

**NORTHERN CALIFORNIA TILE INDUSTRY
DEFINED BENEFIT PLAN**

AND

**NORTHERN CALIFORNIA TILE INDUSTRY
DEFINED CONTRIBUTION PLAN**

**SUMMARY PLAN DESCRIPTIONS
and FORMAL PLAN TEXTS**

As Revised June 1, 2006

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NORTHERN CALIFORNIA TILE INDUSTRY RETIREMENT PLANS

SUMMARY PLAN DESCRIPTIONS

INTRODUCTION

This booklet has been prepared to provide you with up-to-date information about the Northern California Tile Industry Defined Benefit Plan and the Northern California Tile Industry Defined Contribution Plan. This booklet contains the rules in effect as of June 1, 2006. The Summary Plan Descriptions below are in non-technical language to help you to understand the provisions of the Plans. The Formal Plan Texts follow the Summary Plan Descriptions. No differences between the Summary Plan Descriptions and the Formal Plan Texts are intended, but in the event of any inconsistencies, the Formal Plan Texts are controlling.

HIGHLIGHTS OF THE DEFINED BENEFIT PLAN

The following is a brief summary of the basic rules of the Defined Benefit Plan. Please see the Detailed Plan Summary and Formal Plan Text for more information.

1. Vesting Credits: 0.1 Year of Vesting Credit for 300 hours of covered employment in a Plan Year, up to 1.0 Year for 1000 or more hours.

Former participants in the BAC Local No. 29 Defined Benefit Pension Plan shall be given 0.1 year of Vesting Credit for performing between 225 and 299 Hours of Employment under this Plan between April 1, 2004 and December 31, 2004.

2. Benefit Credits (for current hours): \$43 per month for 1.0 Year of Benefit Credit for performance of 1200 hours of covered employment in a Plan Year, based on 0.1 Year for a minimum of 300 hours and 0.1 Year for each 100 hours thereafter, with no maximum.

3. Vesting: For participants who qualify as active employees on or after January 1, 1999: five Years of Vesting Credit; for other participants, ten Years of Vesting Credit.

4. Breaks in Service:

Temporary: any Plan Year in which a participant fails to perform 300 hours of covered employment. However, if a former participant in the BAC Local No. 29 Defined Benefit Pension Plan performs between 225 and 299 Hours of Employment under this Plan between April 1, 2004 and December 31, 2004, he or she shall be

deemed to have worked 300 hours of Employment for Vesting for purposes of determining breaks in service.

Permanent: a series of consecutive one-year breaks in service equal to the greater of five years, or the number of years of Vesting Credit accrued before the break began. However, there are several exemptions, including disability or working in certain types of public employment.

5. Eligibility for benefits: All types of retirement require termination of all employment in the Tile Industry. Benefits are payable under the following conditions:

- a. Normal Retirement (unreduced): age 62 and a vested right to benefits under the Plan.
- b. Early Retirement (reduced): age 55 and ten years of Vesting Credits and Benefit Credits.
- c. Early Retirement (unreduced): age 60 and ten years of Vesting Credits.
- d. Early Retirement (Rule of 85) (unreduced): age 55; the sum of your age and your Years of Vesting Credits equals 85; you accrued at least three years of Vesting Credit in the five years preceding retirement; and you retire before December 31, 2007.
- e. Disability Retirement (unreduced): Permanently and totally disabled from the trade; 300 hours of covered employment in the year of your disability or the prior year; and 10 Years of Vesting Credits.

6. Forms of benefit:

- a. Normal Form: Married participants: 50% Joint and Survivor Annuity; Non-married participants: Single Life Annuity with 60 Month Guarantee.
- b. Optional Forms: 75% and 100% Joint and Survivor Annuity; 50%, 75% and 100% Contingent Beneficiary Annuity; and 50% Joint and Survivor Annuity with Pop-Up Option.

7. Pre-Retirement Death Benefits: Vested participants: actuarially reduced monthly benefits for life for your surviving spouse, or 60 months of your Normal Retirement Benefit; Non-vested participants: lump sum benefit of \$1,000 per year of Vesting Credit, up to \$5,000, for your spouse or children.

NEW FEATURES OF THE DEFINED BENEFIT PLAN

Since the Plan was last restated in 1999, the following significant changes have been adopted by the Board of Trustees:

1. The Board of Trustees has increased the Normal Retirement Benefit to \$43 per month for each Year of Future Benefit Credit earned by the Employee after January 1, 2003.
2. "Rule of 85" unreduced Early Retirement has been extended to December 31, 2007. See Summary Plan Description Section 4 and Defined Benefit Plan Article V, Section 2.c.
3. The minimum age required to qualify for unreduced early retirement has been lowered to age 60 (formerly 61) with 10 years of Vesting Credits.
4. The Board of Trustees has approved several retroactive increases to the benefits of employees who performed qualifying service in various Plan Years, or who had retired by certain dates. See Article VII of the Plan for a complete list of increases and qualification requirements.
5. The Board of Trustees has included in Hours of Employment for Vesting hours of employment credited for vesting under the BAC Local No. 29 Defined Benefit Pension Plan worked prior to April 1, 2004. Separate rules for calculating Vesting Credits have been provided for former participants of BAC Local No. 29.

DETAILED SUMMARY OF THE DEFINED BENEFIT PLAN

1. HOW YOU ACCRUE BENEFITS

Your right to benefits under the Defined Benefit Plan depends upon how many years of Credited Service you have earned under this Plan and the prior plans by performing covered employment for participating employers. There are two types of Credited Service: Future Service and Prior Service.

FUTURE SERVICE CREDIT

Years of Future Service Credit are of two types: benefit credit and vesting credit.

1) Benefit Credit

You earn 0.1 Year of Future Service Benefit Credit for the first 300 hours of covered employment in a Plan Year, plus 0.1 Year for each additional 100 hours of covered employment. There is no limit to the number of Years of Future Service Benefit Credit you may earn in a Plan Year. Effective January 1, 2003, each Year of Future Service Benefit Credit earned under this Plan is worth \$43 per month at your normal retirement age if the form of benefit you receive is the single life annuity option. If you retire early, or you receive a different form of benefit, your monthly benefit will be reduced as explained below. Please note that the Board of Trustees has approved several retroactive increases to the basic benefit for employees who performed qualifying service in various Plan Years.

See Article VII of the Defined Benefit Plan Formal Plan Text for a complete list of increases and qualification requirements.

2) Vesting Credit

Years of Future Service Credit for purposes of vesting, "Vesting Credits," are granted for performance of 1,000 hours of covered employment in a Plan Year. Partial credits are granted for fewer hours, with no credit for less than 300 hours. Credited hours for purposes of vesting include:

1. hours worked under a Bricklayers and Allied Crafts Local No. 3 Collective Bargaining Agreement which calls for contribution to this Plan; and
2. hours worked for a participating Individual Employer upon non-covered contiguous employment, as in a supervisory or other non-bargaining unit capacity, provided there was no quit, layoff, other discharge or retirement between the employment which was covered and that which was not; and

3. hours of employment credited for vesting under the BAC Local 29 Defined Benefit Pension Plan worked prior to April 1, 2004.

Please note: You may earn only one Year of Vesting Credit during a Plan Year, whereas you may earn more than a Year of Benefit Credit in a Plan Year. Therefore, your number of Vesting Credits may be different from your number of Benefit Credits.

PRIOR SERVICE CREDIT

If you performed covered employment under the following pension plans, you will receive Prior Service Credits under this Plan equal to the Benefit Credits you accrued under those Plans:

1. Northern California Tile Industry Pension Plan (i.e., the plan formerly covering Tile Layers);
2. BAC Local 19 Tile Finishers Pension Plan (also known as the Tile Finishers Local No.7 Pension Plan);
3. Terrazzo Finishers - Precast Industry Pension Plan; or
4. a predecessor plan of any of these Plans.

Prior Service Credits fall into two types: Future Service Credits, for which contributions were made to the Plan by your employer, and Past Service Credits, for which no contributions were made. If you retired on the effective date of this Plan, January 1, 1992, the following rates apply to the prior service credits you have earned:

1. The prior Northern California Tile Industry Pension Plan.

For covered employment under the prior Northern California Tile Industry Pension Plan, you will receive the following amount of Prior Service Credit:

- a. a maximum of \$38.50 for each year of Future Service Benefit Credit earned from April 1, 1986 through December 31, 1991; plus
- b. \$31.00 for each year from April 1, 1975 through March 31, 1986; plus
- c. \$17.50 for each year prior to April 1, 1975; plus
- d. \$9.00 for each year of Past Service Benefit Credit.

The above Prior Service Credits under the Northern California Tile Industry Pension Plan are increased if you worked in covered employment for 300 or more hours during the following April 1 through March 31 time periods:

- 1986-1987 The \$31.00 and \$17.50 figures are increased to \$35.00 and \$20.00.
1987-1988 The \$35.00 and \$20.00 figures are increased to \$38.50.
1990-1991 All Credits earned through March 31, 1991 are increased by 5%.

2. BAC Local 19 Tile Finishers Pension Plan.

For covered employment under the BAC Local 19 Tile Finishers Pension Plan, you will receive the following amount of Prior Service Credit:

- a. a maximum of \$38.50 for each Year of Future Service Benefit Credit, and
- b. a maximum of \$7.70 for each Year of Past Service Benefit Credit.

3. Terrazzo Finishers - Precast Industry Pension Plan.

For covered employment under the Terrazzo Finishers - Precast Industry Pension Plan, you will receive \$35.00 for each year of Benefit Credit earned from January 1, 1984 through December 31, 1991, and \$17.30 for each year of Benefit Credit earned through December 31, 1983, plus additional amounts for each year of Benefit Credit for qualifying employees.

To earn the maximum amounts stated above, an employee must have been active in the prior plan on certain qualifying dates. Different accrual rates apply to other employees. The complete rules for accrual of benefits under the Prior Plans are stated in each plan. The maximum amounts may also not apply if your benefits would exceed the amount permitted under the Internal Revenue Code.

In some Plan Years, it was possible to earn more than one Year of Benefit Credit. Your pension statement will reflect any extra credit you may have earned. The actual amount of benefits will be less than the amounts stated above if you retire early, or if you elect a form of benefit with a survivor annuity.

2. PLAN PROVISIONS FOR VESTING

"Vesting" means earning the required amount of credit so that your interest in the Defined Benefit Plan cannot be taken away from you. Until you are vested, you may lose your right to benefits under the Defined Benefit Plan if you do not perform enough covered employment. After you are vested, you will not lose any of your benefit credits then in effect or any benefit credits you earn later.

GENERAL VESTING RULES

Your right to benefits under the Defined Benefit Plan becomes vested if and when you meet any of the following requirements:

1. Effective January 1, 1999, you have earned five (5) years of Vesting Credit, regardless of your age, and you have satisfied one of the following tests:

- a. You performed at least 300 hours of covered employment in 1998 and one hour in 1999; or

- b. You performed at least 300 hours of covered employment in 1999 or any Plan Year after that.
2. You have earned ten (10) years of Vesting Credit, regardless of your age; or
 3. You have completed five years of Vesting Credit, for employment not covered under a Collective Bargaining Agreement but for which contributions are required to this Plan, such as employment as a full-time paid officer of the union; or
 4. You have attained age 65 and reached the fifth (5th) anniversary of your employment under the Defined Benefit Plan without a permanent break in service as hereinafter defined, or a temporary break in service in effect.

BREAKS IN SERVICE

If you are not vested, and you fail to perform at least 300 hours of covered employment in a Plan Year, you will suffer a one-year break in service. This is classified as a temporary break in service, which may become a permanent break in service if you do not perform covered employment within the required amount of time. However, if you were a participant in the BAC Local No. 29 Defined Benefit Pension Plan and perform between 225 and 299 Hours of Employment under this Plan between April 1, 2004 and December 31, 2004, you shall be deemed to have worked 300 hours of Employment for Vesting for purposes of determining breaks in service.

If you suffer a permanent break in service, you will lose all of your accrued credits. To avoid a permanent break in service, you must return to covered employment, and accrue 0.1 years of vesting credit, before the end of the longer of the following periods:

1. Five years; or
2. The number of Years of Vesting Credit you earned prior to the break.

Exceptions to the Break in Service Rules

A Plan Year in which you failed to be credited with the minimum number of hours will not be counted against you toward a break in service if any of the following apply to you:

1. You are continuously incapacitated by sickness or accident from working in the trade; or
2. You are in full-time military service; or

3. You are employed in an industry-related capacity by a public agency, and you return to covered employment within two years of the termination of such work; or
4. Your failure to be credited with the required 300 hour minimum is due to pregnancy, birth or adoption of a child, or need to care for the child during the period of time immediately following the birth or adoption; or
5. You were a signatory employer, with at least five total Years of Vesting Credit and at least 0.1 Year of Vesting Credit in the Plan Year before you became an employer, you did no Industry Service between your covered employment and your becoming an employer, and within one year of ceasing to be an employer, you either retired, became reemployed under the Collective Bargaining Agreement, or registered for work at the Local Union and were actually available for covered employment.

Effect of a Break in Service

If you have a temporary break in service, you become classified as inactive. You may not benefit from certain rules which apply to active Employees. For example, if you are on a temporary break in service, you are not eligible to become vested on the ground of your attainment of age 65 and the fifth anniversary of your first participation in the Plan. However, if you perform another 300 hours of covered employment in a Plan Year, you become eligible for all rules which apply to active employees, including that vesting rule.

If you have a permanent break in service, you lose all credits which you accrued before the permanent break in service began. Once you lose credits because of a permanent break in service, those credits remain lost even if you return to covered employment and become eligible for a pension for a later period of service. In addition, if you have lost credits because of a permanent break in service under vesting rules which were changed after your permanent break in service began, those credits remain lost even if they would not have been lost under the rules which were adopted later.

PRIOR PLAN RULES COVERING VESTING AND BREAKS IN SERVICE

The rules described in this booklet are the ones currently in effect. There have been many changes to the vesting and break-in-service rules since the first prior plan was effective. Your rights to vesting credit, and application of break-in-service rules to your accrued benefit, will be determined under the rules in effect when your service was earned or your break occurred.

3. RECIPROCAL AGREEMENTS WITH PENSION PLANS IN OTHER AREAS

This Defined Benefit Plan maintains written "reciprocity" agreements from time to time with affiliated pension plans in other geographic areas. These reciprocity agreements are of two types, "money reciprocity" and "vesting reciprocity."

Money Reciprocity

Under a money reciprocity agreement, a participant who is working in a geographical jurisdiction outside of the coverage of this Defined Benefit Plan may elect to have employer contributions remitted back to this Plan, or vice versa. If an employee has contributions remitted back to this Plan, the employee will typically receive vesting credit based on the number of hours worked in the other area, and benefit credit based on the contribution rate and amount of money received by this Plan. An employee who has contributions remitted from this Plan to another Plan receives credit only under the other Plan.

Vesting "Pro Rata" Reciprocity

Under a vesting or "pro rata" reciprocity agreement, no money is passed back to the home pension plan when a participant works in another plan's geographical area. Instead, the credited service in each area is aggregated by each plan in order to determine vesting under the terms of each respective plan. If the participant becomes vested under these rules, each plan will pay benefits based on the years of benefit credit earned in that plan's area only.

Any participant who believes he or she has a pension claim based on a reciprocity agreement and has questions about this matter should contact the Administration Office for applicable details.

4. TYPES OF RETIREMENT

Once your interest has vested, you may retire upon qualifying for Normal, Early, or Disability Retirement. The amount of your benefits may be affected by the type of retirement you take. The requirements for each type of retirement, and the reduction which may apply are stated below.

Normal Retirement

You may retire on Normal Retirement (with no reduction for age) at the following times:

1. When you have attained age 62 with a vested right to benefits under the Defined Benefit Plan.

2. When you have attained age 65 and you have reached the tenth anniversary of your first covered employment without a permanent break in service, or a temporary break then in effect.

