

Lincoln Alliance[®] Program
ADMINISTRATION MANUAL

Especially Prepared for:

FREMONT AREA MEDICAL CENTER

**457 Deferred Compensation Plan
and
Matching and Basic Contribution Plan**



February 22, 2007

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INTRODUCTION

This *Lincoln Alliance*[®] *Program* Administration Manual (the “Manual”) represents information gathered from a variety of sources:

- ◆ Fremont Area Medical Center (“Employer”) input regarding the provisions of the 457 and 401(a) Plans participating in the *Lincoln Alliance*[®] *Program* (the “Plans”).
- ◆ A review of the Plan documents
- ◆ Lincoln Retirement Services Company, LLC (“LRSC”) input regarding generally accepted plan procedures and administrative practices that result in efficient, accurate plan administration.

The primary purpose of this document is to serve as a standard administration guide. As such, it includes the following information:

- ◆ Summary of each major Plan provision
- ◆ Administrative steps associated with that Plan provision
- ◆ Roles and responsibilities of:
 - Fremont Area Medical Center (“Employer”, “Plan Sponsor”, or “Plan Administrator”);
 - LRSC; and
 - Wilmington Trust Company (“WTC”) [Trustee for the 457 and 401(a) Plans].
- ◆ Overview of valuation processing.

It is critical that this document is maintained and updated as program provisions, practices and procedures change. LRSC will incorporate all changes into this document, but the Employer will be responsible for communicating changes to LRSC. To ensure copies are updated, an issue date will be placed in the lower left-hand corner of each page of the Manual and of any restatement or amendment.

In the event of a conflict between the terms of this Manual and the terms of the Service Agreement, the Service Agreement executed between LRSC and the Employer will control. Terms defined in the Service Agreement will have the same meaning when used in this Manual unless otherwise specified.

INTRODUCTION

This Manual will be subject to amendment and modification from time to time consistent with the policies of LRSC. If the Manual is amended, it will be done with notice to the Employer pursuant to the terms of the Service Agreement. In the event of any pertinent change in the Code, federal law, or other applicable law, this Manual will be deemed automatically amended for all legally required changes.

Accelerated Transition and Special Services

- ◆ LRSC makes all reasonable efforts to comply with its target timelines consistent with the terms of this Manual and the Service Agreement. However, from time to time an Employer may desire or require an accelerated transition or other service. LRSC will use its best efforts to meet the Employer's needs. However, if the Employer demands performance faster than that set forth by the Manual and the Service Agreement, the Employer waives all remedies provided in this Manual or in the Service Agreement for incidental errors which occur as a result, except in cases of gross negligence by LRSC.

- ◆ The Employer's *Lincoln Alliance*[®] Program has an effective date of October 1, 2005. Contributions will begin after October 1, 2005 for the 457 Plan. The Employer's *Lincoln Alliance*[®] Program has an effective date of January 1, 2007 for the 401(a) Plan.
- ◆ The first participant statement will cover the period October 1, 2005 through December 31, 2005 for the 457 Plan, and January 1, 2008 through March 31, 2008 for the 401(a) Plan.
- ◆ WTC has been appointed by the Employer to serve as Trustee for the 457 and 401(a) Plans.
- ◆ The current and ongoing payroll service provider for the Employer's *Lincoln Alliance*[®] Program will be the Employer's internal and external payroll providers identified to LRSC, unless the Employer selects another outside payroll provider acceptable to LRSC.
- ◆ The Internet Voice Response System ("IVR") and the Internet will become effective October 1, 2005, for the 457 Plan, and January 1, 2007 for the 401(a) Plan.
- ◆ The Plan Year is from January 1 to December 31 for the 457 and 401(a) Plans.

Roles and Responsibilities

- ◆ LRSC's set-up and conversion services will include the following work performed by LRSC:
 - Coordination of data collection from the Employer with assistance from the Lincoln Regional Vice President ("RVP").
 - Project management of Plan set-up and conversion process at LRSC.
 - Review of Plan documents for Plan setups.
 - Development of this Manual for the Plans.
 - Development of payroll and conversion layout specifications and setup and testing of sample payroll transmission from Employer and payroll departments.
 - Preparation of the LRSC database.
 - Preparation of Personal Identification Number ("PIN") letters and preparation of the IVR, Internet, and Benefit Service Representative ("BSR") services.

- ◆ LRSC or Lincoln Financial Advisors will complete the following as part of the setup and conversion process:
 - The RVP completes the Electronic Submission Form. The RVP forwards this information to LRSC's Annuity Product Management, to the Financial Services Officer at WTC, and to the Conversion Manager, Defined Contributions at LRSC. This information will be used to establish the basic records for the Employer, and to initiate enrollment kits and fund programs.
 - Coordinate schedule of events and timing of enrollment with LRSC setup team and Employer.
 - Set Employer expectations for the *Lincoln Alliance*[®] Program; identify differences from existing product.
 - Provide information to the Employer for Employer to use in performing fund analysis and selection.
 - Establish fund agreements for late-day trading and revenue sharing.
 - Conduct group enrollment and education meetings with participants.
 - Issue Invesco Stable Value Account ("Account" or "Contract") for the Plans. WTC will act as Trustee for the 457 and 401(a) Plans and will sign the Stable Value Account Applications.
- ◆ WTC will complete the following as part of the setup and conversion process:
 - Review the trust documents.
 - Set up the trust accounting systems.
 - Review the Plan investment options to determine capability for same-day or next-day trading.
 - Assist Affiliate Broker/Dealer in establishing revenue sharing and late-day trading agreements with the funds.

TRANSACTION PROCESSING RESPONSIBILITIES

All times stated in this Transaction Processing Responsibilities section are stated in Eastern Time and refer to business days on which the New York Stock Exchange and/or the Federal Reserve is open. All transaction cutoff times may be adjusted to reflect an earlier than normal closing time for the New York Stock Exchange.

Typical Daily Schedule Utilizing Wilmington Trust Company

COMPLETION TIME	SCHEDULE
12:00 p.m.	WTC receives confirmations for purchases and sales from the NSCC and will notify LRSC of any reconciling differences
4:00 p.m.	LRSC edits/updates any incoming transactions received since 4:00 p.m. of the previous day
11:00 p.m.	LRSC provides purchases/sales to WTC

GUIDELINES FOR TRANSACTION PROCESSING RESPONSIBILITIES

Once data and money are in “good order,” same-day processing will occur – limited by the trading and settlement capabilities of each fund. Exceptions to “good order” are communicated to the Employer as soon as detected. Exceptions regarding data/money will result in the investing of funds as soon as the exceptions are resolved. Prices forwarded from the National Securities Clearing Corporation (“NSCC”) will be used to update unit/purchase/sale values.

