

AGS 401K INVESTMENT PLAN  
SUMMARY PLAN DESCRIPTION

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AGS 401K INVESTMENT PLAN

SUMMARY PLAN DESCRIPTION

I

INTRODUCTION TO YOUR PLAN

AGS Computers, Inc. has amended your Profit Sharing Plan as of January 1, 1985. AGS Computers, Inc. continues to recognize the efforts you have made to its success. This amended Profit Sharing Plan is for the exclusive benefit of eligible employees and their beneficiaries.

Your Plan is a "salary reduction plan." It is also called a "401(k) plan." Under this type of plan, for Plan Years beginning after December 31, 1984, you may choose to reduce your compensation and have these amounts contributed to this Plan on your behalf.

The purpose of this Plan is to reward eligible employees for long and loyal service by providing them with retirement benefits.

Each year, between now and your retirement, AGS Computers, Inc. intends to share a portion of its profits with you and other eligible employees. When you retire, you will be eligible to receive the value of the amounts which have accumulated in your account.

AGS Computers, Inc. may submit this Plan to the Internal Revenue Service for approval. The Internal Revenue Service will issue a "determination letter" to AGS Computers, Inc. approving this Plan as a "qualified" retirement plan, if this Plan meets specific legal requirements.

This Summary Plan Description is a brief description of your Plan and your rights, obligations, and benefits under that Plan. Some of the statements made in this Summary Plan Description are dependent upon this Plan being "qualified" under the provisions of the Internal Revenue Code. This Summary Plan Description is not meant to interpret, extend, or change the provisions of your Plan in any way. The provisions of your Plan may only be determined accurately by reading the actual Plan document.

A copy of your Plan is on file at your Employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. If you have any questions regarding either your Plan or this Summary Plan Description, you

should ask your Plan's Administrator. In the event of any discrepancy between this Summary Plan Description and the actual provisions of the Plan, the Plan shall govern.

## II GENERAL INFORMATION ABOUT YOUR PLAN

There is certain general information which you may need to know about your Plan. This information has been summarized for you in this section.

### 1. General Plan Information

AGS 401K Investment Plan is the name of your Plan.

AGS Computers, Inc. Profit Sharing Plan was the original Plan name.

Your Employer has assigned Plan Number 001 to your Plan.

The amended and restated provisions of your Plan become effective on January 1, 1985.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends on December 31st.

Certain valuations and distributions are made on the Anniversary Date of your Plan. This date is December 31st.

The contributions made to your Plan by your Employer shall be held and invested by the Trustee of your Plan.

Your Plan and Trust shall be governed by the laws of the State of New Jersey.

### 2. Employer Information

Your Employer's name, address, and identification number are:

AGS Computers, Inc.  
1139 Spruce Drive  
Mountainside, New Jersey 07092  
13-2575861



Your Plan allows other employers to adopt its provisions. You or your beneficiaries may examine or obtain a complete list of employers, if any, who have adopted your Plan by making a written request to the Administrator.

Also, for the purposes of the Plan, your Years of Service with any organization part of or acquired by AGS, Inc. will be recognized.

### 3. Plan Administrator Information

The name, address, and business telephone number of your Plan's Administrator are:

IRA Clearing House  
2410 North Ocean Avenue P. O. Box E  
Farmingville, New York 11738  
(516) 698-5500

Your Plan's Administrator keeps the records for the Plan and is responsible for the administration of the Plan. Your Plan's Administrator will also answer any questions you may have about your Plan.

### 4. Plan Trustee Information

The names of your Plan's Trustees are:

Lawrence J. Schoenberg  
Joseph Abrams

The Trustees shall collectively be referred to as Trustee throughout this Summary Plan Description.

The principal place of business of your Plan's Trustee is:

1139 Spruce Drive  
Mountainside, New Jersey 07092

Your Plan's Trustee has been designated to hold and invest Plan assets for the benefit of you and other Plan participants.



5. Service of Legal Process

The name and address of your Plan's agent for service of legal process are:

IRA Clearing House  
2410 North Ocean Avenue P. O. Box E  
Farmingville, New York 11738

Service of legal process may also be made upon the Trustee or Administrator.

