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March 11, 1996

SMM
Pension and Welfare Benefits
Administration
Room N-5644
U. S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

Re: EI#: 36-2850100
Plan#: 001
Dowd & Dowd Pension Plan and Trust

To Whom It May Concern:

Enclosed is the revised Summary Plan Description (SPD) prepared for the above-named plan. The revised SPD has been distributed to all plan participants.

If you have any questions, please call.

Sincerely,

A handwritten signature in cursive script that reads "Janice M. La Porte".

Janice M. La Porte
Ext. 228

JML
Enclosure

I. GENERAL PLAN INFORMATION

Plan Name: Dowd & Dowd Pension Plan and Trust

Plan Sponsor: Dowd & Dowd, Ltd.

Plan Administrator: Dowd & Dowd, Ltd.

**Business Address: 55 West Wacker Drive, Suite 1000
Chicago, IL 60601-1699**

Business Telephone #: (312) 704-4400

Employer ID#: 36-2850100

Plan Number: 001

**Trustees: Michael E. Dowd
Kenneth Gurber
Robert C. Yelton III**

The trustees listed above may be contacted at the business address and telephone number.

**Legal Agents: Michael E. Dowd
Kenneth Gurber
Robert C. Yelton III**

Service of legal process may be made to either the plan administrator, the legal agents, or the trustees at the business address listed above.

Effective Date of Plan: **December 31, 1978**

Effective Date of
Amendment and Restatement: **January 1, 1989**

Latest Revision to Summary
Plan Description: **March 1, 1996**

II. PLAN HIGHLIGHTS

A. Summary Plan Description

This summary plan description explains the basic provisions of the **Dowd & Dowd Pension Plan and Trust** (hereinafter referred to as the "Plan"). The Plan is sponsored by **Dowd & Dowd, Ltd.** (hereinafter referred to as **Dowd & Dowd**). Please read the information presented in this summary carefully because it explains how the Plan works, the benefits it offers and your rights under the Plan. However, keep in mind that your benefits and rights under the Plan are governed by official Plan documents. This is merely a summary of the main features of the Plan and not a detailed description of all of its provisions. The complete details of the Plan are described in the official Plan document, which is available to you upon request. In the event of any difference between this summary and the provisions of the Plan, the official Plan document will govern. If you have any questions about the Plan or your benefits, please contact the plan administrator.

B. What is the Purpose of this Plan?

The primary purpose of this Plan is to provide you with a monthly income when you retire which will supplement the benefits you receive from Social Security.

Nothing in this document is meant or to be construed as a promise of continued employment. All employees shall remain subject to discharge to the same extent as if this Plan had never been established.

C. Type of Plan

This Plan is a defined benefit plan. This means that the benefits to which you may be entitled at any point in time are determined (defined) by the terms of the Plan document and not by the level of contributions that have been made to the Plan or the investment return attributable to these contributions.

D. Source of Contributions

All required contributions to the Plan will be made by **Dowd & Dowd**.

Contributions will be made in such amounts as are necessary to properly fund the Plan as determined by a qualified pension actuary enrolled with the Internal Revenue Service and the Department of Labor.

E. Type of Administration

The Plan is administered by **Dowd & Dowd, Ltd.** This is called self-administration. All of the Plan's assets are held in a trust fund which is the sole source of all benefit payments. The trust fund is a separate and

distinct entity that is not part of the firm. The assets of the trust fund are not commingled with firm assets. Generally, no part of the trust fund can be attached by creditors of any Plan participant or the firm. Assets in the fund are held exclusively to pay Plan benefits and expenses and may revert to the firm only under limited circumstances. The Plan trustee holds the Plan's assets, executes all of the investments, maintains the financial records relating to the trust, and makes all benefit payments as directed by the plan administrator.

F. Plan Year for Recordkeeping Purposes

Records for the Plan will be kept by the plan administrator based on a twelve (12) month period beginning on January 1 and ending on December 31. This is called the plan year.

III. DETERMINATION OF SERVICE

The calculation of your benefits under the Plan is largely dependent on your service with **Dowd & Dowd**. There are several concepts relating to service which are defined below.

A. Year of Service

You will be credited with one (1) year of service if during a twelve (12) consecutive month period you complete at least one thousand (1000) hours of service. For purposes of determining your eligibility for participation, the initial computation period shall begin on your commencement date of employment. The second computation period shall be the plan year which includes the first anniversary of your employment commencement date, and succeeding computation periods shall also be computed on the basis of the plan year.

