payable. The Normal Retirement Dates shall be as of the date you attain Normal Retirement Age.

Normal Retirement Age is defined as your attainment of age 65.

I. Spouse

The person to whom you are or were legally married, or your common law Spouse if common law marriage is recognized by the state in which you live. In order for your Spouse to receive a benefit under this Plan, he or she may not predecease you. A former Spouse may be treated as a "Spouse" under this definition if recognized as such under a Qualified Domestic Relations Order.

J. Vendor

The insurance company or mutual fund complex from which the Employer may purchase Annuity Contracts or Mutual Funds and with whom the Employer enters into an agreement to fund benefits under the Plan.

K. Tax Year

The period for which you must report income on your Federal income tax return. Generally, the tax return of most people is based on the calendar year.

IV. ELIGIBILITY REQUIREMENTS AND PARTICIPATION

You will be eligible to make Elective Deferral to the Plan once you have started work.

An eligible Employee who becomes a Participant is entitled to the benefits and is bound by all of the terms, provisions, and conditions of this Plan, including any and all amendments which may be adopted, and including the terms, provisions and conditions of any Investment Vehicle(s) to which Plan contributions for the Participant have been applied. To participate in this Arrangement, you must follow the enrollment procedures explained to you by the Plan Administrator. If you have been notified that you are eligible to participate but fail to return the enrollment form(s), you will be deemed to have waived all of your rights under the Plan except the right to enroll at a future date.

V. **EMPLOYEE CONTRIBUTIONS**

A. **Elective Deferrals**

As a Plan Participant, you can authorize the Employer to withhold any amount of your Compensation up to \$15,500 in 2008 or \$16,500 in 2009, (and it may be indexed for cost of living increases in future years) and to credit such amount in your account.

If you participated in a similar plan of an unrelated employer and your Elective Deferrals under this Plan and the other plan exceed the dollar maximum amount limit for a given year, you are responsible for designating one of the Plans as receiving an excess amount (your Employer has no responsibility in this regard). If you choose this Plan as the one receiving the excess, you must notify the Plan Administrator by March 1 of the following calendar year so that the excess and any income thereon can be returned to you by April 15.

Catch-up Contributions may be also made to the Plan by Participants who are age fifty (50) and over. However, you must have contributed the maximum amount permitted to the Plan or by the law. Catch-up Contributions allow you to defer an additional amount to the §403(b) Plan. This amount is \$5,000 for 2008 and \$5,500 for 2009 (and it may be indexed for cost of living increases in future years).

B. **Special "Catch -Up" Election**

If you are an Employee with fifteen (15) Years of Service with the Employer (provided the Employer has at all times been an educational organization, hospital, home health service agency, health and welfare agency, church, or convention or association of churches), you may increase your deferral limit by at least the following:

1. \$3,000,
2. \$15,000 minus amounts not included in the Participant's income in prior years pursuant to this "Catch up" Election, or
3. \$5,000 times your Years of Service with the Employer minus prior Elective Deferrals to all Employer sponsored plans.

C. **Roth Elective Deferrals**

Roth Elective Deferrals are not available in this Plan.

D. **Rollover Contributions**

Rollover Contributions are retirement benefits you receive from another Code §403(b) retirement plan or special individual retirement arrangement (known as a "conduit" IRA) that are rolled over to this Plan. If you have already received a lump-sum payment from another Code §403(b) retirement plan and placed it in a separate "conduit" IRA, you may be eligible to redeposit that payment plus earnings in the IRA to this Plan. A rollover may be a "Direct Rollover" or a rollover of a distribution you receive from the old plan.

Rollover Contributions may be made to this Plan. If you believe you qualify to make a transfer or rollover, see the Plan Administrator for more details. The last day you may make a Rollover Contribution to this Plan is the sixtieth day after you receive the distribution from the other plan or IRA. A transfer or Direct Rollover occurs when the trustee of the old plan directly transfers your assets from the old plan to this Plan. A separate account will be established for your Rollover Contribution. You are always 100% vested in your Rollover Account Balance and you will always have the right to receive the full amount of your Rollover Account Balance. However, your Rollover Account Balance will be affected by investment gains and losses (your account may increase or decrease in value).