III  
PARTICIPATION IN YOUR PLAN

Before you become a member or a "participant" in the Plan, there are certain eligibility and participation rules which you must meet. These rules are explained in this section.

1. Eligibility Requirements

You will be eligible to participate in the Plan if you were a participant in the Plan prior to January 1, 1985, which is the effective date of this amendment. If you were not, you will be eligible to participate in the Plan if you have completed thirty (30) days of accumulated service and have reached your 21st birthday.

An "Hour of Service" has a special meaning for Plan purposes. You will be credited with an Hour of Service for:

(a) each hour for which you are directly or indirectly compensated by your Employer for the performance of duties during the Plan Year; and

(b) each hour for which you are directly or indirectly compensated by your Employer for reasons other than performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year); and

(c) each hour for back pay awarded or agreed to by your Employer.

## 2. Participation Requirements

Once you have satisfied your Plan's eligibility requirements, your next step will be to actually become a member or a "participant" in the Plan. You will become a participant on a specified day of the Plan Year. This day is called the Effective Date of Participation.

The Plan Year begins on January 1st and ends on December 31st. You will become a participant on the first day of the month following the date you satisfy the eligibility requirements.

## 3. Excluded Employees

There are certain employees of AGS Computers, Inc. who will not be eligible to participate in your Plan. Those employees are:

- (a) employees who are paid on a hourly basis.
- (b) employees whose employment is governed by a collective bargaining agreement under which retirement benefits were the subject of good faith bargaining.

## IV CONTRIBUTIONS TO YOUR PLAN

### 1. Employer Contributions to the Plan

Each year, your Employer will contribute to your Plan the following amounts:

- (a) The total amount of the salary reduction you elected to defer. (See the Section in this Article entitled "Employee Salary Reduction Election.")
- (b) A matching contribution equal to 100% of the first \$200.00 you elected to defer into the Plan plus a discretionary amount as determined by the Employer each year.
- (c) A discretionary amount determined each year by your Employer.



## 2. Employee Salary Reduction Election

As a participant, you may elect to defer not less than 2% nor more than the limitations prescribed by law instead of receiving that amount in cash.

Your Employer's contribution will be added to the amount you defer to provide additional benefits when you retire.

The amount you elect to defer will be deducted from your pay in accordance with the written procedure established by your Employer.

The amount you elect to defer, and any earnings on that amount, will not be subject to income tax until it is actually distributed to you. This money will, however, be subject to Social Security taxes at all times.

You will always be 100% vested in the amount you deferred. This means that you will always be entitled to all of the deferred amount. This money will, however, be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there were a loss, the balance in your account would decrease. Your interest in this account cannot be forfeited for any reason.

Withdrawals from your deferred account are not permitted before age 59 1/2 EXCEPT in the event of:

- (a) death;
- (b) disability;
- (c) termination of employment; or
- (d) reasons of proven financial hardship.

## 3. Your Share of Employer Contributions

Your Employer will allocate the amount you elect to defer to an account maintained by the Trustee on your behalf.

Your Employer will also allocate the matching contribution made to the Plan on your behalf. (See the Section in this Article entitled "Employer Contributions to the Plan.")

You will share in this matching contribution regardless of whether you complete a Year of Service in each Plan Year.

Your Employer's discretionary contribution will be "allocated" or divided among participants eligible to share in the contribution for the Plan Year.

Your share of your Employer's discretionary contribution is determined by the following fraction:

$$\begin{array}{r} \text{Employer's} \\ \text{Discretionary Contribution} \end{array} \quad \times \quad \frac{\text{Your Compensation}}{\text{Total Compensation of All Participants Eligible to Share}}$$

For example:

Suppose the Employer's discretionary contribution for the Plan Year is \$20,000.

Employee A's compensation for the Plan Year is \$25,000.

The total compensation of all participants eligible to share, including Employee A, is \$250,000.