For purposes of determining vesting and the amount of your normal retirement benefit, the computation period shall coincide with the plan year.

B. Year of Participation

You will be entitled to one (1) year of participation for each plan year in which you are a participant (for any part of the plan year) and complete one thousand (1000) hours of service.

C. Break-In-Service

If during any plan year you are credited with less than five hundred one (501) hours of service, you will have incurred a break-in-service. In such an event, if you had no vested percentage at such time and your consecutive breaks-in-service equal or exceed the greater of your years of service or five (5) breaks-in-service, you will be considered a new employee for all

purposes of the Plan.

D. Hour of Service

You will be credited with one hour of service for each hour you are directly or indirectly paid, or entitled to payment, for performing duties for **Dowd & Dowd**.

If you are on maternity or paternity leave, you may earn hours of service (at the rate of 8 hours for each day you are on qualified maternity or paternity leave) to avoid a break-in-service for certain Plan purposes. Service earned while you are not actively at work is calculated based on your normally scheduled weekly hours.

If there are no accurate records of your working hours, you will earn 190 hours of service for each month the firm pays you, regardless of your actual hours of service.

IV. ELIGIBILITY REQUIREMENTS

A. Eligible Employees

As an employee of **Dowd & Dowd**, you are eligible to participate in the Plan.

B. Date Participation Begins

Your participation will begin on the first day of the plan year nearest the date on which you have completed one of service (a 12-month period in which you work at least 1000 hours of service).

Example: If you started work on March 15, 1994 and are credited with more than 1000 hours of service for the twelve month period ending March 14, 1995 you will be credited with a year of service. You will commence participation in the Plan as of January 1, 1995 because this is the first day of the plan year (January 1) nearest the completion of one year of service.

C. How Do I Join the Plan?

You will automatically become a participant when you have met the eligibility requirements listed above.

V. NORMAL RETIREMENT BENEFIT

A. How is My Normal Retirement Benefit Calculated?

The amount of your normal retirement benefit under the Plan, payable to you as of your normal retirement date, is a monthly benefit equal to 2.00%

of your average monthly compensation plus 0.65% of your average monthly compensation in excess of your covered compensation. Such total benefit shall be multiplied by your years of participation as of the date of determination not to exceed twenty five (25) years of participation. The excess benefit percentage (0.65%) shall be reduced if your normal retirement date precedes your social security retirement age.

Sample:

FACTS

Average monthly compensation	\$2,000
Covered compensation	1,700
Average monthly compensation in excess of your covered compensation	300
Age at normal retirement date	65
Years of participation completed to date	20
Maximum years of participation considered for benefit accrual	25

CALCULATIONS

2% of average monthly compensation	\$ 40.00
Plus 0.65% of average monthly compensation in excess of covered compensation 0.65% x (2,000 - 1,700)	<u>1.95</u>
Subtotal	\$ 41.95
Total benefit multiplied by 25 years of participation	25
Maximum amount of monthly retirement income from Plan	<u>\$1,048.75</u>
Benefit accrued to date and payable monthly at normal retirement date, age 65 (\$41.95 x 20)	<u>\$839.00</u>

Covered Compensation is the average of the social security taxable wage bases in effect for each calendar year during the thirty-five (35) year period ending with the calendar year in which you attain your social security retirement age.

Your Covered Compensation will be based on the following table:

<u>If Calendar Year of Social Security Retirement Age Is</u>	<u>Covered Compensation</u>
1985	12276
1986	13368
1987	14520
1988	15708
1989	16968
1990	18312
1991	19728
1992	21192
1993	22716
1994	24312
1995	25908
1996	27492
1997	29088
1998	30684
1999	32280
2000	33876
2001	35412
2002	36960
2003	38472
2004	39972
2005	41484
2006	42996
2007	44472
2008	45888
2009	47244
2010	48576
2011	49872
2012	51132
2013	52356
2014	53436
2015	54420
2016	55308
2017	56112
2018	56820

2019	57480
2020	58080
2021	58608
2022	59088
2023	59532
2024	59892
2025	60156
2026	60360
2027	60504
2023 & Later	60600

After each change to the taxable wage base occurring under the Social Security Act, the above table shall be adjusted in order to reflect the change. The change shall be considered to be effective as of January 1 of the calendar year for which the base applies. Notwithstanding the above, with respect to a participant who terminates employment or commences to receive benefits under the Plan, no change in the above table shall be recognized which has an effective date subsequent to such termination of employment or commencement of benefits date.