The Plan will accept a Participant Rollover Contribution of an Eligible Rollover Distribution from the following types of plan(s):

A Qualified Plan described in Code §401(a) or §403(a).

An annuity contract described in Code §403(b).

The Plan will accept a Direct Rollover of an Eligible Rollover Distribution from:

A Qualified Plan described in Code §401(a) or §403(a), excluding Voluntary After -tax Contributions.

An annuity contract described in Code §403(b), excluding Voluntary After -tax Contributions.

E. Transfer Contribution

A Transfer Contribution is the direct transfer of your account balance from another Qualified Retirement Plan to this Plan. In a transfer, the money is not treated as having been distributed to you and “rolled over” because it is a transaction directly between the trustees and/or custodians of two qualified plans.

A Plan -to-Plan transfer from a §403(b) Plan to this §403(b) Plan is permitted if each of the following conditions are met:

1. In the case of a transfer on your behalf, you are an Employee or former Employee of this Plan.
2. In the case of a transfer on behalf of your Beneficiary, you must have been an Employee or former Employee of the Employer of this Plan.
3. The transferor Plan provides for transfers.
4. This Plan provides for the receipt of transfers. Any such transfer must comply with the provisions of Code §414(i)(1).
5. You or your Beneficiary whose assets are being transferred has an Account Balance immediately after the transfer that is at least equal to your or your Beneficiary's Account Balance immediately before the transfer.
6. This Plan provides that, to the extent any amount transferred is subject to any distribution restrictions under §1.403(b)-6, this Plan imposes restrictions on distributions to you or your Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor Plan.
7. If a plan -to-plan transfer does not constitute a complete transfer of your or your Beneficiary's interest in the §403(b) plan, this Plan shall treat the amount transferred as a continuation of a pro -rata portion of your or your Beneficiary's interest in the §403(b) plan (for example, a pro -rata portion of your or your Beneficiary's interest in any Voluntary After -tax Contributions).
8. At the direction of the Employer, for a class of Employees who are Participants or Beneficiaries in another Plan under Code §403(b), a transfer of assets to the Plan may be permitted. Such a transfer is permitted only if the other Plan provides for the direct transfer of each Employee's entire interest therein to the Plan and the Participant is an Employee or former Employee of the Employer. The Plan Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other Plan as it deems necessary to effectuate the transfer in accordance with §1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies Code §403(b).
9. The amounts so transferred shall be credited to your Account Balance, so that you (or your Beneficiary whose assets are being transferred) have an accumulated benefit

immediately after the transfer at least equal to your or your Beneficiary's accumulated benefit immediately before the transfer.

10. To the extent provided in the agreements covering such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral under the Plan, except that (1) the Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Code § 403(b), the Agreement must impose restrictions on distribution to you or your Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Article VI.

F. Qualified Military Service And Elective Deferrals

When you go on qualified military service, you generally are no longer able to make Elective Deferrals until you return to work. However, when you return to work, you will be given an opportunity to make up the contributions that you could have made while you were on such leave. You will have a period of three (3) times the period of military service to make up missed Elective Deferrals, not to exceed five (5) years.

G. Limitations On Contributions To The Plan

Contributions to your § 403(b) account are limited to the lesser of the limit on annual additions, or the limit on Elective Deferrals. The Plan Administrator will provide you with worksheets to assist you in figuring your Maximum Amount Contributable (MAC).

You should figure your MAC for the current year at the beginning of each tax year using a conservative estimate of your Compensation. If your Compensation changes during the year, you should refigure your MAC based on a revised conservative estimate. By doing this, you will be able to determine if contributions to your § 403(b) account can be increased or should be decreased for the year.