Employee A's share will be:

$$\begin{array}{r} \$20,000 \quad \times \quad \frac{\$25,000}{\$250,000} \quad \text{or} \quad \$2,000 \end{array}$$

As a participant, you will share in your Employer's discretionary contribution for any Plan Year if you:

- (a) retire during the Plan Year;
- (b) die during the Plan Year;
- (c) have completed a Year of Service during the Plan Year.

In addition to the Employer's contributions made to your account, your account will be credited annually with a share of the investment earnings or losses of the trust fund.



#### 4. Compensation

For the purposes of your Plan, your compensation has a special meaning. Compensation is defined as your total salary and wages paid during a Plan Year.

#### 5. Forfeitures

Forfeitures are created when participants terminate employment before becoming entitled to their full benefits under the Plan. These forfeited amounts shall be used to reduce your Employer's contributions to the Plan.

#### 6. Your Voluntary Contributions to the Plan

You may, at the discretion of the Administrator, make voluntary contributions to your Plan for each year you are a participant. These contributions may not exceed 10% of your compensation while a participant. Your contribution must be made in one lump-sum payment.

You will always be "100% vested" in your voluntary contributions. This means that you will always be entitled to all of your voluntary contributions. Your voluntary contributions will, however, be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there were a loss from an investment, the balance in your account would decrease.

There is no requirement that you make voluntary contributions to your Plan. Voluntary contributions are not tax deductible. Any investment income earned on these contributions, however, is not currently taxable to you. You will be taxed on investment income and gains when you withdraw them from your account.

Your voluntary contributions may be invested by the Trustee:

- (a) in a federally insured savings account;
- (b) in a certificate of deposit in a bank or savings and loan association;
- (c) in a money market certificate;
- (d) in a short-term debt security (for example, a bond or note); or
- (e) as part of the general trust fund in the discretion of the Administrator.

You may withdraw the balance of your voluntary contributions and, with the Administrator's consent, any gains from your voluntary contribution account. If you make this withdrawal, however, you will not be allowed to make additional voluntary contributions for one Plan Year.

Your spouse, however, must consent to any withdrawal you make.

When you retire or otherwise become eligible for Plan benefits, the value of your voluntary contribution account will be used to provide additional benefits for you or your beneficiaries.

#### 7. Your Qualified Voluntary Employee Contributions ("QVECs")

You may make qualified voluntary employee contributions to your Plan. These contributions are called "QVECs."

Under rules established by the Administrator, you may make voluntary contributions, (in one lump sum at the end of the Plan Year) to the Plan on a tax deductible basis. For each calendar year you are a participant, you may contribute up to \$2,000 of your calendar year compensation. You may not, however, contribute more than 100% of your calendar year compensation. Your "QVEC" contributions will be held in a separate qualified voluntary employee contribution account.

There is no requirement that you make qualified voluntary contributions to your Plan. Qualified voluntary employee contributions are tax deductible. Any investment income and gain earned on the money in your "QVEC" account will not be currently taxable to you, but you will be taxed on the investment interest and gains when you withdraw them from your account.



Your "QVEC" contributions may be invested by the Trustee:

- (a) in a federally insured savings account;
- (b) in a certificate of deposit in a bank or savings and loan association;
- (c) in a money market certificate;
- (d) in a short-term debt security (for example, a bond or note); or
- (e) as part of the general trust fund in the discretion of the Administrator.

You will always be 100% vested in your "QVEC" account. This means that you will always be entitled to all of your "QVEC" contributions. Qualified voluntary employee contributions will, however, be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there were a loss from an investment, the balance in your account would decrease.

Upon written request to the Administrator, you may make withdrawals of your qualified voluntary employee contributions and any gains from your "QVEC" account. If you make this withdrawal, however, you will not be allowed to make additional tax deductible qualified voluntary contributions for one Plan Year. If you make any withdrawals before you reach age 59 1/2, you will be charged a penalty tax of 10% on the amount withdrawn in addition to the income tax you would ordinarily pay. There would be no penalty tax, however, if you made this withdrawal because of your disability, as that term is defined under your Plan.

You may not make a qualified voluntary employee contribution after reaching age 70 1/2.

When you retire or otherwise become eligible for Plan benefits, the value of your "QVEC" account will be used to provide additional benefits for you or your beneficiaries.