B. How is Compensation Determined for Purposes of the Plan?

For Plan purposes, compensation means the total gross compensation paid by Dowd & Dowd to you for the plan year and required to be reported as wages on your Form W-2 for federal income tax purposes.

C. How is Average Monthly Compensation Determined?

Your average monthly compensation is determined by taking the average of the five (5) consecutive years of service within the last ten (10) years of service preceding your normal retirement date in which your compensation was the highest. If you continue employment past your normal retirement date, your average compensation shall mean the average of the five (5) consecutive years of service within the last ten (10) years of service preceding your actual retirement date provided that this produces a higher average compensation. Average monthly compensation shall be such amount divided by twelve (12). If you have less than sixty (60) months of service, your Average Monthly Compensation will be based on your Compensation during your period of employment divided by your total months of service rounded to the nearest month of service. In calculation your months of service, months of service worked during a Plan Year in which you are not credited with a year of service shall be disregarded.

- D. Am I Permitted to Make Contributions to the Plan?**
You are neither required nor permitted to contribute to the Plan.

VI. ACCRUED BENEFIT

- A. What is my Accrued Benefit?**
Your accrued benefit is the benefit that you have earned under the terms of the Plan. It is expressed as a monthly income beginning at normal retirement and payable for your life.
- B. How is My Accrued Benefit Determined?**
Your accrued benefit under the Plan will be your normal retirement benefit as shown above multiplied by your years of participation to date. Based on the facts shown above, your monthly accrued benefit, payable to you at your normal retirement date, will be \$839.00 ($\$41.95 \times 20 = \839.00). If you work more than the maximum number of years of participation considered for benefit accrual, your accrued benefit payable at your normal retirement date will only increase if your average monthly compensation increases.

VII. TOP HEAVY MINIMUM BENEFIT

- A. Does the Plan Provide a Minimum Retirement Benefit?**
You will be entitled to a minimum benefit, expressed as an annual benefit (based solely on Dowd & Dowd's contributions and commencing at normal retirement age) equal to not less than two (2%) percent times your years of participation, not to exceed ten (10) times your highest average compensation for the five (5) consecutive years of participation for which you had the highest compensation. Years of participation for purposes of the minimum benefit shall include all years of participation except:
- (a) Years of participation completed prior to the attainment of age eighteen (18);
 - (b) Years of participation during which the employer did not maintain the Plan or a predecessor plan;
 - (c) Years of participation excluded by the break-in-service rules; and
 - (d) Years of participation in which the plan is not a top heavy plan.

If the Plan is a top heavy plan, but not a super top heavy plan and a key employee is participating in both a defined contribution plan and a defined benefit plan of Dowd & Dowd, three (3%) percent shall be substituted

wherever two (2%) percent appears above.

The minimum benefit provided under this Plan shall not be paid to you if you are participating under any other plan or plans of **Dowd & Dowd** which provide you with minimum contributions or benefits that satisfy the requirements of section 416(f) of the Code.

B. How is a Top Heavy Plan Determined?

Generally, a plan is considered to be top heavy if more than sixty (60%) percent of the accumulated accrued benefits are attributable to key employees of **Dowd & Dowd** (i.e., officers and stockholder employees).

VIII. RETIREMENT

A. Normal Retirement

Your normal retirement date is the first day of the month following the later of the date you attain age sixty-five (65) or the fifth (5th) anniversary of the first day of the plan year in which you commenced participation in the Plan. Your benefit at normal retirement will be equal to your accrued benefit on such date.

B. Early Retirement

You are eligible for early retirement if you have attained age fifty-five (55) and have completed ten (10) years of service. Thereafter, you may commence receiving benefits as of the first day of any month.

C. Late Retirement

If you continue employment beyond your normal retirement date, you will continue to receive credit for additional years of participation up to the maximum 25 years.

IX. OTHER BENEFITS

A. What is Vesting?

Vesting refers to the percentage of your accrued benefit that you will be entitled to receive after your employment with the firm ends. You gain ownership (vesting) in your accrued benefit in steps based on your years of service with the firm. You will be granted a year of service for vesting purposes for each plan year in which you work at least one thousand (1000) hours of service regardless of your employment status at the beginning or at the end of the plan year. When you leave the firm, you (or your beneficiary in the event of your death) will receive the vested portion of your accrued benefit.