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The first component of your MAC is the limit on annual additions. This is the limit on Elective Deferrals that can be made to your § 403(b) account. The limit on annual additions generally is the lesser of \$46,000 (in 2008, or \$49,000 in 2009), or 100% of your Includable Compensation for your Most Recent Year of Service. The dollar amount indicated may be indexed for inflation in subsequent years.

If you contributed to more than one § 403(b) account, you must combine the contributions made to all 403(b) accounts on your behalf by the Employer.

If you participated in a § 403(b) plan and a Qualified Retirement Plan, you must combine contributions made to your § 403(b) account with contributions to a Qualified Retirement Plan and simplified employee pension plans of all corporations, partnerships, and sole proprietorship in which you have more than fifty percent (50%) control. The Plan Administrator will provide you with a worksheet to figure your limit on annual additions.

H. Includable Compensation For Your Most Recent Year Of Service

When figuring your Includable Compensation for your Most Recent Year of Service, keep in mind that your Most Recent Year of Service may not be the same as your Employer's most recent annual work period. This can happen if your tax year is not the same as your Employer's annual work period.

When figuring Includable Compensation for your Most Recent Year of Service, do not mix compensation from service of one employer with compensation or service of another employer.

Your Most Recent Year of Service is your last full Year of Service, ending on the last day of your tax year that you worked for the Employer that maintains a 403(b) account on your behalf. If your tax year is not the same as your Employer's annual work period, your Most

Recent Year of Service is made up of parts of at least two (2) of your Employer's annual work period.

To figure your Most Recent Year of Service, begin by determining what constitutes a full Year of Service for your position. A full Year of Service is equal to full-time employment for your Employer's annual work period.

After identifying a full Year of Service, begin by counting the Service you have provided for your Employer starting with the Service you have provided in the current year.

If you are a part-time Employee, or a full-time Employee who is employed for only part of the year, your Most Recent Year of Service consists of your Service this year and your Service for as many previous years as is necessary to total one (1) Year of Service. You must add up your Most Recent Year of Service to determine your Most Recent Year of Service. First, take into account your Service during the year for which you are figuring the limit on annual additions. Then, add your Service during your next preceding tax year, and years before that, until either your total Service equals one (1) Year of Service or until you have taken into account all of your Service with the Employer.

If, at the close of the year, you have not yet worked for your Employer for one (1) year (including time you worked for the same Employer in all earlier years), use the period of time you have worked for the Employer as your Most Recent Year of Service.

I. Amendment Of Salary Deferral Agreement

You may elect to amend your Salary Deferral Agreement to change your contribution percentage as permitted on the election form provided to you by the Plan Administrator. You can also terminate your contributions at any time. However, if you terminate contributions, you may not reinstate payroll withholding until the date specified in the instructions for the Salary Deferral Agreement. The Employer may also reduce or terminate your Elective Deferrals if required to maintain the Plan's qualified status. You may change your Elective Deferral selection as of the next payroll period.

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VI. PARTICIPANT ACCOUNTS

An account will be maintained in your name to show the value of your retirement benefit. Your §403(b) Account Arrangement will be increased by:

- A. your contributions,
- B. your share of investment earnings and appreciation in the value of investments.

Your §403(b) Arrangement will be decreased by:

- C. any withdrawals or distributions made to you, and
- D. your share of investment losses and depreciation in the value of investments.

You will receive a statement showing the additions to and subtractions from your account and the fair market value thereof as determined by the Plan Administrator. Statements will be provided not less than annually.

VII. VESTING

All Contributions made by you including Elective Deferrals, Rollover and Transfer Contributions (if any), plus or minus any earnings or losses, are always 100% vested and cannot be forfeited for any reason. The only event that can reduce the value of your Custodial Account or Annuity Contract is a decrease from investment losses or administrative expenses or other costs of maintaining the Plan.

VIII. DISTRIBUTIONS DURING EMPLOYMENT

Benefits are not payable prior to your separation from employment.

Hardship Withdrawals:

Hardship withdrawals are not permitted.

Participant Loans:

Participant loans are not permitted.