The timing and completion of all transactions described in this Manual, in particular this Transaction Processing Responsibilities section, are dependent upon the receipt from Employer, Plan or Plan participant, as applicable, of all necessary information and funds in good order. The completion of all such transactions described in this Manual will be within the time described which will begin to run upon the receipt of all required information and funds in good order.

TRANSACTION PROCESSING RESPONSIBILITIES

The date that dividends are posted will be driven by the dividend reporting procedures in place at each investment fund/vehicle. Reinvested income distributions, such as dividends and capital gains, will be allocated to participant accounts within 2-3 business days after the later of:

- the record date declared by the fund, or*
- the date completed dividend information is reported by the fund company or WTC to LRSC.*

Complete income distribution information will include the dollar value of the reinvested income, units purchased, and the unit base for the Plan's holding in the fund on the record date of the distribution. Income distributions paid at the end of a quarter by a fund may not be posted to participant accounts until the beginning of the following quarter, in which case the income will be reflected on the following quarter's participant statement. Participant balances accessed through IVR or the Internet will reflect income by the business day following the date on which it is posted.

Notwithstanding anything in this Manual or in the Service Agreement to the contrary, all information necessary to properly reflect a given transaction may not be available until after the date specified herein for processing such transaction, in which case the transaction will be reflected when such information is received and processed. Subject to express limits that may be imposed under the Code and subject to the limitation of liability and indemnification provisions of Article 3 of the Service Agreement, the processing of any contribution, distribution or other transaction may be delayed for any legitimate business reason (including but not limited to failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices and correction for errors or omission or the errors or omissions of any service provider). The processing date of a transaction will be binding for all purposes of the Plan.

Transfers from Lincoln annuity contracts to the investment options offered through the Lincoln Alliance® Program are liquidated on the date of receipt at Lincoln. Once a redemption request is priced by Lincoln, it may take an additional 3-5 business days to forward to LRSC to apply the investment options the participants has selected. During this process, these assets will not be subject to market gains or losses until the transfer is complete. The participant will receive a confirmation notice when his/her transfer has been processed out of the annuity contract and again when it has been processed into the fund selection offered by the Lincoln Alliance® Program, including the Stable Value Account.

Please note: Circumstances such as incomplete forms, trading deadlines, or unusually high volumes may result in additional time to process a participant's transfer.

TRANSACTION PROCESSING RESPONSIBILITIES

CONTRIBUTIONS RATE CHANGES (457 ONLY)	
Participant submits requests to the Employer	Daily
Employer updates payroll system(s) with new salary deferral amount	Monthly

TRANSACTION PROCESSING RESPONSIBILITIES

CONTRIBUTIONS AND LOAN REPAYMENTS (457 ONLY)	
The Employer provides the payroll data via Connect Enterprise to LRSC	Pay Date by 4:00 p.m.
LRSC edits file and (1) emails the Employer to log into the Plan Sponsor Portal and confirm funding based on the totals shown on-line or, (2) notifies the Employer of problems via telephone	2 days after receipt of file by 1:00 p.m.
The Employer wire transfers contributions to WTC	2 days after receipt of file by 1:00 p.m.
LRSC provides purchases to WTC and updates participants' accounts	By 11:00 p.m. upon notification by WTC of Receipt of Wire
IVR and the Internet reflect contributions	11:00 p.m. 2 days after receipt of the file

Payrolls are run and submitted to LRSC bi-weekly.

TRANSACTION PROCESSING RESPONSIBILITIES

INVESTMENT ELECTIONS	
LRSC extracts the investment elections requested via IVR and the Internet and updates participants' accounts	4:00 p.m. Daily
IVR and the Internet reflect requested changes	11:00 p.m. Daily After Transaction Request

LRSC mails confirmation letters to participants within five (5) business days of completion of transaction.

TRANSACTION PROCESSING RESPONSIBILITIES

ROLLOVERS/TRANSFERS (457 ONLY)	
LRSC receives Rollover Forms and checks from the Employer/participant. (Checks may come directly from the previous carrier or employer.) Must be received, entered and funded by 4:00 p.m.	Daily
LRSC edits forms and notifies the Employer/participant of problems via telephone	Daily
LRSC provides purchases to WTC and updates participants' accounts	11:00 p.m. on Day of Receipt
IVR and the Internet reflect rollovers and transfers for late-day funds	11:00 p.m. on Date of Receipt

LRSC mails confirmation letter to participant within five (5) business day of completion of transaction.

TRANSACTION PROCESSING RESPONSIBILITIES

TRANSFERS	
LRSC extracts transfer requests made via IVR and the Internet and updates participants' accounts	4:00 p.m. Daily
IVR and the Internet reflect exchanges	11:00 p.m. on Date of Receipt
LRSC provides exchanges to WTC and updates participants' accounts	11:00 p.m. on Date of Receipt
WTC confirms exchanges and will notify LRSC of any reconciling differences	12:00 p.m. 1 Day After Date of Receipt

LRSC mails confirmation letters to participants within five business days of completion of transaction.

TRANSACTION PROCESSING RESPONSIBILITIES

FINAL DISTRIBUTIONS	
The Employer provides to LRSC all final distributions to be processed as of Date of Receipt	Date of Receipt
LRSC edits forms and notifies the Employer of problems via telephone	Date of Receipt
LRSC provides sales by cash and units to WTC and updates participants' accounts	11:00 p.m. on Date of Receipt
IVR and the Internet reflect sales	11:00 p.m. on Date of Receipt
LRSC provides distribution register and letters to WTC	1-2 Days After Date of Receipt
WTC mails distribution checks to participants	5 Days After Date of Receipt

TRANSACTION PROCESSING RESPONSIBILITIES

IN-SERVICE WITHDRAWALS/LOANS (457 ONLY)	
The Employer or participant provides to LRSC all necessary information to be processed as of Date of Receipt	Date of Receipt
LRSC edits forms and notifies the Employer or participant of problems via telephone	Date of Receipt
LRSC provides sales by cash and units to WTC and updates participants' accounts	11:00 p.m. on Date of Receipt
IVR and the Internet reflect sales	11:00 p.m. on Date of Receipt
LRSC provides withdrawal register and letters to WTC	1-2 Days After Date of Receipt
WTC mails distribution checks to participants	5 Days After Date of Receipt

PARTICIPATING PLAN AND EMPLOYERS

PARTICIPATING PLAN AND EMPLOYERS

Plan Name:	Fremont Area Medical Center 457 Deferred Compensation Plan
Plan Number:	XXX

Plan Name:	Fremont Area Medical Center Matching and Basic Contribution Plan
Plan Number:	N/A

ELIGIBILITY AND ENROLLMENT

PLAN PROVISIONS

The following is a description of the Plans' eligibility provisions, and the Employer confirms that it accurately reflects the terms of the Plans.