3. When you have attained age 70½ with a vested right to benefits under the Defined Benefit Plan, even if still employed.

Early Retirement

You may retire on Early Retirement (with a reduction for age) when you have attained age 55 with at least ten Years of Vesting Credits. If you elect early retirement, your benefits are reduced by 5/12 of 1% for each month that your benefits will commence before your 62nd birthday (unless you qualify for one of the unreduced early retirements described below).

Effective for retirements on or after December 31, 1999, there is no reduction for age if you have attained age 60. Until December 31, 2007, no reduction for age applies under Rule of 85 Early Retirement if: 1) you are at least age 55; 2) the sum of your age at retirement and Years of Credited Service for Vesting is at least 85; and 3) you accrued at least three Years of Credited Service for Vesting in the five years preceding retirement, or were disabled from the trade and had accrued at least three Years of Credited Service for Vesting in the five years preceding the year you became disabled.

Disability Retirement

You may retire on Disability Retirement when you have at least ten Years of Vesting Credits, and you become totally and permanently disabled from engaging in any further employment of the type covered under a collective bargaining agreement of the Union, and you become so disabled while you are an active Employee under the Plan (i.e. you worked 300 hours either in the year you become disabled or in the previous year).

If you elect Disability Retirement, your benefits are not reduced for age. However, when you attain age 62, you and your spouse must submit a Plan form electing or rejecting the "Qualified Joint and Survivor Annuity," which is explained below. If you elect that form of benefit, or another form which has a different survivor annuity, your benefits will be reduced accordingly. You may also make that election any time before age 62 but after age 55, in which case the reduction for early retirement applies.

5. FORM OF BENEFITS

All retirement benefits under the Defined Benefit Plan are distributed as monthly benefit payments. Your benefits may be paid for your life alone, or for your life plus the life of your spouse or a designated beneficiary. If you are single at retirement, you may elect any of the forms listed below. If you are married at retirement, your election may be subject to your spouse's consent. **Study the following options carefully, because once you have received your first check, you may not change your election.**

Single Life Annuity

A Single Life Annuity is a monthly benefit for your life alone, with a 60-month guarantee. In other words, if you die before you receive 60 months of benefits, your beneficiary receives the remaining payments of the 60 months. This benefit is the Plan's Normal Retirement Benefit. All other forms of benefit are reduced to be the actuarial equivalent of this benefit.

50% Joint and Survivor Annuity

A Joint and Survivor Annuity has two parts. The first part is a monthly benefit for your life, slightly less than your Normal Retirement Benefit. The second part is a monthly benefit paid to your spouse, in an amount equal to 50% of the benefits paid while you were alive. The amount of your benefits is calculated so that the combined benefits payable to you both during your joint lives are the actuarial equivalent of a single benefit payable to you during your lifetime alone. The actual amount depends on your age and your spouse's age at retirement.

This form of benefit will apply automatically if you are married, unless you expressly reject it on the proper Plan form, prior to the time you receive your first benefit payment. Your rejection will not be effective unless accompanied by the written consent of your spouse on that form, duly acknowledged by a Notary Public or witnessed by a representative of the Plan.

Optional Forms of Benefits

Various other optional forms of retirement are available to you if you are not married, or if you are married and have rejected the 50% Joint and Survivor Annuity with your spouse's written consent. In each of these options, the monthly benefit payable to you during your lifetime will be reduced so that the combined benefits payable to you and to your designated beneficiary will be the actuarial equivalent of a single annuity payable to you during your lifetime alone.

- i. Optional Joint and Survivor Annuities: You and your spouse may designate your spouse to receive a monthly survivor benefit greater than 50%, namely 75% or

100% of the benefits payable to you. The benefits you receive under these options during your lifetime are reduced from the amount you would have received under the 50% option.

ii. Contingent Annuitant Benefits: If you are married, you may designate someone other than your spouse to receive a 50%, 75%, or 100% survivor annuity, but only if your spouse consents in writing on a form provided by the Plan. If you are single, you may elect this form of benefit and designate anyone to receive any of the three survivor annuities listed above. The amount of benefits under these options are reduced by the same amounts as the Joint and Survivor Options, based on your age and the age of your beneficiary at retirement.

iii. Pop-Up Option: If you select this option, your basic form of benefit will be a 50% Joint and Survivor Annuity for your spouse, with a slight additional reduction. However, if your spouse dies before you, your monthly benefits will "pop-up" to what they would have been if you had originally elected the Single Life Annuity.

How Your Monthly Benefits are Calculated for the Different Forms of Benefit

If you receive the Single Life Annuity, your monthly benefit will be your Normal Retirement Benefit. If you receive any form of benefit with a survivor annuity, your monthly benefits are determined by multiplying your Normal Retirement Benefit by the reduction factor which applies to the form of benefit you will receive and the difference between your age and your spouse's age. The reduction tables for the various options appear at the end of the Defined Benefit Plan Formal Plan Text.

For example, if you retire at age 62, and your spouse is age 62 as well, and your Normal Retirement Benefit is \$1,000 a month, the table below shows what you would receive under the 50% Joint and Survivor Annuity and the Pop-Up Option:

With a Normal Retirement Amount of \$1,000:

	<u>50% J&S Annuity (without Pop-Up)</u>	<u>50% J&S Annuity with Pop-Up</u>
Benefit Paid During Joint Lives	\$880	\$860
Benefit Paid to Spouse if Employee Dies First	\$440	\$430
Benefit Paid to Employee if Spouse Dies First	\$880	\$1000

Election of Options, Withholding, and Rollovers

You make your election of form of benefit at your retirement, in writing, on Plan forms. If you are married, and your spouse consents to waiving the Joint and Survivor Annuity, you and your spouse may elect the Single Life Annuity, a Contingent Beneficiary Option, or a Pop-Up Option, and designate a beneficiary where applicable. Either you or your spouse may waive or reinstate the Joint and Survivor Annuity any number of times, until you receive your first check. **Once you receive your first check, you may not change your form of benefit or your beneficiary.** The only exception to this rule is that retirees who have elected the Single Life Annuity may name a new beneficiary for the 60-month guarantee, subject to spousal consent if applicable. If you have elected any other form of benefit with a survivor annuity, and your beneficiary dies first, no survivor benefit is paid.

All retirement benefits from the Defined Benefit Plan are subject to withholding as ordinary income, and may not be rolled over into another qualified pension plan or IRA. However, if you receive a lump sum benefit because your total benefits are worth less than \$1,000, or if your surviving spouse or former spouse will be receiving the 60-month Plan Pre-Retirement Death Benefit, you or your beneficiary may be eligible to elect to avoid withholding by rolling over some or all of your benefits. The Administration Office will provide you or your beneficiary with the necessary forms.

6. PRE-RETIREMENT DEATH BENEFITS

If you die before retirement, your spouse or beneficiary may be eligible for one or both of the pre-retirement death benefits provided by the Defined Benefit Plan:

Qualified Pre-Retirement Survivor Annuity

If you have a vested interest in the Plan and you die before retirement, your spouse is entitled to a 50% Survivor Annuity, similar to the Annuity he or she would have received if you had lived to retire. This benefit commences, on application of your spouse, at any time when you would have been eligible to retire, subject to an early retirement reduction if applicable. Your spouse may waive this benefit and choose the Plan Pre-Retirement Death Benefit for vested participants described below.

Plan Pre-Retirement Death Benefits

Vested Participants. If you die before retirement, and you have a vested interest in the Plan, and you are married at the time of your death, your spouse may elect to receive 60 months of your Normal Retirement Benefit instead of the Qualified Pre-

Retirement Survivor Annuity. If you are not married at that time, then the Plan will pay 60 months of benefits to your child(ren).

Non-Vested Participants. If you die before retirement, and you are not vested, but you performed 300 hours of covered employment in either the year of your death, or the prior year, the Plan will pay a lump sum of \$1,000 for each then-valid Year of Vesting Credit, up to a maximum of \$5,000. This benefit is payable to your surviving spouse, or if you were not married, to your child(ren).

7. SUSPENSION OF BENEFITS UPON RETURN TO INDUSTRY SERVICE

You are not permitted to work in the Tile Industry, with limited exceptions, while you receive benefits from the Defined Benefit Plan. This rule does not apply to anyone who is dispatched by the Union when the Business Manager has certified to the Board of Trustees that there is a shortage of qualified employees in a classification covered under collective bargaining agreements of the Union, or to persons who work as teachers in an apprenticeship program of the Union. This rule also does not apply after April 1 of the year following the year in which you attain age 70½. Consider the following rules carefully when you plan your retirement, because your right to a pension may be adversely affected if you work in the Industry after retirement.

After Age 62

After you attain age 62, your pension benefits will be suspended during any month you return to Industry Service for forty (40) hours or more in the Tile Industry anywhere in California. Industry Service includes employment in any capacity in the Tile Industry, whether by or in association with a union contractor or non-union contractor or as a self-employed person. If you intend to return to Industry Service, you should immediately notify the Administration Office in writing. If you do not, it will be presumed that you worked forty hours in any month in which you are found working, and if employed on a construction site, that you were employed forty hours for every month your employer worked on the site. If you are age 62, and you do not know whether you will work in the Tile Industry again, you should apply for your pension so that you will receive benefits for every month in which you do not work in the Industry.

Before Age 62

Before you become 62, if you perform any Industry Service, except as provided above, your pension benefits will be suspended and will not be resumed until you reach age 62 and are retired from the industry. Your benefits will then be recalculated to give you your full normal benefits or actuarial equivalent.

Offset of Future Benefits for Overpayments

If you received any benefit payments in any month in which your benefits should have been suspended, the overpayments will be deducted from future payments. However, no benefit payment will be reduced by more than 25% from the full payment normally due.

8. EFFECT OF NON-COVERED TILE INDUSTRY SERVICE

Notwithstanding the Plan rules described above, effective June 16, 1999, certain rights under the Defined Benefit Plan will be limited if you perform Non-Covered Tile Industry Service. For purposes of this rule, Non-Covered Tile Industry Service means any work in the Tile Industry in Northern California or Northern Nevada, either for, or as, a non-signatory employer. The complete definition appears in Defined Benefit Plan Formal Plan Text, Article I, Section 21. If you perform such employment, there are three consequences:

- a. Your Early Retirement eligibility date will be delayed by six months for each quarter in which you performed one hour or more of Non-Covered Tile Industry Service;
- b. You will not be eligible for Disability Retirement Benefits; and
- c. If you die before retirement, the Plan will pay a Qualified Pre-Retirement Spousal Annuity to your surviving spouse, and but will not pay the Plan Pre-Retirement Death Benefit.

However, if you thereafter perform additional covered employment, the delay period for early retirement under subsection a. above will be reduced by six months for every year of Vesting Credit which you earn. In addition, you will be eligible again for Disability Retirement, and your beneficiary will be eligible again for the Plan Pre-Retirement Death Benefit, if you earn 5 additional Years of Vesting Credit.

9. APPLICATION FOR BENEFITS

Before payment of your retirement benefits may commence, you must complete an application for retirement and lodge it with the Administration Office. Forms may be obtained either from the Union or from the Administration Office.

Benefit payments, except in the case of Disability Retirement, will ordinarily commence on the first day of the month following the month in which you ceased your employment in the trade, or on any other date requested by you but in no

event prior to the first day of the month following the month in which you ceased to be employed in the trade.

In the case of Disability Retirement, once you have established disability to the satisfaction of the Trustees, your benefits will commence as of the first day of the month following or coinciding with the date of your application. Benefits will continue so long as you are disabled, until you reach your Normal Retirement Age, at which time another application is required.

10. QUALIFIED DOMESTIC RELATIONS ORDERS

If you are divorced, and you were married while you accrued benefits under the Defined Benefit Plan, or you agree to divide your pension with your former spouse, your accrued benefits are subject to being divided in accordance with a Qualified Domestic Relations Order ("QDRO"). The Trust Fund's Legal Counsel reviews all court orders concerning your pension to determine if they are qualified under federal law. However, you and your spouse are each responsible for protecting your own interests when you agree to any QDRO.

11. APPEALS PROCEDURE

If you or any beneficiary of yours is aggrieved by any act, omission, decision, or ruling by the Administration Office or any authorized representative of the Plan affecting your rights under the Defined Benefit Plan, you may obtain a review of the same by notice in writing to the Administration Office setting forth the substance of your grievance. Such notice must be given not more than sixty (60) days from the time you first knew, or by the exercise of reasonable care, should have known, of the circumstances giving rise to the grievance. Upon receipt of your notice, the Administration Office will place the matter on the agenda of the next meeting thereafter. You will be notified in writing of the time and place of the meeting and may appear either in person or by legal counsel if you wish and present any testimony or other evidence written or oral, that you may have affecting your claim. If you are not able to attend, you may make your presentation in writing.

It is imperative that you follow these procedures to the letter, since by your failure to do so, you may be barred from pursuing any other remedy that would otherwise be available to you. See Article X of the Defined Benefit Plan Formal Plan Text for the detailed procedures.

Claims and appeals involving distribution of benefits based on disability, filed on or after January 1, 2002, are governed by the special claims and appeals procedures set forth in Article XII, Section 7 of the Defined Benefit Plan Formal Plan Text.

DETAILED SUMMARY OF THE DEFINED CONTRIBUTION PLAN

1. ACCRUAL OF BENEFITS.

All employees who work in a position for which an employer is required to contribute to the Defined Contribution Plan are eligible to be participants in this Plan and have a Plan account. Plan accounts are funded entirely by employer contributions. No employee contributions are required or permitted. The amount of contributions made for each employee is determined by the Collective Bargaining Agreement which covers the employee.

In addition to being credited with the contributions required to be made on his or her behalf, each participant is credited with a proportional share of the income, profits, or losses realized on the Plan's investments, and charged a flat \$25.00 plus a proportional share of any additional Plan expenses. The Plan's assets are evaluated, and participants' accounts adjusted, annually at the end of the Plan Year and at other times at the discretion of the Board of Trustees. All accounts are 100% vested at all times, and are not subject to loss because of a break in service.

2. ELIGIBILITY FOR DISTRIBUTIONS.

You will be eligible for a distribution at the following times:

- 1) your retirement under the Northern California Tile Industry Defined Benefit Plan;
- 2) twelve months after you have ceased to perform work of the type covered under the Collective Bargaining Agreements due to a disability which prevents you from performing such work;
- 3) the latest of: a) your attainment of age 65; b) the tenth anniversary of your first participation in the Plan; and c) your separation from Industry Service;
- 4) attainment of age 70½ even if you are still employed in the Industry; or
- 5) on April 1 of the calendar year following three Plan Years in which you have not performed any work in Tile Industry Service.

3. PROCEDURES FOR DISTRIBUTIONS.

In order to receive a distribution from the Defined Contribution Plan, you must submit an application form, which is available from Allied Administrators. Benefits are payable to participants in the following forms:

- 1) lump sum(s);
- 2) installments over the lesser of: a) 15 years; or b) the life expectancy(s) of the participant, and or the participant and the designated beneficiary;
- 3) a single life annuity for the life of the participant; or
- 4) a 50% joint and survivor annuity.

The Defined Contribution Plan requires spousal consent for the election, by a married participant, of any form of benefit except the 50% joint and survivor annuity. With limited exceptions, all lump sum distributions and short-term installment benefits are eligible to be rolled over into another qualified Plan or IRA. Any eligible rollover distribution from the Plan which is not rolled over is subject to mandatory withholding taxes of 20%.