IX. RETIREMENT BENEFITS AND DISTRIBUTIONS

A. Retirement Benefits

The full value of your 403(b) Arrangement is payable at or after your Normal Retirement Age. If you continue to work beyond your Normal Retirement Age, you may request commencement of benefit payments. In either event, you will continue to fully participate in the Plan. The latest date for payment of your benefit is generally the later of April 1 of the calendar year following your attainment of age 70½ or April 1 of the calendar year following the year in which you separate from employment. If you are a five percent (5%) owner, the latest commencement date is April 1 following the calendar year in which you attain age 70½ even if you are still employed.

B. Payment Of Vested Benefits

Benefits are payable when you attain your Normal Retirement Age or when you actually separate from Service, if later. If you separate from Service before attaining your Normal Retirement Age, you may request early payment of your vested benefit by submitting a written request to the Plan Administrator. If your Account Balance at the time of termination is not greater than \$5,000, your benefit will be paid as soon as feasible following your separation.

C. Beneficiary

Every Participant and former Employee with a vested deferred benefit may designate a person or persons who are to receive benefits under the Plan in the event of his or her death. The designation must be made on a form provided by and returned to the Plan Administrator. You may change your designation at any time. If you are married, your Beneficiary will automatically be your Spouse. If you and your Spouse wish to waive this automatic designation, you must complete a beneficiary designation form. The form must be signed by you and your Spouse in front of a Plan representative or a Notary Public.

D. Death Benefits

In the event of your death, the full value of your Custodial Account or Annuity Contract will be paid to your Spouse in the Normal Form of Benefit described below. With your Spouse's written consent, a different Beneficiary can be named and a different payment option can be elected. If you are not married at the time of your death, the full value of your Custodial Account or Annuity Contract will be paid to your Beneficiary in the manner specified either by you or an election made by the Beneficiary. If you die after benefit payments have started under an installment payment option and after you have attained age 70½, your Beneficiary will continue to receive payments in accordance with the payment option you selected.

E. Form Of Payment

When benefits become due, you or your representative should apply to the Plan Administrator requesting payment of your account and specifying the manner of payment. The Plan Administrator will provide the necessary forms to you, your surviving Spouse, or your Beneficiary. The normal or automatic form of payment is:

a lump sum with no annuity option for Custodial Accounts.

If you do not wish to receive the normal form of payment when your payments are due to start, you may request payment of your benefit in any of the optional forms indicated:

Lumpsum payment.

F. Time Of Payment

If you terminate for any reason including death, Disability, or retirement, payments will start as soon as administratively feasible following the date on which a distribution is requested by you or is otherwise payable.

G. Annuity and Spousal Consent Rules

The annuity rules are not applicable.

H. Rollover Of Payment

If your distribution is an "eligible rollover distribution," you may either have it paid directly to you or you may have it **directly** rolled over to another qualified plan or your IRA. The Plan Administrator will provide information to you about eligible rollover distributions shortly before your distribution is to occur.

If you do **not** have your benefits directly rolled over, the Plan Administrator will withhold twenty percent (20%) of the distribution for payment of Federal taxes. If you are under age 59½, the benefit payment will also be subject to a ten percent (10%) early distribution penalty. There is no tax withholding for the penalty tax that is paid when you file your Federal income tax.

You may do a rollover yourself, if you complete the rollover within sixty (60) days of when you received the distribution. Check with your personal tax advisor to make sure that your distribution is an eligible rollover distribution. However, the twenty percent (20%) of your payment that was withheld by your Employer will be taxable unless you also deposit an equivalent amount into a Qualified Retirement Plan or an IRA.

Example: You have a vested Account Balance of \$100,000 at the time you terminate employment. If you elect a direct rollover, the entire \$100,000 will be transferred to another Qualified Retirement Plan or the IRA. The entire amount is reported as a rollover on your tax return, and you will not pay taxes. If you receive the benefit directly, twenty percent (20%) of the distribution (\$20,000) will be automatically withheld from your payment. You will receive only \$80,000. If within sixty (60) days you decide to rollover the entire \$100,000 to an IRA, you will need to deposit \$20,000 of your own money to make up the difference. If you do this, the \$20,000 withheld may be refunded to you when you file your taxes. However, if you do not, only \$80,000 will be rolled over and the remaining \$20,000 will be taxable income. If you are under 59½ when you receive your payment, you will also be subject to the ten percent (10%) early distribution penalty unless you qualify for an exception such as death or Disability.