INITIAL ELIGIBILITY AND ENROLLMENT	457 PLAN	401(a) PLAN
Employee Pre-tax Contributions: <div>Age</div> Service Eligibility to begin contributing to the Plan <div>Entry Dates for Employee Contributions</div> Excluded from Eligibility for Employee Contributions <div>Rehires</div> Eligibility Determination	None 30 days of service with an average of 40 hours during each pay period The first day of the pay period in the month following 30 days of employment Employees classified as contingent and not eligible for benefits Date of Rehire Employer	N/A
Employer Matching Contributions: <div>Age</div> Service Eligibility to begin receiving Contributions <div>Eligibility determination</div> Entry Dates for Employer Matching Contributions <div>Ongoing Eligibility Requirement</div> <div>Rehires</div> Excluded from Eligibility for Employer Contributions	N/A	25 Hired or rehired on or after January 1, 2007, and has completed one year of service Employer First day of the month following the satisfaction of the Plan's eligibility requirements for participation Employed on the last day of the pay period If previously eligible, first day of the month following his or her return to the employ of the Employer Leased employees, independent contractors and employees classified by the Employer as Part-Time No Benefits Employee, Per Diem Employee or Occasional Employee

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ELIGIBILITY AND ENROLLMENT

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INITIAL ELIGIBILITY AND ENROLLMENT	457 PLAN	401(a) PLAN
<p>Employer Basic Contributions:</p> <p style="text-align: right;">Age</p> <p>Service Eligibility to begin Receiving Contributions</p> <p style="text-align: right;">Entry Dates</p> <p style="text-align: right;">Excluded from Eligibility</p> <p style="text-align: right;">Eligibility Determination</p> <p style="text-align: right;">Ongoing Eligibility Requirements</p> <p style="text-align: right;">Re-employment Entry Dates</p>	N/A	<p style="text-align: center;">25</p> <p>Hired or rehired on or after January 1, 2007, and has completed one year of service</p> <p>Immediately following the satisfaction of the Plan's eligibility requirement for participation</p> <p>Leased employees, independent contractors and employees classified by the Employer as Part-Time No Benefits Employee, Per Diem Employee or Occasional Employee</p> <p style="text-align: center;">Employer</p> <p>Participant completes at least forty (40) hours of service during such payroll period</p> <p>If previously eligible, first day of the month following his or her return to the employ of the employer</p>
<p>Employer Discretionary Contributions:</p> <p style="text-align: right;">Age</p> <p>Service Eligibility to begin Receiving Contributions</p> <p style="text-align: right;">Entry Dates</p> <p style="text-align: right;">Excluded from Eligibility</p> <p style="text-align: right;">Eligibility Determination</p> <p style="text-align: right;">Ongoing Eligibility Requirements</p> <p style="text-align: right;">Re-employment Entry Dates</p>	N/A	<p>Hired or rehired on or after January 1, 2007, and has completed one year of service</p> <p>Immediately following the satisfaction of the Plan's eligibility requirement for participation</p> <p>Leased employees, independent contractors and employees classified by the Employer as Part-Time No Benefits Employee, Per Diem Employee or Occasional Employee</p> <p style="text-align: center;">Employer</p> <p>Employed on the last day of the Plan Year</p> <p>If previously eligible, first day of the month following his or her return to the employ of the employer</p>

ELIGIBILITY AND ENROLLMENT

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Employer will determine when an employee has satisfied the 457 and 401(a) Plan eligibility requirements. In the absence of a participant's investment election, and as instructed by the Employer, Pre-tax, Catch-Up, Rollover, Employer Matching, Employer Basic and Employer Discretionary Contributions will be invested in the INVESCO Stable Value (Default Fund).
- ◆ Employee enrollment kits will be made available to the Employer to be given to newly eligible participants prior to enrollment meetings. An enrollment kit provides the information needed by the participant to understand the *Lincoln Alliance*® Program and begin to make decisions about fund selection, and enroll in the Plan. These kits will contain the following information:

Part 1: Enrollment Kit

The enrollment kit is divided into four basic sections:

- Program Highlights
- Investment educational materials
- Investment option summaries
- Enrollment instructions and forms
 - Enrollment form
 - Beneficiary Designation form
 - Rollover Request form
 - Important Information About Your Plan
 - Special Tax Notice Regarding Plan Payments
 - Privacy Policy
- Mutual fund prospectuses

ELIGIBILITY AND ENROLLMENT

Part 2: IVR (Voice Response System)

PIN letters will be generated from a census supplied by the Employer and enrollment forms supplied by the participants. This letter provides the participant with a computer generated PIN which is to be used to access balances, change investment elections, or perform other activities specified in the IVR brochure and the Internet materials. Investment election changes will be captured via the Voice Response System or the Internet. For security purposes, both the participant's Social Security number and PIN must be entered in order to obtain account information or perform transactions. If a participant has misplaced or lost his/her PIN, the participant should enter his/her Social Security number and request to speak with a Benefit Service Representative. The Benefit Service Representative will ask the participant to provide his/her date of birth and address. If these answers match the information on file, the Benefit Service Representative will request that a new PIN letter be sent or emailed to the participant. The Benefit Service Representative is able to initiate transactions requested by the participant. The participant will receive a confirmation of all requested transactions. This confirmation will indicate the party who initiated the request if it was not the participant. The Employer has access to participants' accounts via the Plan Sponsor website. A participant may change his/her IVR PIN by calling IVR at the 800 number noted in the IVR brochure. A participant may change his/her Internet PIN independently from the IVR PIN. Materials included in the IVR mailing:

- PIN letter
- IVR brochure
- A guide to IVR (navigational map)
- Wallet card

◆ Once the participant has received his/her enrollment kit, the following activities take place:

The newly eligible participant completes the enrollment process by completing a Salary Reduction Agreement establishing investment elections for all future contributions and completing a salary reduction dollar amount. The beneficiary form must be completed and returned to LRSC in the envelope provided.

