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**SUBJECT**

*Restatement of Retirement Plan for Salaried Employees*

**RECOMMENDATION**

*To adopt the restatement of the Retirement Plan for Salaried Employees of Long Beach Transit (LBT), effective as of July 1, 2015.*

**BACKGROUND**

The Internal Revenue Service (IRS) requires that retirement plans qualified under Internal Revenue Code Section 401(a) submit applications for determination of qualified status. Plans submitted for favorable determination must be restated to incorporate amendments and legally required language. Governmental plans, such as the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company (Salaried Plan), are required to submit such applications by January 31, 2016.

The Salaried Plan has been amended extensively since it was last restated in 2003. Further, review of the Salaried Plan by Counsel and Plan Actuaries revealed that additional changes were necessary to facilitate the administration of the Plan. To comply with the IRS application requirements and to conform the Salaried Plan terms to its operation, LBT seeks to restate the Salaried Plan in its entirety effective as of July 1, 2015.

**ALTERNATIVES CONSIDERED**

The Board could choose to not adopt the restatement of the Salaried Plan. However, staff does not recommend this as the Salaried Plan would not be in the form required by the IRS to rule favorably on its qualified status and would not accurately reflect the operation of the Salaried Plan.

**BUDGET/FISCAL IMPACT**

Staff does not anticipate any budgetary or fiscal impact relating to the recommended action.



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Kenneth A. McDonald  
President and Chief Executive Officer



Agenda Item No. 8  
October 26, 2015

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**RESOLUTION OF THE  
LONG BEACH PUBLIC TRANSPORTATION COMPANY**

Resolution approving the restatement of the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company.

**WHEREAS**, the Long Beach Public Transportation Company (Company) previously established the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company (Salaried Plan), for the benefit of certain eligible employees; and

**WHEREAS**, in connection with the submission of an application to the Internal Revenue Service for a determination that the Salaried Plan is qualified under Internal Revenue Code Section 401(a), it is necessary to formally amend and restate the Salaried Plan; and

**WHEREAS**, the Company's Board of Directors (Board) has reviewed a proposed restatement of the Salaried Plan prepared by Best Best and Krieger LLP that incorporates certain changes previously approved by the Board and makes additional changes to facilitate the administration of the Salaried Plan.

**NOW, THEREFORE**, be it resolved, determined, and ordered by the Board of Directors of the Long Beach Public Transportation Company as follows:

SECTION 1. The Board hereby adopts the restatement of the Salaried Plan, attached hereto as Exhibit "A" and incorporated herein by reference, effective July 1, 2015.

SECTION 2. The Board hereby authorizes the President and Chief Executive Officer (CEO), or his designee, to duly execute the amendments on behalf of the Company.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_ day of October, 2015.

\_\_\_\_\_  
Barbara Sullivan George, Chair

**ATTEST:**

\_\_\_\_\_  
Sumire Gant, Secretary

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_

**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF LONG  
BEACH PUBLIC TRANSPORTATION COMPANY**

**Amended and Restated Effective as of July 1, 2015**

**Prepared by Best Best & Krieger LLP  
Post Office Box 1028  
Riverside, California 92502**

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**RETIREMENT PLAN FOR SALARIED EMPLOYEES OF LONG BEACH PUBLIC  
TRANSPORTATION COMPANY**

RECITALS

A. The LONG BEACH PUBLIC TRANSPORTATION COMPANY (“Employer”) adopted the RETIREMENT PLAN FOR SALARIED EMPLOYEES OF LONG BEACH PUBLIC TRANSPORTATION COMPANY (the “Plan”) effective June 30, 1979.

B. It is necessary for the Employer to amend and restate the Plan to comply with the Pension Protection Act of 2006 (“PPA”), Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”), Worker, Retiree, and Employer Recovery Act of 2008 (“WRERA”) and other regulatory related guidance.

C. Certain technical amendments are required in order to maintain the Plan’s compliance under Code Section 401(a). Accordingly, the Employer desires to adopt a restated Plan document to incorporate such changes.

D. Accordingly, the Employer hereby amends and restates the Plan effective July 1, 2015, except as otherwise indicated.

ARTICLE I  
GENERAL DEFINITIONS

For purposes of the Plan, the following words and phrases, when used herein, shall have the following meanings, unless their context clearly indicates otherwise or an Article specifically provides otherwise:

1.1 Accrued Benefit. “Accrued Benefit” means, as of any date of determination, the Normal Retirement Benefit of a Participant computed under Section 4.1(a) on the basis of the Participant’s Benefit Service accrued as of that date; subject to any reductions under Section 6.4.

1.2 Accrued Benefit Derived From Employer Contributions. “Accrued Benefit Derived From Employer Contributions” means, as of any date of determination, the excess, if any, of a Participant’s Accrued Benefit over his or her Accrued Benefit Derived from Participant Contributions, without regard to any return of Accumulated Contributions made pursuant to Section 6.4.

1.3 Accrued Benefit Derived From Participant Contributions. “Accrued Benefit Derived From Participant Contributions” means, as of any date of determination, the annual benefit, beginning on the Participant’s Normal Retirement Date (or Annuity Starting Date, if later) and payable for his or her lifetime, equal to the Actuarial Equivalent of the Participant’s Accumulated Contributions. If the date of determination is prior to the Participant’s Normal Retirement Date, the Participant’s Accrued Benefit Derived from Participant Contributions shall include interest determined in accordance with Code Section 411(c)(2)(C) for the period from the date of determination to the Participant’s Normal Retirement Date, multiplied by the conversion factor provided under Code Section 417(e)(3) as of the date of determination.

1.4 Accumulated Contributions. “Accumulated Contributions” means, as of any date of determination, the total of all Employee contributions made pursuant to Section 6.3 and credited to a Participant’s account, as adjusted for earnings and losses.

1.5 Actuarial Equivalent. “Actuarial Equivalent” means a form of benefit of equivalent value determined using the applicable factors set forth in Appendix A, except as otherwise specified in the Plan.

1.6 Age. “Age” means age at last birthday.

1.7 Anniversary Date. “Anniversary Date” means June 30.

1.8 Annuity Starting Date. “Annuity Starting Date” means, unless the Plan expressly provides otherwise, the first day of the first period for which a Pension is due as an annuity or in any other form.

1.9 Authorized Leave of Absence. “Authorized Leave of Absence” means a paid or 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.

1.10 Average Monthly Final Earnings. “Average Monthly Final Earnings” means the average monthly compensation during the 36 consecutive months of employment during the last 10 calendar years of employment which yields the highest average compensation, computed by dividing the Compensation Earnable for such period by the number of months in such period. Those months (and the associated Compensation Earnable, if any) for which the Employee did not work 50% or more of the hours available for work (on a straight-time basis) in said month shall be excluded. The average shall be based on that portion of the 36-month period remaining after the exclusion. If an Employee terminates employment with the Employer and is rehired, the period during which no service was performed will be disregarded for purposes of determining consecutive months of employment.

1.11 Beneficiary. “Beneficiary” means the person or persons named by a Participant by written designation filed with the Plan Administrator to receive payments on or after the Participant’s death.

1.12 Benefit Service. “Benefit Service” means a Participant’s service with the Employer that is recognized for purposes of computing the amount of any benefit that may be payable from the Plan. A Participant’s Benefit Service shall be determined in accordance with Sections 3.1, 3.2, and 3.3.

1.13 Board of Directors. “Board of Directors” means the designated governing officers of Long Beach Public Transportation Company, as from time to time constituted.

1.14 Break in Service. “Break in Service” means a Plan Year during which an Eligible Employee fails to accrue a Month of Service. Solely for the purpose of determining whether a Participant has incurred a Break in Service, Hours of Service shall be recognized for “Authorized Leaves of Absence.”

1.15 Code. “Code” means the Internal Revenue Code of 1986, as amended from time to time.

1.16 Compensation. “Compensation” means a Participant’s wages or salary paid by the Employer during the Plan Year within the meaning of Code Section 3401(a). Compensation shall also include any Employee pre-tax contributions to the Plan and amounts paid for leave actually taken.

(a) Compensation Limitation. The annual compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost of living increases in accordance with Section 401(a)(17)(B) of the Code. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination

period). For determination periods beginning before January 1, 2002, the Compensation Limit shall be \$200,000.

(b) Post-Severance Compensation After July 1, 2007. For Plan Years beginning on or after July 1, 2007, "Compensation" shall also include any amount which is paid within two and one-half (2.5) months following Participant's termination of employment with Employer or by the end of the Plan Year in which the termination of employment occurs, including the following types of payments:

(1) Regular Pay. Compensation attributable to services performed by Employee during the Employee's regular working hours as well as outside the Employee's regular working hours (including overtime, commissions, bonuses, or other similar payments) and which would have been paid prior to the Employee's termination of employment if the Employee had continued in employment with Employer.

(2) Deferred Compensation. Compensation paid to the Employee pursuant to a nonqualified deferred compensation plan sponsored by the Employer and includible in the Employee's gross income so long as the payment would have been made if the Employee had continued in employment with Employer.

(c) Exclusions. Compensation shall not include any severance payments or salary continuation payments paid by the Employer due to military service or Disability.

1.17 Compensation Earnable. "Compensation Earnable" means the Compensation actually received by a Participant during the applicable period of employment. Any accumulated leave not actually taken before retirement or termination of employment shall be excluded from Compensation Earnable and from Average Monthly Final Earnings.

1.18 Earliest Retirement Age. "Earliest Retirement Age" means the earliest date on which, under the Plan, the Participant could elect to receive retirement benefits.

1.19 Earliest Retirement Date. "Earliest Retirement Date" means the first day of the month (before the Normal Retirement Date) coinciding with or following the date on which a Participant or Former Participant attains his or her 54th birthday and has completed at least 10 Years of Service with the Employer. A Former Participant who terminates employment after satisfying the service requirement for early retirement and who thereafter reaches the age requirement contained herein shall be entitled to receive his or her benefits under Section 4.2 of the Plan.

1.20 Effective Date. "Effective Date" means the Plan's original effective date of June 30, 1979.

1.21 Effective Date of Restatement. "Effective Date of Restatement" means July 1, 2015. The Plan was previously restated effective as of June 30, 2003.

1.22 Eligible Employee. "Eligible Employee" means any Employee who is compensated on a salary-only basis and who is not otherwise participating in another qualified retirement plan sponsored by the Employer. Notwithstanding the foregoing, an Employee hired or rehired on or after April 1, 2011 shall not be an Eligible Employee, unless otherwise required by law.

1.23 Employee. "Employee" means any person employed by the Employer who is classified as a salaried employee by the Employer and who receives Compensation other than a Pension, severance pay, retainer, or fee under contract, but excluding any of the following:

- (a) a Leased Employee;
- (b) any person who is included in a unit of employees covered by a collective bargaining agreement that does not provide for his or her participation in the Plan;
- (c) any person on the payroll of a third party with whom the Employer entered into a contract for the provision of said person's services;
- (d) any person who is a nonresident alien and receives no earned income from the Employer that constitutes income from sources within the United States as defined in Code Section 410(b)(3)(C); and
- (e) any person classified as an independent contractor or consultant by the Employer, regardless of such person's classification for the period in question by the Internal Revenue Service for tax withholding purposes.

The term "employee," as used in this Plan, means any individual who is classified by the Employer as a common law employee, whether or not the individual is otherwise an "Employee."

1.24 Employer. "Employer" means Long Beach Public Transportation Company and any successor that shall maintain this Plan as a result of merger, purchase, or otherwise, with respect to its employees.

1.25 Fiduciary. "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 responsibility in the administration of the Plan, including but not limited to the Trustee, the Employer and its representative body, and the Plan Administrator.

1.26 Former Participant. "Former Participant" means a person who was a Participant but who has terminated employment with the Employer and is entitled to either an immediate or a deferred Pension under the Plan.

1.27 Hour of Service. "Hour of Service" means each hour for which an Employee is directly or indirectly paid or entitled to payment: (a) for the performance of duties for the Employer, or (b) on account of a period during which no duties are performed, whether or not the employment relationship terminated, due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, uniformed service duty, or an Authorized Leave of Absence. No Hours of Service shall be credited on account of any period during which the Employee performs no duties and receives payment solely for the purpose of complying with unemployment compensation, workers' compensation, or disability insurance laws.

1.28 Investment Manager. "Investment Manager" means an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

1.29 IRS Interest Rate. "IRS Interest Rate" means the "applicable interest rate" under Code Section 417(e)(3)(C), for the month of June (the "look-back month") preceding the applicable Stability Period.

1.30 IRS Mortality Table. “IRS Mortality Table” means the “applicable mortality table” under Code Section 417(e)(3)(B) as in effect on the first day of the applicable Stability Period.

1.31 Late Retirement Date. “Late Retirement Date” means the first day of the month coinciding with or next following a Participant’s actual Retirement Date after having reached his or her Normal Retirement Date.

1.32 Leased Employee. “Leased Employee” means any person (other than a common law employee of the Employer) who, pursuant to an agreement between the Employer and any other person (“leasing organization”), performed services for the Employer or any 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 under the primary direction of or control by the Employer.

1.33 Limitation Year. “Limitation Year” means the Plan Year.

1.34 Month of Service. “Month of Service” means a calendar month during any part of which an Employee completed an Hour of Service. Except, however, a Participant shall be credited with a Month of Service for each month during the 12 month computation period in which he did not incur a Break in Service.

1.35 Normal Retirement Age. “Normal Retirement Age” means the later of the Participant’s 64th birthday or age 64 and the completion of 10 Years of Service.

1.36 Normal Retirement Benefit. “Normal Retirement Benefit” means the monthly benefit under the Plan commencing at or after the Participant’s Normal Retirement Date. A Participant’s Normal Retirement Benefit shall not be less than his or her Accrued Benefit at his or her Normal Retirement Date.

1.37 Normal Retirement Date. “Normal Retirement Date” means the first day of the calendar month coinciding with or immediately following a Participant’s Normal Retirement Age.

1.38 Occupational Disability. “Occupational Disability” means the permanent physical or mental disability of a Participant, through illness or injury while performing services for the Employer as an active Employee, to the extent that he or she is physically or mentally incapable of performing his or her duties of employment with the Employer for reasons not constituting cause for discharge.

1.39 Participant. “Participant” means any person who participates in the Plan, as provided in Article II.

1.40 Pension. “Pension” means payments under the Plan, as provided in Article V.

1.41 Pension Committee. “Pension Committee” means a committee composed under Article VII.

1.42 Plan. “Plan” means the Retirement Plan for Salaried Employees of Long Beach Public Transportation Company, as set forth in this document or as amended from time to time.

1.43 Plan Administrator. “Plan Administrator” means the person designated by the Employer pursuant to Article VII to administer the Plan on behalf of the Employer.

1.44 Plan Year. “Plan Year” means the 12 calendar months commencing on July 1 and ending on June 30, and each fiscal year thereafter.

1.45 Pre-Retirement Survivor Annuity. “Pre-Retirement Survivor Annuity” means an annuity form of payment for the life of the surviving Spouse of a Participant who dies before his or her Retirement Date.

1.46 Present Value of Accrued Benefit. “Present Value of Accrued Benefit” means the value of a Participant’s Accrued Benefit at the date of valuation determined pursuant to Section 5.5.

1.47 Joint and Survivor Annuity. “Joint and Survivor Annuity” means an annuity as described in Section 5.1(b).

1.48 Registered Domestic Partner. “Registered Domestic Partner” shall mean the domestic partner of a Participant provided such relationship is duly registered with the state in which the couple resides in accordance with the registry laws for such state.

1.49 Retired Participant. “Retired Participant” means a person who was a Participant but who has become entitled to a Pension under the Plan.

1.50 Retirement Date. “Retirement Date” means the date as of which a Participant retires for reasons other than Total and Permanent Disability or Occupational Disability, whether such retirement occurs on a Participant’s Normal Retirement Date, Earliest Retirement Date, or Late Retirement Date.