Certain benefit payments are not eligible for rollover and therefore will also not be subject to the twenty percent (20%) mandatory withholding. The payments include installment payments for a period of at least ten (10) years, hardship withdrawals, and minimum required distributions at age 70½.

You may delay payment of your benefit if your vested Account Balance is more than \$5,000 at the time you terminate Service. Generally, you do not have to take a withdrawal until your "Required Beginning Date", even if you have terminated employment. If you have terminated employment, your "Required Beginning Date" is the April 1st of the calendar year following the calendar year in which you attain age 70½. See your Plan Administrator for more details.

I. Involuntary Cash -Out Provisions

If your Vested Account Balance is \$1,000 or less when you terminate employment, you will be "cashed -out". Your distribution will be paid as soon as practicable after complying with the applicable federal income tax withholding laws. Distribution of amounts greater than \$1,000 will only be made with your consent. Your Rollover Contributions, if any will always be included when determining whether the \$1,000 threshold has been exceeded.

J. Required Minimum Distributions

As required by law, your entire interest in this Plan must be distributed or begin to be distributed no later than your "Required Beginning Date". At that time, you must take at least a minimum amount called a "required minimum distribution."

During your lifetime, distributions generally will be based on the "Uniform Life Expectancy Table" published by the IRS. Upon your death, if you have named a Beneficiary or Beneficiaries (see the discussion in Article IX) their life expectancy generally will be used to determine their payments. These rules will be explained to you and your Beneficiary(ies) by the Plan Administrator once you reach age 70½ or earlier if you should die.

If you are not a more than 5% owner of your Employer, you may delay starting payment of your retirement benefits until you terminate employment, even if you are older than age 70½, however, if you are a 5% or more owner, you must take a distribution upon attainment of age 70½, even if you are still working. This is your Required Beginning Date.

You or your Designated Beneficiary(ies) may elect on an individual basis whether the five (5) year rule or the life expectancy rule described in the Plan document applies to distributions after your death. This election must be made no later than the earlier of September 30 of the calendar year following the calendar year in which you die, or by September 30 of the calendar year which contains the fifth anniversary of your (or, if applicable, your surviving Spouse's) death. If neither you nor your Designated Beneficiary makes an election under this paragraph, distributions will be made in accordance with the provisions of the Plan.

K. Qualified Domestic Relations Order (QDRO)

A QDRO is a court order issued under state domestic relations law relating to divorce, legal separation, custody or support proceedings. The QDRO recognizes the right of someone other than you (the Alternate Payee) to receive all or a portion of your Plan benefits. You will be notified if a QDRO relating to your Plan benefits is received by the Plan. The benefit established by a QDRO may be distributed to the Alternate Payee as of the date the QDRO is determined to be qualified.

A domestic relations order ("Order") shall specifically state all of the following in order to be deemed a QDRO:

- the name and last known mailing address of the Participant and of each Alternate Payee covered by the QDRO. However, if the QDRO does not specify the current mailing address of the alternate payee, the QDRO will be valid if the Plan Administrator has independent knowledge of that address;
- the dollar amount or percentage of the Participant's benefit to be paid to each alternate payee, or the manner in which the amount or percentage will be determined;
- the number of payments or period for which the order applies;
- the specific plan (by name) to which the Order applies.

The Order shall not be deemed a QDRO if it requires the Plan to provide:

- a type or form of benefit, or an option not already provided for in the Plan;
- increased benefits or benefits in excess of the Participant's vested rights;
- payment of a benefit earlier than allowed by the Plan's earliest retirement provisions; or
- payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another QDRO.