- LRSC will set up an account on its recordkeeping system for the participant. Information contained in the participant record or in paper files will be as follows:
 - Participant first name, last name and middle initial
 - Social Security number
 - Home address
 - Date of birth
 - Date of hire
 - Date of termination
 - Investment elections and effective date of elections
 - Beneficiary (primary and secondary)
 - Employment Status
 - Eligibility Status
 - Participation Status

CONTRIBUTIONS

PLAN PROVISIONS

The following is a description of the Plans' contribution provisions, and the Employer confirms that it accurately reflects the terms of the Plans.

EMPLOYEE CONTRIBUTION ACCOUNT	457 PLAN	401(a) PLAN
Salary Reduction Contributions: Contributions Allowed Pre-Tax Contribution Limit Percentage or Dollar election Timing/Funding of Payroll Contributions Rate change frequency Rate changes via Timing of Rate Changes Suspension Period for Hardship Withdrawals Limit on Number of Changes	Yes Legal limit (\$14,000 for 2005) Dollar Bi-weekly Monthly Form Monthly None No limit	N/A
Age 50 Catch-Up Contributions: Contributions Allowed Eligibility Contribution Limit Timing/Funding	Yes Age 50 by the end of the Plan Year Legal limit (\$4,000 for 2005) Per Bi-weekly payroll	N/A
Final 3-year Contributions: Contributions Allowed Eligibility Contribution Limit Timing/Funding	Yes TBD Up to 2 times the 457(b) (3) limit TBD	N/A

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CONTRIBUTIONS

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EMPLOYEE CONTRIBUTION ACCOUNT	457 PLAN	401(a) PLAN
Employer Matching Contributions: Amount of Allocation Timing/Funding of Allocation Match on Catch-Up Maximum Match Compensation	N/A	<p>The amount of Matching Contributions to be made with respect to each eligible Participant shall be equal to a specified percentage of the Participant's Deferral Contributions to the 457(b) plan that do not exceed 6% of Compensation for such payroll period</p> <p>Less than 1 year of service = 0% 1 to 3 years = 30% 4 to 6 years = 40% 7 to 9 years = 50% 10 or more years = 60%</p> <p>Per pay period N/A N/A</p> <p>Total salary and wages paid by the Employer. Compensation shall not include expense reimbursements, contributions by the Employer to this or any other benefit plan, payments made by the Employer for group insurance, hospitalization or other welfare benefits under any employee benefit plan maintained by the Employer. Any amounts that are contributed by the Employee to a benefit or deferred compensation plan that are not currently includible in the Participant's gross income by reason of the application of Sections 125, 132(f)(4), 403(b) or 457(b) of the Code shall, nevertheless, be treated as Compensation for purposes of the Plan.</p>
Employer Basic Contribution: Amount of Allocation Timing/Funding of Allocation Contribution Calculated by Compensation	N/A	<p>2% of Compensation Per pay period Employer</p> <p>Total salary and wages paid by the Employer. Compensation shall not include expense reimbursements, contributions by the Employer to this or any other benefit plan, payments made by the Employer for group insurance, hospitalization or other welfare benefits under any employee benefit plan maintained by the Employer. Any amounts that are contributed by the Employee to a benefit or deferred compensation plan that are not currently includible in the Participant's gross income by reason of the application of Sections 125, 132(f)(4), 403(b) or 457(b) of the Code shall, nevertheless, be treated as Compensation for purposes of the Plan.</p>

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CONTRIBUTIONS

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EMPLOYEE CONTRIBUTION ACCOUNT	457 PLAN	401(a) PLAN
Employer Discretionary Contribution: Amount of Allocation Timing/Funding of Allocation Contribution Calculated by Compensation	N/A	Discretionary Annual Employer Total salary and wages paid by the Employer. Compensation shall not include expense reimbursements, contributions by the Employer to this or any other benefit plan, payments made by the Employer for group insurance, hospitalization or other welfare benefits under any employee benefit plan maintained by the Employer. Any amounts that are contributed by the Employee to a benefit or deferred compensation plan that are not currently includible in the Participant's gross income by reason of the application of Sections 125, 132(f)(4), 403(b) or 457(b) of the Code shall, nevertheless, be treated as Compensation for purposes of the Plan.

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Bi-weekly, an electronic data transmission with control totals will be sent by the Employer's payroll department or provider to LRSC on the pay date. (See Transaction Processing Responsibilities, Contributions).
- ◆ LRSC edits and discusses any errors with the Employer and sends an email to the Employer requesting that the Employer log into the Plan Sponsor website and review and confirm funding.
- ◆ LRSC provides information detailing the dollar amounts of the purchases by Plan and fund to WTC.
- ◆ The Employer wire transfers the contribution amount directly to WTC.
- ◆ LRSC provides information detailing the dollar amounts of the purchases to WTC.

CONTRIBUTIONS

- ◆ Once purchases have been made, WTC confirms the results to LRSC.
- ◆ LRSC uses the confirmation data received over its trading link with WTC to verify the allocation of units purchased to the appropriate participants' accounts.
- ◆ LRSC will accept trade requests via IVR, the Internet, or hardcopy form (in the case of in-service withdrawals, loan requests, final distributions and rollover or 90-24 contributions only) until 4:00 p.m. ET each business day, or until the time of closing of the New York Stock Exchange ("NYSE"), if earlier, provided the data is received early enough in the day for processing preparation. (Copies and faxes of forms are not acceptable except for distribution request forms.)
- ◆ All other funds will be traded and settled on dates determined by the fund's internal administrative capability.

Trade requests are subject to the receipt of properly completed instructions from the Employer or participant in good order.

Processing of Plan payrolls requires receipt of electronic data in good order at least two (2) days prior to funding date. LRSC is required to process contributions where the data and funds are received in good order by the close of the NYSE or 4:00 p.m. ET, whichever is earlier, provided the data is received early enough in the day for processing preparation. However, since the *Lincoln Alliance*® Program must receive data in good order first, and will not request the funds be sent to WTC until all data issues are resolved, late receipt of data could cause delays in the investment of contributions. Any losses due to late receipt of data or inaccurate data from the Employer will be the Employer's responsibility.

- ◆ The Employer will calculate and provide to LRSC all contribution amounts by contribution type for each participant which, in this case, includes:
 - Pre-tax Contributions
 - Age 50 Catch-Up Contributions
 - Final 3-year Contributions
 - Employer Matching Contributions
 - Employer Basic Contributions
 - Employer Discretionary Contributions

CONTRIBUTION RATE CHANGES

PLAN PROVISIONS

The following is a description of the Plan contribution rate change provisions, and the Employer confirms that it accurately reflects the terms of the Plans.