Please note the following rules about distributions:

- 1) You are not limited to a single form of distribution. When you are first eligible for benefits, among the options available are a partial lump sum, or a combination of partial lump sum and installments. Later, you may elect additional lump sums and/or change your installments, so long as your benefits will be distributed within the time required by law. However, there is a \$50 charge per election if you make more than one election each year, counting each partial lump sum and each change of installments as an election.
- 2) Total distributions which are made any time other than the end of the Plan Year do not receive income for the last partial year. If you get a total distribution at the end of a Plan Year, you will receive a second check for the net income on your account balance, when the Plan's annual audit is completed.
- 3) Special rules apply to persons who were participants in the BAC Local 12 Defined Contribution Plan, with respect to their balances in that Plan immediately before the merger with this Plan on January 1, 1998. For example, each former BAC Local 12 plan participant will be eligible for a distribution of his or her BAC Local 12 plan balance upon separation from Tile Industry service.

4) Special rules apply to persons who were participants in the BAC Local 29 Defined Contribution Pension Plan. Non-vested participants in the BAC Local No. 29 Defined Contribution Pension Plan on March 31, 2004, who had not incurred a permanent break in service on or before March 31, 2004 under that Plan, are 100% vested under this Plan as of April 1, 2004. Employees with a non-forfeited account in the BAC Local No. 29 Defined Contribution Pension Plan on March 31, 2004 are entitled to apply for distribution of the account balance in that Plan upon attainment of age 62 and separation from service, or when eligible for a distribution under this Plan.

5) The Trustees reserve the discretion to distribute any participant's account without application or consent, if he or she is eligible for a distribution and if his or her account balance is less than \$1,000. The Trustees also reserve the discretion to declare any participant's account forfeited, if a participant is eligible for a distribution and cannot be located after two years, if the account is less than \$500, or five years for larger accounts.

4. DEATH BENEFITS.

If you die before receiving your entire account, it will be distributed to your beneficiary(ies). You may designate a beneficiary at any time, but if you are married, you may designate a person other than your spouse only with your spouse's consent. If you designate a beneficiary and later get married, that designation is revoked at the time of your marriage. If you designate your spouse as beneficiary, that designation is revoked if you get divorced. If you die without a valid designation on file, your beneficiary will be the person(s) determined by Article V, Section 2(c) of the Defined Contribution Plan Formal Plan Text. Pre-retirement death benefits are payable in a lump sum or a single life annuity, and post-retirement death benefits are payable in those forms or by the continuation, to a surviving spouse, of the installments the employee was receiving. Some death benefits paid to a surviving spouse may be rolled over; no death benefits paid to someone other than a surviving spouse may be rolled over.

5. OTHER PLAN FEATURES.

In case of divorce, benefits are payable to an alternate payee at any time, if so provided in a domestic relations order which has been served on the Defined Contribution Plan and approved as qualified in accordance with the Plan's procedures. A copy of the Defined Contribution Plan's procedures for determination of the qualified status of a domestic relations order is available from Allied Administrators at no cost.

If any person disagrees with a determination of the Plan Administration Office or any other agent of the Board, concerning any aspect of the Plan, the person may appeal that determination to the Board of Trustees **within sixty days**, or else the objection to the determination is deemed waived. To appeal an adverse determination, a participant or beneficiary must submit a written statement, along with any documents he or she wants the Board of Trustees to consider. Further information about the Board's appeal procedures is available on request from Allied Administrators. The Board has full discretion in deciding all appeals and the decision of the Board on all appeals is final and binding on all parties.

Claims and appeals involving distribution of benefits based on disability, filed on or after January 1, 2002, are governed by the special claims and appeals procedures set forth in Article VII, Section 5 of the Defined Contribution Plan Formal Plan Text.

Benefits from the Defined Contribution Plan are not insured by the Pension Benefit Guarantee Corporation because it is an individual account plan. Contributions received by the Plan are invested by one or more professional investment managers selected by the Board of Trustees, and held in trust by Union Bank of California. It is the intention of the collective bargaining parties and the Board of Trustees that this Plan continue in effect indefinitely. However, the Board of Trustees has the power to amend the Plan, and the collective bargaining parties have the power to increase, decrease or terminate contributions to the Plan any time they so agree. If contributions are terminated: 1) no further benefits will accrue, except earnings on then-existing accounts; and 2) unless otherwise limited by the bargaining parties, the Board of Trustees has the discretion to continue the Plan in operation, or to terminate it and to distribute the accounts to the covered employees.

**NORTHERN CALIFORNIA TILE INDUSTRY
DEFINED BENEFIT PLAN
(As Revised June 1, 2006)**

DEFINED BENEFIT PLAN - FORMAL PLAN TEXT

ARTICLE I. DEFINITIONS

1. **Terms Common to the Trust Agreement** - Unless otherwise defined herein, all terms have the same meaning as in the Northern California Tile Industry Pension Trust Fund Trust Agreement.

2. **Actuarial Equivalent**, unless otherwise specified for a particular benefit, means the benefit resulting from calculations made to produce an equivalent value, based upon the UP 1984 Mortality Table with interest at the rate of (6%) percent per annum, with a base factor of .88 for the 50% Joint and Survivor Option, adjusted up or down by ½ of 1% for each year the beneficiary is older or younger than the participant. Factors for other joint and survivor forms shall be adjusted in proportion to the base factor.

3. **Annuity Commencement Date** means:

- a. the first day of the first period for which an amount is payable as an annuity; or
- b. the first day on which all events have occurred which entitle the participant to a benefit which is payable in a form other than an annuity; or
- c. the first day of the first period for which a benefit is payable by reason of disability, but only if the benefit is not an auxiliary benefit.

4. **Board of Trustees** or Trustees means the Board of Trustees of the Northern California Tile Industry Pension Trust Fund when acting as such.

5. **Collective Bargaining Agreement** means any written agreement entered into by the Union with any employer, as defined in the Labor Management Relations Act of 1947, as amended, 29 U.S.C. §§ 141 et seq., or with any association of employers, covering wages, rates of pay, hours of labor or other conditions of employment of employees represented for the purposes of collective bargaining by the Union and which agreement provides for payment by an individual employer into this Plan.

6. **Compensation** for any Plan Year means wages and/or salary within the meaning of IRC section 3401(a) received from, or made available from, participating employers during the Plan Year, and which is includible in the Employee's gross income. For limitation years beginning after December 31, 1997, for purposes of applying the limitations of IRC section 415, compensation paid or made available

during such limitation year shall include any elective deferral (as defined in IRC section 402(g)(3)) and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of IRC sections 125, 132(f)(4) or 457.

7. **Contiguous Service** means noncovered employment for an Individual Employer maintaining the Plan, which immediately precedes or follows Covered Employment, without a quit, retirement or discharge between the covered and noncovered employment, as defined by Department of Labor Regulations § 2530.210.

8. **Covered Employment** means employment for an Individual Employer for which the Employer is obligated to contribute to this Plan by reason of a collective bargaining agreement, any other agreement, or the operation of law.

9. **Effective Date** of this Plan means January 1, 1992. The effective date of each Prior Plan, or any provision of a Prior Plan, shall be determined under the terms of the Prior Plans.

10. **Employee** means either of the following, except as provided in Sections II.1.b and III.2.c:

- a. Any employee or former employee of an Individual Employer whose work, or work classification, is covered by a Collective Bargaining Agreement; or
- b. Any officer, employee, or representative of the Union or affiliated organization for whom the Union or affiliated organization has agreed to make contributions to this Plan, pursuant to a subscription agreement satisfactory to the Board of Trustees.

11. **ERISA** means the Employee Retirement Income Security Act of 1974, as amended, and the regulations of the Department of Labor and the Department of the Treasury promulgated thereunder.

12. **Gender** - Any reference to a single gender shall be interpreted to apply to persons of either gender.

13. **Hour of Employment for Benefit Accrual** means each hour for which an Employee is paid or required to be paid by an Individual Employer under a Collective Bargaining Agreement, or by the Union or affiliated organization for employment for which the Union or affiliated organization has agreed to make contributions to this Plan; and hours worked for which back pay, irrespective of mitigation of damages, is awarded or agreed to by an Individual Employer, to the extent that such award or agreement is intended to compensate an employee for periods during which the Employee would have been engaged in the performance of duties for the Individual Employer.

14. **Hour of Employment for Vesting** means each Hour of Employment for Benefit Accrual; each hour for which the employee is entitled to be paid under a Collective Bargaining Agreement or under an agreement with the Union or affiliated organization to make contributions to this Plan, but, due to vacation, illness, incapacity (including disability), layoff, jury duty, or military leave of absence, no duties are performed, but no more than 501 hours of this type in any single Plan Year (other than for military service, for which there shall be no limit on the number of hours); and each hour of Contiguous Service; or any combination of the above, in accordance with Department of Labor Regulations § 2530.200b-2. Hour of Employment for Vesting shall also include hours of employment credited for vesting under the BAC Local 29 Defined Benefit Pension Plan worked prior to April 1, 2004.

15. **Individual Employer** means any person or entity, who or which is now, or hereafter may be, required by any Collective Bargaining Agreement or other agreement in writing to make payments into this Plan. Individual Employer also means the Union or an affiliated organization, to the extent that it has agreed to make contributions to this Plan on behalf of a full-time paid officer, employee or representative.

16. **Industry Service** and "Employment in the Tile Industry" means Industry Service [Section 202(a)(3)(B) Service] as that term is used in 29 CFR Section 2530.203-3(c)(2).

17. **Non-Covered Tile Industry Service** means work, in California and Nevada, of any type (whether or not it is within the craft jurisdiction of BAC Local 3), for an employer who, or which, is engaged in the type of work covered by the collective bargaining agreement with BAC Local 3 requiring contributions to the Tile Industry Pension Trust Fund ("Collective Bargaining Agreement") where such work: (1) is performed within the geographic jurisdiction of BAC Local 3 for an employer who, or which, is not signatory to the Collective Bargaining Agreement; or (2) is performed outside of the geographic jurisdiction of BAC Local 3 for an employer who, or which, is not signatory to an agreement with the local union affiliated with the International Union of Bricklayers and Allied Craftworkers covering the geographic area in which that work is being performed; or (3) is performed as an employer, partner, or sole proprietor, or shareholder of a corporation who or which is not signatory to a collective bargaining agreement described in subparts (1) and (2) of this Section 21. Notwithstanding anything in this Section 21 to the contrary, employment by an employer during a period in which the Union is engaged in a strike shall not be deemed to be "Non-Covered Tile Industry Service" under this Plan if the employer is signatory to a collective bargaining agreement with BAC Local 3 requiring contributions to the Tile Industry Pension Trust Fund both immediately before and immediately following the period of the strike.

18. **Pension Plan** means this Plan, formerly known as the BAC Local 19 Defined Benefit Plan.

19. **Plan Year** means January 1 to December 31 of each calendar year.

20. **Prior Plan** means the Northern California Tile Industry Pension Plan, the BAC Local 19 Tile Finishers Pension Plan, or any plan which was itself a predecessor or prior plan of either of those Plans.

21. **Union** means the Bricklayers and Allied Crafts Local Union No. 3, I.U. of B.A.C., a labor organization as defined in the Labor Management Relations Act of 1947, as amended, 29 U. S. C. §§ 141 et seq.

ARTICLE II. ELIGIBILITY FOR PARTICIPATION

1. a. Except as provided in subsection (b), every Employee shall be eligible to accrue credits immediately upon the first day of any Plan Year in which he or she performs one hour of Covered Employment.

b. An Employee who is a shareholder-employee of an incorporated Individual Employer shall be eligible to accrue only contiguous service vesting credit, unless the shareholder-employee satisfies all of the following conditions:

- (1) the shareholder-employee performs some bargaining unit work;
- (2) the shareholder-employee and the spouse of the shareholder-employee each own less than 50% of the total stock of the contributing employer;
- (3) the contributing employer has at least one shareholder who is not participating in the pension plan and performs some management work;
- (4) if the shareholder-employee's spouse is also a shareholder, and their combined shares equal or exceed 50% of total share ownership, the shareholder-employee has submitted a written statement signed by both spouses that the shares are held as separate property, and not as community property; AND
- (5) the shareholder-employee has not actually been excluded from the statutory definition of employee in a proceeding of the National Labor Relations Board.

2. Every Employee or former Employee who was a participant in a Prior Plan shall be a participant in this Plan. This Plan shall pay all benefits accrued under the Prior Plans. The amount of benefits payable to each participant or beneficiary under a Prior Plan shall be determined by the terms of the applicable Plan as in

effect on January 1, 1992, except as otherwise provided herein. The Trustees reserve the right to interpret the Prior Plans as if they were part of this Plan.

ARTICLE III. VESTING

1. Credited Service for Vesting

a. Credited Service for an Employee for purposes of vesting shall include all of the following:

- (1) all years of vesting credit recognized under a Prior Plan; and
- (2) a year of Credited Service for performance of one thousand (1000) hours or more of Hours of Employment for Vesting in a calendar year after January 1, 1992, or portion thereof in accordance with the following table:

1000 or more Hours	1.0 year
900 - 999 Hours	0.7 year
800 - 899 Hours	0.6 year
700 - 799 Hours	0.5 year
600 - 699 Hours	0.4 year
500 - 599 Hours	0.3 year
400 - 499 Hours	0.2 year
300 - 399 Hours	0.1 year
Less than 300 Hours	None

b. If a participant in this Plan was a participant in the Northern California Tile Industry Pension Plan in the Plan Year ending December 31, 1991, and the participant did not earn a full year of Credited Service for Vesting in that Plan Year, the participant's Credited Service for Vesting for that Plan Year shall be credited on the basis of all hours of covered employment performed between April 1, 1991, and March 31, 1992.

c. The following rule applies to any participant in this Plan on April 1, 2004, who was a participant in the BAC Local No. 29 Defined Benefit Pension Plan on March 30, 2004. Notwithstanding any other provision of this Plan, if any such participant performs between 225 and 299 Hours of Employment under this Plan between April 1, 2004, and December 31, 2004, then he or she shall be given 0.1 year of Vesting Credit, and shall be deemed to have worked 300 Hours of Employment for Vesting for purposes of determining breaks in service.

2. Breaks in Service

a. A non-vested Employee shall suffer a one-year break in service in any Plan Year in which he or she fails to be credited with at least 300 Hours of Employment for Vesting. An Employee who has suffered a one-year break in service shall be considered on a temporary break in service, unless and until the Employee returns to Covered Employment and accrues at least 0.1 Year of Vesting Credits in a single Plan Year, or until the break in service becomes permanent.

b. A non-vested Employee shall suffer a permanent break in service if he or she has a number of consecutive one-year breaks in service equal to the greater of the following:

- (1) five years; or
- (2) a number of consecutive Plans Years equal to the number of Years of Vesting Credit accrued prior to the break in service.

c. Years of service of an Employee accrued prior to a temporary break in service shall not be counted for any purpose under the Plan, and the Employee shall lose his or her status as an Employee, until the Employee has returned to Covered Employment and accrued 0.1 Years of Vesting Credits. Years of service prior to a permanent break in service shall not be taken into account for any purpose under this Plan, unless specifically so provided for a particular purpose.

d. The period during which a break in service would otherwise occur shall be extended for any period of time in which the Employee:

- (1) is continuously incapacitated from working in the trade due to disability as defined herein;
- (2) is in military service, provided that the member returns to Covered Employment within 120 days after his or her release from military service or after his or her recovery from a service-related disability after his or her release from military service; or
- (3) is employed in an industry-related capacity by a public agency (federal, state or local), provided that the Employee returns to covered employment within a period of two years after termination of such work.

e. No break in service shall occur during any Plan Year for an Employee who is unable to perform the required minimum hours by reason of pregnancy, birth of a child, adoption of a child, or caring for such child for a period beginning immediately after the birth or placement, when the Employee would otherwise

have been working in Covered Employment. Time so credited shall be counted in the Plan Year in which the absence from work begins only when necessary to prevent a break in service in that Plan Year, or otherwise in the Plan Year next following. Time so credited shall be counted only for the purpose of preventing a break in service and not for any other purpose.