1.51 Spouse. “Spouse” means the person to whom the Participant is legally married. A Spouse shall not include, unless expressly provided otherwise under the terms of the Plan, a Participant’s Registered Domestic Partner.

1.52 Spousal Consent. “Spousal Consent” means written consent given by a Participant’s Spouse to an election made by the Participant of an optional form of payment or the designation of a specified Beneficiary as provided in Article V. The optional form or specified Beneficiary shall not be changed unless further Spousal Consent is given, unless the Spouse expressly waives the right to consent to any future changes. Spousal Consent shall be duly witnessed by a Plan representative or notary public and shall acknowledge the effect on the Spouse of the Participant’s election. The requirement for Spousal Consent may be waived by the Plan Administrator in the event that the Participant establishes to its satisfaction either that he or she has no Spouse or that such Spouse cannot be located. Spousal Consent shall be applicable only to the particular Spouse who provides such consent.

1.53 Stability Period. “Stability Period” means the Plan Year in which occurs the Annuity Starting Date for the distribution.

1.54 Total and Permanent Disability. “Total and Permanent Disability” or “Disability” means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder that renders him or her incapable of continuing his or her usual and customary employment with the Employer. The disability of a Participant shall be determined by a licensed physician chosen by the Employer. A Participant will be deemed to be Totally and Permanently Disabled if he or she is eligible for and receiving disability benefits under the U.S. Social Security Act.

1.55 Trustee. “Trustee” means the person or entity named as trustee herein or in any separate trust forming a part of this Plan, and any successors.

1.56 Trust Fund. “Trust Fund” means the assets of the Plan and trust as the same shall exist from time to time.

1.57 Vested. “Vested” means the portion of a Participant’s Accrued Benefit that is nonforfeitable in accordance with Section 3.4.

1.58 Year of Service. “Year of Service” means 12 consecutive Months of Service. Years of Service with Long Beach Motor Bus Company shall be recognized. Years of Service with any corporation, trade or business which is a member of a controlled group of corporations or under common control (as defined by Code Section 414(b) and 414(c)) or is a member of an affiliated service group (as defined by Code Section 414(m)) shall be recognized.

## ARTICLE II PARTICIPATION

2.1 Participation Requirements. Any Eligible Employee shall be eligible to participate and shall automatically become a Participant hereunder on the date of his or her employment with the Employer. The Employer shall give each Eligible Employee written notice of his or her eligibility to participate in the Plan before the close of the Plan Year in which he or she first becomes an Eligible Employee.

2.2 Events Affecting Participant Status. A person’s participation in the Plan shall end when he or she is no longer employed by the Employer and is not entitled to either an immediate or a deferred Pension under the Plan. A Former Participant shall be treated as a Participant until his or her Accrued Benefit is distributed in its entirety. Participation shall continue while on an Authorized Leave of Absence, but no Benefit Service shall be counted for that period, except as specifically provided in Article III, and such person’s benefit shall be determined in accordance with the provisions of the Plan in effect on the date he or she ceased to be an Employee, unless the Plan expressly provides otherwise.

2.3 Participation on Reemployment. Subject to Section 3.2 of this Plan, if an Eligible Employee’s participation in the Plan ends and he or she again becomes an Eligible Employee, he or she shall continue to participate in the Plan as if such termination had not occurred.

2.4 Determination of Eligibility. The Plan Administrator shall determine the eligibility of each Employee for participation in the Plan based on information furnished by the Employer. Such determination shall be conclusive and binding on all persons, as long as the same is made pursuant to the Plan. Such determination shall be subject to review per the Claim and Review Procedures of Section 7.18.

2.5 Election to Not Participate. Notwithstanding Section 2.1, an Employee may, subject to approval of the Employer, voluntarily elect to waive participation in the Plan for any Plan Year. The election to waive participation must be communicated to the Employer in writing at least 30 days before the beginning of a Plan Year and is irrevocable for the Plan Year to which the election relates.

A Participant making this election shall have the right to modify or revoke this election during a subsequent Plan Year. However, in no event shall a Participant’s Accrued Benefit be reduced because of this election. Benefit decreases caused as a result of this election shall be recognized notwithstanding provisions to the contrary in Article IV. Benefit increases as a result of the revocation or modification of this election in any Plan Year subsequent to a Plan Year in which benefits have been decreased pursuant to such election shall be treated as benefit increases resulting from a Plan amendment. Accordingly, funding for such increases shall be based on reasonable actuarial assumptions commonly utilized to fund benefit increases resulting from a Plan amendment. Furthermore, such benefit increases shall be subject to those restrictions imposed on the distribution of benefits on early termination under the provisions of this Plan.

ARTICLE III  
SERVICE AND VESTING

3.1 Benefit Service. A Participant shall be credited with a year of Benefit Service for each 12 Months of Service, except as provided elsewhere in this Article III. A Participant may be credited with partial years of Benefit Service. A Participant's years of Benefit Service shall be calculated by dividing the sum of a Participant's Months of Service by 12.

3.2 Benefit Service upon Reemployment.

(a) This Section 3.2 shall only apply to Employees who terminate employment with the Employer and are reemployed prior to April 1, 2011, unless otherwise required by law.

(b) If a Participant in receipt of a Pension is reemployed with the Employer as an Eligible Employee, the following shall apply:

(1) His or her Pension shall cease and any election of an optional form of payment in effect shall be void. The Participant will be notified that benefits hereunder shall be suspended.

(2) Any Benefit Service to which he or she was entitled when he or she retired or terminated employment shall be restored to him or her.

(3) On later retirement or termination, his or her Pension shall be based on the benefit formula then in effect, and his or her Compensation and Benefit Service before and after the period when he or she was not in the service of the Employer shall be reduced by the Actuarial Equivalent of the benefits, if any, he or she received before the earlier of the date of his or her restoration to service or his or her Normal Retirement Date. Alternatively, the Participant may avoid such actuarial reduction of benefits if the distribution previously received by the Participant is repaid to the Plan, including interest calculated at an annual rate of 5%, compounded annually from the date of distribution to the date of repayment, by the earlier of five years after the first date on which the Participant is subsequently reemployed by the Employer or the close of the first period of five consecutive Breaks in Service commencing after the distribution.

(4) The part of the Participant's Pension on later retirement payable with respect to Benefit Service rendered before his or her previous retirement or termination of service shall never be less than the amount of his or her previous Pension modified to reflect any optional form of payment in effect on his or her later retirement.

(c) If a Former Participant entitled to but not in receipt of a Pension, or a former Employee who was never a Participant, is reemployed with the Employer as an Eligible Employee without having had a Break in Service, his or her Benefit Service shall be determined as provided in Sections 3.1 and 3.2, and he or she shall, in the case of a Former Participant, immediately be restored as a Participant as of his or her date of reemployment, and in the case of an Employee who was never a Participant, become a Participant in accordance with Section 2.1.

(d) If a Former Participant entitled to but not in receipt of a Pension, or a Former Participant who received a lump-sum settlement in lieu of a Pension, is reemployed with the Employer as an Eligible Employee after having had a Break in Service, the following shall apply:

(1) On completion of one year of Benefit Service, determined as provided in Section 3.1, following the Break in Service, the Benefit Service to which he or she was previously entitled shall be restored to him or her, and, if reemployed as an Eligible Employee, he or she shall immediately be restored as a Participant as of his or her date of reemployment. For purposes of Employee contributions pursuant to Section 6.3, he or she shall again become a Participant as of the date he or she completes one year of Benefit Service following the date of his or her reemployment with the Employer as an Eligible Employee.

(2) Any Benefit Service to which the Participant was entitled at the time of his or her termination of service shall be restored to him or her, except that such Benefit Service shall not be restored if the Participant received a lump-sum settlement by the end of the second Plan Year following the Plan Year in which his or her termination occurred (or, if later, within a reasonable period of time following the determination that the amount qualified for distribution under Section 5.4, if applicable).

(3) On later termination or retirement of a Participant whose previous Benefit Service was restored under this subsection (d), his or her Pension shall be based on the benefit formula then in effect, and his or her Compensation and Benefit Service before and after the period when he or she was not in the service of the Employer shall be reduced, if applicable, but not below zero, by an amount that is the Actuarial Equivalent of any lump-sum settlement received on his or her prior termination that was not repaid under the provisions of subsection (b)(3) above. However, in no event shall the reduction provided for in the preceding sentence exceed the portion of the Participant's Pension based on the period of Benefit Service included in the calculation of the lump-sum payment.

(e) If a former Participant who is not entitled to a Pension, or a former Employee who was never a Participant, is reemployed with the Employer as an Eligible Employee after having had a Break in Service, the following shall apply:

(1) On completion of one year of Benefit Service following the date of his or her reemployment with the Employer, determined as provided in Section 3.1, following the Break in Service, he or she shall again become a Participant as of his or her date of restoration to service as an Eligible Employee. For purposes of Employee contributions pursuant to Section 6.3, he or she shall again become a Participant as of the date he or she completes one year of Benefit Service following the date of his or her reemployment with the Employer as an Eligible Employee.

(2) On his or her restoration to participation, the Benefit Service to which he or she was previously entitled, if any, shall be restored to him or her retroactive to his or her date of reemployment if the total number of consecutive Breaks in Service does not equal or exceed the greater of (A) five, or (B) the total number of years of his or her Benefit Service before his or her Break in Service.

(3) On later termination or retirement of a Participant whose previous Benefit Service was restored under this subsection (e), his or her Pension, if any, shall be based on the benefit formula then in effect and on his or her Compensation and Benefit Service before and after the period when he or she was not an Employee.

### 3.3 Other Service Rules.

(a) If an Employee incurs a Break in Service before the Plan Year in which he retires, terminates employment, or attains his or her Normal Retirement Age, any Months of Service rendered before that Break in Service shall not be counted as Benefit Service until the Employee completes 12 consecutive Months of Service after the Break in Service, except that any benefits Vested before such Break in Service shall remain Vested. However, if an Employee who has not completed the

vesting requirements for a Vested Pension has a Break in Service in which the number of consecutive one-year Breaks in Service equals or exceeds five years, the Months of Service rendered before his or her most recent Break in Service shall be excluded from his or her Benefit Service.

(b) If an Employee was absent from the service of the Employer because of service in the uniformed services of the United States and if he returns to the service of the Employer having applied to return while his or her reemployment rights were protected by law, that absence is an Authorized Leave of Absence and shall not count as a Break in Service, but instead shall be counted as Benefit Service to the extent required by law.

(c) A period during which an Employee is on a paid Authorized Leave of Absence approved by the Employer shall not be considered a Break in Service. Under rules uniformly applicable to all Employees similarly situated, the Plan Administrator may authorize Benefit Service to be counted for any portion of that period of leave that is not counted as Benefit Service under this Section 3.3.

(d) Effective as of January 1, 2007, a Participant who dies or becomes disabled (as defined under the U.S. Social Security Act) while performing qualified military service (as defined in Code Section 414(u)) and is unable to return to employment with the Employer shall be treated as if such Participant had resumed employment with the Employer and then terminated employment on account of death or disability, and the Participant's period of qualified military service shall not count as a Break in Service, but instead shall be counted as Benefit Service, to the extent permitted by law.

(e) Effective January 1, 2013 and pursuant to the California Government Code Section 7522.46, the Plan shall not provide to any Participant any additional service credit which is not associated with actual service rendered to the Employer.

#### 3.4 Vesting.

(a) A Participant will be credited with full and partial Years of Service for vesting purposes, except as provided in Section 3.3.

(b) The Vested portion of any Participant's Accrued Benefit shall be a percentage of such Participant's Accrued Benefit determined on the basis of the Participant's number of Years of Service, according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5 or more	100%

(c) Notwithstanding the vesting schedule above, the Vested percentage of a Participant's Accrued Benefit 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. In addition, prior vesting schedules in effect under a previous version of the Plan shall remain applicable to benefits accrued under such schedules in determining a Participant's Vested Accrued Benefit.

3.5 Forfeitures. The portion of a Participant's Accrued Benefit that is not Vested shall be forfeited upon termination of employment and will be used only to reduce the Employer's contributions otherwise payable or for future costs of the Plan.

ARTICLE IV  
ELIGIBILITY FOR AND AMOUNT OF BENEFITS

4.1 Normal Retirement.

(a) The monthly retirement benefit to be provided for each Participant who retires on or after his or her Normal Retirement Date shall be equal to the amount calculated by applying the appropriate percentages in Appendix B, Table A to the Participant's Average Monthly Final Earnings for each year of Benefit Service. A Participant's Normal Retirement Benefit, payable on or after his or her Normal Retirement Age, is based on a calculation of 1.70% of his or her Average Monthly Final Earnings for each year of Benefit Service. For ages and periods of service differing from those shown in Appendix B, Table A, the applicable percentages shall be interpolated, based on the preceding applicable completed quarter-year of Benefit Service and the preceding applicable completed quarter-year of age.

(b) Notwithstanding the above, a Participant's Normal Retirement Benefit shall in no event be less than the greater of (1) the amount of his or her Accrued Benefit Derived From Participant Contributions, converted to a single life annuity that is the Actuarial Equivalent of his or her Accrued Benefit Derived From Participant Contributions, or (2) the amount of reduced early retirement benefit which the Participant could have received under Section 4.2 below before his or her Normal Retirement Date.

(c) The Normal Retirement Benefit payable to a Retired Participant pursuant to this Section 4.1 shall be a monthly benefit commencing on his or her Retirement Date and continuing for life. The form of distribution of such benefit, however, shall be determined pursuant to Article V.

4.2 Early Retirement. A Participant or Former Participant may elect to retire on or after his or her Earliest Retirement Date but before his or her Normal Retirement Date. In the event that a Participant makes such an election, he or she shall be considered to have retired voluntarily and such Participant shall be entitled to receive his or her Vested Accrued Benefit payable in the form provided under the Plan hereof commencing, on written election by the Participant, on the first day of the month coinciding with or next following his or her termination of employment or such later date as he or she elects. The percentages used to determine the Accrued Benefit, including the actuarial reductions, are in Appendix B, Table A. For ages and periods of service differing from those shown in Appendix B, Table A, the applicable percentages shall be interpolated, based on the preceding applicable completed quarter-year of Benefit Service and the preceding applicable completed quarter-year of age.

4.3 Late Retirement. A Participant who retires after his or her Normal Retirement Date shall receive a monthly retirement benefit commencing on his or her Late Retirement Date. The amount of such monthly retirement benefit shall be equal to the Normal Retirement Benefit to which the Participant would have been entitled had he or she retired on his or her Normal Retirement Date with the Benefit service accrued to his or her actual Retirement Date and based on Compensation Earnable to his or her actual Retirement Date.

If for any reason commencement of a Participant's monthly retirement benefit is delayed beyond the later of (a) the Participant's Normal Retirement Date, or the date specified in Section 4.6(a), if the Participant has no Normal Retirement Date under Section 1.37, and (b) the Participant's termination of employment, the benefit shall be actuarially increased for such delay in commencement, based on the assumptions in paragraph (b) of Appendix A.

4.4 70/80 Early Retirement. Notwithstanding anything in the Plan to the contrary, a Participant, on retirement, may receive his or her full benefit under the Plan without actuarial reduction if the sum of his or her age and Years of Service equals at least 80. If the sum of the Participant's age and Years of Service is lower than 80 but higher than 70, the Participant shall be entitled to a monthly benefit subject to the reduction factors set forth below. The Participant's monthly benefit will be computed by applying the reduction factor to the Normal Retirement Benefit. The reduction factors are as follows:

<u>Sum of Age and Years of Benefit Service</u>	<u>70/80 Reduction Factor</u>
80 or more	1.000
79	.937
78	.879
77	.825
76	.776
75	.730
74	.688
73	.648
72	.612
71	.578
70	.546

4.5 In-Service Distributions.

(a) Effective July 1, 2009, if a Participant is employed beyond Normal Retirement Date or the date when the sum of his or her age and Years of Service equal 90, he or she may elect to receive his or her retirement benefits while actively employed by the Employer. Upon election by the Participant to receive retirement benefits under this subsection, the Employee ceases to be a Participant of the Plan and will accrue no future retirement benefits.