- ◆ A participant may suspend, resume, increase or decrease his/her Pre-tax Contribution Rate, effective monthly following the completed request.

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plan and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ All contribution rate changes for Pre-tax Contributions are made by the participant completing a Salary Deferral Agreement and submitting the form to the Employer.

ROLLOVERS/TRANSFERS

PLAN PROVISIONS

The following is a description of the Plan's rollover/transfer provisions, and the Employer confirms that it accurately reflects the terms of the Plan.

- ◆ Rollovers are not permitted into the 401(a) Plan.
- ◆ Rollover of pre-tax and/or employer accounts are permitted from the following plan types into the 457 Plan:

ROLLOVERS/TRANSFERS	457 PLAN
Rollover Types: 457 government plans After-tax contributions 401(a)/401(k) qualified plans 403(b) plans IRAs – traditional and conduit 457(b) Top Hat	Yes No Yes Yes Yes No
Employer Approval Required – Rollovers	No—outsourced to LRSC
Separate Initial Investment Election for Rollover	Yes

Rollovers from these plan types are permitted only when a distributable event (the participant is eligible to take a distribution from the plan) has occurred in that plan; except in the situation of IRA assets, which can be moved at any time.

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plan and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

Rollovers

- ◆ The participant completes the rollover form and sends it to LRSC at the address on the form.
- ◆ LRSC will approve or deny all rollover requests. Once the rollover is approved, LRSC will request a check made out to the Plan from the previous carrier or employer. Many carriers require their own transfer distribution form. If so, they will mail it to the participant, who will need to fill it out and send it back to the carrier. The check must be sent directly to the Plan at the following address:

**Fremont Area Medical Center 457 Deferred Compensation Plan
Processing Agent
c/o LRSC
3800 North Wilke Road, Suite 250
Arlington Heights, IL 60004-9915**

NOTE: The payee on the rollover check is Wilmington Trust Company for benefit of Fremont Area Medical Center 457 Deferred Compensation Plan [participant name and Social Security number]

- ◆ LRSC processes the rollover request, and provides dollar purchase information by Plan and fund to WTC.
- ◆ Once the purchases have been made, WTC confirms the results to LRSC.
- ◆ LRSC allocates the units/shares to the appropriate participant's Plan funds.
- ◆ LRSC will process rollovers based on the Transaction Processing Responsibilities, Rollovers/Transfers. LRSC will accept rollover/transfer trade requests via hardcopy until 4:00 P.M. ET each business day (or until the time of closing of the NYSE, if earlier) for same-day trading of the Stable Value Account and funds with whom LRSC has a late-day trading agreement. All other funds will be traded and settled on dates determined by the fund's internal administrative capability.

Trade requests are subject to the receipt of properly completed forms and receipt of funds in good order.

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Effective October 1, 2005, the following investment funds are available for the 457 Plan:
- ◆ Effective January 1, 2007, the following investment funds are available for the 401(a) Plan:
 - **INVESCO Stable Value Retirement Trust**
 - **Delaware Diversified Inc. Inst (DPFFX)**
 - **Vanguard Total Bd Idx (VBMFX)**
 - **American Funds American Balanced R4 (RLBEX)**
 - **American Century Equity Growth Adv (BEQAX)**
 - **T. Rowe Price Tot Eq Mkt (POMIX)**
 - **T. Rowe Price Gr Stk Adv (TRSAX)**
 - **Hotchkis Wiley Lg Val A (HWLAX)**
 - **Alger Mid Cap Gr Instl (ALMRX)**
 - **Goldman Sachs Mid Val A (GCMAX)**
 - **Vanguard Explorer (VEXPX)**
 - **Ariel (ARGFX)**
 - **Alliance Ber Intl Val A (ABIAX)**
 - **American Funds EuroPacific R4 (REREX)**
- ◆ In the absence of a participant's investment election for the 457 Plan, and as instructed by the Employer, Pre-tax, Catch-Up and Rollover Contributions made after October 1, 2005 will be invested in the INVESCO Stable Value Retirement Trust.
- ◆ In the absence of a participant's investment election for the 401(a) Plan, and as instructed by the Employer, Employer Match, Employer Basic and Employer Discretionary Contributions made after January 1, 2007, will be invested in the INVESCO Stable Value Retirement Trust.
- ◆ Five (5) *LifeSpan*SM Time Horizon Models are also available to participants as of October 1, 2005. These models were custom designed using the specific funds available in the Plans: The 2010, 2015, 2020, 2025 and 2030 *LifeSpan*SM Time Horizon Models. Participants may choose to invest their future contributions based on the underlying funds in a particular *LifeSpan*SM Time Horizon Model or may choose his/her own asset allocations based on all investment choices available in the Plans.

INVESTMENT FUNDS

- ◆ By selecting a *LifeSpan*SM Time Horizon Model, the participant has agreed to participate in any changes in the investment mix for the *LifeSpan*SM Time Horizon Model as the plan sponsor may deem appropriate from time to time, keeping with the investment objectives of the selected model. The models will be rebalanced quarterly, starting on January 25, April 25, July 25 and October 25.
- ◆ The Employer will consult with LRSC, Affiliate Broker/Dealer, and WTC prior to adding or deleting investment funds. A lead-time of at least eight (8) weeks is required to ensure that the funds are traded daily and to authorize the account with the new fund.
- ◆ Below are some administrative considerations regarding the selection of investment funds for the *Lincoln Alliance*[®] Program that the Employer has considered. The Employer is solely responsible for all considerations in making the selection of funds which are appropriate for the 457 and 401(a) Plans. For questions concerning fund prospectuses and literature, Employer and Plan participants will be directed to Affiliate Broker/Dealer.

DESIRABLE ADMINISTRATIVE CRITERIA	DESCRIPTION	EXPLANATION
Daily Price	Fund source, investment manager or WTC provides a daily price at close of business for each fund.	Daily pricing is critical for computing participant market values reported via IVR to participants on a daily basis.
Daily Unit Position	Fund source, investment manager or WTC maintains a unit position for fund assets and is able to report the prior day's closing position on a daily basis.	Daily unit positions are critical in the daily reconciliation and valuation of participant balances.
Daily Settlement Period	Mutual fund trades settle by next business day; trade results reported same-day or following morning.	Daily settlement by definition is a necessary component of the daily valuation service. Allows participant balances to reflect trade results the next business day.
Accrual Rates	Daily accrual rate available daily for dollar par value funds (i.e., money market, etc.).	Generally, interest on dollar par value funds is credited to participant balances on a daily basis. Current accrual factors are important to ensure participant balances stay in balance with the accrued earnings at the trust or custody account. This process eliminates residual account balances after a participant elects to liquidate his/her position in the fund.