On or before December 31st of each year, you may advise the Administrator, in writing, that you do not wish to have your contributions treated as tax deductible "QVECs," in which case these contributions will be treated as voluntary contributions or returned to you.

It is important to note that the \$2,000 limitation applies to ALL plans in which you participate, including any individual retirement plan, also called IRAs. For example, you could not contribute \$2,000 to an IRA or to another qualified plan AND to this Plan. Your contribution must be made to one or the other, or may be split between them. You must notify the Administrator if you have exceeded the contribution limit in any calendar year.

#### 8. Transfers From Qualified Plans (Rollovers)

At the discretion of the Administrator, you may be permitted to deposit into your Plan distributions you have received from other plans. Such a deposit is called a "rollover" and may result in tax savings to you. You should consult qualified counsel to determine if a rollover is in your best interest.

Your rollover will be placed in a separate account called a "participant's rollover account." The Administrator may establish rules for investment.

You will always be 100% vested in your "rollover account." This means that you will always be entitled to all of your rollover contributions. Rollover contributions will be affected by any investment gains or losses. If the Trustee invested this money and there was a gain, the balance in your account would increase. Of course, if there were a loss from an investment, the balance in your account would decrease.

#### 9. Directed Investments

The Administrator may establish rules for investment of your account balance. If the Administrator approves, you may direct the Trustee as to the investment of your account balance.



V  
BENEFITS UNDER YOUR PLAN

1. Distribution of Benefits Upon Normal Retirement

Your Normal Retirement Date is the Anniversary Date coinciding with or next following your 65th birthday (Normal Retirement Age).

At your Normal Retirement Age, you will be entitled to 100% of your account balance. Payment of your benefits will begin as soon as practicable following your Normal Retirement Date.

2. Distribution of Benefits Upon Early Retirement

Your Early Retirement Date is the first day of the month following the date you have reached your 60th birthday and completed 5 Years of Service with your Employer. You may elect to retire when you reach your Early Retirement Date.

On your Early Retirement Date, you will be entitled to 100% of your account balance. Payment of your Early Retirement benefits will begin as soon as practicable following your Early Retirement Date.

3. Distribution of Benefits Upon Late Retirement

Your Late Retirement Date is the Anniversary Date coinciding with or next following your actual retirement date after reaching your Normal Retirement Date.

On your Late Retirement Date, you will be entitled to 100% of your account balance. Payments of your Late Retirement benefits will begin as soon as practicable following your Late Retirement Date.

4. Distribution of Benefits Upon Death

Your beneficiary will be entitled to 100% of your account balance upon your death.

Payments of your death benefits will begin on or before the Anniversary Date following your death, at the Administrator's discretion.

If you are married at the time of your death, your spouse will be the beneficiary of the death benefit, unless you otherwise elect in writing on a form to be furnished to you by the Administrator. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, HOWEVER, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NONSPOUSE BENEFICIARY.

If no valid waiver is in effect, the death benefit payable to your spouse shall be in the form of a survivor annuity, that is, periodic payments over the life of your spouse. The size of the monthly payments will depend on the value of your account at the time of your death. The Administrator may, however, distribute the benefit in an alternative method, such as a single lump sum or in installments, provided your spouse consents in writing to an alternative form.

The period during which you and your spouse may waive this survivor annuity begins as of the first day of the Plan Year in which you reach age 35 and ends when you die. The Administrator must provide you with a detailed explanation of the survivor annuity. This explanation must be given to you during the following period of time: beginning on the first day of the Plan Year in which you will reach age 32 and ending on the first day of the Plan Year in which you reach age 35.

It is, therefore, important that you inform the Administrator when you turn age 32 so that you may receive this information.

If, however,

(a) your spouse has validly waived any right to the death benefit in the manner outlined above,

(b) your spouse cannot be located; or

(c) you are not married at the time of your death,

then your death benefit will be paid to the beneficiary of your own choosing in installments or as a single lump sum, in the Administrator's sole discretion. You may designate such beneficiary on a form to be supplied to you by the Administrator. If you change your designation, your spouse must again consent to the change.