(b) Notwithstanding the provisions of subsection (a) above, effective December 4, 2006, in-service distributions under this Section 4.5 and any predecessor thereof shall only be permitted if made in accordance with the provisions of Section 401(a)(36) of the Code.

(c) Effective July 1, 2015, the Plan shall no longer permit in-service distributions.

4.6 Enhanced Retirement Benefits.

(a) This Section 4.6 provides increased retirement benefits under the Plan to certain Employees whose employment with the Employer was terminated during the period beginning on June 15, 1995 and ending on December 31, 1995 as a direct result of the limited reduction in the workforce of the Employer.

(b) A Participant who satisfies the requirements of this subsection (b) is referred to in this Section 4.6 as an "Eligible Participant." A Participant satisfies the requirements of this subsection (b) only if the Participant:

(1) is an Eligible Employee on or after June 15, 1995;

(2) is employed in a job classification eliminated by the Employer in connection with the reorganization of the Employer and corresponding reduction in the Employer's workforce during the period beginning on June 15, 1995 and ending on December 31, 1995; and

(3) terminates his or her employment with the Employer on the Participant's "Termination Date," as such term is defined in subsection (d) below. This subsection (b)(3) shall not apply to a Participant whose employment with the Employer is terminated before his or her Termination Date due to accident, illness, disability, or death.

(c) Notwithstanding subsection (b), benefits shall not be payable under this Section 4.6 to a Participant who is discharged before his or her Termination Date for poor performance or misconduct, as determined in the sole discretion of the Employer, or who voluntarily resigns before such Termination Date.

(d) The Employer shall establish a date on which an Eligible Participant's employment with the Employer is to end (such date is referred to as the Participant's "Termination Date"). The Employer shall furnish to each Eligible Participant a written notice of the Eligible Participant's Termination Date. The Employer shall have the right to designate any date as the Eligible Participant's Termination Date provided that such Termination Date shall not be earlier than June 15, 1995 or later than December 31, 1995.

(e) An Eligible Participant shall be credited with up to five additional years of Benefit Service for purposes of calculating the Eligible Participant's retirement benefits under the Plan. The Employer shall determine the actual number of additional years of Benefit Service to be credited to an Eligible Participant; provided, however, that the Employer shall credit all Eligible Participants who are employed in the same job classification with an equivalent number of additional years of Benefit Service.

(f) The special benefits provided pursuant to this Section 4.6 shall cease if the Eligible Participant's retirement benefits are suspended because of reemployment. In addition, the special benefits provided pursuant to this Section 4.6 shall not recommence even if the Eligible Participant again becomes eligible for retirement benefits under the Plan.

(g) In addition to the special benefits provided pursuant to this Section 4.6, the Employer will provide various other benefits to Eligible Participants through other plans maintained by the Employer.

#### 4.7 Total and Permanent Disability.

(a) In the event of a Participant's Total and Permanent Disability prior to retirement or separation from service, and such condition continues for a period of six consecutive months and causes such Participant's status as an Employee to cease, then said disabled Participant shall be entitled to a deferred retirement benefit commencing on his or her Normal Retirement Date based on his or her Vested Accrued Benefit earned as of the date of Participant's Total and Permanent Disability, payable hereunder pursuant to the provisions of the Plan.

(b) The benefit payable pursuant to subsection (a) shall be computed as of the Anniversary Date subsequent to termination of employment.

(c) In the event of a Participant's Total and Permanent Disability subsequent to his or her termination of employment, the Participant (or his or her Beneficiary) shall receive his or her Present Value of Accrued Benefit as of the Anniversary Date coinciding with or next following the date of his or her Total and Permanent Disability

#### 4.8 Occupational Disability.

If a Participant experiences an Occupational Disability, he or she shall be eligible for a disability benefit regardless of the length of his or her service. The determination of the Participant's disability rests with the Employer, and it will base its determination on medical evidence of permanent disqualification from the job classification the Participant holds at the time of such disability. No Participant shall be eligible for an Occupational Disability benefit if the Occupational Disability commences after his or her termination of employment.

(a) On retirement for Occupational Disability, the Participant will receive a monthly benefit equal to 1.70% of his or her Average Monthly Final Earnings for each year of Benefit Service he or she earned. Alternatively, the Participant can apply the percentage from Appendix B, Table A using the age 64 column. The minimum monthly disability benefit is 17% of his or her Average Monthly Final Earnings regardless of the length of his or her service.

(b) The Employer may require the Participant to undergo a medical examination to establish Occupational Disability if he or she is under the minimum age for voluntary retirement from service applicable to Participants in his or her class of Employees. Such examination shall be made by a physician or surgeon appointed by the Employer in the Participant's city of residence or other place mutually acceptable. On the basis of such examination, the Employer shall determine whether the Participant is still incapacitated, physically or mentally, with respect to the position the Participant held when retired for Occupational Disability. The Employer shall also require a medical examination on application for reinstatement of the Participant's employment. Such examination is for the Employer to determine whether the Participant is incapacitated, physically or mentally, with respect to any other position with the Employer for which the Participant applied for reinstatement.

(c) Any failure on the Participant's part to follow a reasonable course of medical care prescribed that would lead to return to duty will be cause for rejection of his or her application for Occupational Disability, as may be determined by the Employer.

(d) If the Employer determines that the Participant no longer is incapacitated with respect to the position the Participant held when the Participant retired for Occupational Disability, the Participant's Occupational Disability retirement benefit shall be canceled forthwith and he or she will again be covered by the Plan.

(e) If the Participant reenters the Plan after Occupational Disability, his or her benefit will be canceled and he or she will immediately become covered by this Plan. The Participant shall receive credit for service as though he or she had never been retired for Occupational Disability.

(f) Any Occupational Disability benefit under this Section 4.7 will be reduced by 50% of the amount of earned income from other sources in excess of 50% of the Average Monthly Final Earnings during the Participant's last 12 Months of Service. This will be determined on a monthly basis.

(1) This reduction shall not apply to earnings after the Participant's 62nd birthday.

(2) Income from dividends and interest, real property or farm income, or property management shall not be offset against retirement income.

(3) The nature of the work rather than the manner of payment shall control the determination of whether it is income.

(4) Earnings shall be considered earned in the year in which they are received; however, income received in one year may be allocated to more than one year if, in the sole discretion of the Employer, such allocation more correctly reflects the year in which the earnings were earned.

(5) The Participant must furnish the Employer, from time to time, with such information as may be required by the Employer to properly ascertain earnings. This shall include authorization for access to Social Security records. Retirement benefits will be suspended in the event of failure of a retiree to furnish such information or cooperate with the Employer in obtaining such information.

#### 4.9 Termination of Employment Before Retirement.

(a) When a Participant terminates employment, his or her participation in the Plan shall cease. Payment to a Former Participant of his or her Vested Accrued Benefit, unless he or she elects an earlier payment as permitted under this Plan, shall begin no later than the 60th day after the close of the Plan Year in which the latest of the following events occurs:

(1) the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein;

(2) the Participant reaches the 10th anniversary of the year in which he or she commenced participation in the Plan; or

(3) the Participant terminates his or her service with the Employer.

(b) The Plan Administrator shall direct earlier payment of the Present Value of the Participant's entire Vested Accrued Benefit if the Participant so elects. If the Vested portion of the Present Value of Accrued Benefit at the time of payment exceeds \$5,000, the Former Participant and his or her Spouse must give written consent to the Plan Administrator before payment can be made. Notwithstanding the foregoing, if the Vested portion of the Participant's Present Value of Accrued Benefit is \$1,000 or less, the Plan Administrator shall direct the Trustee to distribute such amount within a reasonable time after the Anniversary Date coinciding with or next following such Participant's termination of employment. A Participant's Present Value of Accrued Benefit shall be calculated in accordance with Section 5.5.

#### 4.10 Death Benefit.

(a) No Death Benefit for Unmarried Participants If an unmarried Participant or unmarried Former Participant dies before his or her Retirement Date, no death benefits shall be payable under this Plan with respect to such Participant.

(b) Surviving Spouse Death Benefit. Unless otherwise elected as provided below, a Vested Participant who dies before his or her Retirement Date and who has a surviving Spouse shall have his or her death benefit paid to his or her surviving Spouse in the form of either (1) one lump-sum payment in cash or in property, or (2) a Pre-Retirement Survivor Annuity that is obtained by a reputable

institution of such instruments. The surviving Spouse of a Participant receiving a Disability benefit under Section 4.7 or 4.8 shall be entitled to the death benefit described in this Section 4.10. The Participant's Spouse may direct that payment of the Pre-Retirement Survivor Annuity commence no later than the month in which the Participant would have attained his or her Earliest Retirement Age under the Plan. However, payment of such benefit will commence at the time the Participant would have attained the later of his or her Normal Retirement Age or age 62, unless the Spouse elects a later date.

(1) The death benefit provided under this Plan shall be the "minimum Spouse's death benefit." For the purposes of this Section 4.9, the "minimum Spouse's death benefit" means a death benefit for a Vested married Participant payable in the form of a Pre-Retirement Survivor Annuity. Such annuity payments shall be equal to the amount that would be payable as a survivor annuity under the Joint and Survivor Annuity provisions of the Plan if:

(i) in the case of a Participant who dies after his or her Earliest Retirement Age, such Participant retired with an immediate 50% Joint and Survivor Annuity on the day before the Participant's date of death; or

(ii) in the case of a Participant who dies on or before his or her Earliest Retirement Age, such Participant:

1. separated from service on the date of his or her death;
2. survived to the Earliest Retirement Age;
3. retired with an immediate 50% Joint and Survivor Annuity at his or her Earliest Retirement Age based on his or her Vested Accrued Benefit on his or her date of death; and
4. died on the day after the day on which said Participant would have attained his or her Earliest Retirement Age.

(2) Unless otherwise elected in the manner prescribed in this Section 4.9, the Beneficiary of the death benefit shall be the Participant's Spouse, who shall receive such benefit in the form of a Pre-Retirement Survivor Annuity. The married Participant may designate a Beneficiary of his or her own choosing if the Participant and his or her Spouse validly waived the Pre-Retirement Survivor Annuity in the manner prescribed in this Section 4.9 and the Spouse waived all rights to be the Participant's Beneficiary.

(3) In the event a Participant designates his or her Registered Domestic Partner as Beneficiary, said Beneficiary will be treated like a Spouse for purposes of this Plan.

(4) Notwithstanding the foregoing, the Accumulated Contributions of a Participant who is not married and/or not Vested in his or her Accrued Benefit Derived From Employer Contributions at the time of his or her death shall be payable in accordance with Section 6.4(d).

(c) Waiver Requirements. Any election to waive the Pre-Retirement Survivor Annuity before the Participant's death must be made by the Participant in writing during the election period and shall require the Spouse's irrevocable consent in the manner provided for in Section 5.3(c). Further, the Spouse's consent must acknowledge the specific non-Spouse Beneficiary, if any. Spousal Consent to the election of a non-Spouse Beneficiary or to any subsequent change of Beneficiary shall be made in writing, shall acknowledge the effect of such election, and shall be witnessed by a Plan representative or a notary public in accordance with Code Sections 401(a)(11)(B)(iii) and 417(a)(2).

(1) The election period to waive the Pre-Retirement Survivor Annuity shall begin on the first day of the Plan Year in which the Participant attains age 35 and end on the date of the Participant's death. In the event a Vested Participant separates from service before the beginning of the election period, the election period shall begin on the date of such separation from service.

(2) With respect to the election, the Plan Administrator shall, within the period beginning with the first day of the Plan Year in which a Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which a Participant attains age 35, provide each Participant a written explanation of the Pre-Retirement Survivor Annuity containing information comparable to that required pursuant to Section 5.3(b). If the Participant enters the Plan after the first day of the Plan Year in which the Participant attained age 32, the Plan Administrator shall provide this explanation no later than the close of the second Plan Year following the entry of the Participant into the Plan. In the case of a Participant's separation from service before age 32, such explanation shall be provided within one year after separation.

(d) Time of Distribution of Death Benefits. If the Present Value of Accrued Benefit of the Pre-Retirement Survivor Annuity, as calculated in accordance with Section 5.5, does not exceed \$5,000, the Plan Administrator shall direct the immediate distribution of such amount to the Participant's surviving Spouse. No distribution may be made under the preceding sentence after the Annuity Starting Date unless the surviving Spouse consents in writing. If the value exceeds \$5,000, an immediate distribution of the entire amount may be made to the surviving Spouse, provided such surviving Spouse consents in writing to such distribution. Any written consent required under this subsection (d) must be obtained not more than 180 days before commencement of the distribution and shall be made in a manner consistent with Section 5.3.

(e) Optional Forms of Payment of Death Benefit. A Beneficiary who consents to a distribution under subsection (d) above shall be provided the opportunity to elect an optional form of payment in accordance with Section 5.3, provided the form of payment selected and the timing of the election satisfy the minimum distribution requirements of Section 5.10. The Participant's designated Beneficiary shall elect the method of distribution no later than September 30th of the calendar year following the year of the Participant's death. If the designated Beneficiary fails to elect a method of distribution, distribution of the Participant's entire interest must be completed in accordance with Section 5.10.

(f) Applicability. The Pre-Retirement Survivor Annuity provided for in this Section 4.9 shall apply to Participants who are credited with an Hour of Service on or after August 23, 1984. Former Participants who are not credited with an Hour of Service on or after August 23, 1984 shall be provided with rights to the Pre-Retirement Survivor Annuity in accordance with Section 303(e)(2) of the Retirement Equity Act of 1984.

#### 4.11 Code Section 415 Limitations.

(a) Annual Benefit. The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the "Maximum Permissible Benefit." If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, then the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.

(b) Adjustment if Participant in Two Defined Benefit Plans. If the Participant is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Employer or a predecessor employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the

Participant's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the Employer shall limit a Participant's benefit in accordance with the terms of the Plans.

(c) Grandfather Provision. The application of the provisions of this Section 4.11 shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's Accrued Benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, Treasury Regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Treasury Regulations Section 1.415(a)-1(g)(4).

(d) Definitions. For purposes of this Section 4.11, the following definitions apply.

(1) Annual Benefit. "Annual Benefit" means a benefit that is payable annually in the form of a "Straight Life Annuity." Except as provided below, where a benefit is payable in a form other than a "Straight Life Annuity," the benefit shall be adjusted to an actuarially equivalent "Straight Life Annuity" that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section 4.11. For a Participant who has or will have distributions commencing at more than one Annuity Starting Date, the "Annual Benefit" shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this Section 4.11 as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates. For this purpose, the determination of whether a new Annuity Starting Date has occurred shall be made without regard to Treasury Regulations Section 1.401(a)-20, Q&A 10(d), and with regard to Treasury Regulations Section 1.415(b)1(b)(1)(iii)(B) and (C).

(2) No actuarial adjustment to the benefit shall be made for (i) survivor benefits payable to a surviving Spouse under a qualified Joint and Survivor Annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (ii) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (iii) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Section 4.11, and the Plan provides that the amount payable under the form of benefit in any "Limitation Year" shall not exceed the limits of this Section 4.11 applicable at the Annuity Starting Date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

(3) The determination of the "Annual Benefit" shall take into account Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to Employee contributions or rollover contributions.

(4) Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a "Straight Life Annuity" shall be made in accordance with (i) or (ii) below.

(i) Benefit Forms not Subject to Code Section 417(e)(3). The "Straight Life Annuity" that is actuarially equivalent to the Participant's form of benefit shall be

determined under this subsection (i) if the form of the Participant's benefit is either (a) a non-decreasing annuity (other than a "Straight Life Annuity") payable for a period of not less than the life of the Participant (or, in the case of a Pre-Retirement Survivor Annuity, the life of the surviving Spouse), or (b) an annuity that decreases during the life of the Participant merely because of (1) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (2) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).