INVESTMENT FUNDS

DESIRABLE ADMINISTRATIVE CRITERIA	DESCRIPTION	EXPLANATION
Load Waiver	Purchases and sales not subject to front-end loads or redemption fees.	It is generally accepted that front-end and back-end load fees are waived for institutional accounts. Eliminating load fees ensures full proceeds are credited to the participant for dollar certain trade requests.
Minimum Investment Waiver	No minimums for initial or <u>subsequent</u> purchases or for redemptions.	If there are minimums for the initial investment, there is no guarantee participant elections will cover the minimum. The waiver enables participant trades to be settled on a daily basis without regard to the total dollar value of the trade. A delay in settlement can affect the settlement of related trades (i.e., transfers).
Electronic Wire Transfers	Cash proceeds of trade settlement transferred electronically, rather than by check regardless of dollar amount. This is required for the Lincoln Alliance® Program.	Electronic wire transfer facilitates next-day settlement of trade requests.

INVESTMENT ELECTION CHANGES

PLAN PROVISIONS

The following is a description of the Plans' rules regarding investment election changes, and the Employer confirms that it accurately reflects the provisions of the Plans.

INVESTMENT ELECTION CHANGES	457 PLAN	401(a) PLAN
One election for future contributions for duration of election	Yes	Yes
Separate election for initial Rollover deposit	Yes	N/A

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Investment election changes must be made in 1% increments through IVR or the Internet.
- ◆ Investment election changes may be made daily.
- ◆ A confirmation letter will be sent to the participant by LRSC within five (5) business days following the request.
- ◆ LRSC will update the participant's record.
- ◆ All future contributions will be invested based on the new election until another investment election has been requested.
- ◆ LRSC will process investment election changes based on the Transaction Processing Responsibilities, Investment Elections.

FUND-TO-FUND TRANSFERS

PLAN PROVISIONS

The following is a description of the Plans' rules regarding transfers, and the Employer confirms that it accurately reflects the provisions of the Plans.

FUND-TO-FUND TRANSFER ELECTIONS	457 PLAN	401(a) PLAN
Transfer election covers all sources	Yes	Yes

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ All transfer election changes must be made through IVR or the Internet.
- ◆ LRSC will extract all transfer elections from IVR and the Internet and mail a confirmation letter to the participant within five (5) business days.
- ◆ LRSC will process the transfer based on Transaction Processing Responsibilities, Transfers.
- ◆ LRSC will process and update participants' accounts according to the administrative and trading capabilities of the funds selected (see Investment Funds).

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Earnings are adjusted on a daily basis as the unit value changes.
- ◆ A daily interest accrual factor will be calculated on the Stable Value Account.
- ◆ LRSC will allocate dividends to only those participants in the funds on the record date (date upon which an investor must own shares of a mutual fund in order to participate in declared dividends). The date upon which dividends are posted will be driven by the dividend reporting procedures of the investment fund or vehicle.

Reinvested income distributions, such as dividends and capital gains, will be allocated to participant accounts within 2-3 business days after the later of:

- The record date declared by the fund, or
- The date completed dividend information is reported by the fund company or WTC to LRSC.

Complete income distribution information will include the dollar value of the reinvested income, units purchased, and the unit base for the Plan's holding in the fund on the record date of the distribution. Income distributions paid at the end of a quarter by a fund company may not be reflected on the current quarter's participant statement. Participant balances accessed through IVR and the Internet will reflect income as of the prior market day's close, plus any dividends that were posted during the current day.

PLAN PROVISIONS

The following is a description of the Plan's rules regarding loans, and the Employer confirms that it accurately reflects the provisions of the Plan.

- ◆ Loans are not permitted in the 401(a) Plan.

LOANS	457 PLAN
Reasons for a Loan	General Purpose and Primary Residence
Accounts to Borrow Loan From	Pre-tax and Rollover
Minimum Loan Amount	\$2,500
Maximum Loan Amount	The lesser of \$50,000 or 50% of the vested account balance reduced by the highest outstanding balance of loans during the previous twelve (12) months, over the current outstanding balance of loans
Minimum Loan Repayment Period	6 months
Maximum Loan Repayment Period	5 Years General Purpose, 20 Years Primary Residence
Maximum Number of Loans Outstanding	One (1)
Interest Rate Basis	Prime + 1 (updated quarterly by LRSC)
Loan Fees	\$75 Loan Initiation, \$75 annual maintenance
Loan Repayments	Via Home Bill
Loan Refinancing	Not Allowed
Loans Approved by	LRSC
Spousal Consent	No

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plan and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

LRSC will set the interest rate at Prime plus 1%. Once a loan is granted, the interest rate assigned to that loan will remain fixed for the duration of the loan.

- ◆ Participants must initiate a loan request via IVR or the Internet.

- ◆ The minimum loan amount is \$2,500. The maximum loan amount is 50% of the vested account balance or \$50,000 reduced by the highest outstanding loan balance in the last twelve (12) months less any outstanding loan balance. A participant may only have one loan outstanding at a time, which includes assets with Lincoln Multifund. Additional limits may be imposed by law and will apply, if applicable.
- ◆ The loan package includes the following:
 - Loan application
 - Promissory note and security agreement
 - Loan disclosure statement
- ◆ All loan information will be sent to the participant's home address or, if requested by the participant, printed on-line.
- ◆ The participant will return the completed loan package to LRSC. LRSC will approve or deny each loan request pursuant to the procedures in Exhibit E of the Service Agreement.
- ◆ LRSC will process loans daily. Monies will be withdrawn to fund the loan on a pro rata basis across funds. Monies will be withdrawn from the Rollover account and then from the Pre-tax account. A one-time set-up fee of \$75.00 will be deducted from the participant's loan check. In addition, there will be a \$75.00 annual loan maintenance fee charged to the participant's account prorated quarterly.
- ◆ WTC will liquidate the appropriate Program funds, and mail the loan check to the participant. NOTE: Refer to Transaction Processing Responsibilities, Loans, for frequency of loan distributions.
- ◆ If a loan is not approved within 30 days from the day it was requested, the loan will be deleted and a new loan will need to be requested.