- f. (1) Effective January 1, 1997, subsection (2) applies to any person who satisfies either of the following tests:
 - (A) The person was a signatory employer, and had a permanent break in service under this Plan or under Prior Plans; or
 - (B) The person is or becomes a signatory employer and has suffered or would suffer a permanent break in service without the application of subsection (2).
- (2) For any person qualified under subsection (1), no Plan Year, or series of Plan Years, shall be treated as a break in service for the person, if the person satisfies the following requirements:
 - (A) The person had accrued five Years of Vesting Credit before the first Plan Year for which a break in service is waived under this rule; and
 - (B) The person is an Individual Employer continuously for each Plan Year for which a break in service is waived; and
 - (C) The person had accrued at least 0.1 Year of Credited Service in the Plan Year preceding the first Plan Year in which the person receives a waiver of break in service under this rule, and performed no Industry Service between his or her employment as a covered Employee and his or her becoming an Individual Employer; and
 - (D) Within one year of the date that the person ceases to be an Individual Employer, the person either retires under the Plan, becomes reemployed as an Employee under the Plan, or registers for work with the Local Union and is actually available for covered employment.

3. Requirements for Vesting

An Employee's interest in this Plan shall be vested, and the Employee shall have a nonforfeitable right to benefits under this Plan, upon the occurrence of any of the following before a permanent break in service:

a. effective January 1, 1999, accrual of five years of Credited Service for Vesting, if the Employee has satisfied one of the following requirements:

- (1) the Employee performed at least 300 hours of Covered Employment in 1998, and at least one hour in 1999; or
- (2) the Employee performed at least 300 hours of Covered Employment in 1999 or any Plan Year thereafter.

b. accrual of ten years of Credited Service for Vesting;

c. accrual of five years of Credited Service for Vesting for Covered Employment not covered under a Collective Bargaining Agreement;

d. attainment of age sixty-five (65) and the fifth (5th) anniversary of the Employee's first employment under this Plan or a Prior Plan without a break in service in effect, regardless of the number of years of Vesting Credits; or

ARTICLE IV. ACCRUAL OF BENEFIT CREDITS

1. Prior Service Benefit Credit

a. An Employee shall receive Benefit Credits for Credited Service under the Prior Plans in accordance with the terms of those Plans.

b. An Employee shall also receive up to 2 Years of Prior Service Benefit Credits for Credited Service under one of the Prior Plans which were not recognized under the other Prior Plan after the Employee changed to covered employment under the other Prior Plan, because of terms of the reciprocity agreement then in effect. These credits shall apply for both vesting credit and benefit credit purposes.

2. Future Service Benefit Credit

a. Each Employee shall receive Future Service Benefit Credit for all Hours of Employment for Benefit Credit in all Plan Years starting January 1, 1992, at the rate of 0.1 Year for the first 300 Hours, plus 0.1 Year for each additional 100 Hours. An Employee shall also receive 0.1 Year of Benefit Credit in the Plan Year ending December 31, 2004, if he or she was a participant in the BAC Local 29 Defined

Benefit Pension Plan on March 30, 2004, became a participant in this Plan on April 1, 2004, and performed between 225 and 299 Hours of Employment in the Plan Year ending December 31, 2004.

b. Effective January 1, 1992, there shall be no limit to the number of Years of Benefit Credits which an Employee may earn under this Section in any calendar year.

c. In addition to credits for Hours of Employment for Benefit Credit, an Employee who is employed by a participating Employer within ninety (90) days of his return from military service shall be credited with the number of hours for which the Employee would have been credited had he continued working for participating Employers during the period of military service. If in the judgment of the Trustees, the number of hours that the returning Employee would have worked during the period of his military service is not reasonably certain, the number of hours credited to the Employee during each month of military service shall be equal to the average of the hours worked in the twelve-month period immediately preceding his military service (or, if his total period of Plan participation is less than a year, the average of the period of employment immediately preceding the military service). Such hours shall be counted for both Vesting Credit and Benefit Credit purposes.

3. Benefit Credit Earned Under the BAC Local 29 Defined Benefit Pension Plan

Benefit Credits earned under the BAC Local 29 Defined Benefit Pension Plan prior to April 1, 2004 will be valued according to the terms of that plan, at the value they had in that plan prior to April 1, 2004. Benefit Credits earned on or after April 1, 2004 shall be valued as provided under the rules of this Plan.

ARTICLE V. ELIGIBILITY FOR BENEFITS

1. Normal Retirement

Each Employee shall have the nonforfeitable right to apply for retirement under this Plan and receive a Normal Retirement Benefit, upon the occurrence of the earliest of the following events, which shall be the Employee's Normal Retirement Age:

a. The Employee attains age 62 with a vested interest in the Plan, and retires from the Tile Industry in the State of California.

b. The Employee attains age 65 and the tenth anniversary of the year in which the Employee commenced participation in the Plan, regardless of his or her

years of credited service, and retires from the Tile Industry in the State of California;
or

c. The Employee attains age 70½ with a vested interest in the Plan, even if still employed in the Tile Industry in the State of California.

2. Early Retirement

a. Reduced Early Retirement: An Employee may elect to retire, and apply for a pension hereunder, upon the attainment of age 55 with at least ten Years of Vesting Credits. The amount of the Early Retirement Benefit of an Employee who so elects shall be his or her Normal Retirement Benefit, reduced by 5/12ths of 1% for each month that his or her Annuity Commencement Date precedes his or her 62nd birthday.

b. Unreduced Early Retirement: Effective for retirements after December 31, 1997, an Employee may elect to retire, and apply for a pension hereunder, upon the attainment of age 61 with at least ten years of Vesting Credit, and effective for retirements after December 31, 1999, upon the attainment of age 60 with at least ten years of Vesting Credit. The amount of the Early Retirement Benefit of an Employee who so elects shall be his or her Normal Retirement Benefit without any reduction because of the Employee's age.

c. Special Unreduced Early Retirement Window: Effective for retirements on or between January 1, 1994, and December 31, 2007, an Employee may elect to retire, and apply for a pension hereunder, if the Employee satisfies the following conditions:

- (1) The Employee has attained age 55; and
- (2) The sum of the Employee's age at retirement and his or her Years of Credited Service for Vesting (counting partial years for both purposes) is at least 85; and
- (3) The Employee accrued 3 Years of Credited Service for Vesting in the five years preceding retirement, or if the Employee is disabled from further employment of the type covered under a Collective Bargaining Agreement as defined herein, the Employee had accrued 3 Years of Credited Service for Vesting in the five plan years preceding the year he or she became so disabled.

If an Employee qualifies for Early Retirement under this subsection c., he or she shall receive his or her Normal Retirement Benefit without any reduction because of the Employee's age.

d. Application Requirement: Benefits under this section 2 shall commence on the first day of the month following which the Employee has satisfied the conditions for this benefit, and applied for this benefit, whichever is later.

3. Disability Benefits

a. Eligibility for Disability Benefits:

An Employee may elect to receive Disability Benefits upon the occurrence of all of the following conditions:

- (1) the Employee has at least ten Years of Vesting Credit under this Plan; and
- (2) the Employee is an active Employee under this Plan at the time of retirement; and
- (3) the Employee becomes totally and permanently disabled, in the sole and exclusive judgment of the Board of Trustees, from engaging in any further employment of the type covered under a Collective Bargaining Agreement as defined herein.

b. Medical Evidence Requirements and Commencement of Disability Benefits

- (1) To receive Disability Benefits, an Employee must furnish to the Trustees, at his or her own expense, evidence satisfactory to them that he has been so disabled. An award of Social Security Disability shall be considered satisfactory evidence, but in the absence of such an award the Trustees may consider medical and other evidence. The monthly disability benefit shall commence on the first day of the month on or following the first day of both 1) disability, and 2) the acceptance of the evidence of disability by the Trustees. However, effective for qualifying disabilities on or after August 1, 1996, benefits shall be payable retroactively to the following date:
 - (A) if the Employee has a Social Security Disability award: the disability date specified in the Social Security Disability award; or
 - (B) if the Employee does not have a Social Security Disability award, the date of onset of disability as determined by the Board of Trustees.

- (2) The Trustees may require evidence of continuing disability at reasonable periods after an Employee's Disability Benefits have commenced, or at any time thereafter for cause.

c. Amount and Duration of Benefits

- (1) The amount of an Employee's monthly disability benefit shall be his or her Normal Retirement Benefit without reduction and without any election of survivor benefits. Benefits shall be payable under this Section until the Employee qualifies for, and applies for Early Retirement Benefits, or until the Employee attains his or her Normal Retirement Age. An Employee who is receiving benefits under this subsection shall be notified of his or her right to receive a Normal Retirement Benefit, and of the available forms of benefits, in the same manner as an Employee who is not retired. When an Employee elects an Early or Normal Retirement Benefit, the rules for amount of benefits and election of form of benefits for those types of retirement shall apply. Pre-retirement death benefits, as provided in Article VIII, shall be payable during the time that a former Employee is receiving benefits under this Section, until the Employee commences to receive either an Early or Normal Retirement Benefit.
- (2) If an Employee is receiving Disability Benefits, and recovers from his or her disability, the Disability Benefits shall terminate on the first day of the month following the month that the Employee recovers from his or her disability. An Employee who is receiving Disability Benefits and who recovers from his or her disability shall report the same to the Trustees within 15 days of recovery. If the Employee does not report his or her recovery to the Trustees, his or her benefits shall be offset upon retirement in the same manner as provided for suspension of benefits upon reemployment, in Section IX.3.c, until the overpayment of benefits has been recovered by the Plan.

4. Effect of Non-Covered Tile Industry Service

If a Participant performs any Non-Covered Tile Industry Service after the later of June 16, 1999, or his or her becoming a participant in this Plan, then the eligibility dates in Sections 1-3 of this Article, and the eligibility of the participant's beneficiary for the Plan Pre-Retirement Death Benefit under Article VII, shall be adjusted as follows:

- a. The participant's Early Retirement eligibility date of Article V, Section 2 shall be delayed by six months for each quarter in which the

participant performed one hour or more of Non-Covered Tile Industry Service, except that, effective June 7, 2004, this provision shall not apply to benefits accrued prior to June 16, 1999;

- b. The participant shall not be eligible for Disability Retirement Benefits of Article V, Section 3;
- c. The participant's beneficiary shall not be eligible for the Plan Pre-Retirement Death Benefit under Article VIII;
- d. Notwithstanding the above, if the participant thereafter performs Covered Hours of Employment, the delay period under subsection a. above shall be reduced by six months for every year of Vesting Credit which the participant thereafter earns and, furthermore, he or she will be eligible again for Disability Retirement, and his or her beneficiary shall be eligible again for the Plan Pre-Retirement Death Benefit, if he or she thereafter earns 5 Years of Vesting Credit.

ARTICLE VI. FORM AND MANNER OF PAYMENT OF BENEFITS

1. Commencement of Benefits

a. Unless an Employee elects otherwise, benefits shall commence for an Employee no later than the 60th day of the Plan Year following the Plan Year in which the Employee qualifies for benefits under this Plan and applies therefor. However, an Employee shall be entitled to benefits on the first day of the month coinciding with, or next following, qualification and application for benefits. If benefits do not commence at that time, they shall be paid retroactively to that date.

b. For plan years through December 31, 1996, notwithstanding any other provision of this Plan, benefits shall commence for any Employee who has attained age 70½, and who is entitled to benefits under this Plan, no later than April 1 of the calendar year following the year in which the Employee attains age 70½. On or after January 1, 1997, this provision shall apply to an Employee only if the Employee has separated from service or is an owner of at least 5% of a contributing employer. All other Employees, i.e. those individuals still actively employed, shall have the option of commencing their benefit under Article V. Any benefits accrued by an Employee who has opted not to receive a pension after age 70½ shall be actuarially adjusted in accordance with Internal Revenue Code § 401(a)(9) and any applicable regulations.

2. Application Requirements

a. Except as required by law, no benefit payments will be made to a participant, beneficiary or alternate payee under the Plan until an application or claim is submitted to the Administration Office. All applications for benefits under this Plan and all elections and designations made by participants or beneficiaries under this Plan shall be made in writing to the Administration Office in the form and manner prescribed by the Trustees. Any misrepresentation by an applicant, which affects the eligibility for, or amount of, any benefit payments, shall constitute grounds for the denial, suspension or discontinuance of benefits, in whole or in part, for such applicant, or for the cancellation or recovery of benefit payments made in reliance thereon.

b. The Trustees shall have the right to require submission of all necessary information before any benefit is paid, including records of employment, proofs of date of birth, disability or death, and evidence of existence of marriage. If the payment of a benefit is dependent in any way upon such information, the benefit shall not be payable unless and until the information so required has been furnished. Upon receipt of such information, the Trustees shall determine the eligibility of the applicant for such benefit, and shall notify the applicant of their determination and the amount of any benefit payable.

3. Forms of Benefits

The following forms of benefits are available under this Plan, in accordance with the rules described in Section VI.4:

a. Single Life Annuity: monthly benefit payments for the lifetime of the Employee, but if the Employee dies prior to receiving 60 monthly payments, the payments shall continue to the designated beneficiary of the Employee until a total of 60 months of benefits have been paid to the Employee and beneficiary.

b. Qualified Joint and Survivor Annuity: actuarially reduced monthly benefit payments to the Employee for life, followed by monthly benefit payments to the spouse to whom the Employee was married at retirement, payable for life at 50% of the amount paid to the Employee, the whole of which is the actuarial equivalent of a Single Life Annuity for the life of the Employee alone.

c. Optional Joint and Survivor Annuity: actuarially reduced monthly benefit payments to the Employee for life, followed by monthly benefit payments to the spouse to whom the Employee was married at retirement, payable for life at 75% or 100% of the amount paid to the Employee, the whole of which is the actuarial equivalent of a Single Life Annuity for the life of the Employee alone.

d. Contingent Annuitant Benefits: actuarially reduced monthly benefit payments to the Employee for life, followed by monthly benefit payments to a beneficiary designated before retirement, other than the Employee's spouse at retirement, payable for life at 50%, 75% or 100% of the amount paid to the Employee, the whole of which is the actuarial equivalent of a Single Life Annuity for the life of the Employee alone.

e. Pop-Up Option: actuarially reduced monthly benefit payments to the Employee for life, followed by monthly benefit payments to the Employee's spouse for life, payable for life at 50% of the amount paid the Employee, with the proviso that if the spouse predeceases the participant, the benefits paid to the Employee shall revert to the Single Life Annuity. Payments under this option shall be reduced from the amount otherwise payable under the similar joint and survivor option, so that the whole of this benefit shall be the actuarial equivalent of the Single Life Annuity for the life of the Employee alone.