1. "Limitation Years" beginning before July 1, 2007. For "Limitation Years" beginning before July 1, 2007, the actuarially equivalent "Straight Life Annuity" is equal to the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (1) the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and (2) 5% interest rate assumption and the applicable mortality table defined in the Plan for that Annuity Starting Date.

2. "Limitation Years" beginning on or after July 1, 2007. For "Limitation Years" beginning on or after July 1, 2007, the actuarially equivalent "Straight Life Annuity" is equal to the greater of (1) the annual amount of the "Straight Life Annuity" (if any) payable to the Participant under the Plan commencing at the same Annuity Starting Date as the Participant's form of benefit; and (2) the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5% interest rate assumption and the applicable mortality table defined in the Plan for that Annuity Starting Date.

(ii) Benefit Forms Subject to Code Section 417(e)(3). The "Straight Life Annuity" that is actuarially equivalent to the Participant's form of benefit shall be determined under this subsection if the form of the Participant's benefit is other than a benefit form described in Section 4.11(d)(4)(i) above. In this case, the actuarially equivalent "Straight Life Annuity" shall be determined as follows:

1. Annuity Starting Date in Plan Years Beginning After 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent "Straight Life Annuity" is equal to the greatest of (a) the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; (b) the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5% interest rate assumption and the applicable mortality table defined in the Plan; and (c) the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate and applicable mortality table defined in the Plan, divided by 1.05.

2. Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, except as provided in the transition rule of subsection 3. below (if elected), the actuarially equivalent "Straight Life Annuity" is equal to the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (a) the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting

benefits in the same form; and (b) a 5.5% interest rate assumption and the applicable mortality table defined in the Plan.

3. Transition Rule. If the Annuity Starting Date of the Participant's benefit is on or after the first day of the first Plan Year beginning in 2004 and before December 31, 2004, the application of Section 4.11(d)(4)(ii)(2) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan, taking into account the limitations of this Section 4.11, except that the actuarially equivalent "Straight Life Annuity" is equal to the annual amount of the "Straight Life Annuity" commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greatest annual amount: (a) the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; (b) the applicable interest rate and applicable mortality table defined in the Plan; and (c) the applicable interest rate defined in the Plan (as in effect on the last day of the last Plan Year beginning before January 1, 2004, under provisions of the Plan then adopted and in effect) and the applicable mortality table defined in the Plan.

(5) Defined Benefit Compensation Limitation. "Defined Benefit Compensation Limitation" means 100% of a Participant's "High Three-Year Average Compensation," payable in the form of a "Straight Life Annuity." In the case of a Participant who has had a "Severance from Employment" with the Employer, the "Defined Benefit Compensation Limitation" applicable to the Participant in any "Limitation Year" beginning after the date of severance shall be automatically adjusted by multiplying the limitation applicable to the Participant in the prior "Limitation Year" by the annual adjustment factor under Code Section 415(d) that is published in the Internal Revenue Bulletin. The adjusted compensation limit shall apply to "Limitation Years" ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year.

In the case of a Participant who is rehired after a "Severance from Employment," the "Defined Benefit Compensation Limitation" is the greater of 100% of the Participant's "High Three-Year Average Compensation," as determined prior to the "Severance from Employment," as adjusted pursuant to the preceding paragraph, if applicable; or 100% of the Participant's "High Three-Year Average Compensation," as determined after the "Severance from Employment."

(6) Defined Benefit Dollar Limitation. "Defined Benefit Dollar Limitation" means, effective for "Limitation Years" ending after December 31, 2001, \$160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a "Straight Life Annuity." The new limitation shall apply to "Limitation Years" ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year.

(7) Employer. "Employer" means, for purposes of this Section 4.11, the Employer that has adopted the Plan, and all members of a controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h)), all commonly controlled trades or businesses (as defined in Code Section 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code Section 415(h)), or affiliated service groups (as defined in Code Section 414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o).

(8) Formerly Affiliated Plan of the Employer. "Formerly Affiliated Plan of the Employer" means a plan that, immediately prior to the cessation of affiliation, was actually maintained by the Employer and, immediately after the cessation of affiliation, is not actually maintained by the Employer. For this purpose, "cessation of affiliation" means the event that (i) causes an entity to no

longer be considered the Employer, such as the sale of a member of a controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h), to an unrelated corporation, or (ii) causes a plan to not actually be maintained by the Employer, such as transfer of plan sponsorship outside a controlled group.

(9) High Three-Year Average Compensation. “High Three-Year Average Compensation” means the average 415 Compensation for the three consecutive Years of Service (or, if the Participant has less than three consecutive Years of Service, the Participant’s longest consecutive period of service, including fractions of years, but not less than one year) with the Employer that produces the highest average. A Participant’s 415 Compensation for a Year of Service shall not include 415 Compensation in excess of the limitation under Code Section 401(a)(17) that is in effect for the calendar year in which such Year of Service begins. For purposes of this definition, a Year of Service with the Employer is the 12-consecutive month period defined in the Plan which is used to determine 415 Compensation under the Plan.

In the case of a Participant who is rehired by the Employer after a “Severance from Employment,” the Participant’s “High Three-Year Average Compensation” shall be calculated by excluding all years for which the Participant performs no services for and receives no 415 Compensation from the Employer (the break period) and by treating the years immediately preceding and following the break period as consecutive.

(10) Limitation Year. “Limitation Year” means the Plan Year for purposes of applying the Code Section 415 limitations.

(11) Maximum Permissible Benefit. “Maximum Permissible Benefit” means the lesser of the “Defined Benefit Dollar Limitation” or the “Defined Benefit Compensation Limitation” (both adjusted where required, as provided below).

(i) Adjustment for Less Than 10 Years of Participation or Service. If the Participant has less than 10 years of participation in the Plan, the “Defined Benefit Dollar Limitation” shall be multiplied by a fraction – (i) the numerator of which is the number of “Years of Participation” in the Plan (or part thereof, but not less than one year), and (ii) the denominator of which is ten (10). In the case of a Participant who has less than 10 Years of Service with the Employer, the “Defined Benefit Compensation Limitation” shall be multiplied by a fraction -- (i) the numerator of which is the number of “Years of Service” with the Employer (or part thereof, but not less than one year), and (ii) the denominator of which is ten (10).

(ii) Adjustment of “Defined Benefit Dollar Limitation” for Benefit Commencement Before Age 62 or after Age 65. Effective for benefits commencing in “Limitation Years” ending after December 31, 2001, the “Defined Benefit Dollar Limitation” shall be adjusted if the Annuity Starting Date of the Participant’s benefit is before age 62 or after age 65. If the Annuity Starting Date is before age 62, the “Defined Benefit Dollar Limitation” shall be adjusted under Section 4.11(d)(11)(ii)(1), as modified by Section 4.11(d)(11)(ii)(3). If the Annuity Starting Date is after age 65, the “Defined Benefit Dollar Limitation” shall be adjusted under Amendment Section 4.11(d)(11)(ii)(2), as modified by Section 4.11(d)(11)(ii)(3).

1. Adjustment of “Defined Benefit Dollar Limitation” for Benefit Commencement Before Age 62.

a. “Limitation Years” Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant’s benefit is prior to age 62 and occurs in a “Limitation Year” beginning before July 1, 2007, the “Defined Benefit Dollar Limitation” for the

Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Participant's Annuity Starting Date that is the Actuarial Equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table (or other tabular factor) specified in the Plan; or (2) a five-percent (5%) interest rate assumption and the applicable mortality table as defined in the Plan.

b. "Limitation Years" Beginning on or After July 1, 2007.

i. Plan Does Not Have Immediately Commencing "Straight Life Annuity" Payable at both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a "Limitation Year" beginning on or after July 1, 2007, and the Plan does not have an immediately commencing "Straight Life Annuity" payable at both age 62 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Participant's Annuity Starting Date that is the Actuarial Equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five-percent (5%) interest rate assumption and the applicable mortality table for the Annuity Starting Date as defined in the Plan (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

ii. Plan Has Immediately Commencing "Straight Life Annuity" Payable at both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a "Limitation Year" beginning on or after July 1, 2007, and the Plan has an immediately commencing "Straight Life Annuity" payable at both age 62 and the age of benefit commencement, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the lesser of the limitation determined under Section 4.11(d)(11)(ii)(2)(a) and the "Defined Benefit Dollar Limitation" (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing "Straight Life Annuity" under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing "Straight Life Annuity" under the Plan at age 62, both determined without applying the limitations of this Section 4.11.

2. Adjustment of "Defined Benefit Dollar Limitation" for Benefit Commencement After Age 65.

a. "Limitation Years" Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the "Defined Benefit Dollar Limitation" for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a "Straight Life Annuity" commencing at the Participant's Annuity Starting Date that is the Actuarial Equivalent of the "Defined Benefit Dollar Limitation" (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table (or other tabular factor) specified in the Plan; or (2) a five-percent (5%) interest rate assumption and the applicable mortality table as defined in the Plan.

2007. b. “Limitation Years” Beginning Before July 1,

i. Plan Does Not Have Immediately Commencing “Straight Life Annuity” Payable at both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant’s benefit is after age 65 and occurs in a “Limitation Year” beginning on or after July 1, 2007, and the Plan does not have an immediately commencing “Straight Life Annuity” payable at both age 65 and the age of benefit commencement, the “Defined Benefit Dollar Limitation” at the Participant’s Annuity Starting Date is the annual amount of a benefit payable in the form of a “Straight Life Annuity” commencing at the Participant’s Annuity Starting Date that is the Actuarial Equivalent of the “Defined Benefit Dollar Limitation” (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required), with actuarial equivalence computed using a 5% interest rate assumption and the applicable mortality table for that Annuity Starting Date as defined in the Plan (and expressing the Participant’s age based on completed calendar months as of the Annuity Starting Date).

ii. Plan Has Immediately Commencing “Straight Life Annuity” Payable at both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant’s benefit is after age 65 and occurs in a “Limitation Year” beginning on or after July 1, 2007, and the Plan has an immediately commencing “Straight Life Annuity” payable at both age 65 and the age of benefit commencement, the “Defined Benefit Dollar Limitation” at the Participant’s Annuity Starting Date is the lesser of the limitation determined under Section 4.11(d)(11)(ii)(2)(a) and the “Defined Benefit Dollar Limitation” (adjusted under Section 4.11(d)(11)(i) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing “Straight Life Annuity” under the Plan at the Participant’s Annuity Starting Date to the annual amount of the adjusted immediately commencing “Straight Life Annuity” under the Plan at age 65, both determined without applying the limitations of this Section 4.11. For this purpose, the adjusted immediately commencing “Straight Life Annuity” under the Plan at the Participant’s Annuity Starting Date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant’s accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing “Straight Life Annuity” under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

3. Notwithstanding the other requirements of this Section 4.11(d)(11)(ii), no adjustment shall be made to the “Defined Benefit Dollar Limitation” to reflect the probability of a Participant’s death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant’s death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Participant’s death.

(iii) Minimum Benefit Permitted. Notwithstanding anything else in this Section to the contrary, the benefit otherwise accrued or payable to a Participant under this Plan shall be deemed not to exceed the “Maximum Permissible Benefit” if:

1. The retirement benefits payable for a “Limitation Year” under any form of benefit with respect to such Participant under this Plan and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Employer do not exceed \$10,000 multiplied by a fraction – (I) the numerator of which is the Participant’s number of

Years (or part thereof, but not less than one year) of Service (not to exceed ten (10)) with the Employer, and (II) the denominator of which is ten (10); and

2. The Employer (or a “Predecessor Employer”) has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory Employee contributions under a defined benefit plan, individual medical accounts under Code Section 401(h), and accounts for post-retirement medical benefits established under Code Section 419A(d)(1) are not considered a separate defined contribution plan).

(12) Predecessor Employer. “Predecessor Employer” means, with respect to a Participant, a former employer of such Participant if the employer maintains a Plan that provides a benefit which the Participant accrued while performing services for the former employer. A former entity that antedates the Employer is also a “Predecessor Employer” with respect to a Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity. For this purpose, the formerly affiliated plan rules in Treasury Regulations Section 1.415(f)-1(b)(2) apply as if the Employer and “Predecessor Employer” constituted a single employer under the rules described in Treasury Regulations Section 1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Treasury Regulations Section 1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event that gives rise to the “Predecessor Employer” relationship, such as a transfer of benefits or plan sponsorship.

(13) Severance from Employment. “Severance from Employment” means, with respect to any individual, cessation from being an Employee of the Employer maintaining the Plan. An Employee does not have a “Severance from Employment” if, in connection with a change of employment, the Employee’s new employer maintains the Plan with respect to the Employee.

(14) Straight Life Annuity. “Straight Life Annuity” means an annuity payable in equal installments for the life of a Participant that terminates upon the Participant’s death.

(15) Year of Participation. “Year of Participation” means, with respect to a Participant, each accrual computation period (computed to fractional parts of a year) for which the following conditions are met: (1) the Participant is credited with at least the number of Hours of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a “Year of Participation” credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Code Section 415(c)(3)(C)(i) for an accrual computation period shall receive a “Year of Participation” with respect to that period.

In addition, for a Participant to receive a “Year of Participation” (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event shall more than one “Year of Participation” be credited for any 12-month period.

(16) Year of Service. “Year of Service” means, for purposes of Section 4.11(d)(9), each accrual computation period (computed to fractional parts of a year) for which a Participant is credited with at least the number of Hours of Service (or Period of Service if the Elapsed Time Method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue

a benefit for the accrual computation period, taking into account only service with the Employer or a "Predecessor Employer."

(e) Other rules.

(1) Benefits under Terminated Plans. If a defined benefit plan maintained by the Employer has terminated with sufficient assets for the payment of benefit liabilities of all plan participants and a Participant in the plan has not yet commenced benefits under the plan, the benefits provided pursuant to the annuities purchased to provide the Participant's benefits under the terminated plan at each possible Annuity Starting Date shall be taken into account in applying the limitations of this Section 4.11. If there are not sufficient assets for the payment of all Participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Participant under the terminated plan.

(2) Benefits Transferred from the Plan. If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant Treasury Regulations Section 1.411(d)-4, Q&A-3(c), then the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan that is not maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), then the transferred benefits are treated by the Employer's Plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the Employer that terminated immediately prior to the transfer with sufficient assets to pay all Participants' benefit liabilities under the plan. If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.

(3) Formerly Affiliated Plans of the Employer. A "Formerly Affiliated Plan of an Employer" shall be treated as a plan maintained by the Employer, but the formerly affiliated plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay Participants' benefit liabilities under the Plan and had purchased annuities to provide benefits.

(4) Plans of a "Predecessor Employer." If the Employer maintains a defined benefit plan that provides benefits accrued by a Participant while performing services for a "Predecessor Employer," then the Participant's benefits under a plan maintained by the "Predecessor Employer" shall be treated as provided under a plan maintained by the Employer. However, for this purpose, the plan of the "Predecessor Employer" shall be treated as if it had terminated immediately prior to the event giving rise to the "Predecessor Employer" relationship with sufficient assets to pay Participants' benefit liabilities under the plan, and had purchased annuities to provide benefits; the Employer and the "Predecessor Employer" shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the plan of the "Predecessor Employer."

(f) Special Rules. The limitations of this Section 4.11 shall be determined and applied taking into account the rules in Treasury Regulations Section 1.415(f)-1(d), (e) and (h).

(g) Aggregation with Multiemployer Plans.

(1) If the Employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the Employer shall be treated as benefits provided under a plan maintained by the Employer for purposes of this Section 4.11.

(2) Effective for "Limitation Years" ending after December 31, 2001, a multiemployer plan shall be disregarded for purposes of applying the compensation limitation of Sections 4.11(d)(5) and 4.11(d)(11)(i) to a plan which is not a multiemployer plan.

4.12 Effect of Social Security Act. Benefits being paid to a Participant or Beneficiary under the terms of the Plan may not be decreased by reason of any post-separation Social Security benefit increases or by the increase of the Social Security wage base under Title II of the Social Security Act. Benefits to which a Former Participant has a Vested interest may not be decreased by reason of an increase in a benefit level or wage base under Title II of the Social Security Act.

