



25 Years of
Innovative Benefit
Planning

WARREN STEINBORN ASSOCIATES
EMPLOYEE BENEFIT PLANNERS • PENSION CONSULTANTS

BUL-PWBA
97 JUN 11 AM 10:10

May 30, 1997

SPD, Pension and Welfare Benefits Administration
Room N5644
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: Biosound, Inc. Health Care Plan
35-1760305
Plan Number - 501

Gentleman:

Please find enclosed Amendment #1 to this Plan Document for the above named Plan.

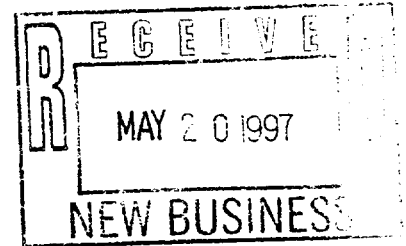
Sincerely,

Connie Neuman, HIA
Plan Document Administrator
Extension - 5792

2520190031260

AMENDMENT ONE 90L-PWBA

Policyholder (Employer): Biosource, Inc. AM 10:10
 Effective Date: November 1, 1993
 Group Number: 1710
 Effective Date of Amendment: January 1, 1997



The above stated Plan is hereby amended to read:

Delete page 53, COBRA CONTINUATION OPTIONS

- (1) "Core benefits" include both Basic and Medical Benefits (other than Vision Care Benefits). Any COBRA continuance option must include core benefits for which the person was covered just prior to the COBRA "qualifying event" (an event which qualifies a person for continued coverage under COBRA).

Replace page 53, COBRA CONTINUATION OPTIONS

- (1) "Core benefits" are Medical Benefits. Any COBRA continuance option must include core benefits for which the person (and after January 1, 1997, a child born to or placed for adoption with the covered employee during the period of COBRA coverage) was covered just prior to the COBRA "qualifying event" (an event which qualifies a person for continued coverage under COBRA).

Delete page 53, COBRA CONTINUATION OPTIONS

- (a) he's qualified as being disabled for Social Security purposes; and

Replace page 53, COBRA CONTINUATION OPTIONS

- (a) the individual is determined as being disabled for Social Security purposes on the date of the qualifying event (or after January 1, 1997, within the first 60 days of COBRA coverage); and

Delete page 54, COBRA CONTINUATION OPTIONS

- (2) The date that the qualified beneficiary first becomes, after the date of election, (a) covered under any other group health plan (as an Employee or otherwise), or (b) entitled to benefits under Medicare (except as stated in item 3 above). However, a qualified beneficiary who becomes covered under a group health plan which has a pre-existing conditions limit must be allowed to continue COBRA coverage for the length of a pre-existing condition or to the COBRA maximum time period, if less.

Replace page 54. COBRA CONTINUATION OPTIONS

(2) The date that the qualified beneficiary first becomes, after the date of election, (a) covered under any other group health plan (as an Employee or otherwise), or (b) entitled to benefits under Medicare (except as stated in Item 3 above). However, a qualified beneficiary who becomes covered under a group health plan which has a pre-existing conditions limit must be allowed to continue COBRA coverage for the length of a pre-existing condition or to the COBRA maximum time period, if less. After January 1, 1997, COBRA coverage may be terminated if the qualified beneficiary becomes covered under a group health plan with a pre-existing conditions limit, if the pre-existing conditions limit does not apply to (or is satisfied by) the qualified beneficiary by reason of the group health plan portability, access and renewability requirements of the Health Reform Act, ERISA or the Public Health Services Act.

It is agreed upon by the Undersigned, that this Amendment One becomes a part of the Plan Document, under the terms stated above.

Accepted by:

Biosound, Inc.

North American Insurance Company

By: Thomas B. Feik

By: Edward Sheffield

Title: EXEC. VICE PRESIDENT

Title: V.P.U.

Signature: Thomas B. Feik

Signature: E Sheffield

Date: 5.4.97

Date: 5-23-97

Witness: [Signature]

Witness: Lio Marzore