Since your spouse participates in these elections and has certain rights in the death benefit, you should immediately report any change in your marital status to the Administrator.

#### 5. Distribution of Benefits Upon Termination of Employment

Your Plan is designed to encourage you to stay with your Employer until retirement. Payment of your account balance under your Plan is only available upon your death or retirement.

If your employment is terminated for reasons other than those listed above, you will be entitled to receive only your "vested percentage" of your account balance and the remainder of your account will be forfeited. Only contributions made by your Employer are subject to forfeiture. (See the Section in this Article entitled "Vesting in Your Plan.")

The Administrator may direct the Trustee, on or after the Anniversary Date following a 1-Year Break in Service, to distribute your vested benefit. This earlier distribution is not required and is within the Administrator's discretion. The Administrator's decision, however, must be based on uniform principles and must be consistently applied to all participants. Your spouse's written consent to this distribution must be given for amounts in excess of \$3,500.

#### 6. Vesting in Your Plan

Your "vested percentage" in your account is determined under the following schedule. You will always, however, be 100% vested upon your Early or Normal Retirement Age. (See the Section in this Article entitled "Distribution of Benefits Upon Normal Retirement.")

You will become 40% vested in your account immediately upon your Effective Date of Participation.

Vesting Schedule  
 (Applicable to Contributions Made for Plan Years  
 beginning on or after January 1, 1985)

Years of Service	Percentage
3	100 %

Regardless of this vesting schedule, you are always 100% vested in your salary reduction amounts contributed to the Plan.

You will have completed a Year of Service for vesting purposes if you are credited with 1000 Hours of Service during a Plan Year, even if you were not employed on the first or last day of the Plan Year.

Pre-Amendment Vesting Schedule  
 (Applicable to Contributions Made for Plan Years  
 ending before January 1, 1985)

Years of Service	Percentage
3	20 %
4	40 %
5	60 %
6	80 %
7	100 %

Your vested benefit will normally be distributed to you or your beneficiary upon your death or retirement. If you terminate employment before any of these events, however, your unpaid vested benefit may be segregated in a special account.

#### 7. Benefit Payment Options

There are various methods that benefits may be distributed to you from your Plan. The method depends on your marital status, elections you and your spouse make, and your Administrator's discretion. All methods of distribution, however, have equivalent values.

If you are married on the date your benefits are to begin, however, you will automatically receive a 50% joint and survivor annuity, unless you otherwise elect. This means that if you die and are survived by a spouse, your spouse will receive a monthly benefit for the remainder of his life equal to 50% of the benefit you were receiving at the time of your death. You may elect a 75% or 100% joint and survivor annuity instead of the standard 50% joint and survivor annuity. It should be noted that a joint and



survivor annuity may provide a lower monthly benefit than other forms of payment. You should consult qualified tax counsel before making such election.

If you are not married on the date your benefits are to begin, you will automatically receive a life annuity, which means you will receive payments for as long as you live.

You may, however, elect to waive these forms of payment, subject to the following rules.

When you are about to retire, the Administrator will explain the joint and survivor annuity or the life annuity to you in greater detail. You will be given the option of waiving the joint and survivor annuity or the life annuity form of payment during the 90 day period before the annuity is to begin. IF YOU ARE MARRIED, YOUR SPOUSE MUST IRREVOCABLY CONSENT IN WRITING TO THE WAIVER IN THE PRESENCE OF A NOTARY OR A PLAN REPRESENTATIVE. You may revoke any waiver. The Administrator will provide you with forms to make these elections. Since your spouse participates in these elections, you must immediately inform the Administrator of any change in your marital status.

If you and your spouse elect not to take a joint and survivor annuity or if you are not married when your benefits are scheduled to begin, and have elected not to take a life annuity, the Administrator will, in his sole discretion, determine the alternative form of payment. This payment may be made in one of the following methods:

- (a) a single lump-sum payment;
- (b) the purchase of a different form of annuity;
- (c) equal installments over a period of not more than your assumed life expectancy (or your and your beneficiary's assumed life expectancies) at the time of distribution.