4. Conditions for Election of Form of Benefits

a. The normal form of benefit for a participant who is single at the time of retirement shall be a Single Life Annuity as described in Section VI.3.a. A single participant may, by written notice to the Administration Office on forms approved by the Trustees, elect a Contingent Annuitant Benefit, and name any person as beneficiary, provided the benefits paid to the beneficiary under that option would not be less than \$100 per month.

b. The normal form of benefit for a participant who is married at the time of retirement is the Qualified Joint and Survivor Annuity. A married participant may elect any other form of benefit, and designate any person to be beneficiary, provided that the benefits paid to the beneficiary under that option would not be less than \$100 per month, and provided that the participant's spouse has consented to the election and/or designation in accordance with the next subsection. However, if a participant is married less than a year at the time of retirement, the following additional paragraphs apply:

- (1) If the participant dies before the participant and spouse are married for twelve months, the benefit payable on behalf of the participant shall be the Single Life Annuity, with the 60-month guarantee to run from the participant's Annuity Commencement Date. The remaining months of the 60 months of guaranteed benefits to be payable to the surviving spouse, if any, or to the other persons named in Section VI.5.
- (2) If the marriage of the participant and spouse is dissolved before they are married for twelve months, the benefit payable to the participant shall be the Single Life Annuity, with the 60-month

guarantee period to run from the participant's Annuity Commencement Date. At the time of the dissolution, and any time thereafter, the participant may name any person to be the beneficiary for any months of the 60-month guarantee period remaining at his or her death, or if no new designation is made at that time, such benefits shall be paid to the persons named in Section VI.5.

c. The Administration Office shall, within a reasonable period of time prior to a married participant's Annuity Commencement Date, provide the participant and spouse with a full written explanation of the Qualified Joint and Survivor Annuity. A married participant may waive this form of benefit, elect any other option available under this Plan, and designate any person to receive any benefits payable under such option after the participant's death, by giving written notice of the waiver, election, and designation to the Administration Office on forms approved by the Trustees within the ninety-day period ending on the Annuity Commencement Date. However, no waiver, election or designation shall be effective unless finally consented to by the participant's spouse, in writing and witnessed by a Plan representative or Notary Public, expressing his or her understanding of the benefit, of the effect of a waiver, and of the right to consent or refuse to consent to the waiver. This requirement of a waiver by the spouse shall not be enforced if it is established to the satisfaction of the Trustees that the participant's spouse cannot be located. A participant or spouse may waive or reinstate this benefit any time until the Annuity Commencement Date, so long as a final waiver of this form of benefit is properly consented to by the spouse.

d. The Joint and Survivor Annuity shall apply to a participant only in the event that the participant was married at time of retirement. Except as expressly provided above in the rules applicable to participants married less than one year at retirement and the rules of the Pop-Up Option, the benefits payable under a joint and survivor annuity, or any other option with a survivor annuity, shall not be affected by the subsequent dissolution of the marriage of the parties, or of the death of the spouse or other beneficiary, or revoked or altered in any way after the participant has received and negotiated his or her first check.

5. Designation of Beneficiary

A single participant, or a married participant with the proper consent of his or her spouse, may name any person to receive any remaining payments under the 60 month guarantee of the Single Life Annuity, or to be a Contingent Annuitant Benefit. A single participant, or a married participant with the proper consent of his or her spouse, may also change the designation of the person to receive remaining payments under the 60 month guarantee of the Single Life Annuity at any time before the participant's death. However, the designation of a participant's spouse for any remaining payments under the Single Life Annuity shall be automatically

revoked by the dissolution of their marriage, unless preserved by a Qualified Domestic Relations Order or reinstated by the participant after the dissolution. If an Employee dies with any payments due under the Single Life Annuity, and there is no valid designation of beneficiary by the Employee on file at the Administration Office, then the remaining payments shall be made to the Employee's spouse at death, if any; or then to the Employee's children, if any are living; or then to the Employee's parents, if either is living; or then to the Employee's brother(s) and sister(s), if any are living; or then to the Employee's heirs.

6. Eligible Rollover Distributions

a. This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

b. Definitions.

- (1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:
 - (A) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary; or for a specified period of ten years or more;
 - (B) any distribution to the extent that such distribution is required under section 401 (a)(9) of the Internal Revenue Code; and
 - (C) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (2) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan

described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

- (3) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
- (4) Direct Rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

ARTICLE VII. AMOUNT OF BENEFITS

1. The amount of benefits described in this Article are the Normal Retirement Benefit, payable as the Single Life Annuity to a former Employee who retires under Normal Retirement. All other forms of benefit are subject to a reduction for Early Retirement, if applicable, or an actuarial reduction, based on the form of the benefit and the ages of the Employee and spouse or contingent beneficiary at the time of retirement.

2. The Normal Retirement Benefit for each Employee who retires after January 1, 1992, shall be equal to the sum of the following:

- a. the sum of all benefits which the Employee earned under a Prior Plan; and
- b. \$40 per month for each Year of Future Benefit Credit earned by the Employee between January 1, 1992 through December 31, 2002; and
- c. \$43 per month for each Year of Future Benefit Credit earned by the Employee after January 1, 2003.

3. Notwithstanding any other provision of this Plan, the annual retirement benefit or other benefit paid to a participant or beneficiary under the Plan shall not be less than the amount required under Internal Revenue Code § 401(a)(9), including the minimum incidental death benefit requirements of all regulations issued thereunder by the Internal Revenue Service, and shall not be more than the amount permitted

under Internal Revenue Code § 415, including all cost-of-living increases permitted thereunder.

4. a. Effective January 1, 1993, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1992 shall be increased by 20%.

b. Effective January 1, 1993, the monthly benefit which is payable to all participants who retired before that date and who did not earn at least 0.1 Year of Credited Service in 1992, or which is payable to the beneficiaries of such participants, shall be increased by the greater of \$50 or 10%.

5. Effective for monthly payments made on or after August 1, 1996, all Benefit Credits earned before January 1, 1995, by Employees who earned at least 0.1 Year of Credited Service in 1994, and who were not retired as of December 31, 1994, shall be increased by 5%.

6. a. Effective for monthly payments made on or after January 1, 1996, the monthly benefits which are payable to all participants who retired before that date, or to the beneficiaries of such participants, shall be increased by 5%.

b. Effective for monthly payments made on or after January 1, 1996, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1995, and who were not retired as of December 31, 1995, shall be increased by 10%.

7. a. Effective for monthly payments made on or after January 1, 1997, the monthly benefits which are payable to all participants who retired before that date, or to the beneficiaries of such participants, shall be increased by 10%.

b. Effective for monthly payments made on or after January 1, 1997, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1996, and who were not retired as of December 31, 1996, shall be increased by 20%.

8. a. Effective for monthly payments made on or after December 31, 1997, the monthly benefits which are payable to all participants who retired before that date, or to the beneficiaries of such participants, shall be increased by 5%.

b. Effective for monthly payments made on or after December 31, 1997, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1997, and who were not retired as of December 31, 1997, shall be increased by 10%.

9. a. Effective for monthly payments made on or after December 31, 1998, the monthly benefits which are payable to all participants who retired before that date, or to the beneficiaries of such participants, shall be increased by 5%.

b. Effective for monthly payments made on or after December 31, 1998, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1998, and who were not retired as of December 31, 1998, shall be increased by 10%.

10. Effective for monthly payments made on or after January 1, 2000, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 1999, shall be increased by 4%.

11. Effective for monthly payments made on or after December 31, 2000, all Benefit Credits earned before that date by Employees who earned at least 0.1 Year of Credited Service in 2000, and who were not retired as of December 31, 2000, shall be increased by 5.5%.

12. In addition to the amounts provided herein, the Board of Trustees may, from time to time, provide for the payment of additional benefits to retirees on a one-time basis, subject to any limitations in the collective bargaining agreement or Trust Agreement, but otherwise at their exclusive discretion, with the Minutes of such actions deemed a part of this Plan.

The increases contained in Sections 4-11 above which apply to the Normal Retirement Benefit of Employees not yet retired are summarized in the following table:

Effective Date	Benefit Credits Subject to Increase	Qualifying Employees	Amount of Increase
1/1/1993	All Benefit Credits earned before 1/1/1993	Employees who earned 0.1 Year of Credited Service in 1992	20%
8/1/1996	All Benefit Credits earned before 1/1/1995	Employees who earned 0.1 Year of Credited Service in 1994 and were not retired on 12/31/1994	5%
1/1/1996	All Benefit Credits earned before 1/1/1996	Employees who earned 0.1 Year of Credited Service in 1995 and were not retired on 12/31/1995	10%

1/1/1997	All Benefit Credits earned before 1/1/1997	Employees who earned 0.1 Year of Credited Service in 1996 and were not retired on 12/31/1996	20%
12/31/1997	All Benefit Credits earned before 12/31/1997	Employees who earned 0.1 Year of Credited Service in 1997 and were not retired on 12/31/1997	10%
12/31/1998	All Benefit Credits earned before 12/31/1998	Employees who earned 0.1 Year of Credited Service in 1998 and were not retired on 12/31/1998	10%
1/1/2000	All Benefit Credits earned before 1/1/2000	Employees who earned 0.1 Year of Credited Service in 1999	4%
12/31/2000	All Benefit Credits earned before 12/31/2000	Employees who earned 0.1 Year of Credited Service in 2000 and were not retired on 12/31/2000	5.5%

The increases contained in Sections 4-11 above which apply to the monthly benefit payable to retired participants, or to the beneficiaries of such participants, are summarized in the following table:

Effective Date	Qualifying Retired Employees	Amount of Increase
1/1/1993	Employees retired before 1/1/1993 who did not earn 0.1 Year of Credited Service in 1992	greater of \$50 or 10%
1/1/1996	Employees retired before 1/1/1996	5%
1/1/1997	Employees retired before 1/1/1997	10%
12/31/1997	Employees retired before 12/31/1997	5%
12/31/1998	Employees retired before 12/31/1998	5%

ARTICLE VIII. PRE-RETIREMENT DEATH BENEFITS

1. Qualified Pre-Retirement Survivor Annuity

a. In the event of the death prior to retirement of an Employee who has a vested interest in the Plan, and who is married for at least one year at the time of death, the 50% Survivor Annuity provided in Section VI.3.b shall be payable in favor of the Employee's spouse. Benefits shall be computed as of the date of the Employee's death. Benefits shall commence, upon application of the Employee's spouse after the Employee would have attained age 55, but in no event after the Employee, if living, would have attained age 70½. If benefits commence under this subsection before the Employee would have attained his or her Normal Retirement Age, the amount of benefits shall be reduced under the rules applicable to Early Retirements.

b. A surviving spouse may, at his or her option, elect the Plan Pre-Retirement Death Benefit instead of the Qualified Pre-Retirement Survivor Annuity.

2. Plan Pre-Retirement Death Benefit

a. In the event of the death of a vested Employee for whom the Qualified Pre-Retirement Survivor Annuity shall not be paid, the Plan shall pay 60 months of benefits to the Employee's surviving spouse, if any, or to the child(ren) of the Employee. This benefit shall commence upon application of the beneficiary(s), at any time after the Employee's death. The amount of the monthly benefit is the same amount that the Employee would have received at Normal Retirement Age as a Single Life Annuity.

b. In the event of the death on or after January 1, 1998 of a non-vested Employee who earned at least 0.1 Year of Credited Service in either the Plan Year of his or her death or the prior Plan Year, the Plan shall pay a lump sum benefit of \$1,000 per year of Vesting Credit, up to a maximum of \$5,000. This benefit shall be payable to the surviving spouse, if any, or to the children of the Employee, upon application of the beneficiary(s).

ARTICLE IX. SUSPENSION OF BENEFITS

1. After Normal Retirement Age

a. The benefits of any Employee on retirement after attainment of age sixty-two (62) shall be suspended during any month in which he or she was employed for forty hours or more in Industry Service in the Tile Industry anywhere in the State of California, whether as an employee or in a managerial, supervisory, proprietary or any other capacity for a participating or non-participating employer

or as a self-employed person unless the Employee began receiving benefits after age 70½ under the provisions of the Plan and is continuing to work for an Individual Employer of this Plan, or except as provided in Sections IX.2.c. or d.

b. The Employee shall give notice in writing to the administration office prior to acceptance of such employment, of his or her intent to be so employed giving the name of the employer, the address of the job site and the probable length of employment. In the event of his or her failure to do so it shall be presumed that in any month in which it is found that he or she accepted such employment, he or she worked forty or more hours, and that if employed on a construction site, he or she was so employed for forty or more hours in each month his or her employer was performing that work at the construction site.

c. The Employee shall give notice to the Administration Office when he or she ceases such employment at which time the benefit payments shall be resumed as of the first day of the third calendar month following the month in which he or she was last so employed or following the month in which he or she gives the required notice, whichever is later.

2. Before Normal Retirement Age

a. Except as provided in Section IX.2.b. and d., the benefits of any Employee on retirement prior to attainment of age sixty-two (62) who accepts any employment in Industry Service in the Tile Industry, whether within or without the state of California, shall be suspended and shall not again be resumed until the Employee is again retired after attainment of age sixty-two (62). At that time, the benefits then payable to him or her shall be his or her full normal pension benefits or actuarial equivalent.

b. Effective June 7, 2004, benefits of Tile Layers accrued prior to the adoption of the Prior Plan known as the Northern California Tile Industry Pension Plan as revised December 31, 1983, will be subject to the prior rule in effect regarding suspension of benefits, and will only be suspendible in a month in which the retired employee works forty (40) hours or more in the Tile Industry anywhere in the state of California. Benefits which were accrued on December 31, 1983, and which were suspended under the rule in effect after December 31, 1983, will be paid retroactively to June 1, 2004, with applicable interest.

c. The provisions of this Section, with respect to loss of benefits or the loss of the right to retire before attainment of age sixty-two (62), shall not apply to any disability retiree who returns, or attempts to return, to active employment after recovery from disability as part of a rehabilitation program or due to a temporary recovery. Disability Benefits of any such retiree shall be suspended while he or she is so employed, but shall recommence upon application and proof of recurrent disability.

d. When the Business Manager of the Union has certified to the Board of Trustees that there is a shortage of qualified tile layers, tile finishers, or other allied trade generally in any classification covered by the Collective Bargaining Contracts of the Local Union, the provisions of Section IX.2.a hereof shall not apply to any retiree who is duly dispatched for employment through the employment office of the Local Union, provided the retiree returns to retirement status immediately upon notification by the Trustees that such shortage no longer exists. The retirement benefits of any such retiree accepting employment in accordance herewith shall be suspended as of the first day of the month following the month in which he is so employed and shall be resumed upon termination of employment and notification of the Administration Office.

e. For purposes of these suspension rules, employment as a teacher in an apprenticeship training program funded, either directly or indirectly, by an apprenticeship training trust fund affiliated with the Local Union, shall not be deemed employment in Industry Service, and benefits shall not be suspended for any retiree so employed.

3. General Suspension Rules

a. An Employee may, prior to acceptance of any employment, request a determination by the Administration Office as to whether any intended employment will result in suspension of his or her benefits as herein provided.

b. The Plan may at reasonable intervals request from any retired Employee reasonable information to verify that he or she is not employed, or if employed not on work of the sort described in Subsections 1 and 2 hereof, and may withhold benefit payments until he or she has complied. Such information may include W-2 forms and any other reasonable, pertinent information.

c. Any payments made by the Plan during such periods in which an Employee's benefits should have been suspended shall be deducted from further benefit payments, but not in excess of twenty-five percent (25%) of any one monthly payment. Upon resumption of payments, the Plan must include with the initial payment, any amounts held in abeyance during the cessation of employment and the resumption less any amounts subject to offset.

d. In the event of a dispute as to the application of any of the provisions of this section, an Employee may, within thirty (30) days of notification of any ruling by the administration office or the Board of Trustees, appeal from the same in accordance with the provisions of Article X hereof, including without limitation the right to rebut any presumptions arising under this Section.

ARTICLE X. APPEALS

1. No Employee, beneficiary, or alternate payee named in a domestic relations order, or any other person shall have any right or claim to benefits under this Plan or the Prior Plans except as specified in the rules of this Plan. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount, duration of benefits, or claim to any payment from this Plan. The procedures specified in this Article shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Plan Administrator or any other Plan fiduciary. The provisions of this section shall apply to and include any claim to benefits from this Plan or the Prior Plans, regardless of when the act or omission occurred upon which the claim is based.

2. Any person whose claim for benefits is wholly or partially denied, shall be notified in writing by the Administrator. The notice shall tell the claimant the reason for the denial and the section of the Trust or Plan on which the denial is based. If applicable, the notice shall request any additional information needed together with an explanation as to why the additional information is necessary. The notice will also explain the right to appeal the denial of the claim.

3. The claimant may then file an appeal in writing. This appeal shall be filed with the Plan Administrator not more than 60 days after the claimant has received written notice of the denial of his or her claim. Failure to file an appeal within 60 days will be a complete waiver of the claimant's right to appeal, and the initial decision of the Administration Office or Trustees will be final and binding. Such a failure shall not, however, preclude the claimant from establishing eligibility for benefits at a later date based on additional information and evidence which was not available to the claimant at the time of the initial decision.