ARTICLE V  
PAYMENT OF PENSIONS

5.1 Automatic Form of Payment.

(a) Unmarried Participants. If the Participant is not married on his or her Annuity Starting Date, his or her Pension shall be a life annuity that is payable in monthly installments ending with the last monthly payment before his or her death, unless the Participant elected an optional form of payment as provided in Section 5.2. However, if the Participant retired due to disability, the provisions of Section 4.7 or 4.8 relating to continuance of disability benefits shall apply.

(b) Married Participants. A Participant who is married on his or her Annuity Starting Date and does not die before his or her Annuity Starting Date shall receive, if he or she did not elect an optional form of payment as provided in Section 5.2, a Pension payable in the form of a Joint and Survivor Annuity. The annuity shall be the Actuarial Equivalent of a single life annuity. It shall provide for a reduced Pension payable monthly to the Participant during his or her life and, after his or her death, one-half of that reduced Pension will continue to be paid monthly during the life of, and to, the Spouse to whom he or she was married at his or her Annuity Starting Date. The Participant may elect to receive a smaller annuity benefit with continuation of payments to the Spouse at a rate of 75% or 100% of the rate payable to a Participant during his or her lifetime.

(c) A married Participant entitled to but not in receipt of a Pension as of August 23, 1984 who terminated service on or after September 2, 1974 but before January 1, 1976 may elect, before his or her Annuity Starting Date, to have his or her Pension payable in accordance with the provisions of subsection (b).

(d) Disability Pension. In the case of a Participant who is in receipt of a disability retirement Pension pursuant to Section 4.7 or 4.8, his or her Pension shall be calculated pursuant to the provisions of subsection (a), regardless of whether he or she is married. On attaining his or her Annuity Starting Date, a Participant who has accumulated at least 10 years of Benefit Service shall have his or her disability Pension recalculated in accordance with subsection (a) or (b), whichever is applicable at that date, or in accordance with Section 5.2 if the Participant elects an optional form of payment. The Annuity Starting Date for a Participant described in this subsection (d) shall be his or her Normal Retirement Date. Such benefit shall be equal to the amount he or she would have received had he or she retired at age 65

with the same number of years of Benefit Service as that accrued to the date of his or her last employment with the Employer.

5.2 Optional Forms of Payment. Any Participant, other than a Participant retiring on a disability retirement Pension before he or she is entitled to a Pension, may, subject to the Spousal Consent provisions of Section 5.3, elect to convert the Pension otherwise payable to him or her into an optional form of payment equal to the Actuarial Equivalent of that Pension, as provided under one of three options below.

(a) Option 1. One lump-sum payment in cash or in property; or

(b) Option 2. A partial lump-sum payment equal to 25 percent of the value of the Participant's Pension with the remaining benefit paid in the automatic form of payment set forth in Section 5.1(b).

(c) Option 3. Payments over a period certain in monthly cash installments. The period over which such payments are to be made shall not extend beyond the Participant's life expectancy (or the life expectancy of the Participant and his or her designated Beneficiary); or

(d) Option 4. Purchase of or provision of an annuity. Such annuity may not be in any form that provides for payments over a period extending beyond either the life of the Participant (or the joint lives of the Participant and his or her designated Beneficiary) or the life expectancy of the Participant (or the life expectancies of the Participant and his or her designated Beneficiary); or

5.3 Election of Optional Form of Payment.

(a) A married Participant's election of any optional form of payment shall be effective only if Spousal Consent to the election is received by the Plan Administrator, unless:

(1) the option provides for monthly payments to his or her Spouse for life after the Participant's death, in an amount equal to at least 50% but not more than 100% of the monthly amount payable under the option to the Participant; and

(2) the option is the Actuarial Equivalent of the Joint and Survivor Annuity.

(b) The Employer shall furnish to each Participant a written explanation in nontechnical language of the terms and conditions of the Pension payable to the Participant in the automatic and optional forms described in Sections 5.1 and 5.2. Such explanation shall include the following:

(1) a general description of the eligibility conditions, for and the material features and relative values of, the optional forms of payment under the Plan;

(2) any rights the Participant may have to defer commencement of his or her Pension and the consequences of failing to defer receipt of his or her Pension;

(3) the terms and conditions of the Joint and Survivor Annuity;

(4) the Participant's right to elect to waive the Joint and Survivor Annuity;

(5) the right of the Participant's Spouse to consent to any election to waive the Joint and Survivor Annuity; and

(6) the right of the Participant to revoke such election, and the effect of such revocation.

(c) Any election to waive the Joint and Survivor Annuity must be made by the Participant in writing during the election period defined in subsection (d) below and be consented to by the Participant's Spouse. Such Spousal Consent shall be irrevocable and must acknowledge the effect of such election and be witnessed by a Plan representative or a notary public. Such consent shall not be required if it is established to the satisfaction of the Plan Administrator that the required consent cannot be obtained because there is no Spouse, the Spouse cannot be located, or other circumstances apply that are prescribed by Treasury regulations. The election made by the Participant and consented to by his or her Spouse may be revoked by the Participant at any time during the election period. The number of revocations shall not be limited. Any new election must comply with the requirements of this subsection (c). A former Spouse's waiver shall not be binding on a new Spouse. The Joint and Survivor Annuity waiver requirements provided for in this Section 5.3 shall apply only to Participants who are credited with an Hour of Service on or after August 23, 1984. Former Participants who are not credited with an Hour of Service on or after August 23, 1984 shall have the right to have Joint and Survivor Annuities provided to them in accordance with the terms of this Plan in accordance with the provisions of Section 303(e)(1) of the Retirement Equity Act of 1984.

(d) The election period to waive the Joint and Survivor Annuity shall be the 90-day period ending on the Annuity Starting Date. For purposes of this Section 5.3, Annuity Starting Date means the first day of the first period for which an amount is payable 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 occurred that entitle the Participant to such benefit.

(e) The Employer must provide the notice required by subsection (b) no more than 180 days and no less than 30 days before the Participant's Annuity Starting Date. A Participant's Annuity Starting Date may not occur less than 30 days after receipt of the notice. An election under Section 5.2 shall be made on a form provided by the Plan Administrator and may be made during the 180-day period ending on the Participant's Annuity Starting Date, but not before the date the Participant receives the written explanation described in subsection (b).

(f) Notwithstanding subsection (e), a Participant may, after receiving the notice, affirmatively elect to have his or her benefit commence sooner than 30 days following his or her receipt of the notice, provided all of the following requirements are met:

(1) the Plan Administrator clearly informs the Participant that he or she has at least 30 days after receiving the notice to decide when to have his or her benefit begin and, if applicable, to choose a particular optional form of payment;

(2) the Participant affirmatively elects a date for his or her benefit to begin and, if applicable, an optional form of payment, after receiving the notice;

(3) the Participant is permitted to revoke his or her election until the later of his or her Annuity Starting Date or seven days following the day he or she received the notice;

(4) payment does not commence less than seven days following the day after the notice is received by the Participant; and

(5) the Participant's Annuity Starting Date is after the date the notice is provided.

(g) Notwithstanding subsection (d), the first day of the first period for which a benefit is to be received by reason of disability shall be treated as the Annuity Starting Date only if such benefit is not an auxiliary benefit. For purposes of this Plan, the term "auxiliary" refers to any benefit received from outside of this Plan.

(h) The distribution of a Pension in the form of a Joint and Survivor Annuity shall require the Participant's consent if such distribution commences before the later of his or her Normal Retirement Age or age 62. The present value of a Retired Participant's Joint and Survivor Annuity derived from Employer contributions may not be paid without his or her written consent if the value exceeds \$1,000. Further, the Spouse of a Retired Participant must consent in writing to any immediate distribution if the present value of a Retired Participant's Joint and Survivor Annuity derived from Employer contributions exceeds \$5,000. If the value of the Participant's benefit derived from Employer contributions does not exceed \$1,000, the Plan Administrator may immediately distribute such benefit without such Retired Participant's consent in accordance with Section 5.4. No distribution may be made under the preceding sentence after the Annuity Starting Date unless the Participant and his or her Spouse consent in writing to such distribution. Any written consent required under this subsection (h) must be obtained no more than 90 days before commencement of the distribution and shall be made in a manner consistent with Section 5.3(c).

(i) If the Participant's entire interest is to be distributed in other than a lump sum, then the amount to be distributed each year must be at least equal to the amount obtained by dividing the Participant's entire interest by the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and his or her designated Beneficiary.

(j) If a Participant's Pension is to be distributed to him or her and his or her Beneficiary over a period in excess of the Participant's then life expectancy, the then present value of the payments to be made over the period of the Participant's then life expectancy must be more than 50% of the then present value of the total payments to be made to the Participant and his or her Beneficiaries. This subsection (j) shall not apply to a distribution in the form of a Joint and Survivor Annuity pursuant to Section 5.3(c).

(k) For purposes of this Section 5.3, the life expectancy of a Participant and a Participant's Spouse (other than in the case of a life annuity) may be redetermined, but not more frequently than annually, and in accordance with such rules as may be prescribed by Treasury regulations. Further, life expectancy and joint and last survivor life expectancy shall be computed using the return multiples of Treasury Regulation 1.72-9 as revised by proposed Treasury regulations issued in 2001.

(l) Subject to the Spouse's right of consent afforded under the Plan, the restrictions imposed by this Section 5.3 shall not apply if a Participant, before January 1, 1984, made a written designation to have his or her Pension paid in an alternative method acceptable under Code Section 401(a) as in effect before the enactment of the Tax Equity and Fiscal Responsibility Act of 1982.

(m) An election of an option under Section 5.2 may be revoked on a form provided by the Plan Administrator, and subsequent elections and revocations may be made at any time and from time to time during the election period specified in subsection (d) above. An election of an optional form of payment shall be effective on the Participant's Annuity Starting Date and may not be modified or revoked after his or her Annuity Starting Date unless otherwise provided under subsection (d). A revocation of any election shall be effective when the completed form is filed with the Plan Administrator. If a Participant who elected an optional form of payment dies before the date the election of the option becomes effective, the election shall be revoked except as provided in Section 4.10. If the Beneficiary designated under a distribution option dies before the date the election of the option becomes effective, the election shall be revoked.

5.4 Automatic Cash-out of Small Benefits. A lump-sum payment that is an Actuarial Equivalent of the Participant's Accrued Benefit shall be made in lieu of all benefits if the present value of the Pension payable to or on the behalf of the Participant as of the Participant's Normal Retirement Date or actual termination of service, if later, amounts to \$1,000 or less. In the event a Participant is not entitled to any Pension on his or her termination of employment, he or she shall be deemed cashed out under this Section 5.4 as of the date he or she terminated service. However, if a Participant described in the preceding sentence is restored to service prior to April 1, 2011, he or she shall be deemed to have repaid such amount together with interest as described in Section 3.2(b)(3).

The determination as to whether a lump-sum payment is due shall be made as soon as practicable following the Participant's termination of service or his or her death. To the extent permitted by law, in the event the present value of a Pension exceeds \$1,000 on an initial determination, the present value of the Pension shall be redetermined annually as of the first day of each subsequent Plan Year. Any lump-sum benefit payable shall be paid as soon as practicable following the determination that the amount qualifies for distribution under this Section 5.4. In no event shall a lump-sum payment be made following the date Pension payments commenced as an annuity.

5.5 Calculation of Present Value of Accrued Benefit. The following shall apply in all instances when determining the Present Value of Accrued Benefit set forth throughout the Plan.

(a) In determining the amount of a lump-sum payment:

(1) Actuarial Equivalent shall mean a benefit, in the case of a benefit payable before a Participant's Normal Retirement Date, of equivalent value to the benefit that would otherwise have been provided commencing at the Participant's Normal Retirement Date, or, if larger and the Participant is eligible for an early retirement benefit under Section 4.2 at the time the lump sum payment is calculated, the benefit that would otherwise have been provided commencing at the earliest date he or she could have commenced payment under Section 4.2; and

(2) The Actuarial Equivalent shall be determined by using the IRS Mortality Table and the IRS Interest Rate.

(b) The Present Value of Accrued Benefit for any other distribution option shall be determined in accordance with Appendix A, paragraph (b) or (c).

5.6 Time of Segregation or Distribution. Except as limited by Sections 4.9 and 5.1, whenever the Trustee is to make a distribution or to commence a series of payments on or as of an Anniversary Date, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable, but in no event more than 180 days after the Anniversary Date. Notwithstanding the foregoing, unless a Former Participant elects in writing to defer the receipt of benefits, payment of benefits shall begin no later than the 60th day after the close of the Plan Year in which the latest of the following events occurs:

(a) the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein;

(b) the Participant reaches the 10th anniversary of-the year in which he or she commenced participation in the Plan; or

(c) the Participant terminates his or her service with the Employer.

5.7 Commencement of Payments. Except as otherwise provided in Article IV or in this Article, payment of a Participant's Pension shall be in equal monthly installments to begin at the end of the month for which the payment applies, beginning with the month following the month in which the Participant retires, or the month following the month in which an application for retirement of the Participant is filed with, and subsequently approved by, the Plan Administrator, whichever occurs last; provided, however, if a Participant retires other than on his or her last regular work day in a calendar month, the retirement payment for the first month of retirement shall be prorated accordingly.

If a Participant dies after Pension payments have commenced, any payments continuing to his or her Spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution in effect as of the Participant's date of death.

5.8 Payment of Retirement Benefits. When a Participant retires, the Plan Administrator shall immediately take all steps and execute all documents necessary to cause the payment to him or her of the retirement benefit available to him or her under the Plan.

5.9 Recovery of Overpayments. In the event the Participant receives Pension benefit payments to which he or she is not entitled, such overpayments shall be offset against his or her future retirement benefits or, at the discretion of the Employer, the Participant may be required to refund any overpayment as a condition precedent to receiving any future retirement benefits.

5.10 Minimum Distribution Requirements. Notwithstanding any provision of the Plan to the contrary, distributions for the Plan shall be made in accordance with the applicable provisions of Code Section 401(a)(9) as applicable to governmental plans, including the incidental death benefit provisions of Code Section 401(a)(9)(G). As of the effective date indicated in this Section, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the final and temporary Treasury Regulations issued on April 17, 2002, as follows:

(a) Effective Date. The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year, as well as required minimum distributions for the 2002 distribution calendar year that are made on or after July 1, 2002.

(b) Coordination with Prior Minimum Distribution Requirements Previously in Effect. Required minimum distributions for the 2002 calendar year will be determined as follows. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the effective date of this Section equals or exceeds the required minimum distributions determined under this Section, then no additional distributions will be required to be made for 2002 on or after such date to the distributee. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the effective date of this Section is less than the amount determined under this Section, then required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to the distributee will be the amount determined under this Section.

(c) Precedence. In the event any provisions of this Plan are inconsistent with the provisions under this Section, the requirements of this Section shall take precedence and the Plan Administrator shall follow the requirements of this Section with respect to all distributions required under this Section.

(d) TEFRA Section 242(b)(2) Elections. Notwithstanding any other provisions of this Section 5.10, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(e) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's Accounts will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's Accounts will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.

(ii) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's Accounts will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 5.10(e)(2), other than Section 5.10(e)(2)(i), will apply as if the surviving Spouse were the Participant.

(v) For purposes of this Section 5.10(e)(2) and (g), unless Section 5.10(e)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 5.10(e)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 5.10(e)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 5.10(e)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company or in a lump sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with subsections (f) and (g) of this Section 5.10. If the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations issued thereunder.

(f) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(ii) if the Participant's sole Designated Beneficiary for the distribution calendar year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this subsection (f) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(g) Required Minimum Distributions After Participant's Death.

(1) Death on or After Date Distributions Begin.

(i) Participant Surviving By Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

1. The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

2. If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For distribution calendar years after the year of the surviving Spouse's death, the remaining Life Expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

3. If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) Non-Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution

calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(i) Participant Surviving By Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Designated Beneficiary, determined as provided in Section 5.10(g)(1).

