

Salary Reduction Agreement

PARTICIPANT DATA

NAME: _____ SSN: _____
 ADDRESS: _____ DATE OF BIRTH: _____
 _____ DATE OF HIRE: _____
 TELEPHONE NUMBER: _____ MARITAL STATUS: _____

PARTICIPANT ELECTIONS

This is a: (check one) New enrollment Change

I authorize the Employer to deduct the following amount from my compensation each pay period and contribute the amount to my 401(k) Plan account:

A. Salary reduction/deferral amount. The Employer will withhold from my compensation (and treat as my deferrals) the following amount:

- Percentage.** ____% of my compensation. [, but not less than 1% and I must specify a whole percentage number.]
 Dollar amount. \$_____. [, but not less than \$_____ and I must specify a whole dollar amount.]
 Zero. I do not wish to defer any amount. I hereby terminate my prior Salary Reduction Agreement

B. Type of deferral. I elect to make (if in A above you elected a deferral amount other than zero, you must check 1 and only 1 of the 3 boxes below):

- Regular 401(k) deferrals (pre-tax).** All of my deferrals as Regular 401(k) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will reduce my current compensation which is includible in income for the taxable year of the deferral.
 Roth 401(k) deferrals (after-tax). All of my deferrals as Roth 401(k) deferrals. I understand the amount of deferrals I have elected in this Salary Reduction Agreement will NOT reduce my current compensation which is includible in income and that my deferrals will be includible in income for the taxable year of the deferral.
 Split deferral election. A portion of my deferrals as Regular 401(k) deferrals and a portion of my deferrals as Roth 401(k) deferrals, as follows (if you check the "Split deferral election" box, check 1 and only 1 of the 2 boxes below, and complete both blank lines under the checked box):

____% of my compensation as Regular 401(k) deferrals, AND ____% of my compensation as Roth 401(k) deferrals [, in both blanks indicate at least 1% and specify a whole percentage number].

OR

\$_____ as Regular 401(k) deferrals, AND \$_____ as Roth 401(k) deferrals [, in both blanks indicate at least \$_____ and specify a whole dollar amount].

I UNDERSTAND: (1) MY ELECTION REGARDING THE TYPE OF DEFERRALS IS IRREVOCABLE ONCE THE EMPLOYER WITHHOLDS THE DEFERRALS FROM MY PAY; AND (2) ANY CHANGE OF ELECTION REGARDING THE TYPE OF DEFERRALS IS EFFECTIVE ONLY FOR DEFERRALS FROM MY PAY AFTER THE PLAN ADMINISTRATOR ACCEPTS MY CHANGE OF ELECTION.

I UNDERSTAND I HAVE A DUTY TO REVIEW MY PAY RECORDS (PAY STUB, ETC.) TO CONFIRM THE EMPLOYER PROPERLY HAS IMPLEMENTED MY SALARY REDUCTION ELECTION. FURTHERMORE, I HAVE A DUTY TO INFORM THE PLAN ADMINISTRATOR IF I DISCOVER ANY DISCREPANCY BETWEEN MY PAY RECORDS AND THIS SALARY REDUCTION AGREEMENT. I UNDERSTAND THAT MY FAILURE TO REPORT ANY DISCREPANCY MAY RESULT IN A LOSS OF OR REDUCTION IN MY ABILITY TO DEFER.

Dated this _____ day of _____, 20__.

Signature of Employee

Signature of Plan Administrator's Representative

PLEASE RETURN THIS FORM TO THE PLAN ADMINISTRATOR

ROTH 401(k) NOTICE

Beginning January 1, 2006, you will have a new way to save money in our 401(k) Plan—money which will not be taxed when you take a Plan distribution. This new way for you to defer money into our Plan is called a "Roth 401(k) deferral."

You will be able to continue making deferrals as you always have (these are pre-tax deferrals and are referred to as Regular 401(k) deferrals), or you may make the new Roth 401(k) deferral. If you make a Regular 401(k) deferral, then your taxable income is reduced by the deferral contribution so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, with a Regular 401(k) deferral, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

With a Roth 401(k) deferral, you must pay current income tax on the deferral contribution. If you elect to make Roth 401(k) deferrals, the deferrals are subject to federal income taxes in the year of deferral, but the deferrals and, in most cases, the earnings on the deferrals are not subject to federal income taxes when distributed to you. In order for the earnings to be distributed tax-free, there must be a *qualified* distribution from your Roth 401(k) deferral account.

In order to be a *qualified* distribution, the distribution must occur after one of the following: (1) your attainment of age 59½, (2) your disability, or (3) your death. *In addition*, the distribution must occur after the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make a Roth 401(k) contribution to our Plan (or to another 401(k) Plan or 403(b) plan if such amount was rolled over into our Plan) and ending on the last day of the calendar year that is 5 years later. For example, if you make your first Roth deferral under this Plan on November 30, 2006, your participation period will end on December 31, 2010. It is not necessary that you make a Roth contribution in each of the five years.

If a distribution from your Roth 401(k) deferral account is *not* a qualified distribution, the earnings distributed with the Roth 401(k) deferrals will be taxable to you at the time of distribution (unless you roll over the distribution to a Roth IRA or other 401(k) plan or 403(b) plan that will accept the rollover). In addition, in some cases, there may be a 10% excise tax on the earnings that are distributed.

Whenever you receive a distribution, the Administrator will deliver to you a more detailed explanation of your options. However, the tax rules are very complex and you should consult with qualified tax counsel before making a choice.

Treatment of Roth 401(k) deferrals under our Plan

Roth 401(k) deferrals are generally treated in the same manner as Regular 401(k) deferrals. This means that these amounts are always fully vested and are subject to the distribution restrictions and provisions set forth in the Summary Plan Description and Plan.