4. The written appeal shall state in clear words, each reason why the claimant feels that the denial was in error. Documents supporting the appeal should be sent at the same time. The claimant may examine any documents in possession of the Trust or Trustees which are pertinent and relevant to the appeal.

5. After receipt of a timely filed appeal, the Administrator shall place the matter on the agenda of the next meeting of the Board of Trustees, or if sufficient time is not allowed thereby, the next meeting thereafter, and shall notify the grievant of the time and place of the meeting. The grievant may appear either in person and/or by his or her representative and may submit written material or oral testimony in support of his or her grievance.

6. After receipt of the appeal, and after the hearing, if any, the Trustees or its committee shall decide the matter as soon as possible but in no event more than 120 days from receipt of the appeal.

7. The decision of the Board of Trustees or its committee shall be in writing, and shall state the specific reasons for the decision with specific references to the Trust or Plan on which the decision is based. The decision of the Board of Trustees shall be final and binding on all parties, including the grievant and any person claiming under the grievant.

8. Claims and appeals for Disability Benefits filed on or after January 1, 2002 shall be governed by the "Special Claims and Appeals Procedures for Disability Benefits," set out in Article XII, Section 7.

ARTICLE XI. RECIPROCITY AND PAYMENT OF PRO RATA RETIREMENT BENEFITS

1. The Trustees may, in their sole discretion, enter into, maintain, or terminate reciprocity agreements for eligibility purposes with the Trustees or similar governing body of other retirement trusts covering workers in the Tile Industry. Each such reciprocity agreement shall be individually and specifically approved by the Trustees upon such facts after such investigation and upon such terms and conditions as they shall determine to be desirable and actuarially acceptable. Each such trust so approved shall be known as a Related Plan.

2. For participants who are active on or after the effective date of this Plan in accordance with rules established by the Trustees, Pro Rata retirement benefits shall be provided under this Fund, upon completion and filing of an application addressed to the Trustees upon a form provided by the Administration Office, to employees, upon their Retirement Effective Date, who would not otherwise qualify for retirement benefits when their years of employment without a break in service have been divided between the jurisdiction of this Fund and the jurisdiction of one or more other pension funds approved by the Trustees and known as a Related Plan.

3. To receive credit for all combined Credited Benefit Service earned or accrued under two (2) or more Related Plans, the employee must meet the requirements of the Fund having the most stringent rules using the combined years of service of the Related Plans without a break in service.

4. The amount of Pro Rata benefit payable from this Fund to an Employee qualifying under this Article shall be determined under the formula set out in Article VII, except that:

- a. No Pro Rata benefit shall be payable for any credited Benefit Service earned under any other Plan.
- b. No Pro Rata benefit shall be payable unless the employee has earned two (2) or more years of Credited Benefit Service under this Plan.
- c. Each Related Plan shall pay its benefits, if any, based solely on credits earned under that Plan.
- d. Entitlement to Pro Rata retirement benefits may be lost, and regained as provided in Section III.2 and Article IX hereof.

5. The Trustees may also, in their sole discretion, enter into, maintain or terminate reciprocity agreements under the Western States Brick and Tile Pension Reciprocity Agreement whereby whenever an eligible employee works in the jurisdiction of a participating trust which is other than this Trust and contributions are made on his behalf to such participating trust, such contributions shall be transferred, upon the written request of such employee to this Trust, and such employee shall receive credited benefit service by this Trust for the transferred contributions.

ARTICLE XII. MISCELLANEOUS RULES

1. Cash-Out of Benefits

a. Whenever an Employee has terminated participation in the Plan, the Trustees may order distribution of his or her entire non-forfeitable benefit in the Plan with or without his or her consent, if not in excess of \$1,000 in actuarial equivalent value. Similarly, a qualified Joint and Survivor benefit or pre-retirement annuity may be distributed with or without the consent of the Employee and/or spouse, if \$1,000 or less in value.

b. If the Plan Pre-Retirement Death Benefit is payable to two or more eligible beneficiaries and the present value of each beneficiary's share is less than \$1,000, the Trustees may order distribution of the present value of each beneficiary's share of the Plan Pre-Retirement Death Benefit in a lump sum, with or without the consent of the beneficiaries.

c. The present value of an Employee's or beneficiary's benefit under this Section 1 shall be calculated using the applicable interest rate under Internal Revenue Code § 417(e)(3)(A)(ii)(II) and the applicable mortality table shall be the table prescribed by Secretary of the Treasury under Code § 417(e)(3)(A)(ii)(I) of the Code.

2. Qualified Domestic Relations Orders

a. The benefits provided by this Plan are subject to any qualified domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under the Plan. It includes any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony or marital property rights to a spouse, child or other dependent of a participant and is made pursuant to a State Domestic Relations Law (including a community property law).

b. In the event that the Plan should be served with an order, it shall promptly notify the participant and any other alternative payee of the order and of the Plan Administrator's procedures for determining the qualified or unqualified status of the order.

3. Assignment of Benefits

Benefits under this Plan may not be assigned or alienated except as provided under a Qualified Domestic Relations Order.

4. Correction of Erroneous or Fraudulent Reports

The eligibility record of any person, improperly made eligible by erroneous or fraudulent reporting by an employer of fictitious hours not worked, or hours worked but not required to be reported under the Collective Bargaining Agreement, shall be corrected retroactively to reflect the facts. The Trustees shall deny to any person and his or her beneficiaries any present or prospective benefits for which that person is not eligible on the basis of the facts, and the Trustees may recover from any person the cost of any benefits already provided erroneously.

5. Rights of Participants

Nothing herein contained shall be deemed to give any participant the right to be retained in the service of an employer or to interfere with the right of an employer to discharge such participant at any time, nor shall it be deemed to give an employer the right to require the participant to remain in its service, nor shall it interfere with the participant's right to terminate his service at any time.

6. Effect of Incompetence of a Participant or Beneficiary

In the event of the legally determined incompetency of any person otherwise entitled to benefits under this Plan, the Trustees shall have discretion to pay any benefits due such incompetent to the legal guardian, husband, wife, parent or child, as in their discretion seems just, equitable and proper.

7. Special Claims and Appeals Procedures for Disability Benefits.

These special claims and appeals procedures shall apply to all claims for Disability Benefits filed on or after January 1, 2002.

(a) Filing a Claim for Disability Benefits

1. To file a claim for Disability Benefits, the participant must submit a completed application form, with proof of disability, to the Administration Office. Along with the claim form, the claimant may submit written comments, documents, records or other information relating to his or her claim. The Plan will provide access to and/or copies of all documents, records and other information relevant to the claim, upon request and free of charge. An authorized representative may act on behalf of the claimant in filing a claim for Disability Benefits under this Plan.

(b) Notification Rules If The Claim For Benefits is Denied

1. Time Limits and Requests for Additional Information. If a claim for Disability Benefits is denied, the Plan will notify the claimant as soon as reasonably possible, but no later than 45 days after the Plan received the claim. That time period may be extended for up to two additional 30-day periods, but only due to matters beyond the Plan's control. If the Plan needs a 30-day extension, it will notify the claimant, within 45 days of receiving the claim, of the following:
 - (A) the reason for the delay,
 - (B) the expected date of decision,
 - (C) the basis on which the decision will be made,
 - (D) any unresolved issues preventing a decision now, and
 - (E) any additional information the Plan needs to make the decision.

The claimant will then have up to 45 days to provide the specified information. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.

2. Contents of Notice. The Plan will provide the claimant with written notice if his or her claim for Disability Benefits is denied. The notice will include the following information:
 - (A) a statement of the specific reason(s) for the denial;

- (B) reference to the specific Plan provision(s) on which the denial was based;
- (C) if the Plan's decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
- (D) a description of any additional information or documents that the claimant will need to submit if he or she wants the claim to be reconsidered, and an explanation of why that information is necessary;
- (E) a description of the Plan's appeal procedures. These will be found in a document separate from the Notice, and must be followed in appealing the denial of benefits; and
- (F) a statement of the claimant's right to bring a civil action under ERISA § 502(a), if the appeal is unsuccessful.

(c) Appeal Procedures

1. If a claim for Disability Benefits has been denied, the claimant may appeal the denial to the Board of Trustees. Appeals must be in writing, and state in detail the matter or matters involved. To submit an appeal, the claimant must send a letter with any documents and information that he or she wants the Board to consider, to:

Northern California Tile Industry Pension Trust Fund
c/o Allied Administrators, Inc.
P.O. Box 2500
San Francisco, CA 94126

Claimants must submit their appeals within 180 days of receiving a denial of benefits. If a claimant does not submit an appeal within 180 days of receiving a denial, he or she will be deemed to have waived any objection to the denial. Failure to submit an appeal within 180 days shall not, however, preclude the claimant from establishing eligibility for benefits at a later date based on additional information and evidence which was not available to the claimant at the time of the initial decision.

2. After receipt of a timely filed appeal, the Administrator shall place the matter on the agenda of a meeting of the Board of Trustees, and shall notify the claimant of the time and place of the meeting. The claimant may appear in person and/or by his

or her representative and may submit written material or oral testimony in support of his or her appeal.

3. The Board of Trustees has full discretionary authority to decide upon Plan benefits, to interpret the Plan language conclusively and to make a final determination of the rights of any participant, beneficiary, assignee, or other person with respect to Plan benefits.
4. Standard for Review. In deciding the appeal, the Board of Trustees will take into account everything that the claimant submitted, even material that was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial determination. Neither a person who made the initial determination nor such a person's subordinate will take part in the decision on appeal.
5. In deciding an appeal that is based in whole or in part on a medical judgment, the Board of Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Upon request, the Board of Trustees will identify to the claimant any medical or vocational experts whose advice was obtained by the Plan in connection with the decision, whether or not the advice was relied upon in making the decision. The health care professional consulted on appeal will not be an individual who was consulted in connection with the initial benefit denial, or such a person's subordinate.

(d) Notification of the Board's Decision on Appeal

1. Time Limits. The Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal.
2. If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances and the date the determination will be made, before the extension begins.

3. The Plan will notify the claimant of the decision as soon as possible, but no later than 5 days after the decision is made. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.
4. Contents of Notice. The Plan will send the claimant written notice of the Board of Trustees' decision on appeal. If the appeal has been denied, the notice will include the following information:
 - (A) the specific reason(s) for the denial;
 - (B) reference to the specific Plan provision(s) on which the denial is based;
 - (C) if the decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
 - (D) a statement that the claimant may view and receive copies of documents, records or other information relevant to the claim, upon request and free of charge; and
 - (E) a description of any further appeal procedures, and the claimant's right to receive information about the procedures, and the claimant's right to bring a civil action under ERISA § 502(a).
5. The procedures specified in this section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Administration Office or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount or duration of benefits, or claim to any payment from this Trust. The decision of the Board of Trustees on any matter within its discretion shall be final and binding on all parties.

ARTICLE XIII. AMENDMENT AND TERMINATION OF THE PLAN

1. Amendment of the Plan

a. It is intended that this Pension Plan shall constitute a qualified Pension Plan meeting the requirements of the applicable provisions of the United States Internal Revenue Code and federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder, and thereby insure that employer contributions will be deductible as an item of expense by the employer for income tax purposes.

b. Subject to the terms and conditions of this Plan, the Trust Agreement and any applicable laws or regulations, the Trustees may at any time or times amend or modify the Plan, retroactively or otherwise, in any respect consistent with the intent of the Plan, and shall amend the Plan as necessary as to conform with the applicable requirements of the Labor-Management Relations Act of 1947, as amended, the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended, and any other applicable law, federal, state or local.

c. In the event payment is required to be made under a Collective Bargaining Agreement into this Fund with respect to classifications of employees other than those now covered, or with respect to a new group of employees performing work of the type already covered under a Collective Bargaining Agreement, the provisions of this Plan shall, if necessary, be amended as they apply to such newly covered employees so as to make the Plan actuarially acceptable as to all Covered Employees.

d. Notwithstanding the foregoing, no amendment shall contravene, amend or add to the terms of any collective bargaining agreement then in effect between any employer and any union, or change the obligations of the parties in such collective bargaining agreements; nor shall any amendment permit any part of the assets of the Fund to be used for, or diverted to, purposes other than for the exclusive benefit of participants or retired participants or their beneficiaries, or to revert to any employer or union; nor shall such amendment or amendments, except to the extent required to permit the Plan to meet the applicable legal, funding or actuarial requirements, reduce the accrued benefits of the participants, retired participants, or their beneficiaries.

2. Pension on Termination, Merger or Consolidation of the Plan

a. In the event of a termination or partial termination of this Plan, the benefits of the employees and beneficiaries of the Plan shall be nonforfeitable to the extent funded, and the Fund as then constituted shall be operated in accordance with Section 4041A of ERISA.

b. Subject only to the extent determined by the Pension Benefit Guaranty Corporation, the following shall apply: In the case of any merger or consolidation of this Plan with any other plan, or transfer in whole or in part of the assets and liabilities of the Trust Fund to any other Trust Fund, after September 2, 1974, each participant shall (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit he would be entitled to receive immediately before such merger, consolidation or transfer as if this Plan had terminated.

SURVIVOR ANNUITY OPTION FACTORS
(Applies to Joint and Survivor and Contingent Annuitant Benefits)

Beneficiary's Age In Relation To Retiree's Age	50% Joint Option	50% Pop-Up Option	75% Joint Option	100% Joint Option
Each additional year older	+ .005	+ .005	+ .007	+ .008
+ 10 years	.930	.910	.899	.869
+ 9 years	.925	.905	.892	.860
+ 8 years	.920	.900	.885	.852
+ 7 years	.915	.895	.878	.843
+ 6 years	.910	.890	.871	.835
+ 5 years	.905	.885	.864	.826
+ 4 years	.900	.880	.857	.818
+ 3 years	.895	.875	.850	.810
+ 2 years	.890	.870	.844	.802
+ 1 year	.885	.865	.837	.794
Same age	.880	.860	.830	.786
- 1 year	.875	.855	.824	.778
- 2 years	.870	.850	.817	.770
- 3 years	.865	.845	.810	.762
- 4 years	.860	.840	.804	.754
- 5 years	.855	.835	.797	.747
- 6 years	.850	.830	.791	.739
- 7 years	.845	.825	.784	.732
- 8 years	.840	.820	.778	.724
- 9 years	.835	.815	.771	.717
- 10 years	.830	.810	.765	.709
Each additional year younger	- .005	- .005	- .007	- .008

**NORTHERN CALIFORNIA TILE INDUSTRY
DEFINED CONTRIBUTION PLAN
(As Revised June 1, 2006)**

DEFINED CONTRIBUTION PLAN - FORMAL PLAN TEXT

ARTICLE I. EFFECTIVE DATE

Section 1. This Defined Contribution Plan shall be effective March 1, 1981. This restated Plan shall be effective June 1, 2006.

Section 2. The Plan Year shall be from January 1 to December 31.

Section 3. Except as otherwise specifically provided herein, words that are defined in the Trust Agreement shall have the meaning given therein.

ARTICLE II. CONTRIBUTIONS

Section 1. The Plan shall consist entirely of contributions required to be made by Employers in accordance with any Collective Bargaining Agreement with Bricklayers and Allied Crafts Local Union No. 3, I. U. of B.A.C., and its successors (hereinafter the Union), together with any interest earnings or other increments realized thereon.

Section 2. No Employee contributions are required or are permitted.

Section 3. The entire cost of administering the Plan shall be paid out of the assets of the Plan.

Section 4. (a) This Plan shall provide benefits for Employees who are employed under a Collective Bargaining Agreement which provides for employer contributions to be made to this Plan. An Employee who is employed under a Collective Bargaining Agreement shall not have contributions made on his or her behalf, or accrue benefits under the Plan, unless the Collective Bargaining Agreement specifically provides for contributions to this Plan on his or her behalf. The Plan shall also provide benefits to Employees of the Union or affiliated organization approved by the Board of Trustees, for whom the Union or other organization has agreed to make contributions to this Plan, pursuant to a subscription agreement satisfactory to the Board of Trustees.