Promptly upon receipt of an Order which may or may not be qualified, the Employer shall notify the Participant and any Alternate Payee(s) named in the Order of such receipt, and include a copy of this paragraph. The Employer shall then make a determination as to the qualified status of the Order or shall forward the Order to the Plan's legal counsel for an opinion as to the qualified status of the Order. Within a reasonable time after receipt, the

Employer or, if applicable, the Plan's legal counsel shall make a determination as to its qualified status and the Participant and any Alternate Payee(s) shall be promptly notified in writing of the determination.

If the "qualified" status of the Order is in question, there will be a delay in any payout to any payee including the Participant until the status is resolved. In such event, the Employer shall segregate the amount that would have been payable to the Alternate Payee(s) if the Order had been deemed a QDRO. If the Order is not a QDRO, or the status is not resolved within eighteen (18) months from the date the first payment would have to be made under the Order, the Employer shall pay the segregated amounts plus interest to the person(s) who would have been entitled to the benefits had there been no Order. If a determination as to the qualified status of the Order is made after the eighteen (18) month period described above, the Order shall only be applied on a prospective basis. If the Order is determined to be a QDRO, the Participant and Alternate Payee(s) shall again be notified promptly after such determination. Once an Order is deemed a QDRO, the Employer shall pay to the Alternate Payee(s) all the amounts due under the QDRO, including segregated amounts plus interest which may have accrued during a dispute as to the Order's qualification.

Participants and Beneficiaries under the Plan may obtain without charge a copy of QDRO procedures from the Plan Administrator.

X. INVESTMENTS

Custodial Accounts or Annuity Contracts will be used as investment vehicles under the Plan. The Plan Administrator will advise you of the available investment option under the Arrangement. Investments shall be made under the direction of Participants. You may direct investments as provided above among alternative mutual funds. The mutual funds available to you and the procedures for making an election are shown in a separate election form that can be obtained from the Plan Administrator. You may change your investment selection and move monies from one fund to another in accordance with the procedures established by the Plan Administrator.

XI. ADMINISTRATION

The following parties will administer the Plan, as applicable:

A. Employer

The Employer is the party who has established the Plan. The Employer's duties include appointing the Plan's professional advisors needed to administer the Plan including, but not limited to, the Custodian, Insurer, Plan Administrator, accountant, attorney, actuary, or record keeper; selecting the mutual fund providers and/or insurance companies authorized to provide investment vehicles under the Plan; and selecting an Investment Advisor to manage Plan assets.

B. Plan Administrator

The Plan Administrator is responsible for the day-to-day administration of the Plan. Specific duties of the Plan Administrator include communicating with Employees regarding their participation and benefits under the Plan; filing any returns and reports with the Internal Revenue Service, Department of Labor, or any other governmental agency; reviewing and approving any financial reports, investment reviews, or other reports prepared by any party appointed by the Employer; and construing and resolving any question of Plan interpretation.

C. Custodian

The Custodian is responsible to account for the investments held in your Custodial Account, if custodial account provisions apply. These duties shall include receiving contributions under the terms of the Plan; investing contributions as directed by Participants; making distributions in accordance with written instructions received from the Plan Administrator; keeping accounts and records of the financial transactions of the Custodial Account; and rendering periodic statements and/or reports showing financial transactions in the Custodial Accounts.

D. Insurer

The Insurer is responsible for the investment of contributions made to the Plan if annuity provisions apply. These duties shall include receiving contributions under the terms of the Plan; investing contributions as directed by Participants; making distributions in accordance with written instructions received from the Plan Administrator; keeping accounts and records of the financial transactions; and rendering periodic statements and/or reports showing financial transactions.

E. Adjustments To Accounts

There may be circumstances which may result in the disqualification, ineligibility, or denial, loss, forfeiture, suspension, offset, reduction, or recovery of any benefits that a Participant or Beneficiary might otherwise reasonably expect the Plan to provide. These events are listed below:

- A payment from your Plan account was required under the terms of a Qualified Domestic Relations Order.
- You failed to repay a Participant loan on a timely basis and an offset of that amount occurred in your account.