Regardless of the form of payment you receive, its value to you will be the same value as each alternative form of payment.

GENERALLY, WHENEVER A DISTRIBUTION OF PAYMENTS IS TO BE MADE TO YOU ON OR BEFORE AN ANNIVERSARY DATE, IT MAY BE POSTPONED FOR A PERIOD UP TO 180 DAYS, IN THE ADMINISTRATOR'S DISCRETION. HOWEVER, UNLESS YOU ELECT IN WRITING TO DEFER THE RECEIPT OF BENEFITS, NO DISTRIBUTION MAY BEGIN LATER THAN THE 60TH DAY AFTER THE CLOSE OF THE PLAN YEAR IN WHICH THE LATEST OF THE FOLLOWING EVENTS OCCURS:

(a) the date on which you reach the age of 65 or your Normal Retirement Age;

(b) the 10th anniversary of the year in which you became a participant in the Plan;

(c) the date you terminated employment with your Employer.

#### 8. Other Distributions From Your Plan

There are also other distributions which may be available to you from your Plan. These distributions are not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at normal retirement.

(a) Pre-retirement Distributions: You may be entitled to receive a pre-retirement distribution if you have reached the age of fifty-nine and one-half and are 100% vested in your account balance. The Administrator may direct the Trustee to distribute your account balance to you. This distribution:

(1) is discretionary on the part of the Administrator;

(2) must be made according to a nondiscriminatory policy; and

(3) will not affect your eligibility to participate in your Plan.

(b) Advance for Hardship: You may be entitled to receive an advance of a portion of your account balance in the event of proven financial hardship. The Administrator may direct the Trustee to distribute up to 100% of your account balance to you in any one Plan Year. This distribution:



- (1) is discretionary;
- (2) may only be made if you are fully vested in your account balance;
- (3) must be made according to a nondiscriminatory policy; and
- (4) shall be authorized only for financial hardship resulting from:
  - (i) an accident to or sickness of you or your dependent; or
  - (ii) the establishment or preservation of your home.

YOUR SPOUSE MUST CONSENT TO WAIVE ANY RIGHT TO THESE DISTRIBUTIONS. YOUR SPOUSE'S CONSENT MUST BE IN WRITING AND WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE.

#### 9. Treatment of Distributions From Your Plan

Whenever you receive a distribution from your Plan, it will normally be subject to income taxes. You may, however, reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) The rollover of all or a portion of the distribution to an Individual Retirement Account (IRA) or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). In addition, under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment.

(b) The election of favorable income tax treatment under the "10 year forward averaging" or "capital gains" method of taxation.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. YOU SHOULD, HOWEVER, CONSULT QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.



## 10. Forfeitures of Your Plan Benefits for Cause

Your right or your beneficiary's right to receive any benefits resulting from Employer contributions under your Plan may be forfeited if your employment is terminated because of fraud, embezzlement, or dishonesty.

## 11. Domestic Relation Orders

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your account.

There is an exception, however, to this general rule. The Administrator may be required by law to recognize obligations you incur as a result of court ordered child support or alimony payments. The Administrator must honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Administrator shall determine the validity of any domestic relations order he receives.

## 12. Pension Benefit Guaranty Corporation

Benefits provided by your Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to your Plan.

VI  
YOUR PLAN'S 1-YEAR BREAK IN SERVICE RULES

A 1-Year Break in Service is a Plan Year during which you have not completed more than 500 Hours of Service with your Employer.

1. 1-Year Break in Service Rules

A 1-Year Break in Service does NOT occur, however, in the Plan Year in which you enter or leave the Plan for reasons of:

- (a) death;
- (b) retirement;
- (c) authorized leave of absence;
- (d) initial participation;
- (e) certain maternity or paternity absences.

For Plan Years beginning after December 31, 1984, the Administrator will be required to credit you with Hours of Service for a maternity or paternity absence provided the Employer has otherwise adopted a policy recognizing such a leave. These are absences taken on account of pregnancy, birth, or adoption of your child. No more than 501 Hours of Service shall be credited for this purpose and these Hours of Service shall be credited solely to avoid your incurring a 1-Year Break in Service. The Administrator may require you to furnish him with proof that your absence qualifies as a maternity or paternity absence.