B. How Much Will I Be Entitled to Receive if I Leave Before Retirement?

Should you die or become disabled, you will become fully vested in your Accrued Benefit. If you should leave the employ of Dowd & Dowd for any other reason before reaching your Early or Normal Retirement Date, the percentage of your Accrued Benefit you are entitled to receive will be determined in accordance with the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
0 - 1	0
2	20
3	40
4	60
5	80
6 or more	100

C. Distribution of Benefits Due to Attainment of Retirement Date

If you attain your Normal Retirement Date, while still employed, your Account Balance will become 100% vested and will be distributed to you within a reasonable period of time after you request a distribution.

D. Termination of Employment

If you terminate employment prior to your death being disabled or attaining your normal retirement date, your accrued benefit will be distributed to you within a reasonable period of time after the end of the Plan Year (December 31) in which you terminate employment and request a distribution.

E. Disability

You will be entitled to disability payments from the Plan if you become totally and permanently disabled and, in the opinion of a physician selected by Dowd & Dowd are incapable of continuing your employment. Upon incurring such disability, you will be entitled to receive the actuarial equivalent of your vested accrued benefit within a reasonable period of time after your employment is terminated due to being disabled.

F. Death

If you die before retiring, your accrued benefit will become 100% vested, and your beneficiary will receive the actuarial equivalent of your accrued benefit.

If you die after retiring, but before receiving all your benefits under the Plan, your beneficiary will receive an amount, if any, which will depend on the method of distribution which you have chosen. Your beneficiary will receive the actuarial equivalent of your accrued benefit within a reasonable

period of time after your death.

G. What Happens to My Non-Vested Accrued Benefit if I Leave Before Retirement?

If your accrued benefit is not vested it will be forfeited. Forfeited amounts will be used to reduce future employer contributions to the Plan.

X. HOW PAYMENTS ARE MADE

A. Normal Form of Benefit

The Plan is designed to provide you with a monthly income for life commencing on your normal retirement date. If your accrued benefit is required to be paid in another form or if you select another form of payment, it will be equal in value (in terms of initial cost to the Plan) to the normal form.

B. Married Participants

If you are married, your benefit will be paid as a joint and survivor annuity. Under this form of payment, your benefit will be paid as a monthly income for as long as you live with a monthly income continuing to your spouse (if surviving) for as long as she/he lives. After your death, your spouse will receive fifty (50%) percent (unless you elect a larger percentage but not greater than 100%) of your benefit for life. In order to provide this income protection for your spouse, your monthly benefit is actuarially reduced.

You may elect *not* to receive your benefits in the form of a joint and survivor annuity. Such election must be made by written notice on the form provided for this purpose by the plan administrator. The plan administrator will furnish this form and a general explanation of the relative financial effect on your benefits of electing any other form of distribution available under the Plan.

Any election to not receive your benefit in the form of a joint and survivor annuity must be signed by you and your spouse in order to be effective.

C. Single Participants

If you are not married, your benefit will be paid as a monthly income for as long as you live. You may, if you so elect, receive your benefit in one of the optional forms.

D. Example of Plan Benefits

Based on the normal retirement benefit calculation as shown above in which the monthly retirement benefit is \$1,048.75 at age 65, if the participant in

this example works until age 65, was married and the spouse was age 62, the monthly retirement income under the joint and 50% survivor annuity option would be equal to \$957.50, illustrated as follows:

Straight life monthly benefit:	\$1,048.75
Joint and 50% survivor factor: (Participant age 65; spouse age 62)	x <u>0.9128</u> ¹
	\$957.30
	x <u>50%</u>
Benefit to surviving spouse:	<u>\$478.65</u>

¹ This is a hypothetical factor. The actual factor will be determined based on the actuarial equivalent assumptions in effect under the Plan at the time benefits are to commence.