(b) Notwithstanding subsection (a), the term Employee includes a shareholder-employee of an incorporated contributing employer only if the shareholder-employee satisfies all of the following conditions:

- (1) the shareholder-employee performs some bargaining unit work;
- (2) the shareholder-employee and the spouse of the shareholder-employee each own less than 50% of the total stock of the contributing employer;
- (3) the contributing employer has at least one shareholder who is not participating in the pension plan and performs some management work;
- (4) if the shareholder-employee's spouse is also a shareholder, and their combined shares equal or exceed 50% of total share ownership, the shareholder-employee has submitted a written statement signed by both spouses that the shares are held as separate property, and not as community property; and
- (5) the shareholder-employee has not actually been excluded from the statutory definition of employee in a proceeding of the National Labor Relations Board.

Section 5. Contributions made by an Employer for Employees not subject to a Collective Bargaining Agreement shall not be accepted if the contributions discriminate in favor of highly compensated employees, within the meaning of the Internal Revenue Code and the Regulations issued thereunder.

ARTICLE III. ACCOUNTING

Section 1. No Employee or beneficiary shall have any rights or interest in any specific assets in the Plan except as expressly set forth in this Plan. The Trustees shall establish separate accounting records for each Employee, which shall hereinafter be referred to as the Employees' accounts.

Section 2. (a) The income, profits, losses, and expenses of the Plan shall be credited or debited, as the case may be, to the Employees' accounts at such time or times as shall be deemed by the Trustees to be necessary or appropriate. Each date as of which the Employees' accounts are evaluated and adjusted shall be deemed a valuation date for purposes of this Plan. This Plan shall be evaluated, and the Employees' accounts adjusted, at least annually, as of the end of the Plan's fiscal year. In evaluating securities held for the Plan, the Trustees shall use the fair market value on the valuation date. All adjustments pursuant to this Section shall be made in a uniform and non-discriminatory manner.

(b) The method for valuation of the Employees' accounts shall be as follows. An unadjusted balance for each Employee shall be determined by adding the previous adjusted balance and the contributions made on the Employee's behalf during the period of the valuation, and subtracting: i) any deductions from

the Employee's account through the last day of the period of the valuation, and ii) a charge for Plan expenses. The charge for Plan expenses shall be \$25 per year (or proportion thereof for mid-year valuations). An earnings (or loss) factor shall be determined by dividing the net value of the Plan's assets as of the valuation date (including all income, gains, losses, and expenses in excess of the sum of the expense charges) by the prior net value. Each Employee's adjusted balance shall be the product of the unadjusted balance times the earnings or loss factor.

(c) In addition to the amounts provided above, an Employee who performs qualifying military service under the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. § 4301, et seq.), and meets the other requirements of that act for additional benefits under the Plan, shall be credited with an amount equal to the contributions which would have been made on the Employee's behalf during that military service. Such benefits shall not be the liability of any Employer, but shall be charged as an administrative expense of the Plan as a whole.

Section 3. All Employees' accounts shall be 100% vested. Any Employee who was a non-vested participant in the BAC Local No. 29 Defined Contribution Pension Plan on March 31, 2004, and who had not incurred a permanent break in service on or before March 31, 2004 under the terms of the BAC Local No. 29 Defined Contribution Pension Plan, shall be 100% vested as of April 1, 2004.

Section 4. (a) The total annual additions made to each Employee's Account for any Plan Year shall not exceed the lesser of \$40,000 or 100% of the Employee's compensation, or such other amount as set forth under Internal Revenue Code section 415.

(b) Compensation means wages and salary within the meaning of IRC section 3401(a) which are paid to, or made available to, an Employee during the Plan Year by a participating employer, up to \$200,000, or such other amount as set forth under Internal Revenue Code section 401(a)(17). For limitation years beginning after December 31, 1997, for purposes of applying the limitations of IRC section 415, compensation paid or made available during such limitation year shall include any elective deferral (as defined in IRC section 402(g)(3)) and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of IRC sections 125, 132(f)(4) or 457.

(c) If the annual additions to any Employee's account exceed the amount provided in subsection (a) above, the excess amounts shall be used to reduce employer contributions for the next Plan Year (and succeeding years if necessary) if the Employee is a participant at the end of that Plan Year, or if the Employee is not a participant at that time, then held in a suspense account for that Plan Year and allocated to the remaining participants in the next Plan Year.

ARTICLE IV. DISTRIBUTION OF BENEFITS

Section 1. Distributions on Retirement: Employees shall be entitled to distribution of their individual accounts at the following times:

(a) upon retirement under the Northern California Tile Industry Defined Benefit Plan, whether eligible for Early Retirement Benefits, Normal Retirement Benefits, or Disability Benefits;

(b) if the Employee is disabled for the foreseeable future from performing any further employment of the type covered under a Collective Bargaining Agreement, then upon the submission of medical evidence, satisfactory to the Board of Trustees, of his or her disability, and the completion of a twelve-month period of not performing such employment; or

(c) the latest of the date the Employee attains age 65, the tenth anniversary of the Employee's first participation in this Plan, and the Employee's termination of employment in the Tile Industry, as defined in the Defined Benefit Plan.

Section 2. Other Distribution Dates:

(a) (i) An Employee shall be entitled, upon application, to distribution of any amount in his or her account in the event that, for a period of three Plan Years, he or she has not been employed in work of a type covered under the collective bargaining agreements of BAC Local 3 for which contributions are, or have been, made to this Plan. Such distribution shall be made on April 1 of the calendar year following the period of three Plan Years in which no contributions were made.

(ii) Effective April 1, 1993, the following rule shall apply to Employees who were already Plan participants before that date, and who had no payments made to this Plan for covered employment as a Tile Finisher on or after that date: If the Employee would have been eligible for a distribution under subsection (a)(i) of this Section 2 except that payments were made to this Plan for less than 100 hours of covered employment as a Tile Layer in the three years preceding the application for distribution, then the payments for hours of employment as a Tile Layer shall be disregarded in determining eligibility for a distribution under Section 2(a)(i).

(b) An Employee shall be entitled, upon application, to distribution of any amount in his or her account on April 1 of the calendar year following the year in which the Employee attains age 70½, regardless of whether or not the Employee actually retires.

(c) If an Employee had an active account in the BAC Local 12 Defined Contribution Plan on December 31, 1997, he or she shall be entitled, upon application, to distribution of his or her account balance in that Plan as in effect on that date plus a reasonable estimate of earnings thereon, upon the Employee's separation from service. For purpose of this provision, an Employee shall be deemed to have separated from service if he or she has ceased to be employed in Industry Service, as defined in the Northern California Tile Industry Defined Benefit Plan, he or she is not registered for employment at BAC Local 3, and he or she has presented evidence satisfactory to the Board of Trustees that the failure to be so employed is not due to seasonal work variations.

(d) The Trustees may distribute the account of any Employee, without application, if the Employee is eligible for a distribution and the full value of the Employee's account is less than, and has never exceeded, \$1,000.

(e) If an Employee had a non-forfeited account in the BAC Local No. 29 Defined Contribution Pension Plan on March 31, 2004, he or she shall be entitled, upon application, to distribution of his or her account balance in that plan as in effect on that date, plus investment earnings through the last preceding valuation date, upon attainment of age 62 and separation from service, or at such other time as he or she would be eligible for a distribution under the terms of this Plan.

Section 3. Suspension of Benefits: If a retired Employee returns to employment in Industry Service (as defined in the Northern California Tile Industry Defined Benefit Plan) in any capacity within the State of California, and the Employee had elected installment payments as his or her form of benefit, those payments shall be suspended, as provided in the Defined Benefit Plan.

Section 4. Pre-Retirement Death Benefits: If an Employee dies before retirement, the Employee's account shall be payable to the Employee's Eligible Spouse unless the Employee and Eligible Spouse have previously designated another person or persons in accordance with Section 2 of Article V. If there is no Eligible Spouse at the time of the Employee's death, the Employee's benefits shall be paid to the beneficiary designated in accordance with Section 2 of Article V.

Section 5. Mandatory Distribution of Accounts: An Employee who is eligible for a distribution may elect to retain his or her interest in the general assets of the Plan, in which event his or her account shall continue to share allocation of the net appreciation or depreciation and net income or loss, as provided in Article III. Proceeds of the account shall be distributed to the Employee or beneficiary upon application thereafter in accordance with the provisions of this Article. However, notwithstanding anything herein to the contrary, benefits shall commence to be distributed to any Employee who is separated from service or a 5% or more owner of a contributing Employer, or to any beneficiary, not later than the April 1 of the calendar year following the year in which the Employee attains (or would have

attained) age 70½, whether or not a request for distribution has been made in such year, and shall be made in amounts no less than those required under Internal Revenue Code § 401(a)(9) and the Regulations promulgated thereunder.

Section 6. Forfeiture of Accounts: In the event that an Employee, upon becoming eligible for distribution of his or her account as provided above, should fail to make application therefore, the Trustees may, at their exclusive discretion, notify him or her in writing at his or her last known address advising him or her of the right to a distribution. Any account which remains unclaimed for five (5) years after such notification or attempted notification, and any account of less than \$500 which remains unclaimed for two (2) years after such notification or attempted notification, shall be forfeited to the Plan and applied to the expenses of administration of the Plan. In the event an Employee's rights to benefits are forfeited, and thereafter said Employee makes a written request for his or her account, it shall be disbursed to him or her.

ARTICLE V. METHOD OF DISTRIBUTION

Section 1. (a) (i) Except as provided in subsection (iv) below, payment of benefits upon retirement to an Employee who does not have an Eligible Spouse shall be made by the purchase of an immediate life annuity, unless the Employee elects payment in the form of a lump sum or equal monthly installments over a period of not more than the lesser of the life expectancy of the Employee or 15 years.

(ii) Except as provided in subsection (iv) below, payment of benefits upon retirement to an Employee who has an Eligible Spouse shall be made by the purchase of an immediate 50% contingent annuity, where the Eligible Spouse is named as the contingent annuitant, unless the Employee and Eligible Spouse elect payment in the following forms:

- 1) a lump sum;
- 2) equal monthly installments over a period of not more than the lesser of 15 years or the life expectancies of the Employee and the designated beneficiary;
- 3) a single life annuity for the life of the Employee; or
- 4) an immediate 50% contingent annuity, with a person other than the Eligible Spouse as the contingent annuitant.

(iii) The Employee and Eligible Spouse may make or revoke such an election on forms provided by the Trust Fund Office within the 90 days prior to

the payment of benefits under Article IV, Section 1. The Employee and Eligible Spouse shall be supplied with written information concerning the effect of electing another form of benefit in lieu of the 50% contingent annuity, and of their rights to waive or to revoke a waiver of the 50% contingent annuity, and to consent or not to consent to such waiver. No benefits shall be paid in the form of a lump sum, equal monthly installments, or a single life annuity, to an Employee with an Eligible Spouse, and no person other than the Eligible Spouse may be designated as beneficiary, unless the Eligible Spouse has consented in writing to the election of that form of benefit, and to the election of another person to be beneficiary, if applicable, acknowledging the effect of such election and/or designation; and unless the Eligible Spouse's signature is witnessed by a notary public or a plan representative.

(iv) At his or her initial distribution date, an Employee may elect to receive a partial lump sum, installment benefits, or both. Any time thereafter, but no more often than monthly, the Employee may elect to receive a total lump sum distribution or a partial lump sum distribution, or to increase or decrease his installment benefit amount within the limitations of Section 1(a)(2)(ii). Any election of a partial lump sum payment which is not immediately followed by installment payments shall be deemed to include an election of installment payments which complies with Section 5 of Article IV. Any election of both a lump sum distribution and installments, of an additional lump sum distribution, or of a change in installments is subject to payment of an administrative fee in such amounts as are determined by the Board of Trustees. Until further action of the Board of Trustees, there shall be no charge to any member to make one election in a Plan Year either to receive one lump sum or to change installment benefit amount, and a \$50 charge for each additional election in a Plan Year to receive a lump sum or to change installment benefit amount.

(b) If an Employee dies after retirement, and the Employee had an Eligible Spouse at retirement, and together they had properly elected monthly installments, the Eligible Spouse, if surviving the Employee, may elect to receive the remaining installments, or to receive a lump sum payment or an immediate life annuity. If there is no surviving Eligible Spouse, the remaining benefits shall be paid in the form of a lump sum benefit to the beneficiary designated in accordance with Section 2 of this Article.

(c) Payment of pre-retirement death benefits to an Eligible Spouse shall be in the form of a lump sum payment to the Employee's Eligible Spouse, payable immediately, unless the Eligible Spouse elects installments over the lesser of his or her life expectancy or 15 years, under the same conditions applicable to Employees under subsection (a)(iv) of this Section. Payment of pre-retirement death benefits to any other beneficiary(ies) shall be made only in the form of a lump sum.

(d) Any payment made in the form of an immediate annuity shall be made by purchase of a single-premium non-transferable annuity contract from a licensed life insurance company.

(e) (i) In addition to the forms of benefit provided above, if an Employee had an active account in the BAC Local 12 Defined Contribution Plan on December 31, 1997, then with respect to his or her account balance in that Plan on that date, he or she may elect to receive benefits in any of the forms of benefit provided in that Plan on that date, subject to his or her Eligible Spouse's consent rights.

(ii) Notwithstanding subsection (i), if, after January 1, 1998, the law is changed so that this Plan is no longer required to allow the election of all forms of benefits provided under the BAC Local 12 Defined Contribution Plan, then the forms of benefit provided under that plan shall be available only to the extent required by such new law. This subsection (ii) shall be effective for any new applicable law on the first day that any such law takes effect for this Plan.

(f) If any person will be receiving a total lump sum distribution, that distribution shall consist of the Employee's previous adjusted balance, plus any contributions made to date, less any distributions. No income, gains, losses or expenses shall be credited or debited to the Employee's account unless the person elects to defer receipt of the distribution until the end of the Plan Year. If a person so elects, he or she shall receive the distribution described above shortly after the end of the Plan Year, and the income or gains, less losses and expenses, shortly after the annual audit of the Plan is completed.

Section 2. Designation of a beneficiary or beneficiaries under the Plan shall be governed by the following rules:

(a) Each Employee or Former Employee may from time to time designate any person or persons as his or her beneficiary to whom his or her Plan benefits would be paid if he or she were to die before receipt of all such benefits. However, such designation shall not apply to payment of pre-retirement death benefits of a married Employee, which shall be payable only to the Employee's Eligible Spouse, unless the Eligible Spouse has consented to such designation in a manner consistent with Section 1 (a) (iii) of this Article. Each beneficiary designation shall be on a form prescribed by the Board of Trustees, and shall be effective only when filed with the Plan Office during the Employee's lifetime.

(b) Notwithstanding any other provision of this Plan:

(i) A married Employee may elect a form of benefit other than the 50% contingent annuity for the benefit of the Employee's Eligible Spouse, and/or designate a beneficiary other than his or her Eligible Spouse without spousal

consent only if it is established to the satisfaction of the Board of Trustees that spousal consent cannot be obtained because there is no Eligible Spouse, because the Eligible Spouse cannot be located, or because of such other circumstances as may be prescribed in regulations issued by the Secretary of the Treasury; and

(ii) The designation of any person other than a spouse is deemed revoked if the Employee becomes married thereafter, and shall not be become effective again if that marriage is dissolved; and

(iii) Any designation of a spouse as beneficiary shall be deemed revoked if the marriage of the Employee and spouse is dissolved, unless such designation is preserved in a Qualified Domestic Relations Order, or reinstated by the Employee after the dissolution.