Loan Repayments

- ◆ All loan repayments will be made via home bill. Checks will be accepted for a final loan payoff.
- ◆ Partial repayment is not allowed.
- ◆ Loan repayments will be invested based on current investment elections.
- ◆ Loan repayments will be credited to each account based on reverse hierarchy order in which the loan was issued. In other words, money will be repaid first to the Pre-tax Account and then to the Rollover account.

- ◆ LRSC will monitor loan defaults and will provide the Employer with a letter explaining each loan in default, including the following information:
 - Name
 - Social Security number
 - Last payment date
 - Remaining principal, interest and total taxable amount

PLAN PROVISIONS

The following is a description of the Plans' rules regarding withdrawals, and the Employer confirms it accurately reflects the provisions of the Plans.

IN-SERVICE WITHDRAWALS	457 PLAN	401(a) PLAN
Age 59½	Not Permitted	Not Permitted
Rollover Withdrawal	Permitted	N/A
Unforeseeable Emergency	Yes Must be a severe financial hardship resulting from a sudden and unexpected illness or accident beyond the control of the participant (not to include the purchase of a home or college tuition). This emergency cannot be relieved through reimbursement or compensation by insurance, or otherwise by liquidation of the participant's assets, or by cessation of deferrals under the plan. Employer approval is required. Payment shall be limited strictly to that amount reasonably necessary to meet the situation.	Not Permitted
Unforeseeable Emergency Approved by	LRSC – checklist is required – supporting documentation is not required	N/A
Spousal Consent on Unforeseeable Emergency Required	No	N/A
Unforeseeable Emergency Withdrawal Provisions: Safe Harbor	Yes	N/A
Minimum Required Distributions	Permitted	Permitted
QDROs	Permitted	Permitted
QDROs Approved by	LRSC	LRSC
457(b) Small Amounts Distribution	Yes (a) less than \$5,000, (b) participant has not previously received an in-service withdrawal, and (c) no deferrals were made to the plan in the past two years	N/A

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ A participant receives a withdrawal request package, completes it, and returns it to LRSC. Distribution/withdrawal requests can be obtained from the Employer or IVR.
- ◆ The withdrawal request package includes the following:
 - Distribution request form
 - Special tax notice
- ◆ LRSC will process withdrawal based on Transaction Processing Responsibilities.

VESTING AND FORFEITURES

PLAN PROVISIONS

The following is a description of the Plans' rules regarding vesting and forfeitures, and the Employer confirms that it accurately reflects the provisions of the Plans.

VESTING AND FORFEITURES	457 PLAN	401(a) PLAN
Employee Pre-tax and Rollover	100%	N/A
Vesting of Employer Match/Basic/Discretionary	N/A	5-Year Cliff
Vesting at Retirement	N/A	100%, if actively employed
Vesting at Early Retirement	N/A	N/A
Vesting upon Disability	N/A	100%, if actively employed
Vesting upon Death	N/A	100%, if actively employed
Normal Retirement Age	N/A	65
Early Retirement Age	N/A	N/A
Years of Service Basis (hours or elapsed time)	N/A	1,040 hours in Plan Year
Forfeitures	N/A	Used to off-set future Employer Contributions/N/A

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

457 Plan

- ◆ All accounts are 100% vested.
- ◆ Forfeitures do not apply.

401(a) Plan

- ◆ All forfeitures incurred in the Plan are held in a forfeiture account and invested in the INVESCO Stable Value Retirement Trust.
- ◆ Earnings are credited to forfeitures in the account.
- ◆ LRSC will provide forfeiture amounts at the discretion of the Employer, but no later than the last payroll of the plan year.

VESTING AND FORFEITURES

- ◆ To reinstate vesting and accounts for a rehired employee, LRSC will request the following data for participants who forfeited employer contributions from the Plan Administrator:
 - Original Hire Date
 - Termination Date
 - Rehire Date
 - Amount to be Reinstated
- ◆ Non-vested portions of terminated participants' accounts will be forfeited by the earlier of the end of the Plan Year in which the participant reaches one (1) one-year break in service or upon final distribution.

FINAL DISTRIBUTIONS

PLAN PROVISIONS

The following is a description of the Plans' rules regarding final distributions, and the Employer confirms that it accurately reflects the provisions of the Plans.

FINAL DISTRIBUTIONS	457 PLAN	401(a) PLAN
Primary Form of Distribution	Lump sum; direct rollover; installment payments; annuity	Lump sum and direct rollover
Optional Form of Distribution	N/A	N/A
Plan Sponsor Approval Required for Distribution	Yes	Yes
Auto-Cash-out Allowed	Yes, balances less than \$1,000 will be paid in a lump sum	Yes, balances less than \$1,000 will be paid in a lump sum
Rollover Account Included/excluded in Above	Excluded	N/A
Spousal Signature Required	No	No
Approved by	Employer	Employer

ADMINISTRATIVE PROCEDURES

The following describes terms of the Plans and the administrative responsibilities of the Parties and the Employer confirms that it accurately reflects such terms and responsibilities:

- ◆ Upon a participant's termination, distribution packages will be available via the Internet or BSRs at 800-234-3500.
- ◆ The distribution package includes the following:
 - Distribution request form
 - Systematic Withdrawal Request Form
 - Special Tax Notice
- ◆ The participant completes the package and forwards it to the Employer.
- ◆ LRSC will process distributions based on the Transaction Processing Responsibilities, Final Distributions.
- ◆ WTC will issue all Plan checks.

FINAL DISTRIBUTIONS

- ◆ If a participant's vested account balance does not exceed \$1,000 (including both active and defaulted loans not yet distributed), mandatory lump sum cash out of the account will occur if no distribution option is selected by the participant within 90 days of notification of the mandatory distribution. Rollover accounts are excluded in this threshold determination.

Each participant is sent a letter and distribution package 90 days prior to being cashed out and is given the option to rollover the vested portion to another qualified plan or Individual Retirement Account (IRA) of the participant's choice. If the participant does not request a distribution within the 90 days, the terminated participant with a vested account balance up to \$1,000 will have his/her vested account balance paid out in a lump sum.