These break in service rules may be illustrated by the following examples:

Employee A works 300 hours in a Plan Year. At the end of the Plan Year, Employee A will have a 1-Year Break in Service because he has worked less than 501 hours in a Plan Year. Employee B works 300 hours in a Plan Year and takes an authorized leave of absence for which he is credited with an additional 250 hours. Employee B will NOT have a 1-Year Break in Service because he is credited with more than 500 hours in a Plan Year.



If you are re-employed after a 1-Year Break in Service and were vested in any portion of your account derived from Employer contributions, you will receive credit for all Years of Service credited to you before your 1-Year Break in Service when you have completed another Year of Service. For example:

Suppose Employee A terminated employment with 4 Years of Service and was vested in a portion of his account. Employee A was then re-employed after a 1-Year Break in Service on January 1, 2002. On January 1, 2003 when Employee A completes 1 Year of Service, he will be credited with his 4 years of pre-break service.

If you do not have a "vested interest" in the Employer contributions allocated to your account when you terminate your employment, you will lose credit for your pre-break Years of Service when your consecutive 1-Year Breaks in Service equal or exceed the greater of 5 years, or your pre-break Years of Service. For example:

Employee A terminated employment on January 1, 2000 with 2 Years of Service. Employee A was not vested at the time of his termination of employment. Employee A returns to work on January 1, 2003. Employee A will be credited with his 2 pre-break Years of Service because his period of termination (3 years) did not exceed 5 years.

## VII YOUR PLAN'S "TOP HEAVY RULES"

### 1. Explanation of "Top Heavy Rules"

A Profit Sharing Plan that primarily benefits "key employees" is called a "top heavy plan." Key employees are certain owners or officers of your Employer. A Plan is a "top heavy plan" when more than 60% of the contributions or benefits have been allocated to key employees.

Each year, the Administrator is responsible for determining whether your Plan is a "top heavy plan."



If your Plan becomes top heavy in any Plan Year, then non-key employees shall be entitled to certain "top heavy minimum benefits," and other special rules will apply. Among these top heavy rules are the following:

- (a) Your Employer may be required to make a contribution equal to 3% of your compensation to your account;
- (b) In determining benefits or contributions you are entitled to under your Plan, compensation, for Plan purposes, will be limited to \$200,000;
- (c) If you are a participant in more than one Plan, you may not be entitled to minimum benefits under both Plans.

#### VIII LOANS

You may apply to the Trustee for a loan. Your application must be in writing. The Trustee may grant this loan if he believes it has merit.

#### 1. Loan Requirements

All loans must:

- (a) be made on a uniform and nondiscriminatory basis;
- (b) be adequately secured;
- (c) bear a reasonable rate of interest;
- (d) have a definite repayment schedule over a reasonable period of time not to exceed the earlier of five years or your Normal Retirement Date;
- (e) be consented to by your spouse if you use your Vested interest in the plan as collateral for the loan;

- (f) be limited to the lesser of:
  - (1) \$50,000; or
  - (2) the greater of:
    - (i) 1/2 of your vested interest in your account; or
    - (ii) \$10,000 (limited to your vested interest).
- (g) loans will be treated like directed investments.

If you use the loan to acquire, construct, reconstruct, or substantially rehabilitate your principal residence or the residence of a member of your family, you may repay the loan over a reasonable period of time that may be longer than five years.

If the repayment period of your loan is five years and an amount remains payable at the end of five years, that amount will be treated as a distribution of money from the Plan to you and will be taxable income to you.

#### IX CLAIMS BY PARTICIPANTS AND BENEFICIARIES

Benefits will be paid to participants and their beneficiaries without the necessity of formal claims. You or your beneficiaries, however, may make a request for any Plan benefits to which you may be entitled. Any such request must be made in writing, and it should be made to the Administrator. (See the Article in this Summary entitled "GENERAL INFORMATION ABOUT YOUR PLAN.")