(ii) No Designated Beneficiary. If the Participant dies before the date distribution begins and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's Accounts will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions are required to begin to the surviving Spouse under Section 5.10(e)(2)(i), this Section 5.10(g)(2) will apply as if the surviving Spouse were the Participant.

(h) Application of 5-Year Rule.

(1) Election by Participant or Beneficiary. A Participant or Beneficiary may elect on an individual basis whether the 5-year rule or the Life Expectancy rule in Sections 5.10(e)(2) and 5.10(g)(2) applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under Section 5.10(e)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving Spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions will be made in accordance with Sections 5.10(e)(2) and 5.10(g)(2).

(2) Election By Current Beneficiary. A Designated Beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the Life Expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the Life Expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

(i) Definitions.

(1) Designated Beneficiary. "Designated Beneficiary" means the individual who is designated as the Beneficiary of the Participant under Section 5.12 and qualifies as the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury Regulations.

(2) Life Expectancy. "Life Expectancy" means the life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(3) Participant's Account Balance. "Participant's Account Balance" means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made

and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by the distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(j) WRERA Elections for 2009 Calendar Year. Notwithstanding any other provisions of this Section 5.10, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs") and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or Life Expectancy) of the Participant, the joint lives (or joint Life Expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. In addition, for purposes of applying the direct rollover provisions of the Plan, a direct rollover will include 2009 RMDs but only if paid with an additional amount that is an Eligible Rollover Distribution (as defined in Section 5.11(b)) without regard to Code Section 401(a)(9)(H).

#### 5.11 Direct Rollover of Certain Distributions.

(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 Pension Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(b) The following definitions apply to the terms used in this subsection:

(1) "Eligible Rollover Distribution" means 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:

(i) 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 years or more;

(ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); and

(iii) after-tax amounts unless such amount is rolled over or transferred (i.e., directly rolled) to an individual retirement account or individual retirement annuity described in Code Sections 408(a) or 408(b), respectively; transferred to a qualified defined contribution plan described in Code Section 401(a); or, effective on and after January 1, 2007, to any qualified plan described in Code Section 401(a) or to an annuity plan described in Code Section 403(b) provided any such plan described in this subsection (C) agrees to separately account for such after-tax amount and earnings thereon.

(2) "Eligible Retirement Plan" means any of the following types of plans that accept the Distributee's Eligible Rollover Distribution:

- (i) a qualified plan described in Code Section 401(a);
- (ii) an annuity plan described in Code Section 403(a);
- (iii) an individual retirement account or individual retirement annuity described in Code Sections 408(a) or 408(b), respectively;
- (iv) an annuity contract described in Code Section 403(b);
- (v) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; and
- (vi) Effective January 1, 2008, a Roth IRA described in Code Section 408A.

(3) "Distributee" means an Employee or former Employee, an 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), with regard to the interest of such alternate payee.

(4) "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(c) Notwithstanding any provision of this Section, effective as of January 1, 2010, a non-Spouse Beneficiary of a deceased Participant may elect, at the time and in the manner prescribed by the Pension Committee, to directly roll over any portion of a distribution that would constitute an Eligible Rollover Distribution if it were made to a Participant, surviving Spouse, or alternate payee, provided such Direct Rollover is made to an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or, a Roth IRA described in Code Section 408A (collectively, "IRA") that is established on behalf of the non-Spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Sections 402(c)(11) and 408(d)(3)(C)(ii).

In the event that the provisions of this Section 5.11 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

5.12 Designation of Beneficiary. Each married Participant shall designate a primary Beneficiary and a contingent Beneficiary to receive any benefit under this Plan upon the Participant's death in accordance with this Section. Unmarried Participants may not designate a Beneficiary unless they are party to Registered Domestic Partnership. The designation of a primary Beneficiary and a contingent Beneficiary may be changed from time to time by submitting a new designation with the Employer. This designation shall be made at the time and in the manner established by the Employer in accordance with Code Section 401(a)(9) and the regulations issued thereunder.

(a) Primary Beneficiary. A primary Beneficiary's rights shall arise if the Participant dies before receiving all of his or her benefits.

(b) Contingent Beneficiary. The rights of a contingent Beneficiary shall arise if the primary Beneficiary predeceases the Participant, if the primary Beneficiary (who is not the Participant's surviving Spouse or Registered Domestic Partner) has not survived to receive all of the Participant's undistributed death benefits, or if the Participant's surviving Spouse or Registered Domestic Partner (who is the primary Beneficiary) has not survived to receive all of the Participant's undistributed death benefits and has not designated a contingent Beneficiary.

If the Participant's surviving Spouse or Registered Domestic Partner is the primary Beneficiary at the Participant's death, the Participant's surviving Spouse or Registered Domestic Partner may designate a contingent Beneficiary. Otherwise, if the primary Beneficiary is other than the Participant's surviving Spouse or Registered Domestic Partner and if the Participant specifically elects, the primary Beneficiary may designate a contingent Beneficiary. If the primary Beneficiary makes a designation of a contingent Beneficiary (as the surviving Spouse or Registered Domestic Partner of the Participant or pursuant to the election by the Participant permitting such a designation), the primary Beneficiary's designation of a contingent Beneficiary shall be controlling and shall supersede any designation of a contingent Beneficiary by the Participant. In the event that a contingent Beneficiary has not been designated in accordance with this subsection (b), then the designation of a contingent Beneficiary shall be made in accordance with subsection (e).

(c) Required Consent of Spouse or Registered Domestic Partner. Each Participant for whom written consent is required in accordance with this Section 5.12 shall obtain the written consent of his or her Spouse or Registered Domestic Partner on the form of Beneficiary designation filed with the Employer. Any Beneficiary designation made by a Participant at a time when no consent was required and prior to the time benefit payments commence shall be void if the consent of the Spouse or Registered Domestic Partner is required at the time benefit payments commence, unless prior consent to that designation is obtained in accordance with this Subsection.

The written consent of a Participant's Spouse or Registered Domestic Partner to a Beneficiary designation shall acknowledge the effect of the consent and shall be witnessed by a representative of the Employer or by a notary public. The Spouse's or Registered Domestic Partner's written consent is required for any subsequent change of Beneficiary(ies) and is binding only with respect to the consenting Spouse or Registered Domestic Partner.

(d) When Spousal Consent is Not Required. Generally, the consent of Participant's Spouse or Registered Domestic Partner to the Participant's Beneficiary designation or the Participant's election of a distribution method is required; however, no such consent is required if:

(1) the Participant designates his or her Spouse or Registered Domestic Partner as the sole primary Beneficiary; or

(2) if the Participant establishes to the satisfaction of the Administrator that he or she has no Spouse or Registered Domestic Partner; or

(3) if the Participant's Spouse or Registered Domestic Partner cannot be located; or

(4) if circumstances exist under which no Spousal Consent is required in accordance with the applicable Treasury or Department of Labor Regulations.

(e) Designation of Beneficiary by Employer. If, on the death of a Participant, former Participant, or the death of the current Beneficiary following the death of the Participant, the Plan Administrator does not have a valid Beneficiary designation on file, the Employer shall designate a Beneficiary in the following order of priority:

- (1) surviving Spouse or Registered Domestic Partner;
- (2) surviving children, including adopted children, in equal shares;
- (3) surviving parents, in equal shares;
- (4) Participant's estate, provided, however, that regardless of the order of priority, the Employer may designate the Participant's estate or the trustee(s) of the trust(s) named as the Beneficiary of the residue of the Participant's probate estate, as Beneficiary. The Employer's determination of the individuals or entities as Beneficiary shall be final.

## ARTICLE VI CONTRIBUTIONS

6.1 Employer's Contributions. The Employer will contribute to the Plan on behalf of the Participants the amounts determined on an annual basis by the actuary to fund the Employer's share of the actuarial present value of the benefits provided under the Plan. Notwithstanding, subject to the provisions of Article X, the Employer may discontinue its contributions for any reason at any time.

6.2 Return of Contributions. In the event the Employer shall make an excess contribution under a mistake of fact, the Employer may demand repayment of such excess contribution at any time within one year following the time of payment and the Trustees shall return such amount to the Employer within the one-year period. Earnings of the Plan attributable to the excess contributions may not be returned to the Employer but any losses attributable thereto must reduce the amount so returned.

6.3 Employee Contributions.

(a) Effective July 1, 2011, each Employee who is an active Plan Participant shall contribute 5% of his or her Compensation to the Plan on a pre-tax basis.

(b) No withdrawals of Employee contributions shall be permitted while an Employee continues to accrue Benefit Service under the Plan. Refunds of Employee contributions shall be made under certain circumstances as described in Section 6.4.

6.4 Return of Accumulated Contributions.

(a) Any Participant who has not met the eligibility requirements for a Vested Accrued Benefit under Section 3.4, upon ceasing to be employed by the Employer for any cause other than death or retirement under the Plan, may elect to receive in one lump sum an amount equal to his or her Accumulated Contributions at the time he or she ceased to be so employed.

(1) If the Participant does not elect to receive an immediate distribution, the Participant's Accrued Benefit Derived from Participant Contributions shall be payable at Normal Retirement Age in accordance with the provisions of Article V.

(2) Notwithstanding the foregoing, if the present value of the Pension payable to the Participant determined in accordance with Section 5.5 is no greater than \$1,000, the Pension shall be distributed to the Participant automatically in a lump sum.

(b) Upon the cessation of payments of the Pension or other benefits payable to or on account of any retired Participant, the excess, if any, of the Participant's Accumulated Contributions at retirement or prior to death over the total benefit payments made to him or her on his or her account shall be paid in one lump sum to the person last in receipt of such Pension or other benefit, if living; otherwise to the Beneficiary designated by such person, if any, in accordance with Section 5.12.

(c) Any Participant who receives a distribution pursuant to subsection (a) above and who, at the time of such payment, is not eligible for a Vested Retirement Benefit under Section 3.4, will forfeit his or her Accrued Benefit Derived From Employer Contributions and will no longer have an Accrued Benefit under the Plan.

(d) Notwithstanding the foregoing and Section 4.10, if any Participant has either not met the eligibility requirements for a Vested Accrued Benefit under Section 3.4 at the time of his or her death or is not married at the time of death, the total amount of such deceased Participant's Accumulated Contributions, less the sum of any benefit payments made to him or her on his or her account, shall be paid in a lump sum to the Participant's designated Beneficiary, or if he or she did not designate a Beneficiary, to his or her estate.

## ARTICLE VII ADMINISTRATION OF PLAN

7.1 Appointment of Pension Committee. Responsibility of the general administration of the Plan and for carrying out the provisions of the Plan shall be placed in a Pension Committee of no less than three persons appointed from time to time by the Board of Directors to serve at the pleasure of the Board of Directors. Any person appointed a member of the Pension Committee shall signify his or her acceptance by filing his or her written acceptance with the Board of Directors and the secretary of the Pension Committee. Any member of the Pension Committee may resign by delivering his or her written resignation to the Board of Directors and the secretary of the Pension Committee.

### 7.2 Duties of Pension Committee.

(a) The members of the Pension Committee shall elect a chairman from their number and a secretary who may be, but need not be, one of the members of the Pension Committee; may appoint from their number such subcommittees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf; may retain counsel, employ agents, and provide for such clerical, accounting, actuarial, and consulting services as they may require in carrying out the provisions of the Plan; and may allocate among themselves or delegate to other persons all or such portion of their duties under the Plan as they, in their sole discretion, shall decide, except for those granted to the Trustee under the trust agreement or insurance or annuity contract adopted for use in implementing the Plan.

(b) The Pension Committee 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 the Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Pension Committee or by a qualified person specifically designated by the Pension Committee, through day-to-day contact and evaluation, or through other appropriate ways.

7.3 Appointment or Resignation of Plan Administrator. The Pension Committee shall appoint one or more Plan Administrators. Any person, including but not limited to Employees, shall be eligible to serve as a Plan Administrator. Any person so appointed shall signify his or her acceptance by filing his or her written acceptance with the Pension Committee. A Plan Administrator may resign by delivering his or her written resignation to the Pension Committee or be removed by the Pension Committee by delivery of written notice of removal, to take effect at a date specified therein, or on delivery to the Plan Administrator if no date is specified. The Pension Committee, on the resignation or removal of a Plan Administrator, shall promptly designate in writing a successor to this position. If the Pension Committee does not appoint a Plan Administrator, the Pension Committee will function as the Plan Administrator.

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

7.5 Powers and Duties of Plan Administrator. The primary responsibility of the Plan Administrator is to administer the Plan for the exclusive benefit of Participants and their Beneficiaries. The Plan Administrator shall administer the Plan in accordance with its terms and shall have the power to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Plan Administrator shall be conclusive and binding on all persons. The Plan Administrator may establish procedures, correct any defect, supply any information, and reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan; provided, however, that any procedure, discretionary act, interpretation, or construction shall be done in a nondiscriminatory manner based on uniform principles consistently applied, shall be consistent with the intent that the Plan continue to be deemed a qualified plan under Code Section 401(a). The Plan Administrator shall have all powers necessary and appropriate to perform his or her duties under this Plan.

The Plan Administrator shall be charged with the duties of the general administration of the Plan, including but not limited to the following:

- (a) to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder;
- (b) 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;
- (c) to authorize and direct the Trustee with respect to all nondiscretionary or otherwise directed disbursements from the Trust Fund;
- (d) to maintain all records necessary for the administration of the Plan;
- (e) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are consistent with the terms hereof;

(f) to determine the size and type of any insurance or annuity contract to be purchased from any insurer and to designate the insurer from which such contract shall be purchased. All policies shall be issued on a uniform basis as of each Anniversary Date with respect to all Participants in similar circumstances;

(g) to compute and certify to the Pension Committee and to the Trustee from time to time the sums of money necessary or desirable to be contributed to the Trust Fund;

(h) to consult with the Pension Committee and the Trustee regarding the short and long-term liquidity needs of the Plan so that the Trustee can exercise any investment discretion in a manner designed to accomplish specific objectives of the Plan;

(i) to prepare and distribute to Employees a procedure for notifying Participants and Beneficiaries of their rights to elect Joint and Survivor Annuities and Pre-Retirement Survivor Annuities;

(j) to assist any Participant regarding his or her rights, benefits, or elections available under the Plan.

7.6 Meetings. The Pension Committee shall hold meetings on such notice, at such place or places, and at such time or times as it may from time to time determine.

7.7 Action of Majority. Any act that the Plan authorizes or requires the Pension Committee to do may be done by a majority of its members. The action of that majority expressed from time to time by a vote at a meeting or in writing without a meeting shall constitute the action of the Pension Committee and shall have the same effect for all purposes as if assented to by all members of the Pension Committee at the time in office.

7.8 Compensation. No member of the Pension Committee shall receive any compensation from the Plan for his or her services as such.

7.9 Bonding. Every Fiduciary, unless exempted by law, shall be bonded in an amount not less than 10% of the amount of the funds such Fiduciary handles or \$1,000,000, whichever is less. The amount of funds handled shall be determined at the beginning of each Plan Year on the basis of the amount of funds handled by such person, group, or class to be covered and their predecessors, if any, during the preceding Plan Year or, if there is no preceding Plan Year, then on the basis of the amount of the funds to be handled during the then current year. The bond shall provide protection to the Plan against any loss by reason of acts of fraud or dishonesty by the Fiduciary alone or in connivance with others. The surety shall be a corporate surety company. Notwithstanding anything in the Plan to the contrary, the cost of such bond shall be an expense of and may, at the election of the Pension Committee, be paid from the Trust Fund or by the Pension Committee.