(c) If any Employee or former Employee has no beneficiary designated in the manner provided above, or if the designated beneficiary dies before complete distribution of the Employee's benefits, such Employee's benefits shall be paid in accordance with the following order of priority:

- (i) to the Employee's Eligible Spouse, or
- (ii) to the Employee's children, in equal parts, or
- (iii) to the Employee's father and/or mother, if either living, or
- (iv) to the Employee's sisters and/or brothers, if living, or
- (v) to the Employee's estate.

Section 3. For the purpose of this Article, Eligible Spouse means the spouse to whom the Employee was legally married on the date benefit payments under the Plan commenced, or in the case of death before retirement, the spouse to whom the Employee was legally married on the date of his or her death. Eligible Spouse also means a former spouse who is designated a surviving spouse in a qualified domestic relations order ("QDRO"), to the extent provided in the QDRO.

Section 4. (a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(i) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary; or for a specified period of ten years or more;

2) any distribution to the extent that such distribution is required under section 401(a)(9) of the Internal Revenue Code; and

3) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(ii) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct Rollover: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

ARTICLE VI. QUALIFIED DOMESTIC RELATIONS ORDERS

Section 1. The benefits provided by this Plan are subject to any qualified domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under the Plan. It includes any judgment, decree or order (including approval of a property settlement

agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, child or other dependent of a participant and is made pursuant to a State Domestic Relations Law (including a community property law).

Section 2. In the event that the Plan should be served with a domestic relations order, it shall promptly notify the participant and any other alternate payee of the order and of the Plan Administrator's procedures for determining the qualified or unqualified status of the order.

Section 3. The Plan may make a lump sum distribution to an alternate payee who is a former spouse, prior to the participant's earliest distribution date, of the benefits awarded to the former spouse in a Qualified Domestic Relations Order, provided the Order has been served on the Plan, together with a notice of entry of judgment of dissolution of the marriage.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Section 1. No merger of the Plan, or transfer of its assets, shall be permitted which would result in any Employee receiving a benefit immediately after the merger or transfer which would be less than the benefit to which he or she would have been entitled if the Plan had terminated immediately prior thereto.

Section 2. (a) To the extent required by law, none of the benefits, payments, proceeds, or distributions under this Plan shall be subject to the claim of any creditor of an Employee or of any beneficiary hereunder or to any legal process by any creditor of any Employee, or of a beneficiary; and no Employee or beneficiary shall have any right to alienate, commute, anticipate, or assign any of the benefits, payments, proceeds, or distributions under this Plan except to the extent otherwise provided by a qualified domestic relations order.

Section 3. All assets of the Plan, including investment income, shall be retained for the exclusive benefit of participants, retirees, and beneficiaries and shall be used to pay benefits to such persons or to pay administrative expenses of the Plan and shall not revert to or inure to the benefit of any Employer.

Section 4. No participant, beneficiary, or other person shall have any right or claim to benefits under this Plan other than as specified in the Plan. Any dispute as to eligibility, type, amount or duration of benefits, or any right or claim to payments from the Fund, shall be resolved by the Trustees under and pursuant to the Plan and the Trust Agreement. If any person is aggrieved by an adverse action of the Administration Office or other agent of the Board of Trustees concerning any provision of the Plan, he or she must appeal the decision to the Trustees in writing within 60 days of notification of the adverse action, or his or her objections will be

deemed waived. The Board of Trustees shall have full discretionary authority to decide all matters concerning the Plan, and its decision on any dispute, right or claim arising under the Plan shall be final and binding on all parties.

Claims and appeals involving distribution of benefits based on disability, filed on or after January 1, 2002, shall be governed by the special claims and appeals procedures set forth in Section 5, below.

Section 5. Special Claims and Appeals Procedures for Distribution of Benefits Based on Disability.

These special claims and appeals procedures shall apply to all claims for distribution of benefits based on disability filed on or after January 1, 2002.

(a) Filing a Claim for Distribution of Benefits Based on Disability

1. To file a claim for distribution of benefits based on disability, the participant must submit a completed application form, with proof of disability, to the Administration Office. Along with the claim form, the claimant may submit written comments, documents, records or other information relating to his or her claim. The Plan will provide access to and/or copies of all documents, records and other information relevant to the claim, upon request and free of charge. An authorized representative may act on behalf of the claimant in filing a claim for distribution of benefits based on disability under this Plan.

(b) Notification Rules If The Claim For Benefits is Denied

1. Time Limits and Requests for Additional Information. If a claim for distribution of benefits based on disability is denied, the Plan will notify the claimant as soon as reasonably possible, but no later than 45 days after the Plan received the claim. That time period may be extended for up to two additional 30-day periods, but only due to matters beyond the Plan's control. If the Plan needs a 30-day extension, it will notify the claimant, within 45 days of receiving the claim, of the following:
 - (A) the reason for the delay,
 - (B) the expected date of decision,
 - (C) the basis on which the decision will be made,
 - (D) any unresolved issues preventing a decision now, and
 - (E) any additional information the Plan needs to make the decision.

The claimant will then have up to 45 days to provide the specified information. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.

2. Contents of Notice. The Plan will provide the claimant with written notice if his or her claim for distribution of benefits based on disability is denied. The notice will include the following information:
 - (A) a statement of the specific reason(s) for the denial;
 - (B) reference to the specific Plan provision(s) on which the denial was based;
 - (C) if the Plan's decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
 - (D) a description of any additional information or documents that the claimant will need to submit if he or she wants the claim to be reconsidered, and an explanation of why that information is necessary;
 - (E) a description of the Plan's appeal procedures. These will be found in a document separate from the Notice, and must be followed in appealing the denial of benefits; and
 - (F) a statement of the claimant's right to bring a civil action under ERISA § 502(a), if the appeal is unsuccessful.

(c) Appeal Procedures

1. If a claim for distribution of benefits based on disability has been denied, the claimant may appeal the denial to the Board of Trustees. Appeals must be in writing, and state in detail the matter or matters involved. To submit an appeal, the claimant must send a letter with any documents and information that he or she wants the Board to consider, to:

Northern California Tile Industry Pension Trust Fund
c/o Allied Administrators, Inc.
P.O. Box 2500
San Francisco, CA 94126

Claimants must submit their appeals within 180 days of receiving a denial of benefits. If a claimant does not submit an appeal within 180 days of receiving a denial, he or she will be deemed

to have waived any objection to the denial. Failure to submit an appeal within 180 days shall not, however, preclude the claimant from establishing eligibility for benefits at a later date based on additional information and evidence which was not available to the claimant at the time of the initial decision.

2. The Board of Trustees has full discretionary authority to decide upon Plan benefits, to interpret the Plan language conclusively and to make a final determination of the rights of any participant, beneficiary, assignee, or other person with respect to Plan benefits.
3. Standard for Review. In deciding the appeal, the Board of Trustees will take into account everything that the claimant submitted, even material that was submitted or considered in the initial benefit determination. The Board of Trustees will not give deference to the initial determination. Neither a person who made the initial determination nor such a person's subordinate will take part in the decision on appeal.
4. In deciding an appeal that is based in whole or in part on a medical judgment, the Board of Trustees will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Upon request, the Board of Trustees will identify to the claimant any medical or vocational experts whose advice was obtained by the Plan in connection with the decision, whether or not the advice was relied upon in making the decision. The health care professional consulted on appeal will not be an individual who was consulted in connection with the initial benefit denial, or such a person's subordinate.

(d) Notification of the Board's Decision on Appeal

1. Time Limits. The Board of Trustees will render a decision on appeal at the meeting immediately following the filing of the appeal, unless the appeal is filed within 30 days of the meeting, in which case the decision may be made at the second meeting following the appeal.
2. If special circumstances require further extension, the decision will be made no later than the third meeting following the filing of the appeal. In such cases, the Plan will notify the claimant in writing of the extension, describing the special circumstances

and the date the determination will be made, before the extension begins.

3. The Plan will notify the claimant of the decision as soon as possible, but no later than 5 days after the decision is made. The Plan's response period will be extended by any additional time it takes for the claimant to provide the requested information.
4. Contents of Notice. The Plan will send the claimant written notice of the Board of Trustees' decision on appeal. If the appeal has been denied, the notice will include the following information:
 - (A) the specific reason(s) for the denial;
 - (B) reference to the specific Plan provision(s) on which the denial is based;
 - (C) if the decision relied upon an internal Plan rule, guideline, protocol or similar criterion, either the specific rule, or a statement that the specific rule was relied upon and that a copy of such rule will be provided free of charge upon request;
 - (D) a statement that the claimant may view and receive copies of documents, records or other information relevant to the claim, upon request and free of charge; and
 - (E) a description of any further appeal procedures, and the claimant's right to receive information about the procedures, and the claimant's right to bring a civil action under ERISA § 502(a).

(e) The procedures specified in this section shall be the sole and exclusive procedures available to any such individual who is dissatisfied with an eligibility determination or benefit award, or who is adversely affected by any action of the Trustees, the Administration Office or any other Plan fiduciary. The Board of Trustees shall have full discretionary authority to interpret Plan language and to decide all claims or disputes regarding right, type, amount or duration of benefits, or claim to any payment from this Trust. The decision of the Board of Trustees on any matter within its discretion shall be final and binding on all parties.

SUPPLEMENTARY AND ADMINISTRATIVE INFORMATION ABOUT THE PLANS

The Defined Benefit Plan is known as Northern California Tile Industry Defined Benefit Plan. It was formerly known as BAC Local 19 Defined Benefit Plan, and is the successor in interest in full to the prior Northern California Tile Industry Pension Plan and the BAC Local 19 Tile Finishers Pension Plan, and in part to the Terrazzo Finishers-Precast Industry Pension Plan. The Plan is a defined benefit plan, which is covered by the plan termination insurance provisions of the Employee Retirement Income Security Act of 1974. The Plan provides Normal Retirement, Early Retirement, Disability Retirement, and spouses' pension benefits, and certain contingent death benefits.

The Defined Contribution Plan is known as the Northern California Tile Industry Defined Contribution Plan, and is supplementary to the Defined Benefit Plan. It is the continuation of the BAC Local 19 Defined Contribution Plan and its prior plans, and the successor to the BAC Local 12 Defined Contribution Plan and the BAC Local 29 Defined Contribution Pension Plan. All account balances and assets of the predecessor plans have been transferred to this Plan. The Plan is a money purchase and profit-sharing plan.

Both Plans are sponsored and administered by the Board of Trustees of the Northern California Tile Industry Pension Trust Fund, pursuant to powers conferred upon the Board in the Northern California Tile Industry Pension Trust Fund Trust Agreement.

The federal Employer Identification Number of the Trust Fund is 94-6129121. The Defined Benefit Plan is Plan No. 001 and the Defined Contribution Plan is Plan No. 002. The Plan Year for both Plans is the calendar year.

The Board of Trustees consists of trustees representing employees and trustees representing employers. The names and addresses of the persons who currently constitute the Board of Trustees are as follows:

Employee Trustees

Mr. Jim Bresnahan
BAC Local No. 3
8400 Enterprise Way, #103
Oakland, CA 94621

Mr. Dorsey Hellums
BAC Local No. 3
8400 Enterprise Way, #103
Oakland, CA 94621

Mr. Tom Spear, Secretary
BAC Local No. 3
8400 Enterprise Way, #103
Oakland, CA 94621

Mr. S. Mark Wuelfing
BAC Local No. 3
8400 Enterprise Way, #103
Oakland, CA 94621

Employer Trustees

Richard N. Hill, Esq.
Littler, Mendelson, P.C.
650 California St., 20th Floor
San Francisco, CA 94108-2693

Mr. Richard Papapietro
De Anza Tile
951 Commercial Street
Palo Alto, CA 94303

Mr. Jerry D. Riggs
Superior Tile
Post Office Box 2106
Oakland, CA 94621-2024
(2300 Polvorosa Avenue,
San Leandro, CA 94577)

Mr. William W. Ward, III, Chairman
251 Lafayette Circle, #370
Lafayette, CA 94549

The Board of Trustees employ Allied Administrators as plan Contract Manager. Its name, address and telephone number are:

Allied Administrators, Inc.
P.O. Box 2500
San Francisco, CA 94126
(415) 986-6276

Correspondence to the Board of Trustees should be directed to Allied Administrators. The Pension Consultant is the David H. Walker Co.

The agent for service of process is the Fund Legal Counsel, whose address and telephone number is:

Raphael Shannon, Esq.
McCarthy, Johnson & Miller Law Corporation
595 Market Street, Suite 2200
San Francisco, CA 94105
Telephone: (415) 882-2992

Process may also be served on the Administration Office, Allied Administrators, Inc., 633 Battery Street, 2nd Floor, San Francisco, CA, 94111, or on any Trustee.

The Plans are maintained under Collective Bargaining Agreements between Bricklayers and Allied Crafts Local No. 3, I.U. of B.A.C., and the Tile Contractors Association of Northern California, as well as a number of individual employers not affiliated with any particular association. A Plan participant may examine these Collective Bargaining Agreements at the Administration Office or Local Union without charge. Copies of these Collective Bargaining Agreements may be obtained upon written request to the Administration Office or to the Local Union. The charge for copying will be furnished upon request so that you may determine the cost of an Agreement before ordering it. Upon written request, a participant may also receive a complete list of employers and employee organizations maintaining the Plans, or information as to whether a particular employer is a sponsor of the Plans, and if so, the employer's address. A participant may also request to examine certain Plan documents at the Administration Office or Local Union, or to request copies of the same, which may be subject to copying charges.

The Plans are funded entirely out of employer contributions, which are currently fixed by the Collective Bargaining Agreements at certain rates per hour for each hour worked by each of the employees of the participating Individual Employers. No employee contributions are required or permitted. The contributions rates are subject to negotiation by the parties and may change from time to time as they may agree. If the obligation of all participating employers to contribute to the Plans ceases permanently, the Plans shall be deemed terminated, and accrued benefits of all participants shall be non-forfeitable, to the extent funded. If this occurs, the Board of Trustees shall continue to administer the Plan in accordance with section 4041 A of ERISA. In no event shall any assets of the Plans revert to any employer.

Plan assets are held by an institutional co-trustee, Union Bank of California, under a written custodial agreement and are invested in diversified portfolios under the discretionary investment control of qualified investment managers as selected from time to time by the Board of Trustees.

GETTING ADDITIONAL INFORMATION

If you have any questions regarding the Plans, you should address them in writing to the Administration Office. Your questions will then be answered in writing by the Administration Office or Legal Counsel. Any other interpretations of Plan provisions and statements regarding your rights and obligations, and those of your beneficiaries, are not authorized and are not binding upon the Plans. If you disagree with an adverse determination by the Administration Office or Legal Counsel, you may appeal that determination to the Board of Trustees, as explained in the Summary Plan Descriptions and Formal Plan Texts. As a courtesy to participants and beneficiaries, the Administration Office also may respond informally to oral questions. However, oral information and answers are not binding

upon the Board of Trustees and cannot be relied on in any dispute concerning benefits.

Only the full Board of Trustees is authorized to interpret the Plans described in this booklet. No individual trustee, employer or union representative has authority to interpret the Plans on behalf of the Board. The Board has complete discretion to decide all questions about the Plans, including questions about eligibility for benefits and the amount of any benefit payable to any person, and its decisions on all matters within its discretion are final.

STATEMENT OF ERISA RIGHTS

As a participant in the Northern California Tile Industry Defined Benefit Plan and the Northern California Tile Industry Defined Contribution 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:

Receive Information About Your Plan and Benefits

(i) Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(ii) Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

(iii) 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.

(iv) Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 62) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$ 110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court; however, your right to sue may be limited by the court if you have failed to exhaust your plan appeal rights. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in 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 U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W.,

Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

BENEFIT GUARANTY

Defined Contribution Plan

Benefits under the Defined Contribution Plan are not insured by the Pension Benefit Guaranty Corporation because the Plan is an individual account plan.

Defined Benefit Plan

Your pension benefits under this multiemployer Defined Benefit Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.