- On a quarterly basis, LRSC determines the population that is terminated with a vested balance of less than \$1,000; excluding the rollover balance, as of the end of the quarter.
 - LRSC forwards the list to the Plan Administrator to inform the client of the population that the Cash Out Letter and distribution package are being sent to.
 - LRSC processes any distribution forms that are received back from the participants on a daily basis.
 - After 90 days, LRSC determines who has not returned a distribution form and forwards this final list to the Plan Administrator to confirm vesting and approve the lump sum distributions and transfers.
 - Once the Plan Administrator completes the Mandatory Distribution Authorization, LRSC processes the distributions.
- ◆ If a terminated participant has a balance greater than \$1,000, they have the option to leave their funds in the Plan until retirement or age 70½. At age 70½, the participant must begin to take distributions from the Plan. At this time, LRSC will contact the participant, provided it has a valid current address, to notify him/her of this situation, calculate the amount of the annual required minimum distribution, and arrange for it to be sent at the times and in the manner to be determined by the participant.
 - ◆ LRSC will be responsible for administering the rules of Code Section 401(a)(9) as they are applicable to the Plan, based on information provided to LRSC by the participant and the Employer.
 - ◆ On a quarterly basis, LRSC will pay out any residual balances to participants who previously received a final distribution based on the participant's distribution request instructions on file. These residual balances are generally due to lagging dividends posted to the participant's account after the final distribution had taken place.

457(b) Plan Tax Reporting:

- ◆ Wilmington Trust Company will issue checks, including additional compensation amounts and appropriate withholding based on information provided by the participant. Summary reports will be provided to the Internal Revenue Service, as appropriate.
- ◆ 457(b) plans are exempt from the 10% premature withdrawal penalty.
- ◆ Excise tax for failure to meet minimum distribution guidelines is in effect.
- ◆ Income averaging is not allowed for lump sum distributions.

401(a) Plan Tax Reporting:

- ◆ All distributions are subject to the 20% federal income tax withholding, except for the following:
 - Direct rollover
 - Required minimum distributions
- ◆ In addition, participants are subject to 10% early withdrawal penalty if, at time of distribution, their age is less than 59½. The penalty is waived if the participant terminates employment at age 55 or later, and for some other reasons provided in the Code.
- ◆ When applicable, WTC will produce an additional check for federal income tax withholding.
- ◆ WTC will complete IRS Deposit Coupon Form 8109 and deposit the withholding.
- ◆ Annually, WTC will prepare IRS Form 945 for reporting of withholding and forward it to the IRS.
- ◆ Annually, WTC will produce Form 1099-R and Form 1096 for all participants receiving a distribution.
- ◆ Annually, WTC will submit Form 1099-R's and Form 1096 to IRS.
- ◆ By January 31 of the following year, WTC mails Form 1099-R to each applicable participant.

COMPLIANCE REQUIREMENTS

COMPLIANCE REQUIREMENTS	RESPONSIBILITY
Determine Eligible Employees for Pre-tax Participation	EMPLOYER
Determine Eligible Employees for Employer Contributions	EMPLOYER
Required Minimum Distribution – 401(a)(9)	LRSC
Annual Deferral Limit – 402(g)	EMPLOYER/LRSC
Plan Document/SPD Preparation	LRSC
Tax Withholdings and Filings	WTC
Filing IRS Form 945	WTC
Issuing 1099-Rs to Participants	WTC

COMPLIANCE REQUIREMENTS

Eligibility Determination for Plan Participation

The Employer will be responsible for the determination of whether or not an employee is eligible to participate in the plan for the following contribution sources:

- Pre-tax Contributions
- Age 50
- Final 3-year contributions
- Employer Matching Contributions
- Employer Basic Contributions
- Employer Discretionary Contributions

Required Minimum Distributions – 401(a)(9)

LRSC will monitor the plan for participants who have reached the age of 70 and above based on dates of birth supplied by the Employer and contact the Employer and/or the participant for written required minimum distribution elections for the required minimum distribution calculation. The Employer will supply all data and account balance information not available to LRSC to calculate these amounts and verify plan or program provisions regarding recalculation options and deferring the required minimum distributions because the participant is still an active employee. LRSC will calculate the required minimum distribution amount and process the distribution prior to April 1 or December 31 of the appropriate year.

Annual Deferral Limit - 402(g)

Employer and LRSC agree that it will monitor the elective deferrals of each Plan participant, in the *Lincoln Alliance*® Program for compliance with limits imposed under Code Sections 402(g)(1), (4) or (8), whichever is applicable, in compliance with the requirements of Code Section 1450(c) of the Small Business Job Protection Act of 1996 and will make timely corrections of any excess deferrals in compliance with Code Section 402(g) and the regulations thereunder, or under the Self-Correction Program (“SCP”) or any other IRS correction program if the Employer so directs.

Issuance of IRS 1099-R Forms

WTC will issue and file all IRS forms/1099R and any other federal tax and state reporting form that may be required from time to time.

Plan Document/SPD Preparation

The Employer has chosen LRSC to prepare these documents.

**REPORTS AVAILABLE ON-LINE
TO PLAN SPONSOR**

REPORTS PROVIDED BY LRSC

REPORT NAME	DESCRIPTION
Distribution Letter	Personalized letter to the employee showing the taxation of the withdrawal or distribution and his/her balances before and after the transaction
Distribution Register	For each participant for whom a withdrawal or final distribution request was processed, the taxation, check amount and any withholding is displayed.
Election Confirmation Letter	Personalized letter to the employees showing contribution rate elections, investment elections and/or beneficiary elections
Exception Management Report	A report which allows the plan administrator to monitor plan and participant data for the following: <ul style="list-style-type: none"> ◆ Terminated Employees With A Balance ◆ Missing Loan Repayments (possible defaulted loans) ◆ Missing Contributions ◆ Contribution Limits Exceeded ◆ Missing Compensation History
Loan Documentation	Documentation generated when a participant requests a loan—this includes: <ul style="list-style-type: none"> ◆ Pending Loan Confirmation ◆ Loan Application ◆ Promissory Note and Security Agreement ◆ Loan Disclosure
Loan Statement	Personalized letter to the employee showing the loan distribution and his/her balances before and after the transaction
Loan Summary	Detail of the loans processed during the period
Outstanding Loans	List of all participants with outstanding loans and the specifics of the loan, such as interest rate, original loan amount, total number of payments and total remaining payments
Payroll Notification	Report used for updating payroll with new loan setups, loan payoffs, etc.
Recurring Transfer Cancelled	List of employees who cancel an auto-rebalance election
Recurring Transfer Initiated	List of employees who elected an auto-rebalance transfer, as well as the transfer amounts
Transfer Confirmation Letter	Personalized letter to the employees showing balances before and after the transfer, as well as the transfer amounts
Participant Statement	<ol style="list-style-type: none"> 1. Personalized statement for each participant who has an account balance showing activity and closing balance in dollars and units for the period Content Level = Statement 2. Plan level totals by Fund and Account showing activity and closing balance in dollars and units for the period Content Level = Totals Only

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