7.10 Establishment of Rules. Subject to the limitations of the Plan, the Pension Committee from time to time shall establish rules for the administration of the Plan and the transaction of its business. The Pension Committee shall have total and complete discretion to interpret the Plan, including but not limited to the discretion to (a) determine all questions arising in the administration, interpretation, and application of the Plan, including the power to construe and interpret the Plan; (b) decide all questions relating to an individual's eligibility to participate in the Plan and/or eligibility for benefits and the amounts thereof; (c) decide all facts relevant to the determination of eligibility for benefits or participation; (d) make such adjustments as it deems necessary or desirable to correct any arithmetical or accounting errors; and (e) determine the amount, form, and timing of any distribution to be made hereunder. In making its decisions, the Pension Committee shall be entitled to take into account, but need not rely on, information supplied by a Participant, Beneficiary, or representative thereof. The Plan

Administrator shall have full and complete discretion to determine whether an alternate payee qualifies for benefits under a domestic relations order. The Plan Administrator may correct any defect, correct any omission, or reconcile any inconsistency in such manner and to such extent as it shall deem necessary to carry out the purposes of this Plan. The Plan Administrator's decisions in such matters shall be conclusive and binding on all parties.

7.11 Prudent Conduct. The members of the Pension Committee shall use that degree of care, skill, prudence, and diligence that a prudent man acting in a like capacity and familiar with such matters would use in a similar situation.

7.12 Actuary. As an aid to the Pension Committee in fixing the rate of contributions payable to the Plan, the enrolled actuary designated by the Pension Committee shall make actuarial valuations of the contingent assets and liabilities of the Plan and shall submit to the Pension Committee the rates of contribution that he or she recommends for use. There must be an actuarial valuation of the Plan at least once every three years. The actuary will use such methods and assumptions as will reasonably reflect the cost of the benefits. Plan assets are to be valued on the basis of any reasonable method of valuation that takes into account fair market value pursuant to regulations prescribed by the Secretary of the Treasury.

7.13 Maintenance of Accounts. The Pension Committee shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan.

7.14 Limitation of Liability. The Employer, the Board of Directors, the members of the Pension Committee, and any officer, employee, or agent of the Employer shall not incur any liability individually or on behalf of any other individuals or on behalf of the Employer for any act, or failure to act, made in good faith in relation to the Plan or the funds of the Plan. However, this limitation shall not relieve any such individual or the Employer from responsibility or liability for any fiduciary responsibility, obligation, or duty.

7.15 Indemnification. The Plan Administrator, members of the Pension Committee, the Board of Directors, and the officers, employees, and agents of the Employer shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the funds of the Plan, including without limitation, expenses reasonably incurred in the defense of any claim relating to the Plan or the funds of the Plan, and amounts paid in any compromise or settlement relating to the Plan or the funds of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be from the funds of the Plan to the extent of those funds and to the extent permitted under applicable law; otherwise from the assets of the Employer.

7.16 Appointment of Investment Manager. The Board of Directors, in its sole discretion, shall determine the investment policy of the Plan. However, the Board of Directors may, in its sole discretion, appoint one or more Investment Managers to manage the assets of the Plan, including the power to acquire and dispose of all or part of such assets. In that event, authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that Investment Manager.

7.17 Expenses of Administration. 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 Plan Administrator, including but not limited to fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, these expenses shall constitute a liability of the Trust Fund. However, the Employer may reimburse the Trust Fund for any administration expense incurred. Any administration expense paid to the Trust Fund as a reimbursement shall not be considered an Employer contribution.

7.18 Claim and Review Procedures.

(a) Claim Procedure (Non-Disability Claims). Applications for benefits and inquiries concerning the Plan (or concerning present or future rights to benefits under the Plan) shall be submitted to the Plan Administrator in writing. Claims for benefits under the Plan must be filed with the Plan Administrator on forms supplied by the Employer. An application for benefits shall be submitted on the prescribed form and shall be signed by the Participant or, in the case of a benefit payable after his or her death, by his or her Beneficiary.

In the event that an application for benefits is denied in whole or in part, the Plan Administrator shall notify the applicant in writing of the denial and of the right to review of the denial. The written notice shall set forth, in a manner calculated to be understood by the applicant, specific reasons for the denial, specific references to the provisions of the Plan on which the denial is based, a description of any information or material necessary for the applicant to perfect the application, an explanation of why the material is necessary, and an explanation of the claim review procedure under the Plan. The written notice shall be given to the applicant within a reasonable period of time after the Plan Administrator received the application, unless special circumstances require further time for processing and the applicant is advised of the extension. In no event shall the notice be given more than 90 days after the Employer received the application.

(b) Claim Review Procedure (Non-Disability Claims). Any Participant, or his or her duly authorized representative, whose application for benefits is denied in whole or in part may appeal such denial to the Pension Committee, within 60 days after receiving written notice from the Plan Administrator of the denial of his or her claim, by submitting a written statement:

- (1) requesting a review of his or her application for benefits by the Pension Committee;
- (2) setting forth all of the grounds on which his or her request for review is based and any facts in support thereof; and
- (3) setting forth any issues or comments that the applicant deems relevant to his or her application.

The Pension Committee shall act on each such application within 60 days after the later of receipt of the applicant's request for review by the Pension Committee or receipt of any additional materials reasonably requested by the Pension Committee from such applicant.

The Pension Committee shall make a full and fair review of each such application and any written materials submitted by the applicant or the Employer in connection therewith and may require the Employer or the Participant to submit, within 30 days of receiving written notice from the Pension Committee, such additional facts, documents, or other evidence as the Pension Committee, in its sole discretion, deems necessary or advisable in making such review. On the basis of its review, the Pension Committee shall make an independent determination of the applicant's eligibility for benefits under the Plan. Subject to Section 7.19, the decision of the Pension Committee on any application for benefits shall be conclusive and binding on all persons if supported by substantial evidence in the record. If the Pension Committee denies an application in whole or in part, the Pension Committee shall give written notice of its decision to the applicant, setting forth the specific reasons for such denial and specific references to the Plan provisions on which its decision was based.

(c) Disability Claims. If the Participant seeks a disability benefit under the Plan, this Section 7.18 shall govern the claim.

(1) If the claim is wholly or partially denied, the Plan Administrator shall advise the Participant of the adverse decision within 45 days after receipt of the claim by the Plan Administrator. If the Plan Administrator determines that an extension of time for processing the claim is needed due to circumstances beyond the control of the Plan, the Plan Administrator shall notify the Participant before the close of the 45-day period of the reasons for the extension and the approximate date by which the Plan Administrator expects to have processed the claim. The extended period shall not exceed 75 days after the initial receipt of the claim by the Plan Administrator. If the Plan Administrator determines that a second extension of time is needed to process the claim due to circumstances beyond the control of the Plan, the Plan Administrator shall notify the Participant before the close of the 75-day period of the reasons for the extension and the approximate date the Plan Administrator expects to have processed the claim. The extended period shall not exceed 105 days after the initial receipt of the claim by the Plan Administrator. The notice shall explain the standards on which an entitlement to a disability benefit under the Plan is based and the unresolved issues that prevent a decision, on the claim and shall describe any additional information that is needed to resolve the issues. The Participant shall have at least 45 days from the date of receipt of such notice to submit the additional information. If additional information is requested, the time period for making a benefit decisions shall be tolled from the date on which the notice is sent to the Participant.

(2) The Plan Administrator shall furnish the Participant with a written notice setting forth:

- (i) the specific reason or reasons for the adverse determination;
- (ii) the specific Plan provisions on which the adverse determination is based;
- (iii) a description of any additional information necessary for the Participant to perfect his or her claim, if possible, and an explanation of why such material or information is needed;
- (iv) a statement of the Plan's claim review procedures, the time limits under such procedures, and the Participant's right to bring a civil action following an adverse benefit determination on appeal; and
- (v) if applicable, a copy of the internal rule, guideline, or protocol that was relied on to make the adverse determination or a statement that such a rule, guideline, or protocol was relied on and that a copy will be provided free of charge to the Participant on request.

(3) Within 180 days following the receipt of the adverse benefit determination the Participant or his or her duly authorized representative may file a written appeal of the determination with the Pension Committee. As part of his or her appeal, the Participant may submit written comments, documents, records, and other information relating to the claim.

(4) As long as the Participant's appeal is pending (including the 180-day period described in subsection (c)(3)) the Participant or his or her duly authorized representative shall be provided, on request and free of charge, access to and copies of all documents, records, and other information relevant to the claim and may review pertinent Plan documents and may submit issues and comments in writing to the Pension Committee.

(5) The Pension Committee's decision on appeal shall take into account all comments, documents, records, and other information submitted by the Participant and relevant to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Moreover, such decision shall not defer to the initial adverse determination and may not be conducted by the individual who made the initial adverse determination or by any subordinate of such individual.

(6) In deciding an appeal of any benefit determination that is based in whole or in part on medical judgment, the Pension Committee shall consult a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; such health care professional may not be an individual who was consulted in connection with the initial adverse determination or any subordinate of such individual. If the Participant or his or her representative so requests, the Pension Committee shall notify the Participant of the medical experts whose advice was obtained by the Pension Committee on behalf of the Plan in connection with the adverse benefit determination.

(7) The Pension Committee shall notify the Participant in writing of the appeal decision (whether or not adverse) in written or electronic form within a reasonable period of time, but no later than 45 days after the Pension Committee's receipt of the appeal. Notwithstanding the preceding sentence, if the Pension Committee determines that special circumstances (for example, the need to hold a hearing) call for an extension of time, the Pension Committee shall notify the Participant of the reason or reasons for the extension and of the date by which it expects to make its decision. This extended period shall not exceed 45 days from the end of the initial 45-day period.

(8) If the Pension Committee's decision on appeal is adverse, the Pension Committee shall provide the Participant in writing with:

- (i) The specific reason or reasons for the adverse determination;
- (ii) The specific Plan provisions on which the adverse determination is based;
- (iii) A statement that the Participant is entitled to receive, on request and free of charge, access to and copies of all documents, records, and other information relevant to the claim;
- (iv) A statement of the Participant's right to bring a civil action following an adverse benefit determination on appeal;
- (v) If applicable, a copy of the internal rule, guideline, or protocol that was relied on to make the adverse determination or a statement that such a rule, guideline, or protocol was relied on and that a copy will be provided free of charge to the Participant; and
- (vi) If the adverse determination is based on a medical judgment, an explanation of the scientific or clinical basis for the determination or a statement that such explanation will be provided free of charge to the Participant on request.

7.19 Adjudication Procedure. If any dispute, claim, or grievance of a Participant or Participants remains unresolved after the procedure in Section 7.19(a), (b), or (c) is exhausted, the Participant or Participants can have the matter submitted to adjudication. For purposes of this Section 7.19, a Beneficiary shall be considered a Participant.

(a) It shall be obligatory for a Participant or Beneficiary to utilize the provisions of this Section 7.19 for the resolution of differences. The Participant or Participants shall submit a written request for adjudication within 60 days following notice of the decision of the Pension Committee. The matter shall then be submitted to an Adjudication Committee.

(b) The Adjudication Committee shall consist of three persons, one appointed by the Participant or Participants and one appointed by the Pension Committee. Such appointments shall be made, and each party shall notify the other of its appointment, within 10 days from the date the matter was submitted to adjudication. The two so appointed shall endeavor to select a third member. In the event the persons so appointed cannot agree on the third member within 10 days of the last appointment, he or she shall be selected in the following manner.

The parties shall, within 10 days, jointly request the American Arbitration Association to list five persons qualified to act as an impartial member of the Adjudication Committee. The parties shall, within 10 days of the receipt of said list, alternately strike two names from said list, and the fifth remaining name shall thereupon be accepted as the third Participant of the Adjudication Committee. The decision as to which shall be first to start the elimination proceedings shall be determined by lot. The issue or issues to be submitted to the Adjudication Committee shall be limited to the dispute as submitted in writing by the parties. If they cannot agree, each shall submit a statement of the dispute and the third member of the Adjudication Committee shall have authority to state the issue or issues to be resolved. The Adjudication Committee shall have no authority to modify, vary, alter, amend, add, or take away from, in whole or in part, any of the terms or provisions of the Plan.

(c) The Adjudication Committee shall meet in the City of Long Beach within 10 days after the selection of the third member, or as soon thereafter as possible.

(d) The Adjudication Committee, or either party, may call any Participant as a witness, and such Participant, if on duty, shall be released from duty for the purpose of such appearance. The rulings of the Adjudication Committee with respect to the procedure and all objections to the exclusion or inclusion of evidence shall be binding on the parties.

(e) Each party shall bear the expenses and fees of the Adjudication Committee member appointed by it and its own expenses incurred in the matter. All other expenses incurred by the Adjudication Committee, including the making of a record, if the Adjudication Committee deems it necessary, shall be borne equally by the parties. If a Participant is called as a witness and thereby incurs a loss of wages, said Participant shall be reimbursed by the party calling him or her as a witness. The Adjudication Committee's decision shall be in writing and shall be submitted within 10 days from the conclusion of the hearing and the submittal of briefs, if such are authorized by the Adjudication Committee.

(f) The decision of the majority of the Adjudication Committee shall be final and binding on the parties.

7.20 Limitation on Actions. A claim for nonpayment or underpayment of benefits allegedly owed by the Plan (regardless of whether such benefits are allegedly due under the terms of the Plan or by reason of law) may not be filed in court until the Participant exhausts the claim review procedures under Sections 7.18 and 7.19. A claim for underpayment of benefits must be filed in a court with jurisdiction to hear the claim no later than 36 months after the Annuity Starting Date. A claim for nonpayment of benefits must be filed in a court with jurisdiction to hear the claim no later than 36 months after the date when the first payment was allegedly due. The running of the 36-month limitations period shall be suspended while any request for review of the claim pursuant to Sections 7.18 and 7.19 is pending before the Plan Administrator or the Pension Committee. The foregoing limitations period is expressly intended

to replace and supersede any limitations period that might otherwise be deemed applicable under state or federal law in the absence of Sections 7.18 and 7.19. Claims filed after the expiration of the limitations period shall be deemed time-barred.

## ARTICLE VIII MANAGEMENT OF FUNDS

8.1 Trustee. All the funds of the Plan shall be held by a Trustee appointed from time to time by the Board of Directors under a trust instrument or an insurance or annuity contract adopted, or as amended, by the Employer for use in providing the benefits of the Plan and paying its expenses not paid directly by the Employer. The Employer shall have no liability for the payment of benefits under the Plan or for the administration of the funds paid over to the Trustee.

8.2 Exclusive Benefit Rule. Except as otherwise provided in the Plan, no part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than the exclusive benefit of Participants and other persons entitled to benefits under the Plan and payment of Plan expenses not otherwise paid by the Employer, before the satisfaction of all liabilities with respect to them. No person shall have any interest in or right to any part of the earnings of the funds of the Plan or any right in, or to, any part of the assets held under the Plan, except as and to the extent expressly provided in the Plan.

8.3 Funding Policy and Method. The Board of Directors 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) and shall establish a “funding policy and method” consistent with its determination. The Board of Directors or its delegate shall communicate such needs and goals to all fiduciaries. The communication of such a “funding policy and method” shall not, however, constitute a directive as to investment of the Trust funds.

## ARTICLE IX GENERAL PROVISIONS

9.1 Nonalienation. Except as required by any applicable law, no benefit under the Plan shall in any manner be anticipated, assigned, or alienated, and any attempt to do so shall be void. However, a Participant’s benefits may be offset or distributed from the Plan without the Participant’s consent in the following circumstances:

(a) Domestic Relations Orders. An “alternate payee” under a “domestic relations order” (“DRO”) shall be entitled to receive all or a portion of the Participant’s benefits for purposes of providing child support, alimony payments or marital property rights to that alternate payee. All rights and benefits, including elections, provided to a Participant shall be subject to the rights afforded to any alternate payee. A distribution pursuant to a DRO will be permitted whether or not the affected Participant has separated from service or is eligible to commence receiving benefits under the Plan. For purposes of this Section, “domestic relations order” and “alternate payee” shall have the meanings set forth in Code Section 414(p). The Administrator shall establish a written procedure to determine the status of domestic relations orders and to administer distributions under such orders.