No benefits under this Plan may be assigned or transferred by you or any other person entitled to benefits. If any person attempts to assign, sell or otherwise transfer any benefits under the Plan, the Plan Administrator may terminate that person's interest in the benefit and dispose of that interest for the benefit of such person or the dependents of such person as it sees fit. However, your benefit under the Plan may be subject to the terms of certain divorce, child support or property agreements involving a Spouse, former Spouse or dependent.

If any person to whom a benefit is payable, is in the opinion of the Plan Administrator, unable to care for his or her affairs, then any payment due such person may be paid to a relative or other person deemed by the Plan Administrator to be the proper recipient on behalf of the person otherwise entitled to payments.

There may be investment fund transaction fees or expenses (e.g., commissions, front-end or back-end loads) associated with the investments that will affect your account. Prior to making any investment, you should obtain and read all available information concerning that particular investment, including financial statements, prospectuses, if applicable, reports or other offering documents, where available.

Depending on the transaction involved there is a payment of fees involved as a condition to the receipt of a benefit under the Plan.

Examples of the expenses that could be charged to Participants (or to their accounts) include:

1. The administrative expenses for processing a hardship withdrawal or loan request.
2. Calculation of benefits payable under different distribution options.
3. Processing of benefit distributions, whether it is periodic or lump sum.
4. The maintenance of your account if you have previously separated from Service and still maintain an account under the Plan (for terminated vested Participants).
5. The determination of whether a court order is a Qualified Domestic Relations Order (QDRO).

Fees which directly relate to a Participant's account will be charged directly to the Participant's account to which the expense relates. The Employer reserves the right to allocate Plan expenses to Participant's account on a pro rata basis (i.e., proportionate to account balance). Should any fees be charged to your account, the Plan Administrator will provide you with written information at the time of the transaction.

All costs of administering the Plan will be paid by your Employer or from Plan assets.

Should a Qualified Domestic Relations Order (QDRO) be presented to the Plan for payment, your account will be charged \$ 250 for processing.

Other: Distribution Processing Fee: \$50

If you have any questions relating to these fees and how they affect your account, please contact the Plan Administrator.

XII. AMENDMENT AND TERMINATION

Only the sponsor of this Plan has the authority to amend this Plan. Any amendment, including the restatement of an existing Plan, may not decrease a Participant's Account Balance except to the extent permitted under Code Section 412(c)(8), and may not reduce or eliminate a Code Section 411(d)(6) protected benefit (except as provided under the Internal Revenue Code or any Regulation issued thereunder) determined immediately prior to the date of the adoption, or if later the effective date, of any amendment to the Plan. The Plan Sponsor may in its discretion amend the Plan to eliminate benefits on a prospective basis, but has no legal authority to eliminate benefits which a Participant has already earned.

XIII. ASSIGNMENT AND ALIENATION

No benefits under this Plan may be assigned or transferred by you or by any other person entitled to benefits. If any person attempts to assign, sell or otherwise transfer any benefits under the Plan, the Plan Administrator may terminate that person's interest in the benefit and dispose of that interest for the benefit of such person or the dependent of such person as it sees fit. However, a Participant's benefits under the Plan may be subject to the terms of certain divorce, child support or property agreements involving Spouse, former Spouse or dependent.

XIV. LEGAL PROVISIONS AND RIGHTS OF PLAN PARTICIPANTS

The Pension Benefit Guaranty Corporation does not insure your benefits under this Plan since the law does not require plan termination insurance for this type of Plan. If you have any questions about your Plan, you should contact the Custodian, Insurer or Plan Administrator. If more than one Employer maintains this Plan, you can obtain a complete list of all such Employers by making a written request to the Plan Administrator.

This booklet is not the Plan document, but only a Summary Plan Description of its principal provisions and not every limitation or detail of the Plan is included. Every attempt has been made to provide concise and accurate information. However, if there is a discrepancy between this booklet and the official Plan document, the Plan documents shall apply.

September 2008