E. May I Elect a Different Method of Distribution of My Accrued Benefit?

If you and your spouse elect not to receive your benefits in the form of a joint and survivor annuity, or you, if not married, elect not to receive a monthly income for life, the plan administrator will, at your election, distribute your vested benefits in one of the following forms:

- **Straight Life Annuity** -- Your benefit will be paid as a monthly income for as long as you live. This is the normal benefit form prescribed for unmarried participants and it may be elected by married participants.
- **Installments** -- Your benefit will be paid in substantially equal installments, not less frequently than annually, for a stated period not to exceed your life expectancy or the life expectancy of you and your designated beneficiary. If you live beyond the stated period, payments will not continue.
- **Lump Sum** -- The total value of your benefits shall be distributed as a single payment. If the value of your benefit is three thousand five hundred (\$3,500) dollars or less, the plan administrator shall select this form without your election.
- **Other Methods of Payment** -- Any other method of payment may be selected by you so long as it is actuarially equivalent to your vested accrued benefit.

F. What if I am Entitled to a Distribution but cannot be located by the Plan Administrator?

The plan administrator is required to mail, to you or your beneficiary's last known address, a notification that you or your beneficiary are entitled to a distribution under the Plan. If the plan administrator is not informed of your whereabouts by the end of the plan year in which such notification was mailed, such amount shall be forfeited.

If your vested accrued benefit is forfeited for this reason, it shall be restored (without earnings or losses being added to the actual amount forfeited) in the plan year in which you or your beneficiary submit a claim for such benefits. Therefore, it is very important that you notify the plan administrator if you change your mailing address, especially if the change occurs after you terminate employment and before receiving your benefits, if any, under the Plan.

G. Postponement of Distributions

If the present value of your accrued benefit is more than \$3,500 dollars you may elect to postpone the distribution of your accrued benefit to a later date. If you elect to defer distribution of your benefit, distribution of your benefit will be postponed until you attain age 70-1/2, unless you request in writing a distribution prior to that date. Your right to postpone the distribution of your accrued benefit is limited. By law, the plan administrator is required to commence distribution of your accrued benefit by the April 1 following the calendar year in which you attain age 70-1/2.

If you elect to postpone your distribution past your normal retirement date, you will receive the actuarial equivalent of your vested accrued benefit under the plan.

XI. REEMPLOYMENT

A. Rejoining the Plan

If you were previously a vested plan participant, you will start participating again on the date of your rehire as an eligible employee. If you were not a vested participant at the time you left, you must be rehired prior to incurring five (5) consecutive breaks-in-service in order for your previous service to count towards the plan's eligibility requirements as described earlier.

B. Vesting on Reemployment

If you were previously a vested plan participant, your prior years of service will be counted in determining vesting if you complete one (1) year of service after you are rehired. If you were not a vested participant at the

time you left, you must be rehired prior to incurring five (5) consecutive breaks-in-service in order for your previous service to count towards the plan's vesting provisions as described earlier.

XII. PARTICIPANT LOANS

A. May I Borrow Money from the Plan?

Upon application, the plan administrator shall approve a loan or loans to you of not less than one thousand (\$1,000) dollars.

A loan will be granted for any reason.

B. What is the Maximum Amount I can Borrow from the Plan?

The total of any loan, when added to the outstanding balance of all your other loans from the Plan and all other qualified plans maintained by Dowd & Dowd, may not exceed the lesser of:

(1) \$50,000 reduced by the highest outstanding loan(s) balance during the one (1) year period ending on the day before the date on which such loan was made; or

(2) One-half the present value of your vested Account Balance in this Plan and all other qualified plans maintained by Dowd & Dowd.

A loan shall not be granted if fifty (50%) percent of your vested Account Balance is less than one thousand (\$1,000) dollars.

C. How is the Interest Rate Charged on Participant Loans Determined?

All loans must be repaid in a manner determined by the trustee, with interest being charged at a rate that would be customary in a comparable arms length transaction in the community, considering the adequacy and type of collateral used to secure repayment of the loan. In no event, however, shall the interest rate be less than the prime rate being charged by The First National Bank of Chicago.

D. What is the Maximum Period a Loan can be Outstanding?

All loans must be repaid within a specified period of time not extending beyond the earlier of your Normal Retirement Date or the fifth anniversary of the date of the loan with substantially level payments of principal and interest being made not less frequently than quarterly. The five year limitation shall not apply to any loan used to acquire any dwelling unit which, within a reasonable period of time, is to be used as your principal residence.

The failure to make scheduled payments of principal and interest will constitute a default on the loan and such loan will be deemed taxable income to you. All loans will become due and payable in full upon your termination of employment or upon termination of the Plan. The plan administrator may deduct any outstanding loan balance from your account in the event of your default on the loan.