(b) Federal Taxes. A Participant’s benefit under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Code Section 6331 or the collection by the United States on a judgment resulting from an unpaid tax assessment.

9.2 Conditions of Employment Not Affected by Plan. The establishment of the Plan shall not confer any legal rights on any Employee or other person for continuation of employment, nor shall it interfere with the right of the Employer (which right is hereby reserved) to discharge any Employee and to treat him or her without regard to the effect which that treatment might have on him or her as a Participant or potential Participant.

9.3 Facility of Payment. If the Plan Administrator shall find that a Participant or other person entitled to a benefit is unable to manage his or her affairs because of illness or accident, the Plan Administrator may direct that any benefit due him or her, unless claim was made for the benefit by a duly appointed legal representative, be paid to his or her Spouse, child, parent, or other blood relative, or a person with whom he or she resides. In the event a distribution is to be made to a minor, then the Plan Administrator may direct that such distribution be made to the legal guardian or, if none, to a parent of such Beneficiary or a responsible adult with whom the Beneficiary maintains his or her residence, or to the custodian for such Beneficiary under the Uniform Gifts to Minors Act, if such is permitted under the laws of the state in which said Beneficiary resides. Such a payment to the legal guardian, custodian, or parent of a minor Beneficiary shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof. Any payment so made shall be a complete discharge of the liabilities of the Plan for that benefit.

Furthermore, if the Plan Administrator receives on behalf of a Participant a power of attorney with respect to such Participant that is valid under state law, the Plan Administrator shall comply with the instructions of the named attorney to the extent that the Plan Administrator would comply with such instructions if given by the Participant and such instructions are consistent with the power of attorney.

9.4 Information. To enable the Plan Administrator to perform his or her functions, the Employer shall supply full and timely information to the Plan Administrator on all matters relating to the Compensation of all Participants, their Hours of Service, their Years of Service, years of Benefit Service, their retirement, death, disability, or termination of employment, and such other pertinent facts as the Plan Administrator may require, and the Plan 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 on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

Each Participant or other person entitled to a benefit, before any benefit shall be payable to him or her or on his or her account under the Plan, shall file with the Plan Administrator the information that it shall require to establish his or her rights and benefits under the Plan.

9.5 Offsets. The Plan Administrator shall, on direction of the Pension Committee and uniformly applicable to all Employees similarly situated, deduct from any Pension under the Plan all or part of any amount paid or payable to or on account of any Participant under the provisions of any present or future law, pension or benefit scheme of any sovereign government, or any of its political subdivisions, on account of which contributions were made or premiums or taxes were paid by the Employer. However, benefits payable under Title II of the Social Security Act are not to be used to reduce the benefits otherwise provided under this Plan except as specifically provided in Article IV.

9.6 Construction.

- (a) The Plan shall be construed, regulated, and administered under the laws of the State of California.
- (b) The masculine pronoun shall mean the feminine where appropriate and vice versa.
- (c) The headings and subheadings of the Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

9.7 Location of Participant or Beneficiary Unknown. If the Plan Administrator cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Plan Administrator may, no earlier than five years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown in the records of the Plan Administrator or the Employer. If such person does not make written claim therefore within three months of the date of the mailing, the Plan Administrator may, if it so elects and on receiving advice from counsel to the Plan, direct that such payment and all remaining payments otherwise due such person be cancelled on the records of the Plan and the amount thereof applied to reduce the contributions of the Employer. On such cancellation, the Plan shall have no further liability therefore except that, in the event such person or his or her Beneficiary later notifies the Plan Administrator of his or her whereabouts and requests the payment or payments due to him or her under the Plan, the amount so applied shall be paid to him or her in accordance with the Plan.

9.8 Electronic Transmission of Notices to Participants. Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Participants, Beneficiaries, and alternate payees pursuant to the terms of the Plan may, at the direction of the Pension Committee, be transmitted electronically to the extent permitted by, and in accordance with, any procedures set forth in applicable law and regulations.

9.9 Employer's and Trustee's Protective Clause. Neither the Employer nor the Trustee, nor their successors, shall be responsible for the validity of any insurance or annuity 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 that may delay payment or render a contract null and void or unenforceable in whole or in part.

9.10 Receipt and Release for Payments. Any payment to any Participant, his or her legal representative, his or her Beneficiary, or any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, Beneficiary, guardian, or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

9.11 Named Fiduciaries and Allocation of Responsibility. The "named Fiduciaries" of this Plan are (1) the Employer, (2) the Board of Directors, (3) the Pension Committee, (4) the Plan Administrator, (5) the Investment Manager, and (6) the Trustee. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan. In general, the Employer shall have sole responsibility for making the contributions provided for under Article VI and the Board of Directors shall have the sole authority to appoint and remove the Trustee and members of the Pension Committee, to formulate the Plan's "funding policy and method," and to amend or terminate the Plan, in whole or in part. The Pension Committee shall have sole

responsibility for the administration of the Plan, which responsibility is specifically described in the Plan. The Trustee shall have sole responsibility for management of the assets held under the Trust Fund, except for the assets whose management was assigned to an Investment Manager, who shall be solely responsible for the management of 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 on 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.

The Board of Directors 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 Board of Directors or by a qualified person specifically designated by the Board of Directors, through day-to-day conduct and evaluation, or through other appropriate ways.

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

9.13 Participant's Rights. The 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 that such discharge shall have on him or her as a Participant.

9.14 Legal Action (Fees). In the event that any claim, suit, or proceeding is brought regarding the Trust Fund and/or the Plan to which the Trustee, the Pension Committee, or the Plan Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Trustee, Pension Committee, or Plan 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.

9.15 Prohibition Against Diversion of Funds. Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust Fund, 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, Retired Participants, or their Beneficiaries.

9.16 Insurer's Protective Clause. Any insurer who shall issue contracts hereunder shall not have any responsibility for the validity of the Plan or for the tax or legal aspects of the Plan. The insurer shall be protected and held harmless in acting in accordance with any written direction of the Trustee, and shall have no duty to see to the application of any funds paid to the Trustee, or be required to question any actions directed by the Trustee. Notwithstanding any provision of this Plan to the contrary, 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 it issues hereunder, or contrary to the rules of the insurer.

9.17 Approval by the Internal Revenue Service. Notwithstanding anything herein to the contrary, if pursuant to an application filed by or on behalf of the Plan the Commissioner of Internal Revenue or his or her delegate determines that the Plan as amended and restated does not initially qualify as a tax-exempt plan and trust under Code Sections 401 and 501, and such determination is not contested or, if contested, is finally upheld, then the Plan shall operate as if it had not been amended and restated.

9.18 Action by the Employer. Whenever the Employer under 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.

## ARTICLE X AMENDMENT, MERGER AND TERMINATION

10.1 Amendment of Plan. The Board of Directors shall have the right at any time to amend the Plan. Any such amendment shall become effective as provided therein on its execution. The Trustee shall not be required to execute any such amendment unless the Trust provisions are a part of this agreement and the amendment affects the duties of the Trustee hereunder. However, no such amendment shall authorize or permit 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 purposes other than the exclusive benefit of Participants or their Beneficiaries or estates; no such amendment shall cause any reduction in the Accrued Benefit of any Participant (except to the extent permitted under Code Section 412(c)(8)) or cause or permit any portion of the Trust Fund to revert to or become the property of the Employer; and no such amendment that affects the rights, duties, or responsibilities of the Trustee and Plan Administrator may be made without the Trustee's and Plan Administrator's written consent.

For purposes of this Section 10.1, a plan amendment that has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, (2) eliminating an optional form of benefit with respect to benefits attributable to service before the amendment, or (3) restricting, directly or indirectly, the benefit provided to any Participant prior to the amendment shall be treated as reducing Accrued Benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but it does not include a qualified disability benefit, a medical benefit, a Social Security supplement, a death benefit (including life insurance), or a plant shutdown benefit (that does not continue after retirement age). Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's Vested interest determined without regard to such amendment as of the later of the date such amendment is adopted or becomes effective.

10.2 Merger, Consolidation, or Transfer. The Board of Directors may, in its sole discretion, merge this Plan with another qualified plan, subject to any applicable legal requirements. Before the Plan can be merged or consolidated with any other qualified plan or its assets or liabilities transferred to any other qualified plan, the Plan Administrator must secure (and file with the Secretary of the Treasury at least 30 days beforehand) a certification from an enrolled actuary that the benefits that would be received by a Participant, 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.

10.3 Termination of Plan. The Employer shall have the right to terminate the Plan by delivering to the Trustee and Plan Administrator written notice of such termination. On any termination (full or partial), all benefits shall be allocated in accordance with the provisions hereof and the Accrued Benefit of each affected Participant shall become fully Vested and shall not thereafter be subject to forfeiture. On termination of the Plan, the Employer, by written notice to the Trustee, may direct either:

(a) continuation of the Trust Fund created by the Plan and the distribution of benefits at such time and in such manner as though the Plan had not been terminated; or

(b) complete distribution of the assets in the Trust Fund to Participants, in cash or in kind, in a manner consistent with Section 5.1. In such case, the Trustee shall distribute the assets to the remaining Participants and to Retired Participants, subject to provision for expenses of administration or liquidation. Such distributions shall be allocated in the following order to the extent of the sufficiency of such assets, basing such allocation on the Accrued Benefit for each such Participant at the date of termination of the Plan:

(1) to provide a Pension to Retired Participants who retired under the Plan prior to its termination without reference to the order of retirement;

(2) to provide Normal Retirement Benefits to Participants who reached their Normal Retirement Date but did not retire on the date of termination, without reference to the order in which they reached their Normal Retirement Date; and

(3) to provide Normal Retirement Benefits to Participants who have not yet reached their Normal Retirement Date on the date of termination, in the order in which they will reach their Normal Retirement Date. Such benefits will be based on Accrued Benefits as of the date of termination. The balance, if any, of the assets due to erroneous actuarial computation held by the Trust Fund after such allocation shall be returned to the Employer, but only after the satisfaction of all liabilities with respect to Participants and Pensions under the Plan.

EXECUTION

IN WITNESS WHEREOF, the Employer has caused this Defined Benefit Pension Plan to be executed on \_\_\_\_\_, 2015.

COMPANY:

LONG BEACH PUBLIC TRANSPORTATION  
COMPANY

By: \_\_\_\_\_  
Kenneth McDonald, President and CEO

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer

## APPENDIX A

“Actuarial Equivalent” means equality of value of the aggregate amounts expected to be received under different forms of payment, based on consistently applied reasonable actuarial assumptions and methods adopted from time to time by the Employer. Such assumptions and methods are at the discretion of the Employer and may be changed at any time. As of the Effective Date and until changed by the Employer the following are applicable:

- (a) Early Retirement Factors: incorporated in Appendix B, Table A;
- (b) Factors for the 100% Contingency Annuity, the 50% Contingent Annuity, the Joint and Survivor Annuity, the Pre-Retirement Survivor Annuity and any actuarial increase for delayed retirement: the UP 1984 Mortality Table and an interest rate of 7%; and
- (c) For any other optional benefits: the actuarial assumptions last used by the actuary for the actuarial valuations of the Plan.

Notwithstanding the above, for the purpose of determining lump sums:

- (a) For payments determined before July 1, 1999: the UP 1984 Mortality Table and an interest rate equal to the lesser of 7.0% or the PBGC Interest Rate.
- (b) For payments determined after July 1, 1999: the IRS Mortality Table and the IRS Interest Rate.

In the event this Appendix A is amended, the Actuarial Equivalent of a Participant's Accrued Benefit on or after the date of change shall be determined as the greater of (1) the Actuarial Equivalent of the Accrued Benefit as of the date of change computed on the old basis, or (2) the Actuarial Equivalent of the total Accrued Benefit computed on the new basis.

APPENDIX B

Pension Benefit as a Percentage of the  
Average Monthly Final Earnings at Retirement

Table A

<u>Years of Benefit Service</u>	<u>54</u>	<u>55</u>	<u>56</u>	<u>57</u>	<u>58</u>	<u>59</u>	<u>60</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64 or Older</u>
5	4.25	4.68	5.10	5.53	5.95	6.38	6.80	7.23	7.65	8.08	8.50
6	5.10	5.61	6.12	6.63	7.14	7.65	8.16	8.67	9.18	9.69	10.20
7	5.95	6.55	7.14	7.74	8.33	8.93	9.52	10.12	10.71	11.31	11.90
8	6.80	7.48	8.16	8.84	9.52	10.20	10.88	11.56	12.24	12.92	13.60
9	7.65	8.42	9.18	9.95	10.71	11.48	12.24	13.01	13.77	14.54	15.30
10	8.50	9.35	10.20	11.05	11.90	12.75	13.60	14.45	15.30	16.15	17.00
11	9.35	10.29	11.22	12.16	13.09	14.03	14.96	15.90	16.83	17.77	18.70
12	10.20	11.22	12.24	13.26	14.28	15.30	16.32	17.34	18.36	19.38	20.40
13	11.05	12.16	13.26	14.37	15.47	16.58	17.68	18.79	19.89	21.00	22.10
14	11.90	13.09	14.28	15.47	16.66	17.85	19.04	20.23	21.42	22.61	23.80
15	12.75	14.03	15.30	16.58	17.85	19.13	20.40	21.68	22.95	24.23	25.50
16	13.60	14.96	16.32	17.68	19.04	20.40	21.76	23.12	24.48	25.84	27.20
17	14.45	15.90	17.34	18.79	20.23	21.68	23.12	24.57	26.01	27.46	28.90
18	15.30	16.83	18.36	19.89	21.42	22.95	24.48	26.01	27.54	29.07	30.60
19	16.15	17.77	19.38	21.00	22.61	24.23	25.84	27.46	29.07	30.69	32.30
20	17.00	18.70	20.40	22.10	23.80	25.50	27.20	28.90	30.60	32.30	34.00
21	17.85	19.64	21.42	23.21	24.99	26.78	28.56	30.35	32.13	33.92	35.70
22	18.70	20.57	22.44	24.31	26.18	28.05	29.92	31.79	33.66	35.53	37.40
23	19.55	21.51	23.46	25.42	27.37	29.33	31.28	33.24	35.19	37.15	39.10
24	20.40	22.44	24.48	26.52	28.56	30.60	32.64	34.68	36.72	38.76	40.80
25	21.25	23.38	25.50	27.63	29.75	31.88	34.00	36.13	38.25	40.38	42.50
26	22.10	24.31	26.52	28.73	30.94	33.15	35.36	37.57	39.78	41.99	44.20
27	22.95	25.25	27.54	29.84	32.13	34.43	36.72	39.02	41.31	43.61	45.90
28	23.80	26.18	28.56	30.94	33.32	35.70	38.08	40.46	42.84	45.22	47.60
29	24.65	27.12	29.58	32.05	34.51	36.98	39.44	41.91	44.37	46.84	49.30
30	25.50	28.05	30.60	33.15	35.70	38.25	40.80	43.35	45.90	48.45	51.00
31	26.35	28.99	31.62	34.26	36.89	39.53	42.16	44.80	47.43	50.07	52.70
32	27.20	29.92	32.64	35.36	38.08	40.80	43.52	46.24	48.96	51.68	54.40
33	28.05	30.86	33.66	36.47	39.27	42.08	44.88	47.69	50.49	53.30	56.10
34	28.90	31.79	34.68	37.57	40.46	43.35	46.24	49.13	52.02	54.91	57.80
35	29.75	32.73	35.70	38.68	41.65	44.63	47.60	50.58	53.55	56.53	59.50
36	30.60	33.66	36.72	39.78	42.84	45.90	48.96	52.02	55.08	58.14	61.20
37	31.45	34.60	37.74	40.89	44.03	47.18	50.32	53.47	56.61	59.76	62.90
38	32.30	35.53	38.76	41.99	45.22	48.45	51.68	54.91	58.14	61.37	64.60
39	33.15	36.47	39.78	43.10	46.41	49.73	53.04	56.36	59.67	62.99	66.30
40 or more	34.00	37.40	40.80	44.20	47.60	51.00	54.40	57.80	61.20	64.60	68.00