Your request for Plan benefits shall be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Administrator shall furnish you with a written notice of this denial. This written notice must be provided to you within a reasonable period of time (generally 90 days) after the receipt of your claim by the Administrator. The written notice must contain the following information:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to those Plan provisions on which the denial is based;
- (c) a description of any additional information or material necessary to correct your claim and an explanation of why such material or information is necessary; and
- (d) appropriate information as to the steps to be taken if you or your beneficiary wishes to submit your claim for review.

If notice of the denial of a claim is not furnished to you in accordance with the above within a reasonable period of time, your claim shall be deemed denied. You will then be permitted to proceed to the review stage described in the following paragraphs.

If your claim has been denied, and you wish to submit your claim for review, you must follow the Claims Review Procedure.

#### 1. The Claims Review Procedure

(a) Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Administrator. The form for this claim for review is available from the Employer or Administrator.

(b) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.

(c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Administrator.



(d) Your claim for review must be given a full and fair review. If your claim is denied, the Administrator must provide you with written notice of this denial within 60 days after the Administrator's receipt of your written claim for review. There may be times when this 60 day period may be extended. This extension may only be made, however, where there are special circumstances which are communicated to you in writing within the 60 day period. If there is an extension, a decision shall be made as soon as possible, but not later than 120 days after receipt by the Administrator of your claim for review.

(e) The Administrator's decision on your claim for review shall be communicated to you in writing and shall include specific references to the pertinent Plan provisions on which the decision was based.

(f) If the Administrator's decision on review is not furnished to you within the time limitations described above, your claim shall be deemed denied on review.

(g) If benefits are provided or administered by an insurance company, insurance service, or other similar organization which is subject to regulation under the insurance laws, the claims procedure relating to these benefits may provide for review. If so, that company, service, or organization shall be the entity to which claims are addressed. If you have any questions regarding the proper person or entity to address claims, you should ask the Administrator.

X  
STATEMENT OF ERISA RIGHTS

1. Explanation of Your ERISA Rights

As a Participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, also called ERISA. ERISA provides that all Plan participants shall be entitled to:

(a) examine, without charge, all Plan documents, including:

- (i) insurance contracts;
- (ii) collective bargaining agreements; and
- (iii) copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

This examination may take place at the Administrator's office and at other specified locations such as worksites and union halls. (See the Article in this Summary entitled "GENERAL INFORMATION ABOUT YOUR PLAN");

(b) obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies;

(c) receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary annual report.

(d) obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many years you have to work to get a right to a pension. THIS STATEMENT MUST BE REQUESTED IN WRITING AND IS NOT REQUIRED TO BE GIVEN MORE THAN ONCE A YEAR. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan,



called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Administrator review and reconsider your claim. (See the Article in this Summary entitled "CLAIMS BY PARTICIPANTS AND BENEFICIARIES.")

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to \$100.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about this statement, or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.



called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Administrator review and reconsider your claim. (See the Article in this Summary entitled "CLAIMS BY PARTICIPANTS AND BENEFICIARIES.")

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If you have any questions about this statement, or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

XI  
AMENDMENT AND TERMINATION OF YOUR PLAN

1. Amendment

Your Employer has the right to amend your Plan at any time. In no event, however, shall any amendment:

(a) authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries;

(b) cause any reduction in the amount credited to your account; or

(c) cause any part of your Plan assets to revert to the Employer.

2. Termination

Your Employer has the right to terminate the Plan at any time. Upon termination, all amounts credited to your accounts will become 100% vested. Your Employer may direct that either:

(a) benefits be distributed to you in one lump sum payment as soon as practicable, but not later than two years following termination; or

(b) the Trust created by the Plan be continued and benefits be distributed to you or your beneficiaries as if the Plan had not terminated. (See the Article in this Summary entitled "BENEFITS UNDER YOUR PLAN.")

YOUR SPOUSE MUST CONSENT TO WAIVE ANY RIGHT TO THESE DISTRIBUTIONS. YOUR SPOUSE'S CONSENT MUST BE IN WRITING AND WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE.

A complete discontinuance of contributions by your Employer shall constitute a termination.