E. Do I Need Collateral to Secure the Loan?

Loans shall not be approved unless the loans can be adequately secured using your vested Account Balance. No more than fifty (50%) percent of the present value of your Account Balance shall be used as collateral on all loans to you.

XIII. PLAN ADMINISTRATION

A. The Plan Administrator

As a plan fiduciary, the plan administrator acts on your behalf to see that the Plan is administered fairly and according to standards outlined in the law and the terms of the Plan and Trust agreement.

B. Claims Procedure

The plan administrator is responsible for determining the amounts payable and advising each participant or beneficiary of these amounts. If you disagree with a decision, you or your authorized representative may ask for a review by submitting a written request to the plan administrator. Your request should include the issues and comments you feel are important. You may also review pertinent documents.

The review process sets the following limits on the amount of time you may take to make your request and for the plan administrator to respond:

<u>Action</u>	<u>Maximum Response Time</u>
Your benefit review request	60 days after benefit determined or denied
Plan administrator's decision	60 days after your request

The plan administrator will either approve your claim or explain why your claim is being denied (by referring to specific Plan provisions) and how applications are reviewed. In special circumstances, the plan administrator may notify you and take up to an additional 60 days for its review.

XIV. SPECIAL PLAN RULES

A. Beneficiary Designation

Once you are eligible to participate in the Plan, you will be asked to name a beneficiary or beneficiaries who will receive your death benefit if you die. This election must be submitted in writing to the plan administrator. You may change your beneficiary at any time. The change takes effect the date you file a new signed form with the plan administrator.

If you are married, your spouse is automatically entitled to 50% of your benefits under the Plan. If you want your spouse to receive less than required by law, you must obtain your spouse's written consent agreeing to the beneficiary or beneficiaries you want to designate and have it witnessed by a Plan representative or Notary Public.

B. Absence or Death of Beneficiaries

If you die without having a valid beneficiary designation on file with the Plan Administrator or if all your designated beneficiaries predecease you, the beneficiary shall be your surviving spouse, or if none, your surviving descendants per stirpes, or if none, your estate.

XV. PLAN TERMINATION AND AMENDMENT

A. Termination

The firm intends for the Plan to be a permanent part of its total benefit program. However, the firm reserves the right to terminate the Plan at any time. If the Plan is terminated, your accrued benefit will automatically become 100% vested (regardless of your length of employment) and will be payable as determined by the plan administrator.

Benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested benefits. However, the PBGC does not guarantee all types of benefits and the amount of benefit protection is subject to certain limitations.

Benefits under the Plan are not required to be insured by the Pension Benefit Guaranty Corporation (PBGC), if the Plan terminates.

For more information on the PBGC insurance protection and its limitations, ask the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 1200 K Street, N.W., Washington, DC 20005-4026. The PBGC Office of Communications may also be reached by calling 202/326-4000.

B. Amendment

THE Firm RESERVES THE RIGHT TO AMEND THE PLAN AT ANY TIME IF IT BECOMES DESIRABLE OR NECESSARY. However, no amendment may take away any benefits you have earned.

XVI. TAXATION OF BENEFITS

A. Tax Treatment of Benefits

Generally, your benefits are taxable as ordinary income when received. However, you may be entitled to roll it over into an IRA and postpone any tax consequences until you receive payments from your IRA.

The plan administrator will provide you with a general summary of the rules governing rollovers and the availability of special tax treatment at the time you receive your payment from the Plan. However, the tax treatment of distributions is quite complex and subject to frequent changes. Consult your tax advisor before you receive payments from the Plan.

B. Less Favorable Tax Treatment

If you receive your benefits before age 59-1/2 and decide not to roll them over into an IRA, the amounts are subject to ordinary income tax and most likely an additional 10% early distribution tax. There are some exceptions to the additional 10% early distribution tax. Be sure you have all of the facts before you act.

Additionally, an "eligible rollover distribution" received by you is subject to an automatic 20% tax withholding rate if it is not directly transferred to an IRA or another qualified plan.

C. Mandatory 20% Withholding on Distribution

The Plan Administrator is required to withhold 20% of the amount of any eligible rollover distribution to be paid directly to you or your beneficiary.

(1) Eligible Rollover Distribution. An eligible rollover distribution is any distribution from this plan except:

- (a) Minimum distributions made because you have attained age 70-1/2. Amounts in excess of the required minimum distribution are eligible rollover distributions;
- (b) Substantially equal periodic distributions paid not less frequently than once a year over your life, over the joint lives of you and your designated beneficiary, or for ten or more years. This determination is made at the time payments

begin. If the periodic payment changes substantially, a new determination will be required;

- (c) Nontaxable distributions that are not includible in income;
- (d) Deemed loan distributions (i.e., defaulted or excess plan loans);
- (e) Distributions to beneficiaries other than your surviving spouse or your former spouse under a qualified domestic relations order; or
- (f) De minimis eligible rollover distributions of less than \$200 per taxable year are exempt from the mandatory withholding rules. Hence, the plan does not permit a direct rollover of less than \$200 or a partial direct rollover of less than \$500.

Distributions not subject to the 20% mandatory withholding continue to be subject to the elective withholding rules.

The mandatory 20% withholding can be avoided by electing to have the amount to be distributed paid directly to the trustee, custodian, or issuer of an eligible retirement plan. The payment can be made by any reasonable means, including having the distributee deliver the check, provided the check is not made out to the distributee.

(2) Eligible Retirement Plan. An eligible retirement plan includes:

- (a) An Individual Retirement Account;
- (b) An Individual Retirement Annuity (excluding an endowment contract);
- (c) A Qualified Defined Contribution or Defined Benefit Plan; or
- (d) An Internal Revenue Code Section 403(a) Annuity.

Your surviving spouse or your former spouse that receives a distribution pursuant to a qualified domestic relations order may only roll over the distribution into an IRA.

D. Relationship with Social Security

Benefits from this Plan are in addition to any benefits you may receive from Social Security. While Social Security benefits are reduced if you "earn"

more than a specified limit, your benefits under this Plan are not included as earned income, so they will not reduce your Social Security benefit.

E. Assignment of Benefits

Your benefits generally are not assignable or subject to garnishment or attachment by creditors. However, a right to all or a portion of your benefits can be assigned under a "qualified domestic relations order" for child support, alimony payments or marital property rights.

XVII. PARTICIPANT RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine, without charge at the plan administrator's office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports.
- Obtain copies of all Plan documents and other Plan information upon written request to the plan administrator. *The plan administrator may make a reasonable charge for the copies.*
- Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit 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 benefit, the statement will tell you how many more years you have to work to get a right to a benefit. 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 or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your right under ERISA.

If your claim for a 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 plan administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request written materials from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$100 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 benefit which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the 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 the costs and fees if, for example, it finds your claim is frivolous.

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

XVIII. FULL DETAILS IN LEGAL DOCUMENTS

THIS BOOKLET HAS TRIED TO DESCRIBE THE PLAN IN EASY TO UNDERSTAND LANGUAGE AND TO DO SO AS ACCURATELY AS POSSIBLE. HOWEVER, THE COMPLETE PROVISIONS OF THE PLAN ARE CONTAINED IN LEGAL DOCUMENTS. IF FOR ANY REASON THERE IS AN OMISSION OR MISSTATEMENT IN THIS BOOKLET, OR ANY DIFFERENCE BETWEEN THIS BOOKLET AND THE LEGAL DOCUMENTS, THE LEGAL DOCUMENTS WILL IN ALL RESPECTS CONTROL AND GOVERN. THESE LEGAL DOCUMENTS ARE AVAILABLE FOR YOUR EXAMINATION DURING NORMAL BUSINESS HOURS AT THE BUSINESS ADDRESS LISTED ON PAGE ONE (1) OF THIS BOOKLET.

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PENSION PLAN AND TRUST
SUMMARY PLAN DESCRIPTION

This booklet is merely a summary of the main features of the Plan and not a detailed description of all of its provisions. If, in the future, the provisions described herein should change for any reason, you will be provided with a summary of the changes.

IF FOR ANY REASON THERE IS AN OMISSION OR MISSTATEMENT IN THIS BOOKLET, OR ANY DIFFERENCE BETWEEN THIS BOOKLET AND THE LEGAL DOCUMENTS, THE LEGAL DOCUMENTS WILL IN ALL RESPECTS CONTROL AND GOVERN.

DOWD & DOWD
PENSION PLAN AND TRUST

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